

# **GROUPE** RENAULT

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## **2018** Financial Results Conference

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# Agenda

**01** **2018 Financial Results**  
**Clotilde Delbos**  
EVP, Group Chief Financial Officer

**02** **2018 Key Achievements & 2019 Outlook**  
**Thierry Bolloré**  
Chief Executive Officer

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

# 01

## 2018 Financial Results

**Clotilde Delbos**

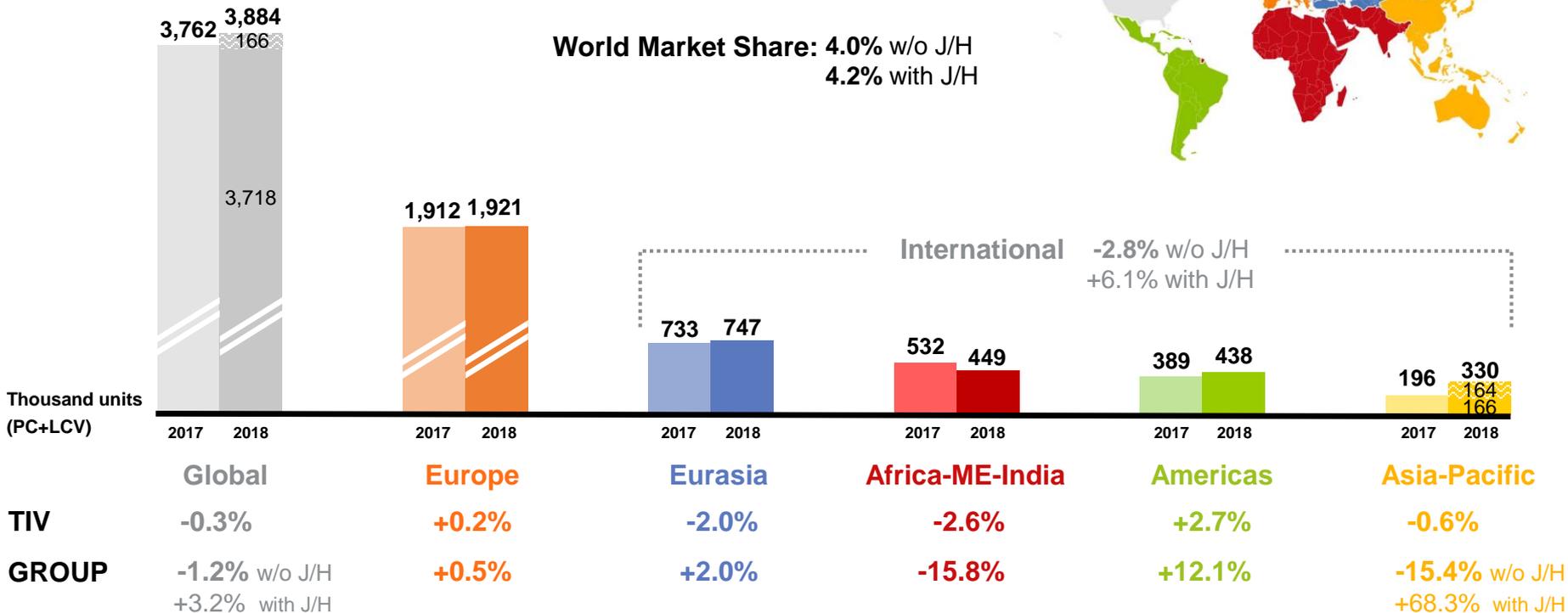
EVP, Group Chief Financial Officer

# Groupe Renault's Sales 2018 vs 2017

- 2017 (Renault, Dacia, Lada, RSM, Alpine)
- 2018 (Jinbei & Huasong: J/H)
- 2018 (Renault, Dacia, Lada, RSM, Alpine)



**World Market Share: 4.0% w/o J/H**  
**4.2% with J/H**



# 2018 Group Revenues

<i>In million euros</i>	2017	2018	Change
<b>Global unit sales (units)</b>	<b>3,762,077</b>	<b>3,884,295<sup>(1)</sup></b>	<b>+3.2%<sup>(1)</sup></b>
<b>Group revenues<sup>(2)</sup></b>	<b>58,770</b>	<b>57,419</b>	<b>-2.3%</b>
o/w Automotive excl. AVTOVAZ	53,530	51,171 <sup>(3)</sup>	[-4.4% <sup>(3)</sup> ]
o/w AVTOVAZ <sup>(4)</sup>	2,727	3,040	+11.5%
o/w Sales Financing	2,513	3,208 <sup>(3)</sup>	+27.7% <sup>(3)</sup>

