



STRATEGIC PLAN RENAULT GROUP 2020-2025+

**GRUPE RENAULT**

THE  
INTRODUCTION  
GUIDE TO THE

RENAULTION



| GROUPE RENAULT



GROUPE RENAULT

DIAGNOSTIC

**RENAULTION**

FROM VOLUME TO VALUE

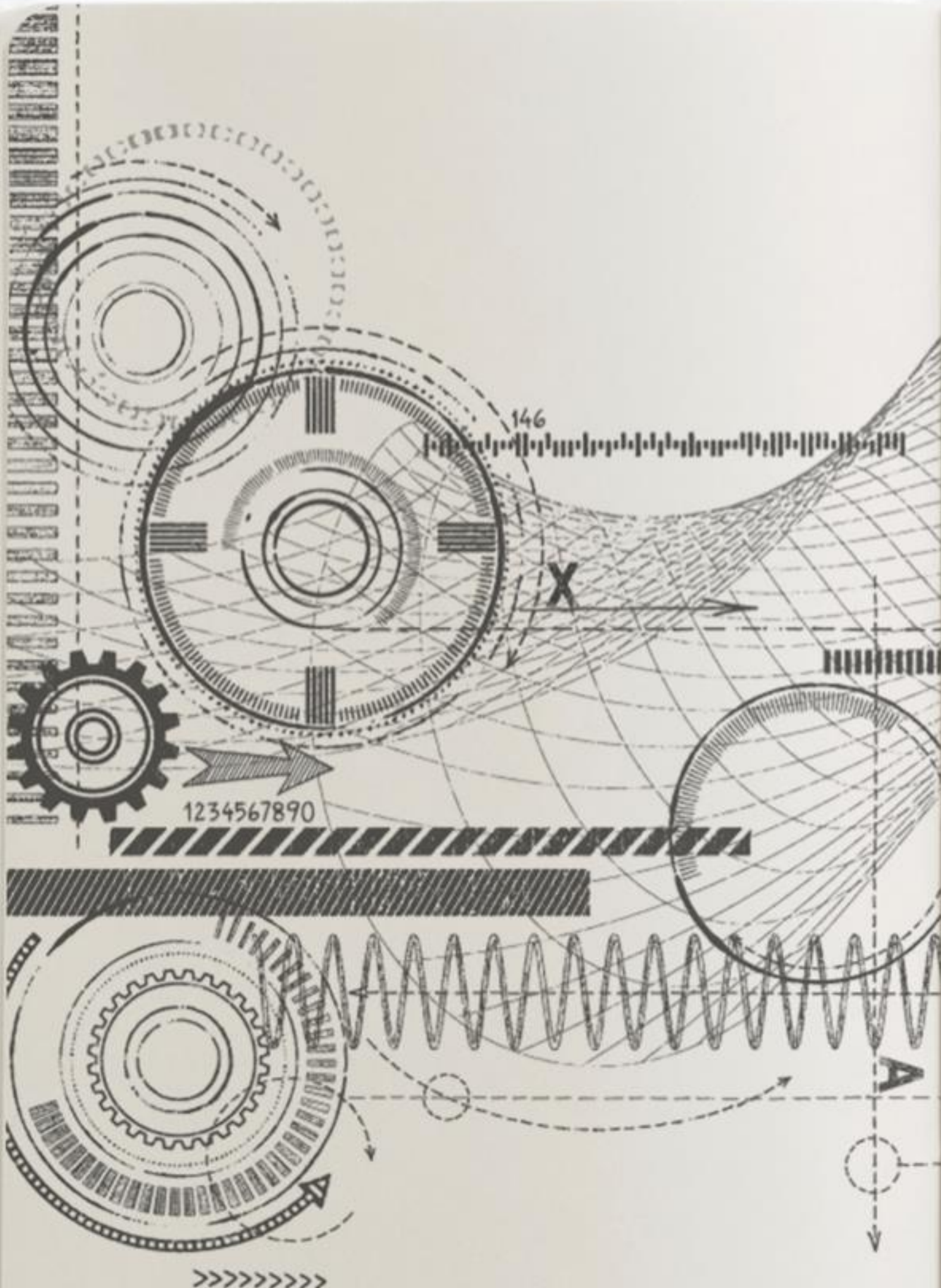
THE FUNCTIONS PUSH

THE BRANDS PULL

A NEW BEGINNING



GROUPE RENAULT



— GROUPE RENAULT —

DIAGNOSTIC

**RENAU<sup>↑</sup>LU<sup>\*</sup>TION<sup>▲</sup>**

FROM VOLUME TO VALUE

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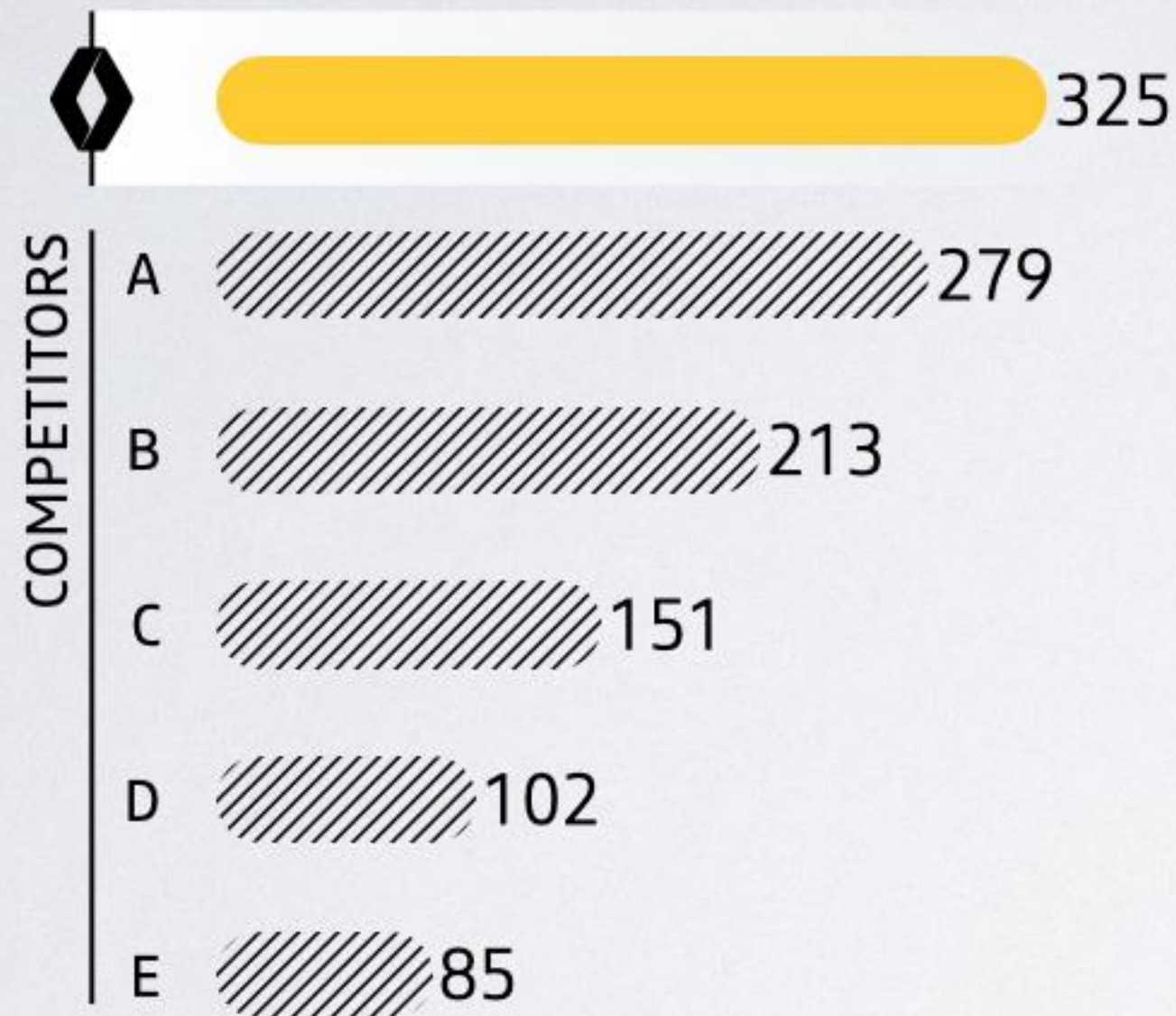


— GROUPE RENAULT —

# SOLID STRENGTHS TO BUILD ON

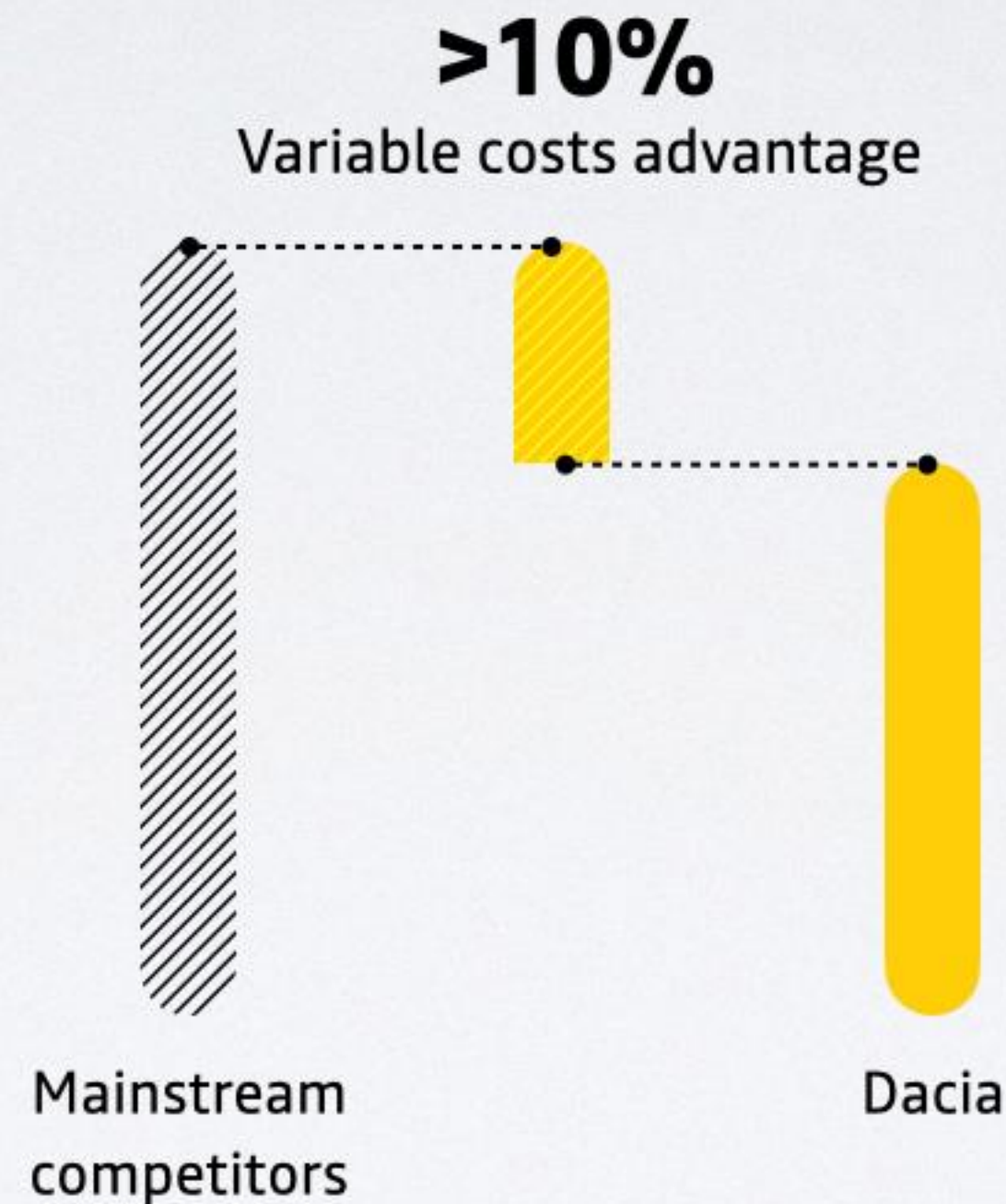
## European leader in EV

EV sales in Europe, since start of sales, as of Q3 2020, Ku



## Budget segment expertise

Group Global Access vs mainstream competitors



## RCi bank & services

### Best-in-class profitability

**18%** normalised ROE<sup>1</sup>

### Funding resilience

**>€18B** customer deposits<sup>2</sup>

### Best customer satisfaction

**+19pts** vs main competitors<sup>3</sup>

Source: AAA data, Groupe Renault

1. ROE normalized at RCi equity level, after tax, 2019

2. As of June 30<sup>th</sup> 2020, equivalent to 40% of funding

3. NPS (Net Promoter Score) study H12020 (FR, UK, DE, ES, IT, BR, KR, RU)

# WITH THE ALLIANCE IN THE TOP LEAGUE

**>€100B purchasing volume**  
Alliance Purchasing Organization



**70% of global profit pools**  
& 4 largest markets covered

**~€35B trades**  
within Alliance over last 4 years



**100% segments coverage**  
from kei cars to 2-ton pick-up

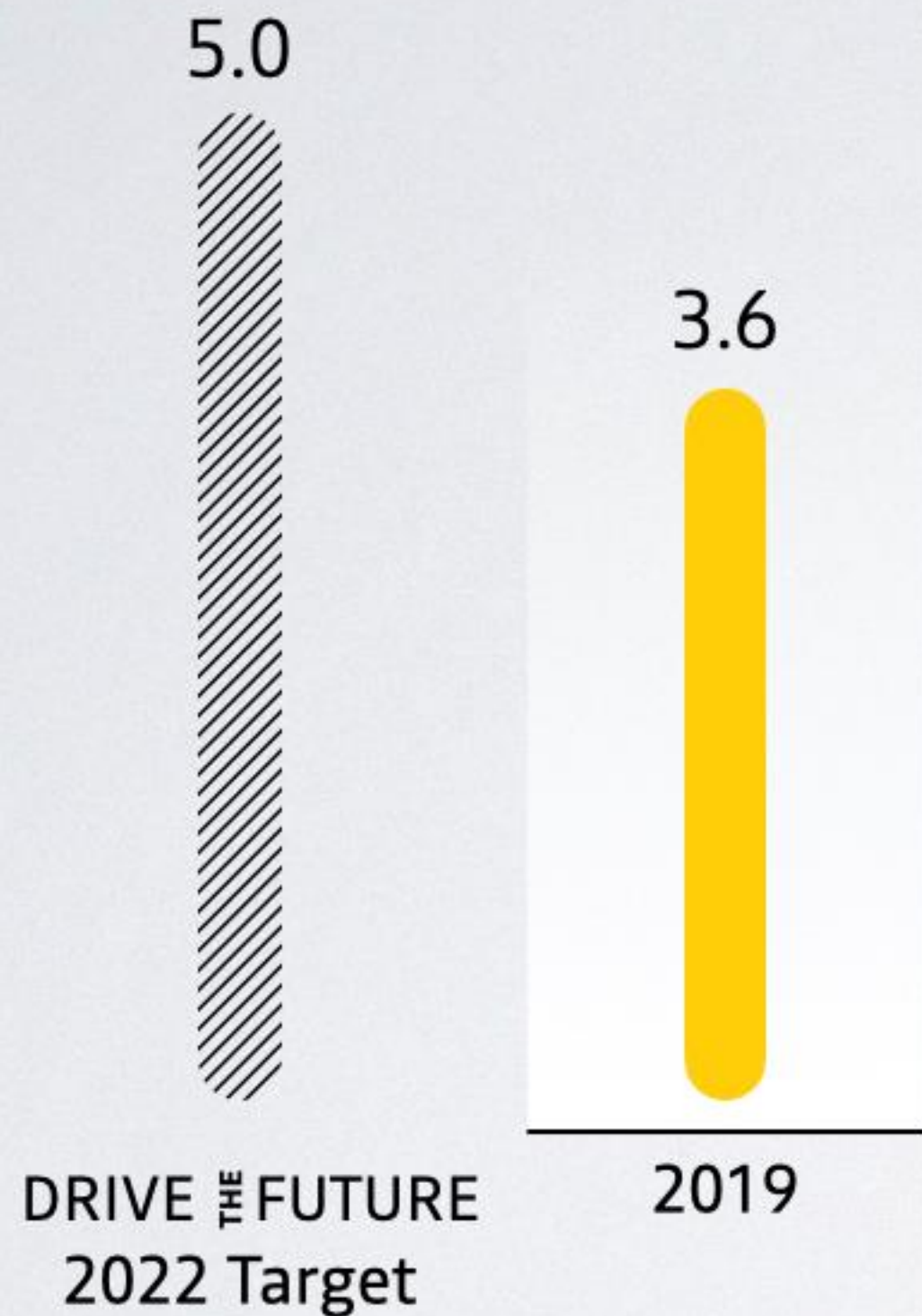
**~1Mu EVs per year on 2 platforms**  
by 2025(e), CMF-B & CMF-EV



