

# Renault Group

2022 H1

July 29, 2022

## Financial Results

# Agenda

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2022 Outlook & Strategy

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Questions & Answers





**Renault  
Group**

# 01

## 2022 H1 Highlights

**Luca de Meo**  
CEO Renault Group



# 2022 H1: a new step in Renault Group recovery

Operating  
margin

**4.7%**  
**+2.6pts**  
vs 2021 H1\*

Automotive operational  
free cash flow

**€956m**  
**+€1,470m**  
vs 2021 H1\*

Net debt  
June 30, 2022

**-€426m**  
**€1,196m**  
improvement vs Dec. 21  
o/w €522m due to Russia exit

## ... despite strong headwinds

**EC crisis**

**Cost inflation**  
(incl. raw materials)

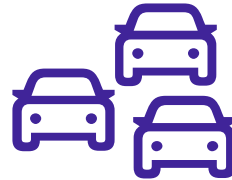
**Russia**

# Thanks to our **in-depth transformation**

## 3 main levers



**Commercial  
policy focused  
on value**



**Line-up renewal  
with 1<sup>st</sup> commercial  
successes**



**Competitiveness**



# Efficient value over volume policy

## ◈ Renault E-TECH mix (pc, Europe)

**+10 pts** to **36%**  
vs 2021 H1      2022 H1

## C & above segment

**+3 pts** to **39%**  
vs 2021 H1      2022 H1

## ↗ Retail channel mix

◈ Renault\* **+13 pts** to **53%**  
vs 2021 H1      2022 H1

## ↗ High trims mix

**≥70%** for Arkana, Megane Electric, Spring

**Pricing  
effect**

**+7.4 pts**  
vs 2021 H1

\* Renault brand passenger cars in France, Germany, Italy, Spain and UK

# All launches are a hit

## Order book 4.1 months of sales



Renault **ARKANA**  
> **40,000 orders** in H1  
> 100,000 since launch  
~**60%** E-TECH  
~**60%** retail channel



Dacia **SPRING**  
> **30,000 orders** in H1  
€19.8 k\*, the **most affordable** European EV  
**#2 EV & #1 EV Retail** in France in H1



Renault **MEGANE ELECTRIC**  
> **25,000 orders**  
**75%** high trims & > **80%** large battery



Dacia **JOGGER**  
> **50,000 orders** in H1  
> **60%** high trims & LPG  
€18.2 k for **7 seats**



Renault **AUSTRAL**  
**C-SUV**, 2022 H2  
**E-TECH** engine: 4.5l/100 km  
102 g CO<sub>2</sub>/km WLTP



Alpine **A110**  
**Orders 2 x** in H1  
vs 2021 H1

# Competitiveness

## Continuous improvement & optimization

### LEAN ORGANIZATION

Since July 2020: New strategic talents

**53**

Internal promotions

**250**

Continuous improvement  
in span of control <sup>(1)</sup>

**+14%**

### CASH FIXED COSTS OPTIMIZATION

**-€100m**

in 2022 H1 vs end 2021

mostly fixed marketing  
expenses &  
manufacturing costs

### ENERGY CRISIS MANAGEMENT

Industry  
**-10%**

Worldwide energy  
consumption performance  
vs 2021 for gas & electricity <sup>(2)</sup>

### INVENTORY MANAGEMENT

**-185,000** vehicles **-35%**

in 2022 H1 vs 2020 H1

### REAL ESTATE FOOTPRINT <sup>(3)</sup>

**-8%** **-1 million m<sup>2</sup>**

vs 2019

(1) Since end of 2020

(2) 2022 H1 vs 2021 average

(3) Excluding Russia (300 km<sup>2</sup>)





