

# 2018 H1 RESULTS

24 July 2018



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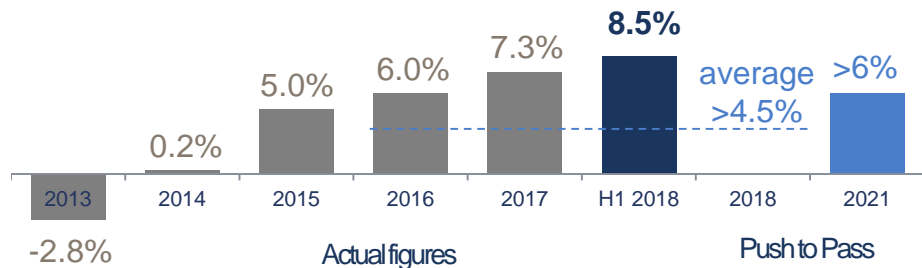
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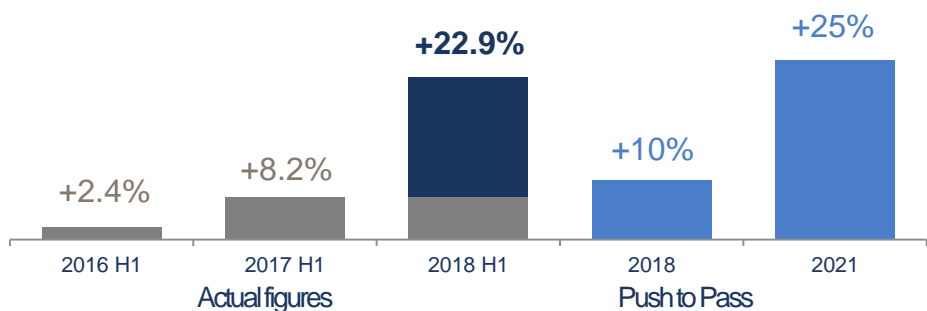
More comprehensive information about Groupe PSA may be obtained on the Group website ([www.groupe-psa.com](http://www.groupe-psa.com)), under Regulated Information.

# PUSH TO PASS TARGETS

## AUTO PCD RECURRING OPERATING MARGIN



## CUMULATED GROUP REVENUE GROWTH\*



# OUTSTANDING RESULTS

## Recurring Operating Margin\*

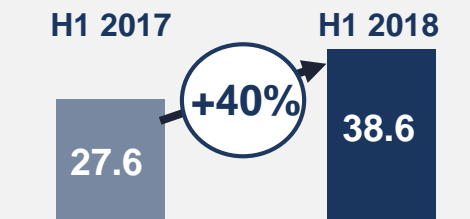
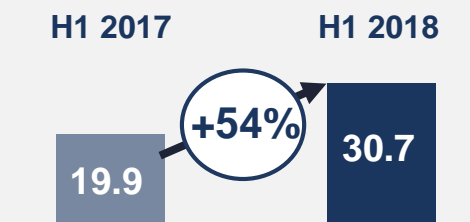
Auto

	H1 2017	H1 2018	
PCD	7.3%	<b>8.5%</b>	} <b>7.7%</b>
OV	-	<b>5.0%</b>	

Group

H1 2017	H1 2018
7.4%	<b>7.8%</b>

## Revenue\*\* (in billion Euros)



# IT'S ALL ABOUT PEOPLE AND EXECUTION

CUSTOMER  
CENTRIC



FOUNDATION OF  
PERFORMANCE  
= CO-CONSTRUCTION



TEAM SPIRIT



AGILITY



FOCUSED ON BUSINESS  
AND EFFICIENCY



Picture : Groupe PSA's Turbo PureTech petrol engine named International Engine of the Year for the 4<sup>th</sup> year in a row


# ***FINANCIAL*** ***RESULTS***

**STRONG PROFITABLE GROWTH***In million Euros*

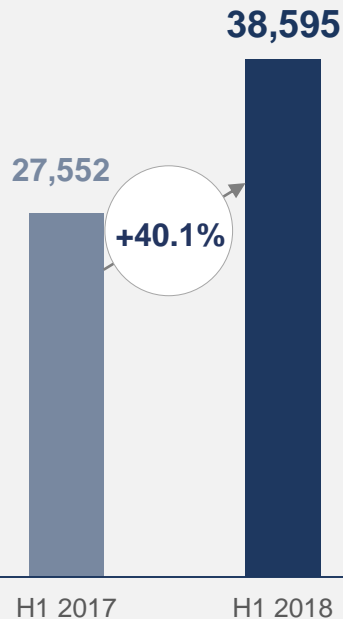
	2017 H1	2018 H1	Change
Revenue	27,552	38,595	11,043
<b>Recurring Operating Income</b>	<b>2,037</b>	<b>3,017</b>	<b>980</b>
% of revenue	7.4%	7.8%	
Non-recurring operating income and (expenses)	(112)	(750)	(638)
<b>Operating income</b>	<b>1,925</b>	<b>2,267</b>	<b>342</b>
Net financial income (expenses)	(121)	(218)	(97)
Income taxes	(445)	(409)	36
Share in net earnings of companies at equity**	112	73	(39)
Consolidated net income / (loss)	1,471	1,713	242
<b>Net income, Group Share</b>	<b>1,255</b>	<b>1,481</b>	<b>226</b>

