

# **GROUPE RENAULT**

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## **2019 Financial Results Conference**

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# AGENDA

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**Clotilde Delbos**

Acting CEO

Chief Financial Officer

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**Thierry Piéton**

Deputy Chief Financial Officer

SVP Group Controller

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**Clotilde Delbos**

Acting CEO

Chief Financial Officer

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# 01

## 2019 Takeaways

**Clotilde Delbos**

Acting CEO

Chief Financial Officer

# **GROUPE RENAULT**

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## **2019 Takeaways**

# SOLID ASSETS: STRONG POSITIONS IN EV, LCV & GLOBAL ACCESS

EV



LCV



Global Access



# SOLID ASSETS: INTERNATIONAL PRESENCE

Europe



All-new **CLIO**

Russia



**ARKANA**

India



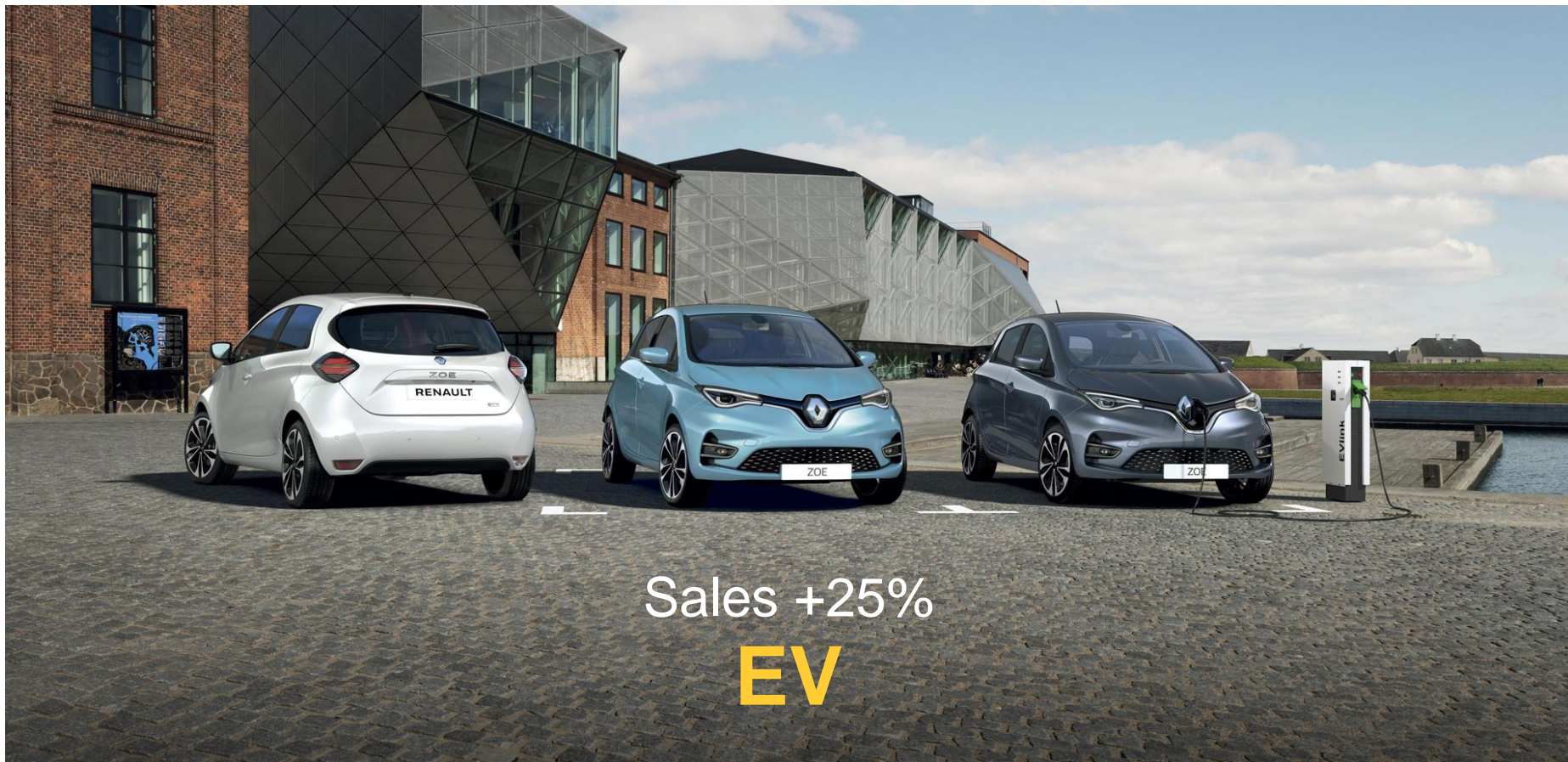
**TRIBER**

Brazil



**KWID  
SANDERO**