**Renault  
Group**

**02**

## 2022 H1 Financial Results

**Thierry Piéton**  
CFO Renault Group

# Russia deconsolidation impact

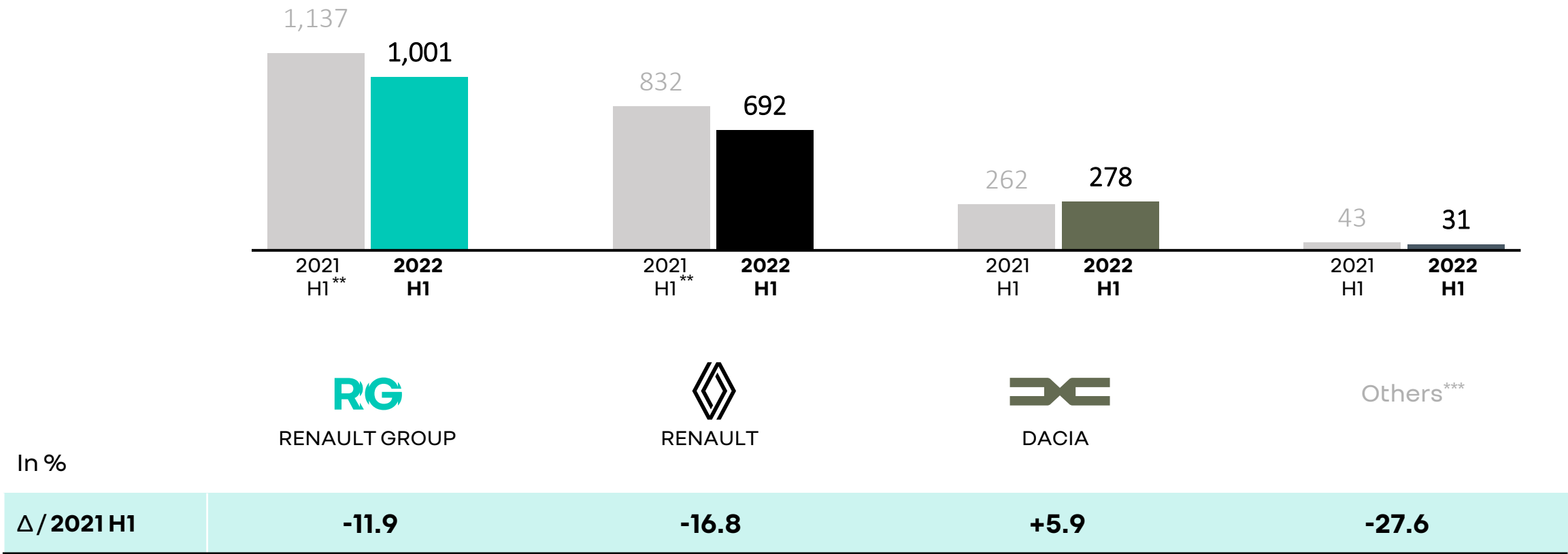
2021						
In million euros	2021 H1 Published	2021 H1 Adjusted	Change	2021 FY Published	2021 FY Adjusted	Change
<b>Group revenue</b>	<b>23,357</b>	<b>21,057</b>	<b>-2,300</b>	<b>46,213</b>	<b>41,659</b>	<b>-4,554</b>
<b>Operating margin</b>	<b>654</b>	<b>432</b>	<b>-222</b>	<b>1,663</b>	<b>1,153</b>	<b>-510</b>
% of Group revenue	2.8%	2.1%	-0.7 pt	3.6%	2.8%	-0.8 pt
<b>Net income</b>	<b>368</b>	<b>368</b>	<b>0</b>	<b>967</b>	<b>967</b>	<b>0</b>
o/w continuing operations	<b>368</b>	<b>199</b>	<b>-169</b>	<b>967</b>	<b>549</b>	<b>-418</b>
o/w discontinued operations	-	<b>169</b>	<b>+169</b>	-	<b>418</b>	<b>+418</b>
<b>Automotive operational free cash-flow</b>	<b>-70</b>	<b>-514</b>	<b>-444</b>	<b>1,272</b>	<b>889</b>	<b>-383</b>
<b>Automotive net financial position</b>				<b>-1,622</b>	<b>-1,100</b>	<b>+522</b>
				At Dec. 31, 2021	At Dec. 31, 2021	

## 2022

- Russian Automotive activities deconsolidated in 2022 H1 and treated as discontinued operations with retroactive effect to January 1, 2022
- 2022 H1 impact: net income of discontinued operations -€2.3bn
- 2022 H1 financial aggregates of continuing activities no longer include Russian Automotive activities, and 2021 adjusted in line

# 2022 H1 Renault Group sales

Sales evolution **by brand\***



\* PC+LCV in thousand units  
 \*\* 2021 volumes at proforma 2022 (excluding Renault Russia and AVTOVAZ)  
 \*\*\* Others = Alpine, Renault Korea Motors, Eveasy and Jinbei&Huasong

# 2022 H1 Group revenue

In million euros	2021 H1*	2022 H1	Change
<b>Global unit sales (Kunits)</b>	<b>1,137</b>	<b>1,001</b>	<b>-11.9%</b>
<b>Group revenue</b>	<b>21,057</b>	<b>21,121</b>	<b>+0.3%</b>
o/w Automotive	19,524	19,574	+0.3%
o/w Mobility Services	11	17	+54.5%
o/w Sales Financing (Mobilize Financial Services)	1,522	1,530	+0.5%