	H1	H2
	-0.5%	-8.4%

(1) Including Jinbei & Huasong. Change without Jinbei & Huasong sales: -1.2%

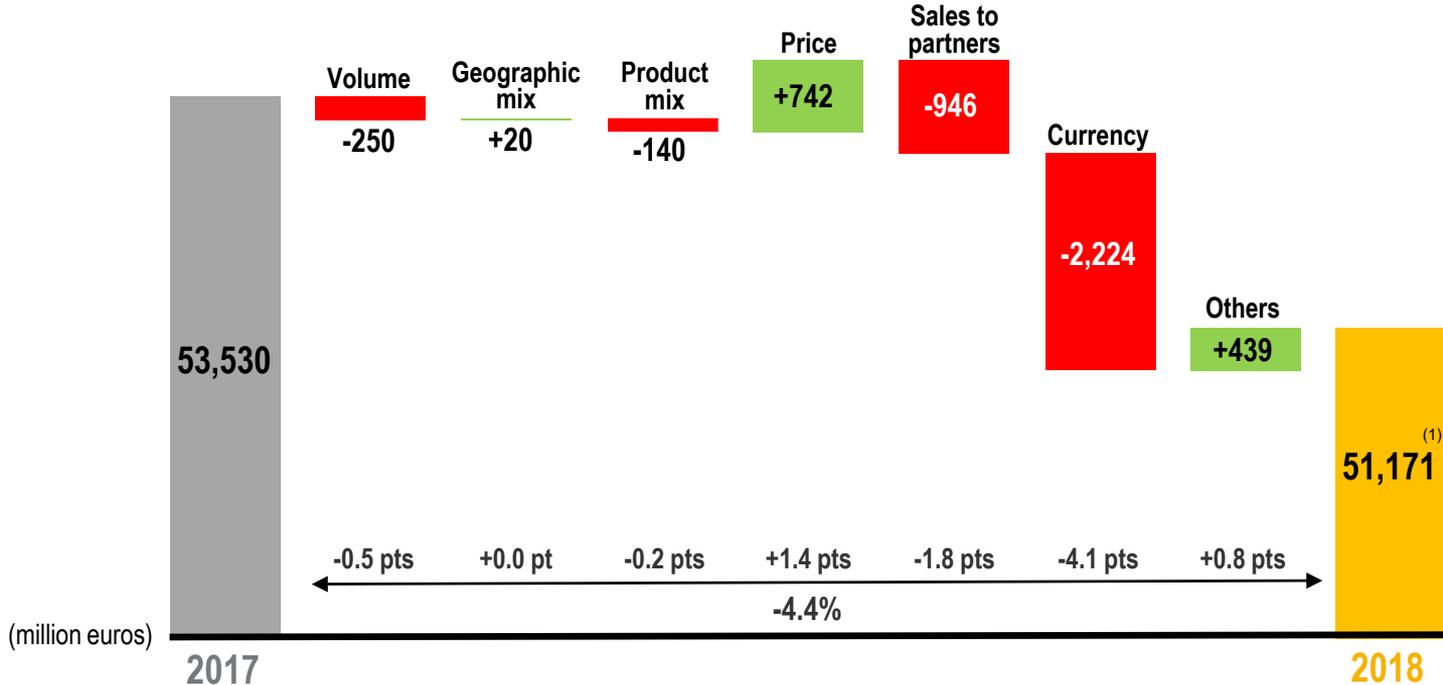
(2) IAS 29: Financial Reporting in Hyperinflationary Economies for our business in Argentina has been applied from January 1, 2018. Impact on revenues: -€81m

(3) Change in the accounting treatment of interest rate subsidies: -€555m on the Automotive excluding AVTOVAZ segment / +€555m on sales financing

(4) AVTOVAZ net of eliminations

# Automotive Excluding AVTOVAZ Revenues Variance Analysis

Change 2018 vs 2017: -€2,359m



<sup>(1)</sup> Including a change in the accounting treatment of interest rate subsidies for -€555m on the Automotive excluding AVTOVAZ segment, booked in others