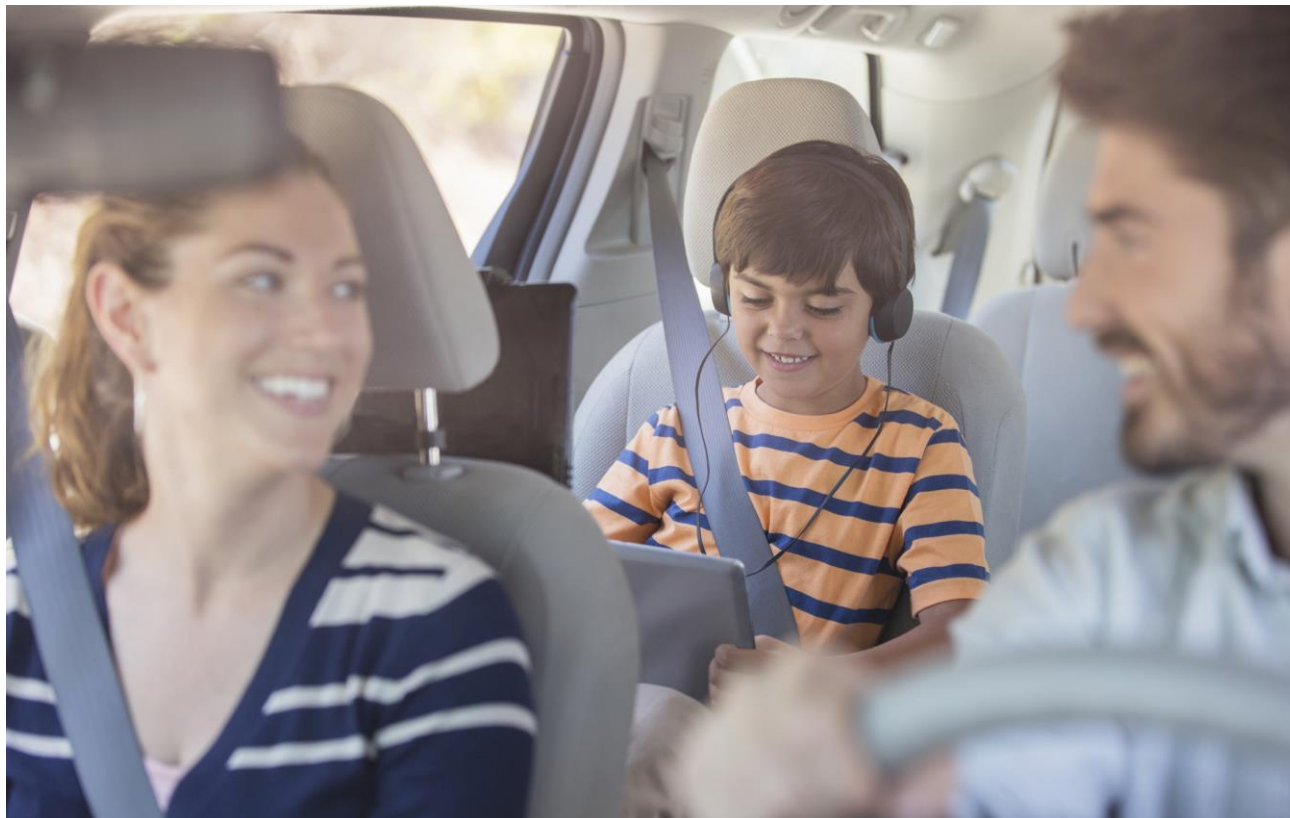
Record sales  
**LCV**

# Record sales **Dacia**





# SOLID ASSETS: RCI ROBUSTNESS



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**Penetration rate**



**Service contracts**



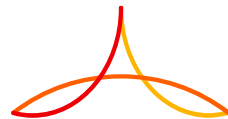
# SOLID ASSETS: ALLIANCE – CMF-B



RENAULT NISSAN MITSUBISHI



# SOLID ASSETS: ALLIANCE – CROSS MANUFACTURING



RENAULT NISSAN MITSUBISHI

Maubeuge



## 2019 ACHIEVEMENTS

**Improved**  
pricing policy

Strict cost control  
**- €121 million G&A**



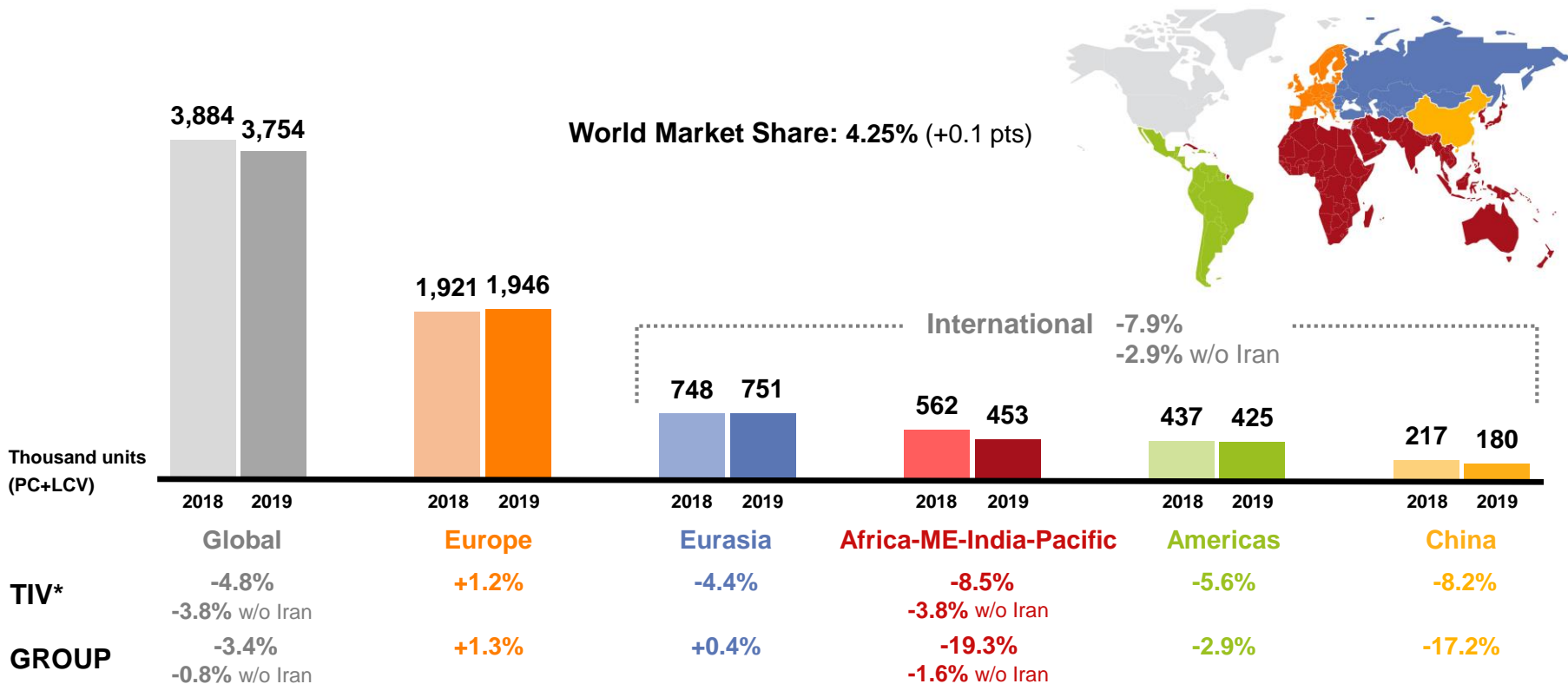
# 02

## 2019 Financial Results

**Thierry Piéton**

Deputy Chief Financial Officer  
SVP Group Controller

# GROUPE RENAULT'S SALES 2019 VS 2018



# 2019 GROUP REVENUES

<i>In million euros</i>	2018	2019	Change
<b>Global unit sales (units) <sup>(1)</sup></b>	<b>3,884,273</b>	<b>3,753,723</b>	<b>-3.4%</b>
<b>Group revenues</b>	<b>57,419</b>	<b>55,537</b>	<b>-3.3%</b>
o/w Automotive excl. AVTOVAZ	51,171	49,002	[-4.2%]
o/w AVTOVAZ <sup>(2)</sup>	3,040	3,130	+3.0%
o/w Sales Financing	3,208	3,405	+6.1%