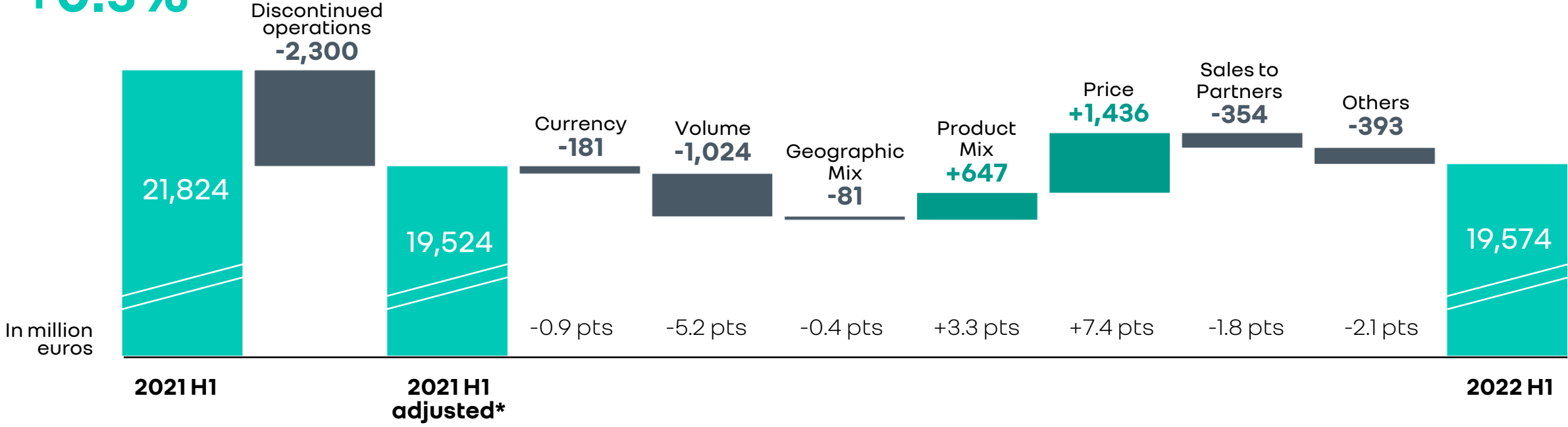
\* Adjusted to reflect the exit from Russia

# Revenue variance analysis

Change 2022 H1  
vs 2021 H1\*

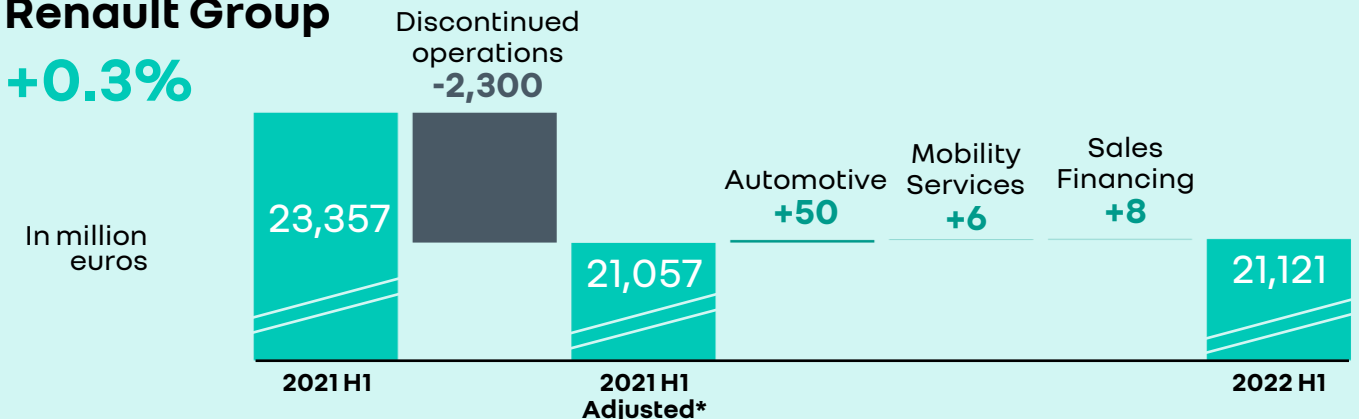
+€64m

Revenue for  
Automotive  
+0.3%



## Revenue for Renault Group

+0.3%



\* Adjusted to reflect the exit from Russia

# 2022 H1 operating margin by activity

In million euros	2021 H1*	2022 H1	Change
<b>Group operating margin</b> % of Group revenue	<b>432</b> 2.1%	<b>988</b> 4.7%	<b>+556</b> +2.6 pts
<b>o/w Automotive</b> % of segment revenue	<b>-145</b> -0.7%	<b>420</b> 2.1%	<b>+565</b> +2.8 pts
<b>o/w Mobility Services</b>	<b>-16</b>	<b>-14</b>	<b>+2</b>
<b>o/w Sales Financing (Mobilize Financial Services)</b>	<b>593</b>	<b>582</b>	<b>-11</b>

