

# **GROUPE** RENAULT

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## **H1 2019** Financial Results

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Further information on Renault can be found on Renault's web site ([www.group.renault.com](http://www.group.renault.com)), in the section Finance/Regulated Information.

# Agenda

**01** **CEO's Comments**  
**Thierry Bolloré**  
Chief Executive Officer

**02** **H1 2019 Financial Results**  
**Clotilde Delbos**  
EVP, Group Chief Financial Officer

**03** **Questions & Answers**

# 01

## CEO's Comments

**Thierry Bolloré**

Chief Executive Officer

## H1 results in line with expectations

- Resilience in a worsening auto context
- AVTOVAZ and RCI performance in line with expectations
- Stricter pricing discipline
- Cost control (FAST, digitalization)
- R&D and capitalization ratio increase due to products offensive

## Risks

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- **Hard Brexit**
- **Impact of global trade tensions**
- **Regulatory framework unpredictability**

## Opportunities

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- **New products launches**
- **Pricing improvement**
- **Competitiveness action plans (FAST, Digital)**

# 2019 Outlook

## Europe



**stable**  
(w/o hard Brexit)

## Russia



**-2% to -3%**

## Brazil



**~ +8%**

## Global Automotive Market <sup>(1)</sup>

**~ -3%**

## Within this context, Groupe Renault now expects :

- **Revenues to be close to last year's**  
(at constant exchange rates and perimeter)

## and confirms:

- **Achieving Group operating margin around 6%**
- **Generating a positive Automotive operational free cash flow**

(1) The evolution of the global automotive market for all brands also called Total Industry Volume (TIV) indicates the annual variation in sales\* volumes of passenger cars and light commercial vehicles\*\* in the main countries including USA & Canada, provided by official authorities or statistical agencies in each country, and consolidated by Groupe Renault to constitute this world market (TIV).

\*Sales: registrations or deliveries or invoices according to the data available in each consolidated country.

\*\*Light commercial vehicles of less than 5.1 tons.

# 02

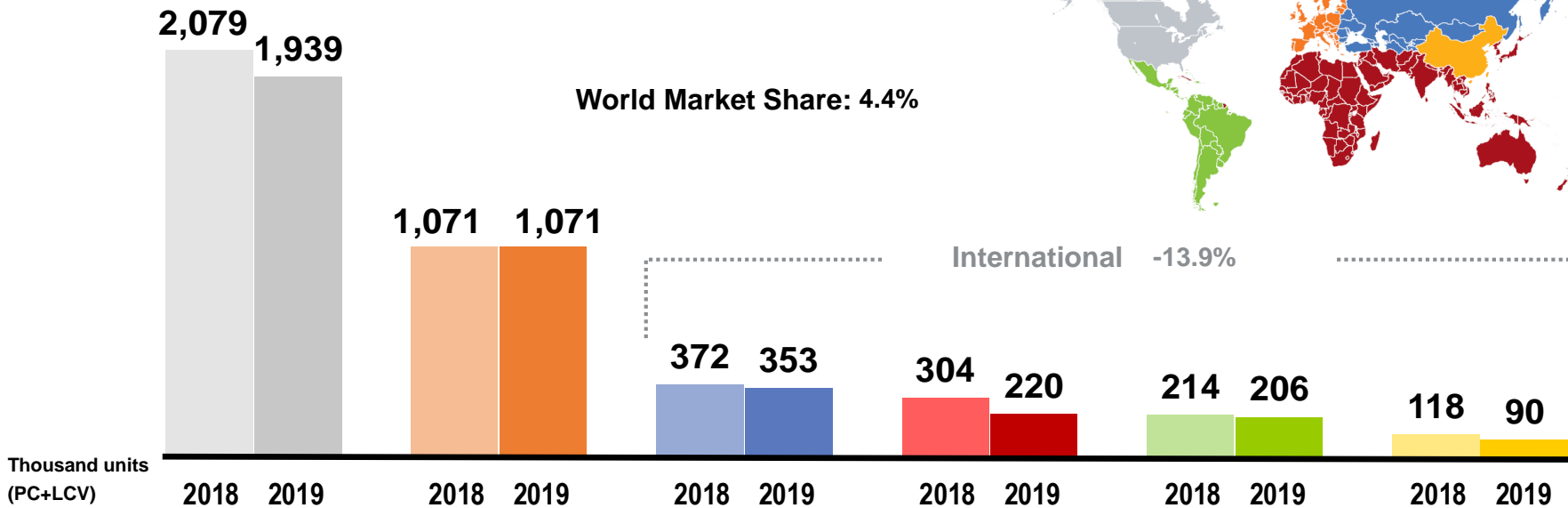
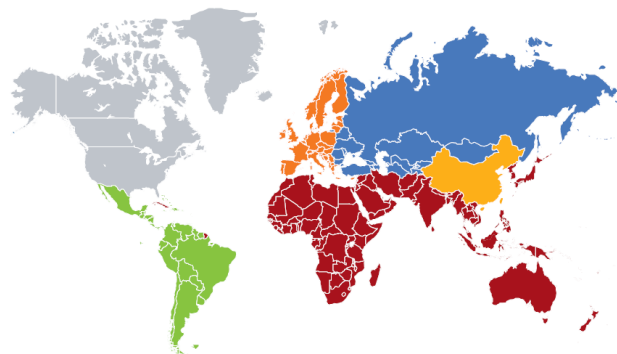
## H1 2019 Financial Results