# 2018 Operating Profit by Activity

<i>In million euros</i>	2017	2018	Change
<b>Group operating profit</b>	<b>3,854</b>	<b>3,612<sup>(1)</sup></b>	<b>-242</b>
% of Group revenues	6.6%	6.3%	-0.3pts
<b>o/w Automotive excl. AVTOVAZ</b>	<b>2,749</b>	<b>2,204<sup>(1)</sup></b>	<b>-545</b>
% of segment revenues	5.1%	4.3%	-0.8pts
<b>o/w AVTOVAZ<sup>(2)</sup></b>	<b>55</b>	<b>204</b>	<b>+149</b>
<b>o/w Sales Financing</b>	<b>1,050</b>	<b>1,204</b>	<b>+154</b>

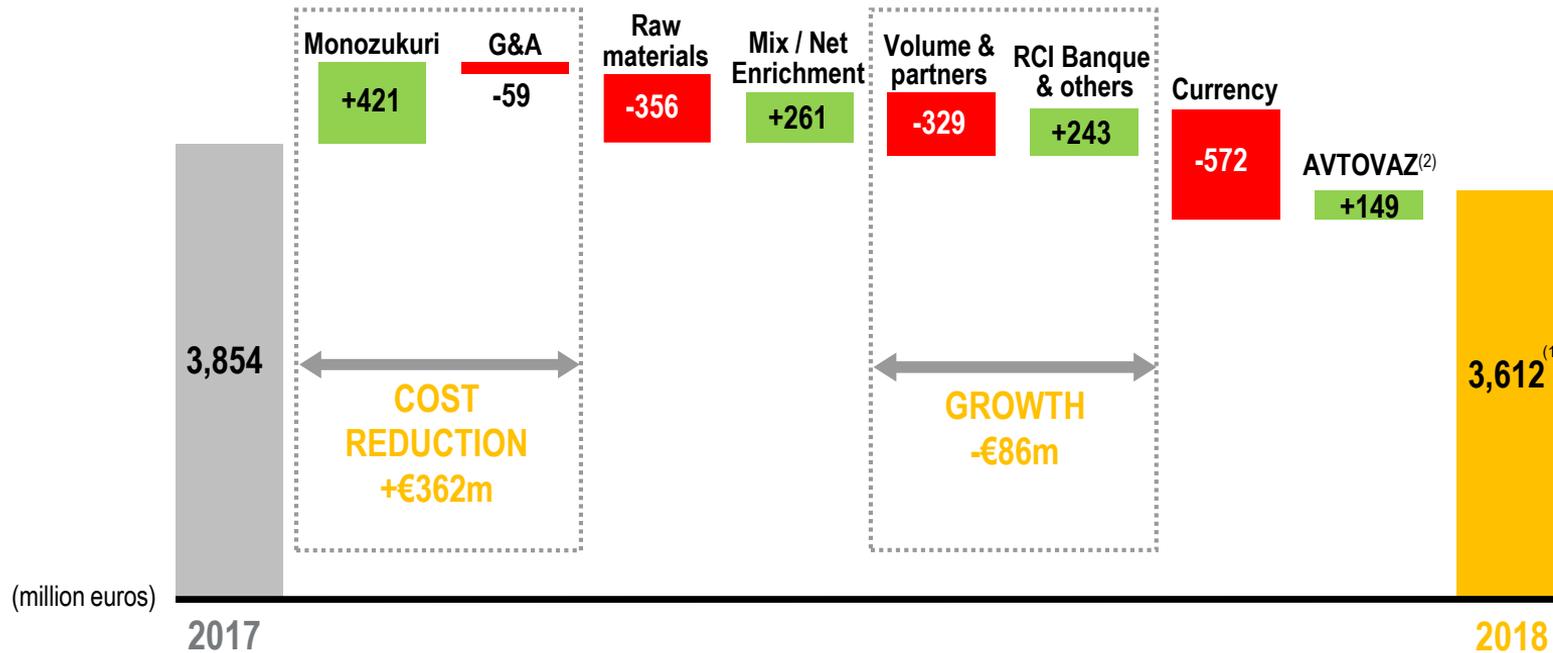
	H1	H2
	4.5%	4.1%

<sup>(1)</sup> Including IFRS15 impact for -€112m and IAS 29 Impact (hyperinflation in Argentina) for -€7m

