

# **GROUPE** RENAULT

## **KEPLER CHEUVREUX CONFERENCE**

INVESTOR RELATIONS / SEPTEMBER 9, 2020

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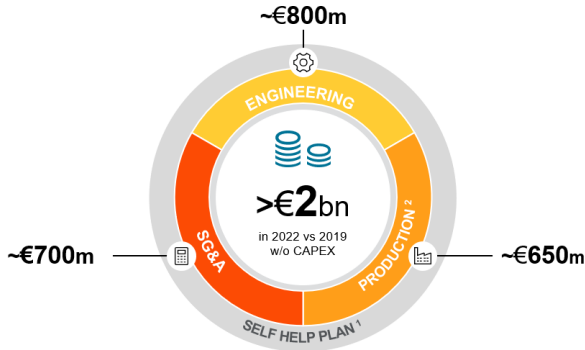
**GOVERNANCE  
BOARD  
REMUNERATION  
NEW PARADIGM AT RENAULT**

# NEW PARADIGM AT RENAULT



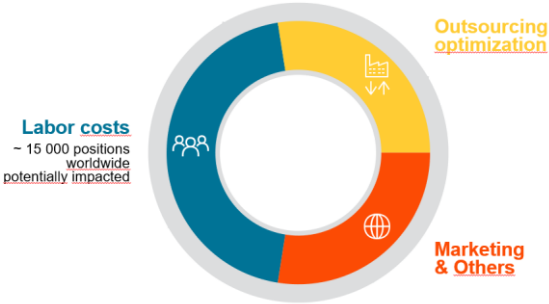
## New CEO Luca de Meo with a new mindset :

- New paradigm : “value over volumes”
- New organization around the brands in 4 autonomous business units: Renault, Dacia, Alpine and New Mobility
- New Strategic Plan for the next 6/7 years to be announced by Jan 2021. 2o22 Cost Reduction Plan Project is the first step to re-establish sound foundations:



1. Execution of the € 2bn reduction plan does not rely on new Alliance projects or external factors like market growth  
2. Includes production labor cost savings

## Fixed cost reduction by nature by 2022

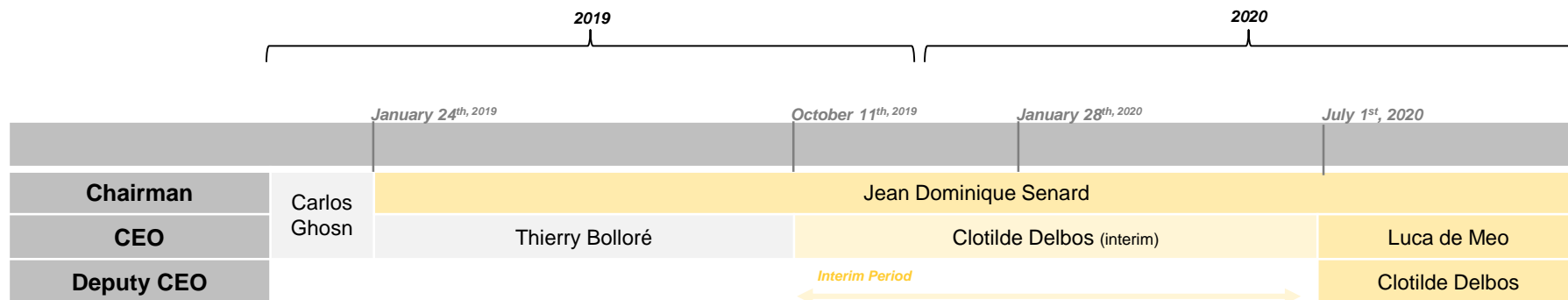


# A REINFORCED GOVERNANCE



- Separation of Chairman of the Board and CEO roles
- Lead Independent Director
- Creation of an Ethics and CSR Board Committee

# RENAULT'S GOVERNANCE - TRANSITION



- Mr. Ghosn resigned from his terms of office as Chairman of the Board and CEO.
- The Board decided to institute a **separation of the functions of Chairman of the Board and CEO**:
  - **Mr. Senard as Chairman of the Board.**
  - **Mr. Bolloré as CEO**

*Selection process led by the Governance and Compensation Committee*

- **Mr. de Meo appointed as CEO as of July 1, 2020.**
- **Mrs. Delbos appointed Deputy CEO as of July 1, 2020.**

- The Board of Directors decided **to end the mandate of Mr Bolloré as CEO** with immediate effect.
- The Board of Directors appointed, with immediate effect, **Mrs Delbos as CEO for an interim period**, until a process is completed to appoint a new CEO.

# CURRENT COMPOSITION OF THE BOARD OF DIRECTORS

**3**

**Directors representing employees**



Eric Personne



Richard Gentil



Frédéric Barrat

**1**

**Director representing employee shareholders**



Benoît Ostertag

**1**

**Director designated by order, as representative of the French State**



Martin Viai

**1**

**Director appointed by the Annual General Meeting, upon proposal of the French State**



Thomas Courbe



Jean-Dominique Senard  
Chairman of the Board

**2**

**Directors appointed by the Annual General Meeting upon proposal of Nissan**



Yu Serizawa



Jiji Tagawa

**7**

**Independent Directors appointed by the Annual General Meeting**



Pierre Fleuriot\*



Patrick Thomas



Miriam Bensalah



Catherine Barba



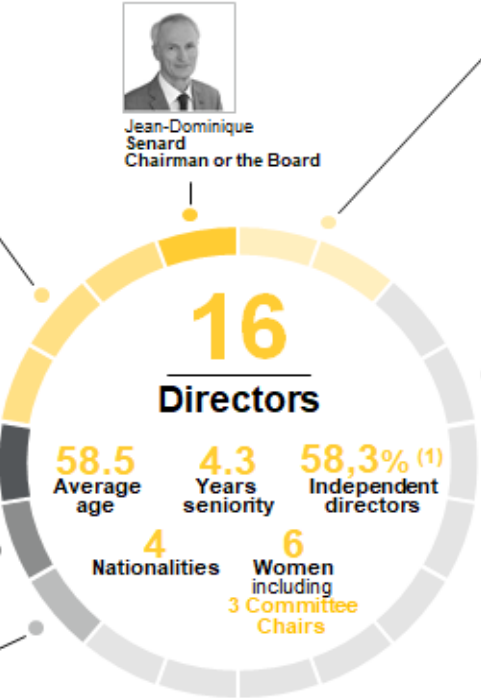
Pascale Sourisse



Annette Winkler



Marie-Annick Darmalliac



<sup>(1)</sup> Excluding the 3 directors representing employees and the director representing employee shareholders.

\*Lead Independent Director

# COMPOSITION OF THE SPECIALISED COMMITTEES

## Audit, Risks and Compliance Committee



**60%<sup>(\*)</sup>**  
Independence

Pascale Sourisse (C)(ID)

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Pierre Fleuriot (ID)



Benoît Ostertag (DRES)



Joji Tagawa (NR)



Patrick Thomas (ID)



Martin Vial (FSR)

## Governance and Compensation Committee



**66.6%<sup>(\*)</sup>**  
Independence

Patrick Thomas (C)(ID)

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Marie-Annick Darmaillac (ID)



Éric Personne (DRES)



Martin Vial (FSR)

## Ethics and CSR Committee



**66.6%<sup>(\*)</sup>**  
Independence

Marie-Annick Darmaillac (C)(ID)

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Catherine Barba (ID)



Frédéric Barrat (DRES)



Éric Personne (DRES)



Yu Serizawa (NR)

## Strategy Committee



**75%<sup>(\*)</sup>**  
Independence

Annette Winkler (C)(ID)

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Catherine Barba (ID)



Miriam Bensalah Chaqroun (ID)



Thomas Courbe (FSR)



Richard Gentil (DRES)



Benoît Ostertag (DRES)