**Clotilde Delbos**

EVP, Group Chief Financial Officer



# Groupe Renault's Sales H1 2019 vs H1 2018



Thousand units  
(PC+LCV)

Global

Europe

Eurasia

Africa-ME-India-Pacific

Americas

China

TIV\*

-7.1%

-2.5%

-10.4%

-8.4%

-6.5%

-12.6%

GROUP

-6.7%

-0.0%

-5.2%

-27.7%

-3.9%

-23.8%

\* PC+LCV including USA & Canada

# H1 2019 Financial Results

<i>In million euros</i>	H1 2018	H1 2019	Change
<b>Group Revenues</b>	<b>29,957</b>	<b>28,050</b>	<b>-6.4%</b>
<b>Operating profit</b>	<b>1,914</b>	<b>1,654</b>	<b>-260</b>
% of Group revenues	6.4%	5.9%	-0.5 pts
<b>Other operating income &amp; expenses</b>	<b>-180</b>	<b>-133</b>	<b>+47</b>
<b>EBIT</b>	<b>1,734</b>	<b>1,521</b>	<b>-213</b>
<b>Net financial income &amp; expenses</b>	<b>-121</b>	<b>-184</b>	<b>-63</b>
<b>Associated companies</b>	<b>814</b>	<b>-35</b>	<b>-849</b>
<b>Current &amp; deferred taxes</b>	<b>-387</b>	<b>-254</b>	<b>+133</b>
<b>Net income</b>	<b>2,040</b>	<b>1,048</b>	<b>-992</b>

