



# Renault Group

**2021** Financial results

February 18, 2022

# Agenda

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Strengthen the foundations of  
a competitive, tech and sustainable company

**05**

Questions & Answers





**Renault  
Group**

# 01

## 2021 Highlights

**Luca de Meo**  
CEO Renault Group



## at least 1 year in advance

	Profitability <sup>(1)</sup>	Free cash flow generation <sup>(2)</sup>	Investments <sup>(3)</sup>	Fixed cost savings <sup>(4)</sup>	Cash Breakeven point <sup>(4)</sup>
<b>Renaultion outlook</b>	>3% in 2023	~€3bn 2021-2023	8-9% 2021-2023	>€2bn reduction by 2022	-30% as of 2023
<b>2021 achievements</b>	<b>3.6%</b> 2 years in advance	<b>€1.3bn</b>	<b>8.5%</b>	<b>&gt;€2bn</b> 1 year in advance	<b>-40%</b> 2 years in advance

(1) Group operating margin

(2) Automotive operational FCF

(3) Group R&D + capex / revenue, 2021 excluding impact of asset sales

(4) versus 2019

# In-depth ongoing transformation

## 2021 achievements



**Agile & value-creating organization**



**Commercial successes**



**Value over volume**



**Cost reduction**  
breakeven point lowered



**Strengthened Alliance**



**Sustainable strategy**



# Agile organization fit for value creation



**MOBILIZE**  
BEYOND AUTOMOTIVE

**P&L and customer** oriented



Talent **promotion**  
& strategic  
**recruitments**

**250** internal promotions\*  
**30** strategic recruitments



Women's  
**empowerment**

**50%**  
of strategic recruitments



Leaner  
**+ efficient**

**-30%**  
Engineering managers' position\*\*

\* On top 1,000  
\*\* versus beginning 2020



# Successful Launches

in 2021



Renault **ARKANA**

60,000 orders  
~60% E-TECH  
60% retail channel



Renault **KANGOO VAN**

Van of the year 2022



Dacia **SANDERO**

#1 retail PC in Europe



Dacia **SPRING**

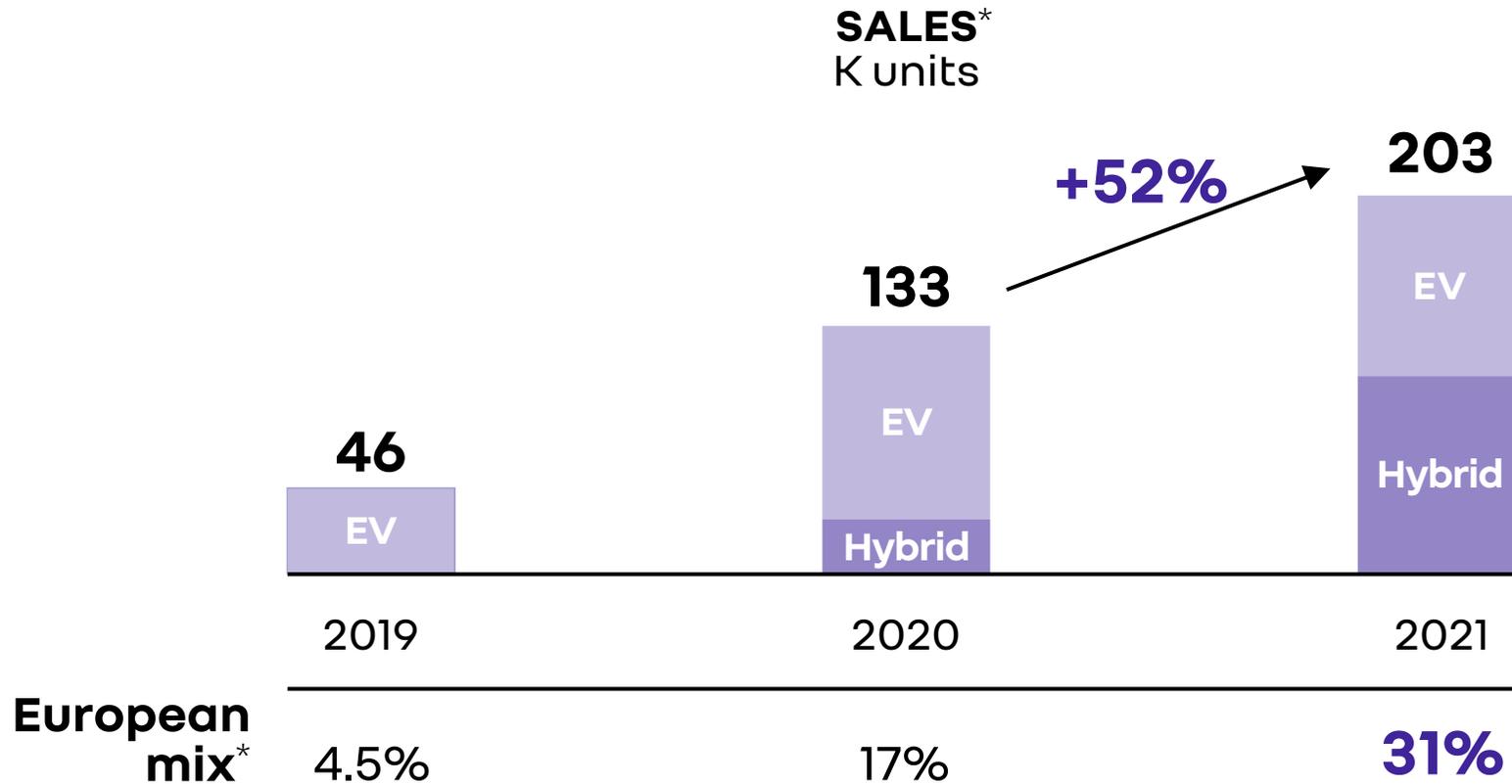
46,000 orders



Alpine **A110S**



# Success of **E-TECH** technology



\* Passenger cars



**-38%**

**Diversity**

vs June 2019 (new cars)