# VOLUME STRATEGY DID NOT YIELD EXPECTED RESULTS

## Volumes below target...

Volumes, Mu



## ... implied over-sizing...

**+65%**

R&D CapEx increase  
2015-2019  
vs +15% industry average (e)

**~4Mu**

Manufacturing capacity  
In 2019, Harbour<sup>1</sup>, 5 days x 2 shifts

## ... harming Group performance

**-50%**

ROCE\*  
2019 vs 2015

**15%**

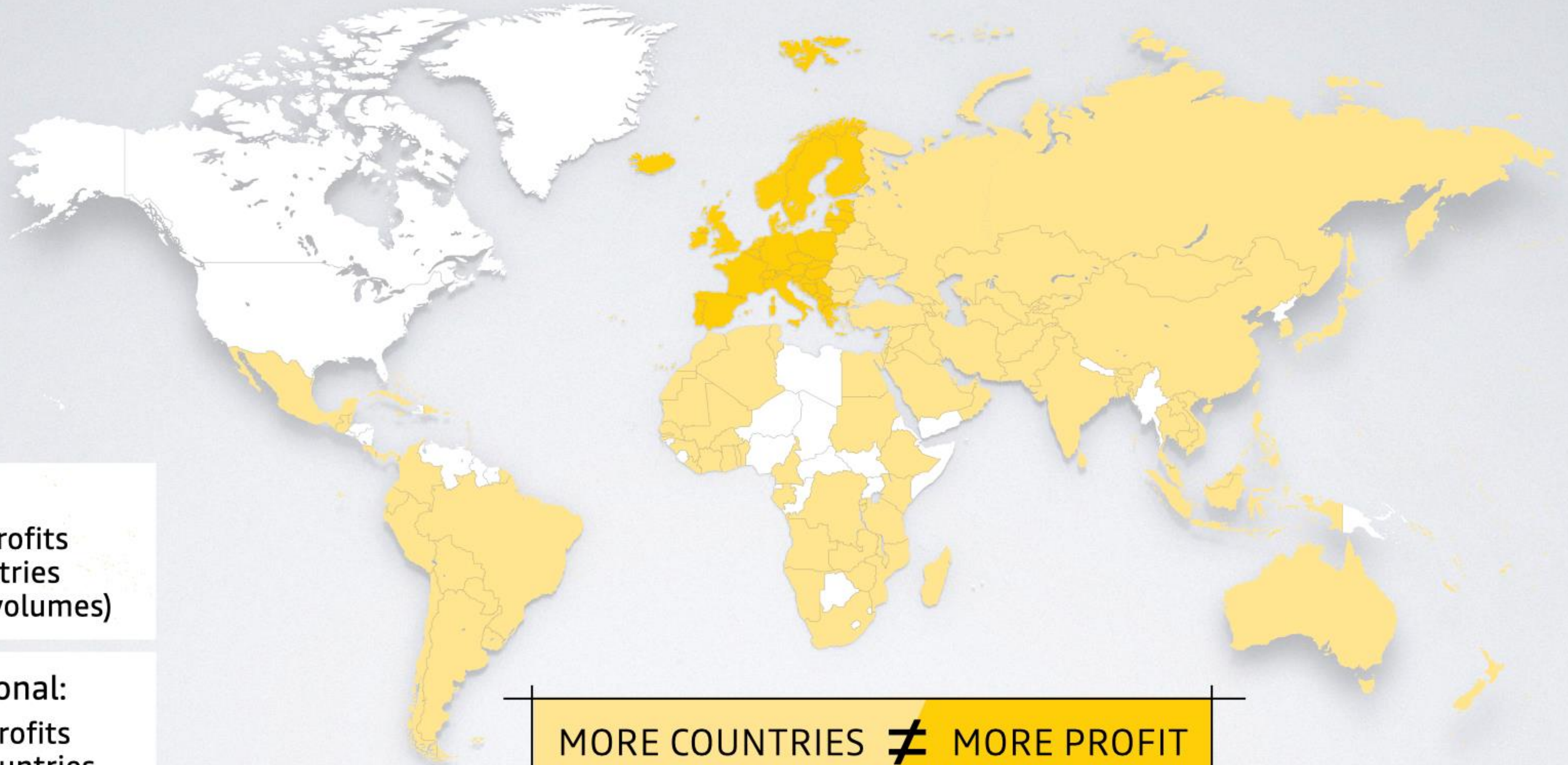
Gap to breakeven  
In Mu, 2019

Source: Groupe Renault; published financial performance of other OEMs

1. Group, including VAZ & China, capacity at year end

\*ROCE =  $\frac{\text{Auto Operating Profit (incl. VAZ)} \times (1 - \text{average tax rate})}{\text{PP\&E} + \text{intangibles assets} + \text{financial assets} - \text{investments in RCI/Nissan/Daimler+WCR}}$