# H1 2019 Group Revenues

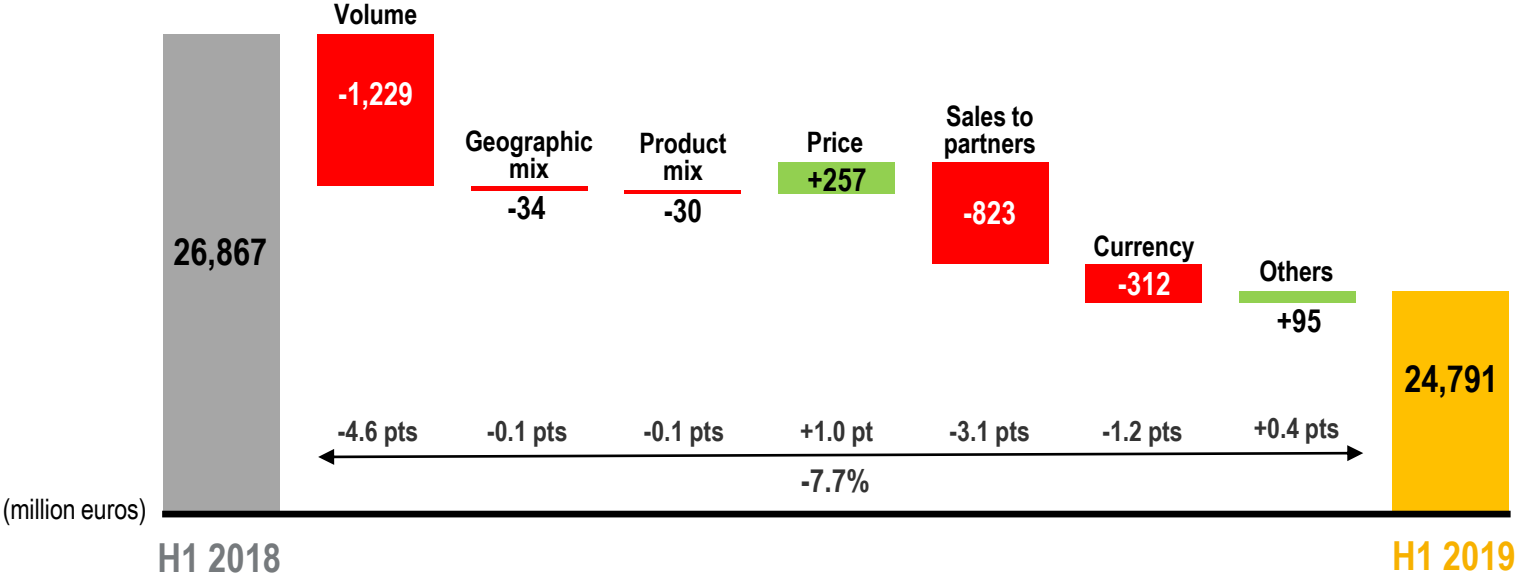
<i>In million euros</i>	H1 2018	H1 2019	Change
<b>Global unit sales (units)</b>	<b>2,078,675</b>	<b>1,938,579</b>	<b>-6.7%</b>
<b>Group revenues</b>	<b>29,957</b>	<b>28,050</b>	<b>-6.4%</b>
o/w Automotive excl. AVTOVAZ	26,867	24,791	-7.7%
o/w AVTOVAZ <sup>(1)</sup>	1,477	1,557	+5.4%
o/w Sales Financing	1,613	1,702	+5.5%

