2016 Annual Results

February 23rd, 2017
2016 Annual Results

Laurent Burelle, Chairman & CEO
Paul-Henry Lemarié, Director & COO
Jean-Michel Szczerba, Director & Co-CEO

Levallois, February 23rd, 2017
A great year

• Outperformance of the auto production: +8pts
• Record financial results
• The biggest acquisition
• Focus on core businesses
• A strong order intake
• An optimized footprint
An exciting future

• 2020 Economic sales: €9.5bn
• A robust self-financed investment program: €2.5bn for 2016-2020
• A technology-driven company preparing the future
A significant outperformance of the automotive production

**Auto production**

- 2015: 86.0 million of vehicles
- 2016: 90.1 million of vehicles

**Outperformance:**

+8 pts

**Plastic Omnium Auto sales***

+12.8%

* at constant perimeter & exchange rate

Source: IHS February 2017

* Economic sales
2016 Results: a record year

<table>
<thead>
<tr>
<th>Metric</th>
<th>Amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic sales</td>
<td>€6,936m</td>
<td>+16%</td>
</tr>
<tr>
<td>Consolidated sales</td>
<td>€5,857m</td>
<td>+17%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>9.5% of sales</td>
<td>+19%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>13.8% of sales</td>
<td>+17%</td>
</tr>
<tr>
<td>Net profit, group share</td>
<td>€312m</td>
<td>+21%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>€241m</td>
<td>+19%</td>
</tr>
<tr>
<td>Net debt</td>
<td>€800m</td>
<td>+€532m</td>
</tr>
</tbody>
</table>
July 2016: acquisition of €1.9bn in sales of Faurecia Auto Exterior business, for an enterprise value of €665m

- €0.7bn of sales to be disposed following the European Commission decision (2016 EBITDA proforma: €50m)
- €0.2bn of immediate portfolio cleaning
- €1.0bn of sales integrated by Plastic Omnium (2016 EBITDA proforma: €65m)

December 2016: binding offer received from Flex|N|Gate for the acquisition of the business to be disposed for a €200m of enterprise value (closing expected in 1st semester 2017)
Permanent portfolio focusing and non-strategic assets cleaning

Automotive Division

• **Truck business** (closing expected in 1st semester 2017)

Environment Division

• **Signature Limited** (UK subsidiary, specialized in highway signage) sold in August 2016

• A playground manufacturing plant in Montauban (France) sold in March 2016

• **Emballagen GmbH** (German subsidiary, specialized in the production of metal drums for the chemical industry) sold in September 2016

→ Total annual sales: €250m
→ Total enterprise value: €40m
Seizing the growth and optimizing the footprint

NORTH AMERICA
18 Plants
+2 acquisitions
-2 portfolio cleanings
-1 plant closure
+2 new plants

SOUTH AMERICA
6 Plants
+2 acquisitions
-1 plant closure (synergies)

EUROPE & AFRICA
65 Plants
+10 acquisitions
-1 plant closure
+1 new plant
-5 non strategic disposals

ASIA
39 Plants
of which
26 in China
+1 new plant

As of February 23, 2017

→ 128 plants in 31 countries
### Record number of car model launches

<table>
<thead>
<tr>
<th>Region</th>
<th>Launches</th>
</tr>
</thead>
<tbody>
<tr>
<td>North/South America</td>
<td>28</td>
</tr>
<tr>
<td>Europe</td>
<td>57</td>
</tr>
<tr>
<td>Asia</td>
<td>75</td>
</tr>
</tbody>
</table>

160 successful launches in 2016 with 33 in innovative products
Significant orders in 2016

- 490,000 SCR systems per year
- First contract with NextEv in China for electric cars (bumpers, fenders, tailgate & spoiler)
- Contract with Lucid for electric cars (bumpers, tailgate & body panels)
- Fuel systems for plug-in hybrid vehicles: orders for 8 models for 4 different carmakers
- Bumpers for the Mercedes Class S and the Audi A6
- Success of aerodynamic offer with a mobile spoiler order for Porsche
- Contracts with Chinese customers: BAIC, Brilliance, GAC, Geely, Haitec, JAC, Luxgen, NextEV, Qiantu Auto, SAIC
A global player working with 70 customers worldwide
Strengthening of family control and robust financial structure

Plastic Omnium capital structure

- Burelle SA: 57.01%
- Free Float: 39.22%
- Employees: 1.00%
- Treasury shares: 2.77%

Buy-back shares in 2016: €49m

Burelle SA reinforcement from 56.6% to 57.01% through share capital reduction

Liquidity as per 31/12/2016

- Undrawn confirmed lines of credit: €1.2bn
- Cash available: €0.3bn
- Total: €1.5bn
2016 Results
Another record year