# +40.1% : GROUP REVENUE SHARP GROWTH

In million Euros

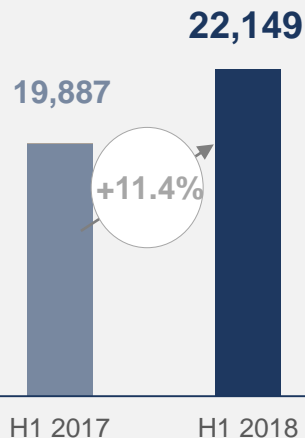
  
**+22.9%**  
 vs 6M 2015  
 @ constant  
 exchange rates  
 and perimeter

## Group\*



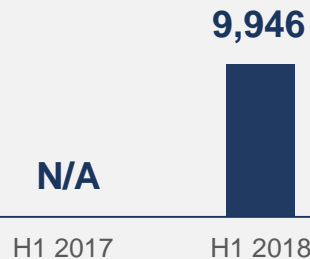
## Automotive Division

Peugeot Citroën DS

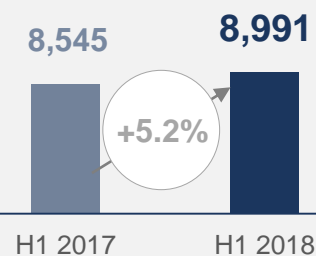


## Automotive Division

Opel Vauxhall

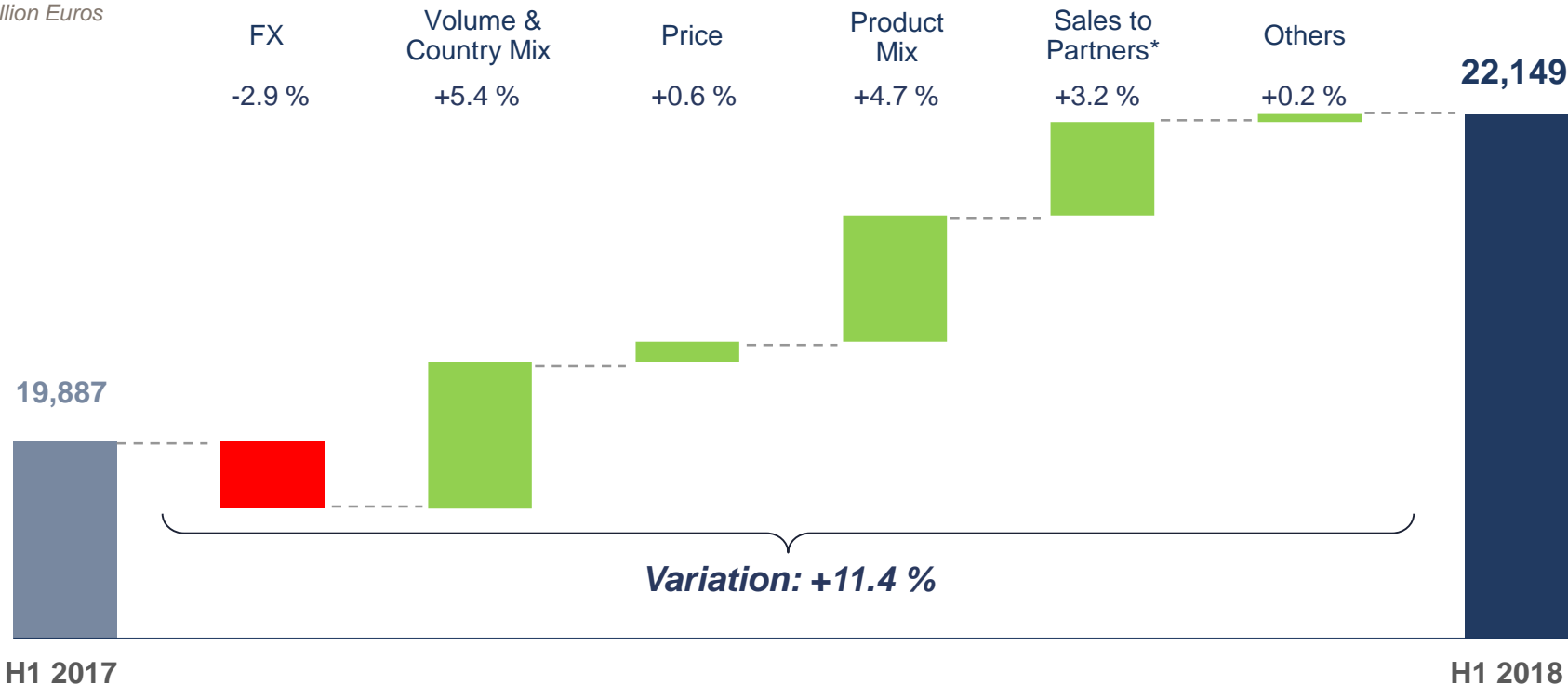


## Faurecia\*



# +11.4% : STRONG PCD AUTOMOTIVE REVENUE GROWTH

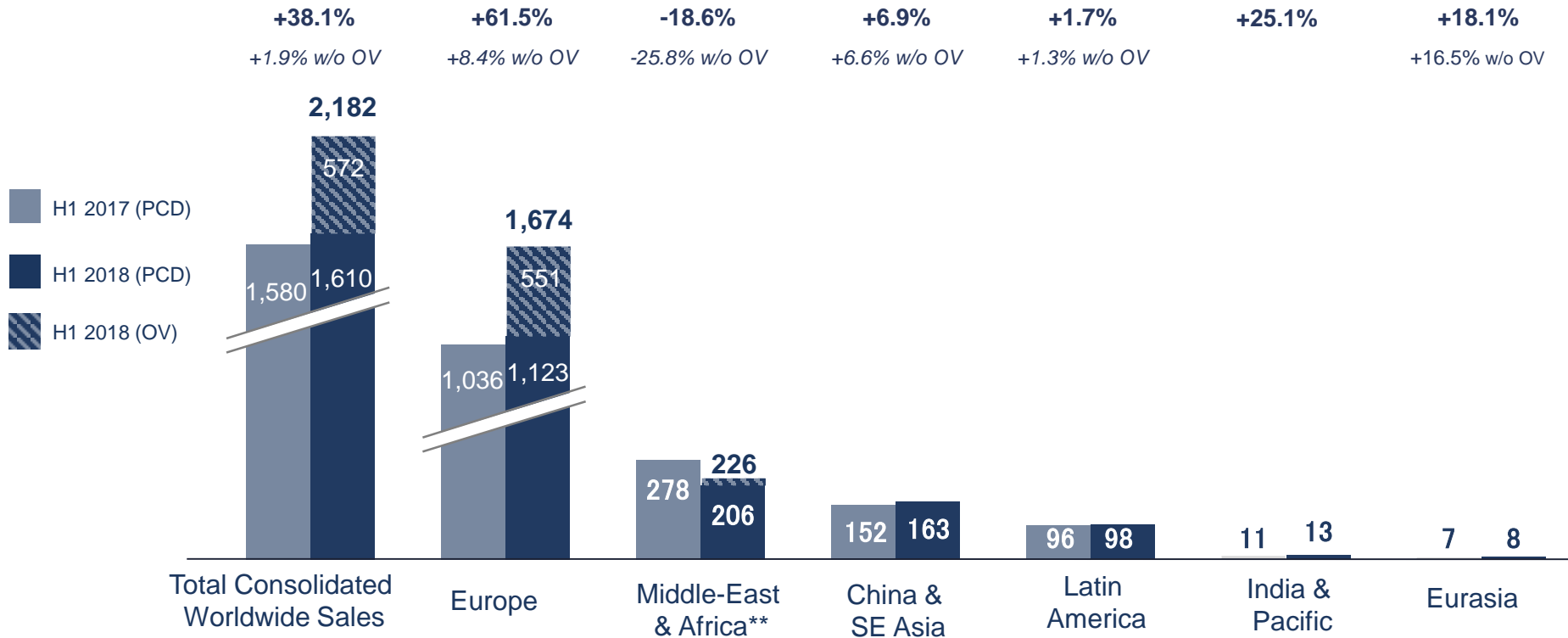
In million Euros



# CONSOLIDATED WORLDWIDE SALES\*

## +38.1% : GROUPE PSA SALES AT 2.18 M UNITS

In thousands units\*



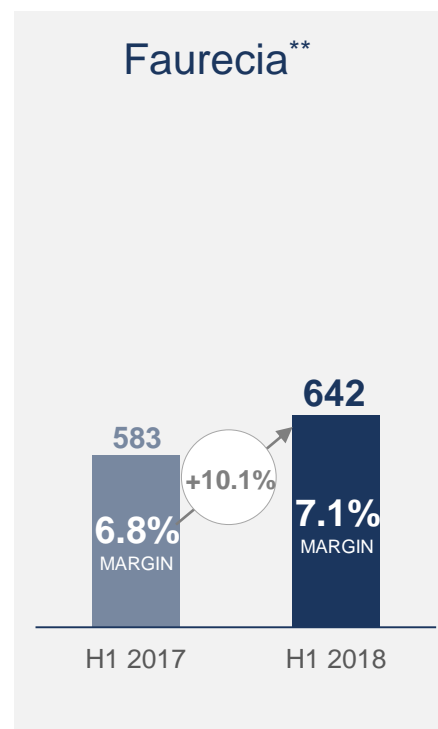
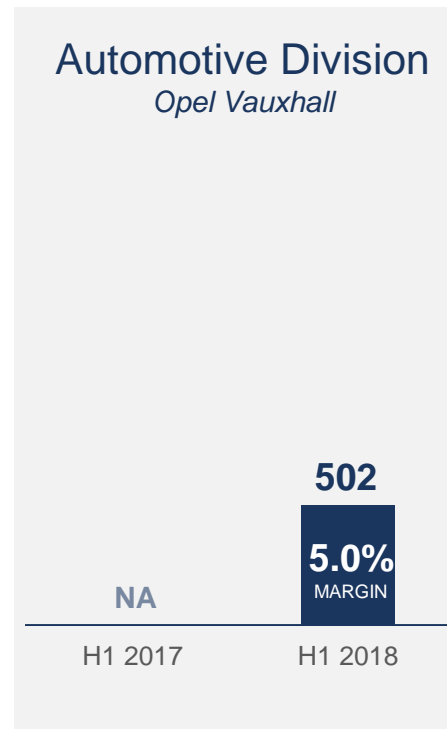
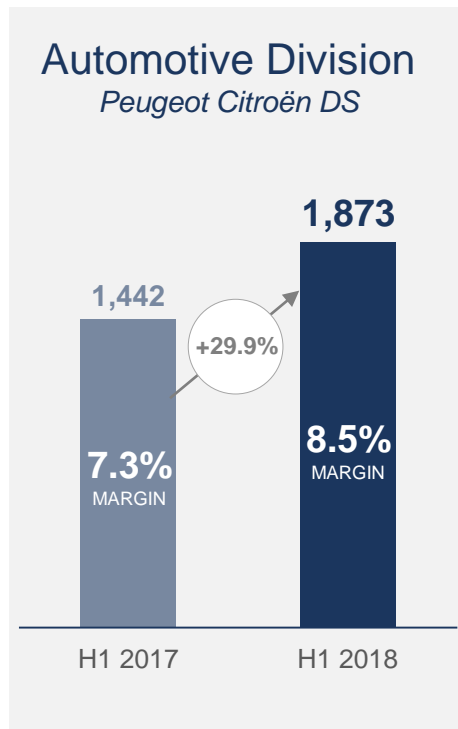
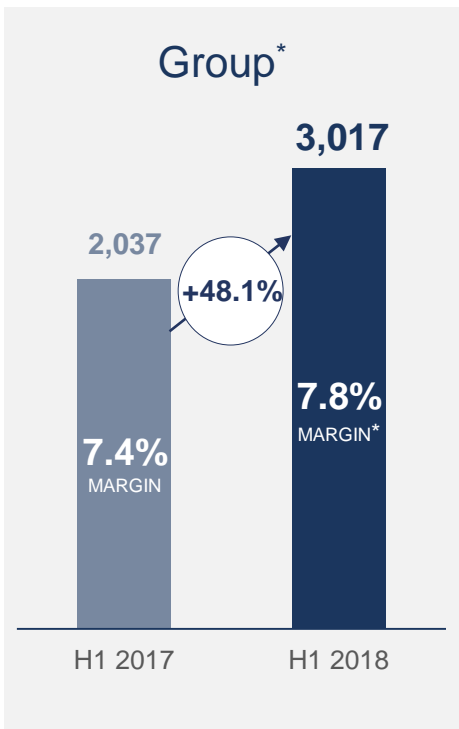
\* Assembled Vehicles, CKDs and vehicles under license

\*\* Including 141 units sold in 2018 under Peugeot License by Iran Khodro until end of April 2018