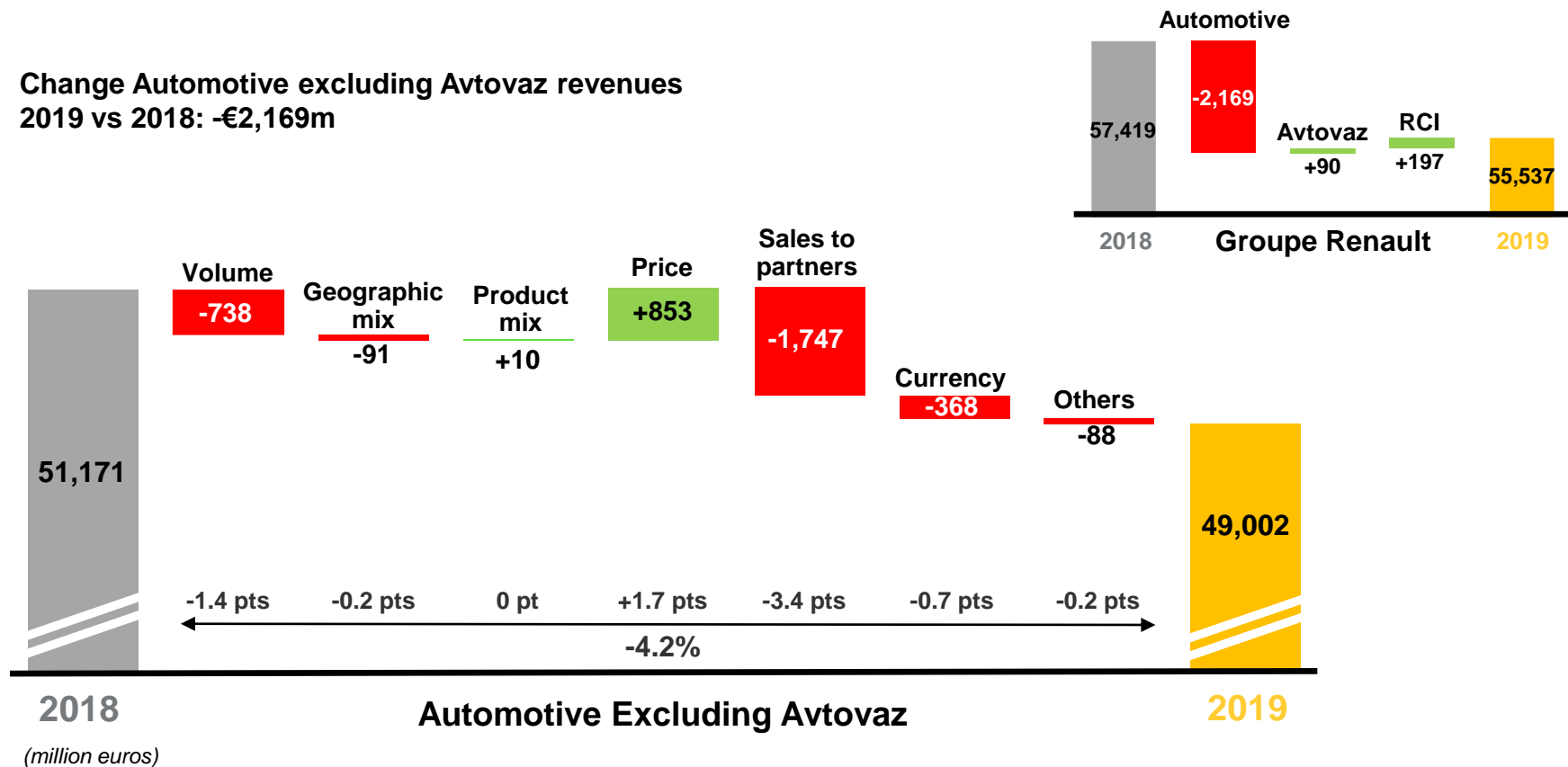
H1	H2
-7.7%	-0.4%

<sup>(1)</sup> Including Jinbei & Huasong

<sup>(2)</sup> AVTOVAZ net of eliminations

# REVENUES VARIANCE ANALYSIS

Change Automotive excluding Avtovaz revenues  
2019 vs 2018: -€2,169m



# 2019 OPERATING PROFIT BY ACTIVITY

<i>In million euros</i>	2018	2019	Change
<b>Group operating profit</b>	<b>3,612</b>	<b>2,662</b>	<b>-950</b>
% of Group revenues	6.3%	4.8%	-1.5 pts
 o/w <b>Automotive</b> excl. AVTOVAZ	<b>2,204</b>	<b>1,284</b>	<b>-920</b>
% of segment revenues	4.3%	[2.6%]	-1.7 pts
o/w <b>AVTOVAZ</b> <sup>(1)</sup>	<b>204</b>	<b>155</b>	<b>-49</b>
o/w <b>Sales Financing</b>	<b>1,204</b>	<b>1,223</b>	<b>+19</b>

