

A red Jeep Cherokee SUV is shown driving through a rocky stream in a forest. The car is splashing water, and its headlights are on. The background is a dense forest with tall trees and sunlight filtering through the leaves.

FCA

FIAT CHRYSLER AUTOMOBILES

# Second Quarter 2017 Results

July 27, 2017

# Safe Harbor Statement

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This document, and in particular the section entitled “2017 guidance – confirmed”, contains forward-looking statements. These statements may include terms such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, or similar terms. Forward-looking statements are not guarantees of future performance. Rather, they are based on the Group’s current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: the Group’s ability to maintain vehicle shipment volumes; changes in the global financial markets, general economic environment and changes in demand for automotive products, which is subject to cyclical; changes in local economic and political conditions, including with regard to trade policy; the Group’s ability to expand certain of the Group’s brands internationally; various types of claims, lawsuits, governmental investigations and other contingent obligations against the Group, including product liability and warranty claims and environmental claims, governmental investigations and lawsuits; material operating expenditures in relation to compliance with environmental, health and safety regulations; the Group’s ability to enrich its product portfolio and offer innovative products; the high level

of competition in the automotive industry, which may increase due to consolidation; exposure to shortfalls in the Group’s defined benefit pension plans; the Group’s ability to provide or arrange for adequate access to financing for the Group’s dealers and retail customers and risks associated with financial services companies; the Group’s ability to access funding to execute the Group’s business plan and improve the Group’s business, financial condition and results of operations; changes in the Group’s credit ratings; the Group’s ability to realize anticipated benefits from any joint venture arrangements and other strategic alliances; disruptions arising from political, social and economic instability; risks associated with our relationships with employees, dealers and suppliers; increases in costs, disruptions of supply or shortages of raw materials; developments in labor and industrial relations and developments in applicable labor laws; exchange rate fluctuations, interest rate changes, credit risk and other market risks; political and civil unrest; earthquakes or other disasters and other risks and uncertainties.

Any forward-looking statements contained in this document speak only as of the date of this document and the Company does not undertake any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company’s financial results, is included in the Company’s reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

# Highlights

Record Group Adjusted EBIT and margin with all segments profitable

Record Adjusted EBIT margin in NAFTA with improvements in all other segments

Maserati margin more than doubled to 14.2%, fourth consecutive double-digit margin quarter

Adjusted net profit up 52% to €1.1B

Operations drives €0.9B reduction in Net industrial debt

Gross debt reduced through €1.4B debt repayments using cash-on-hand

## 2017 guidance confirmed

Net revenues	€115 – €120B	Adjusted net profit*	> €3.0B
Adjusted EBIT*	> €7.0B	Net industrial debt*	< €2.5B

\* Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Guidance is not provided on the most directly comparable IFRS financial statement line item for Adjusted EBIT and Adjusted net profit as the income or expense excluded from these non-GAAP financial measures in accordance with our policy are, by definition, not predictable and uncertain.

# Products

**ARGO**



**All-new hatchback  
launched in Brazil**

All-new Fiat Argo unveiled in May in Brazil

Hatchback currently exclusive to LATAM market

Built at Betim (Brazil) plant

Replacement for Punto, with commercial launch in Q2 '17

Powered by the new Firefly global modular small engine family

*GranTurismo  
GranCabrio*



**Restyled  
GranTurismo  
and GranCabrio**

Revealed in June at a dedicated NYSE closing bell event and in Europe at the prestigious Goodwood Festival of Speed

Restyled exteriors, interior refinements and new infotainment system

Available globally from Q3 '17

**Jeep**   
**PHEV**



**Jeep**

**Three-row  
plug-in hybrid  
SUV concept**

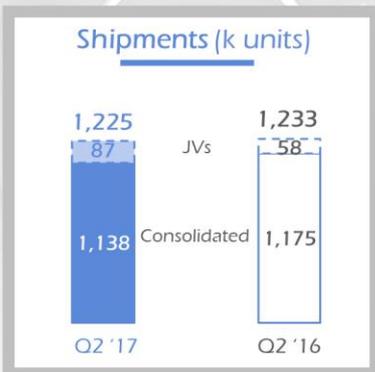
Jeep Yuntu concept debuted in April at Auto Shanghai 2017

Designed specifically for the Chinese market

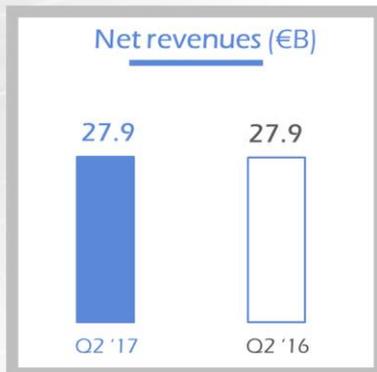
All-electric range of 40 miles with batteries that can be recharged wirelessly

Features advanced connectivity technology

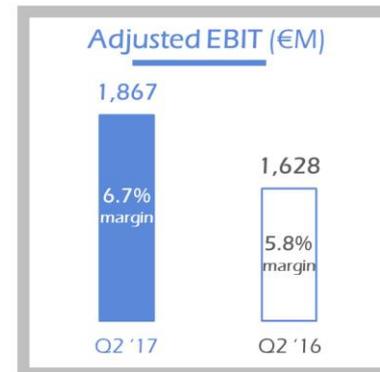
# Q2 '17 summary



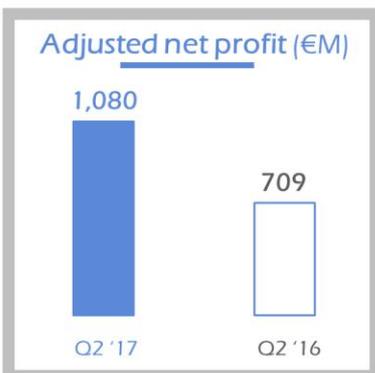
- JV shipments up 50% primarily due to localized Jeep production in China
- Lower consolidated shipments primarily driven by NAFTA