# GROUP RECURRING OPERATING INCOME & MARGIN

## **+48.1% : STRONG INCREASE IN ALL DIVISIONS**

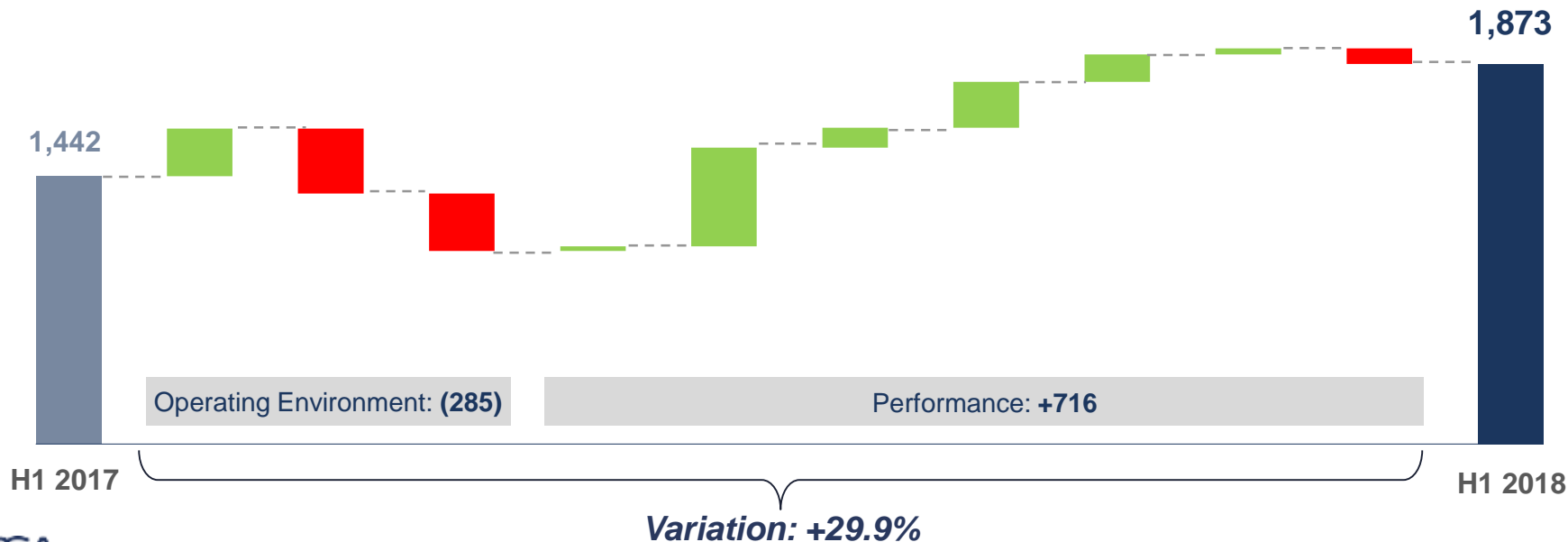
In million Euros and as % of revenue



## **+29.9% : PCD ROI STEADY INCREASE**

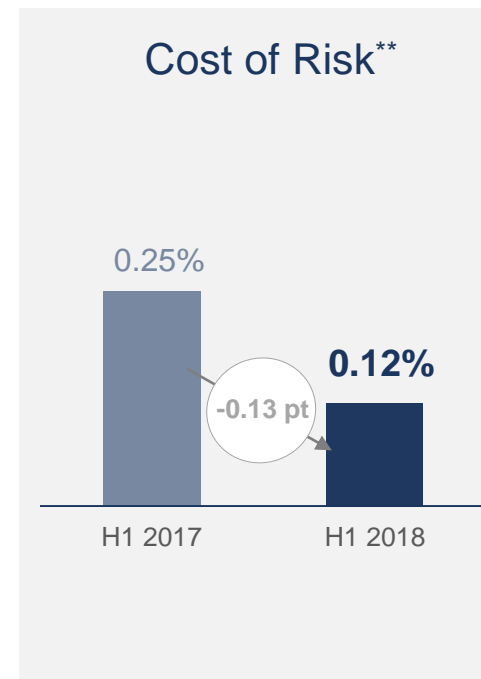
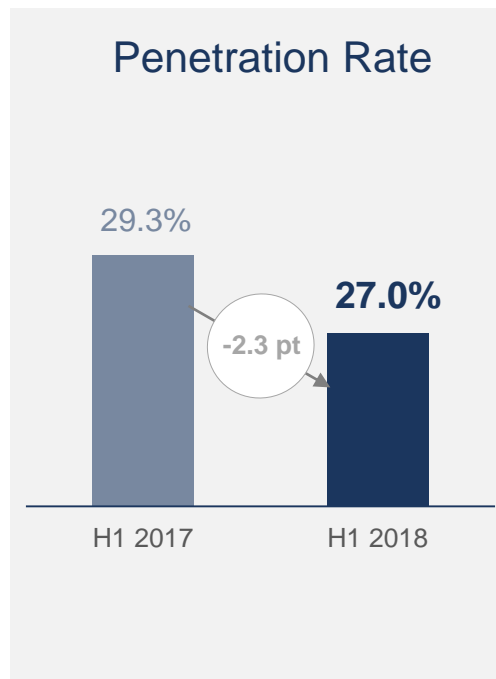
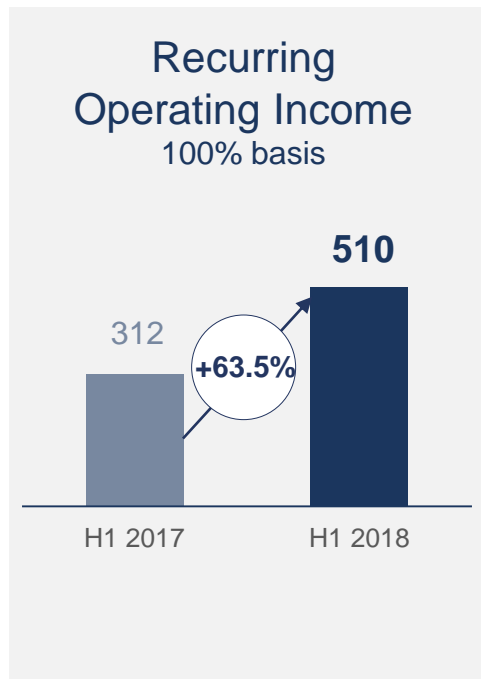
*In million Euros*

Market Demand	Input Costs	Forex & Other	Price & Product Enrichment	Product Mix	Market Share Country Mix	Production & Procurement*	SG&A Expenses	R&D*	Others
+182	(248)	(220)	+18	+377	+77	+175	+106	23	(60)



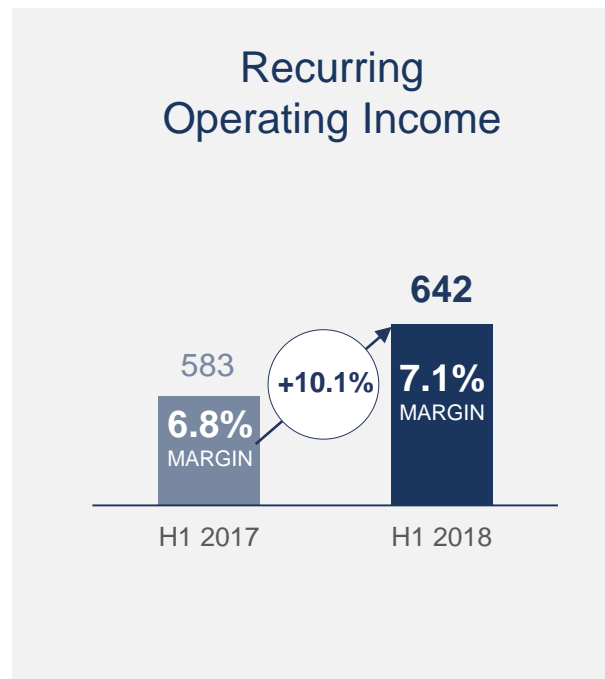
# +63.5% : ROI INCREASE

In million Euros

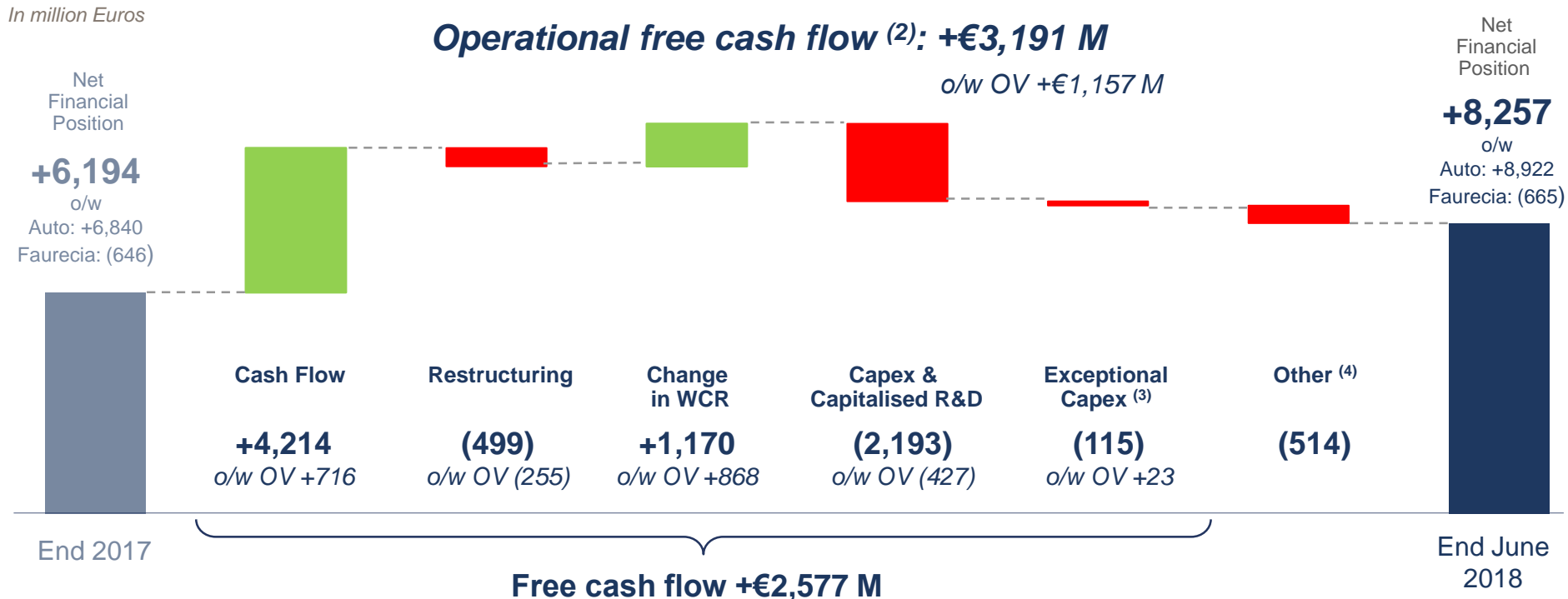


# +10.1% : STRONG ROI PERFORMANCE

In million Euros and as % of Revenue



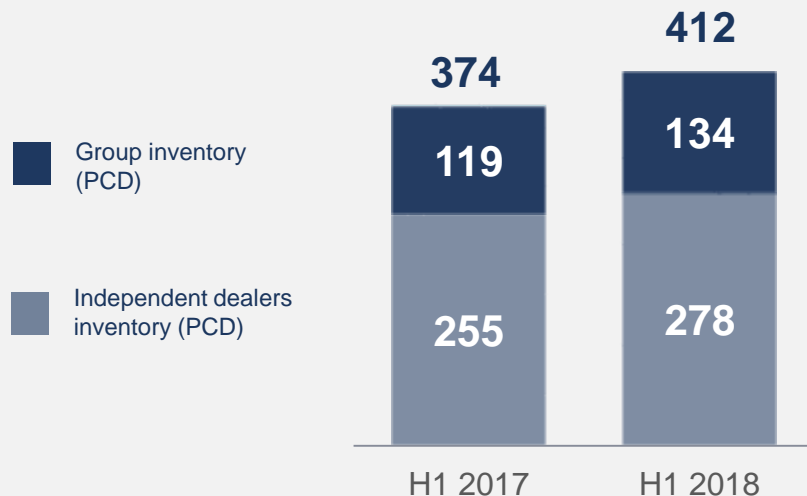
# +€3,191 M : STRONG OPERATIONAL FREE CASH FLOW



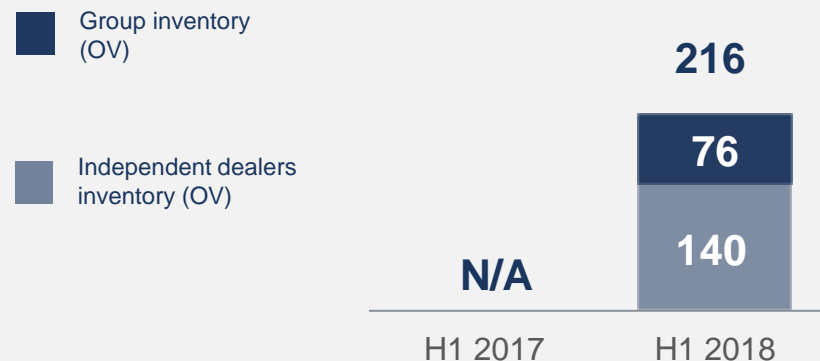
## PCD INVENTORIES IN LINE WITH SALES

In thousands of new vehicles\*

### Peugeot Citroën DS inventories



### Opel Vauxhall inventories



# MARKET AND OPERATIONAL OUTLOOK

## 2018 Market Outlook

<p>EUROPE</p> <hr/> <p><b>stable</b></p>	<p>CHINA</p> <hr/> <p><b>+2%</b></p>
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<p>LATIN AMERICA</p> <hr/> <p><b>+4%</b></p>	<p>RUSSIA</p> <hr/> <p><b>+10%</b></p>
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## Operational Outlook

PSA  
excl. OV

Deliver **over 4.5% Automotive Recurring Operating Margin** <sup>(1)</sup> on average **in 2016-2018**, and target over 6% by 2021

Deliver **10% Group Revenue growth by 2018** vs 2015 <sup>(2)</sup>, and target additional 15% by 2021 <sup>(2)</sup>

Opel  
Vauxhall

Deliver **2% Automotive Recurring Operating Margin** <sup>(1)</sup> by 2020, and **6%** by 2026.

