

2019 FINANCIAL RESULTS**Groupe Renault meets its revised targets**

Despite a troubled context, Groupe Renault achieved its targets, revised in October, with a 4.8% Group operating margin and a positive Automotive operational free cash flow.

- **Sales at 3.8 million units, down -3.4%.**
- **Group revenues down -3.3% to €55,537 million. At constant exchange rates¹, revenues would have been down by -2.7%.**
- **Group operating margin of €2,662 million (4.8% of revenues), down -€950 million compared to 2018.**
- **Group operating income at €2,105 million compared to €2,987 million.**
- **Net income of €19 million compared to €3,451 million. Beyond the fall in the Group operating income, this decline came mainly from lower associated companies' contribution, down -€1,730 million and a charge of deferred tax in France for -€753 million.**
- **Positive Automotive operational free cash flow of €153 million.**

“Groupe Renault, despite a troubled year, has been able to achieve results in line with the revised guidance. I want to thank all employees for their efforts and commitment that allowed to achieve this result. Visibility for 2020 remains limited due to expected volatility in demand, notably in Europe because of the CAFE regulation and the possible impacts of the Corona virus. Nevertheless, the strengthening of the top management team, the Alliance revival and new models' success make me deeply confident in our ability to lead the Group's turnaround”, **commented Clotilde Delbos, Acting Chief Executive Officer of Renault.**

¹ In order to analyze the change in consolidated revenues at constant exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year.

Boulogne-Billancourt, February 14, 2020:

Group revenues reached €55,537 million (-3.3%), including €3,130 million for AVTOVAZ (+3.0%). Excluding currency impact, Group revenues would have been down -2.7%.

Automotive excluding AVTOVAZ revenues decreased -4.2% to €49,002 million.

This decline was due to a negative volume effect of -1.4 points notably linked to lower sales in Argentina, Turkey and Algeria.

Sales to partners were down -3.4 points due to lower vehicle production for Nissan and Daimler, as well as the decline in demand for diesel engines in Europe and the sharp drop in our CKD² business in China and the end of this activity in Iran.

The currency effect, negative by -0.7 points, was mainly due to the sharp devaluation of the Argentinian peso and the Turkish lira.

The price effect, positive by +1.7 points, stemmed from efforts to offset these currency devaluations and price increases in Europe, notably related to regulatory costs. Since the fourth quarter, the price effect has benefited from a more ambitious pricing policy, particularly in Europe with New Clio.

The **Group's operating margin** amounted to €2,662 million and represented 4.8% of revenues compared to 6.3% in 2018.

Automotive excluding AVTOVAZ operating margin was down -€920 million to €1,284 million, which represented 2.6% of revenues compared to 4.3% in 2018.

The change can be explained by the following:

- Volume effect had a negative impact of -€582 million, including sales to partners.
- Mix/price/enrichment effect was negative -€587 million because of enrichment (regulatory and on new products) and the decrease in the diesel sales in Europe.
- The Monozukuri effect was positive by +€547 million. It benefited from purchasing performance, increase in the capitalization rate of R&D but has been penalized by an increase in the depreciation.
- Raw materials weighed for -€324 million largely on higher prices for precious metals and steel.
- The improvement of +€121 million of G&A stemmed from the company's effort to limit its costs and included positive non-recurring effects.
- Currencies impacted by +€24 million due to the positive effect of the depreciation of the Turkish lira on production costs which compensated for the negative impact of the Argentinian Peso.

The **AVTOVAZ operating margin contribution** amounted to €155 million, compared to €204 million in 2018 after lower positive non-recurring effects for about €70 million.

Sales Financing contributed €1,223 million to the Group's operating margin, compared to €1,204 million in 2018. This 1.6% growth was due to the increase in average performing assets, reflecting RCI Banque's strong commercial momentum, despite a negative currency effect of -€26 million and a rise in losses of mobility services activities also for -€26 million.

Other operating income and expenses amounted to -€557 million (compared to -€625 million in 2018) coming from nearly -€240 million of restructuring charges, notably related to the early retirement program in France and impairments for about -€300 million notably in China and Argentina.