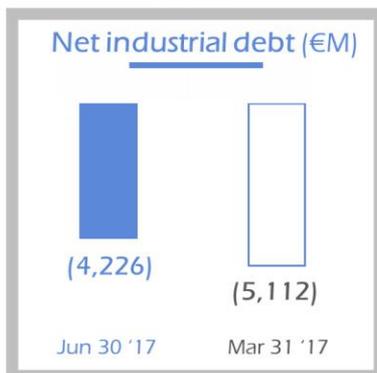
- Net revenues at constant exchange rate (CER), down 2%, in line with shipments



- Record margin, up 90 bps
- Y-o-y and q-o-q margin improvement in all segments



- Strong operating performance and reduced financial charges
- Net profit of €1,155M compared to €321M in Q2 '16



- Improvement mainly driven by cash flows from operations, net of capex



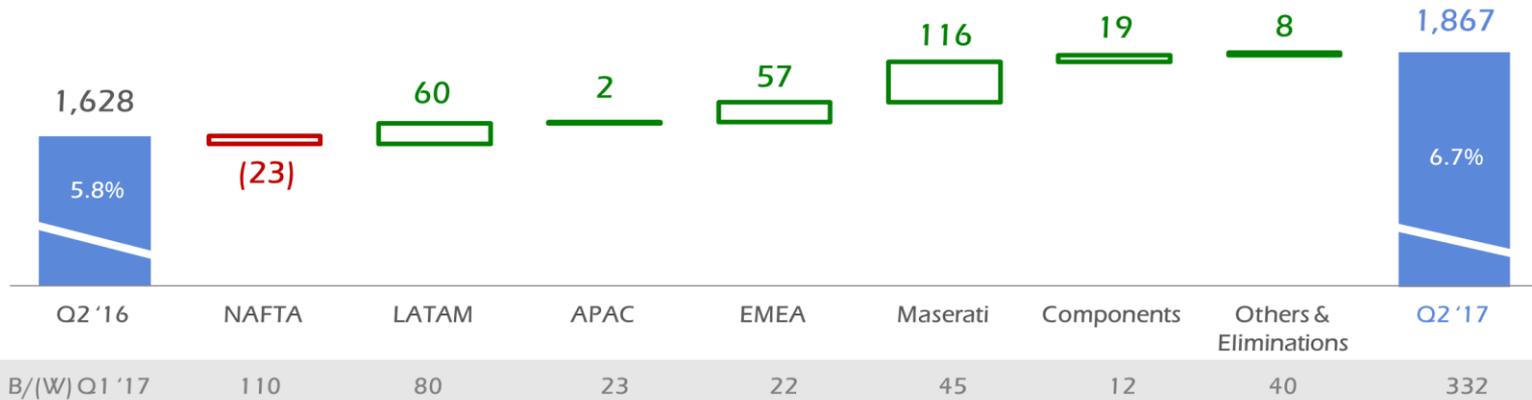
- Planned gross debt repayments of €1.4B
- Negative FX translation of €0.6B

Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Figures may not add due to rounding.