**+10 pts** vs H1 2021

**Renault E-TECH mix**

**↑ Retail Channel Mix**

**Renault\*** **+10 pts** to **50%**  
vs H1 2021 H2 2021

**↑ High-end versions**

**≥85%** for Arkana, Kiger, Spring

\* Renault brand passenger cars, G5

**pricing  
effect**

**+5.7 pts**  
vs 2020



# Faster, stronger



**Cash fixed cost  
reduction\***

**>€2bn**

€2.3bn o/w €2bn of structural cost reduction

1 year in advance



**Cash breakeven  
point\***

**-40%**

2 years in advance

\* versus 2019



# Alliance ready **for the future**

## Efficient **leader/follower** strategy



RENAULT NISSAN MITSUBISHI



### Common Platforms

~**80%** in 2026  
vs 60% in 2021



### Largest EV offer worldwide

**35** full EV in 2030

Electrification:  
**€10bn** already invested  
**€23bn** in the next 5 years



### Alliance Purchasing Organization

Purchasing  
~**€100bn** / year\*



### Common battery strategy

Battery Technology:  
NMC + ASSB

Capacity:  
**220 GWh** in 2030



### Software

1<sup>st</sup> full Software Defined Vehicle  
in 2025

\*excluding Covid & EC crisis  
NMC: Nickel Manganese Cobalt  
ASSB: All-Solid-State Battery



# Environment: strong ambitions & strategic partnerships revealed in 2021

## Decarbonization: engaged



Suppliers

**-30%**  
CO<sub>2</sub> materials\*  
**-35%**  
CO<sub>2</sub> battery\*



Industry

**Carbon-neutral**  
in Europe



Well-to-wheel

**-65%**  
well-to-wheel  
emissions in  
Europe\*



## Circular economy: accelerate



Renovate

**120,000** vehicles  
refurbished/year  
**20,000** batteries  
repaired/year



Recycle

**80%** of recycled  
battery minerals  
injected in new  
batteries



**Carbon neutrality**  
Europe 2040 & **Worldwide 2050**

**€1bn**  
Revenue by 2030

**RG**  
2030

New initiatives  
& partners

\* versus 2019



# Responsible employer



## Equality

Gender pay **gap reduction**  
1.7% vs 7% in 2017

**Stronger ambition:**  
**0% in 2025**



## ReKnow University

**Up & re-skilling**  
**2,600**  
People in 2021



## Social dialogue

**4**  
Trade union agreements

# ESG

## as a performance driver

	KPI	2021	2022
 <b>Decarbonization</b>	tCO <sub>2e</sub> /vehicle sold*	<b>29.8</b>	<b>&lt;29</b> (-25% vs 2010)
 <b>Circular economy</b>	# veh. refurbished Factory VO	<b>3,000</b>	<b>30,000</b>
 <b>FR2</b>	Nb of reported accidents leading to time off work per million hours worked	<b>1.66</b>	<b>1.4</b>
 <b>Gender pay gap</b>	Points of gap	<b>1.7%</b>	<b>to 0%</b> in 2025
 <b>Skills transformation</b>	#people upskilled/reskilled	<b>2,600</b>	<b>&gt;3,000</b>

\* Renault, Dacia, Alpine and Renault Samsung Motors brands, PC+LCV worldwide



# **RE**surrection

ahead of schedule

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## Fast and strong turnaround



**Renault  
Group**

**02**

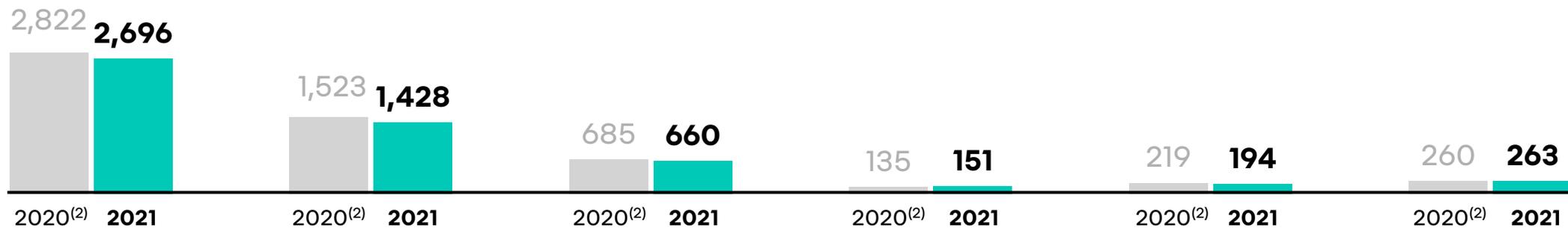
## 2021 Financial Results

**Clotilde Delbos**

Deputy CEO, CFO Renault Group

# Renault Group Sales 2021 versus 2020

Market and sales evolution by region<sup>(1)</sup>



Global

Europe

Eurasia

Africa & Middle East

Asia Pacific

Latin America

In %

Δ/FY	Car Market <sup>(3)</sup>	Europe	Eurasia	Africa & Middle East	Asia Pacific	Latin America
2020	+0.1	+2.6	+21.3	+5.3	+11.7	
	<b>Renault Group</b>	<b>-6.2</b>	<b>-3.6</b>	<b>+11.6</b>	<b>-11.3</b>	<b>+1.0</b>
2019	-23.4	+6.7	-4.3	-3.8	-18.3	
	<b>Renault Group</b>	<b>-30.0</b>	<b>-2.6</b>	<b>-35.2</b>	<b>-24.2</b>	<b>-38.0</b>