Q1	Q2
-6.3%	-8.8%

<sup>(1)</sup> AVTOVAZ net of eliminations

# Automotive Excluding AVTOVAZ Revenues Variance Analysis

Change H1 2019 vs H1 2018: -€2,076m

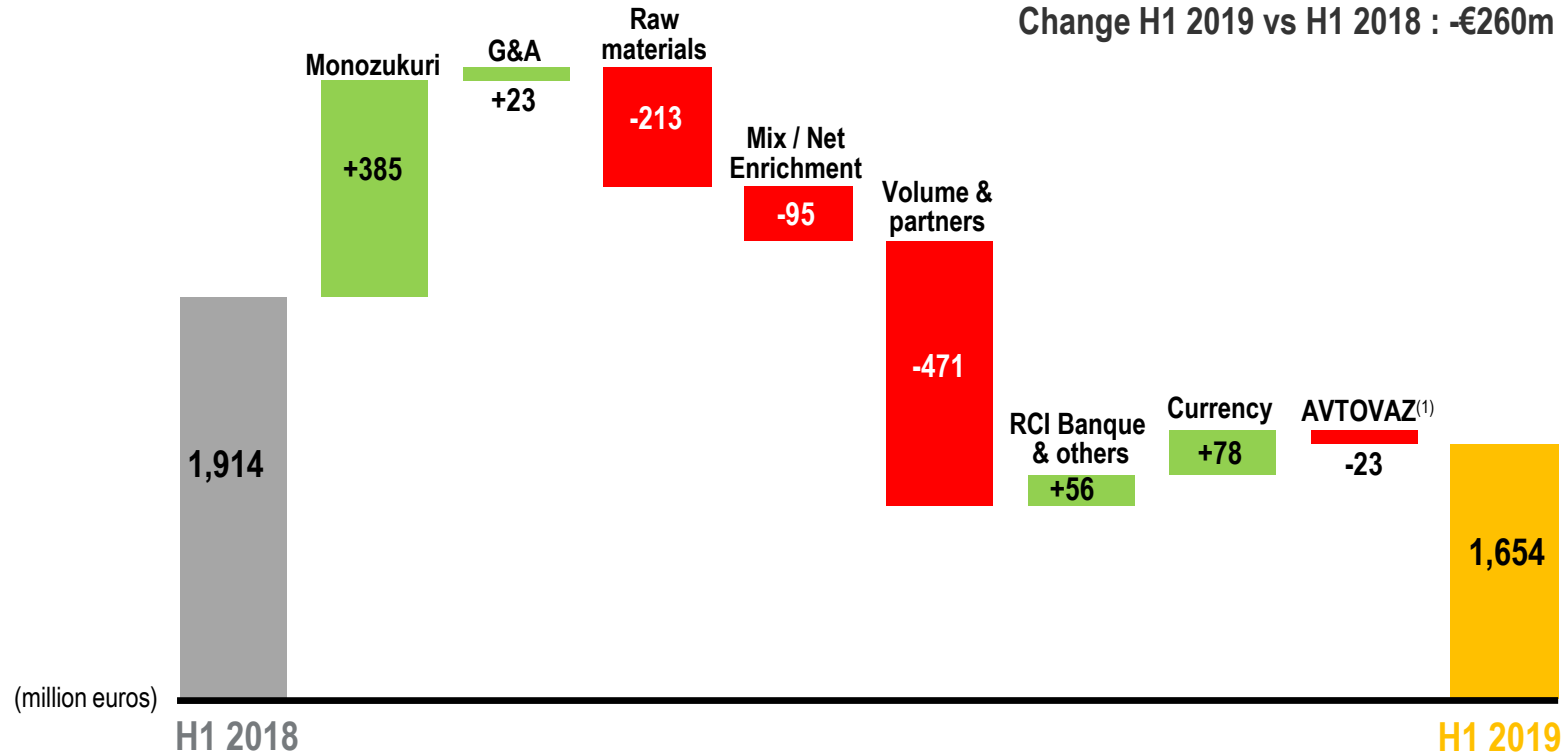


# H1 2019 Operating Profit by Activity

<i>In million euros</i>	H1 2018	H1 2019	Change
<b>Group operating profit</b>	<b>1,914</b>	<b>1,654</b>	<b>-260</b>
% of Group revenues	6.4%	5.9%	-0.5 pts
o/w <b>Automotive</b> excl. AVTOVAZ	<b>1,215</b>	<b>981</b>	<b>-234</b>
% of segment revenues	4.5%	4.0%	-0.5 pts
o/w <b>AVTOVAZ</b> <sup>(1)</sup>	<b>105</b>	<b>82</b>	<b>-23</b>
o/w <b>Sales Financing</b>	<b>594</b>	<b>591</b>	<b>-3</b>

<sup>(1)</sup> AVTOVAZ net of eliminations

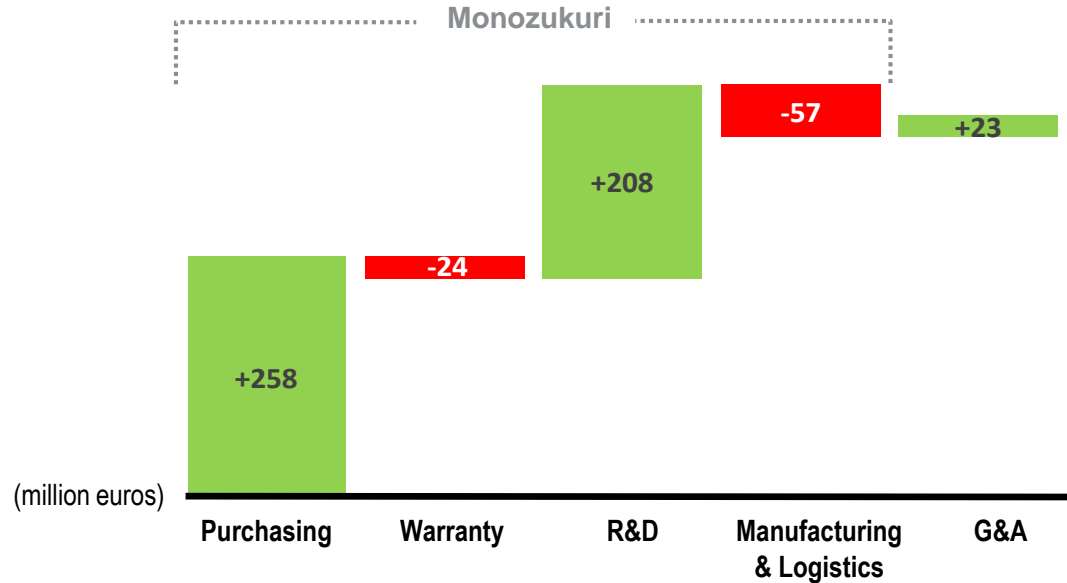
# Group Operating Profit Variance Analysis