² CKD : Complete Knock Down

The **Group's operating income** came to €2,105 million, compared to €2,987 million in 2018.

Net financial income and expenses amounted to -€442 million, compared to -€353 million in 2018, despite an almost stable cost of funding. The deterioration in other financial income and expenses is due to lower dividends received from non-consolidated entities and miscellaneous expenses.

The **contribution of associated companies** came to -€190 million, compared to +€1,540 million in 2018. Nissan contributed positively for +€242 million while the contribution of the other associated companies (-€432 million) was heavily penalized by the weak performance of our Chinese joint ventures, also leading to impairments.

Current and deferred taxes showed an expense of -€1,454 million including -€753 million due to the discontinuation of the recognition of deferred tax assets on tax losses in France.

Net income amounted to €19 million, and net income Group share to -€141 million (-€0.52 per share compared to €12.24 per share in 2018).

Automotive operational free cash flow, including AVTOVAZ, was positive at €153 million. It takes into account a strong increase in investments, an increase in dividends received from RCI and a positive change in working capital requirements.

The Automotive activity at December 31, 2019 held +€15.8 billion of liquidity and a net cash position of +€1.7 billion.

At December 31, 2019, total **inventories** (including the independent network) represented 68 days of sales, compared to 70 days at end December 2018.

A **dividend** of €1.10 per share, compared to €3.55 per share in 2018, will be submitted for approval at the Shareholders' Annual General Meeting. The shares would be traded ex-dividend on April 30, 2020 and dividends paid out from May 5, 2020.

2020 OUTLOOK

The global automotive market should decline this year with Europe at least down -3%, Russia at around -3% and the Brazilian market up around 5%

In this context of low visibility notably due to CAFE regulation in Europe, and a significant rise of depreciation related to investments made for preparing the future, Groupe Renault is aiming to:

- achieve Group revenues in line with 2019 at constant exchange rates³,
- achieve a Group operating margin between 3% and 4%,
- generate a positive Automotive operational *free cash flow* before restructuring expenses.

This guidance does not take into account the possible impacts related to the Coronavirus health crisis.

³ In order to analyze the change in consolidated revenues at constant exchange rates, Groupe Renault recalculates revenues for the current year by applying the average annual exchange rates of the previous year.

GROUPE RENAULT CONSOLIDATED RESULTS

In € million	2019	2018	Change
Group revenues	55,537	57,419	-3.3%
Operating margin <i>% of revenues</i>	2,662 <i>4.8%</i>	<i>3,612</i> <i>6.3%</i>	-950 <i>-1.5 pts</i>
Other operating income and expenses	-557	-625	+68
Operating income	2,105	2,987	-882
Financial income	-442	-353	-89
Contribution from associated companies	-190	1,540	-1,730
<i>o/w: NISSAN</i>	242	1,509	-1,267
Current and deferred taxes	-1,454	-723	-731
Net income	19	3,451	-3,432
Net income, Group share	-141	3,302	-3,443
Automotive operational free cash flow	153	607	-454

Addition Information

The consolidated financial statements of Groupe Renault and the company accounts of Renault SA at December 31, 2019 were approved by the Board of Directors on February 13, 2020.

The Group's statutory auditors have conducted an audit of these financial statements and their report will be issued shortly.

The earnings report, with a complete analysis of the financial results in 2019, is available at www.group.renault.com in the "Finance" section.

About Groupe Renault

Groupe Renault has manufactured cars since 1898. Today it is an international multi-brand group, selling close to 3.8 million vehicles in 134 countries in 2019, with 40 manufacturing sites, 12,700 points of sales and employing more than 180,000 people. To address the major technological challenges of the future, while continuing to pursue its profitable growth strategy, Groupe Renault is focusing on international expansion. To this end, it is drawing on the synergies of its five brands (Renault, Dacia, Renault Samsung Motors, Alpine and LADA), electric vehicles, and its unique alliance with Nissan and Mitsubishi Motors. With a 100% Renault owned team committed to the Formula 1 World Championship since 2016, the brand is involved in motorsports, a real vector for innovation and awareness.

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