H1

H2

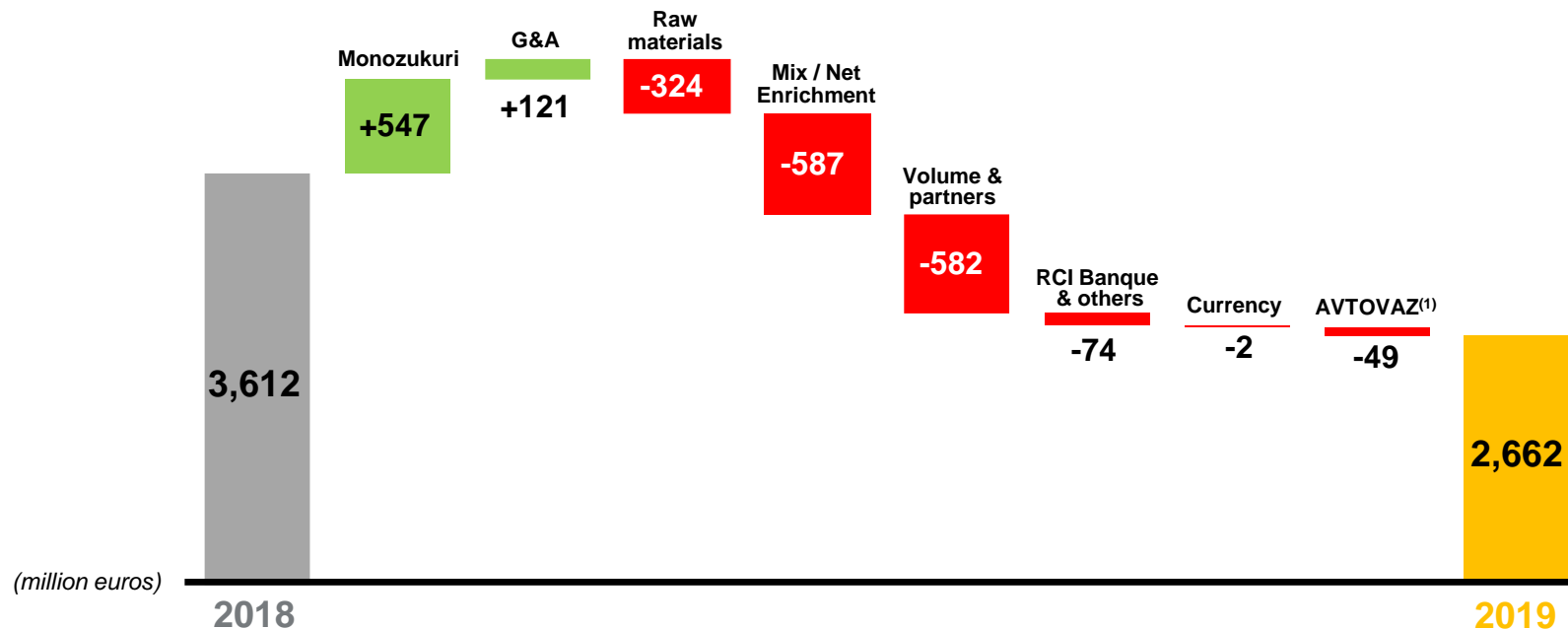
4.0%

1.3%

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

# GROUP OPERATING PROFIT VARIANCE ANALYSIS

Change 2019 vs 2018: -€950m

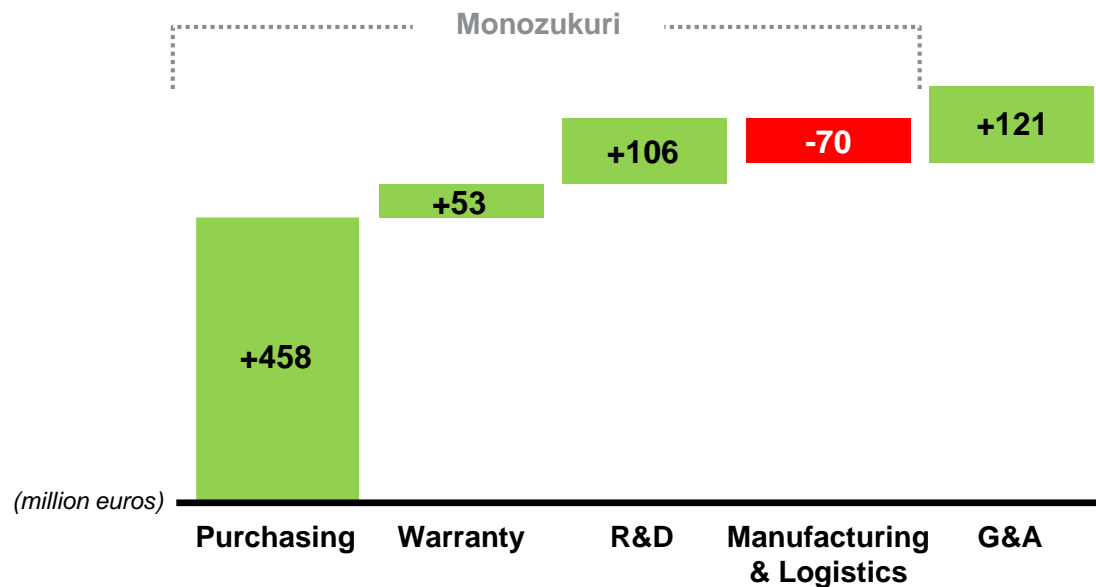


<sup>(1)</sup> AVTOVAZ net of eliminations



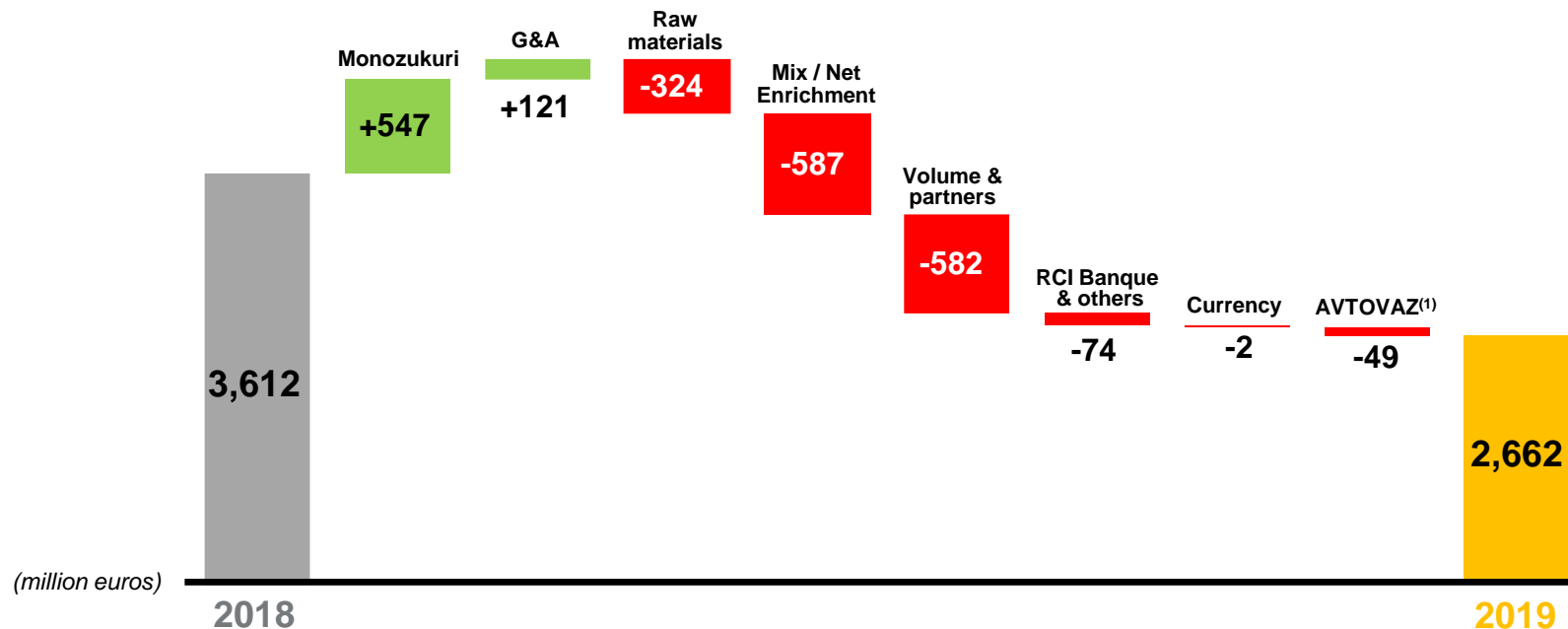
# COST REDUCTION ANALYSIS EXCLUDING AVTOVAZ

Change 2019 vs 2018: +€668m



# GROUP OPERATING PROFIT VARIANCE ANALYSIS

Change 2019 vs 2018: -€950m



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

# OTHER OPERATING INCOME & EXPENSES

<i>In million euros</i>	<b>2018</b>	<b>2019</b>
<b>Net restructuring costs</b>	<b>-306</b>	<b>-236</b>
<b>Impairment of assets</b>	<b>-276</b>	<b>-229</b>
<b>Capital gain/loss on disposal of fixed assets</b>	<b>+68</b>	<b>-15</b>
<b>Others</b>	<b>-111</b>	<b>-77</b>
<b>Total other operating income &amp; expenses</b>	<b>-625</b>	<b>-557</b>

# 2019 FINANCIAL RESULTS

<i>In million euros</i>	<b>2018</b>	<b>2019</b>	<b>Change</b>
<b>Group Revenues</b>	<b>57,419</b>	<b>55,537</b>	<b>-3.3%</b>