DRE: Director representing employees  
DRES: Director representing employee shareholders  
ID: Independent Director

C: Chairperson  
FSR: French State representative  
NR: Nissan representative

(\*) : Excluding the director representing employees and the director representing employee shareholders



# ACTIVITIES OF THE BOARD AND ITS COMMITTEES

## Intense activity of the Board and of its Committees

In 2019

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**14** meetings  
of the Board  
(Vs 7 meetings in 2018)

**28** meetings  
of the Committees  
(Vs 22 meetings in 2018)

In 2020 (up to end of July)

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**10** meetings  
of the Board

**12** meetings  
of the Committees

# CEO REMUNERATION POLICY FOR 2020

## ■ FIXED COMPENSATION

€1,3 million paid in cash

## ■ VARIABLE COMPENSATION

150% of based salary, paid in cash

- **Quantitative performance objectives:** 100% of base salary
  - Group operating margin: 30%
  - Groupe Revenues: 20%
  - Free cash flow: 30%
  - **C02 emissions (CAFE \*): 20%**
- **Qualitative performance objectives:** 50% of base salary
  - Alliance activity: 16,66%
  - Quality of the environmental & CSR commitments: 16,66%
  - **Client Satisfaction / Quality: 16,66%**

## ■ LONG-TERM INCENTIVES

Cap set at 75,000 performance shares

subject to 3 years of performance conditions + holding of 25% shares until the end of office

- **Performance objectives:** 100% of target award
  - TSR vs. average of TSR for Euro Stoxx excluding Financials and TSR for Euro Stoxx Automobile & Parts: 20%
  - Free cash flow: 30%
  - Alliance platforms: 30%
  - **Carbon footprint: 20%**

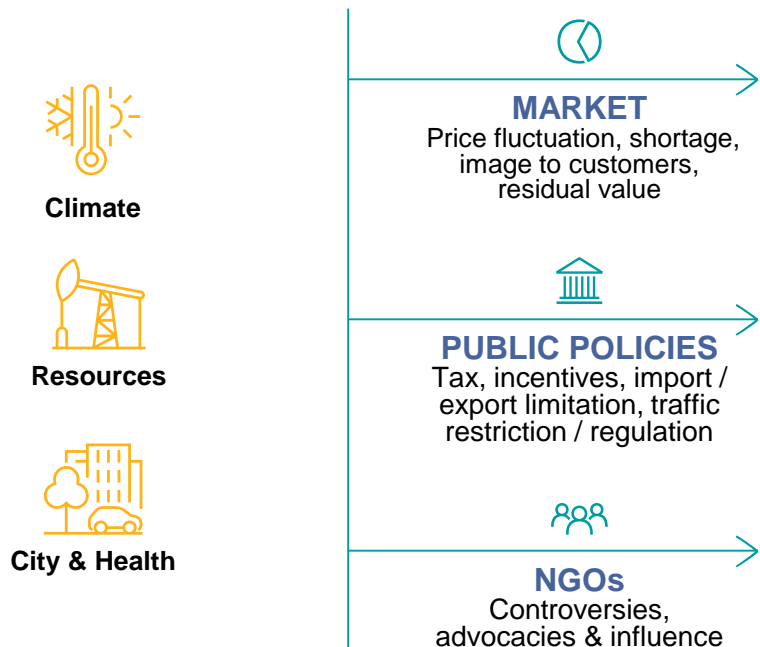
### New criteria in 2020

\* CAFE : Corporate Average Fuel economy – based on the CAFE standards for passenger vehicles in Europe.

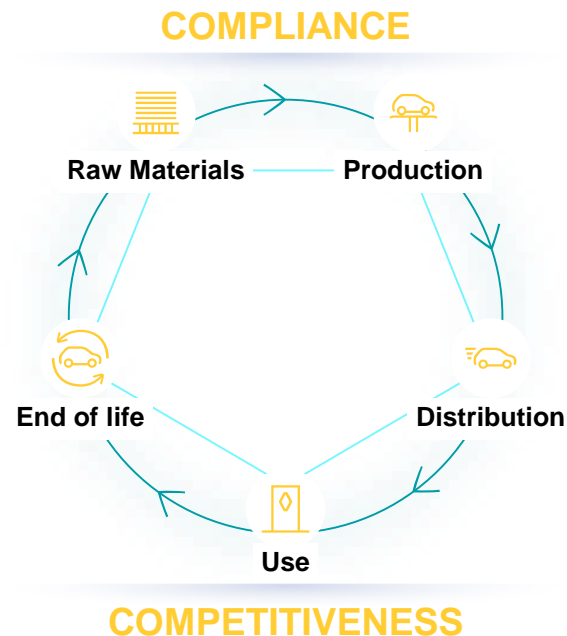
# ENVIRONMENTAL STRATEGY

# ENVIRONMENTAL STAKES, MARKET & STAKEHOLDERS PRESSURE ARE CHALLENGING OEM'S COMPLIANCE & COMPETITIVENESS

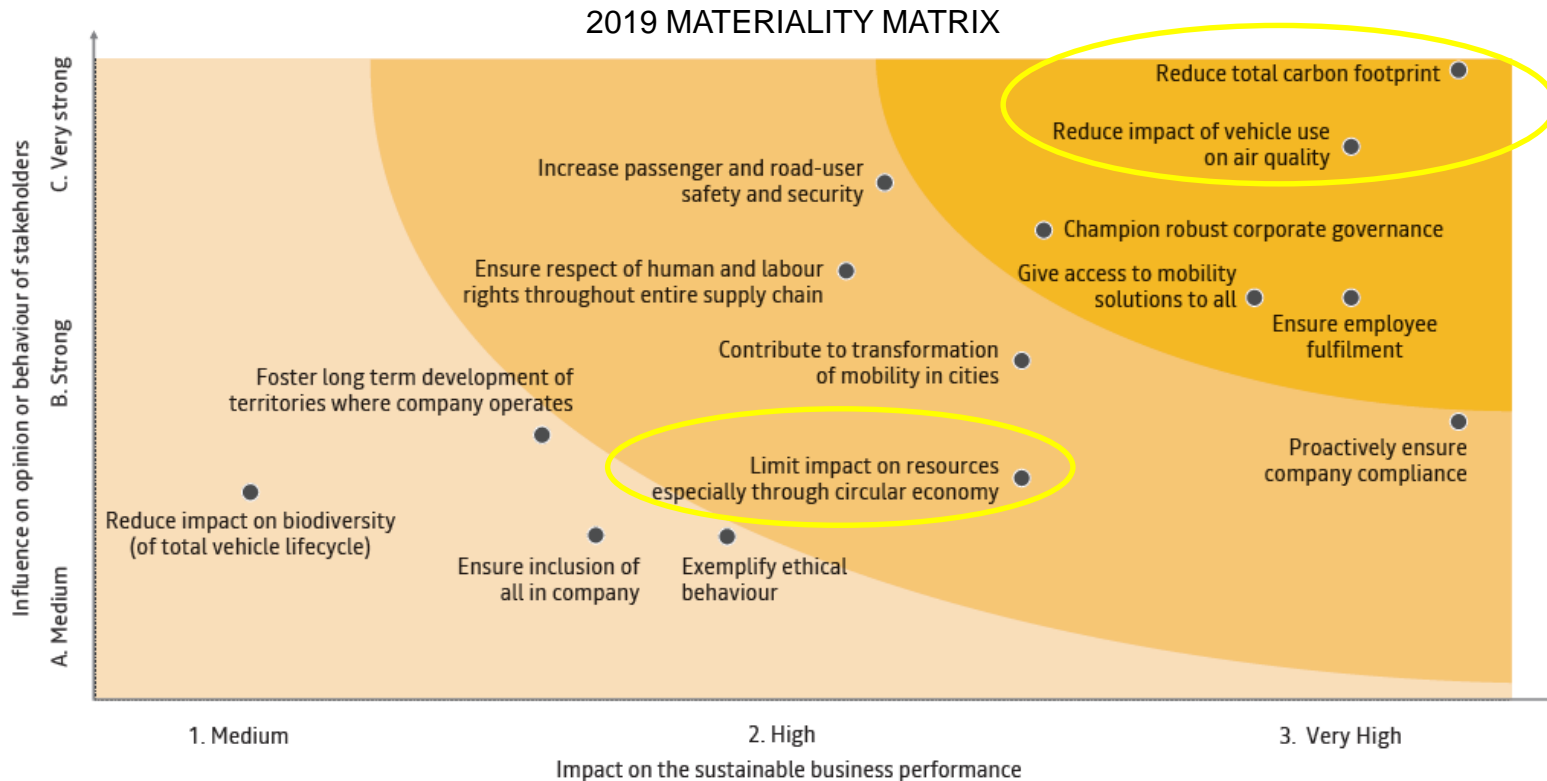
## 3 MAJOR ENVIRONMENTAL STAKES CHALLENGING...



