

Groupe PSA remains profitable in H1 2020 despite Covid

- **€25.1 billion Group revenue**
- **3.7% Automotive division¹ adjusted operating margin² at €731 million**
- **Net result group share at €595 million**
- **€153 million Automotive positive free cash flow excluding working capital**
- **Strong financial security at €23.2 billion**

Carlos Tavares, Chairman of Groupe PSA Managing Board said: “This H1 result proves the Group’s resilience, as a reward of 6 consecutive years of intense work to increase our agility and lower our breakeven point. The Group is also weathering this crisis thanks to the commitment of the teams, focused to deliver [a clean, safe and affordable mobility for our customers](#). We are determined to achieve solid rebound in the second half of the year, while finalizing the birth of Stellantis before the end of Q1 2021.”

Group revenue amounted to €25,120 million in H1 2020, down by 34.5% compared to H1 2019. **Automotive division revenue** amounted to €19,595 million down by 35.5% versus H1 2019, mainly driven by the negative impact of volumes and country mix (-40.5%), the decrease of sales to partners (-0.5%) and the impact of exchange rates (-0,6%) ; conversely, revenues benefited from the positive effect of product mix (+3.4%) and price (+0.4%), as well as others (+2.3%).

Group adjusted operating income³ amounted to €517 million, down 84.5% with **Automotive adjusted operating income** down 72.5% at €731 million. This 3.7% profitability level was reached despite the sharp decline of automotive markets and thanks to a positive product mix and cost reductions.

Group adjusted operating margin reached 2.1%, down 6.6 pts versus H1 2019.

Other operating income and expenses amounted to -€35 million, compared to -€847 million in H1 2019.

Group net financial income and expenses improved to €52 million compared to -€166 million in H1 2019.

Consolidated net income reached €376 million, a decrease of €1,672 million compared to H1 2019. Net income, Group share, reached €595 million, down €1,237 million compared to H1 2019.

Banque PSA Finance reported **adjusted operating income** of €463 million⁴, down 9.7%.

Faurecia adjusted operating income was a loss at -€159 million.

The **free cash flow of manufacturing and sales companies** was -€4,704 million of which -€3,601 million for the Automotive division. **Automotive free cash flow was positive at €153 million excluding working capital.**

¹ Automotive Division (PCDOV)

² Adjusted operating income related to revenue

³ Adjusted operating income (loss) excludes from Operating income certain adjustments comprising Restructuring costs, Impairment of CGU's and Other operating income (expense) considered rare or discrete events and are infrequent in nature.

⁴ 100% 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 importers⁵, stood at 505,000 vehicles at 30 June 2020, down 24% compared to 30 June 2019.

The net financial position of manufacturing and sales companies was €2,886 million at 30 June 2020 of which €6,957 million for the Automotive division.

Market outlook: in 2020, the Group anticipates a decrease by 25% of the automotive market in Europe, by 30% in Russia and Latin America, and by 10% in China.

Operational outlook:

Groupe PSA has set the target to deliver over 4.5% Automotive adjusted operating margin⁶ on average for the period 2019-2021.

[Link](#) to the presentation of H1 2020.

[Financial Calendar](#)

28 October 2020: Third-quarter 2020 revenue

Groupe PSA consolidated financial statements for the year ended 30 June 2020 were approved by the Managing Board on 27 July 2020 and reviewed by the Supervisory Board on 27 July 2020. The audit procedures on the consolidated accounts were carried out by the Group's Statutory Auditors. Their certification report is being issued. The interim report on the interim results and the presentation of the H1 2020 results can be consulted on the Group's website (www.groupe-psa.com), in the "Finance" 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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⁵ Including Peugeot importers outside Europe

⁶ Automotive Division (PCDOV) adjusted operating income related to revenue

Appendix

Consolidated Income Statement

<i>(in million euros)</i>	First-Half 2019	First-Half 2020
Revenue	38,340	25,120
Adjusted operating Income	3,338	517
Operating income	2,491	482
Net financial income (expense)	(166)	52
Income taxes	(325)	(222)
Share in net earnings of companies at equity	48	64
Consolidated profit	2,048	376
Attributable to owners of the parent	1,832	595
<i>attributable to non-controlling interests</i>	216	(219)
Basic earnings per €1 par value share attributable to equity holders of the parent	2.05	0.66
Diluted earnings per €1 par value share – attributable to equity holders of the parent	1.95	0.63

Consolidated balance sheet

Assets		
<i>(in million euros)</i>	31 December 2019	30 June 2020
Total non-current assets	38,439	38,201
Total current assets	31,327	29,081
TOTAL ASSETS	69,766	67,422
Equity and liabilities		
<i>(in million euros)</i>	31 December 2019	30 June 2020
Total equity	21,801	21,994
Total non-current liabilities	16,265	18,807
Total current liabilities	31,700	26,539
TOTAL EQUITY & LIABILITIES	69,766	67,422

Consolidated statement of cash flows

<i>(in million euros)</i>	First-Half 2019	First-Half 2020
Consolidated profit from continuing operations	2,048	376
Funds from operations	4,422	1,603
Net cash from (used in) operating activities of continuing operations	4,997	(2,740)
Net cash from (used in) investing activities of continuing operations	(3,365)	(1,913)
Net cash from (used in) financing activities of continuing operations	(559)	2,838
Effect of changes in exchange rates	86	(239)
Increase (decrease) in cash from continuing operations and from operations held for sale or to be continued in partnership	1,079	(2,050)
Net cash and cash equivalents at beginning of period	15,402	17,805
Net cash and cash equivalents of continuing operations at end of period	16,481	15,755