# GROWING WIDER, NOT BETTER



**Europe:**  
~75% of profits  
in 30 countries  
(~50% of volumes)

**International:**  
~25% of profits  
in 100+ countries  
(~50% of volumes)

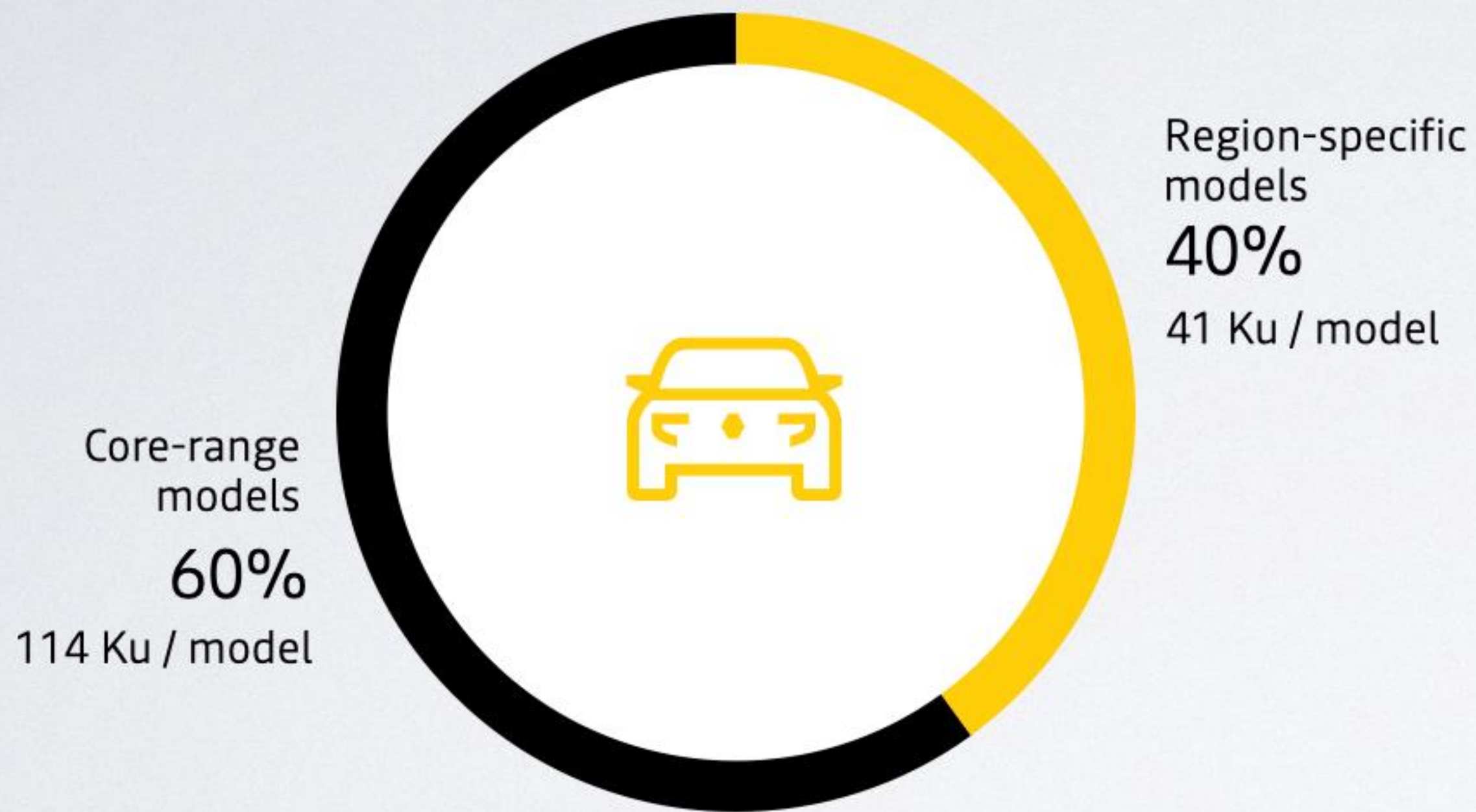
MORE COUNTRIES  $\neq$  MORE PROFIT



# GLOBALIZATION LEADING TO EXCESSIVE DIVERSITY

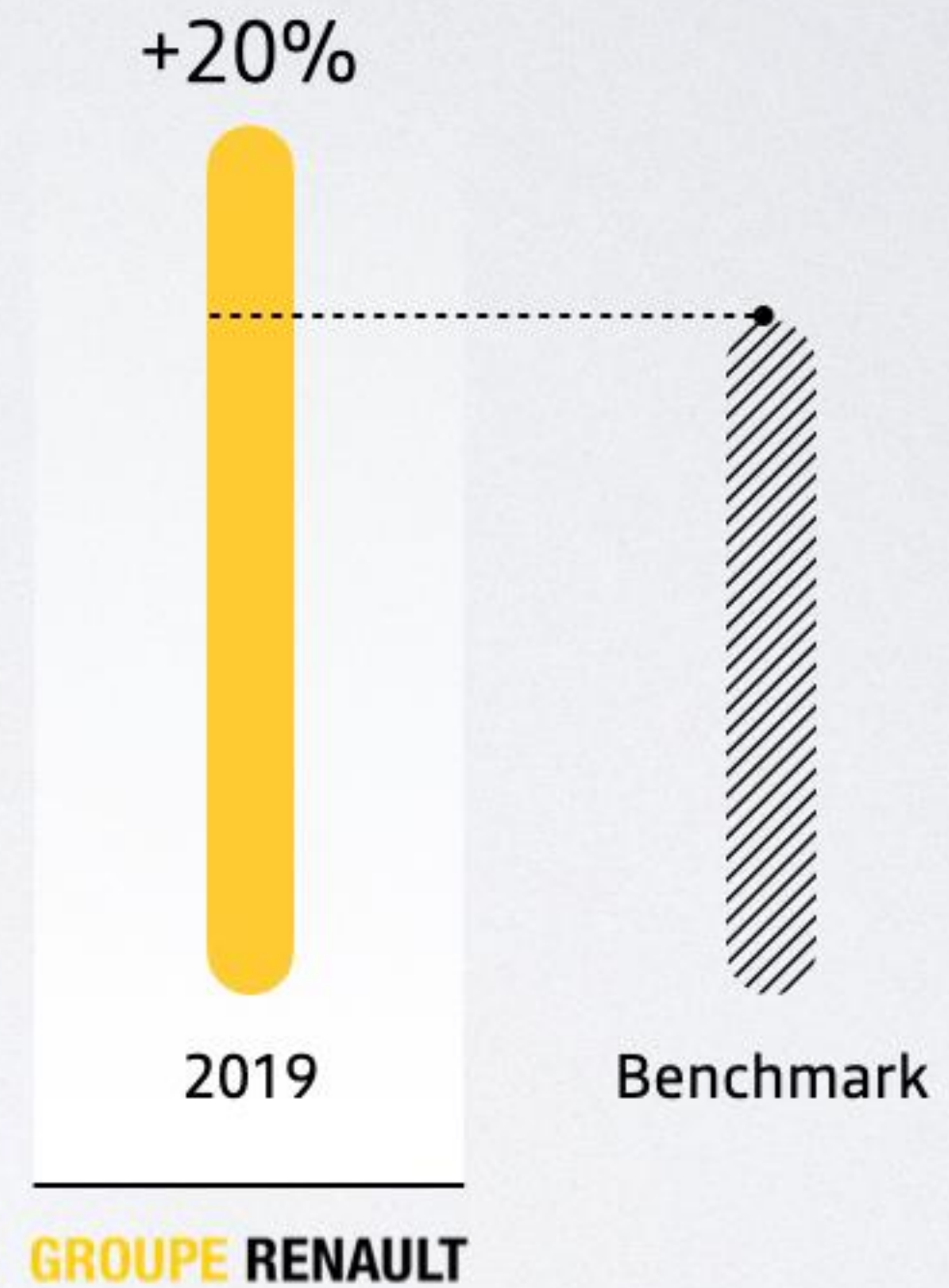
40% region-specific, subscale, models

Group line-up, 2019



Excessive parts diversity

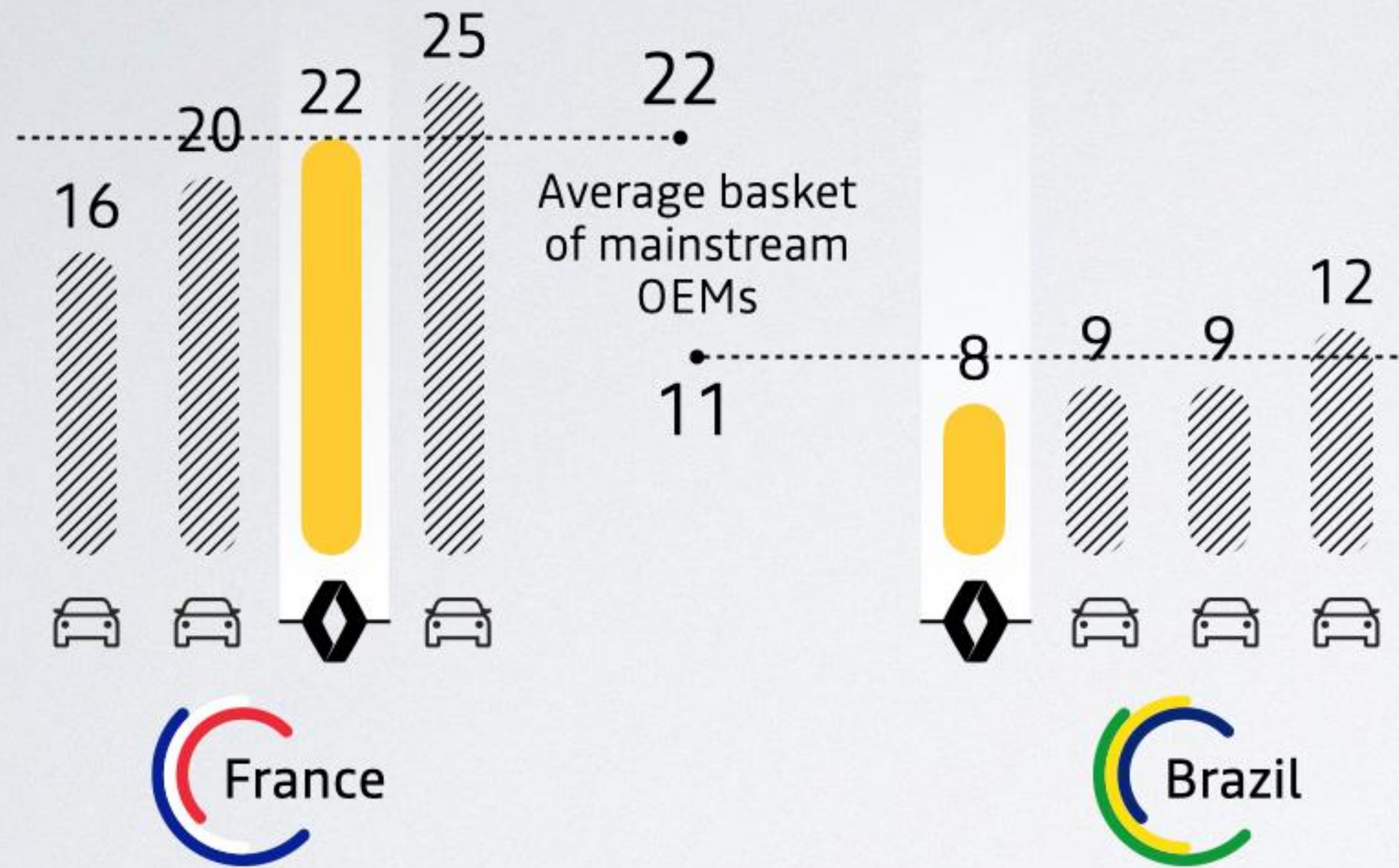
Number of parts at assembly line, 2019



# LACK OF CONSISTENCY ACROSS BRANDS AND MARKETS

## Average transaction price

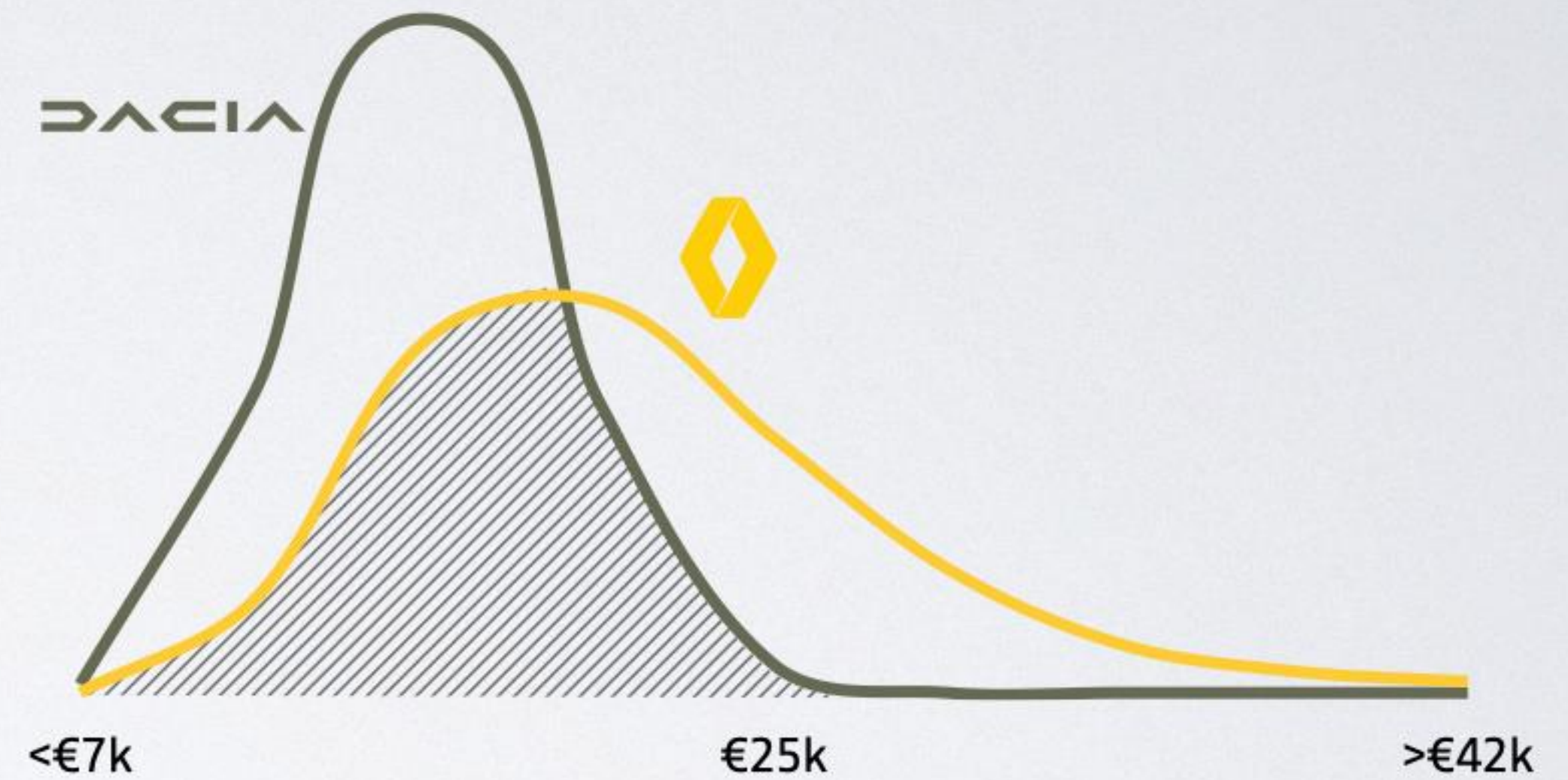
2018, €k, selected competitors



INCONSISTENT POSITIONING  
ACROSS MARKETS

## Sales distribution by price range

Europe top-5 countries, 2019

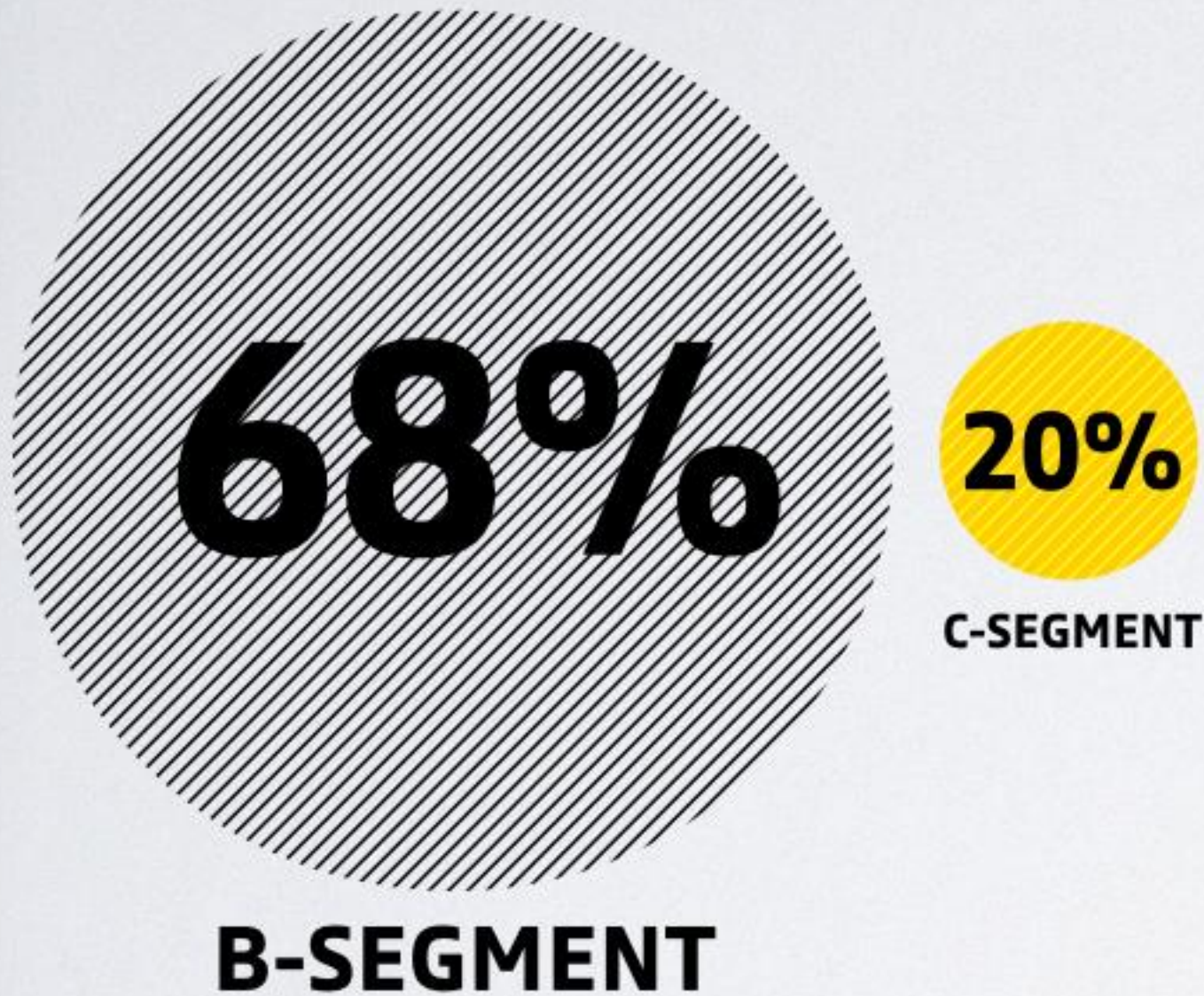


DACIA & RENAULT BRANDS  
OVERLAPPING IN EUROPE

# UNFAVORABLE PRODUCT & SALES MIX

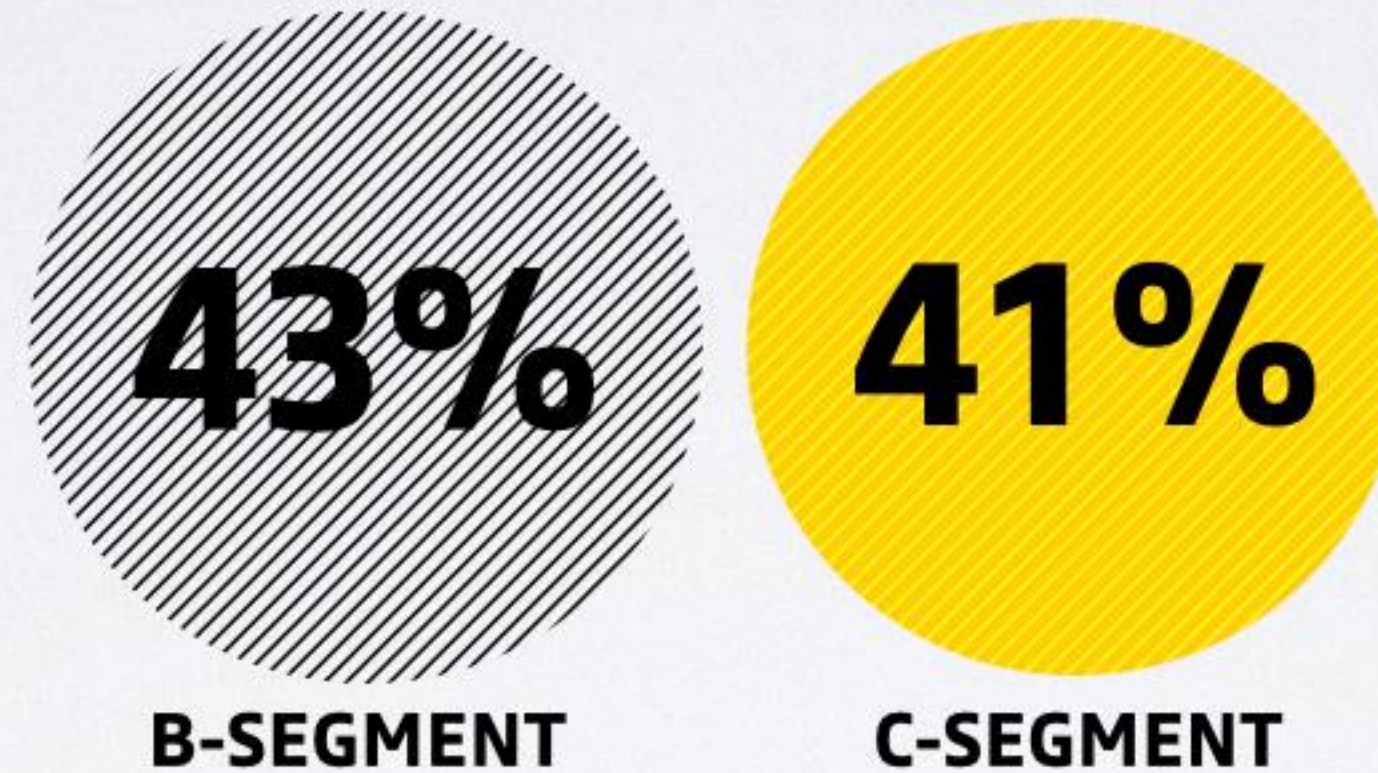
## Overweight on B-segment...