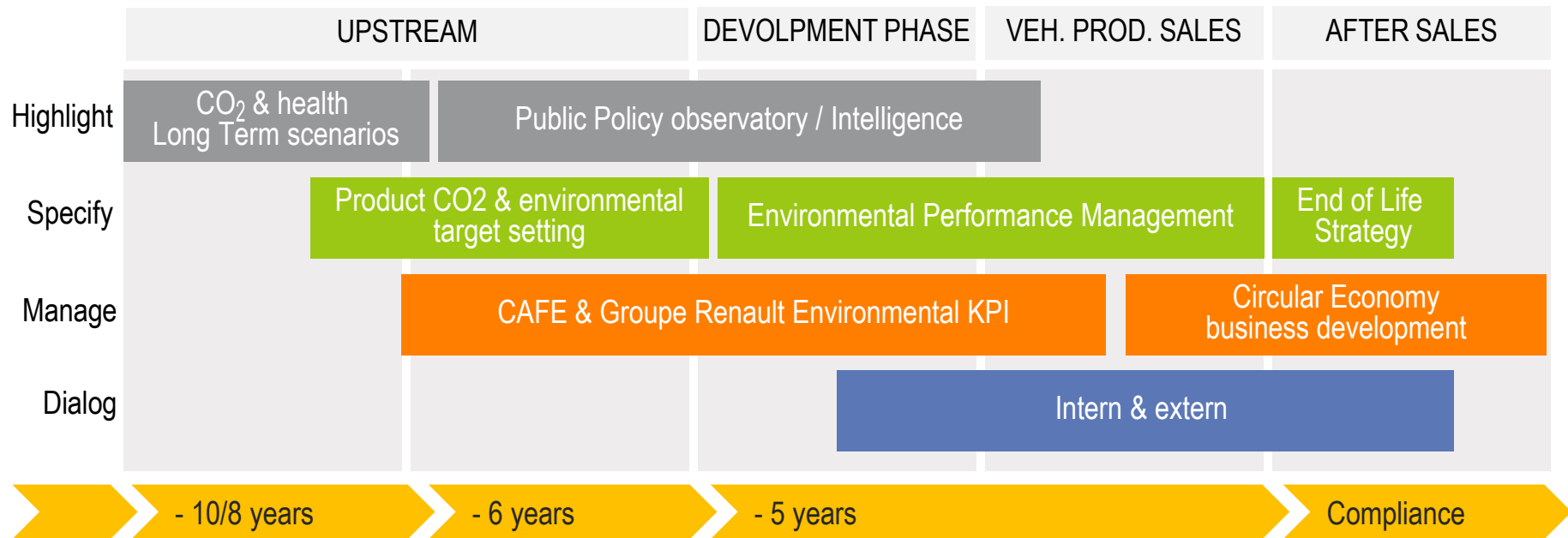
## ...THE AUTOMOTIVE INDUSTRY LIFE CYCLE



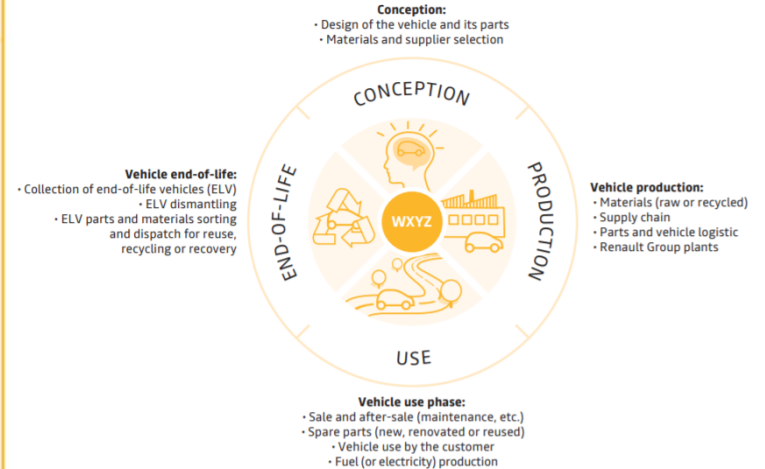
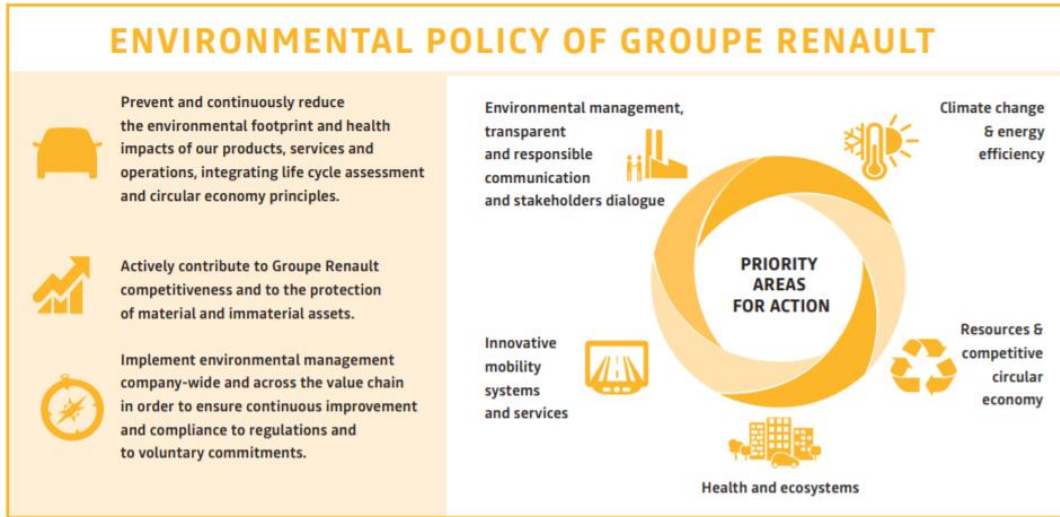
# ENVIRONMENTAL STAKES IMPACT BUSINESS PERFORMANCE