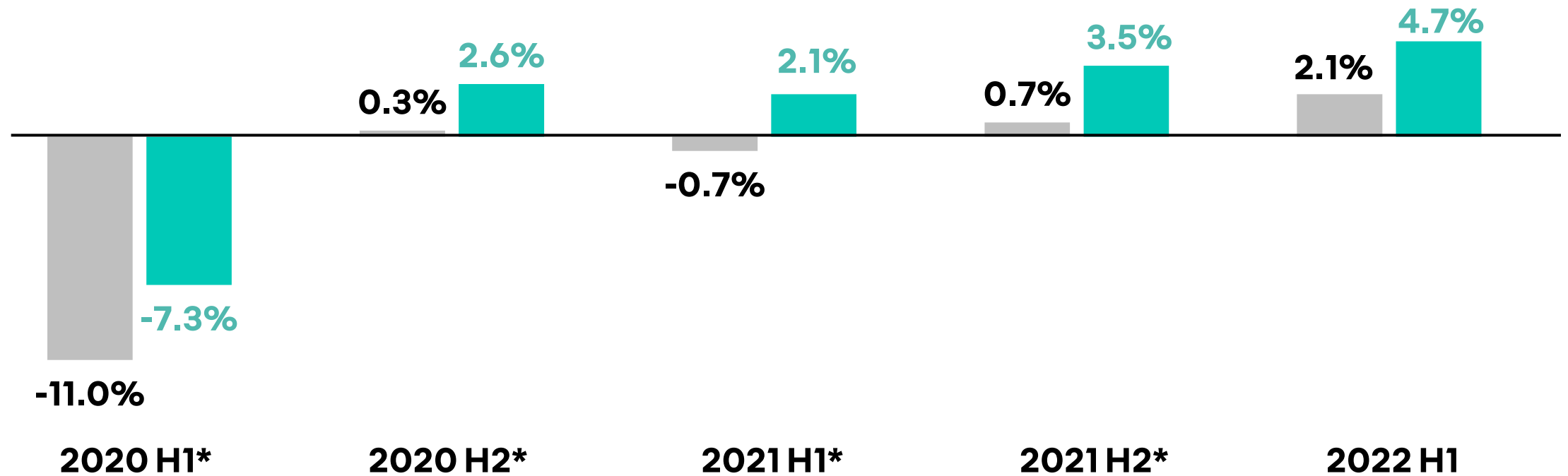
\* Adjusted to reflect the exit from Russia



# Operating margin evolution

Group margin

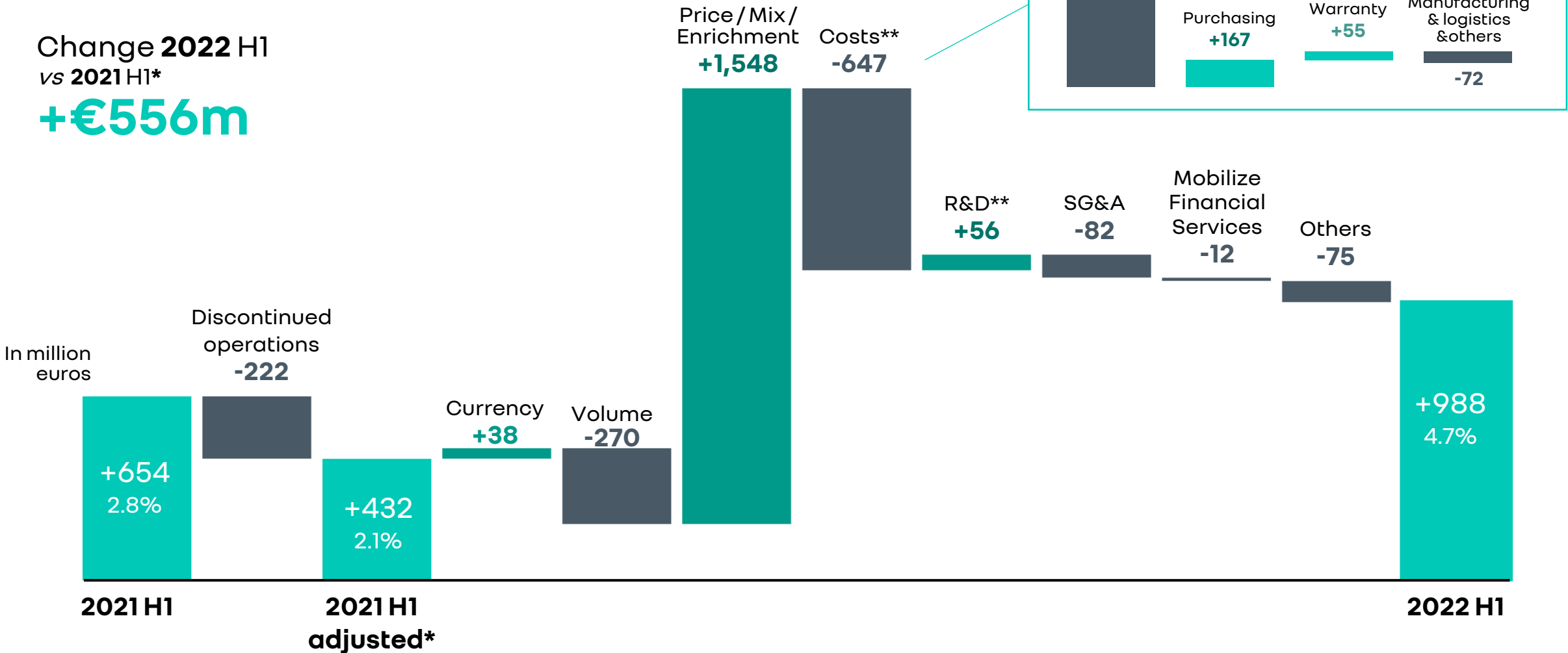
Auto margin



\* Adjusted to reflect the exit from Russia

# Group operating margin variance analysis

Change 2022 H1  
vs 2021 H1\*  
**+€556m**



\*Adjusted to reflect the exit from Russia  
\*\* o/w +€147m of amortization & R&D capitalization rate

