

Groupe PSA achieves strong profitability in H1 2019

- **€38.3 billion Group revenue**
- **8.7% Automotive division¹ recurring operating margin²**
- **8.7% Group recurring operating margin**
- **€1.599 billion Group³ free cash flow⁴ including the acquisition of Clarion by Faurecia**
- **€2.287 billion Automotive division free cash flow**

Carlos Tavares, Chairman of Groupe PSA Managing Board said: “Thanks to our focus on our strategic plan execution, we have delivered strong Free Cash Flow and Recurring Operating Margin in H1. We are ready for electrification and to embrace the next technological challenges. Our agility and aligned management team remain key assets to reach the targets of the Push to Pass plan.”

Group revenue amounted to €38,340 million in the first half of 2019, down by 0.7% compared to 2018 H1. **Automotive division revenue** amounted to €30,378 million down by 1.1% versus 2018 H1, mainly driven by product mix (+2.9%) and price (+1.3%), which partially offset the decrease of sales to partners (-2.2%), the negative impact of exchange rates (-0.8%), volumes and country mix (-1.4%) as well as others (-0.9%).

Group recurring operating income amounted to €3,338 million, up 10.6% with **Automotive recurring operating income** up 12.6% at €2,657 million. This 8.7% strong profitability level was reached thanks to a positive product mix and further cost reductions, despite exchange rate headwinds.

Group recurring operating margin reached 8.7%, up 0.9 pt versus 2018 H1.

Group non-recurring operating income and expenses amounted to -€847 million, compared to -€750 million in 2018 H1.

Group net financial expenses decreased to -€166 million compared to -€218 million in 2018 H1.

Consolidated net income reached €2,048 million, an increase of €335 million compared to 2018 H1. Net income, Group share, reached €1,832 million, up €351 million compared to 2018 H1.

Banque PSA Finance reported **recurring operating income** of €513 million⁵, up 0.6%.

Faurecia recurring operating income was €634 million, down 1.2%.

The **free cash flow of manufacturing and sales companies** was €1,599 million of which €2,287 million for the Automotive division.

¹ Automotive Division (PCDOV)

² Recurring operating income related to revenue

³ Sales and manufacturing companies

⁴ Free Cash Flow = Cash flow + restructuring + change in working capital requirement + capex and capitalized R&D

⁵ 100% of the result of Banque PSA Finance. In the financial statements of Groupe PSA, joint ventures are consolidated using the equity method.

Total inventory, including independent dealers and importers⁶, stood at 659,000 vehicles at 30 June 2019, at the same level as 30 June 2018.

The net financial position of manufacturing and sales companies was €7,906 million at 30 June 2019 after IFRS 16 effect and Clarion acquisition by Faurecia.

Market outlook: in 2019, the Group anticipates a decrease by 1% of the automotive market in Europe, by 4% in Latin America and by 7% in China and growth of 3% in Russia.

Operational outlook:

Groupe PSA has set the target to deliver over 4.5% Automotive recurring operating margin⁷ on average for the period 2019-2021.

[Link](#) to the presentation of H1 2019.

Financial Calendar

23 October 2019: Third-quarter 2019 revenue

Groupe PSA consolidated financial statements at 30 June 2019 were approved by the Managing Board on 23 July 2019 and reviewed by the Supervisory Board on 23 July 2019. The Group's Statutory Auditors have completed their audit and are currently issuing their report on the consolidated financial statements.

The interim results report and interim financial results presentation for 2019 are available at www.groupe-psa.com, in the "Analysts and Investors" section.

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About Groupe PSA

[Groupe PSA](#) designs unique automotive experiences and delivers mobility solutions to meet all customer expectations. The Group has five car brands, Peugeot, Citroën, DS, Opel and Vauxhall and provides a wide array of mobility and smart services under the Free2Move brand. Its 'Push to Pass' strategic plan represents a first step towards the achievement of the Group's vision to be "a global carmaker with cutting-edge efficiency and a leading mobility provider sustaining lifetime customer relationships". An early innovator in the field of [autonomous and connected cars](#), Groupe PSA is also involved in financing activities through Banque PSA Finance and in automotive equipment via Faurecia.

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⁶ Including Peugeot importers outside Europe

⁷ Automotive Division (PCDOV) recurring operating income related to revenue

Appendix

Consolidated Income Statement

<i>(en millions d'euros)</i>	First-Half 2018	First-Half 2019
Revenue	38,595	38,340
Recurring operating income (loss)	3,017	3,338
Operating income	2,267	2,491
Net financial income (expense)	(218)	(166)
Income taxes	(409)	(325)
Share in net earnings of companies at equity	73	48
Consolidated profit	1,713	2,048
Attributable to owners of the parent	1,481	1,832
<i>attributable to non-controlling interests</i>	232	216
Basic earnings per €1 par value share attributable to equity holders of the parent	1.66	2.05
Diluted earnings per €1 par value share – attributable to equity holders of the parent	1.58	1.95

Consolidated balance sheet

Assets		
<i>(in million euros)</i>	31 December 2018	30 June 2019
Total non-current assets	33,806	38,120
Total current assets	28,146	30,561
TOTAL ASSETS	61,952	68,681
Equity and liabilities		
<i>(in million euros)</i>	31 December 2018	30 June 2019
Total equity	19,594	20,778
Total non-current liabilities	12,356	16,542
Total current liabilities	30,002	31,361
TOTAL EQUITY & LIABILITIES	61,952	68,681

Consolidated statement of cash flows

<i>(in million euros)</i>	First-Half 2018	First-Half 2019
Consolidated profit from continuing operations	1,713	2,048
Funds from operations	3,791	4,422
Net cash from (used in) operating activities of continuing operations	5,011	4,997
Net cash from (used in) investing activities of continuing operations	(2,313)	(3,365)
Net cash from (used in) financing activities of continuing operations	(572)	(559)
Effect of changes in exchange rates	(37)	86
Increase (decrease) in cash from continuing operations and from operations held for sale or to be continued in partnership	2,089	1,079
Net cash and cash equivalents at beginning of period	11,803	15,402
Net cash and cash equivalents of continuing operations at end of period	13,892	16,481