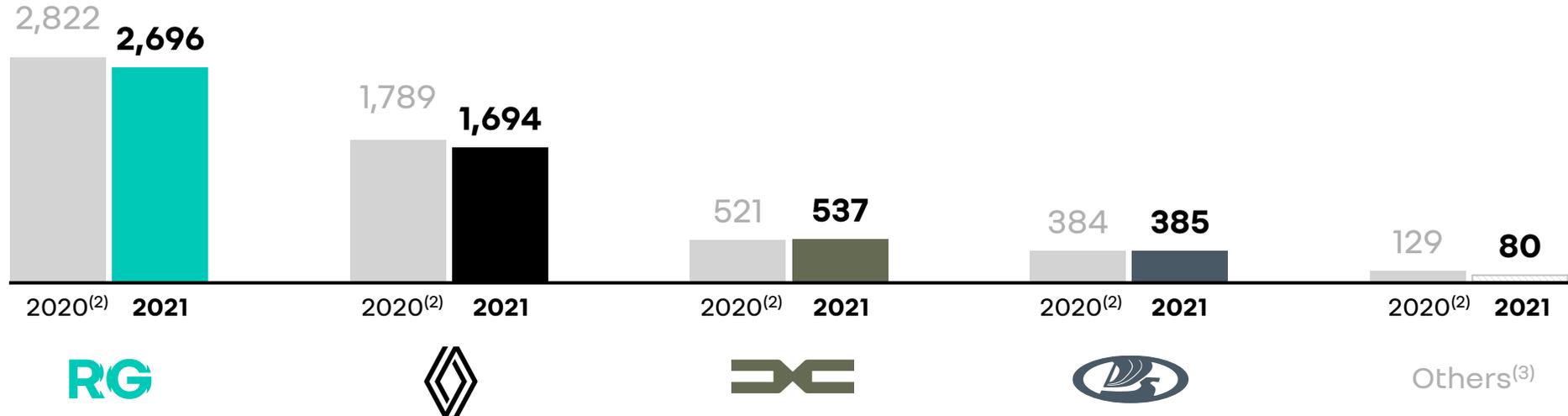
(1) PC+LCV in thousand units

(2) 2020 Volumes at proforma 2021 (excluding Shineray)

(3) PC+LCV excluding Iran

# Renault Group Sales 2021 versus 2020

## Sales evolution by brand<sup>(1)</sup>



In %

<b>Δ / FY 2020</b>	<b>-4.5</b>	<b>-5.3</b>	<b>+3.1</b>	<b>+0.3</b>	<b>-37.7</b>
<b>Δ / FY 2019</b>	<b>-25.7</b>	<b>-28.0</b>	<b>-26.9</b>	<b>-6.7</b>	<b>-37.6</b>

(1) PC+LCV in thousand units

(2) 2020 Volumes at proforma 2021 (excluding Shineray)

(3) Others = RSM, Alpine, Avtovaz, Eeasay and Jinbei&Huasong (excluding Shineray)

# FY 2021 Group Revenue

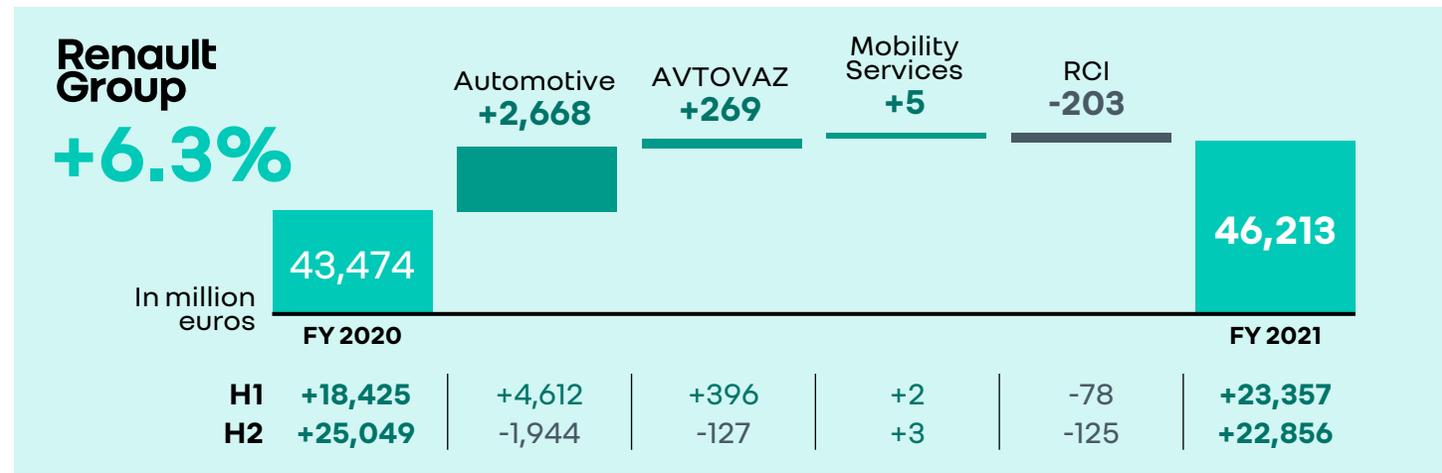
In million euros	FY 2020	<b>FY 2021</b>	Change
<b>Global unit sales (Kunits)<sup>(1)</sup></b>	<b>2,822</b>	<b>2,696</b>	<b>-4.5%</b>
<b>Group revenue</b>	<b>43,474</b>	<b>46,213</b>	<b>+6.3%</b>
o/w Automotive excl. AVTOVAZ	37,736	40,404	+7.1%
o/w AVTOVAZ <sup>(2)</sup>	2,581	2,850	+10.4%
<b>o/w Automotive</b>	<b>40,317</b>	<b>43,254</b>	<b>+7.3%</b>
<b>o/w Mobility Services</b>	<b>19</b>	<b>24</b>	<b>+26.3%</b>
<b>o/w Sales Financing</b>	<b>3,138</b>	<b>2,935</b>	<b>-6.5%</b>

(1) 2020 Volumes at proforma 2021 (excluding Shineray)