# Sales Financing: Mobilize Financial Services

	2021 H1	2022 H1	Change
<b>New financings (€bn)</b>	<b>8.7</b>	<b>8.9</b>	<b>+2.3%</b>
<b>Average performing assets (€bn)</b>	<b>45.5</b>	<b>43.7</b>	<b>-3.9%</b>
<b>Net banking income</b>	<b>4.2%</b>	<b>4.7%</b>	<b>+0.5 pt</b>
<b>Cost of risk (customer &amp; dealer)</b>	<b>-0.16%</b>	<b>-0.49%</b>	<b>-0.33 pt</b>
<b>Operating expenses</b>	<b>-1.3%</b>	<b>-1.5%</b>	<b>-0.2 pt</b>
<b>Pretax income</b>	<b>2.7%</b>	<b>2.1%</b>	<b>-0.6 pt</b>
<b>Operating profit (€m)</b>	<b>593</b>	<b>582</b>	<b>-11</b>

(in percentage of average performing assets)

# Other income & expenses

In million euros	2021 H1*	2022 H1	Change
<b>Restructuring costs</b>	<b>-144</b>	<b>-134</b>	<b>+10</b>
<b>Impairment of PP&amp;E**, intangible assets and goodwill</b>	<b>-30</b>	<b>-2</b>	<b>+28</b>
<b>Capital gain/loss on disposal of assets</b>	<b>126</b>	<b>56</b>	<b>-70</b>
<b>Others</b>	<b>-22</b>	<b>31</b>	<b>+53</b>
<b>Total other operating income &amp; expenses</b>	<b>-70</b>	<b>-49</b>	<b>+21</b>

\* Adjusted to reflect the exit from Russia

\*\* Property, Plant and Equipment

# 2022 H1 financial results

In million euros	2021 H1*	2022 H1	Change
<b>Group revenue</b>	<b>21,057</b>	<b>21,121</b>	<b>+0.3%</b>
<b>Operating margin</b>	<b>432</b>	<b>988</b>	<b>+556</b>
% of Group revenue	2.1%	4.7%	+2.6 pts
<b>Other operating income &amp; expenses</b>	<b>-70</b>	<b>-49</b>	<b>+21</b>
<b>EBIT</b>	<b>362</b>	<b>939</b>	<b>+577</b>
<b>Net financial income &amp; expenses</b>	<b>-138</b>	<b>-236</b>	<b>-98</b>
<b>Associated companies</b>	<b>160</b>	<b>214</b>	<b>+54</b>
<b>Current &amp; deferred taxes</b>	<b>-185</b>	<b>-260</b>	<b>-75</b>
<b>Net income</b>	<b>368</b>	<b>-1,666</b>	<b>-2,034</b>
o/w continuing operations	199	657	+458
o/w discontinued operations	169	-2,323	-2,492

\* Adjusted to reflect the exit from Russia

# Associated companies

In million euros	2021 H1	2022 H1	Change
Nissan	100	325	+225
Others	60	-111	-171
Total associated companies	160	214	+54