# Q2 '17 Adjusted EBIT walk

€M  
% = Adjusted EBIT margin

## By segment

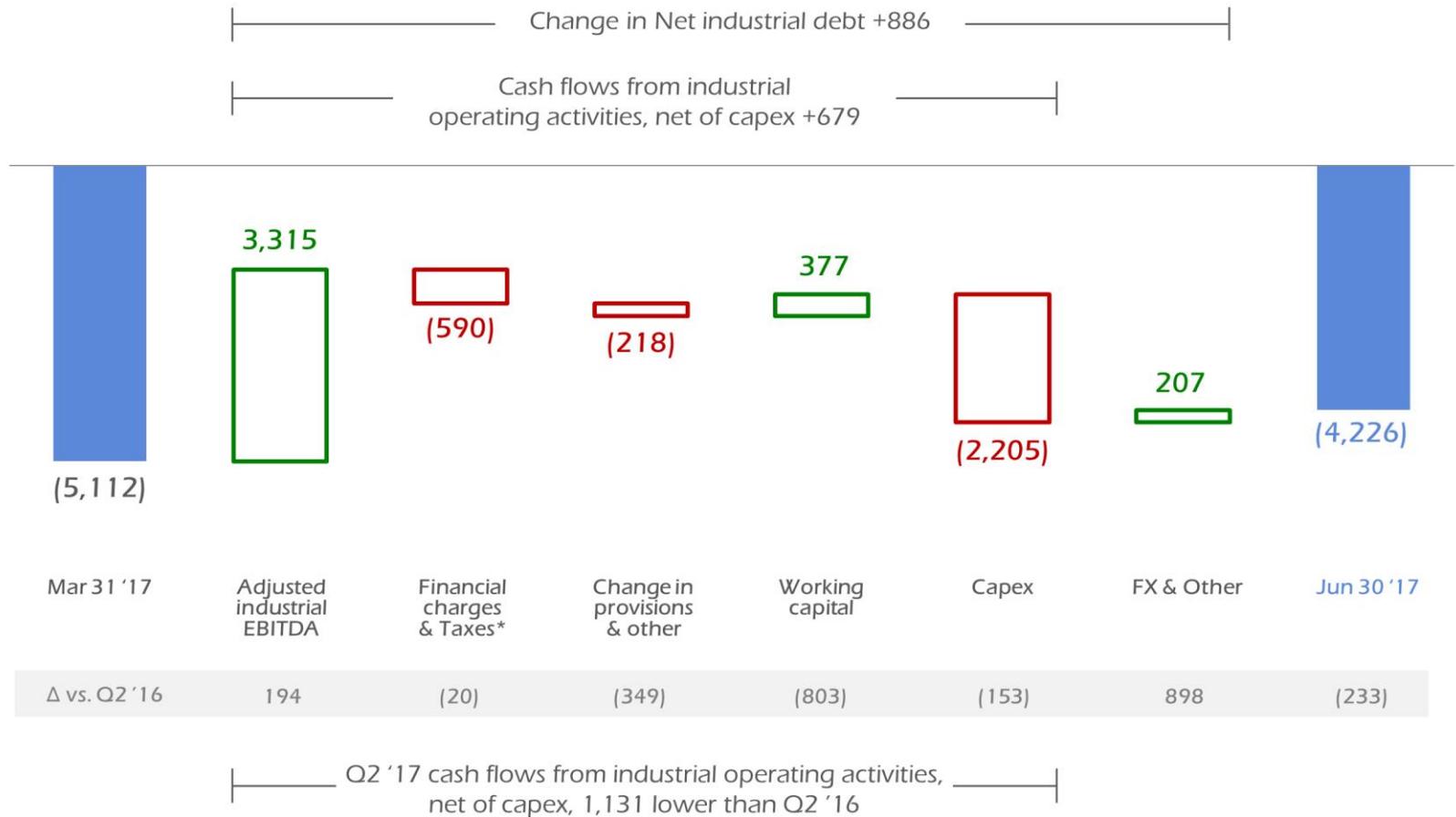


## By operational driver



# Q2 '17 Net industrial debt walk

€M

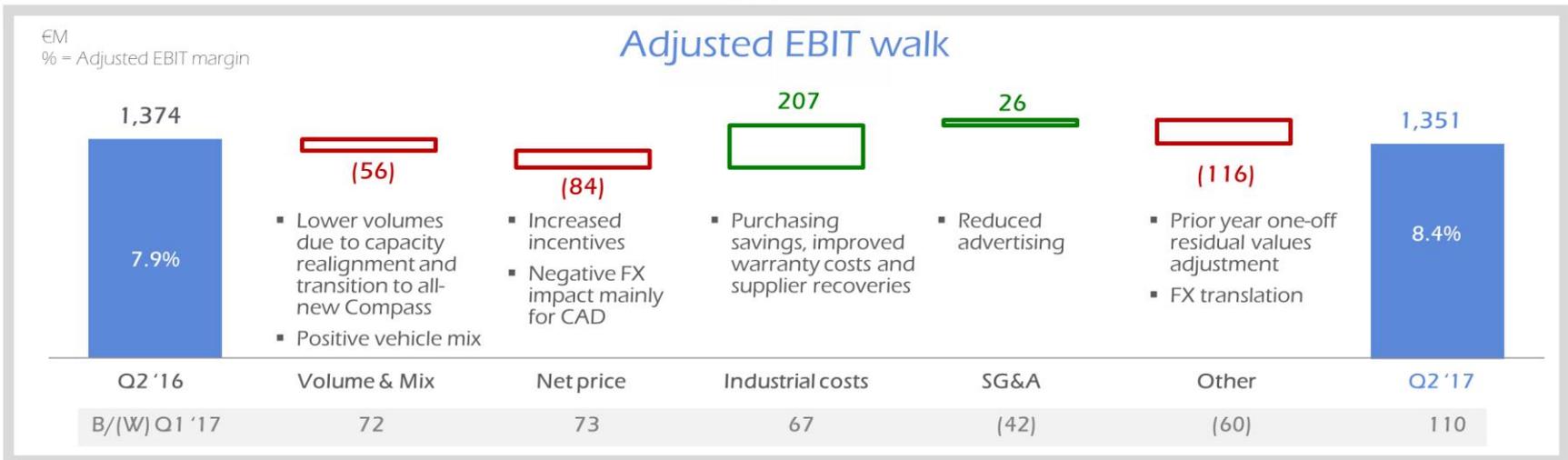


\* Net of IAS 19

# NAFTA



- U.S. sales down 5%; Canada down 4%; Mexico up 2%
- Ram sales up 14%, Jeep down 16% mainly due to transition to all-new Compass, planned fleet volume reductions and relocation of Cherokee production to Belvidere
- U.S. fleet mix reduced to 21% vs. 24%
- U.S. share at 12.4%, down 30 bps
- Down primarily due to discontinued products (Chrysler 200, Dodge Dart and Jeep Patriot), as well as Ram trucks
- Down 14% primarily due to transition to all-new Jeep Compass and planned capacity realignment actions
- Lower fleet volumes
- Down 10% at CER
- Lower shipments
- Favorable vehicle mix



(1) Represents sales to retail and fleet customers and limited deliveries to Group-related persons. Sales by dealers to customers are reported through a new-vehicle delivery system.  
 (2) Calculated using total sales including fleet.



- Brazil sales at 94k units, up 7k units
- Argentina sales at 27k units, up 7k units
- Jeep leader in Brazil SUV segments with combined share of 21.7%
- All-new Jeep Compass top selling SUV in Brazil

- Reduction reflects continued actions to better match inventories to current market conditions, down slightly from Q1 '17

- 18% volume increase driven by industry growth and recently launched Jeep Compass

- Up 24% at CER
- Strong volume growth
- Favorable vehicle mix



(1) Excludes total charges of €93 million, of which €40 million relates to workforce restructuring costs and €53 million of asset impairment charges primarily related to the early discontinuance of Fiat Novo Palio production and certain real estate assets in Venezuela