**Economic Sales**

- 2015: €6.0bn
- 2016: €6.9bn

+15.9% at constant perimeter & exchange rate

**Consolidated Sales**

- 2015: €5.0bn
- 2016: €5.9bn

+16.9% at constant perimeter & exchange rate

**Operating Margin**

- 2015: €470m, 9.4%
- 2016: €558m, 9.5%

+18.7% (% of consolidated sales)

**Net Profit, Group Share**

- 2015: €258m, 5.2%
- 2016: €312m, 5.3%

+20.8% (% of consolidated sales)

+11.6% (in €bn)

(in €m and % of consolidated sales)
Another record year including the acquisition of Faurecia Auto Exterior for a €665m enterprise value.
## 2016 Sales by business

<table>
<thead>
<tr>
<th></th>
<th>In €m</th>
<th>2015</th>
<th>% sales</th>
<th>2016</th>
<th>% sales</th>
<th>Δin %</th>
<th>Δ at constant perimeter &amp; exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>5,596.7</td>
<td>94%</td>
<td>6,566.8</td>
<td>95%</td>
<td>+17.3%</td>
<td>+12.8%</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>385.8</td>
<td>6%</td>
<td>368.9</td>
<td>5%</td>
<td>-4.4%</td>
<td>+0.9%</td>
<td></td>
</tr>
<tr>
<td>Economic sales</td>
<td>5,982.5</td>
<td>100%</td>
<td>6,935.7</td>
<td>100%</td>
<td>+15.9%</td>
<td>+12.1%</td>
<td></td>
</tr>
<tr>
<td>Joint-ventures</td>
<td>972.6</td>
<td></td>
<td>1,078.5</td>
<td></td>
<td>+10.9%</td>
<td>+14.8%</td>
<td></td>
</tr>
<tr>
<td>Consolidated sales</td>
<td>5,009.9</td>
<td></td>
<td>5,857.3</td>
<td></td>
<td>+16.9%</td>
<td>+11.6%</td>
<td></td>
</tr>
</tbody>
</table>
## 2016 Performance per Region vs Auto Production

### North America

<table>
<thead>
<tr>
<th>Category</th>
<th>Auto Production</th>
<th>PO Sales *</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Production</td>
<td>+1.6%</td>
<td>+7.7%</td>
<td>+6.1pt</td>
</tr>
</tbody>
</table>

### Europe & Africa

<table>
<thead>
<tr>
<th>Category</th>
<th>Auto Production</th>
<th>PO Sales *</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Production</td>
<td>+3.8%</td>
<td>+10.9%</td>
<td>+7.1pt</td>
</tr>
</tbody>
</table>

### Asia (Excl. China)

<table>
<thead>
<tr>
<th>Category</th>
<th>Auto Production</th>
<th>PO Sales *</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Production</td>
<td>+0.2%</td>
<td>+14.6%</td>
<td>+14.4pt</td>
</tr>
</tbody>
</table>

### South America

<table>
<thead>
<tr>
<th>Category</th>
<th>Auto Production</th>
<th>PO Sales *</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Production</td>
<td>-10.9%</td>
<td>+38.3%</td>
<td>+49.2pt</td>
</tr>
</tbody>
</table>

### China

<table>
<thead>
<tr>
<th>Category</th>
<th>Auto Production</th>
<th>PO Sales *</th>
<th>Outperformance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Production</td>
<td>+14.3%</td>
<td>+30.8%</td>
<td>+16.5pt</td>
</tr>
</tbody>
</table>

*Plastic Omnium economic automotive sales at constant exchange rate and perimeter

Source: IHS February 2017
2016 Economic estimated proforma sales per region

- Asia (excluding China): 7.5%
- South America: 3%
- North America: 24%
- China: 8.5%
- Europe & Africa: 57%
2016 Auto economic estimated proforma sales by customer

16% French
- PSA: 10%
- Renault: 6%

18% Asian
- JLR-Tata: 6%
- HMC: 4%
- Nissan: 3%
- Toyota: 1%
- Volvo-Geely: 1%
- Suzuki-Maruti: 1%
- Others: 2%

3% Others

37% German
- VW: 12%
- BMW: 8%
- Audi: 6%
- Daimler: 5%
- Porsche: 2%
- Opel: 2%
- Skoda: 1%
- Seat: 1%

26% American
- GM: 12%
- Ford: 9%
- FCA: 5%

16% French
- PSA: 10%
- Renault: 6%

18% Asian
- JLR-Tata: 6%
- HMC: 4%
- Nissan: 3%
- Toyota: 1%
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- Opel: 2%
- Skoda: 1%
- Seat: 1%