Deliver a **positive Operational Free Cash Flow** <sup>(3)</sup> by 2020

# ***PUSH TO PASS*** ***HIGHLIGHTS***

# GROUPE PSA 2021

FROM TURNAROUND TO PROFITABLE SUSTAINABLE GROWTH  
A CUSTOMER DRIVEN TRANSFORMATION



**A GREAT CAR MAKER**  
With cutting edge efficiency



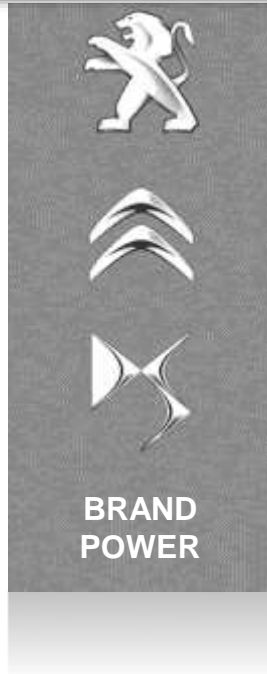
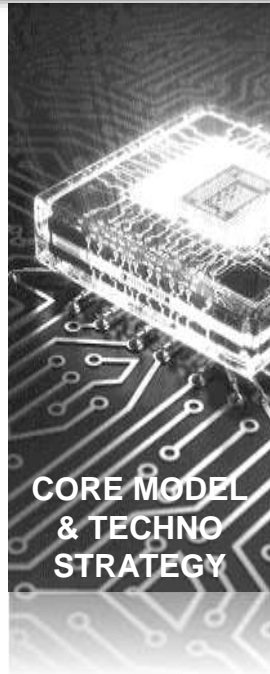
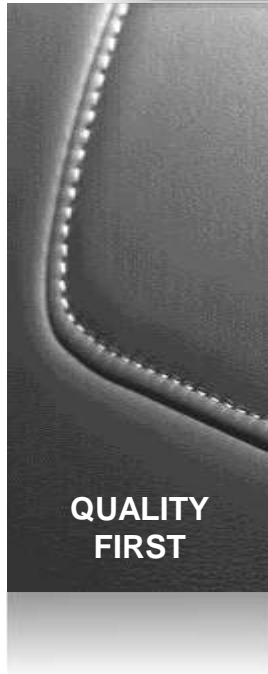
**A MOBILITY PROVIDER**  
For a lifetime customer relationship

**DIGITAL BOOSTER**

**A COMPETITIVE TEAM TO CHALLENGE BENCHMARKS**

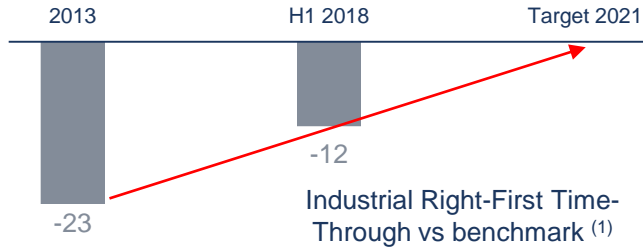
# A GREAT CAR MAKER

## CUTTING EDGE EFFICIENCY

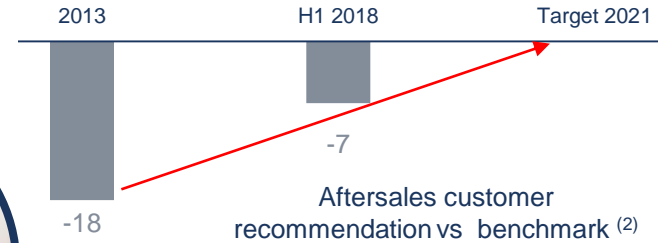


FROM DESIGN TO AFTER-SALES, PRIORITY TO CUSTOMER SATISFACTION

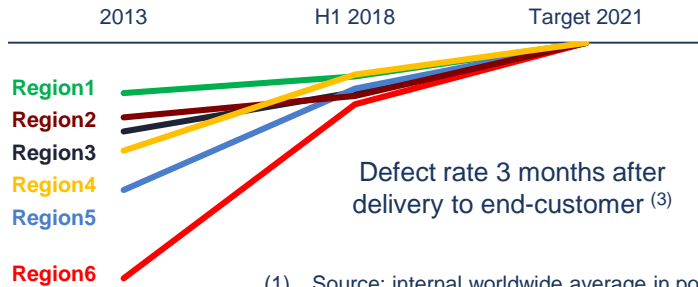
Product quality



Service quality



Quality performance by region



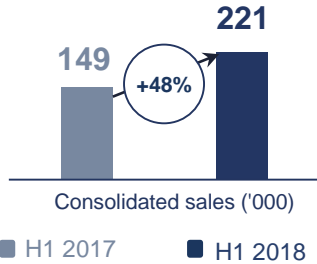
PureTech Petrol engine



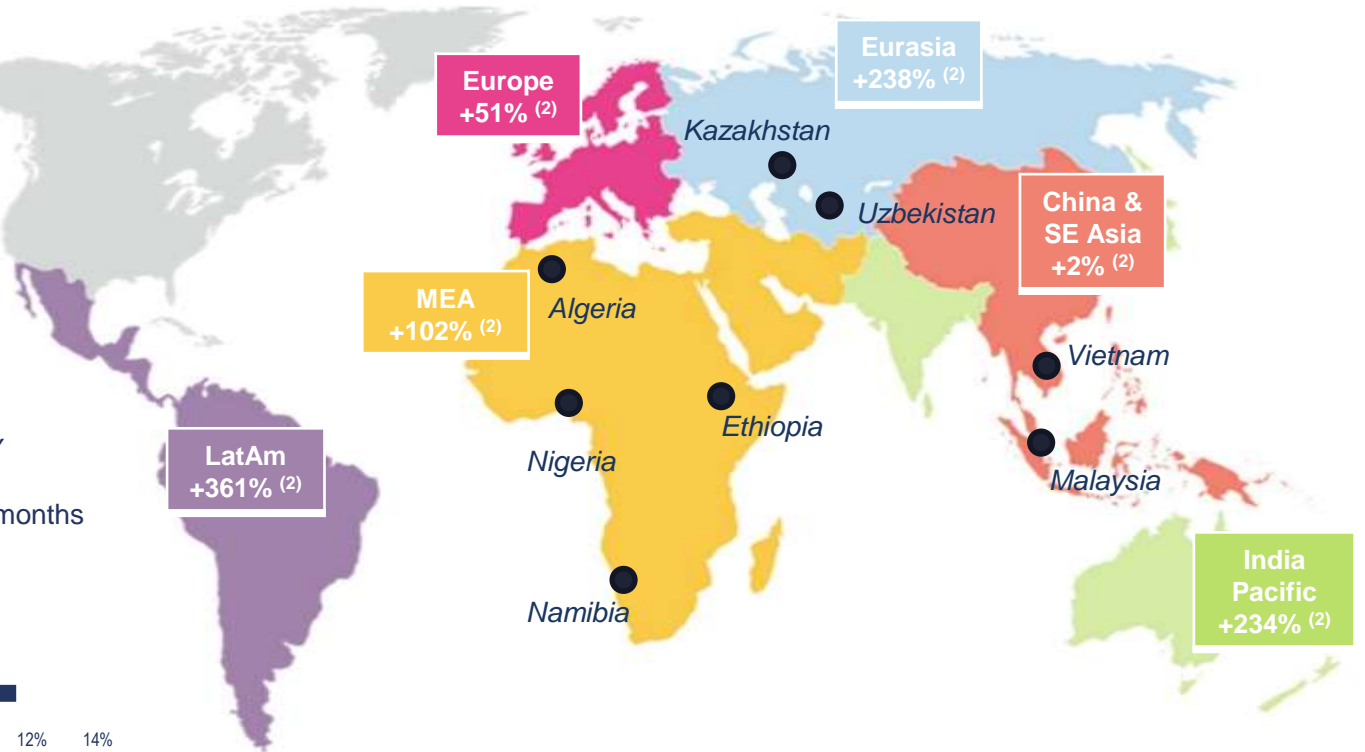
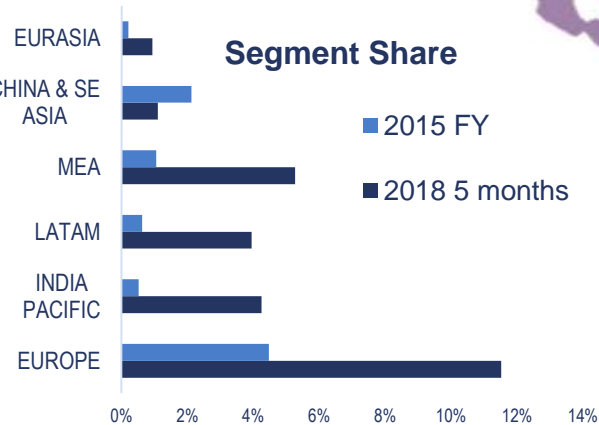
2015, 2016, 2017 & 2018

(1) Source: internal worldwide average in points vs benchmark  
 (2) Source: internal customer feedback in points vs benchmark  
 (3) Source: internal customer feedback, gap to target

# C-SUV WORLDWIDE OFFENSIVE, STARTING WITH PEUGEOT



## Peugeot C-SUV (1)



# EFFICIENT ROADMAP TOWARDS CUTTING-EDGE TECHNOLOGIES

Leveraging in-house assets & expertise ...