<b>Operating profit</b>	<b>3,612</b>	<b>2,662</b>	<b>-950</b>
% of Group revenues	6.3%	4.8%	-1.5 pts
<b>Other operating income &amp; expenses</b>	<b>-625</b>	<b>-557</b>	<b>+68</b>
<b>EBIT</b>	<b>2,987</b>	<b>2,105</b>	<b>-882</b>
<b>Net financial income &amp; expenses</b>	<b>-353</b>	<b>-442</b>	<b>-89</b>
<b>Associated companies</b>	<b>1,540</b>	<b>-190</b>	<b>-1,730</b>
<b>Current &amp; deferred taxes</b>	<b>-723</b>	<b>-1,454</b>	<b>-731</b>
<b>Net income</b>	<b>3,451</b>	<b>19</b>	<b>-3,432</b>

# ASSOCIATED COMPANIES

<i>In million euros</i>	2018	2019	Change
<b>NISSAN</b>	1,509	[ 242 ]	-1,267
<b>Others</b>	31	-432	-463
<b>Total associated companies</b>	<b>1,540</b>	<b>-190</b>	<b>-1,730</b>

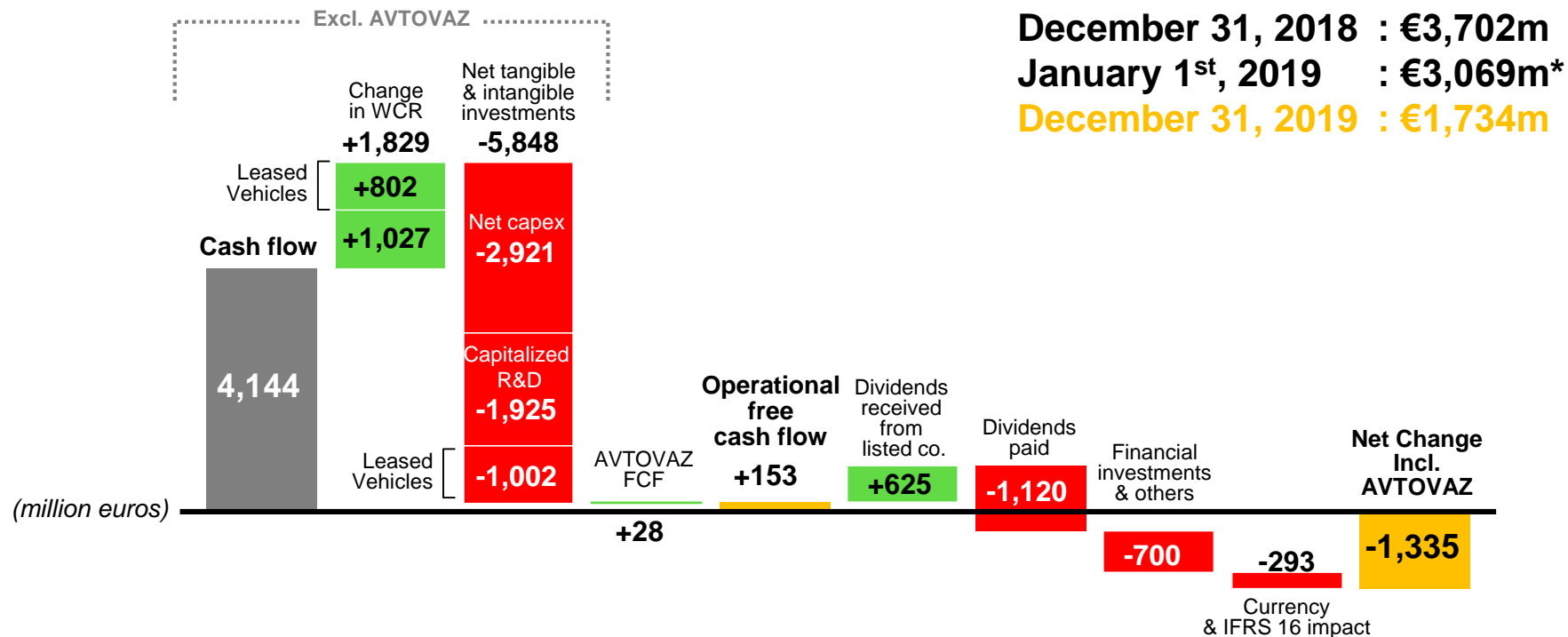
	H1	H2
	-21	+263

# 2019 FINANCIAL RESULTS

<i>In million euros</i>	<b>2018</b>	<b>2019</b>	<b>Change</b>
<b>Group Revenues</b>	<b>57,419</b>	<b>55,537</b>	<b>-3.3%</b>
<b>Operating profit</b>	<b>3,612</b>	<b>2,662</b>	<b>-950</b>
% of Group revenues	6.3%	4.8%	-1.5 pts
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# AUTOMOTIVE NET FINANCIAL POSITION