26% American
- GM: 12%
- Ford: 9%
- FCA: 5%
### 2016 Profitability by division

<table>
<thead>
<tr>
<th></th>
<th>In €m</th>
<th>% sales</th>
<th>2015</th>
<th>% sales</th>
<th>2016</th>
<th>% sales</th>
<th>(\Delta) in %</th>
<th>(\Delta) at constant perimeter &amp; exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated sales</strong></td>
<td>5,009.9</td>
<td>100%</td>
<td>5,857.3</td>
<td>100%</td>
<td>+16.9%</td>
<td>+11.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td>4,624.1</td>
<td>92%</td>
<td>5,488.3</td>
<td>94%</td>
<td>+18.7%</td>
<td>+12.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>385.8</td>
<td>8%</td>
<td>368.9</td>
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<td>-4.4%</td>
<td>+0.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>691.1</td>
<td>13.8%</td>
<td>810.0</td>
<td>13.8%</td>
<td>+17.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td>653.0</td>
<td>14.1%</td>
<td>769.4</td>
<td>14.0%</td>
<td>+17.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>38.1</td>
<td>9.9%</td>
<td>40.6</td>
<td>11.0%</td>
<td>+6.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>469.7</td>
<td>9.4%</td>
<td>557.8</td>
<td>9.5%</td>
<td>+18.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td>446.7</td>
<td>9.7%</td>
<td>533.3</td>
<td>9.7%</td>
<td>+19.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>23.0</td>
<td>6.0%</td>
<td>24.4</td>
<td>6.6%</td>
<td>+6.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Focus on operating margin

Record operating margin of 10.1% reached in H1 2016

Integration of Faurecia Auto Exterior: dilutive impact on margins

(in €m and % of consolidated sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (€m)</th>
<th>Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>470</td>
<td>9.4%</td>
</tr>
<tr>
<td>H1 2016</td>
<td>267</td>
<td>10.1%</td>
</tr>
<tr>
<td>H2 2016</td>
<td>291</td>
<td>9.1%</td>
</tr>
<tr>
<td>2016</td>
<td>558</td>
<td>9.5%</td>
</tr>
<tr>
<td>Proforma 2016</td>
<td>582</td>
<td>9.0%</td>
</tr>
</tbody>
</table>
Focus on operating margin

Objective: turnaround the Faurecia Auto Exterior business (integrated as of August 1st, 2016)

WHAT HAS BEEN ALREADY ACHIEVED

- Merge of the 2 organizations completed
- Program portfolio cleaning
- 3 plant closures in the Americas:
  - 1 plant in Brazil (February 2017)
  - 2 plants in the USA (end of 2016)
- Headcount reduction: -600 people

WHAT WILL BE IMPLEMENTED

- Implementation of Plastic Omnium’s manufacturing system
- Continuous reduction of break-even point
- Manufacturing excellence step change (CNQ, absenteeism, Right first time, ppm...)
- Investment program of €200m confirmed in Europe over the next 4 years
- Develop commercial synergies
## 2016 Profit & Loss account

<table>
<thead>
<tr>
<th>In €m</th>
<th>2015</th>
<th>2016</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated sales</strong></td>
<td>5,009.9</td>
<td>5,857.3</td>
<td>+16.9%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>469.7</td>
<td>557.8</td>
<td>+18.7%</td>
</tr>
<tr>
<td>In % of sales</td>
<td>9.4%</td>
<td>9.5%</td>
<td></td>
</tr>
<tr>
<td>Non recurring expenses</td>
<td>-75.5</td>
<td>-85.3</td>
<td></td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-56.2</td>
<td>-67.9</td>
<td></td>
</tr>
<tr>
<td>In % of sales</td>
<td>-1.1%</td>
<td>-1.2%</td>
<td></td>
</tr>
<tr>
<td>Income Tax</td>
<td>-75.2</td>
<td>-86.3</td>
<td></td>
</tr>
<tr>
<td><strong>Net Result</strong></td>
<td>262.8</td>
<td>318.3</td>
<td>+21.1%</td>
</tr>
<tr>
<td>In % of sales</td>
<td>5.2%</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Net Result - Group Share</strong></td>
<td>258.4</td>
<td>312.1</td>
<td>+20.8%</td>
</tr>
</tbody>
</table>
### 2016 Cash Flow statement