Group sales by segment, 2010-2019



## ... vs benchmark

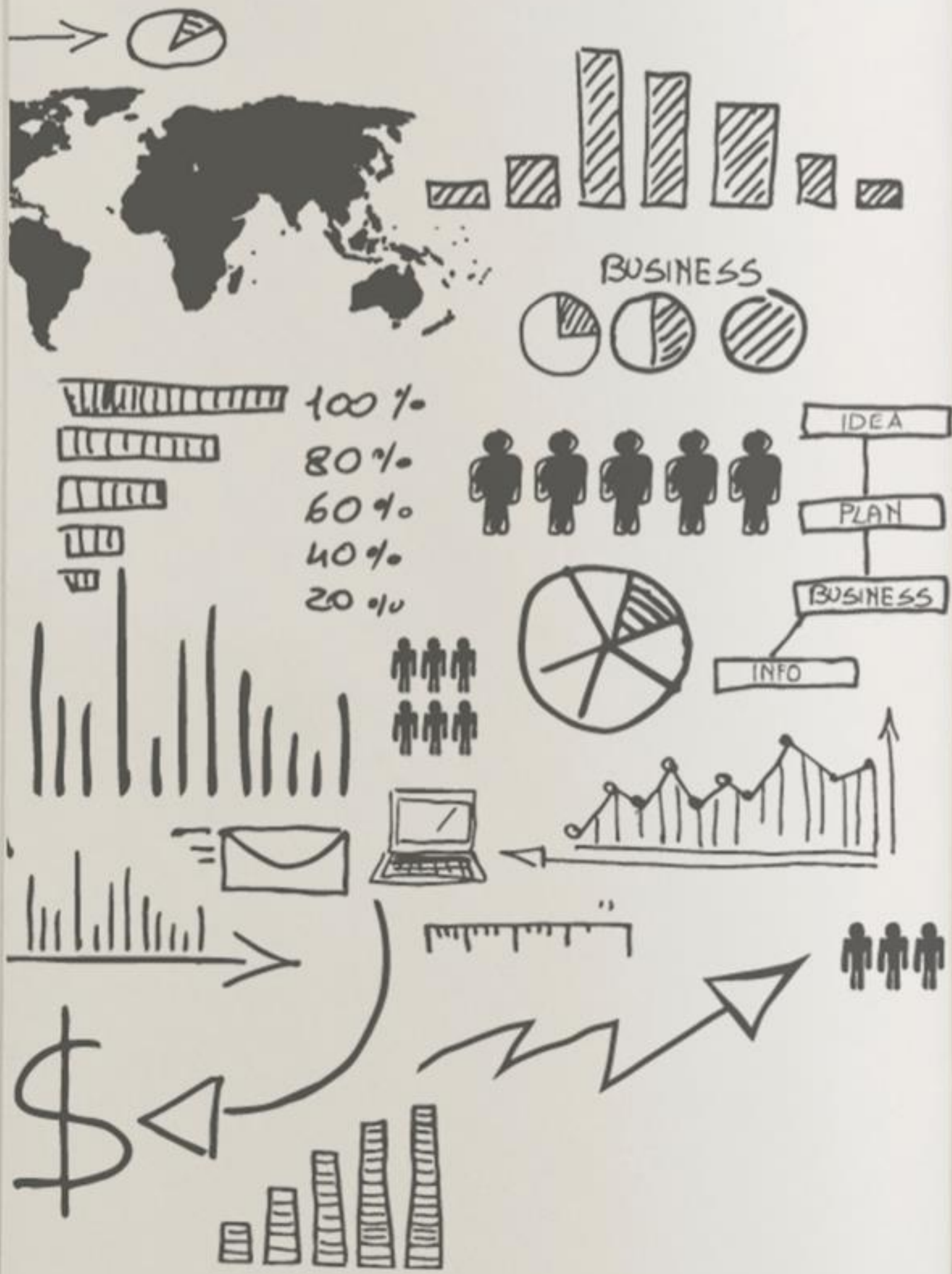
Benchmark sales by segment, 2010-2019(e)



## Addressing limited profit pool

Global profit pools, yearly average, 2015-2019(e)





DIAGNOSTIC

# RENAULTION

FROM VOLUME TO VALUE

THE FUNCTIONS PUSH

THE BRANDS PULL

A NEW BEGINNING

# FIX, TRANSFORM, LEAPFROG

## REMANUATION



**2020-2023**

Focus on margin & cash



**2023-2025**

New products, stronger brands



**2025+**

Leading mobility & tech player



# CLEAR PATH TO TURNAROUND



CAUTIOUS VOLUME & MARKETS ASSUMPTIONS  
POTENTIAL UPSIDE FROM PARTNERS NOT EMBEDDED

Source: Groupe Renault

Note: Commitments & ambitions based on current known emission standards

$$ROCE = \frac{\text{Auto Operating Profit (incl. VAZ)} \times (1 - \text{average tax rate})}{\text{PP\&E} + \text{intangibles assets} + \text{financial assets} - \text{investments in RCI/Nissan/Daimler+WCR}}$$



**GROUPE RENAULT**

Auto operational FCF = cash flows after interest & tax (excl. dividends received from publicly listed companies) minus tangible & intangible investments net of disposals +/- change in the WCR

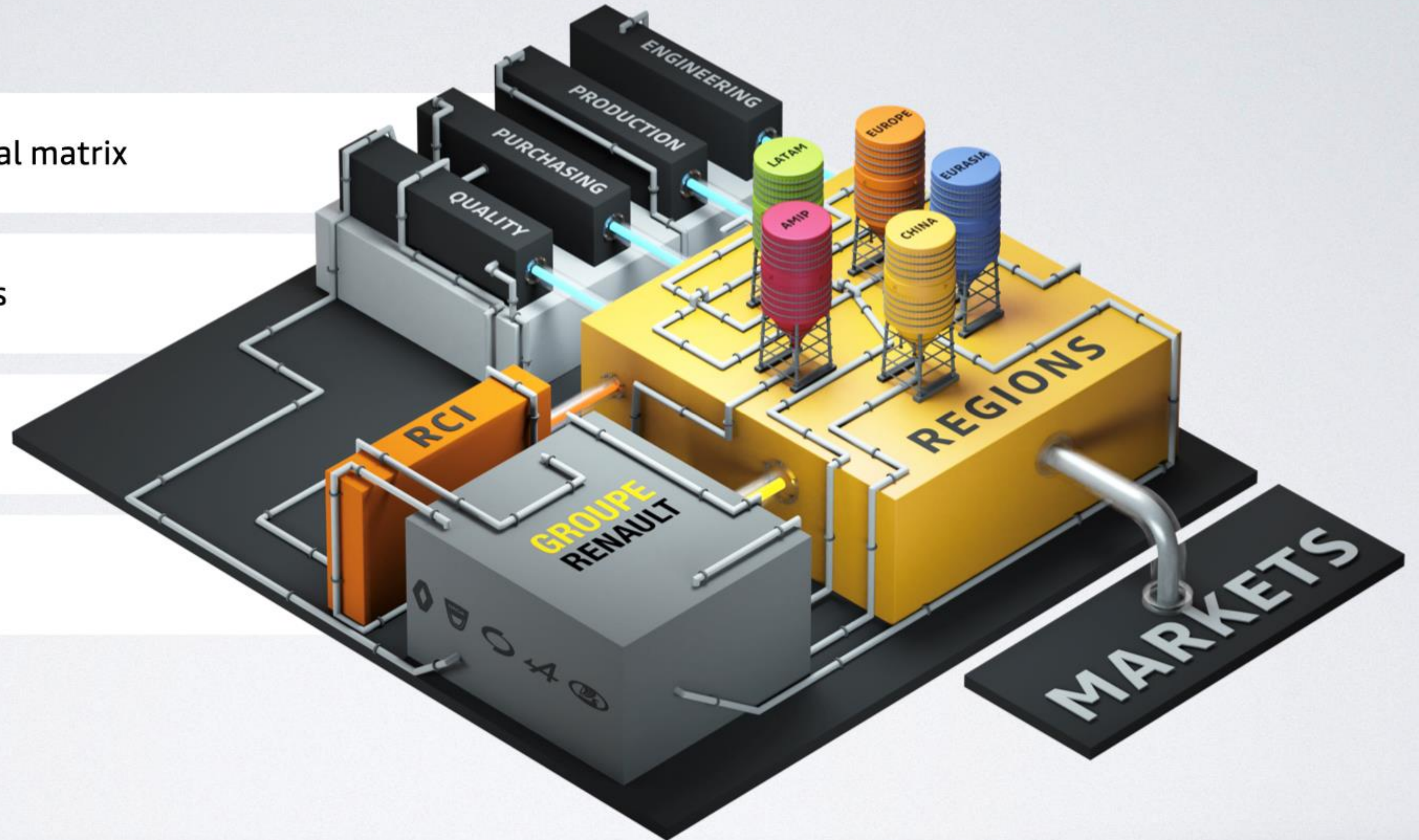
# REPROGRAMMING A COMPLEX OPERATING SYSTEM...

Multi-layer, 4-dimensional matrix

Scattered responsibilities

Diluted brands

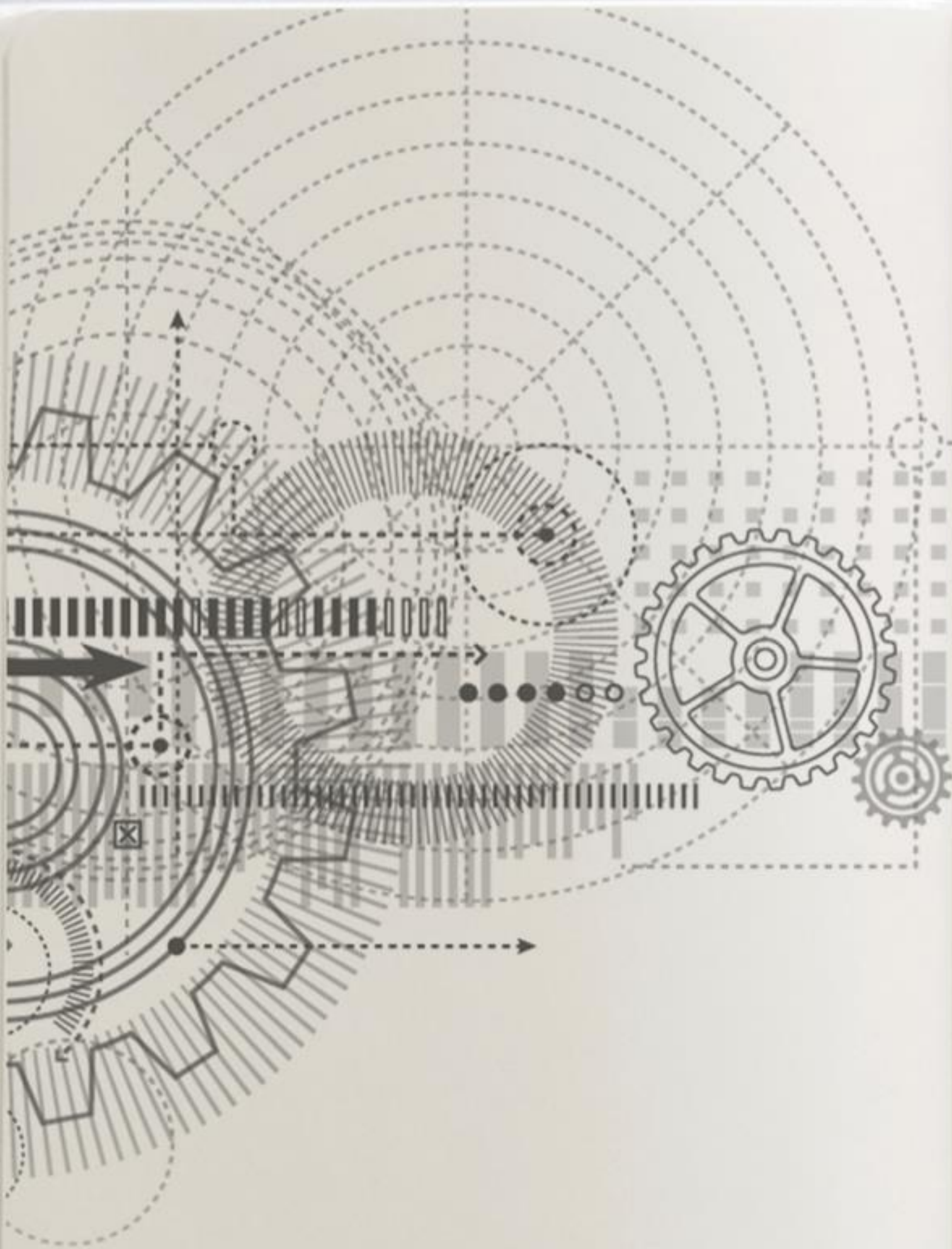
Lack of customer focus



# ... TO FOCUS ON VALUE CREATION







GROUPE RENAULT

DIAGNOSTIC

**RENAULTION**

FROM VOLUME TO VALUE

**THE FUNCTIONS PUSH**

- ENGINEERING
- PRODUCTION
- RESULTS

THE BRANDS PULL

A NEW BEGINNING



GROUPE RENAULT

# REVOLUTION IN ENGINEERING



**EFFICIENCY**



**SPEED**



**VALUE**

# PUSHING ENGINEERING EFFICIENCY TO THE NEXT LEVEL

ENGINEERING

On track to deliver ambitious targets<sup>1</sup> by 2022(e)...

... leveraging innovative engineering

30%

G&A reduction

40%

Prototype cost decrease

12%

Engineering rate<sup>2</sup> optimisation



Digitized engineering



100% new projects in Agile



Early supplier engagement



Source: Groupe Renault

1. Part of 2022 plan

2. Average full-time engineering cost per capita

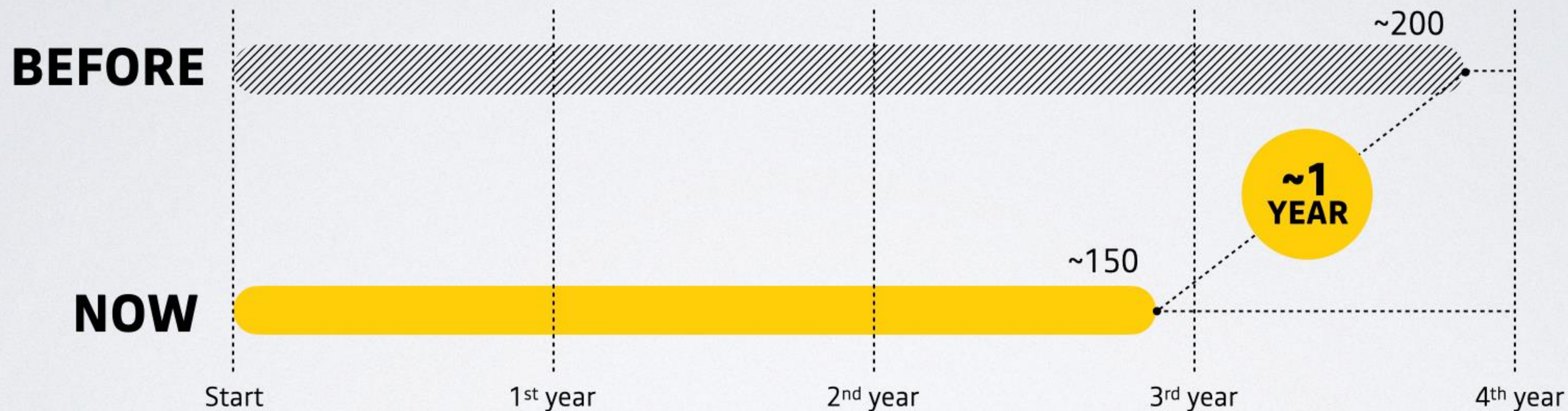


**GROUPE RENAULT**

# DEVELOPING CARS FASTER THAN EVER

New car on existing platform developed in <3 years...