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

# LIQUIDITY

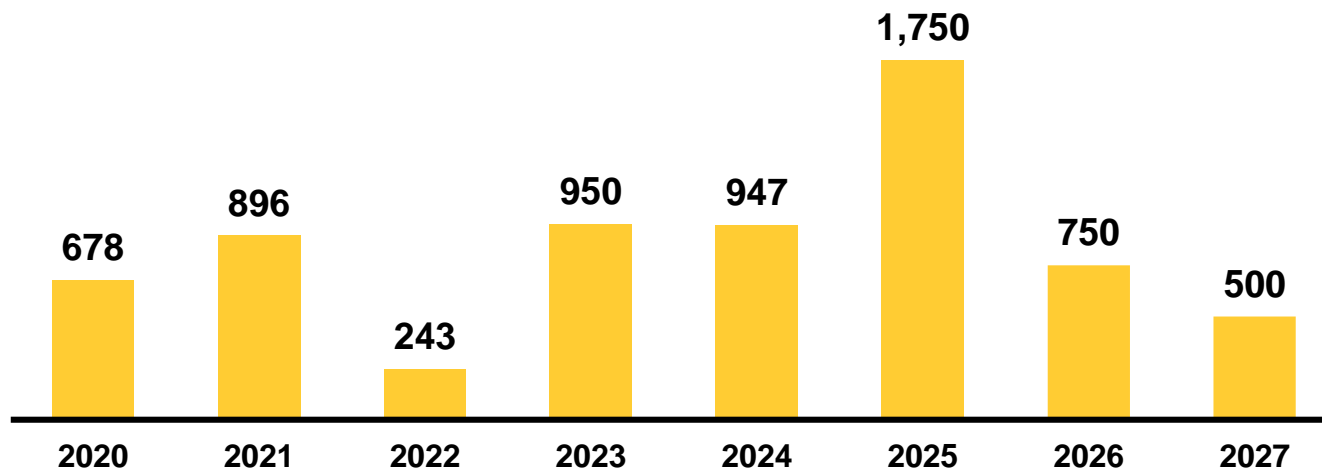
## Auto Division liquidity reserves (Dec. 2019): €15.8 billion

Cash & cash equivalents: €12.3 billion

Available back-up lines: €3.5 billion

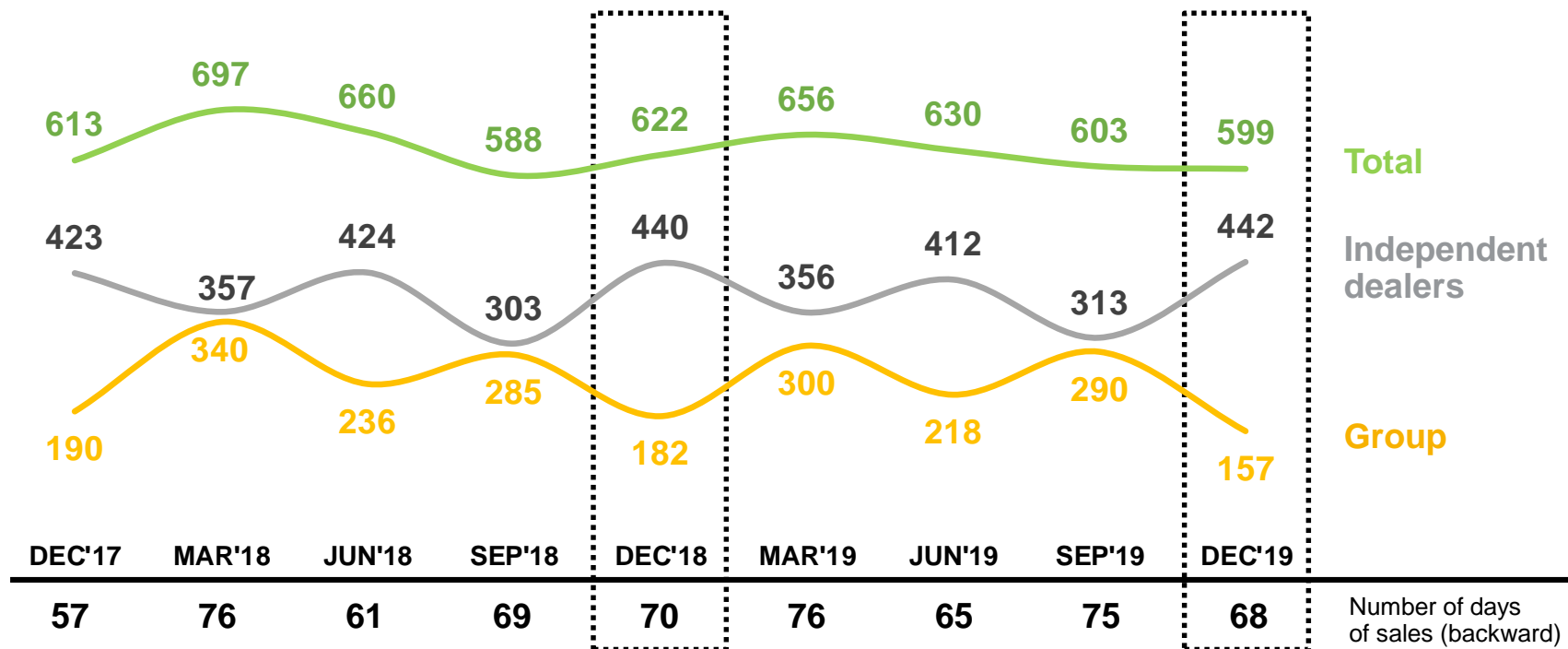
## Redemption schedule – Renault SA

Bonds, Banks & assimilated, excluding CP & redeemable shares (in million euros)



# NEW VEHICLE DISTRIBUTION STOCK EXCLUDING AVTOVAZ

(In thousand units)



	2018	2019
<b>New financings (€bn)</b>	<b>20.9</b>	<b>21.4</b>
<b>Average performing assets (€bn)</b>	<b>44.4</b>	<b>47.4</b>
<b>Net banking income</b>	<b>4.34%</b>	<b>4.31%</b>
<b>Cost of risk<sup>(1)</sup> (customer &amp; dealer)</b>	<b>-0.33%</b>	<b>-0.42%</b>
<b>Operating expenses</b>	<b>-1.27%</b>	<b>-1.26%</b>
<b>Pretax income</b>	<b>2.74%</b>	<b>2.80%</b>
<b>Operating profit (€m)</b>	<b>1,204</b>	<b>1,223</b>