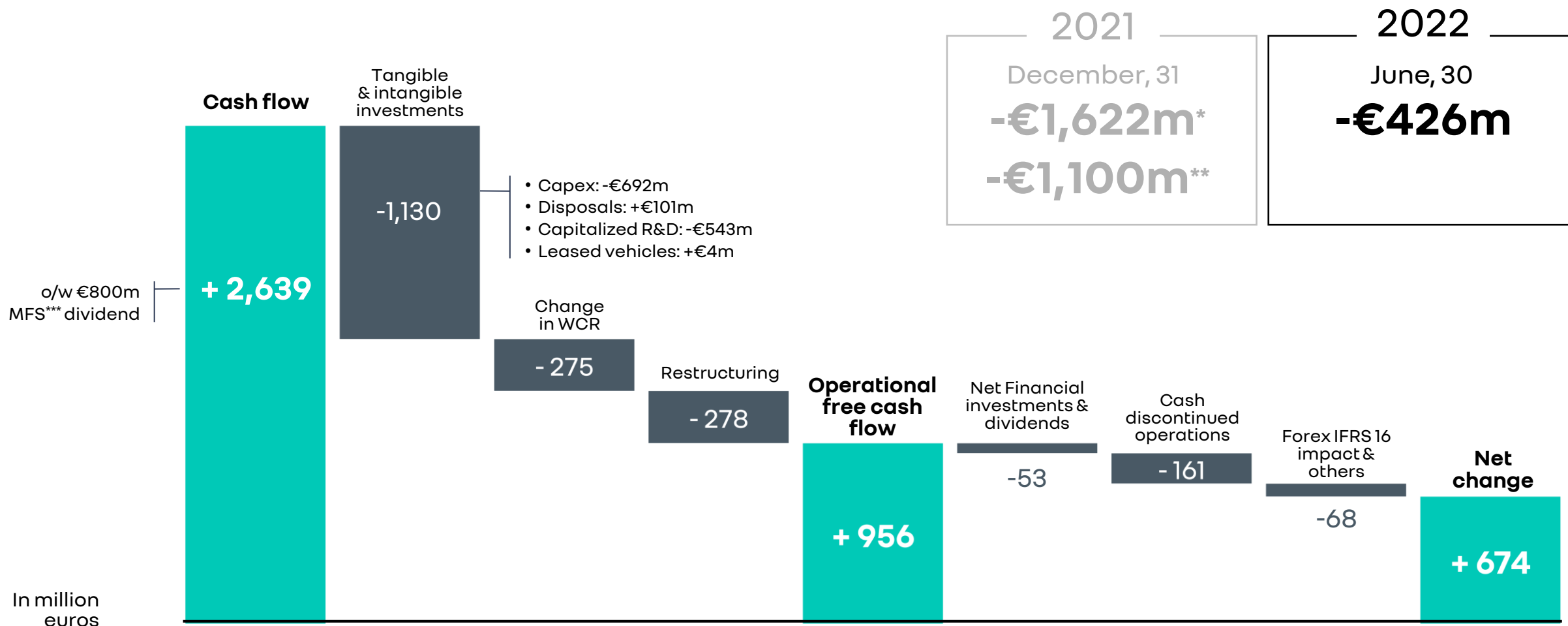


# Current & deferred taxes and net income

In million euros	2021 H1 *	2022 H1	Change
<b>Group revenue</b>	<b>21,057</b>	<b>21,121</b>	<b>+0.3%</b>
<b>Operating margin</b>	<b>432</b>	<b>988</b>	<b>+556</b>
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# Automotive net financial position

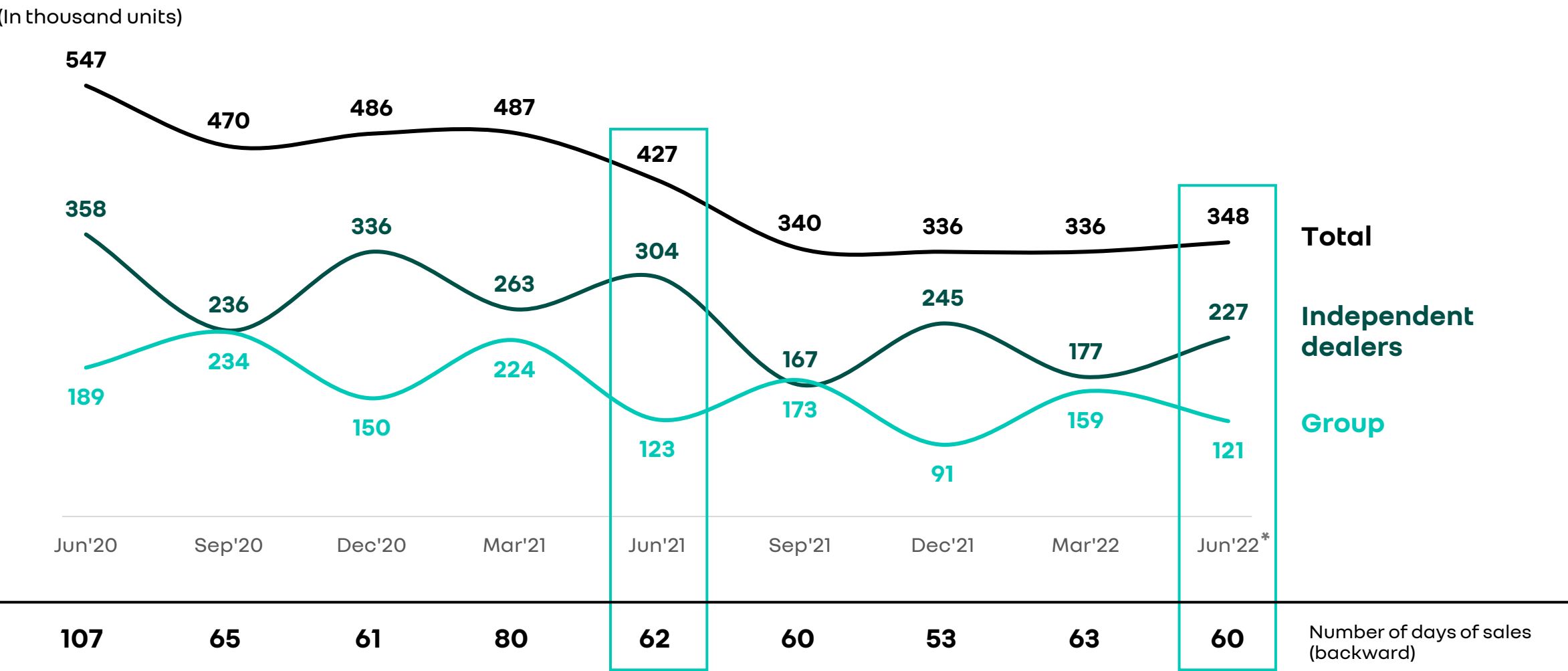


\* Published

\*\* Adjusted to reflect the exit from Russia

\*\*\* MFS: Mobilize Financial Services

# New vehicles distribution inventories



\* Renault Russia activities excluded only for June 2022  
Russian inventories represented ~ 15 Kunits in average