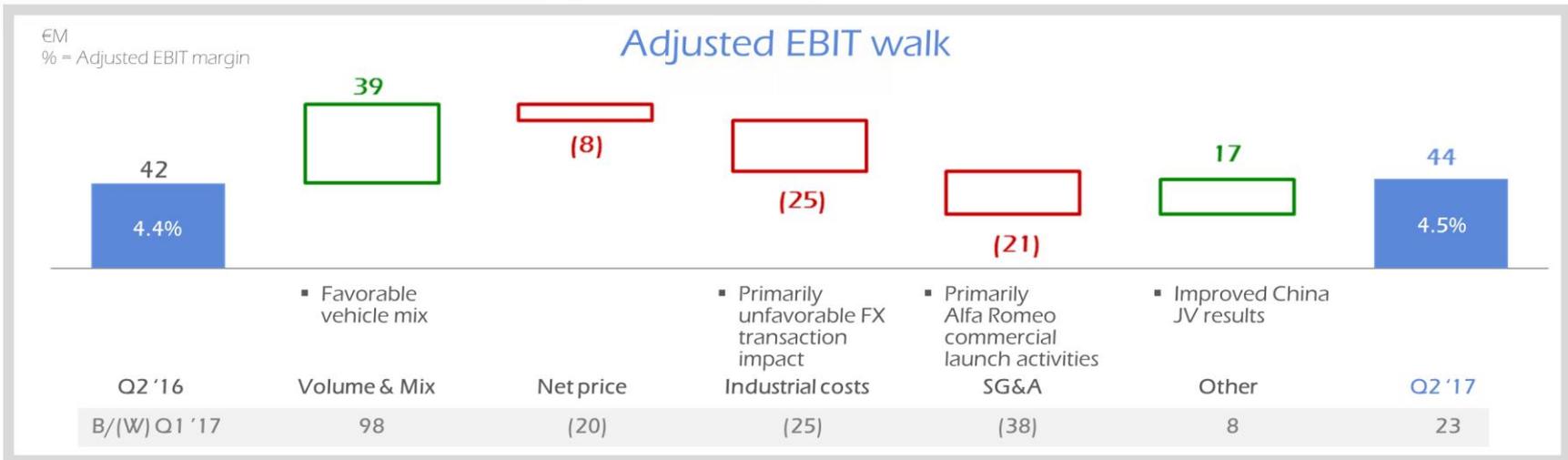


- Continued growth in Jeep volumes from vehicles produced by China JV
- China share up 30 bps to 1.2%

- Lower imported vehicle inventories due to continued transition to locally produced vehicles

- Higher JV shipments as China JV now fully operational
- Launch of all-new Alfa Romeo Giulia and Stelvio

- Up 2% at CER
- Favorable vehicle mix
- Stabilizing consolidated shipments



(1) Reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India). Market share is based on retail registrations, except in India where market share is based on wholesale volumes.

(2) Calculated based on combined sales and inventories

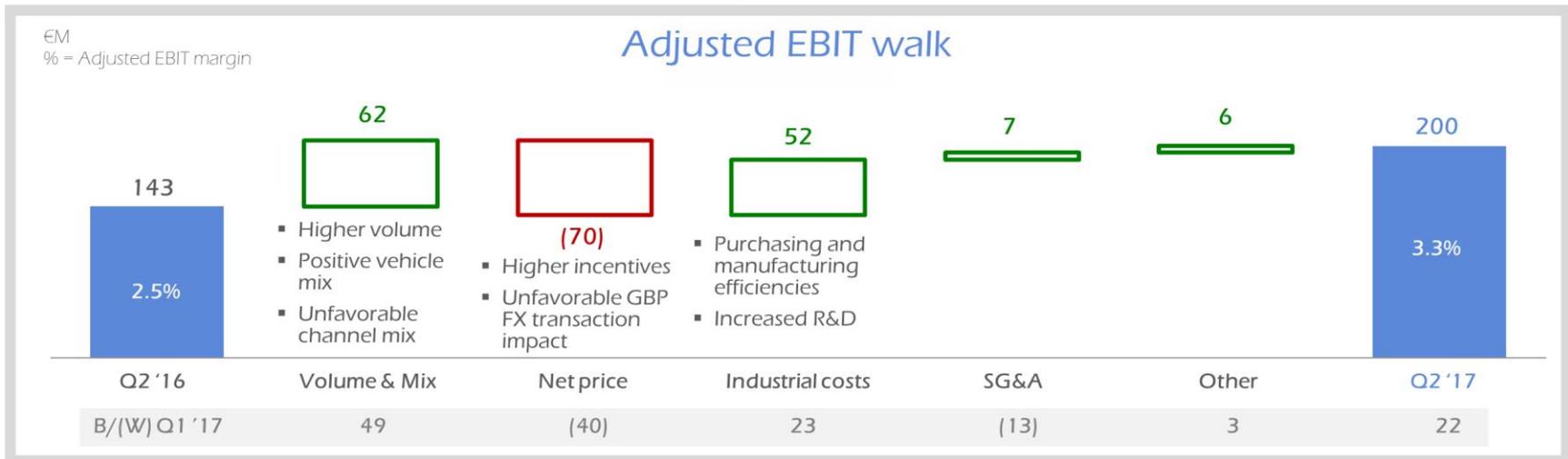


- Higher sales from Fiat Tipo family and all-new Alfa Romeo Giulia and Stelvio
- Passenger car (PC) share up 40 bps driven by increases in Germany, France and Spain
- LCV share up 20 bps to 13.2%