(2) AVTOVAZ net of eliminations

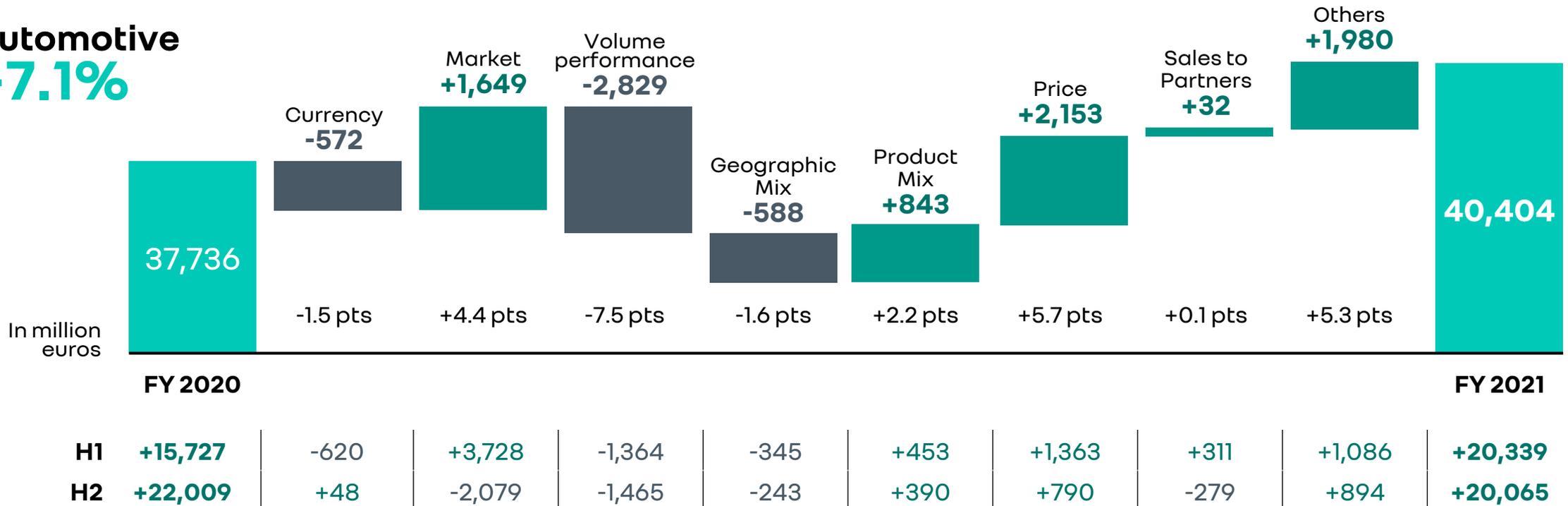
# Revenue Variance Analysis

Change FY 2021 vs FY 2020  
**+€2,739m**



## Automotive

**+7.1%**



# FY 2021 Operating Margin by Activity

In million euros	FY 2020	FY 2021	Change
<b>Group operating margin</b> % of Group revenue	<b>-337</b> -0.8%	<b>1,663</b> [3.6%]	<b>+1,999</b> +4.4 pts
<b>o/w Automotive excl. AVTOVAZ</b> % of segment revenue	<b>-1,450</b> -3.8%	<b>260</b> 0.6%	<b>+1,710</b> +4.4 pts
<b>o/w AVTOVAZ<sup>(1)</sup></b>	<b>141</b>	<b>247</b>	<b>+106</b>
<b>o/w Automotive</b> % of segment revenue	<b>-1,309</b> -3.2%	<b>507</b> [1.2%]	<b>+1,816</b> +4.4 pts
<b>o/w Mobility Services</b>	<b>-35</b>	<b>-29</b>	<b>+6</b>
<b>o/w Sales Financing</b>	<b>1,007</b>	<b>1,185</b>	<b>+178</b>

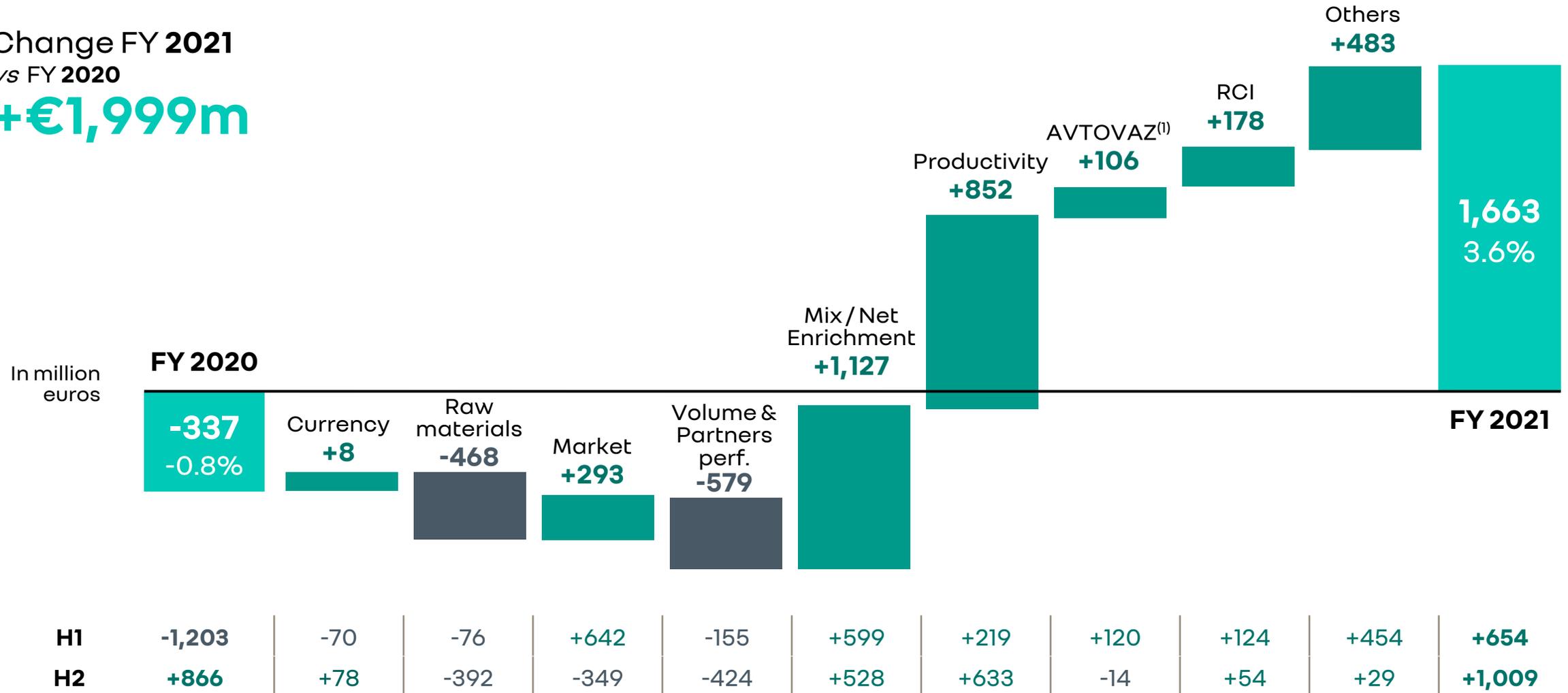
[ H1 2.8%    H2 4.4% ]
[ H1 0.4%    H2 2.0% ]