Clean ICE technologies



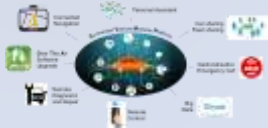
2 modular multi-energy platforms



NGO-proof leadership on real drive emissions



Connected Vehicle Modular Platform



Fuel Cells expertise



... combined with smart partnerships...



... and more to come

... for customer-valued technologies



Electrification blitz from 2019 → 100% electrified core models by 2025

From 2020, on-board software update "Over-the-Air"

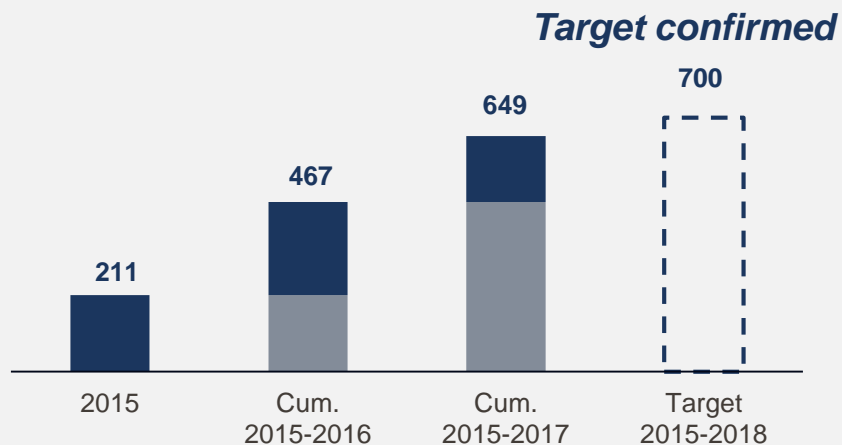


Rolling-out level 2 technology, towards safe autonomous driving

# ON TRACK TO REACH PUSH TO PASS TARGETS

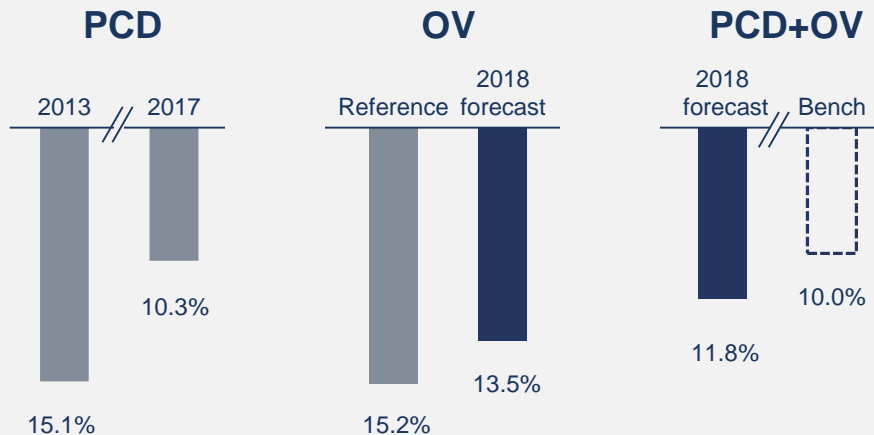
## PCD Production cost savings in Europe

€/veh. over 2015 - 2018, including Euro6, raw mat



## Wages to revenue ratio

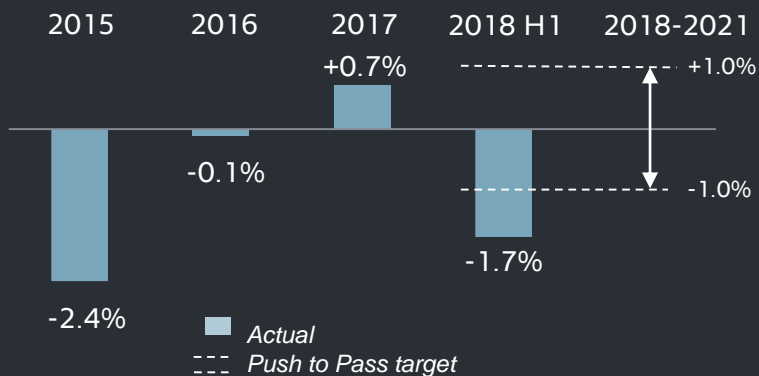
(Auto division excluding own dealer network)



# PEUGEOT – THE BEST HIGH END GENERALIST BRAND

## MOVE UP MARKET STRATEGY ON TRACK

### CONVERGING TOWARDS TARGET



PRICING POWER EUROPE VS BENCHMARK



# CITROËN – THE PEOPLE MINDED BRAND PRODUCT OFFENSIVE LAUNCHED

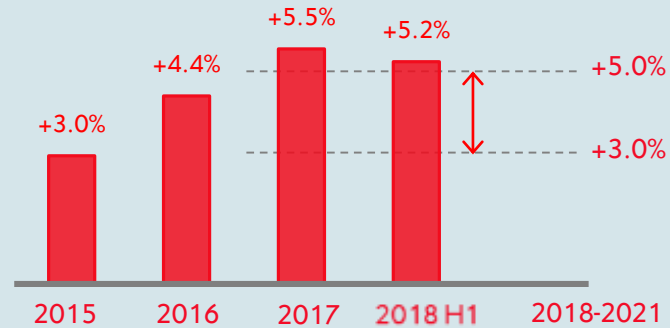


New Citroën C5 Aircross SUV



INSPIRED BY YOU

## PRICING POWER AT THE RIGHT LEVEL



Pricing Power Europe vs Benchmark

■ Actual  
--- Push to Pass target



New Citroën C3 Aircross SUV



New Citroën C4 Cactus

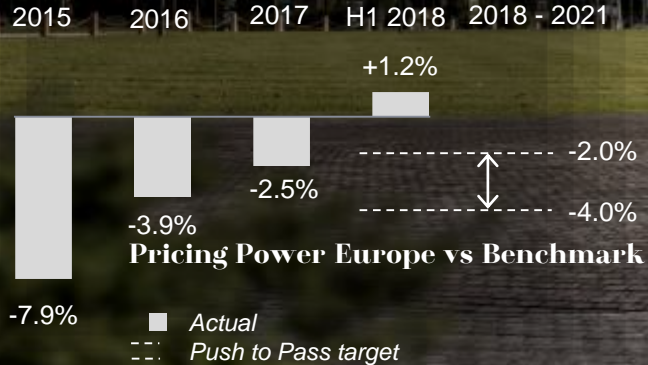


New Citroën Berlingo

# DS – FRENCH AVANT-GARDE EXCLUSIVE EXPERIENCE

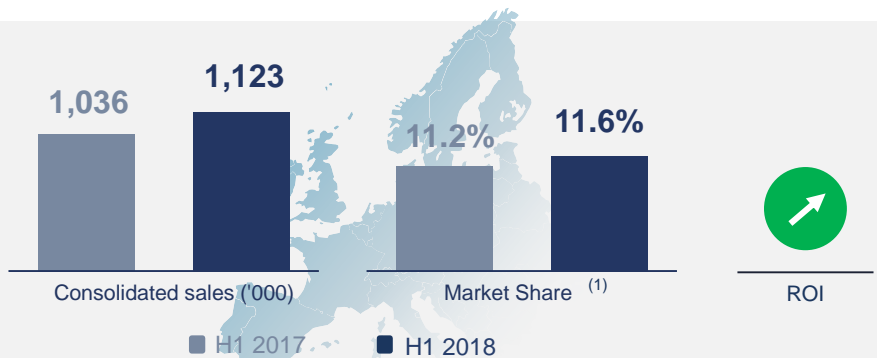
## DS 7 CROSSBACK SUCCESSFUL LAUNCH

**PRICING POWER AT THE RIGHT LEVEL**  
before competitors' new model launches



**DS 7 CROSSBACK**

# OUTSTANDING PROFITABILITY AND GROWTH



## PERFORMANCE BOOSTED BY SUV AND LCV

- ✓ Record ROI
- ✓ Market share up sharply: +0.5 pt. <sup>(2)</sup> - all brands contribute
- ✓ Success of all new models with a growing share of SUV
- ✓ Peugeot n°1 of SUV segment
- ✓ LCV Market share +1 pt at 21.2% <sup>(2)</sup>



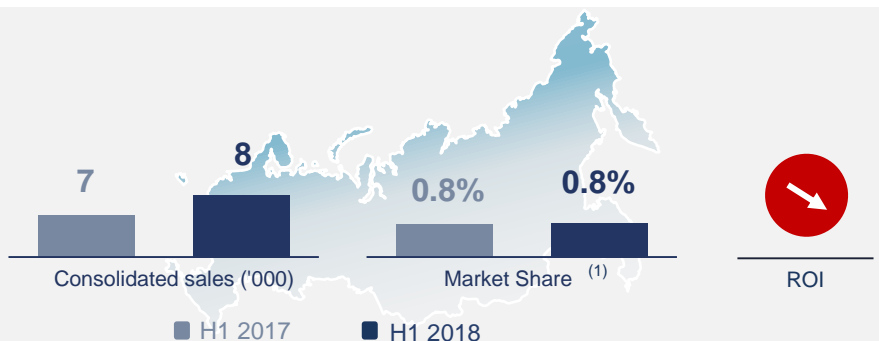
NEW PEUGEOT 508



## ONGOING PRODUCT BLITZ

- ▶ DS 7 CROSSBACK
- ▶ New Peugeot 508 and Peugeot 508 SW
- ▶ New Citroën Berlingo and Peugeot Rifter/Partner
- ▶ Citroën C5 Aircross

# HAMPERED PERFORMANCE



## ONGOING SALES GROWTH

- ✓ ROI down <sup>(2)</sup> but break-even confirmed for 2018 FY
- ✓ Revenue up +50% <sup>(2)</sup>
- ✓ Sales volumes up +16% <sup>(2)</sup>
- ✓ Growth driven by 3008 and locally produced Expert & Jumpy
- ✓ Market share increase in Ukraine +1.2 pt <sup>(2)</sup> at 5.8%



