PRESS RELEASE

#RenaultResults

FINANCIAL RESULTS FOR THE 1st HALF OF 2020

The health crisis and the results of associated companies mainly explain the half-year loss

- In the context of the health crisis, Group sales fell by 34.9% in the first half (1.26 million units sold) in a global market down 28.3%
- As a consequence of this trend, first half revenues amounted to €18.4 billion (-34.3%). At constant exchange rates and perimeter, the decrease would have been 32.9%.
- After taking into account a negative impact of the health crisis estimated at approximately €1.8 billion, the Group recorded a negative operating margin of -€1,203 million in the first half.
- Group operating result stood at -€2,007 million after booking non-recurring charges.
- Net income amounted to -€7,386 million and was heavily impacted by Nissan’s negative contribution (-€4,817 million).
- Automotive operational free cash flow at June 30, 2020 was negative at -€6,375 million, notably due to the impact of the activity decline on working capital requirement.
- On June 30, 2020, liquidity reserves of the Automotive activity showed an improvement of €6.5 billion compared to March 31, 2020 and stood at €16.8 billion. This amount includes the €5 billion credit facility agreement benefiting from the guarantee of the French State.
- ZOE sales up nearly 50% and very warm welcome for the E-TECH hybrid technology developed by the Group.
- The Group is on track to meet its CAFE targets for 2020.
- Confirmation of the fixed cost reduction target of €600 million this year.
- Given the uncertainties around the health situation, both in Europe and in emerging markets, Groupe Renault estimates that it is not in a position to give a reliable guidance for the full year.

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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).

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

2 Light commercial vehicles of less than 5.1 tons.

3 In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year, and excluding significant changes in perimeter that occurred during the year.

3 The estimated Covid-19 impact on the activity volume is the result of a comparison between the Group’s latest pre-crisis forecast and the actual results for the half-year. Furthermore, this estimate takes into account the impact of the health crisis on the company’s costs net of government aid received during this period.
Luca de Meo, CEO of Renault, declared: "Although the situation is unprecedented, it is not final. Together with all of the Group's management teams and employees, we are fully dedicated to correcting the situation through a strict discipline that will go beyond reducing our fixed costs. Preparing for the future also means building our development strategy, and we are actively working on this. I have every confidence in the Group's ability to recover."

Clotilde Delbos, Deputy CEO of Renault, declared: "The health crisis we are currently going through has massively impacted the Group's first half results and added to our pre-existing difficulties. The commitment of all our employees has allowed us to face this situation. This ongoing engagement, the 2022 cost-reduction plan project, our liquidity reserves and of course the arrival of our new CEO, make me confident that we will be able to turn around our performance as quickly as possible."

Boulogne-Billancourt, 7/30/2020 — Group revenues reached €18,425 million (-34.3% compared to the first half of 2019). At constant exchange rates and perimeter\(^4\), Group revenues would have decreased by 32.9%.

Automotive excluding AVTOVAZ revenues amounted to €15,727 million, down 36.6% compared to the first half of 2019. This decrease was mainly explained by a negative volume effect of -29.6 points and -7.3 points for the sales to partners. The Covid-19 health crisis was the main reason of these two impacts. The currency effect was negative 1.5 points mainly linked to the devaluation of the Argentinian peso, the Brazilian real and the Turkish lira.

The price effect, positive by 2.0 points, came from the repositioning of our new vehicles, notably Clio and Captur and the efforts to offset regulatory costs in Europe and currency devaluations in emerging countries.

The product mix effect is positive by 0.4 points thanks to the increase in sales of ZOE. "Others" effects weighed negatively for 0.8 points, notably due to a lower contribution from aftersales strongly impacted by confinement measures.

The Group recorded a negative operating margin of -€1,203 million representing -6.5% of revenues. The negative impact of the Covid-19 health crisis was estimated at around €1.8 billion\(^5\) for this semester.

The Automotive excluding AVTOVAZ operating margin was down €2,629 million to -€1,648 million.

Volume and sales to partners effect had a negative impact of €2,078 million. The Monozukuri effect was negative by €40 million: purchasing performance was weaker than usual, notably due to a limited production volume resulting from the temporary closure of plants. The impact of R&D in Monozukuri was a negative €133 million despite a €493 million decrease in cash expenses. This was due to a decrease in the capitalization ratio of nearly 6 points and an increase in R&D amortization of €126 million.

Mix/price/enrichment effect was negative €203 million mainly because of new products enrichment and regulatory content.

\(^4\) In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year, and excluding significant changes in perimeter that occurred during the year.

\(^5\) The estimated Covid-19 impact on the activity volume is the result of a comparison between the Group's latest pre-crisis forecast and the actual results for the half-year. Furthermore, this estimate takes into account the impact of the health crisis on the company's costs net of government aid received during this period.
The €133 million improvement in G&A came mainly from the Group's efforts to limit its costs, notably in the context of the 2022 plan project and the decline in activity. Currencies and raw materials weighed respectively for -€186 million and -€90 million.

The operating margin of AVTOVAZ amounted to -€2 million, to be compared with €82 million in the first half of 2019, reflecting mostly the impact of the decrease of 30.1% in revenues.