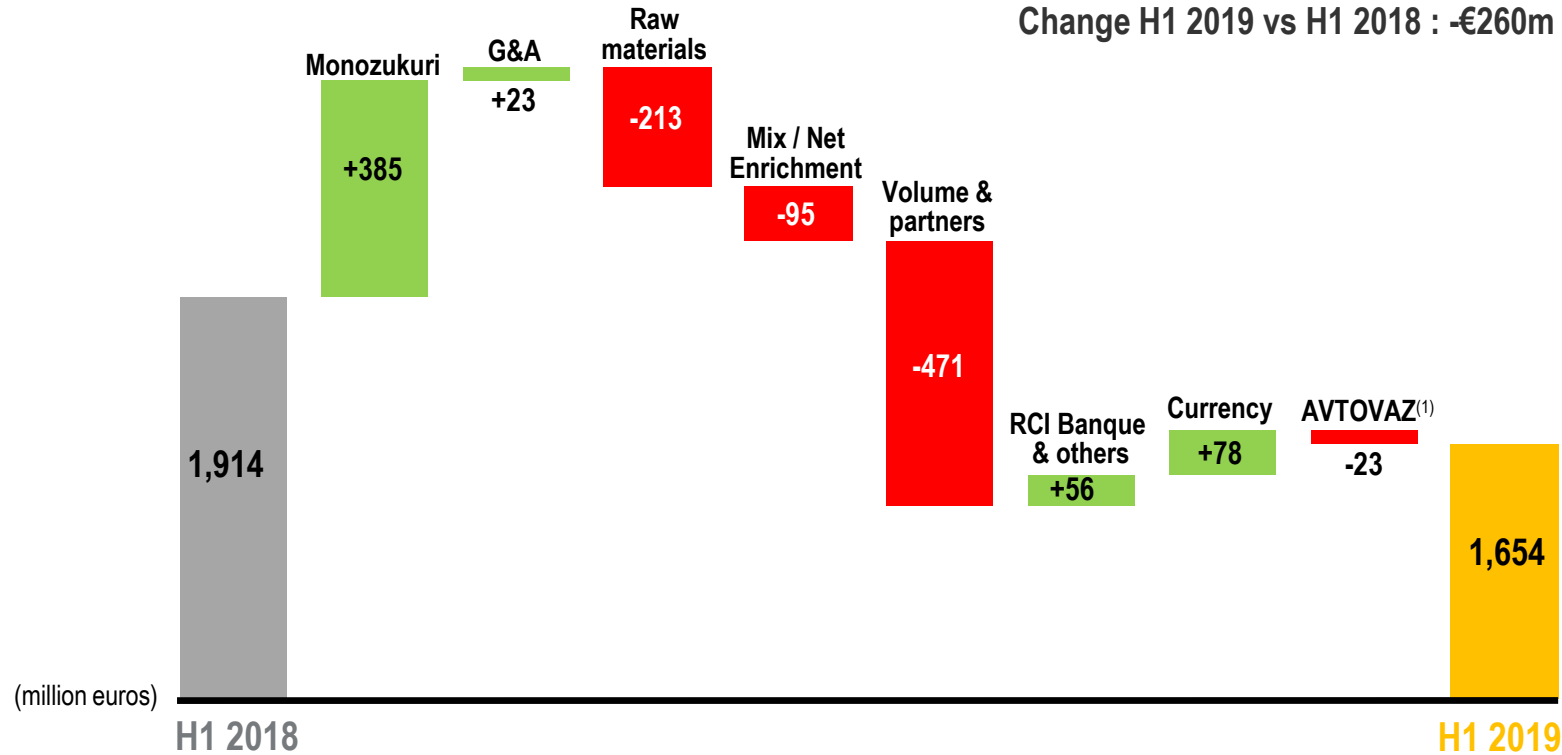
<sup>(1)</sup> AVTOVAZ net of eliminations