## PRODUCT OFFENSIVE

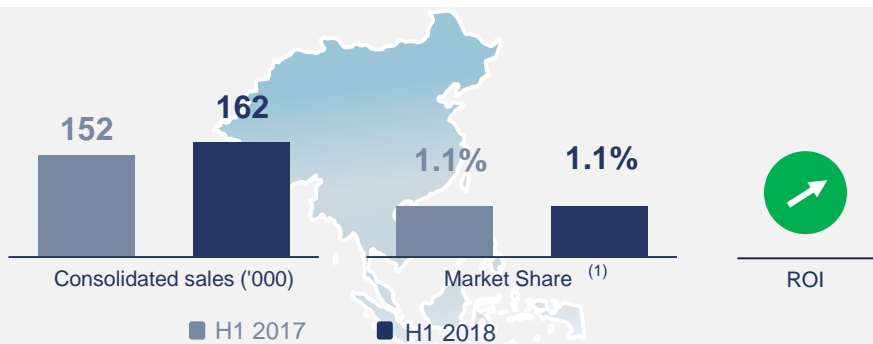
- ▶ Peugeot 5008 launched in Russia & Ukraine
- ▶ C3 Aircross launched in Russia & Ukraine



## LOCALIZED PRODUCTION FOR LCV OFFENSIVE

- ▶ Successful launch of medium van locally produced in Russia
- ▶ JV to produce LCVs in Uzbekistan from 2019

## RESTORE FOUNDATIONS IN CHINA AND ACCELERATE IN ASEAN



### CHINA

- ✓ Sales volume stabilized, with improved mix
- ✓ Sales & Marketing re-engineering (incl. network) in progress
- ✓ New business initiatives, as Leasing JV offers, to support sales
- ✓ Acquisition of JianXin to boost growth in aftermarket

### ASEAN

- ✓ Strong volume growth (x 4 (2)), supported by the success of SUV models, and the ramp-up of local production in Vietnam (Peugeot 3008)

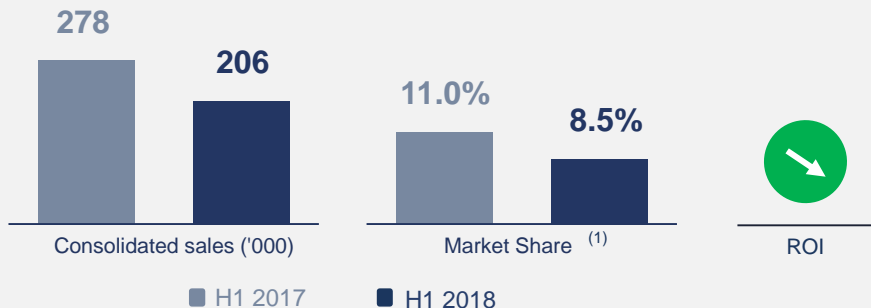
### ON-GOING PRODUCT OFFENSIVE

- ▶ SUV momentum (Peugeot 5008, Citroën C5 Aircross, DS 7 CROSSBACK) completed with Citroën C4 Aircross launch in Sept

### MALAYSIA: INDUSTRIAL JV ON TRACK

- ▶ First Peugeot 3008 to be produced in 2018 (CKD)

# KENITRA PLANT READY TO DELIVER



## IRAN WIND DOWN FROM MAY (-64 k units <sup>(2)</sup>)

### RESILIENCE IN A DIFFICULT MARKET CONTEXT

- ✓ Take-off in Egypt (sales x5 <sup>(2)</sup>) with new local partner
- ✓ Peugeot improved market share in Tunisia, Turkey, Israel, and is leader in French overseas dept.



### PRODUCT OFFENSIVE ON-GOING

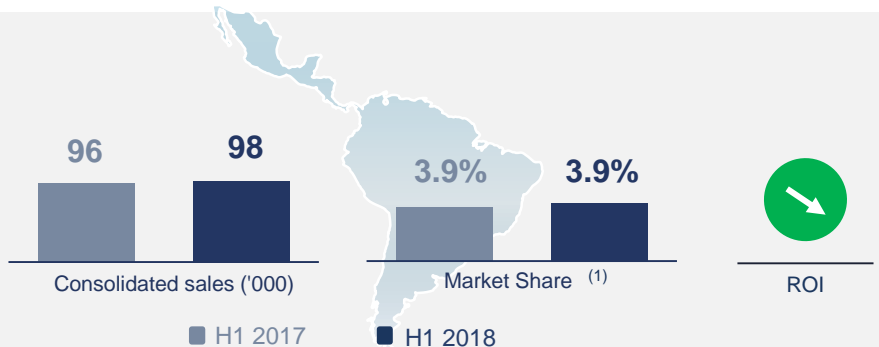
- ▶ SUV roll-out in progress:
  - Peugeot 3008: podium of its segment in DOM and Turkey
  - Citroën C3 Aircross, DS 7 CROSSBACK
  - Opel Crossland X and Grandland X



### INDUSTRIAL FOOTPRINT READY TO DELIVER

- ▶ Production of engines in Kenitra from end 2018
- ▶ Production of Pick-up in Tunisia in Sept 2018
- ▶ Production of Peugeot 3008 & Opel Grandland X in Namibia by end 2018

# ON TRACK DESPITE FX HEADWINDS



## PROFITABLE GROWTH

- ✓ Market share stable
- ✓ Negative impact of currencies (ARS, BRL)
- ✓ Volumes up by 1% (2)
  - ✓ o/w outside Mercosur: +19% (2)



## PRODUCT OFFENSIVE

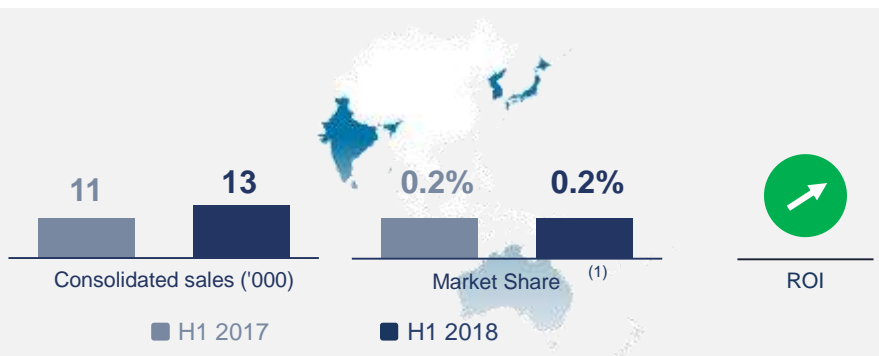
- ▶ Successful LCV offensive all over the region
- ▶ Successful SUV offensive : Peugeot 2008, 3008, 5008
- ▶ Launch in H2 of New Citroën C4 Cactus in Brazil and DS 7 CROSSBACK in Argentina



## LOOKING FOR BETTER EFFICIENCY

- ▶ Localized production for LCV offensive
- ▶ CMP platform from 2019

# PROFITABLE GROWTH



*Hosur (Tamil Nadu) Powertrain plant*



## STRONG GROWTH

- ✓ Sales up +25% <sup>(2)</sup>
- ✓ Automotive revenues up +25% <sup>(2)</sup>
- ✓ Profitability at a good level despite impact of currency



## PRODUCT OFFENSIVE

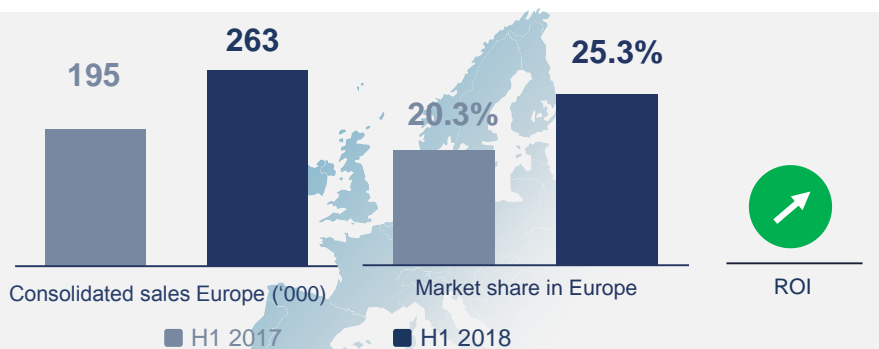
- ▶ Success of Peugeot 3008 and 5008 throughout the Pacific region and of Citroën C3 in Japan
- ▶ Sales in Japan +25% <sup>(2)</sup>



## NEXT STEPS

- ▶ Launch in H2 of Citroën C3 Aircross in New Zealand, DS 7 CROSSBACK in Japan and New Citroën C4 Cactus in Korea
- ▶ Powertrain plant under construction in India (production from H1 2019)

# OVERALL LCV OUTPERFORMANCE



## REINFORCED LEADERSHIP IN EUROPE

- ✓ Market share +5 pts at 25.3% o/w +1 pt for PCD
- ✓ Both volume and market share growth in the 3 main segments
- ✓ 9 pts gap with #2 competitor, increased by 4.9 pts\*\*