# Debt and liquidity

## Loan with French State guarantee "PGE"

2022 H1: €1bn early repayment

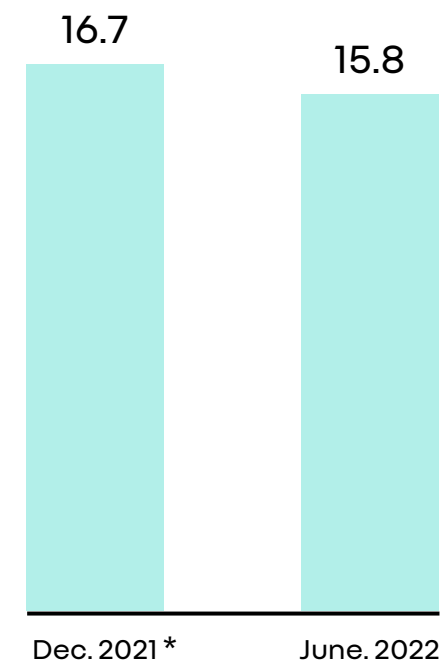
2022 H2: €1bn annual repayment

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

**3-year maturity Samurai Bond** for ¥80.7bn  
(received on July 1, 2022)

## Auto division liquidity reserves

(in €bn)





**Renault  
Group**

03

## Outlook & Strategy

**Luca de Meo**

CEO Renault Group

# 2022 H2

## Risks



EC shortage



Cost inflation (o/w raw mat)



Energy crisis



Customer demand

## Opportunities



EC availability



Cost reduction



Product cycle

(Arkana, Jogger, Megane Electric, Austral...)



# 2022 outlook upgraded

H2 market  
outlook



Europe



Eurasia  
excluding Russia



Latam

Group operating margin **>5%** vs ~3% previously

Automotive operational free cash-flow **>€1.5bn** vs positive previously

The Group confirms an impact of the semiconductor crisis estimated at 300,000 vehicles in 2022

# Ambitious product line-up

to fuel sustainable & profitable growth

Global PC+ LCV

**25**  
Launches



**>50%** on C & above segment for PC

**~50%** BEV

**80%** electrified vehicles

# Key partnerships

in 2022 H1 to secure the EV value chain

## Battery raw materials



### Low-carbon cobalt

Produced in Morocco with traceability of supply chain

**5,000t/y** from 2025 for **7 years** representing an annual battery production capacity of up to 15 GWh

## Battery casings



### JV creation for battery casings

in ElectriCity in France

Capacity of **300,000** battery casings/year by 2025, for electric vehicles

## e-Motor



### 200kW new generation rare-earth free electric motor

Start of production from **2027**

## Power electronics



### for EV and hybrid powertrains in "One box"

All components\* in one housing with start of production from **2026**

\* DC-DC converter + on-board charger OBC + inverter

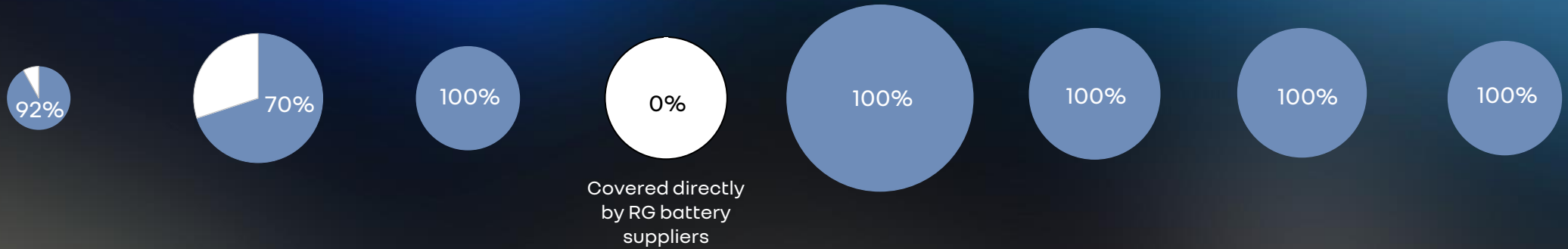
# Covered EV Value chain

from 10% in 2020 to 30% in 2022  
80% by 2030

Step of the  
value chain



2030  
target  
coverage



Partnerships



Level of coverage: Covered Not covered

# Accelerate the transformation to become more

## Competitive



**3DEXPERIENCE** platform for the development of products and mobility services  
First-of-a-kind deployment of this scale



ID@scale, solution for manufacturing data management, developed by Renault Group: **€200m** savings/year by 2023



## Tech

Strategy 2030 revealed & ambition of **20%** of 2030 Group's revenue

RCI becomes **Mobilize** Financial Services

Already **5** startups incubated  
**4** projects finalized

Extended collaboration leveraging Snapdragon® Digital Chassis™

Renault Tech, which customizes and transforms vehicles, becomes Qstomize  
Enlarged product range & **7** new countries