# Cost Reduction Analysis Excluding AVTOVAZ

Change H1 2019 vs H1 2018: +€408m



# Group Operating Profit Variance Analysis



<sup>(1)</sup> AVTOVAZ net of eliminations



	H1 2018	H1 2019
<b>New financings (€bn)</b>	<b>11.1</b>	<b>10.9</b>
<b>Average performing assets (€bn)</b>	<b>43.7</b>	<b>46.7</b>
<b>Net banking income</b>	<b>4.54%</b>	<b>4.35%</b>
<b>Cost of risk (customer &amp; dealer)</b>	<b>-0.37%</b>	<b>-0.40%</b>
<b>Operating expenses</b>	<b>-1.37%</b>	<b>-1.36%</b>
<b>Pretax income</b>	<b>2.85%</b>	<b>2.62%</b>
<b>Operating profit (€m)</b>	<b>594</b>	<b>591</b>

(in percentage of average performing assets)

# Other Operating Income & Expenses

*In million euros*

	H1 2018	H1 2019
<b>Net restructuring costs</b>	<b>-187</b>	<b>-117</b>
<b>Impairment of assets</b>	<b>-34</b>	<b>-12</b>
<b>Capital gain/loss on disposal of fixed assets</b>	<b>+46</b>	<b>+3</b>
<b>Others</b>	<b>-5</b>	<b>-7</b>
<b>Total other operating income &amp; expenses</b>	<b>-180</b>	<b>-133</b>

# H1 2019 Financial Results

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# Associated Companies

<i>In million euros</i>	H1 2018	H1 2019	Change
<b>NISSAN</b>	805	[ -21 ]	-826
<b>Others</b>	9	-14	-23
<b>Total associated companies</b>	<b>814</b>	<b>-35</b>	<b>-849</b>

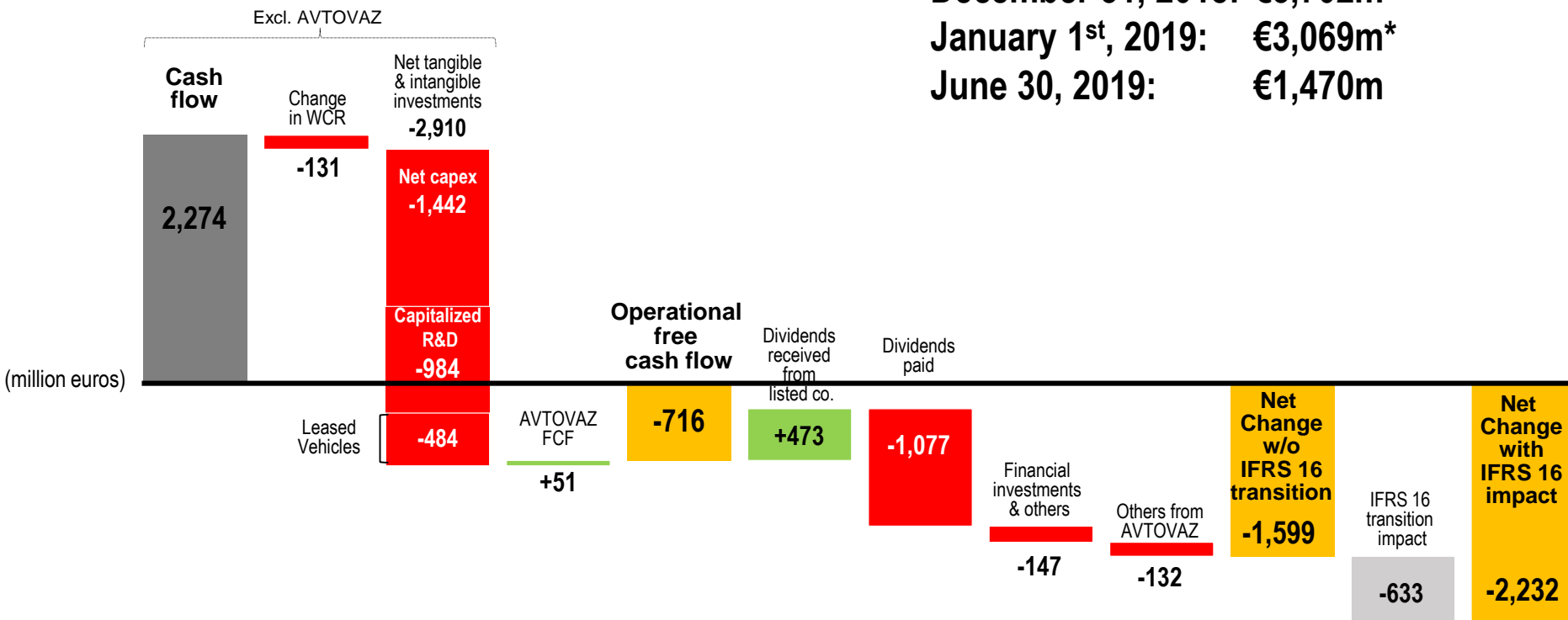
	[	Q1	Q2	]
	[	-56	+35	]