Number of weeks



# 80% OF GROUP VOLUMES ON 3 ALLIANCE PLATFORMS

Alliance yearly volumes, 2025(e)



**CMF-B / EV**



**~3Mu**



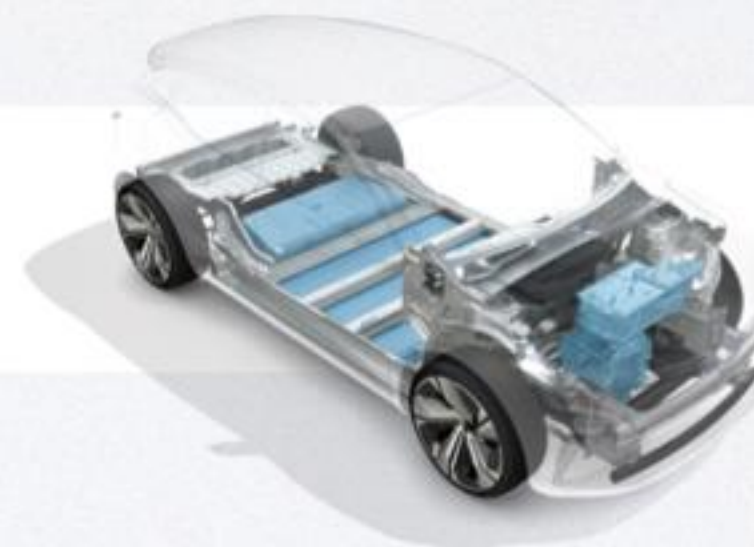
**CMF-CD**



**~3Mu**



**CMF-EV**



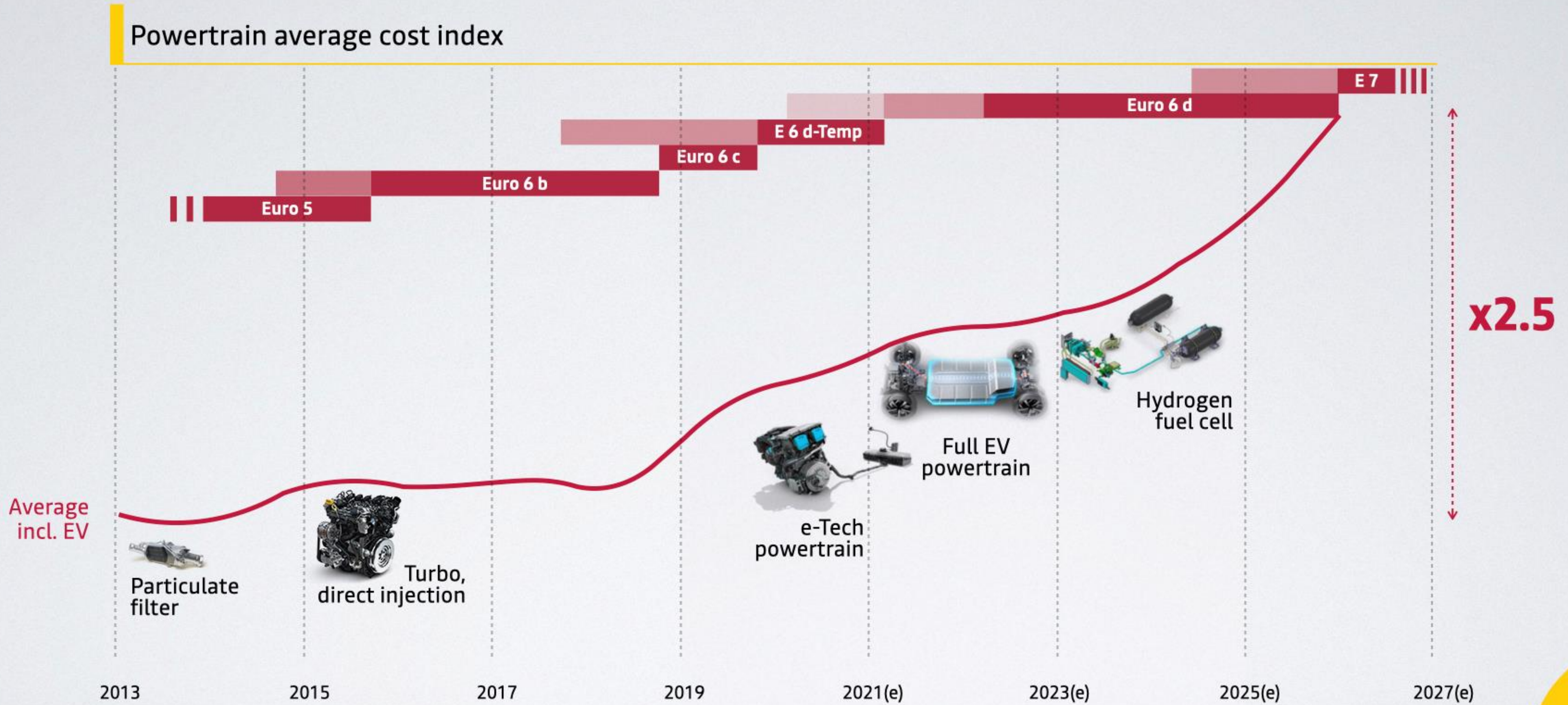
**~0.7Mu**

- 80% of Groupe Renault's volumes by 2025
- All segments from B to D
- All powertrains



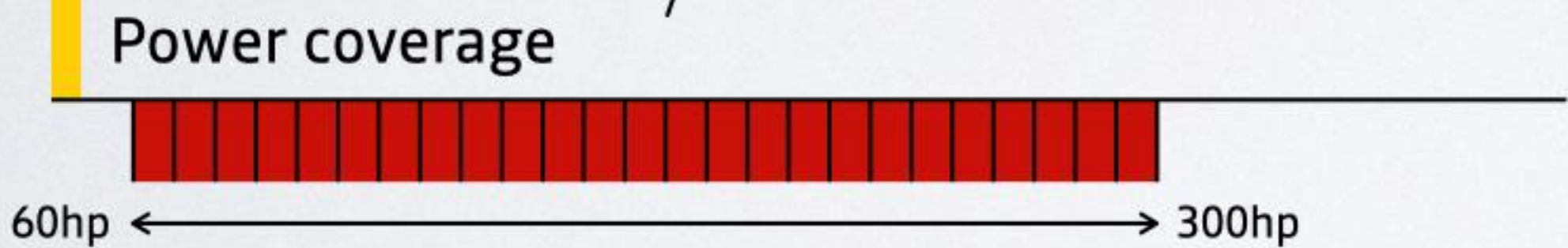
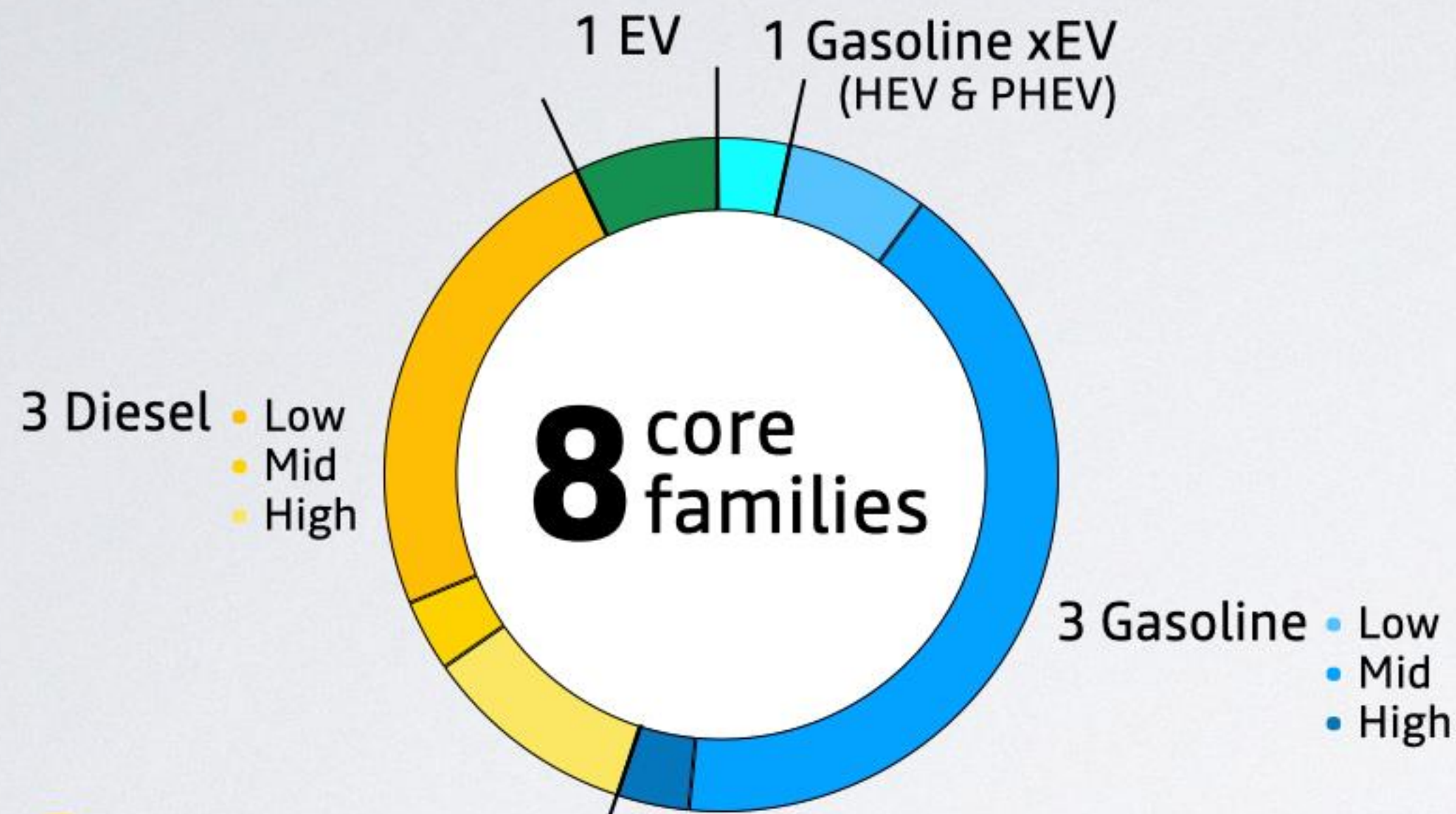
# REGULATION-RELATED VARIABLE COSTS ON THE HIKE

ENGINEERING

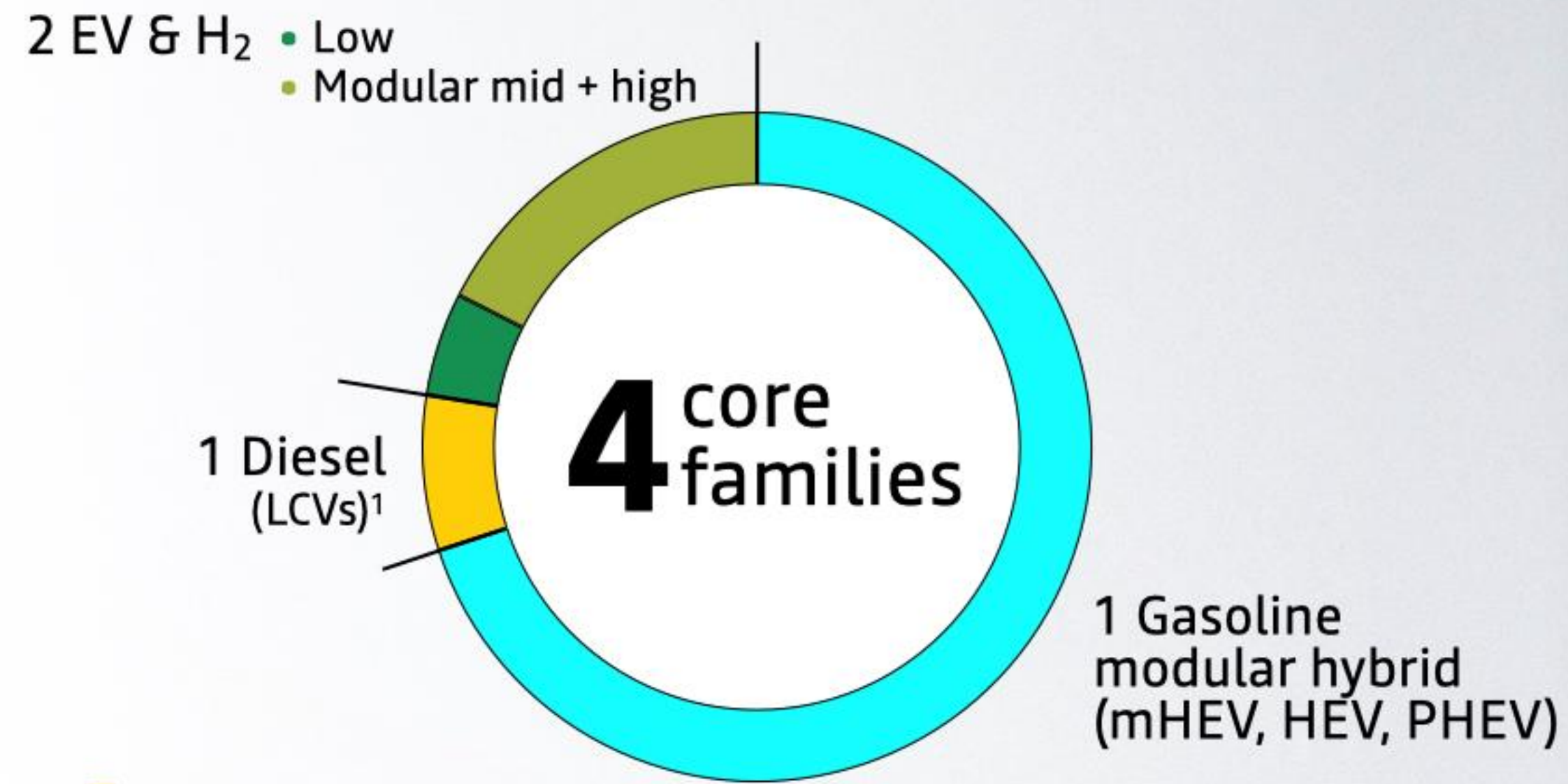


# RATIONALIZING POWERTRAINS DOWN TO 4 CORE FAMILIES

2020



Target 2025+

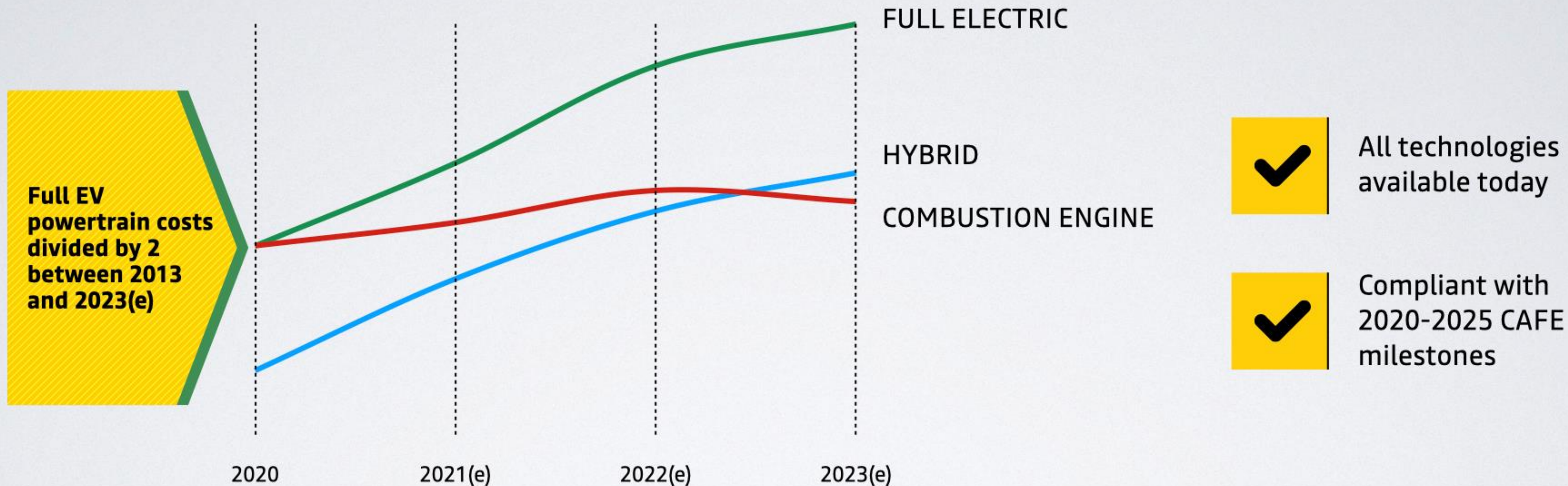


Source: Groupe Renault  
Note: Europe, PC and LCV  
1. To be adjusted according to future Euro7 regulation