(1) AVTOVAZ net of eliminations

# Group Operating Margin Variance Analysis

Change FY 2021  
vs FY 2020

**+€1,999m**

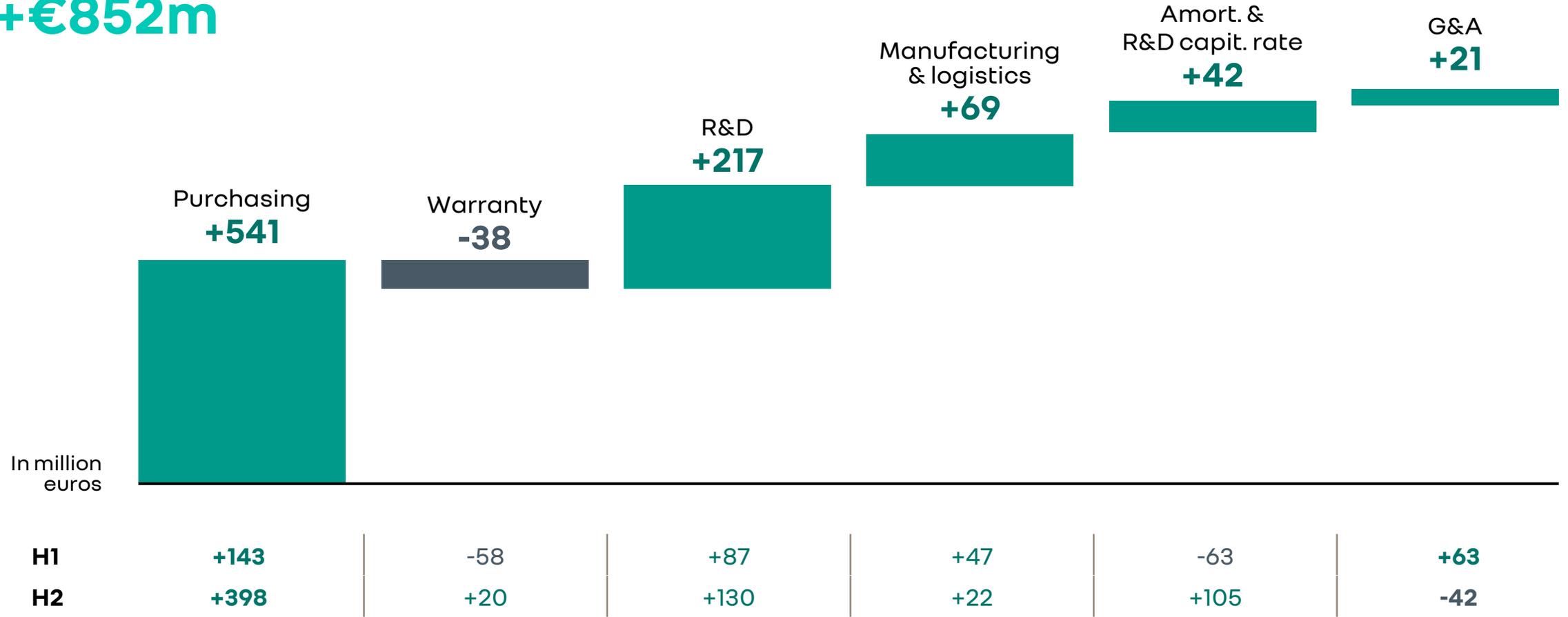


(1) AVTOVAZ net of eliminations

# Productivity Analysis excluding AVTOVAZ

Change FY 2021  
vs FY 2020

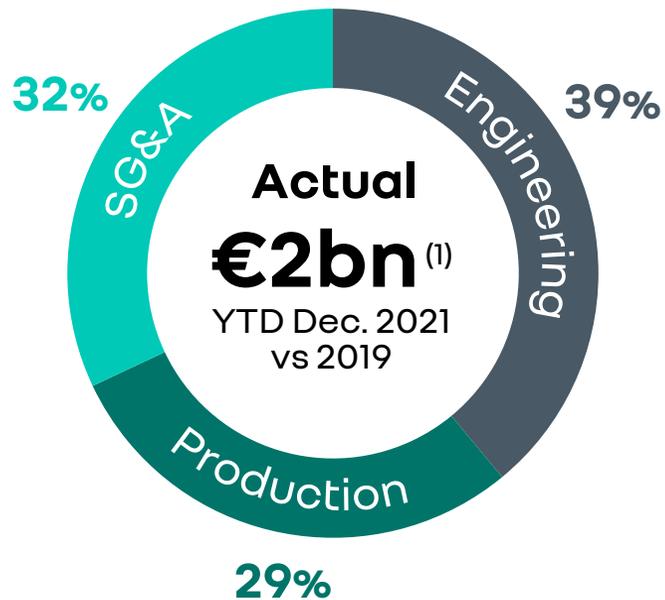
**+€852m**



**RG**

# Cash fixed cost & breakeven point reduction

## Cash fixed cost reduction a year ahead of the plan in line with target



### Key points

- **Engineering:** Subcontracting optimization, line-up and diversity reduction, parts carry-over, prototype cost decrease
- **Production:** Alliance convergence, process standardization, optimization of labor cost of plants' support functions
- **SG&A:** FME rationalization, labor cost reduction, cost optimization through BU reorganization

## Cash breakeven point <sup>(2) (3)</sup> 2 years ahead of the plan

**-40%**

(1) Without non-recurring savings

(2) Renalution target: Cash breakeven > -30% as of 2023 (without ROI dividend, WCR change & restructuring, excluding AVTOVAZ and China JVs)

(3) 2021 vs 2019

# RCI Bank and Services

	FY 2020	FY 2021
<b>New financings (€bn)</b>	<b>17.8</b>	<b>17.8</b>
<b>Average performing assets (€bn)</b>	<b>46.9</b>	<b>44.8</b>
<b>Net banking income</b>	<b>4.17%</b>	<b>4.08%</b>
<b>Cost of risk (customer &amp; dealer)</b>	<b>-0.75%</b>	<b>-0.14%</b>
<b>Operating expenses</b>	<b>-1.25%</b>	<b>-1.27%</b>
<b>Pretax income</b>	<b>2.14%</b>	<b>2.67%</b>
<b>Operating profit (€m)</b>	<b>1,007</b>	<b>1,185</b>

(in percentage of average performing assets)

# Other Income & Expenses

In million euros	FY 2020	FY 2021	Change
<b>Restructuring costs</b>	<b>-600</b>	<b>-430</b>	<b>+170</b>
<b>Impairment of PP&amp;E*, intangible assets and goodwill</b>	<b>-762</b>	<b>-149</b>	<b>+613</b>
<b>Capital gain/loss on disposal of assets</b>	<b>-87</b>	<b>487</b>	<b>+574</b>
<b>Others</b>	<b>-213</b>	<b>-173</b>	<b>+40</b>
<b>Total other operating income &amp; expenses</b>	<b>-1,662</b>	<b>-265</b>	<b>+1,397</b>