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

# Group Operating Profit Variance Analysis

Change 2018 vs 2017: -€242m



<sup>(1)</sup> Including IFRS15 impact for -€112m booked in "others"

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

# Other Operating Income & Expenses

<i>In million euros</i>	<b>2017</b>	<b>2018</b>
<b>Net restructuring costs</b>	<b>-56</b>	<b>-306</b>
<b>Impairment of assets</b>	<b>-52</b>	<b>-276<sup>(1)</sup></b>
<b>Capital gain/loss on disposal of fixed assets</b>	<b>+96</b>	<b>+68</b>
<b>Others</b>	<b>-36</b>	<b>-111</b>
<b>Total other operating income &amp; expenses</b>	<b>-48</b>	<b>-625</b>

<sup>(1)</sup> Including impairments of Argentinean assets for -€213m

# 2018 Financial Results

<i>In million euros</i>	2017	2018	Change
<b>Group Revenues</b>	<b>58,770</b>	<b>57,419</b>	<b>-2.3%</b>
<b>Operating profit</b>	<b>3,854</b>	<b>3,612<sup>(1)</sup></b>	<b>-242</b>
% of Group revenues	6.6%	6.3%	-0.3pts
<b>Other operating income &amp; expenses</b>	<b>-48</b>	<b>-625<sup>(2)</sup></b>	<b>-577</b>
<b>EBIT</b>	<b>3,806</b>	<b>2,987</b>	<b>-819</b>
<b>Net financial income &amp; expenses</b>	<b>-391<sup>(3)</sup></b>	<b>-353<sup>(2)</sup></b>	<b>+38</b>
<b>Associated companies</b>	<b>2,799</b>	<b>1,540</b>	<b>-1,259</b>
<b>Current &amp; deferred taxes</b>	<b>-906<sup>(3)</sup></b>	<b>-723</b>	<b>+183</b>
<b>Net income</b>	<b>5,308</b>	<b>3,451</b>	<b>-1,857</b>

<sup>(1)</sup> Including IFRS15 impact for -€112m

<sup>(2)</sup> Including hyperinflation impact in Argentina

<sup>(3)</sup> 2017 restatement related to a change in the accounting treatment of Renault SA redeemable shares in 2018

# Associated Companies

<i>In million euros</i>	2017	2018	Change
<b>NISSAN</b>	2,791 <sup>(1)</sup>	[ 1,509 ]	-1,282
<b>Others</b>	8	31	+23
<b>Total associated companies</b>	<b>2,799</b>	<b>1,540</b>	<b>-1,259</b>

	[	H1	H2	]
		805	704	

<sup>(1)</sup> Including €1,021m due to US tax reform and Calsonic Kansei divestiture