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In €m</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>5,010</td>
<td>5,857</td>
</tr>
<tr>
<td>Net Debt (beginning of the period)</td>
<td>-390</td>
<td>-268</td>
</tr>
<tr>
<td>Net Operating Cash Flow</td>
<td>606</td>
<td>733</td>
</tr>
<tr>
<td>in % of sales</td>
<td>12.1%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Taxes &amp; Net Financial Interest paid</td>
<td>-115</td>
<td>-150</td>
</tr>
<tr>
<td>Capex and R&amp;D capitalized</td>
<td>-323</td>
<td>-402</td>
</tr>
<tr>
<td>in % of sales</td>
<td>6.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Change in WCR</td>
<td>+34</td>
<td>+60</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>+202</td>
<td>+241</td>
</tr>
<tr>
<td>M&amp;A impact</td>
<td></td>
<td>-670</td>
</tr>
<tr>
<td>Dividends</td>
<td>-57</td>
<td>-63</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-17</td>
<td>-37</td>
</tr>
<tr>
<td>Perimeter/Currency/Other</td>
<td>-6</td>
<td>-3</td>
</tr>
<tr>
<td>Net Debt (end of the period)</td>
<td>-268</td>
<td>-800</td>
</tr>
</tbody>
</table>
2016 Key financial metrics

**NET DEBT/EBITDA**
- 2015: 0.4
- 2016: 1.0

**ROCE**
- 2015: 29.9%
- 2016: 24.1%

**SHAREHOLDER’S EQUITY**
- (in m€)
  - 2015: 1,301
  - 2016: 1,516

**GEARING**
- 2015: 21%
- 2016: 53%
2016 Extra financial performance

Safety First

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.91</td>
</tr>
<tr>
<td>2016</td>
<td>2.97</td>
</tr>
</tbody>
</table>

Frequency rate = number of accidents with and without lost-time per 1 million hours worked

-24% decrease from 2015 to 2016

Responsible employer

- **4,143 recruitments in 2016**
- **25 hours of training by employee in the year**
- **Certified ISO 14001 sites: 108**
- **Certified OHSAS 18001 sites: 92**
2017-2020 Outlook
2017 auto production: +1.8% vs 2016

**WW Auto Production**

2016: **90.1** million of vehicles  
2017: **91.8** million of vehicles

**NORTH AMERICA**

-1.8%

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>16.7</td>
</tr>
<tr>
<td>2017</td>
<td>16.4</td>
</tr>
</tbody>
</table>

**EUROPE & AFRICA**

+1.5%

<table>
<thead>
<tr>
<th>Region</th>
<th>Value (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>23.3</td>
</tr>
<tr>
<td>2017</td>
<td>23.7</td>
</tr>
</tbody>
</table>

**ASIA (excl. CHINA)**

+2.7%

<table>
<thead>
<tr>
<th>Region</th>
<th>Value (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>21.5</td>
</tr>
<tr>
<td>2017</td>
<td>22.0</td>
</tr>
</tbody>
</table>

**SOUTH AMERICA**

+9.4%

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.6</td>
</tr>
<tr>
<td>2017</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**CHINA**

+3.0%

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>26.0</td>
</tr>
<tr>
<td>2017</td>
<td>26.8</td>
</tr>
</tbody>
</table>

Source: IHS February 2017
2016-2020 auto production: +9.3%

**WW Auto Production**

- **2016:** 90.1 million of vehicles
- **2020:** 98.5 million of vehicles

*Source: IHS February 2017*
Strong order intake to improve our visibility

Order book

- 2017: 100%
- 2018: 97%
- 2019: 90%
- 2020: 70%

- NON BOOKED NEW
- REPLACEMENT TO BOOK
- BOOKED

Growth driver
Gain in market shares

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bumpers</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Plastic Tailgates</td>
<td>40%</td>
<td>45%</td>
</tr>
<tr>
<td>Fuel systems</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>SCR systems</td>
<td>17%</td>
<td>26%</td>
</tr>
</tbody>
</table>
New capacities in growing markets

5 plants under construction

2017
- Mexico, San Luis Potosi
  Bumpers
- China, Chongqing
  Fuel systems
2018
- India, Hansalpur
  Fuel systems
- USA Tennessee
  Fuel systems
- USA Greer
  Bumpers

Japanese OEM

Growth driver
Ready for the future

Growth driver

PO-CELLTECH

fuel cell

light
intelligent
aerodynamic
2017: another year of growth & profitability

2017 Financial Outlook

- **Strong growth** thanks to the full-year integration of the new perimeter of activity and a recurring outperformance of the automotive production. The Group will continue to grow in all geographical areas.

- **Plastic Omnium** will pursue its profitable cash-generating growth strategy in 2017 and will see an increase in operating results and net result group share.
2020: aiming high in terms of growth

The Group will continue its self-financed €2.5bn investment program over the 2016-2020 period

* After disposals and portfolio cleaning (€400m)
Dividend

- Agenda
  - Shareholders’ meeting on April 27th, 2017 at 5pm (Pavillon Gabriel - Paris)
  - Payable on May 5th, 2017

Proposed dividend of €0.49 per share (+20%)

Payout: 24%
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.
2016 Annual Results

February 23rd, 2017