- Increase due to new model launches
- In line with Q1 '17

- Higher volumes for Fiat Tipo family and all-new Alfa Romeo Giulia and Stelvio

- Up 5% at CER
- Increased shipments



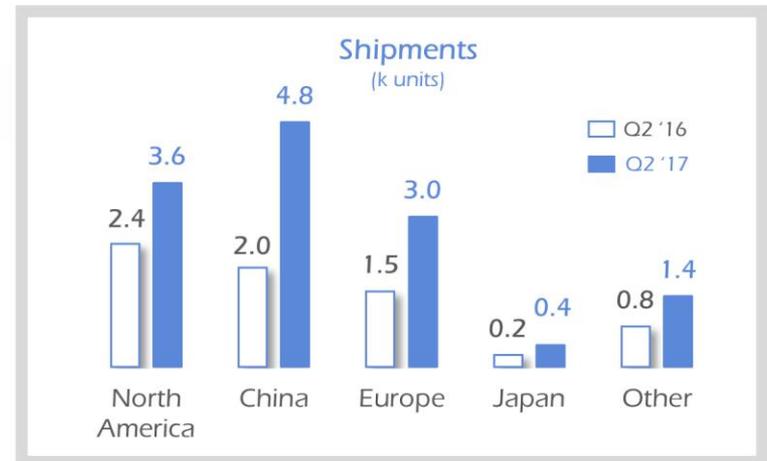


## Commercial performance

- Increase in sales and shipments driven by all-new Levante, more than offsetting reduction in other models

## Financial performance

- Increase in Net revenues driven primarily by higher volumes
- Record Q2 Adjusted EBIT, driven primarily by increase in Net revenues
- Fourth consecutive quarter of double-digit margin



# Components



## Operational highlights

- Higher volumes across all three businesses
- Improved Adjusted EBIT reflects higher Net revenues and industrial efficiencies
- Magneti Marelli non-captive Net revenues at 65% and Comau at 72%

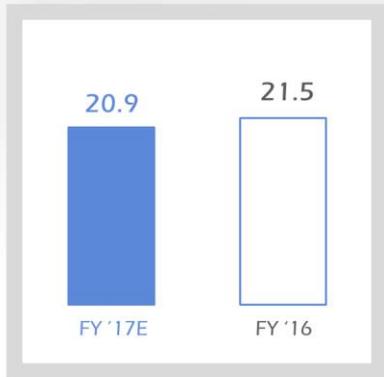
# Industry outlook

M units



## NAFTA

(total vehicle sales including medium/heavy trucks)



- Overall outlook for region reduced slightly from 21.1M units
- H1 '17 U.S. SAAR at 17.2M units down 0.4M y-o-y, with retail flat
- FY '17 U.S. forecast reduced to 17.2M units from 17.5M, Canada increased 0.1M units to 2.0M



## LATAM

(passenger cars & LCVs)

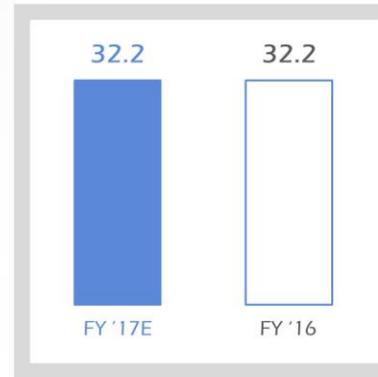


- Overall outlook for region unchanged
- Brazil FY '17 forecast reduced 0.1M to 2.1M units
- FY '17 forecasts for other markets increased 0.1M units



## APAC <sup>(1)</sup>

(passenger cars only)



- Overall outlook for region unchanged
- H1 '17 China industry at 9.6M units, down 0.3M y-o-y due to after-effect from tax changes



## EMEA

(passenger cars & LCVs)



- Overall outlook for region unchanged
- H1 '17 EU industry at 9.6M units, up 0.4M y-o-y

(1) APAC industry reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India)

## 2017 guidance – confirmed

Net revenues	€115 – €120B
Adjusted EBIT*	> €7.0B
Adjusted net profit*	> €3.0B
Net industrial debt*	< €2.5B

Investor day to be held in first half of 2018

\* Refer to Appendix for definitions of supplemental financial measures and reconciliations to applicable IFRS metrics. Guidance is not provided on the most directly comparable IFRS financial statement line item for Adjusted EBIT and Adjusted net profit as the income or expense excluded from these non-GAAP financial measures in accordance with our policy are, by definition, not predictable and uncertain.



Appendix

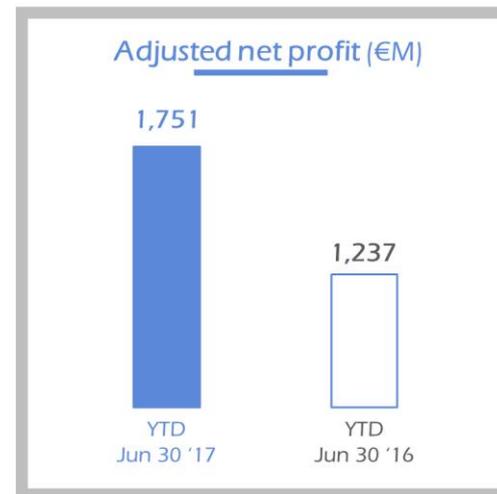
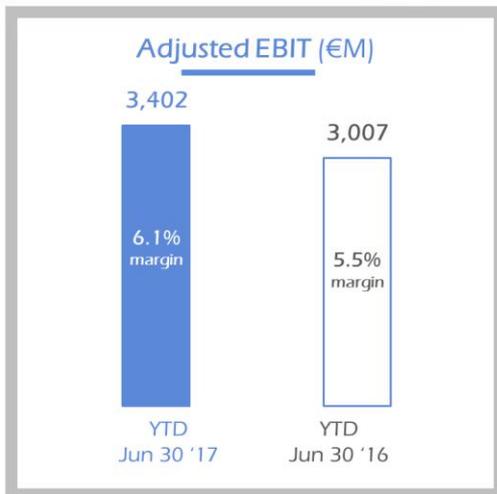
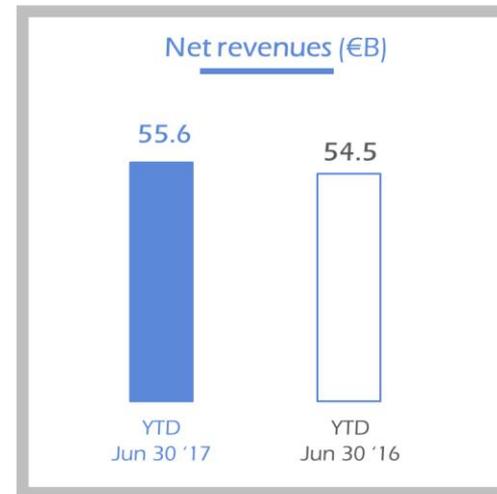
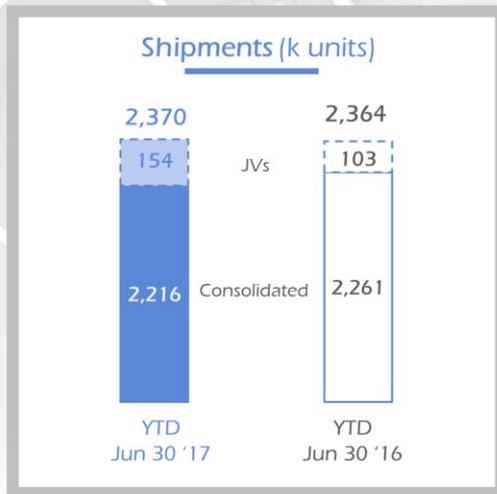
# Supplemental financial measures