# COMPLIANT AND INCREASINGLY PROFITABLE TECH PORTFOLIO

ENGINEERING

Margin contribution of Renault-branded B-segment cars by powertrain, €



Source: Groupe Renault  
Note: Margin contribution = margin on variable cost



# LEVERAGING ALLIANCE & PARTNERSHIPS

## ALLIANCE PLATFORMS



- 80% of Renault Group volumes on 3 modular platforms
- Unprecedented >6Mu volume for 3 platforms

## CONNECTED SERVICES



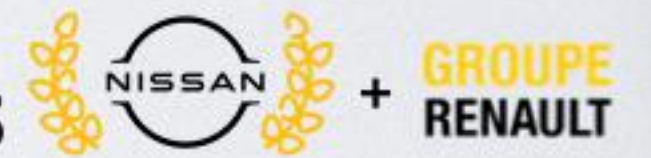
- Partnership with world leader in connectivity
- AI-powered onboard experience
- Cars that get better every day

## ENERGY TRANSITION

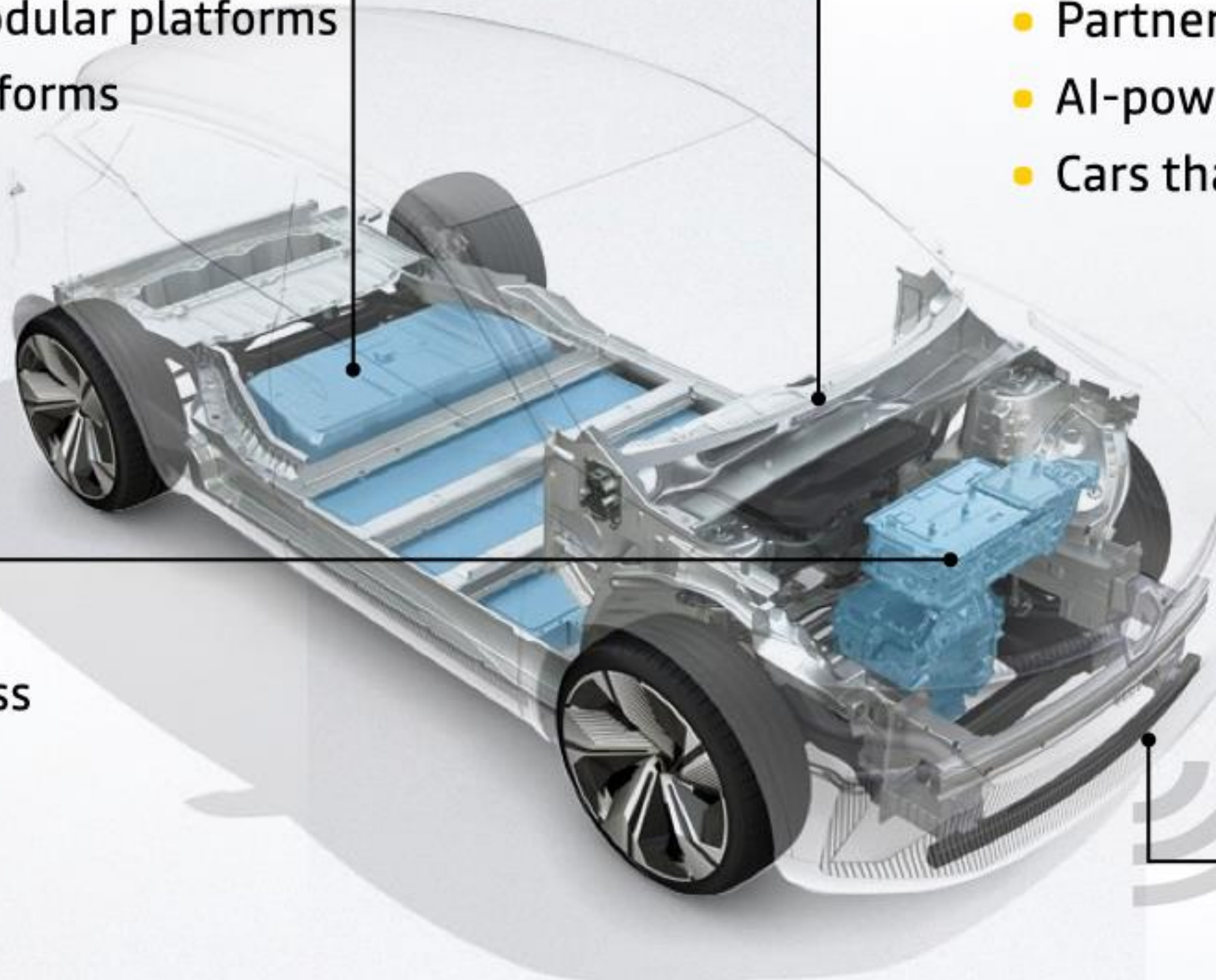


- Best-in-class eTech hybrid solution
- Green fuel powertrains for Global Access

## AUTONOMOUS VEHICLES



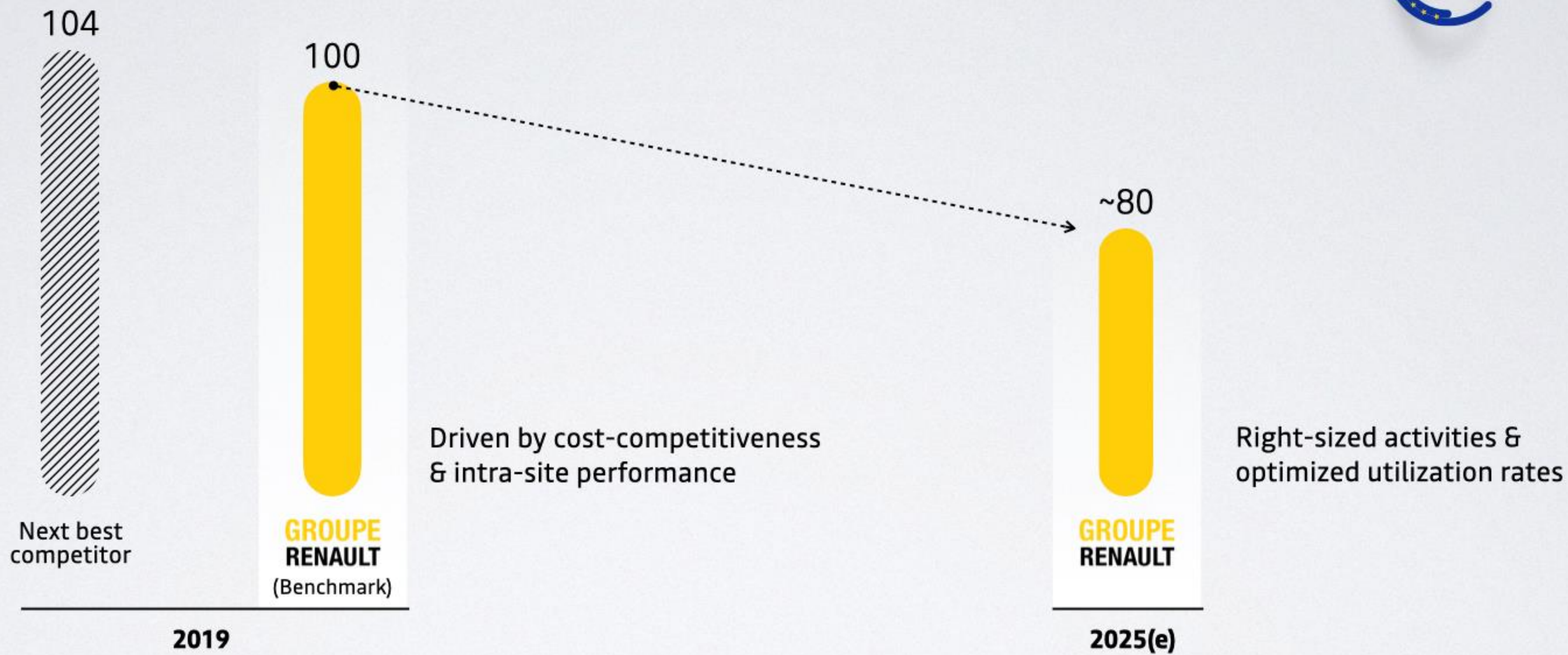
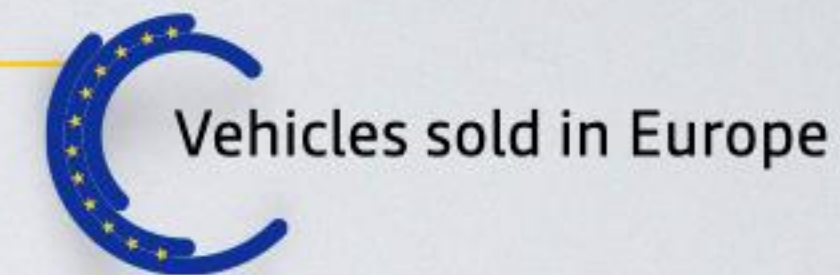
- Access to Alliance technologies
- China market pull effect



# REMAINING BENCHMARK FOR MANUFACTURING EFFICIENCY

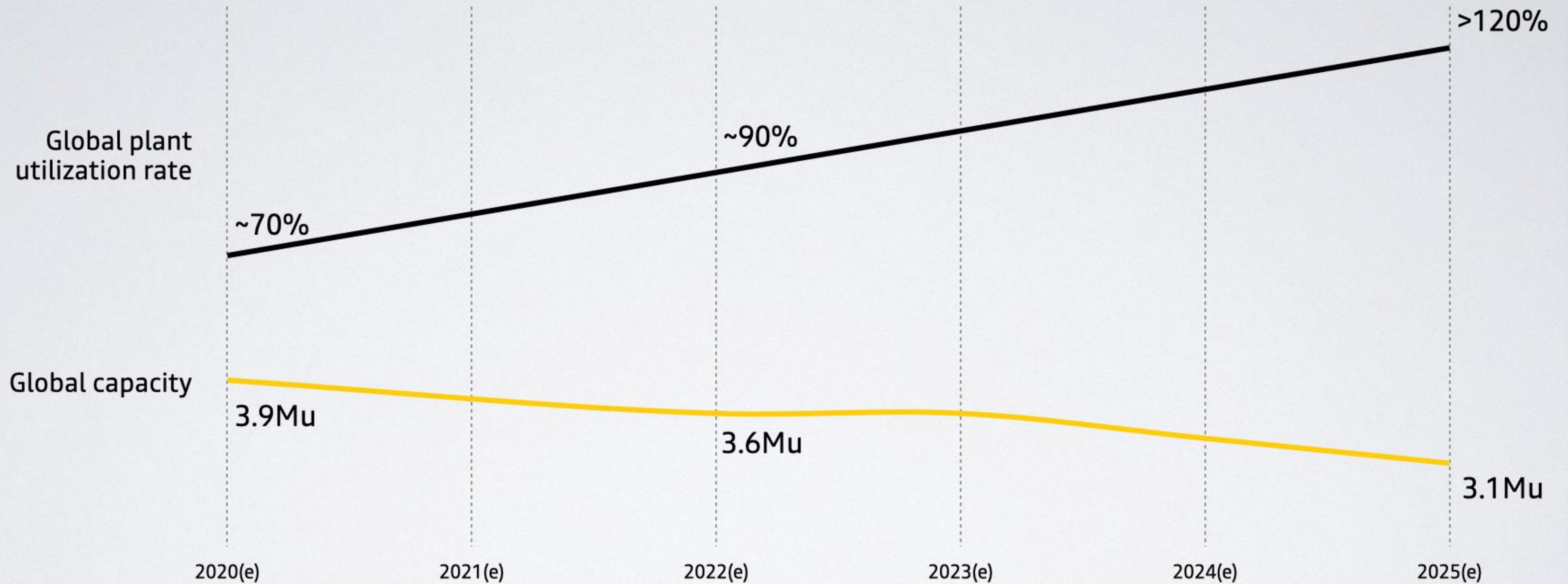
PRODUCTION

Manufacturing costs per vehicle sold, including depreciation, base 100 in 2019



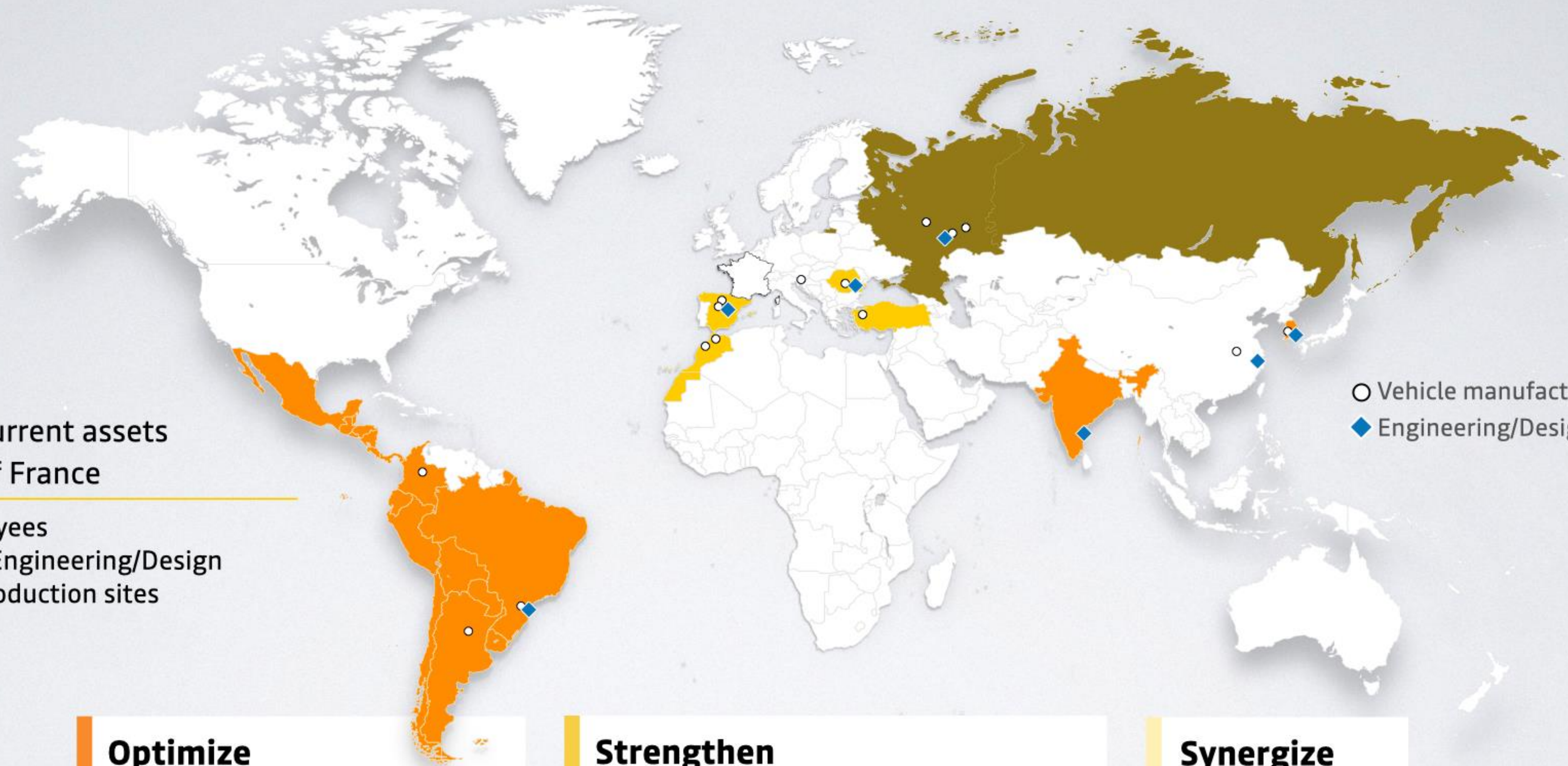
# RIGHT-SIZING INDUSTRIAL CAPACITIES

PRODUCTION



# MAKING GLOBAL FOOTPRINT A STRENGTH

RESULTS



## Group's current assets outside of France

>130k employees  
7 centers of Engineering/Design  
16 vehicle production sites

**Optimize**  
India, LatAm, South Korea

**Strengthen**  
Morocco, Romania, Spain, Turkey

**Synergize**  
Russia

Source: Groupe Renault, 2019  
Note: map of key sites owned ≥ 50% by Groupe Renault, or with Renault as reference shareholder