Sales Financing contributed €469 million to the Group operating margin (including a negative currency effect for €15 million), compared with €591 million in the first half of 2019. The operating expenses ratio improved by 7 basis points, reflecting RCI Bank and Services ability to adapt to its level of activity.

On the other hand, the total cost of risk increased to 0.99% of the average performing assets compared to 0.40% in the first half 2019. It was strongly impacted by an increase in provisioning related to the health crisis and the negative consequences of confinement policies on repossession processes.

Other operating income and expenses stood at -€804 million (compared with -€133 million in the first half of 2019). They included -€445 million in impairment of assets, in particular for some vehicles whose volume assumptions have been revised, -€166 million in provisions for restructuring costs, in particular related to the early retirement plan in France, and -€153 million in capital losses notably in China.

After taking into account the other operating income and expenses, Group operating income came to -€2,007 million compared with €1,521 million in the first half of 2019.

Net financial income and expenses amounted to -€214 million, compared with -€184 million in the first half of 2019. This deterioration, despite a decrease in the cost of funding, is primarily explained by the absence of dividends paid by Daimler (€54 million in 2019).

The contribution of associated companies came to -€4,892 million, compared with -€35 million in the first half of 2019. This decline came mostly from Nissan’s contribution, down €4,796 million including -€4,290 million of impairments and restructuring costs (including -€1,934 million of IFRS restatements).

Current and deferred taxes represented a charge of €273 million compared with a charge of €254 million in the first half of 2019. It includes -€268 million due to the discontinuation of the recognition of deferred tax assets on AVTOVAZ tax losses.

Net income reached -€7,386 million and net income, Group share totaled -€7,292 million (-€26.91 per share compared with €3.57 per share in the first half of 2019).

Automotive operational free cash flow was negative at -€6,375 million after taking into account a positive free cash flow for AVTOVAZ of €110 million and €135 million of restructuring expenses. Excluding AVTOVAZ and restructuring costs, this results from €22 million cash flow, investments amounting to €2,543 million (down €367 million compared with the first half of 2019) and the negative impact of the change in working capital requirement for €3,829 million.
At June 30, 2020, total inventories (including independent dealers) represented 547,000 vehicles compared with 630,000 at the end of June 2019, allowing to meet a high order book as of June 30, 2020.

The Automotive activity at June 30, 2020 held €16.8 billion of liquidity reserves (€10.3 billion at March 30, 2020) which include the €5 billion credit facility agreement benefiting from the guarantee of the French State.

OUTLOOK 2020

Given the uncertainties around the health situation, both in Europe and in emerging countries, the Group estimates that it is not in a position to give a reliable guidance for the full year. Furthermore, the Group confirms its target to achieve €600 million of cost reduction this year, representing 30% of the 2o22 plan project cost savings.
GROUPE RENAULT CONSOLIDATED RESULTS

<table>
<thead>
<tr>
<th>€ million</th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenues</td>
<td>28,050</td>
<td>18,425</td>
<td>-34.3%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>1,654</td>
<td>-1,203</td>
<td>-2,857</td>
</tr>
<tr>
<td>% of revenues</td>
<td>5.9%</td>
<td>-6.5%</td>
<td>-12.4 pts</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>-133</td>
<td>-804</td>
<td>-671</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,521</td>
<td>-2,007</td>
<td>-3,528</td>
</tr>
<tr>
<td>Net financial income and expenses</td>
<td>-184</td>
<td>-214</td>
<td>-30</td>
</tr>
<tr>
<td>Contribution from associated companies</td>
<td>-35</td>
<td>-4,892</td>
<td>-4,857</td>
</tr>
<tr>
<td>o/w : NISSAN</td>
<td>-21</td>
<td>-4,817</td>
<td>-4,796</td>
</tr>
<tr>
<td>Current and deferred taxes</td>
<td>-254</td>
<td>-273</td>
<td>-19</td>
</tr>
<tr>
<td>Net income</td>
<td>1,048</td>
<td>-7,386</td>
<td>-8,434</td>
</tr>
<tr>
<td>Net income, Group share</td>
<td>970</td>
<td>-7,292</td>
<td>-8,262</td>
</tr>
<tr>
<td>Automotive operational free cash flow</td>
<td>-716</td>
<td>-6,375</td>
<td>-5,659</td>
</tr>
</tbody>
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Additional information
The condensed half-year consolidated financial statements of Groupe Renault at June 30, 2020 were reviewed by the Board of Directors on July 29, 2020.
The Group’s statutory auditors have conducted a limited review of these financial statements and their half-year report will be issued shortly.
The financial report, with a complete analysis of the financial results in the first half of 2020, is available at www.group.renault.com in the Finance section.

About Groupe Renault
Groupe Renault has manufactured cars since 1898. Today it is an international multi-brand group, selling close to 3.8 million vehicles in 134 countries in 2019, with 40 manufacturing sites, 12,700 points of sales and employing more than 180,000 people.
To address the major technological challenges of the future, while continuing to pursue its profitable growth strategy, Groupe Renault is focusing on international expansion. To this end, it is drawing on the synergies of its five brands (Renault, Dacia, Renault Samsung Motors, Alpine and LADA), electric vehicles, and its unique alliance with Nissan and Mitsubishi Motors. With a 100% Renault owned team committed to the Formula 1 World Championship since 2016, the brand is involved in motorsports, a real vector for innovation and awareness.

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