FCA monitors its operations through the use of various supplemental financial measures that may not be comparable to other similarly titled measures of other companies. Accordingly, investors and analysts should exercise appropriate caution in comparing these supplemental financial measures to similarly titled financial measures reported by other companies. Group management believes these supplemental financial measures provide comparable measures of its financial performance which then facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions.

FCA's supplemental financial measures are defined as follows:

- Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is computed starting with Net profit and adding back Net financial expenses, Tax expense/(benefit) and depreciation and amortization expense
- Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") excludes certain adjustments from Net profit including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expense/(benefit)
- The same items excluded from Adjusted EBIT, on a tax effected basis, as well as financial income/(expenses) and tax income/(expenses) considered rare or discrete events that are infrequent in nature, are excluded from Adjusted net profit and Adjusted diluted EPS
- Net industrial debt is computed as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) current available-for-sale and held-for-trading securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) derivative financial assets and collateral deposits; therefore, debt, cash and cash equivalents and other financial assets/liabilities pertaining to financial services entities are excluded from the computation of Net industrial debt

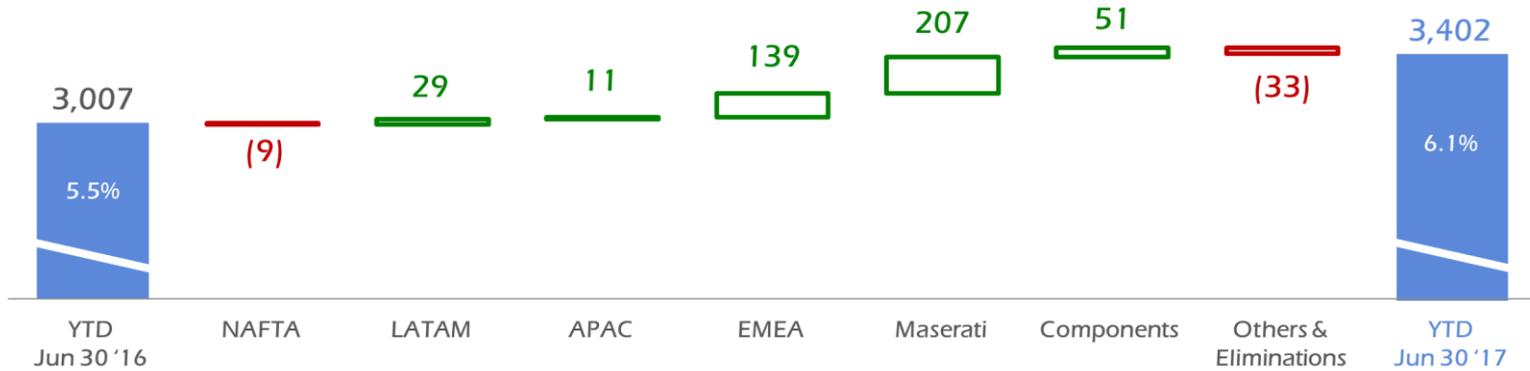
# YTD summary



# YTD Adjusted EBIT walk

€M  
% = Adjusted EBIT margin

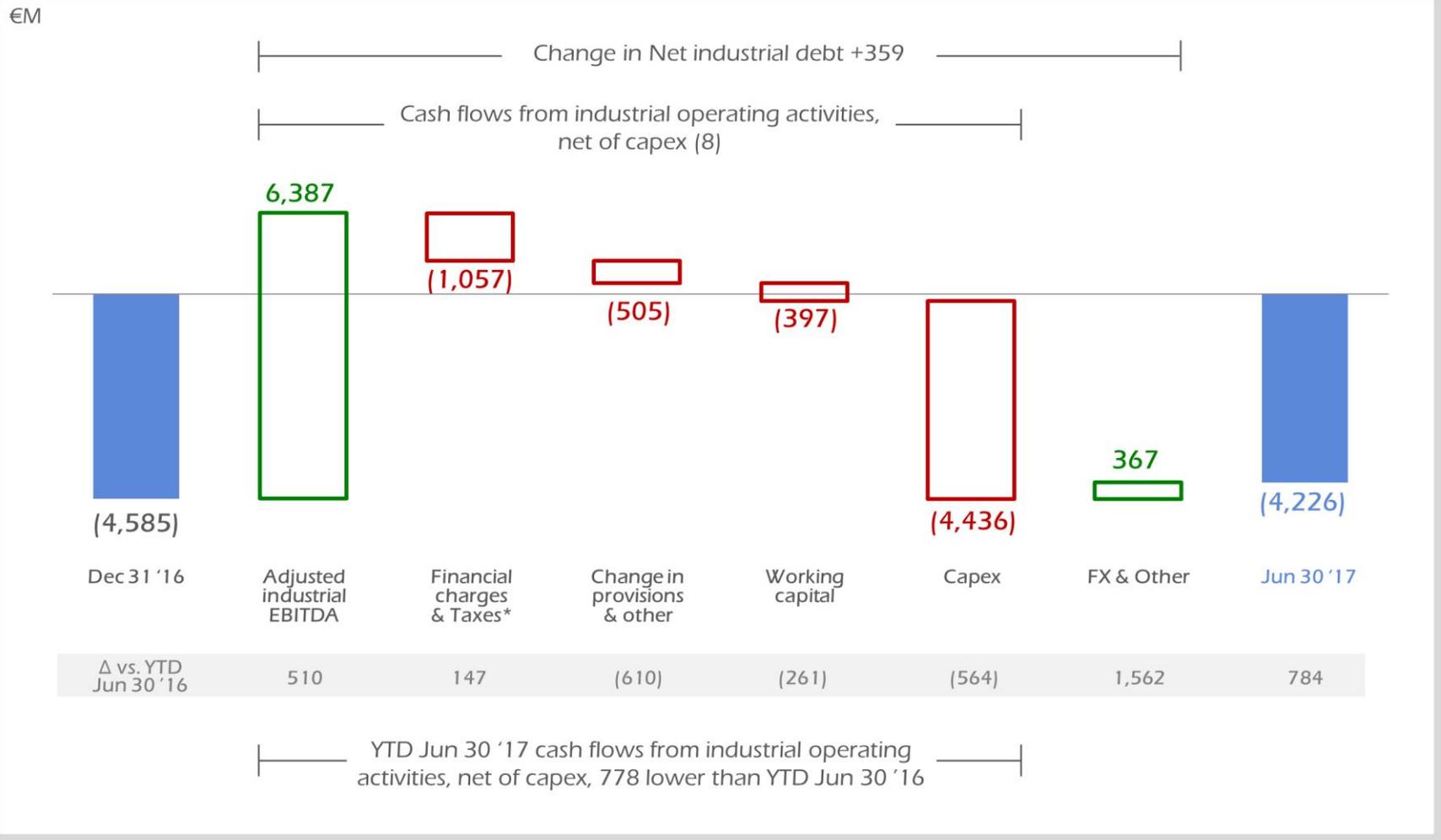
## By segment



## By operational driver



# YTD Net industrial debt walk



\* Net of IAS 19

# YTD NAFTA

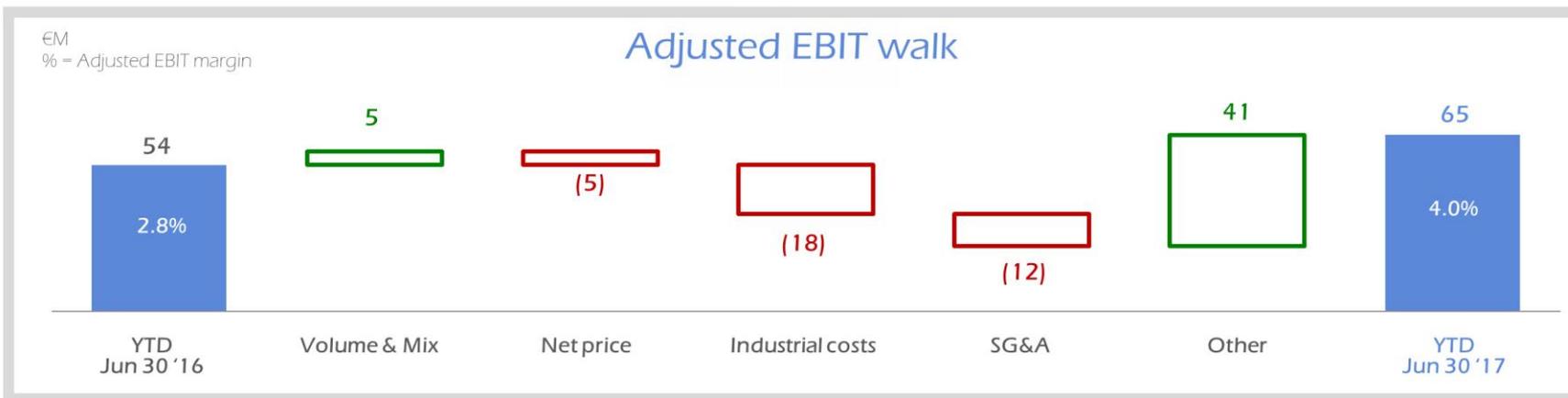
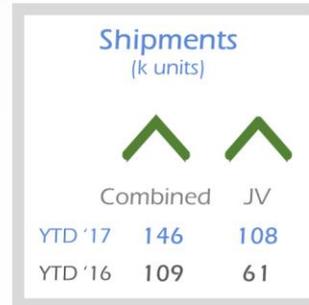
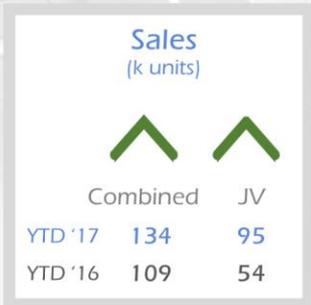


(1) Sales data represents sales to retail and fleet customers and limited deliveries to Group-related persons. Sales by dealers to customers are reported through a new-vehicle delivery system.

# YTD LATAM



# YTD APAC



(1) Reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India). Market share is based on retail registrations, except in India where market share is based on wholesale volumes.