# ACCELERATING DELIVERY OF FIXED COSTS SAVINGS

RESULTS

2 0 2 1

2022 PLAN ACCELERATED

> €2B

FOCUS ON  
ENGINEERING



# PUSHING FURTHER FIXED COST SAVINGS

RESULTS



# SUSTAINING FIXED COST EFFORT BEYOND 2023

RESULTS

2 | 0 | 2 | 2

2022 PLAN ACCELERATED

> €2B

FOCUS ON  
ENGINEERING



2 | 0 | 2 | 3

SAVINGS PUSHED FURTHER TO

€2.5B

Including ~€0.3B  
cost variabilization

FOCUS ON  
BUSINESS SCOPE



2 | 0 | 2 | 5 | +

SUSTAINED DISCIPLINE

€3B

Including ~€0.3B  
cost variabilization

FOCUS ON MANUFACTURING  
FOOTPRINT RIGHT-SIZING



# EXTRAORDINARY EFFORTS ON VARIABLE COSTS

RESULTS



Reinvented supplier relationships



Design-to-value development



Fixed budget envelopes for projects

Transformation **starting now**

**~€600/unit**

**Variable costs performance**

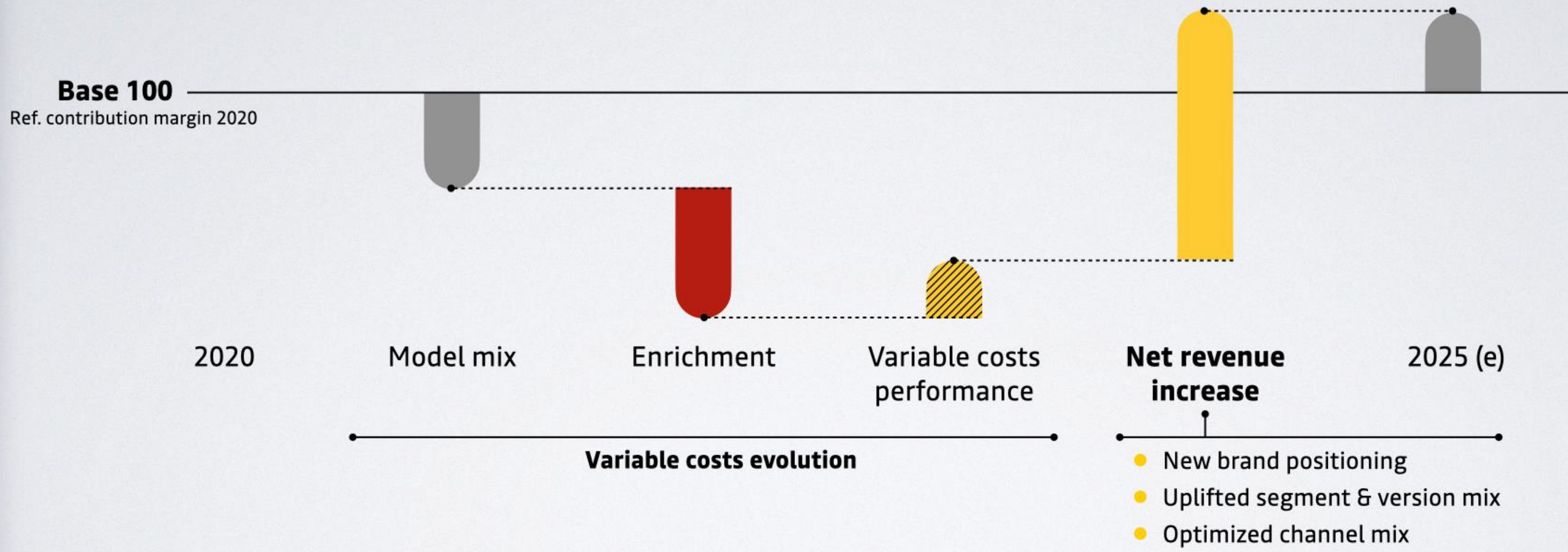
Front loaded,  
2021-2023(e)<sup>1</sup>



# NET REVENUE INCREASE & COST EFFORTS DRIVING PROFITABILITY

RESULTS

Contribution margin, €, 2025(e) vs 2020

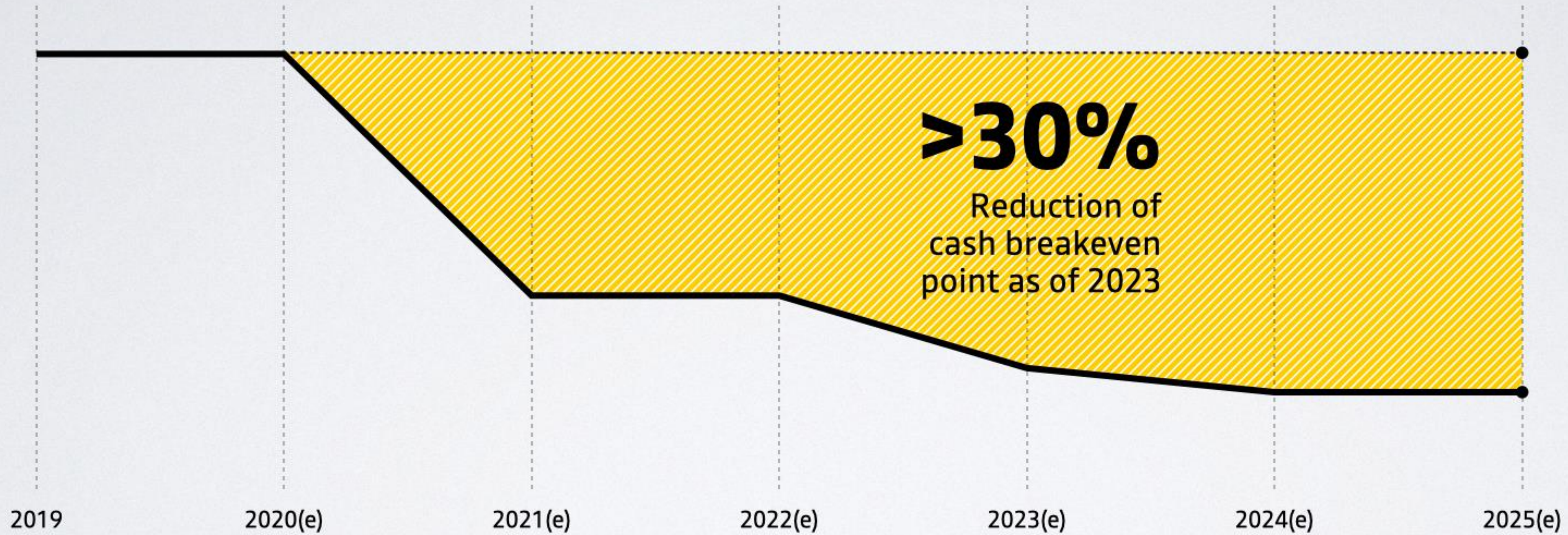


Source: Groupe Renault  
Note: Contribution margin = margin on variable costs; Enrichment including regulation and electrification costs; Excluding VAZ

# BUILDING UP GROUP'S RESILIENCE

RESULTS

Cash breakeven

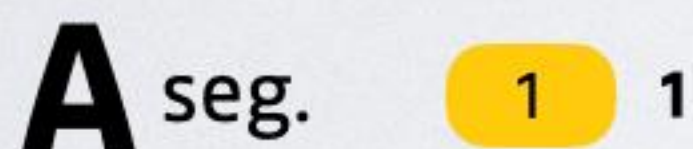


**>30%**  
Reduction of  
cash breakeven  
point as of 2023

# PROFITABLE AND REBALANCED PORTFOLIO

Nb of new models launched by 2025<sup>1,2</sup>

% of Group's contribution margin in €<sup>1</sup>



■ Electric 
     Electrified 
     Others

2019

2025(e)



15%



40%



70%



50%



15%



10%

**24**

Launches by 2025

**1 in 2**

In C/D segments

**>10**

Electric Vehicles launched

**~8-9%**

Controlled R&D Capex / Revenue

Source: Groupe Renault

1. Contribution margin = margin on variable cost; Excluding VAZ  
 2. Excluding models already revealed (Logan/Sandero family, Arkana, Spring)