## OVERSEAS GROWTH

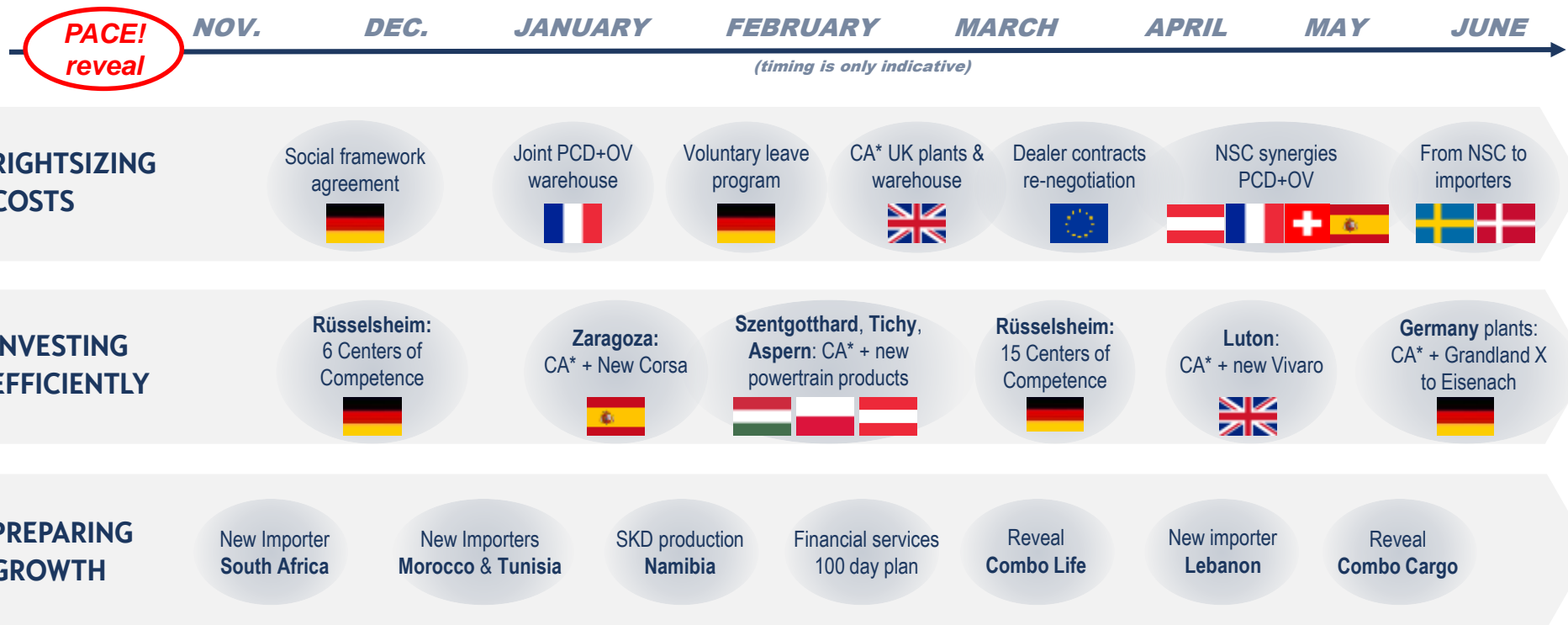
- ✓ Eurasia : sales up 9%<sup>(1)</sup>
- ✓ Latin America : sales up 27.8%<sup>(1)</sup>

## FURTHER GROWTH DRIVERS

- ▶ Renewal of compact van families: Peugeot Partner, Citroën Berlingo and Opel Vauxhall Combo
- ▶ Ongoing benefit of local production in Russia and LatAm
- ▶ Next step in Vietnam with local assembly of medium van

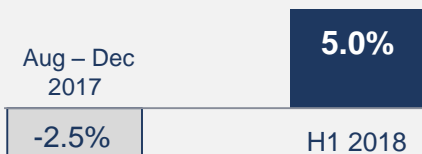


# PACE! RELENTLESS EXECUTION



# MOVING FAST TOWARDS SUSTAINABLE PERFORMANCE

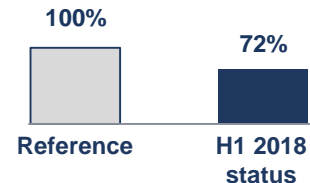
## Recurring Operating Margin\*



\* Recurring Operating Income related to revenue  
 \*\* Including new models and adjusted of leasing with buy-back sales

## All levers activated

### Fixed costs reduction

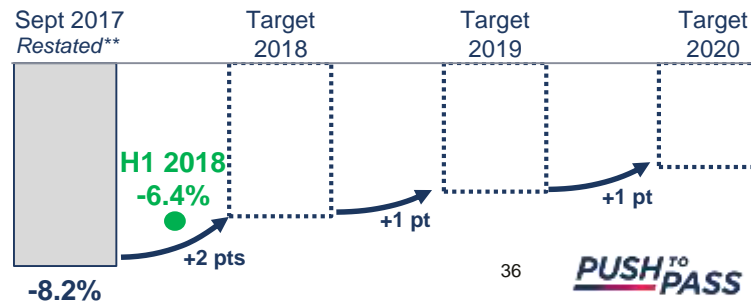


### Production cost savings

€/veh. vs 2017, incl Euro6, raw mat



### Pricing power (vs benchmark)



# GROUPE PSA 2021

FROM TURNAROUND TO PROFITABLE SUSTAINABLE GROWTH  
A CUSTOMER DRIVEN TRANSFORMATION



**A GREAT CAR MAKER**  
With cutting edge efficiency



**A MOBILITY PROVIDER**  
For a lifetime customer relationship

**DIGITAL BOOSTER**

**A COMPETITIVE TEAM TO CHALLENGE BENCHMARKS**

# A MOBILITY PROVIDER

FOR A LIFETIME CUSTOMER RELATIONSHIP



CUSTOMER  
INSIDE

MULTI-BRAND  
AFTERMARKET

USED CARS  
NEW  
CUSTOMERS

CONNECTED  
AND  
MOBILITY  
SERVICES

HASSLE  
FREE  
MOBILITY

NORTH  
AMERICA  
10 YEAR  
PROJECT

← **ENLARGE OUR CUSTOMER BASE** →

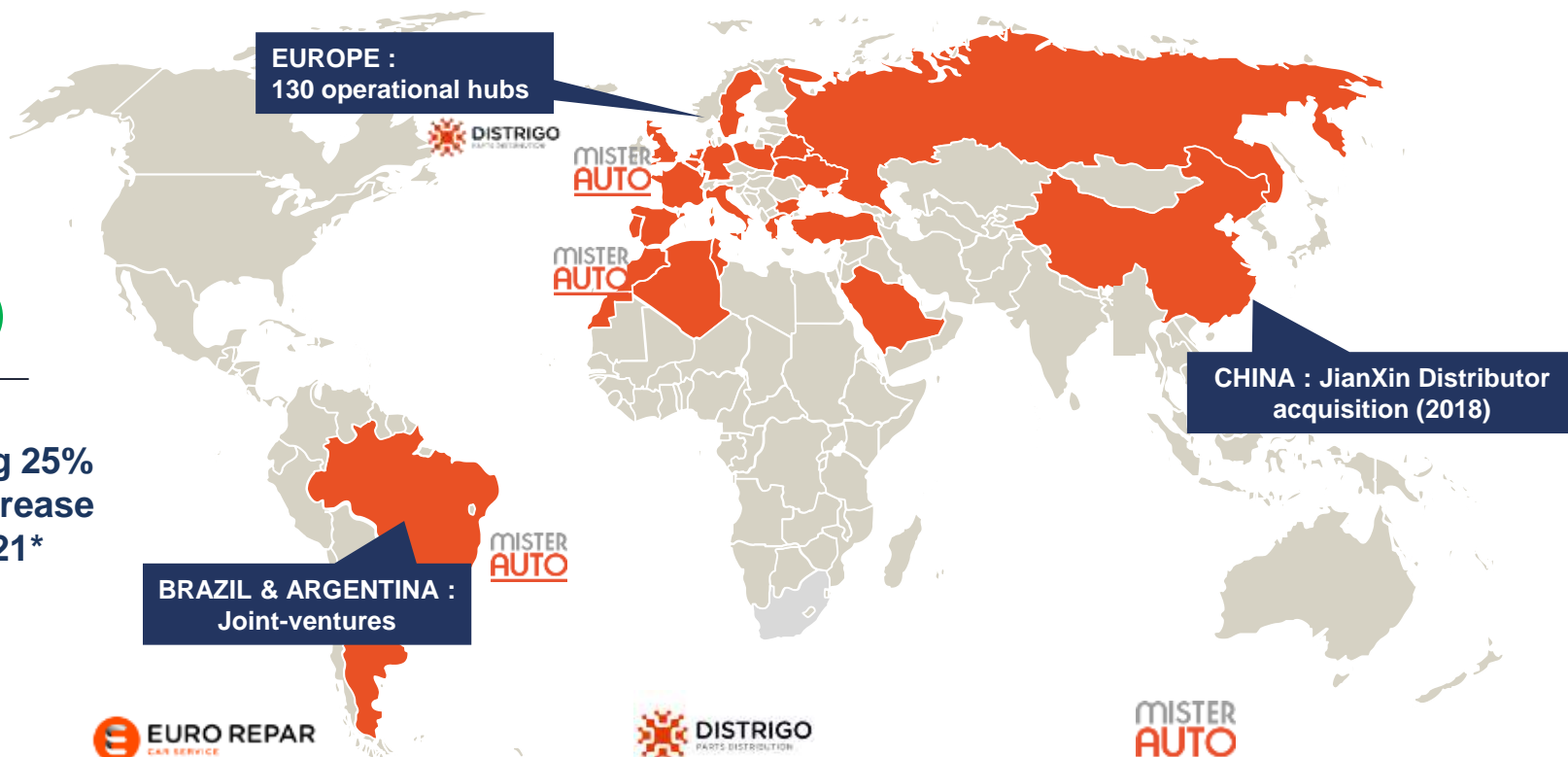
# BUILDING PROFITABLE GROWTH IN ALL REGIONS



ROI

Targeting 25% sales increase by 2021\*

\* Versus 2015



EUROPE :  
130 operational hubs

CHINA : JianXin Distributor acquisition (2018)

BRAZIL & ARGENTINA :  
Joint-ventures



Multibrand Repair Network deployed in 23 countries & 30 by end 2018



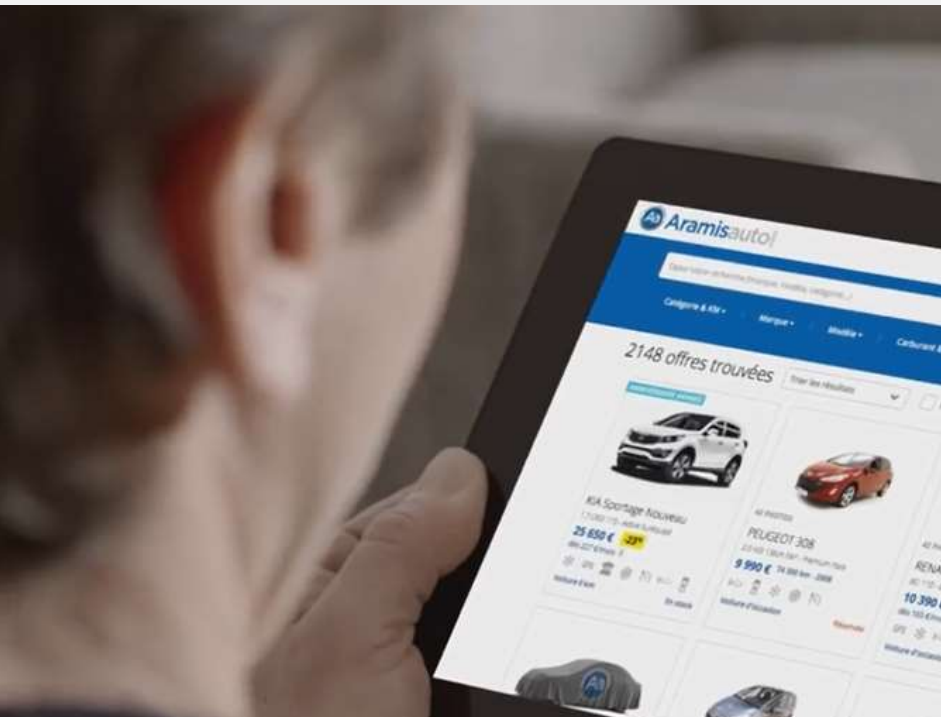
Multibrand spare parts distribution deployed worldwide