# YTD EMEA



# YTD Maserati and Components



# Key performance metrics

€M, except as otherwise stated

Three months ended Jun 30			Six months ended Jun 30	
2017	2016		2017	2016
1,225	1,233	Combined shipments ('000s units) <sup>(1)</sup>	2,370	2,364
1,138	1,175	Consolidated shipments ('000s units) <sup>(1)</sup>	2,216	2,261
27,925	27,893	Net revenues	55,644	54,463
1,867	1,628	Adjusted EBIT	3,402	3,007
106	79	of which Result from investments	202	141
(369)	(491)	Net financial expenses	(805)	(1,003)
2,307	569	Profit before taxes	3,376	1,364
(1,152)	(248)	Tax expense	(1,580)	(565)
1,155	321	Net profit	1,796	799
1,080	709	Adjusted net profit	1,751	1,237
0.737	0.199	Diluted earnings per share (EPS) (€)	1.149	0.502
0.689	0.448	Adjusted diluted EPS (€)	1.120	0.783

(1) Combined shipments include all shipments by the Group's consolidated subsidiaries and unconsolidated joint ventures, whereas consolidated shipments only include shipments from the Group's consolidated subsidiaries.

# Reconciliation of Net profit to Adjusted EBIT and Adjusted Net Profit

€M, except as otherwise stated

Three months ended Jun 30			Six months ended Jun 30	
2017	2016	Net profit to Adjusted EBIT	2017	2016
1,155	321	Net profit	1,796	799
1,152	248	Tax expense	1,580	565
369	491	Net financial expenses	805	1,003
		Adjustments:		
(895)	—	Reversal of a Brazilian indirect tax liability	(895)	—
—	414	Recall campaigns – airbag inflators	—	414
44	60	Restructuring costs	79	67
—	105	NAFTA capacity realignment	—	156
—	—	Currency devaluations	—	19
43	—	Resolution of certain Components legal matters	43	—
55	—	Impairment expense	55	—
(49)	(5)	Gains on disposal of investments	(49)	(5)
(7)	(6)	Other	(12)	(11)
(809)	568	Total adjustments	(779)	640
1,867	1,628	Adjusted EBIT	3,402	3,007

## Net profit to Adjusted net profit

1,155	321	Net profit	1,796	799
(809)	568	Adjustments (as above)	(779)	640
—	(180)	Tax impact on adjustments	—	(202)
281	—	Reduction of deferred tax assets related to reversal of a Brazilian indirect tax liability	281	—
453	—	Brazil deferred tax assets write-off	453	—
(75)	388	Total adjustments	(45)	438
1,080	709	Adjusted net profit	1,751	1,237

# Reconciliation of Diluted EPS to Adjusted diluted EPS

€M, except as otherwise stated

Three months ended Jun 30			Six months ended Jun 30	
2017	2016		2017	2016
0.737	0.199	Diluted EPS (€/share)	1.149	0.502
(75)	388	Total adjustments, net of taxes	(45)	438
(0.048)	0.249	Impact of adjustments on Diluted EPS (€/share)	(0.029)	0.281
0.689	0.448	Adjusted diluted EPS (€/share)	1.120	0.783
1,553,791	1,560,707	Weighted average number of shares outstanding for Diluted EPS ('000s)	1,551,364	1,559,345

# Reconciliation of Debt to Net industrial debt

€M

	Jun 30 '17	Mar 31 '17	Dec 31 '16
<b>Debt</b>	<b>(19,140)</b>	<b>(21,156)</b>	<b>(24,048)</b>
Current financial receivables from jointly-controlled financial services companies	166	87	80
Derivative financial (assets)/liabilities, net and collateral deposits	296	8	(150)
Current Available-for-sale and Held-for-trading securities	197	240	241
Cash and cash equivalents	12,306	13,910	17,318
Debt classified as held for sale	—	(8)	(9)
<b>Net debt</b>	<b>(6,175)</b>	<b>(6,919)</b>	<b>(6,568)</b>
Less: Net financial services debt	1,949	1,807	1,983
<b>Net industrial debt</b>	<b>(4,226)</b>	<b>(5,112)</b>	<b>(4,585)</b>

# Debt maturity schedule

Outstanding Jun 30 '17		6M 2017	2018	2019	2020	2021	Beyond
7.4	Bank debt	1.7	3.0	0.9	0.5	0.4	0.9
10.4	Capital market debt	0.6	2.0	1.5	1.3	1.0	3.9
1.3	Other debt	0.5	0.2	0.2	0.1	0.1	0.3
19.0	<b>Total cash maturities *</b>	<b>2.8</b>	<b>5.2</b>	<b>2.6</b>	<b>1.9</b>	<b>1.5</b>	<b>5.0</b>
12.5	Cash and marketable securities						
7.5	Undrawn committed revolving facilities						
20.0	<b>Total available liquidity</b>						
7.2	Sale of receivables (IFRS de-recognition compliant)						
4.3	<i>of which receivables sold to financial services JVs (FCA Bank)</i>						

Note: Numbers may not add due to rounding

\* Excludes accruals

# Research and development costs and expenditures

€M

Three months ended Jun 30			Six months ended Jun 30	
2017	2016		2017	2016
<b>Research and development costs</b>				
440	434	Research and development expenditures expensed	869	862
402	372	Amortization of capitalized development expenditures	816	703
12	—	Impairment and write-off of capitalized development expenditures	15	—
<b>854</b>	<b>806</b>	<b>Total research and development costs</b>	<b>1,700</b>	<b>1,565</b>
<b>Research and development expenditures</b>				
677	644	Capitalized development expenditures	1,351	1,205
440	434	Research and development expenditures expensed	869	862
<b>1,117</b>	<b>1,078</b>	<b>Total research and development expenditures</b>	<b>2,220</b>	<b>2,067</b>

# Market share – mass market brands

Market share (%)



APAC industry reflects aggregate for major markets where Group competes (China, Australia, Japan, South Korea and India). Market share is based on retail registrations except in India where market share is based on wholesales.



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