All percentages are calculated on average performing assets

<sup>(1)</sup> As of 2018, Cost of risk reflects the application of IFRS 9 Standards

# 03

## 2020 Perspective & Outlook

**Clotilde Delbos**

Acting CEO

Chief Financial Officer

# Challenges 2020

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- **CAFE**
- **Enrichment and regulation costs**
- **Capex + R&D spendings**
- **China**

# Levers 2020

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- **Electrification**
- **Pricing policy**
- **Cost management**
- **Alliance's new paradigm**
- **Renewed leadership**

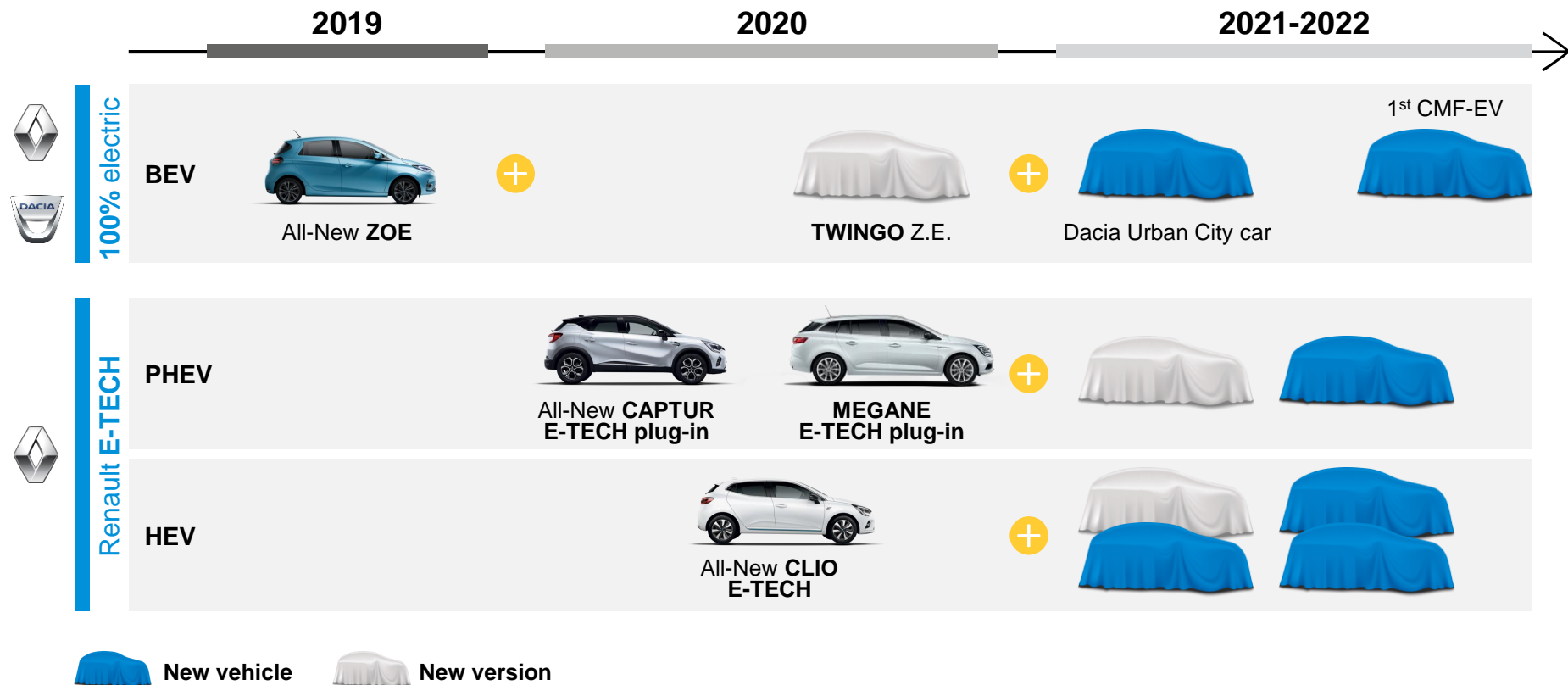


# 2020 PERFORMANCE LEVER: ELECTRIFICATION OF OUR RANGE

## All-new ZOE



# 2020 PERFORMANCE LEVER: ELECTRIFICATION OF OUR RANGE



# 2020 PERFORMANCE LEVER: ELECTRIFICATION OF OUR RANGE

## E-TECH



All-new **CLIO**  
**E-TECH**

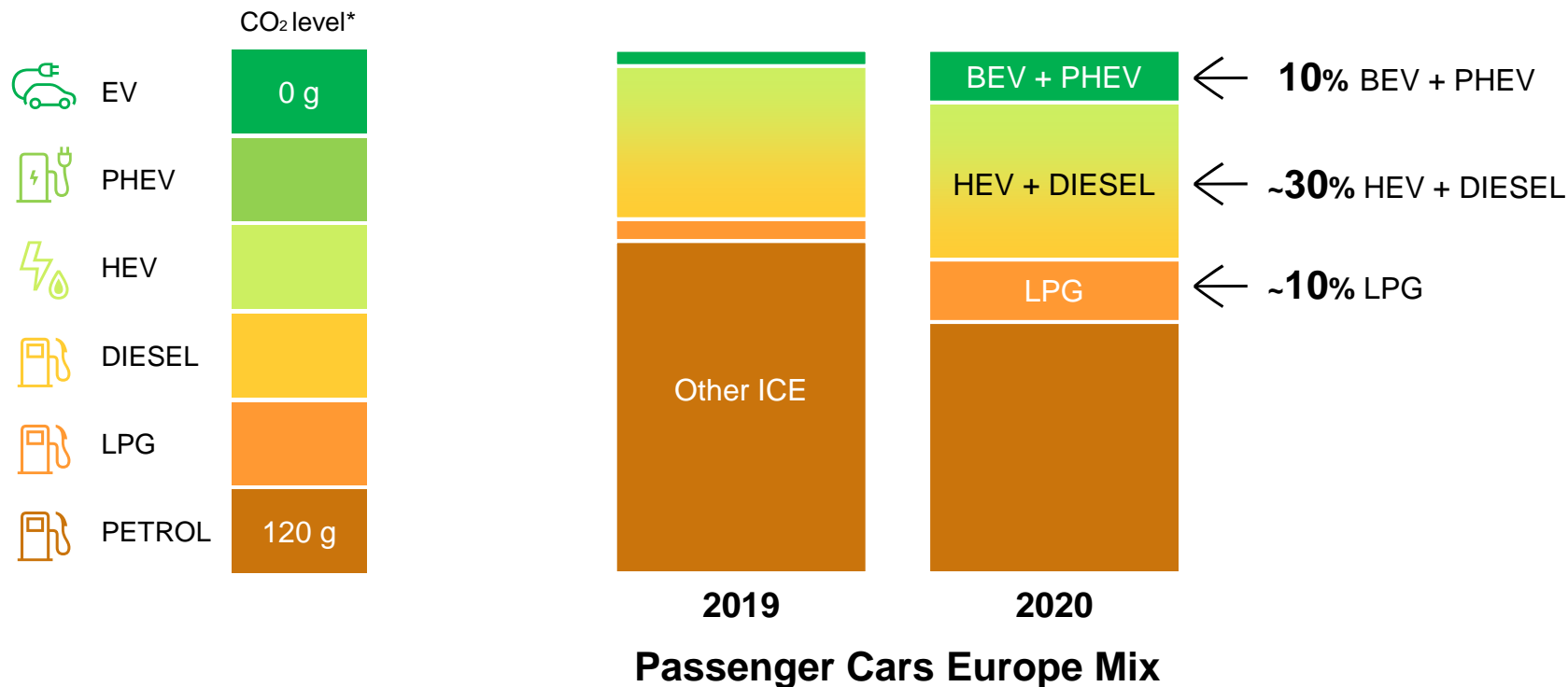


All-new **CAPTUR**  
**E-TECH plug-in**



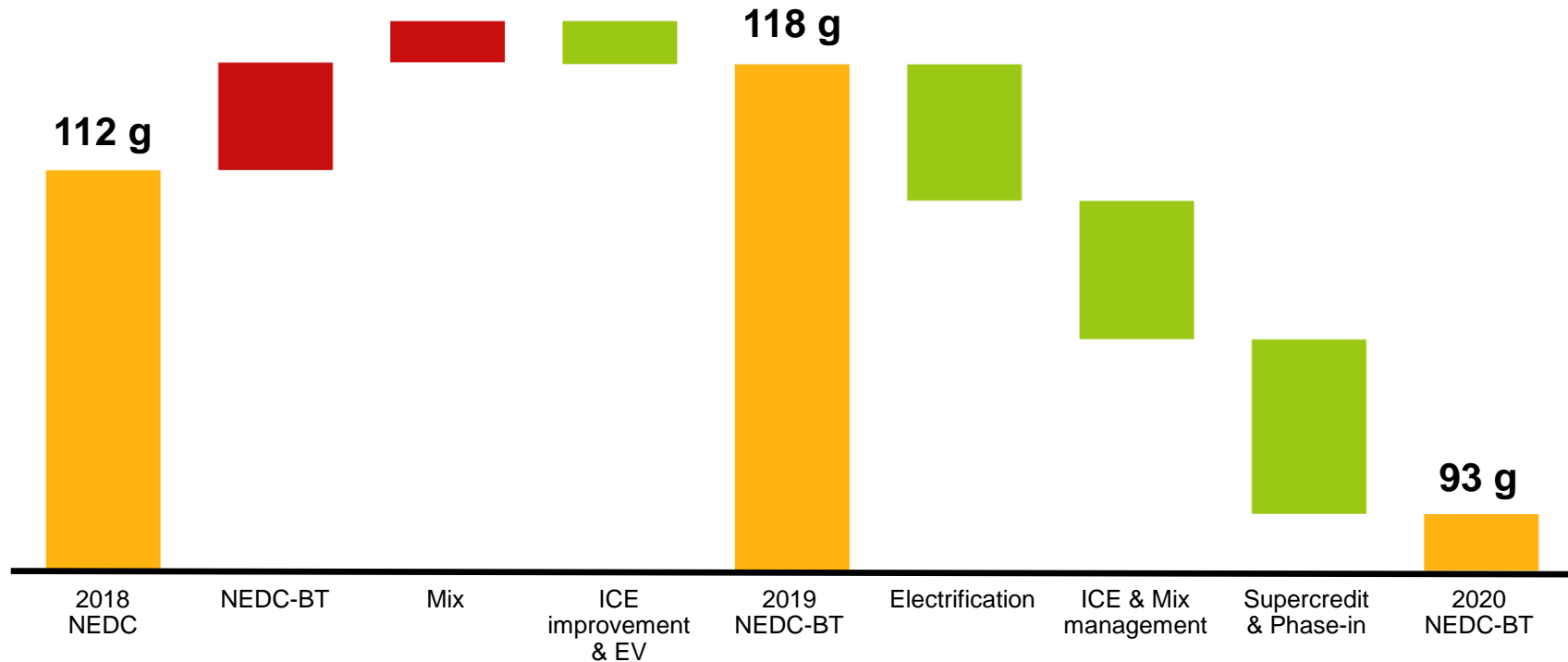
**MEGANE**  
**E-TECH plug-in**

# 2020 PERFORMANCE LEVER: ELECTRIFICATION OF OUR RANGE



\* Average CO<sub>2</sub> emission per km per vehicle (NEDC-BT)

# GROUPE RENAULT ROADMAP TO 2020 CAFE TARGET



# 2020 PERFORMANCE LEVER: PRICING POLICY IMPROVEMENT



All-new **CLIO**



All-new **CAPTUR**



All-new **ZOE**



All-new **CLIO**  
**E-TECH**



All-new **CAPTUR**  
**E-TECH plug-in**

## 2020 PERFORMANCE LEVER: ALLIANCE NEW PARADIGM



# 2020 PERFORMANCE LEVER: COST MANAGEMENT



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Optimization of  
**industrial footprint  
and sub-contractors**



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Review of  
**Make-or-Buy  
strategy**



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Review of  
**non-core assets**



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Implementation of  
**Leader-Follower  
strategy**



# 2020 OUTLOOK\*

## Europe



**-3% at least**

## Russia



**~-3%**

## Brazil



**~+5%**

## Global Automotive Market\*\*



**Within this context,  
Groupe Renault is aiming to\*:**

- **Achieve Group revenues in line with 2019**  
(at constant exchange rates and perimeter)
- **Achieve Group operating margin between 3% and 4%**
- **Generate a positive Automotive operational free cash flow, before restructuring expenses**

\*\* PC+LCV including USA & Canada

\* without possible impact of Coronavirus health crisis

# 04

## Questions & Answers

# **GROUPE RENAULT**

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## **2019 Financial Results Conference**