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# Automotive Net Financial Position

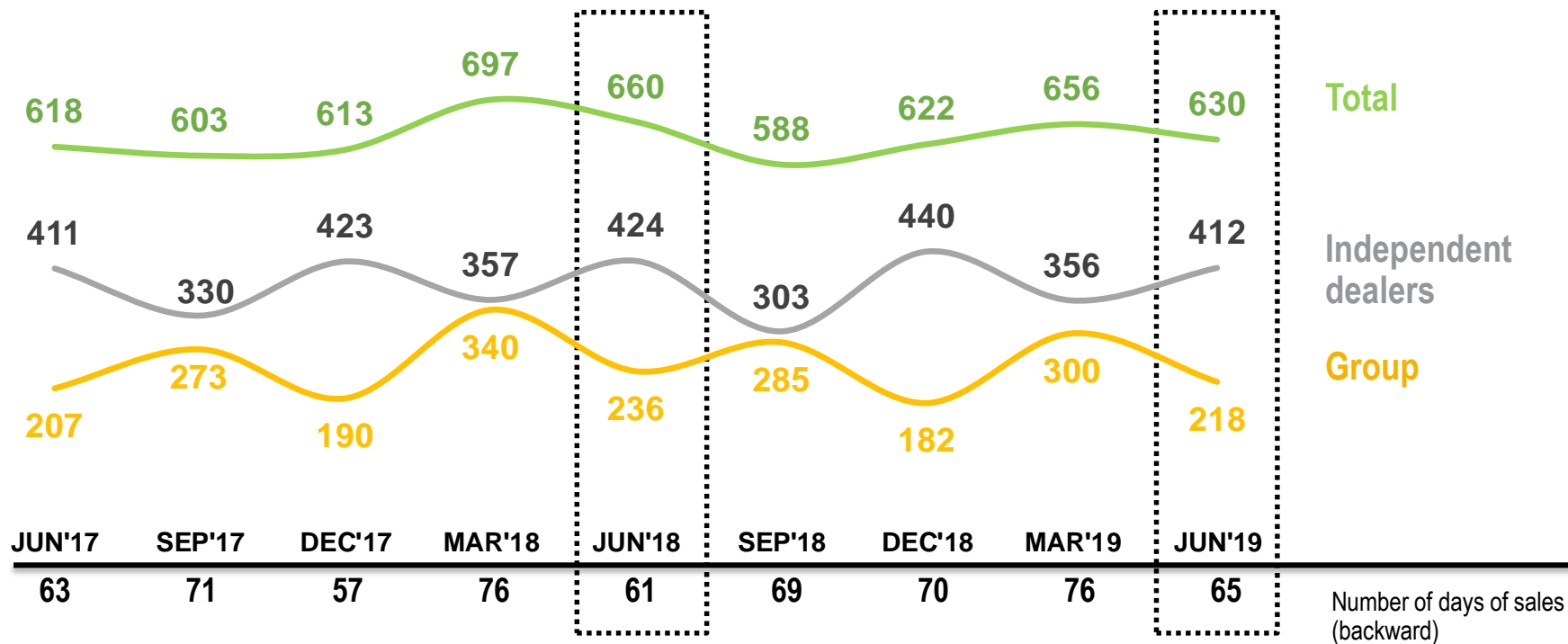
December 31, 2018: €3,702m  
 January 1<sup>st</sup>, 2019: €3,069m\*  
 June 30, 2019: €1,470m



\* IFRS 16 impact at transition date -€633m

# New Vehicle Distribution Stock Excluding Avtovaz

(In thousand units)



# 03

## Questions & Answers



# **GROUPE RENAULT**

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## **H1 2019 Financial Results**