E-Commerce 13 countries covered & 15 by end 2018



## BECOMING A MULTI-BRAND OPERATOR IN ALL REGIONS



- ✓ **c.537,000 used cars sold in 2017 (PCD+OV)**
- ✓ **B2C Multi-Brand international expansion:**
  - Aramisauto +20% Turnover in 2017 (vs 2016)
  - Acquisition of Clicars in 2017
  - Acquisition of Cardoen in 2018\*



ROI

- ✓ **International growth in B2B Multibrand:**

**AutoAvaliar (october 2017):  
x2 Revenue in 2017 (vs 2016)**



**Operate in B2B, B2C, C2C, with 800,000 sales by 2021 & Profit x4 by 2021\*\***

# WORLDWIDE PROFITABLE GROWTH\* X 2 : ON TRACK

## B2C Carsharing



> 1 Million  
App users



**emov**



180,000  
customers



PEUGEOTRENT

LOCATION, EXPERTISE, PEUGEOT

DS RENT

200,000  
customers



130,000  
subscriptions



B2B Carsharing & Fleet  
management

## Smart Services



CONNECTED AFTERSALES

270,000 subscriptions



CONNECTED NAVIGATION

1 Million contracts

\* Cumulated Revenue Growth H1 2018 vs H1 2015

**FOCUSED  
ON EXECUTION  
TO MAKE THE  
DIFFERENCE  
IN A CHAOTIC  
WORLD**



# Q&A



# ***ATTACHMENTS***



# CONSOLIDATED WORLDWIDE SALES

Units*		2017 H1	2018 H1	Change
Europe**	Peugeot	599,846	650,104	+8.4%
	Citroën	413,595	444,295	+7.4%
	DS	22,649	28,326	+25.1%
	Opel Vauxhall	NA	550,956	NA
	<b>Total PSA</b>	<b>1,036,090</b>	<b>1,673,681</b>	<b>+61.5%</b>
Middle East & Africa***	Peugeot	248,398	185,691	-25.2%
	Citroën	28,661	19,963	-30.3%
	DS	872	593	-32.0%
	Opel Vauxhall	NA	19,886	NA
	<b>Total PSA</b>	<b>277,931</b>	<b>226,133</b>	<b>-18.6%</b>
China & South East Asia	Peugeot	103,161	91,077	-11.7%
	Citroën	46,062	69,333	+50.5%
	DS	3,157	2,049	-35.1%
	Opel Vauxhall	NA	487	NA
	<b>Total PSA</b>	<b>152,380</b>	<b>162,946</b>	<b>+6.9%</b>
Latin America	Peugeot	62,442	64,386	+3.1%
	Citroën	33,252	32,776	-1.4%
	DS	663	474	-28.5%
	Opel Vauxhall	NA	397	NA
	<b>Total PSA</b>	<b>96,357</b>	<b>98,033</b>	<b>+1.7%</b>
India-Pacific	Peugeot	7,632	10,066	+31.1%
	Citroën	2,551	3,052	+19.6%
	DS	482	283	-41.3%
	Opel Vauxhall	NA	-	NA
	<b>Total PSA</b>	<b>10,665</b>	<b>13,341</b>	<b>+25.1%</b>
Eurasia	Peugeot	3,828	4,412	+15.3%
	Citroën	2,640	3,142	+19.0%
	DS	43	29	-32.6%
	Opel Vauxhall	NA	106	NA
	<b>Total PSA</b>	<b>6,511</b>	<b>7,689</b>	<b>+18.1%</b>

## Total consolidated worldwide sales (AV+CKD)

	2017 H1	2018 H1	Change
Peugeot	1,025,307	1,005,676	-1.9%
Citroën	526,761	572,561	+8.7%
DS	27,866	31,754	+14.0%
Opel Vauxhall	-	571,832	NA
<b>Total PSA</b>	<b>1,579,934</b>	<b>2,181,823</b>	<b>+38.1%</b>

# GROUP REVENUE BY DIVISION\*

<i>In million Euros</i>	2017 H1	2018 H1	Change
Automotive PCD	19,887	22,149	2,262
Automotive OV	-	9,946	9,946
Faurecia	8,545	8,991	446
Other businesses and eliminations	(880)	(2,491)	(1,611)
<b>Group Revenue</b>	<b>27,552</b>	<b>38,595</b>	<b>11,043</b>

# GROUP RECURRING OPERATING INCOME BY DIVISION\*

<i>In million Euros</i>	2017 H1	2018 H1	Change
Automotive PCD	1,442	1,873	431
Automotive OV	-	502	502
Faurecia	583	642	59
Other businesses and eliminations	12	0	(12)
<b>Group Recurring Operating Income</b>	<b>2,037</b>	<b>3,017</b>	<b>980</b>

**BANQUE PSA FINANCE\***

<i>In million Euros</i>	<b>2017 H1</b>	<b>2018 H1</b>	Change
Revenue	<b>710</b>	<b>1,022</b>	312
Net banking revenue	<b>543</b>	<b>830</b>	287
Cost of risk (in % of average loans)	<b>0.25%</b>	<b>0.12%</b>	-0.13 pt
<b>Recurring operating Income</b>	<b>312</b>	<b>510</b>	198
Penetration rate	<b>29.3%</b>	<b>27.0%</b>	-2.3 pts
Number of new contracts (lease and financing)	<b>419,500</b>	<b>555,500</b>	+136,000

**FAURECIA\****In million Euros*

	<b>2017 H1</b>	<b>2018 H1</b>	Change
Revenue	<b>8,545</b>	<b>8,991</b>	446
<b>Recurring Operating Income</b>	<b>583</b>	<b>642</b>	59
% of revenue	<b>6.8%</b>	<b>7.1%</b>	
<b>Consolidated net income</b>	<b>360</b>	<b>391</b>	31
Free Cash Flow	<b>93</b>	<b>165</b>	72
Net Financial Position	<b>(646)**</b>	<b>(665)</b>	(19)

# PARTNERSHIPS CONTRIBUTION TO NET RESULT

*In million Euros*

	2017 H1	2018 H1	Change
50% Dong Feng Motor company Partnership	(25)	12	37
50% Changan Partnership	-	(9)	(9)
50% Chinese Financial JV	10	7	(3)
50% Banque PSA Finance JVs with Santander	103	119	16
50% Banque PSA Finance JV with BNP Paribas	-	72	72
Others	24	(128)	(152)
<b>Share in net earnings of companies at equity</b>	<b>112</b>	<b>73</b>	<b>(39)</b>

# FINANCIAL SECURITY

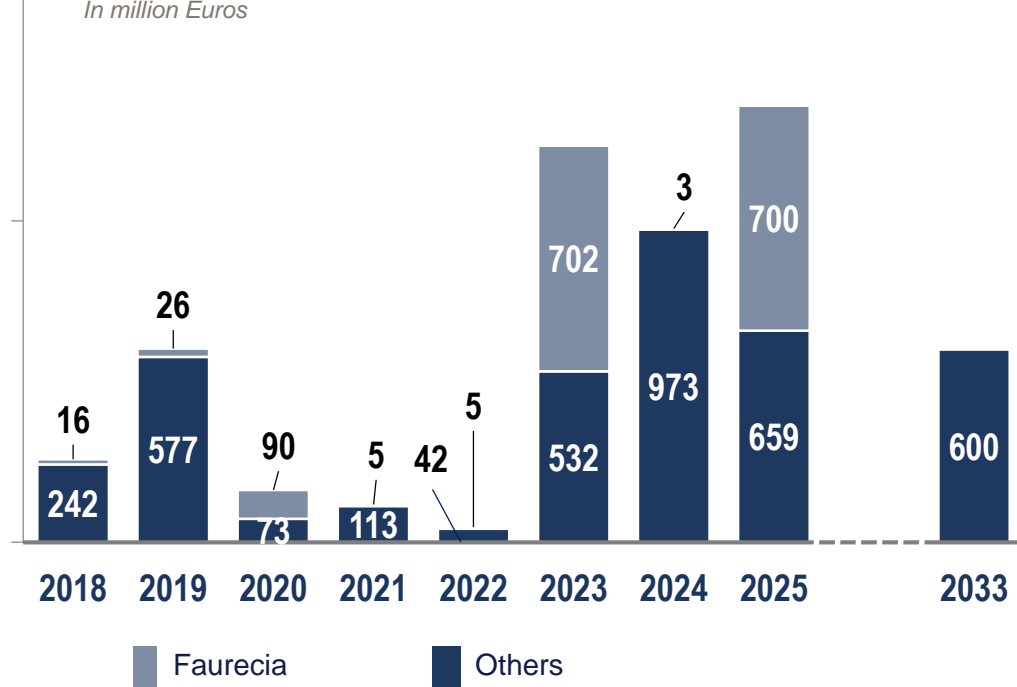
*In million Euros*

	<b>31 December 2017</b>	<b>30 June 2018</b>	Change
Cash and Cash Equivalents	11,582	13,608	2,026
Financial Investments	165	100	(65)
Current & non current financial assets	1,575	1,639	64
<b>TOTAL Cash &amp; Financial assets</b>	<b>13,322</b>	<b>15,347</b>	<b>2,025</b>
Lines of Credit (undrawn) – excluding Faurecia	3,000	3,000	-
Lines of Credit (undrawn) – Faurecia	1,200	1,200	-
<b>TOTAL Financial Security</b>	<b>17,522</b>	<b>19,547</b>	<b>2,025</b>

# DEBT MATURITY PROFILE

## Gross debt\* in nominal value - End of June 2018

In million Euros



- PSA: €650m, 7 years, 2% bond issue, successfully priced on March 9, 2018
- Faurecia: €700m 7 years 2.625% bond issue successfully priced on February 22, 2018
- Faurecia: €700m June 2022 bond was fully redeemed on March 9, 2018
- Moody's: Ba1 stable (since July 26, 2017)
- Fitch: BB+ positive (since March 23, 2018)