# THE STRATEGIC ENVIRONMENTAL PLANNING MANAGES ENVIRONMENTAL PERFORMANCE FROM UPSTREAM TILL RECYCLING



# AN ENVIRONMENTAL POLICY THROUGH THE ALL LIFE CYCLE WITH STANDARDS



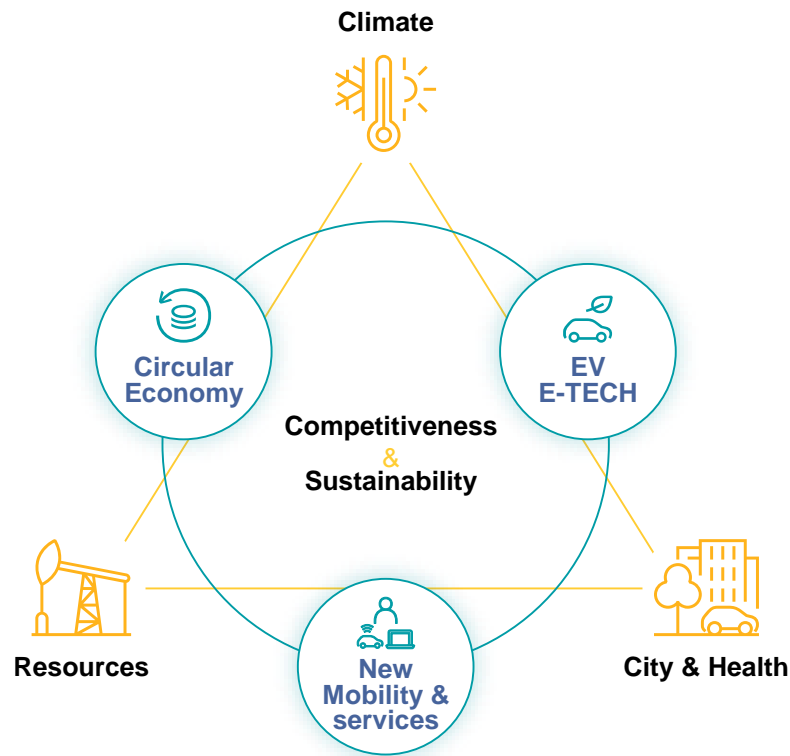
Groupe Renault is supporting TCFD

# THE 3 ENVIRONMENTAL STAKES ADRESSED THROUGH 3 STRATEGIC LEADERSHIP AMBITIONS FOR COMPETITIVENESS & SUSTAINABILITY

- △ 3 environmental stakes challenge automobile industry & reshape the market
- 3 strategic leadership ambitions able to enhance innovation and transformation

**ONE KPI to measure progress:**

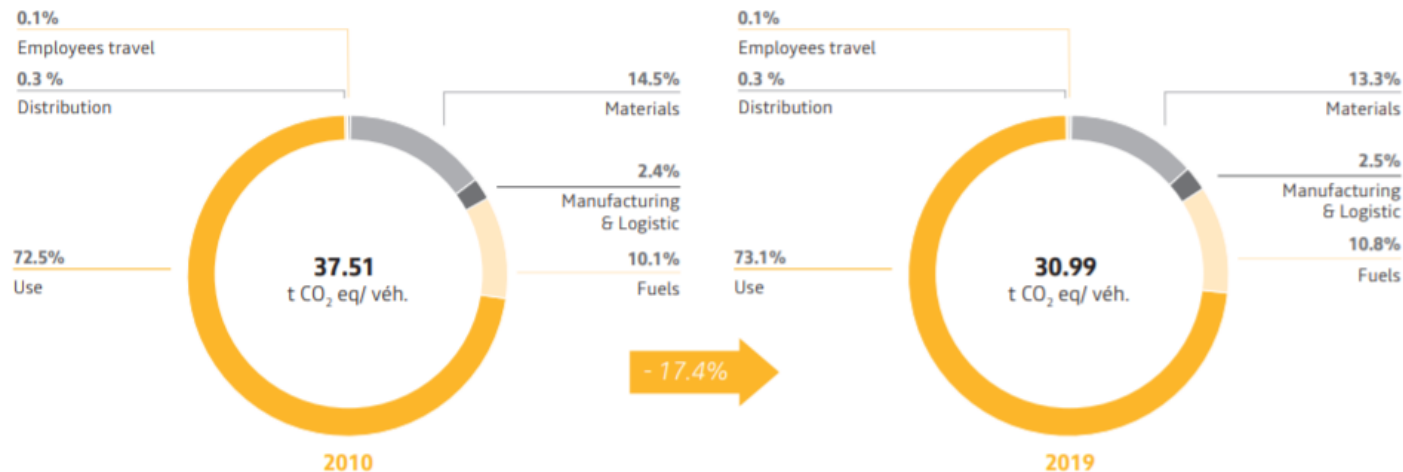
**CARBON FOOTPRINT -25%**  
(2022/2010 PER VEH SOLD) IN LINE WITH COP21 2DS OBJECTIVE





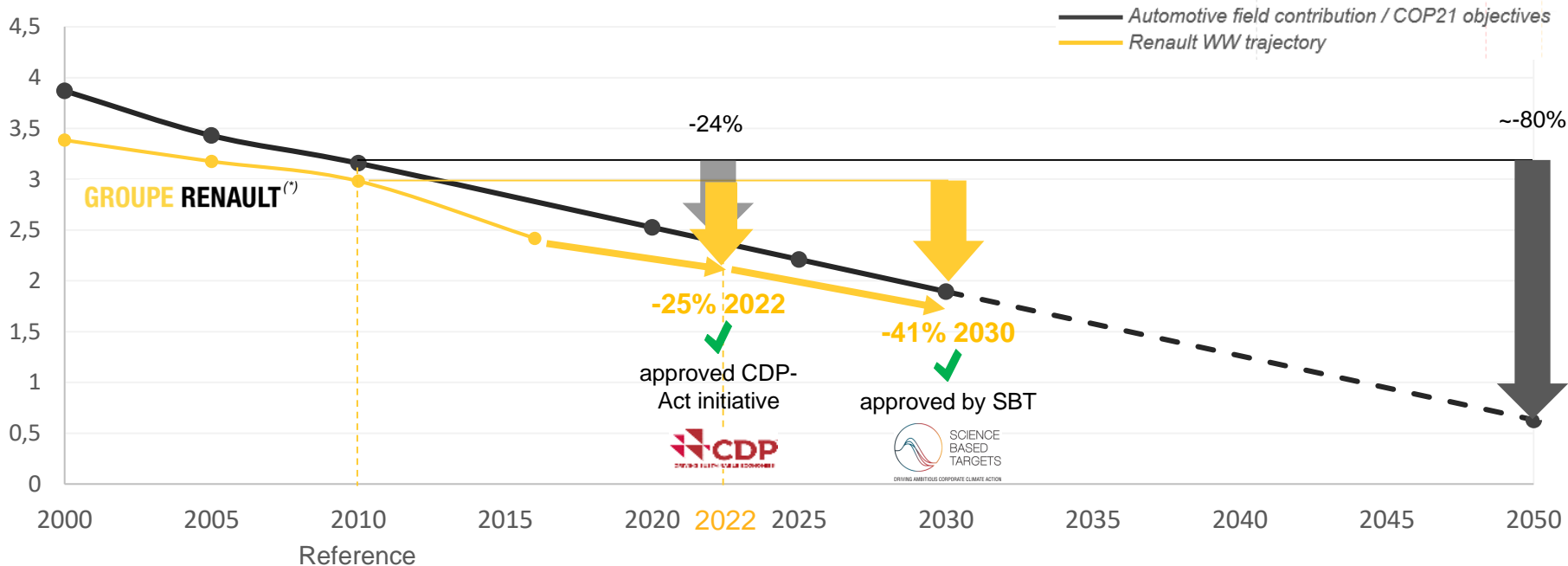
# CARBON FOOTPRINT : ONE KPI FOR OVERALL GLOBAL PROGRESS

- **TARGET : -25% in 2022 per veh sold compared to 2010**
- **2019 ACHIEVEMENT: -17.4% compared to 2010**