A new ambition for sustainability

# Scenic Vision concept-car

change**NO**W

## Safety

-70% accidents  
No-stress tech

## Climate

Zero CO<sub>2</sub> in  
production & in use

## Inclusion

Easy access

## Hydrogen

Range extender



95% Recyclable,  
incl. the battery

## Ressources

70% Recycled



# Reloaded Alliance



RENAULT NISSAN MITSUBISHI



## Largest EV offer worldwide

35 full EV in 2030  
90% common Alliance platforms

Electrification:  
€10bn already invested  
€23bn for 2022-26



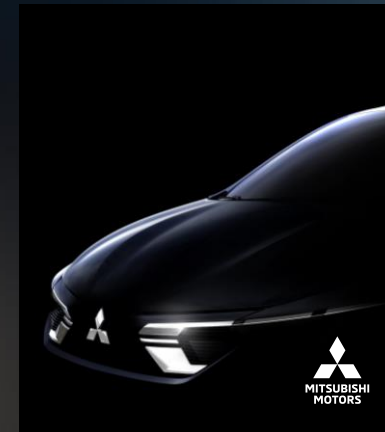
## Common Platforms

~80% Alliance vehicles in 2026  
vs 60% in 2021

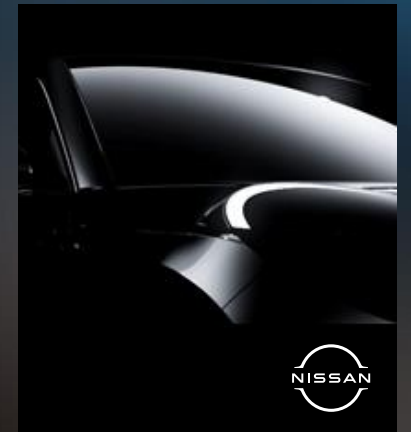
## H1 announcements



New ASX in RG  
Valladolid plant 2023



New Colt  
in RG plant 2023



Successor of Micra  
in RG ElectriCity plant

# Capital Market Day in the fall 2022

To update mid-term  
financial targets  
& reveal the new  
chapter of  
**Renaulution strategy**



**Renault  
Group**

# 04 Questions & Answers



**Renault  
Group**

**Competitive,  
tech &  
sustainable  
company**



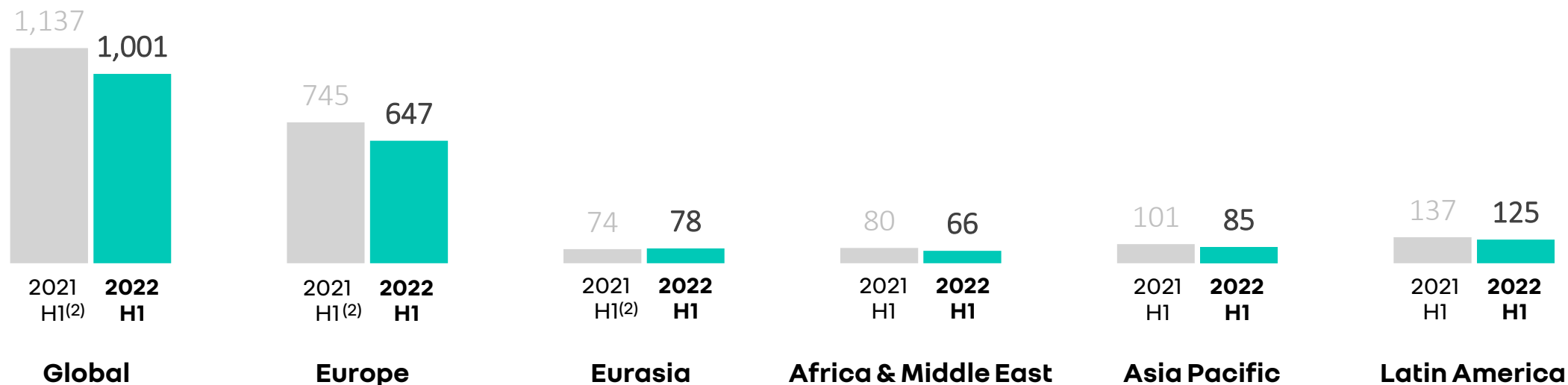


**Renault  
Group**

# 05 Appendix

# H1 2022 Renault Group Sales

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



In %						
Δ/ 2021 H1	Car Market (3)	-15.1	-11.7 <sup>(4)</sup>	-1.3	-3.1	-2.6
	Renault Group	-13.1	+4.3	-17.1	-15.9	-8.3

(1) PC+LCV in thousand units

(2) 2021 volumes at proforma 2022 (excluding Renault Russia and AVTOVAZ)

(3) PC+LCV excluding Iran

(4) Excluding Russia

# Disclaimer

Information contained within this document may contain forward looking statements. Although the Company considers that such information and statements are based on reasonable assumptions taken on the date of this report, due to their nature, they can be risky and uncertain (as described in the Renault Universal Registration Document filed with the French Autorité des Marchés Financiers). Actual results may differ materially from those projected or implied in these forward-looking statements.

These forward-looking statements are made as of the date of this presentation. Renault does not undertake to provide updates or revisions, should any new statements and information be available, should any new specific events occur or for any other reason.

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# Renault Group

2022 H1

July 29, 2022

## Financial Results