# 2018 Financial Results

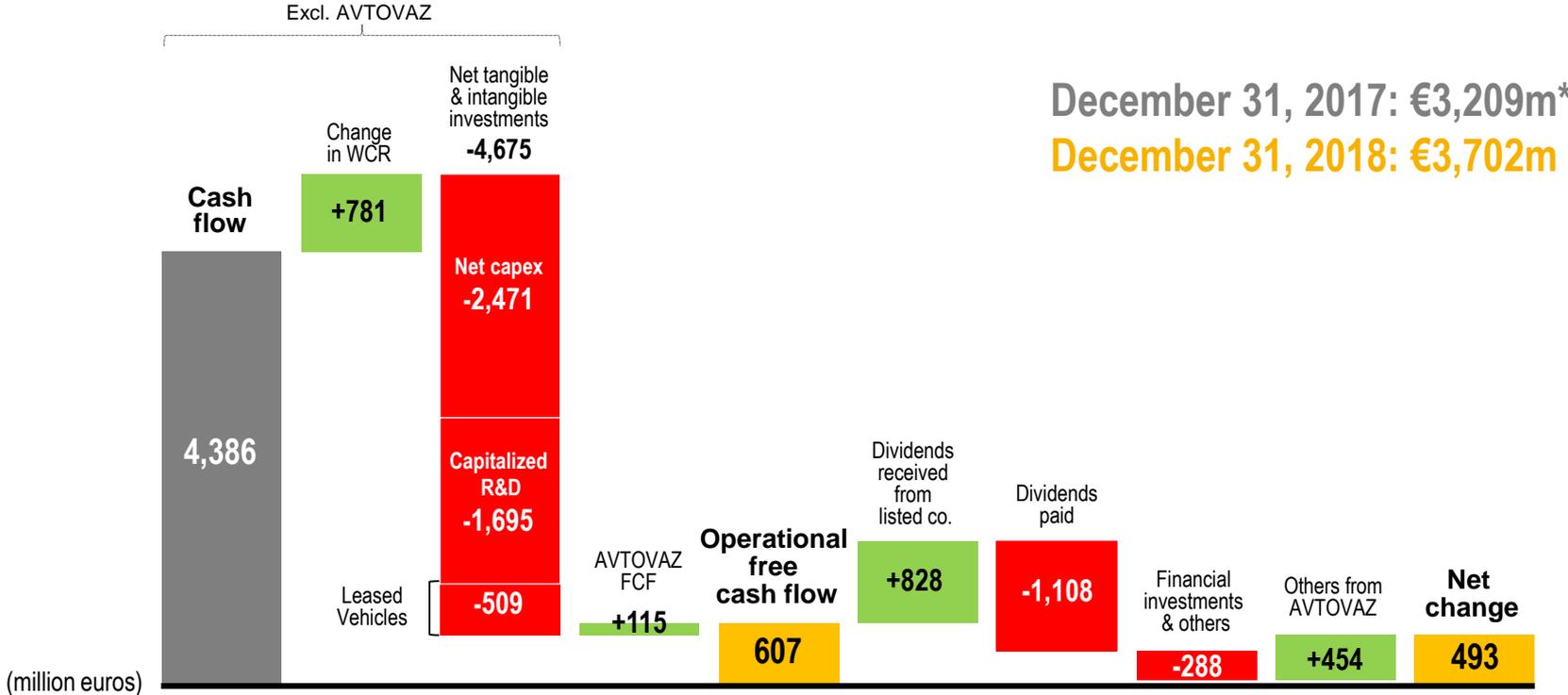
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# Automotive Net Financial Position



\* Restated to include an adjustment of +€281m related to Renault SA redeemable shares

	<b>2017</b>	<b>2018</b>
<b>New financings (€bn)</b>	<b>20.6</b>	<b>20.9</b>
<b>Average performing assets (€bn)</b>	<b>39.6</b>	<b>44.4</b>
<b>Net banking income</b>	<b>4.11%</b>	<b>4.34%</b>
<b>Cost of risk<sup>(1)</sup> (customer &amp; dealer)</b>	<b>-0.11%</b>	<b>-0.33%</b>
<b>Operating expenses</b>	<b>-1.32%</b>	<b>-1.27%</b>
<b>Pretax income</b>	<b>2.72%</b>	<b>2.74%</b>
<b>Operating profit (€m)</b>	<b>1,050</b>	<b>1,204</b>

All percentages are calculated on average performing assets

<sup>(1)</sup> As of 2018, Cost of risk reflects the application of IFRS9 Standards

# 02

## 2018 Key Achievements 2019 Outlook

**Thierry Bolloré**

Chief Executive Officer

# Strong Performance Maintained



**Sales**

**3.9m\***

**+3.2% vs 2017**



**Operating profit margin**

**6.3%**



**Free cash flow**

**€607m**

\* 2018 including Jinbei and Huasong sales

# Strong Adverse Environment



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**Collapse** of  
some Markets



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Raw **Materials**  
**Exchange** Rates