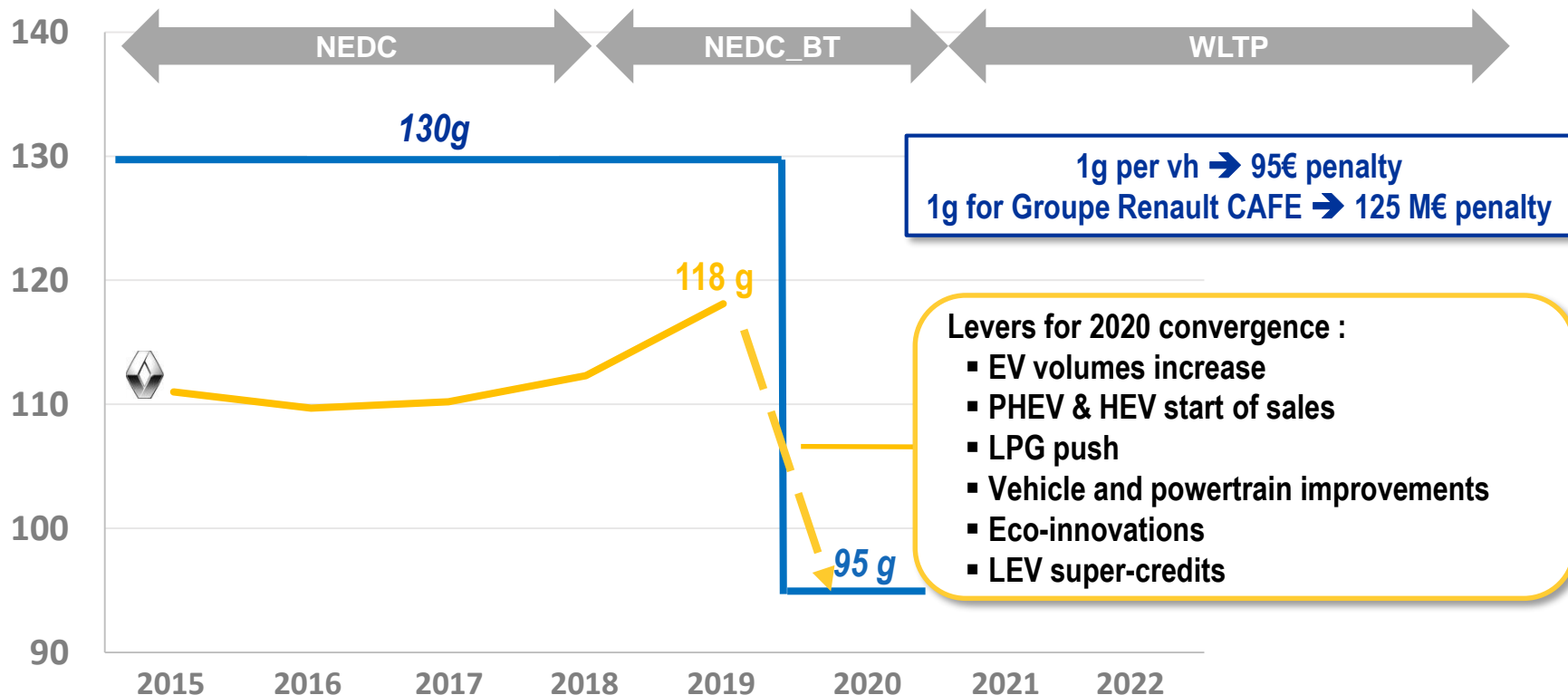
# CARBON REDUCTION ROADMAP : GROUPE RENAULT ON TRACK FOR ITS CO2 CONTRIBUTION TO COP21 TARGET ON USE

Renault's target (Worldwide WtW tCO2eq / veh sold / yr)



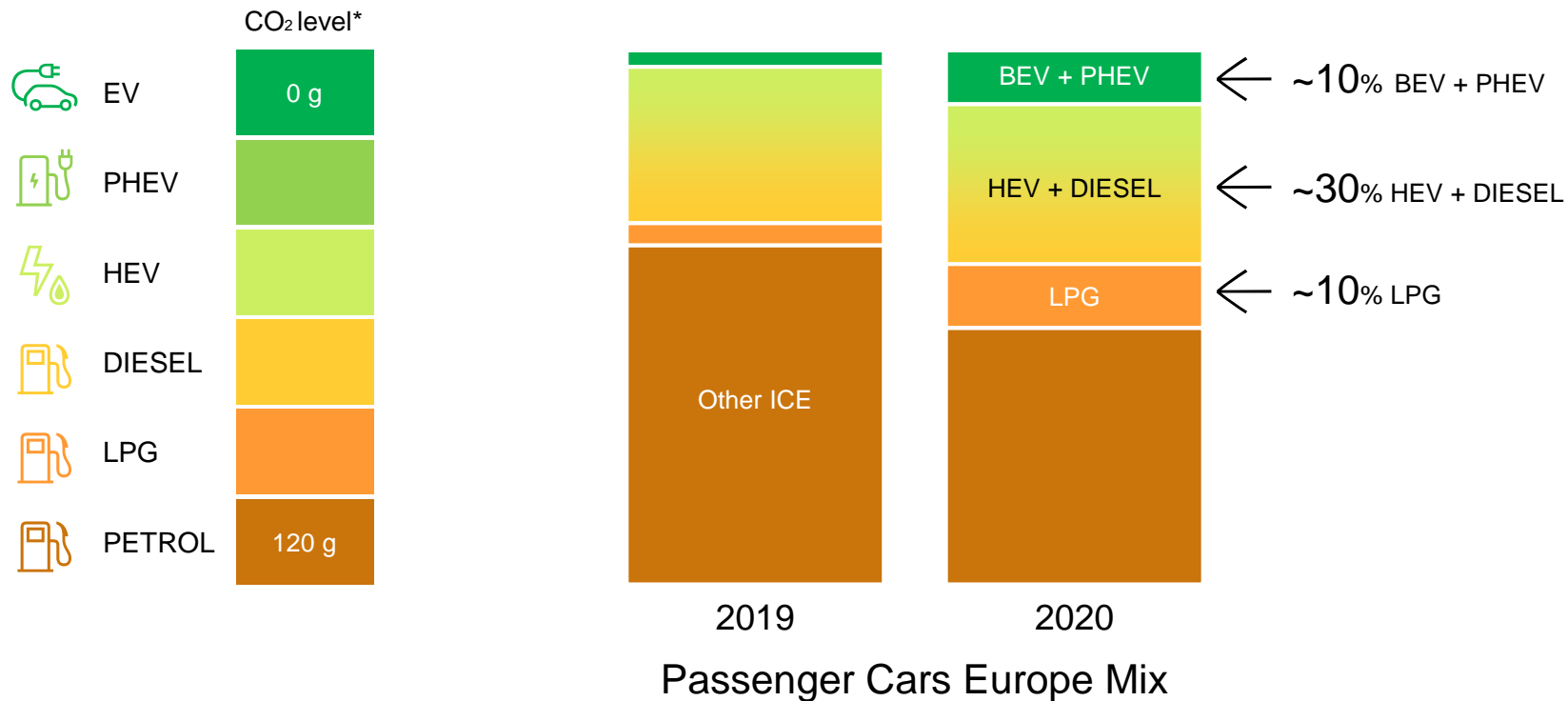
(\*) Scope: passenger cars and light commercial vehicles registered under the Renault, Dacia, Alpine and Renault Samsung Motors (RSM) brands, worldwide.