\* Property, Plant and Equipment

# FY 2021 Financial Results

In million euros	FY 2020	FY 2021	Change
<b>Group revenue</b>	<b>43,474</b>	<b>46,213</b>	<b>+6.3%</b>
<b>Operating margin</b> % of Group revenue	<b>-337</b> -0.8%	<b>1,663</b> 3.6%	<b>+1,999</b> +4.4 pts
<b>Other operating income &amp; expenses</b>	<b>-1,662</b>	<b>-265</b>	<b>+1,397</b>
<b>EBIT</b>	<b>-1,999</b>	<b>1,398</b>	<b>+3,396</b>
<b>Net financial income &amp; expenses</b>	<b>-482</b>	<b>-350</b>	<b>+132</b>
<b>Associated companies</b>	<b>-5,145</b>	<b>515</b>	<b>+5,660</b>
<b>Current &amp; deferred taxes</b>	<b>-420</b>	<b>-596</b>	<b>-176</b>
<b>Net income</b>	<b>-8,046</b>	<b>967</b>	<b>+9,013</b>

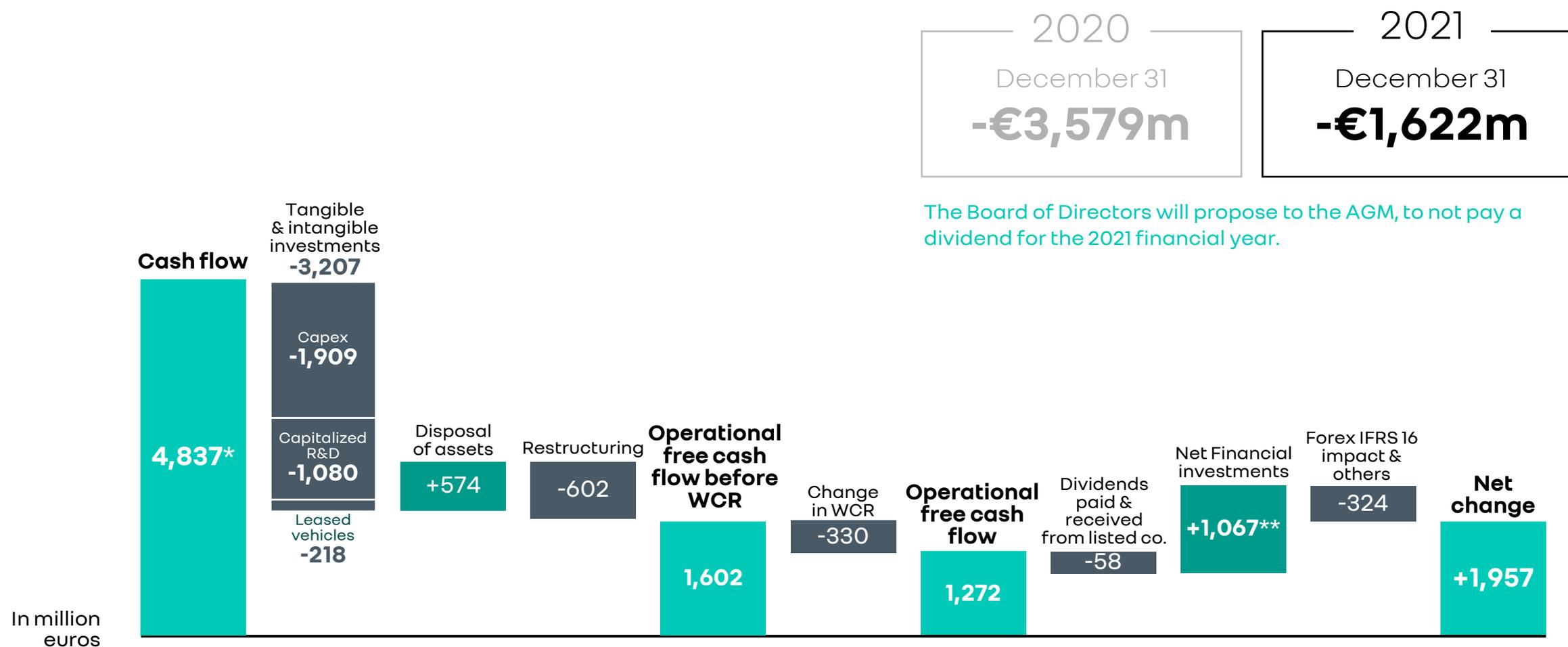
# Associated Companies

In million euros	FY 2020	FY 2021		Change				
<b>NISSAN</b>	<b>-4,970</b>	[ <b>380</b> ]		<b>+5,350</b>				
<b>Others</b>	<b>-175</b>	<b>135</b>		<b>+310</b>				
<b>Total associated companies</b>	<b>-5,145</b>	<b>515</b>		<b>+5,660</b>				
		<table border="1"> <thead> <tr> <th>H1</th> <th>H2</th> </tr> </thead> <tbody> <tr> <td>100</td> <td>280</td> </tr> </tbody> </table>		H1	H2	100	280	
H1	H2							
100	280							

# Current & Deferred Taxes

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# Automotive Net Financial Position



\* Including RCI dividend €1,000m

\*\* Including the disposal of Daimler shares €1,138m

# Debt and liquidity

## Loan with French State guarantee "PGE"

In 2022:

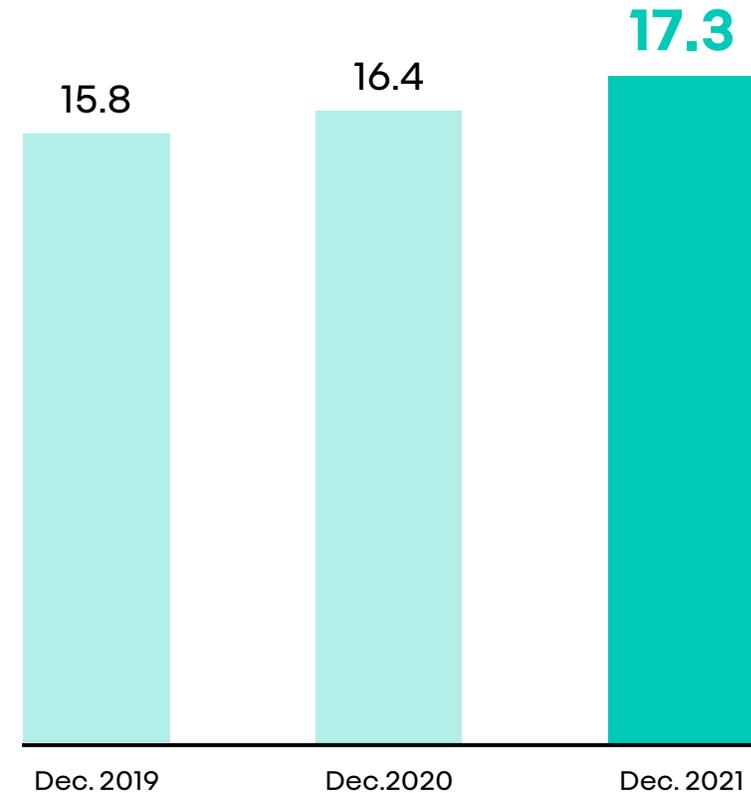
**€1bn** mandatory annual reimbursement

**€1bn** early repayment

Fully reimbursed by the end of **2023** at the latest

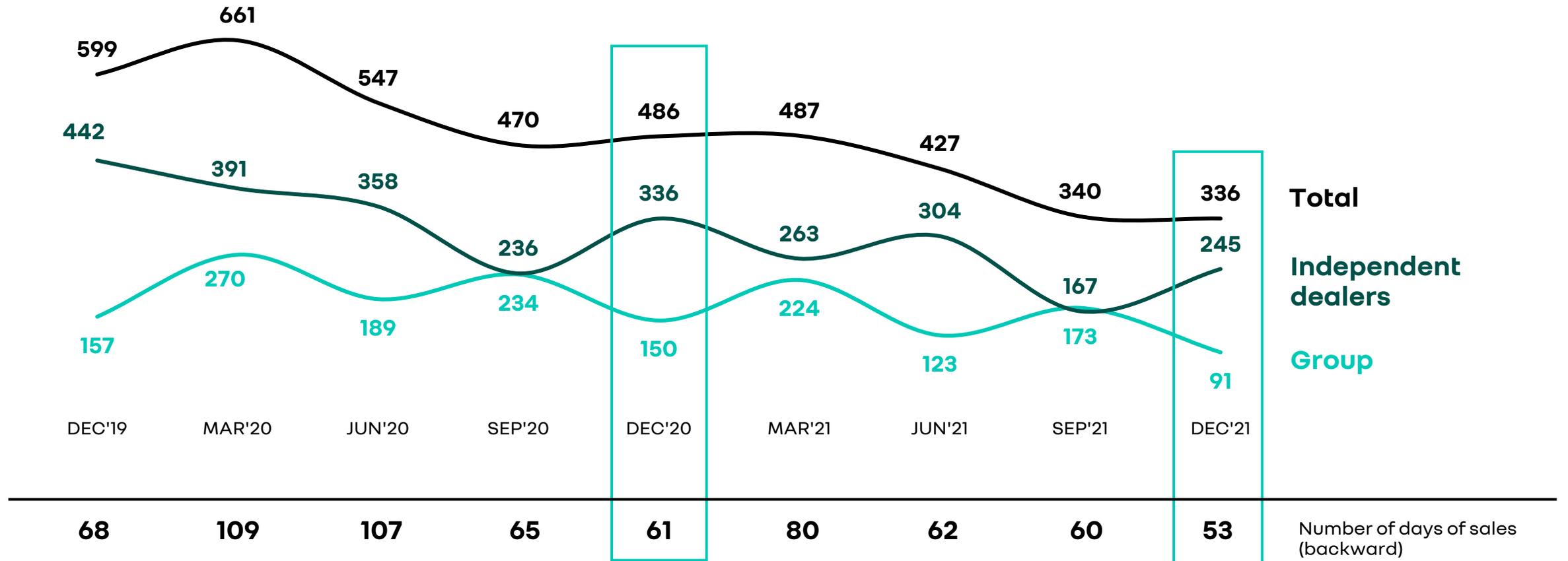
## Auto division liquidity reserves

(in €bn)



# New vehicles distribution stock excluding Avtovaz

(In thousand units)





**Renault  
Group**

# 03 Outlook

**Luca de Meo**  
CEO Renault Group

# 2022

## Challenges



EC shortage



Raw material price increases



Cost inflation

## Opportunities



Market & volume recovery



Pricing policy



Cost reduction



Product cycle

(Arkana, Megane E-TECH, Jogger, Austral...)

# 2022 outlook



**Europe**



**Eurasia**



**Latam**

In an environment still impacted by the semiconductor crisis, particularly in the 1<sup>st</sup> half of 2022 (total loss estimated at 300,000 vehicles on 2022 production), and by the increase of raw materials prices, the Group is aiming to achieve for the full year:

**Group operating margin  $\geq$  4%**

**Automotive operational free cash-flow  $\geq$  €1bn**

**Ahead of its mid-term Renaulution objectives,  
the Group will organize a Capital Market Day in the fall of 2022.**



**Renault  
Group**

**04**

Strengthen  
the foundations  
of a competitive,  
tech and sustainable  
company

**Luca de Meo**

CEO Renault Group

# Competitiveness



**Keep the pace**  
on cost reduction



**Further improvement**  
of our pricing / commercial policy

Price - Channel mix - Product mix

# 7 launches in **2022**



Renault **MEGANE**  
**E-TECH Electric**



Dacia  
**JOGGER**



Renault  
**AUSTRAL**



Renault  
**KANGOO EV**



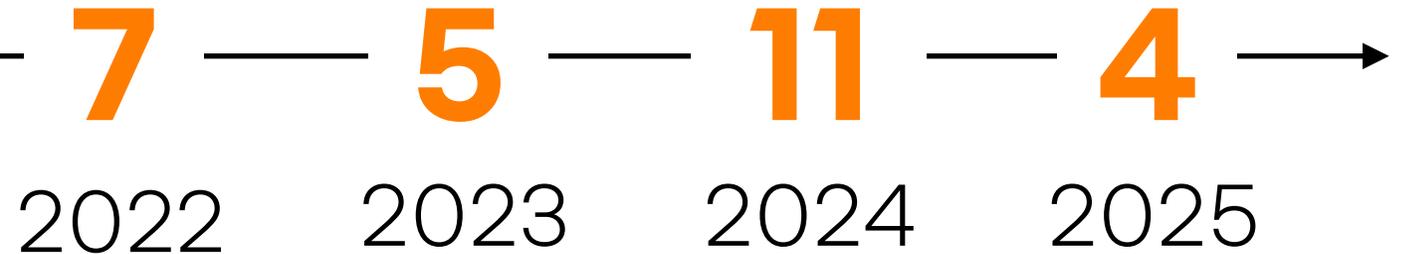
MOBILIZE  
**LIMO**



**RG**

# Towards « Renaultution » Line-up

**27**  
Launches



PC: **50%** on C & above seg.