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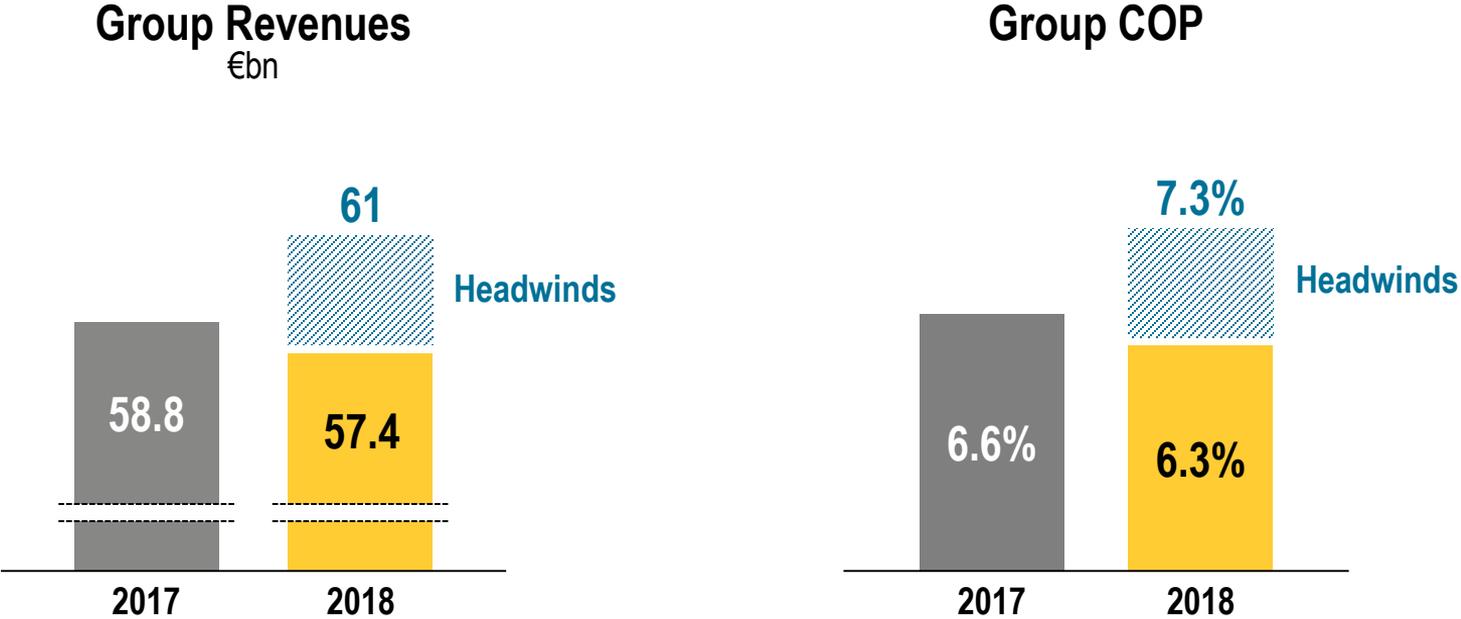
**WLTP**  
in Europe



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Acceleration of  
**the Energy Mix**  
**Evolution**

# 2018 Group Performance without the Major Headwinds



# 2018 Achievements: European Leadership in B Segment



# 2018 Achievements: DACIA Sales Record



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**Sales record**

**511,622**

Vehicles Registered

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**Market Share**

Record **2.9%**



New DUSTER



# 2018 Achievements: KWID Success in South America

**#1** in its Segment  
Brazil & Argentina



KWID

Market Share

8.7%

14.8%



# 2018 Achievements: AVTOVAZ Profitability



**+15.6%**  
Sales Record

**20%**  
Market Share

**#1**  
LADA Vesta

**6.7%**  
Operating Margin

# 2018 Achievements: Electric Vehicle Profitability



**22.2%**

**Market Share  
in Europe**

**+37%**

**Worldwide  
Sales**

**3%**

**Group's  
Revenues**

# 2018 Achievements: Cost Improvements



**GROUPE RENAULT**

**>€250m** Productivity Gains



**€2.4bn** Alliance Synergies

# 2019

## Risks

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- European demand
- Regulation implementation
- Cost inflation

## Opportunities

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- Product cadence
- Pricing improvement
- Cost optimization

# 2019 Outlook

## Europe



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

## Russia



**>+3%**

## Brazil



**+10%**

## Global Automotive Market\*

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

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

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- **Increase revenues**  
(at constant exchange rates and perimeter)
- **Achieve Group operating margin around 6%**
- **Generate a positive Automotive operational free cash flow**

\* PC+LCV including USA & Canada

# DRIVE THE FUTURE

2017 - 2022 OBJECTIVES

>€70bn  
REVENUES

>7%  
COP

€4.2bn  
SAVINGS

# 03

## Questions & Answers

# **GROUPE** RENAULT

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