# CARBON REDUCTION ROADMAP FOCUS EUROPE : CAFÉ



**Dedicated “Control Tower” set up to monitor and secure convergence**

# CARBON REDUCTION ROADMAP FOCUS EUROPE : ELECTRIFICATION TREND



\* Average CO<sub>2</sub> emission per km per vehicle (NEDC-BT)

# EUROPE EV MARKET TREND

**284 529** July  
EV REGISTERED YTD 2020\*  
**+40,6%**  
VS. YTD Y-1

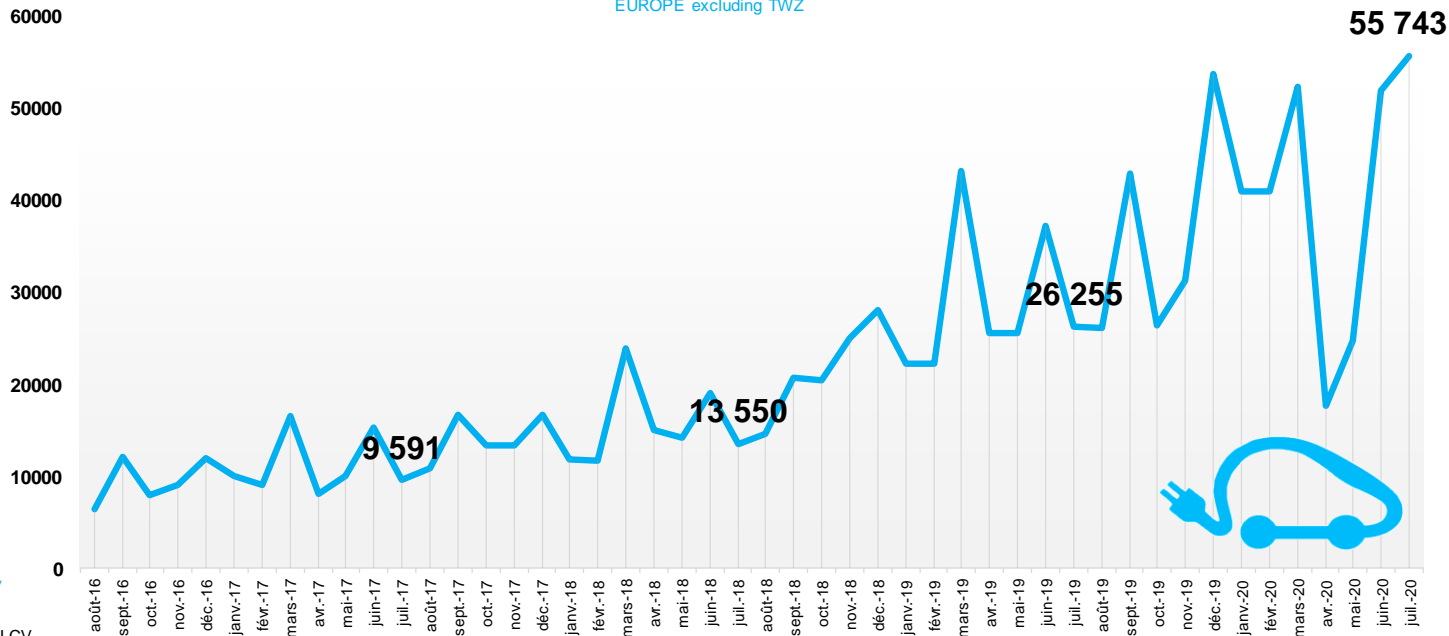


**3,91% OF TIV IS EV (YTD 2020) July**

\*Source: SIM simplifie.  
Excl TWIZY and REX (Ampera, I3REX) incl LCV

## TOTAL INDUSTRIAL VOLUME (TIV) - EV Private car + LCV

EUROPE excluding TWZ



# ELECTRIC VEHICLES : RENAULT 10 YEARS OF EV EXPERTISE

## TECHNICAL EXCELLENCE

Line-up, e-Motor,  
manufacturing



## EMPLOYEE EXCELLENCE

30,000 people trained  
& passionate

## BATTERY MANAGEMENT

R&D, supply, pack, leasing,  
repair, 2<sup>nd</sup> life and recycling

## DEALER PREPARATION

100% network certified

\*Total EV cumulated sales since 2012  
(@ August 2020)