# EV launches

to sustain our value offer



MOBILIZE



MOBILIZE



2022

2023

2024

2025

# Acceleration of Renault brand **EV strategy**



**Electricity**, most competitive and efficient  
production unit for electric vehicles  
in Europe

**Towards 100% ELECTRIC**  
for European PC in 2030

# Strategic studies to tackle automotive challenges

## ⚡ Pure Electric Entity

## 🔧 ICE & Hybrid Powertrain Entity

### ☆ Assets



### E-TECH

### 🔧 Activities

- 100% EV et SW technologies and activities
- Renault 100% Electric (Europe 2030)
- France Focus

- Engine/transmission activities and technologies for ICE and Hybrid
- Out of France

### 🤝 Partnerships

- Open ecosystem with multiple partnerships (technologies, services..)

- Industrial and technological partnerships

### 💡 Skills

- EV Pioneer in Europe

- 120 years experience worldwide

# Ambitious H<sub>2</sub> product offensive

# Hydrogen

3

LCVs

from mid 2022

30%

Market share\*  
Objective

by 2030 in Europe



 HYVIA

\* in H<sub>2</sub> LCV segment

RG

# In the game for **Software Defined Vehicle**

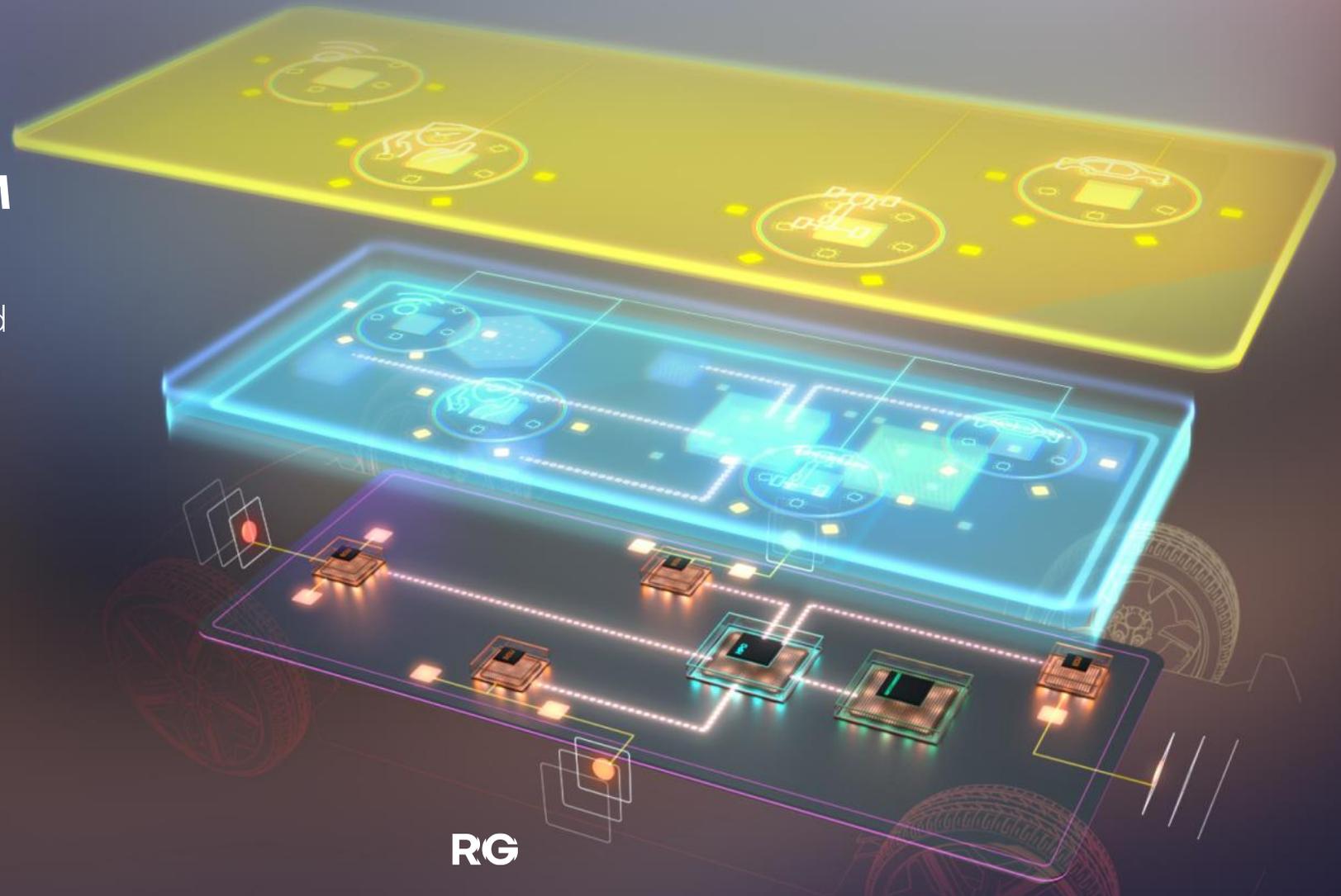
Google Automotive  
Services:  
**1<sup>st</sup> global  
mass market OEM**

**3M** Alliance connected  
cars today

**25M** in 2026

**1<sup>st</sup> full software**  
defined vehicle in 2025

**Strong**  
Tech partners



# Launch of a **concept-car**

embodying Renault's vision of sustainability

May **2022**

## Environment

Zero CO<sub>2</sub>

Recycled

Recyclable



## Safety

Human-centric

Anticipative tech

## Inclusion

Easy access

Diversity



**Renault  
Group**

**Competitive,  
tech &  
sustainable  
company**



**Renault  
Group**

# 05

## Questions & Answers

# Disclaimer

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# Renault Group

**2021** Financial results

February 18, 2022