# ELECTRIC VEHICLES LINE UP



**TWIZY** 5 / 17 hp  
Real Electric Range : 100 km



**ZOE** 110 to 135 hp  
Real Electric Range : 300 / 395 km



**KANGOO Z.E.** 60hp  
Real Electric Range : 200 km

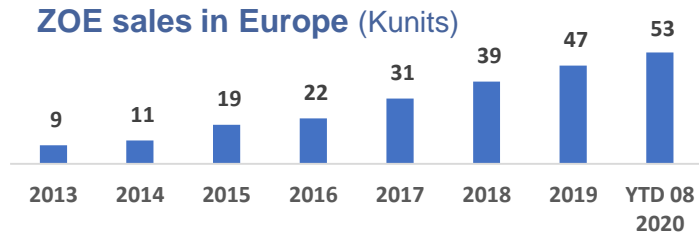


**MASTER Z.E.** 76hp  
Real Electric Range : 130 km

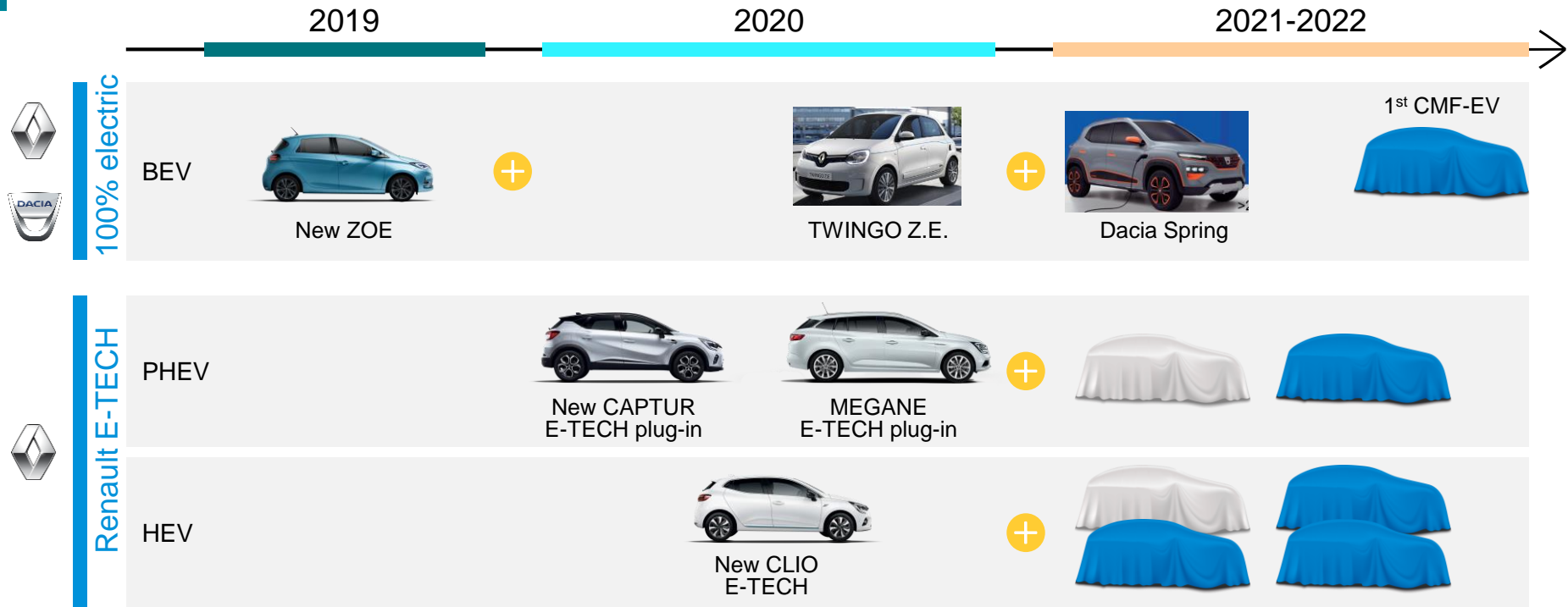


**CITY K-ZE** 44 hp  
Real Electric Range : 200 km

**ZOE sales in Europe (Kunits)**



# ELECTRIFICATION



100% electric



Renault E-TECH

New vehicle    New version



# ELECTRIC ECO SYSTEM : GENERATE VALUE FROM ENERGY & MOBILITY SECTORS NOW

## SMART CHARGING



Pilot car charging to match electricity grid off peak prices

## BATTERY SECOND LIFE



Connect clean energy to grid and buildings

# RESOURCES AT STAKE FOR THE MOBILITY SECTOR COMPETITIVENESS & SUSTAINABILITY

## ACCESS SCARCITY

PLANET RENEWABLE RESERVE  
OVERUSE IN LESS THAN 1/2 YEAR

**COPPER RESERVES 37 years**  
1 EV = 4 x 1 ICE  
(80kg engine + battery + cables)

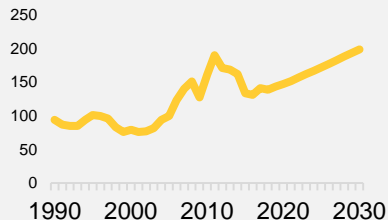


Source: Deutsche Bank, United States Geological Society

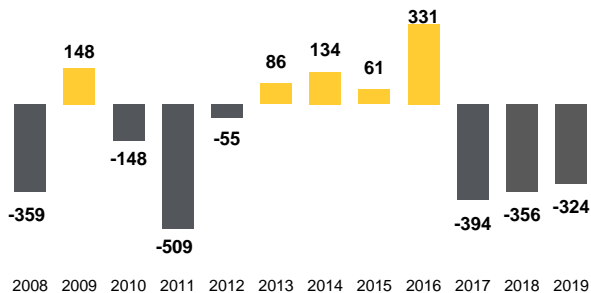
## COST VOLATILITY

(CO+NI+LI) IN BAT COST

WORLD COMMODITY INDEX PRICE  
(NON FUEL)



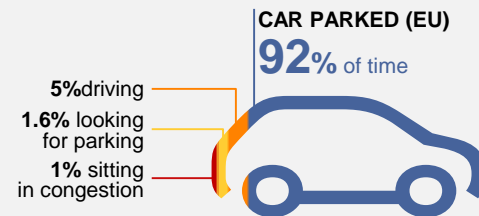
RAW MATERIALS COST IMPACT IN GROUP COP (M€)



## USAGE EFFICIENCY

VERY LOW FOR CAR

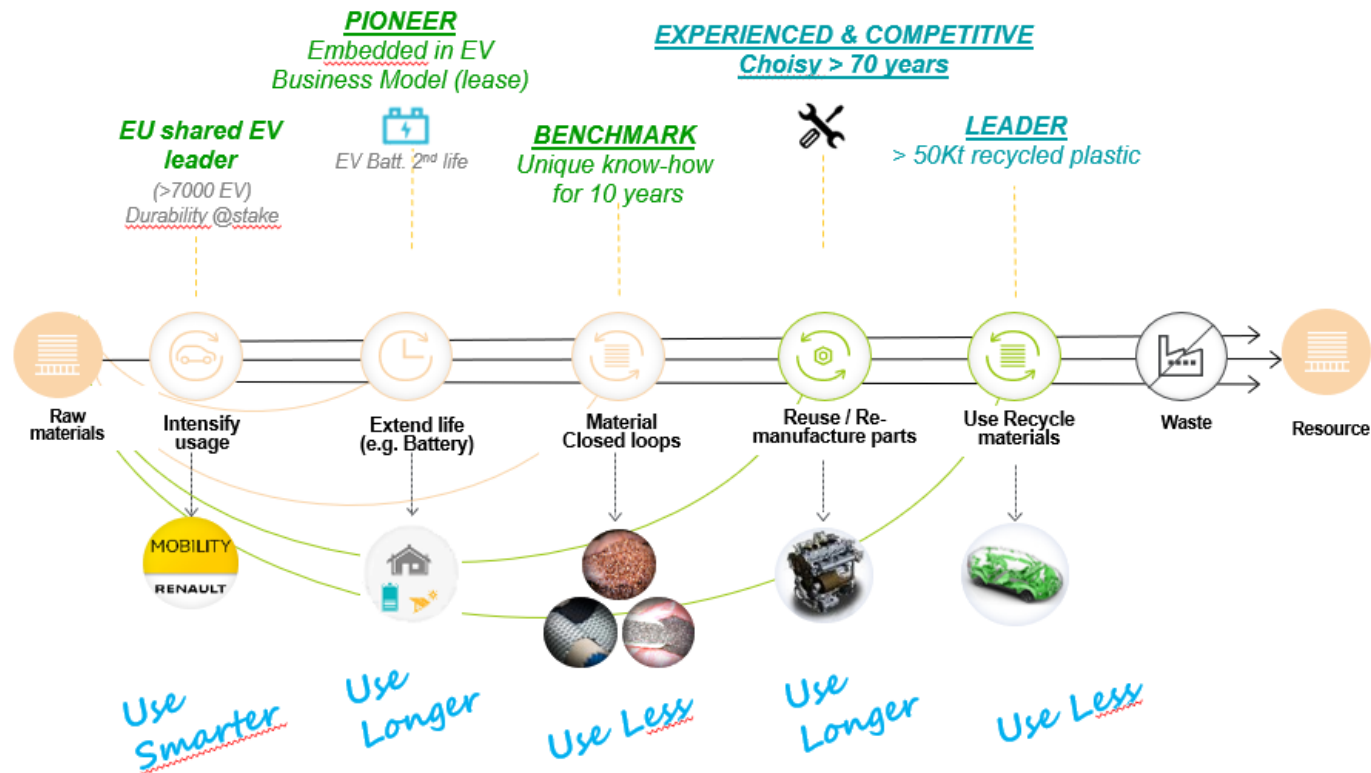
(When worldwide park expected to grow  
from **1,3 bn to 2,2 bn cars** by 2050)



Average European car has 5 seats but carries 1.5 people/trip


**50%** PUBLIC SPACE DEDICATED TO CARS IN MOST CITIES (today)

# RENAULT PIONNIER AND LEADER IN CIRCULAR ECONOMY



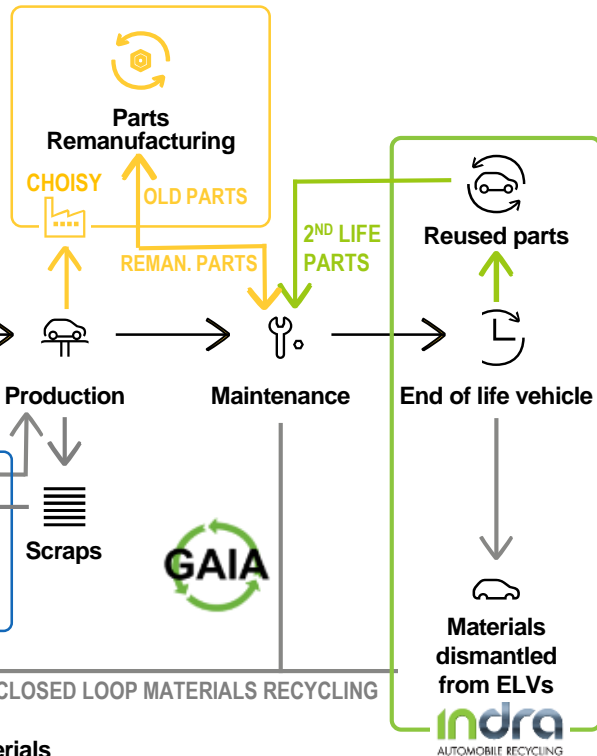
# RENAULT CIRCULAR ECONOMY: A UNIQUE BUSINESS AND INDUSTRIAL APPROACH

**STANDARD EXCHANGE**  
Mechanical parts remanufacturing



2019 Figures :

- 35,000 engines
- 29,000 gearboxes
- 33,800 turbo
- ...



▼ 50% GROUPE RENAULT ▼ 50% suez

**indra**  
AUTOMOBILE RECYCLING

- End-of-Life vehicle dismantling
- Second life parts



- 350 ELV centers
- 350,000 ELVs/yr

▼ 33% GROUPE RENAULT ▼ 67% suez

**BOONE COMENOR METALIMPEX**



**Metallic scrap conditioning & trading**

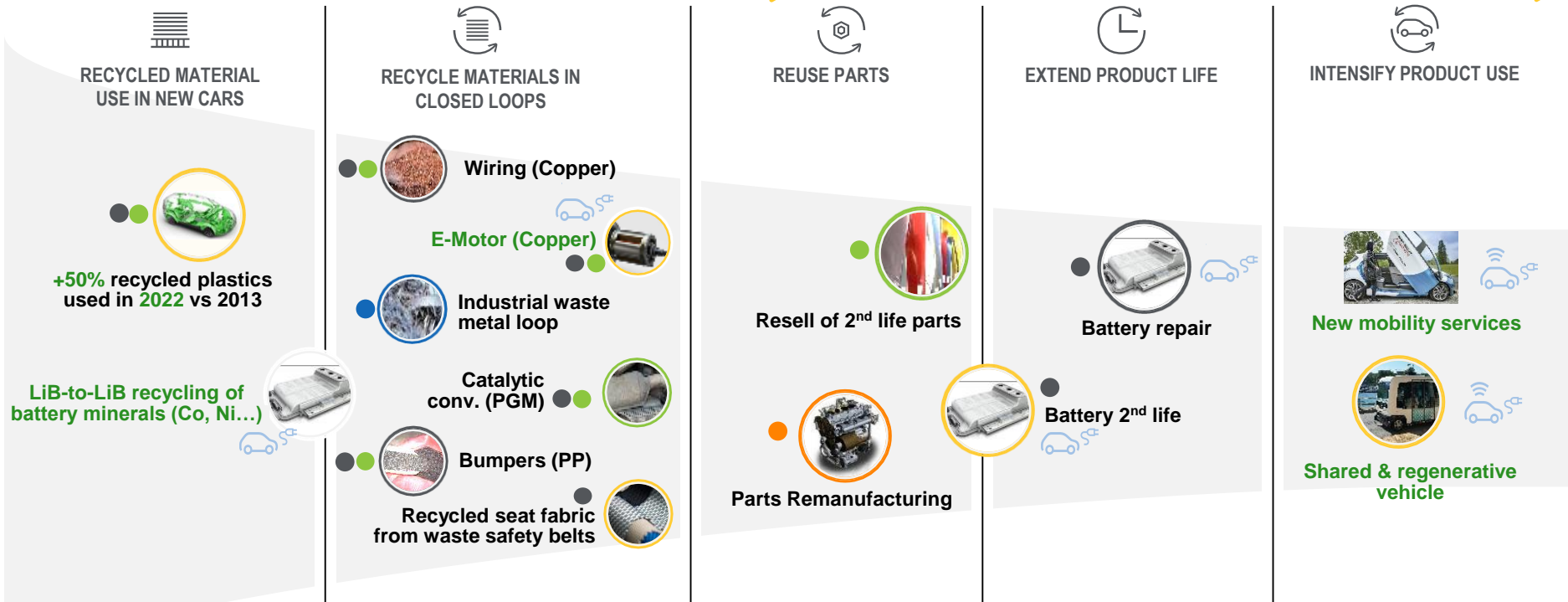
▼ 100% GROUPE RENAULT

**GAIA**

- Materials closed loops
- EV Battery Diagnosis & Repair

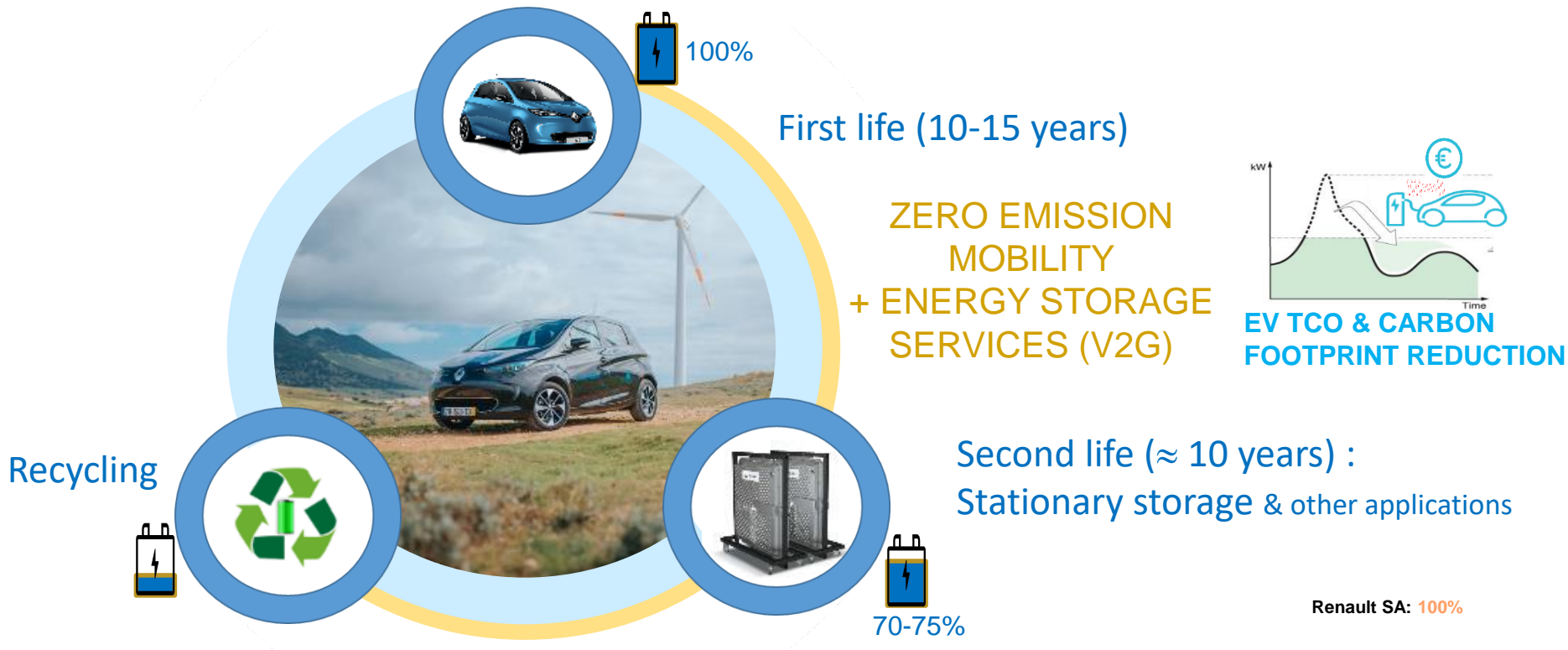
# RENAULT'S CIRCULAR BUSINESSES & PROJECTS TOWARDS RESOURCE EFFICIENCY & VALUE CAPTURE

## RESOURCE EFFICIENCY AND ADDED VALUE



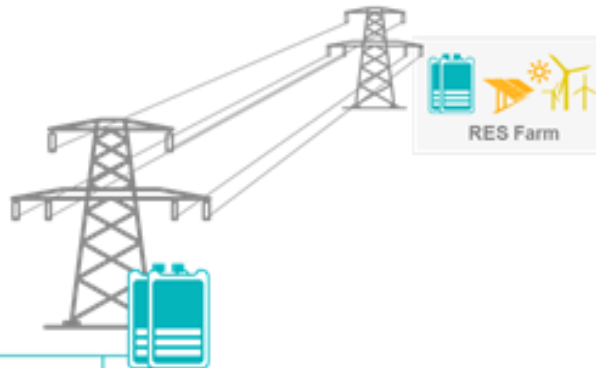
In green, new activities or targets

# OPTIMIZED LIFE CYCLE OF AN EV BATTERY



Renault SA: 100%

# SECOND LIFE BATTERY STATIONARY STORAGE MAIN USE CASES (ELSA EUROPEAN PROJECT)





**THANK YOU**