# TRANSFORMATION ALREADY STARTED IN 2020

RESULTS

## Mission 1



**Turnaround team** focused on **cash, revenue & costs** optimization



**Well ahead of schedule** to deliver **2022 cost savings**



**7** vehicle programs stopped,  
**8** new programs decided



**+5.5pts impact on revenue** of new pricing policy in Q3 2020



DIAGNOSTIC

# RENAULT EVOLUTION

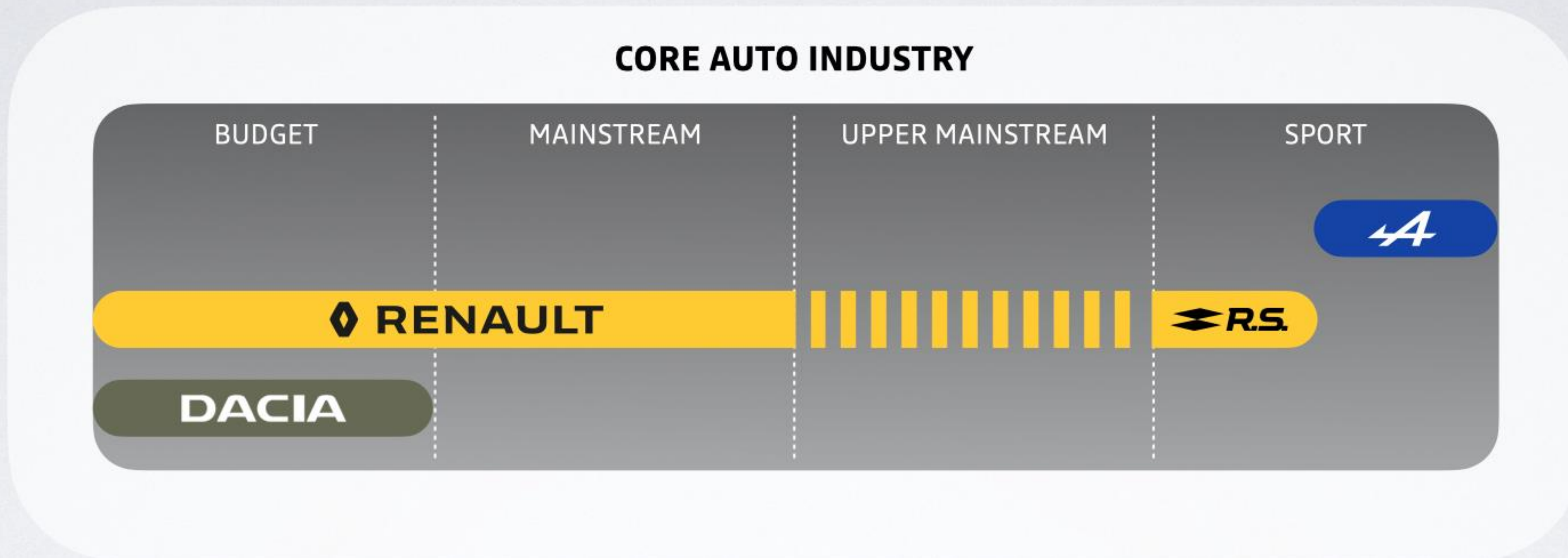
FROM VOLUME TO VALUE

THE FUNCTIONS PUSH

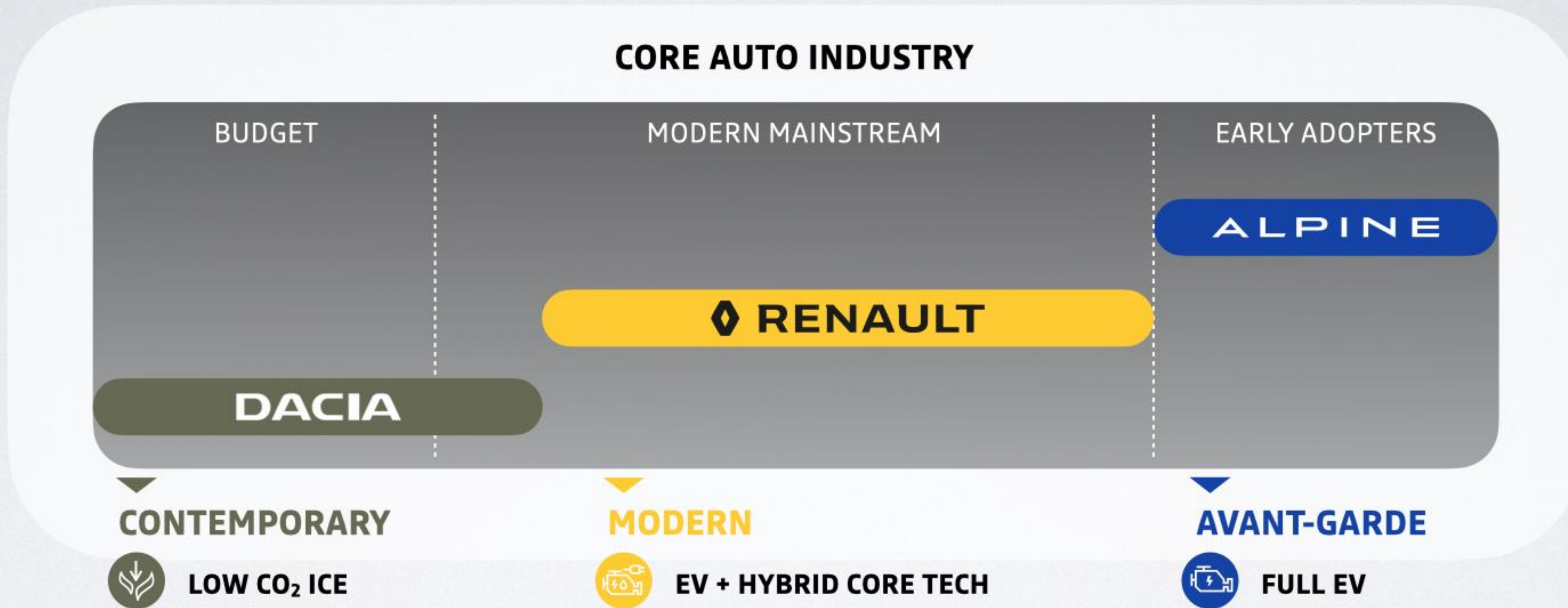
THE BRANDS PULL

A NEW BEGINNING

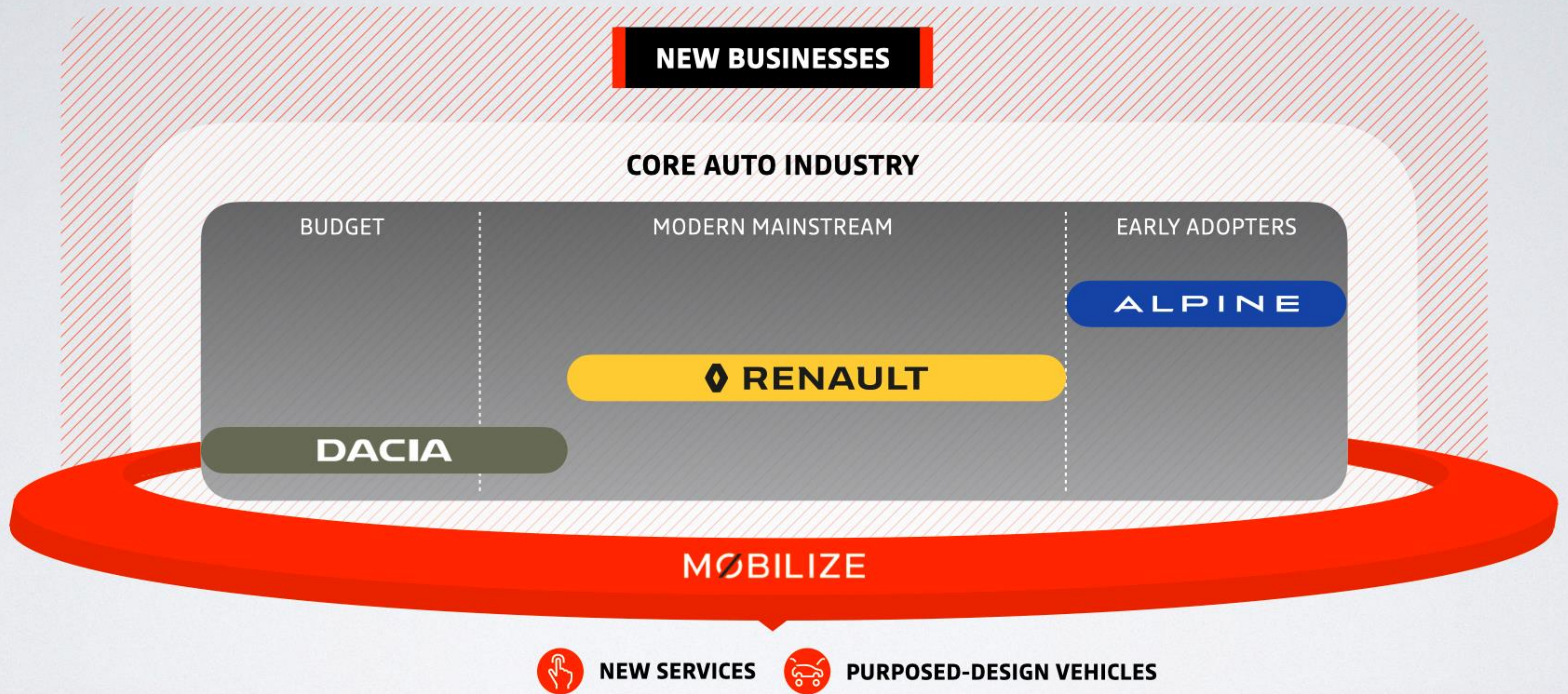
# FROM OVERLAPPING BRANDS...



# ... TO CLEAR, DIFFERENTIATED TERRITORIES...



# ... AND NEW BUSINESSES BEYOND TRADITIONAL CORE AUTO





# 4 BRANDS, 4 VALUE PROPOSITIONS





LA NOUVELLE VAGUE

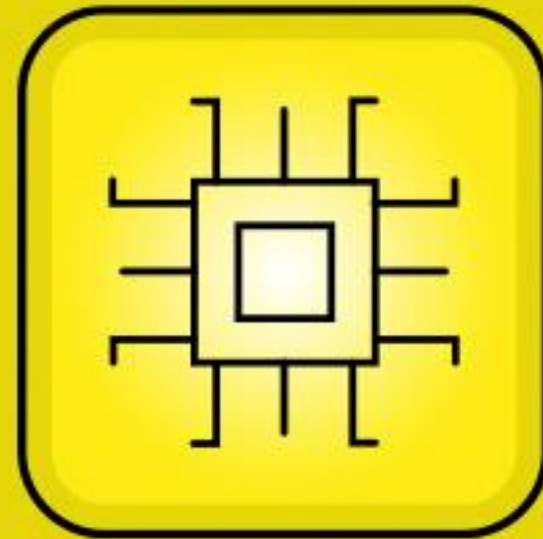
# LA NOUVELLE VAGUE: MODERNITY IN THE AUTO INDUSTRY



**ENERGY**

**Electro Pole**

**H<sub>2</sub> Joint venture**



**TECH**

**Renault Software Factory**

**Software République**



**SERVICES**

**Native connected services**

**REfactory**

First  
examples



# OUR 3 KEY STRATEGIC ASSETS TO LEAD ENERGY TRANSITION



E-TECH

Uniquely modular  
and most competitive  
hybrid offer



EV

Leading EV  
production hub  
worldwide in 2025



H<sub>2</sub>

Front-runner, market-ready,  
end-to-end H<sub>2</sub> solution  
for LCVs

# TARGET: SUSTAINING EUROPEAN LEADERSHIP IN EV AND HYBRID



**30%**

**BEV IN SALES MIX**

**35%**

**HYBRID IN SALES MIX**

**2025**

**~50%**

**OF LAUNCHES  
WILL BE BEVs**

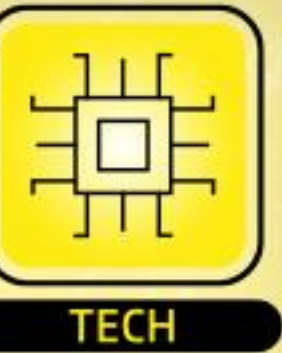
**UP TO  
+40%**

**EV vs ICE MARGIN  
CONTRIBUTION (€)**

**TARGETING**

**GREENEST MIX  
IN EUROPEAN MARKET**

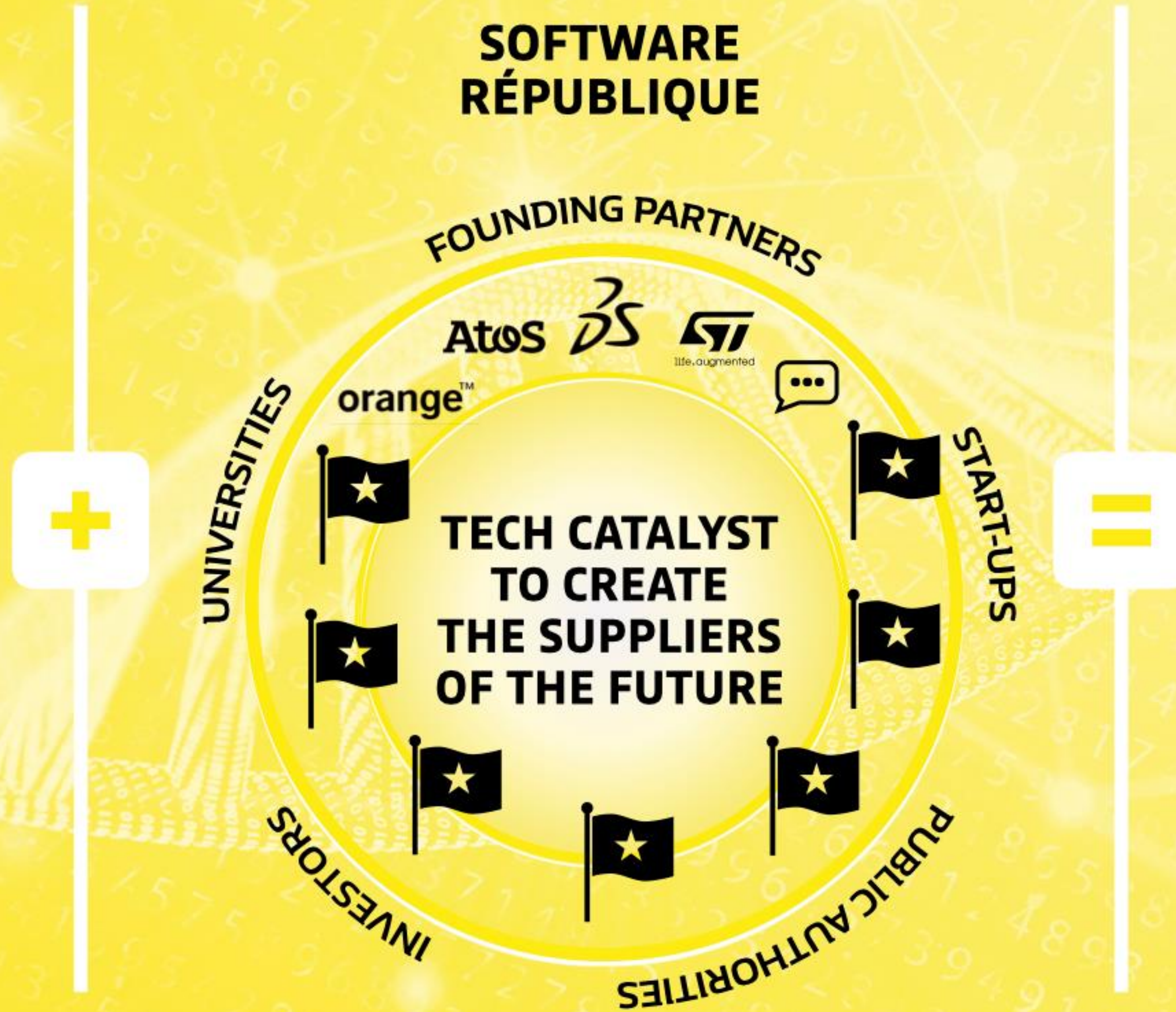
# FROM SOFTWARE DEVELOPER TO ECOSYSTEM ASSEMBLER



## RENAULT DIGITAL SOFTWARE FACTORY

RENAULT DIGITAL  
SOFTWARE LAB

>1,000 ENGINEERS  
DEVELOPING  
SOFTWARE  
PLATFORMS



## SOVEREIGNTY FOR SOFTWARE & DEEP TECH DEVELOPMENT



Data and AI



Cyber-security



ADAS/AD software



Alliance Cloud Services



Electronics & Chips

# BEST NATIVE OFF- & ON-BOARD EXPERIENCE



## OFF-BOARD: MY RENAULT, MY DIGITAL TWIN



Smart mobility companion  
Connected living, home & vehicle

## ON-BOARD: GOOGLE AUTOMOTIVE SERVICES (GAS)



In-vehicle  
Google Assistant



Embedded  
Google Maps



Most used apps on  
Google Play

**RENAULT, 1<sup>ST</sup> OEM WITH GOOGLE BUILT IN ON MASS MARKET CARS,  
STARTING WITH MEGANE EVISION**

**YOUR RENAULT WILL BECOME  
BETTER EVERYDAY**



**AI-POWERED CAR THAT  
LEARNS AS YOU DRIVE**

# BREAKING CONSUMERISTIC CYCLE, EXTRACTING VALUE FROM LIFECYCLE



**Used car  
regeneration factory**



**Battery  
repurposing/recycling**



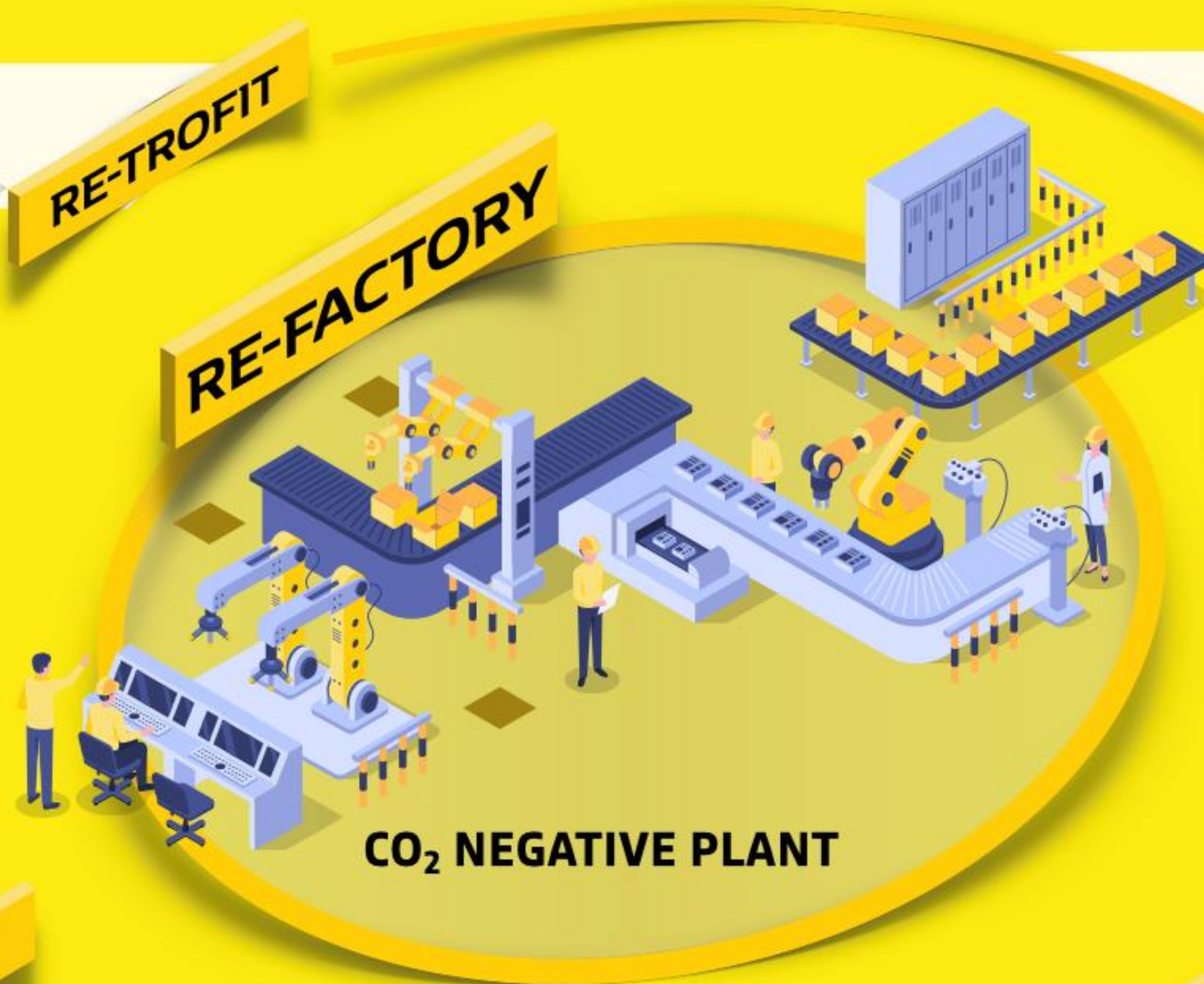
**RE-START**

**Station Flins**  
(Incubator and R&D hub for circular economy)



**RE-TROFIT**

**RE-FACTORY**



**CO<sub>2</sub> NEGATIVE PLANT**

**RE-ENERGY**

**RE-CYCLE**

**Parts & raw materials  
leading marketplace**





# RECONQUERING THE C-SEG WHILE DEFENDING B-SEG LEADERSHIP

100% ELECTRIFIED RANGE IN EUROPE, BEV<sup>1</sup> COVERING 80% OF DEMAND, TO FOCUS ON VALUE

	2021	2022	2023	2024	2025
<b>D</b> seg.					
<b>C</b> seg.					
<b>B</b> seg.					
<b>A</b> seg.					
<b>LCV</b>					

**45%**

OF BRAND'S SALES IN C/D-SEG  
IN 2025(e) IN EUROPE<sup>2</sup>

**7**

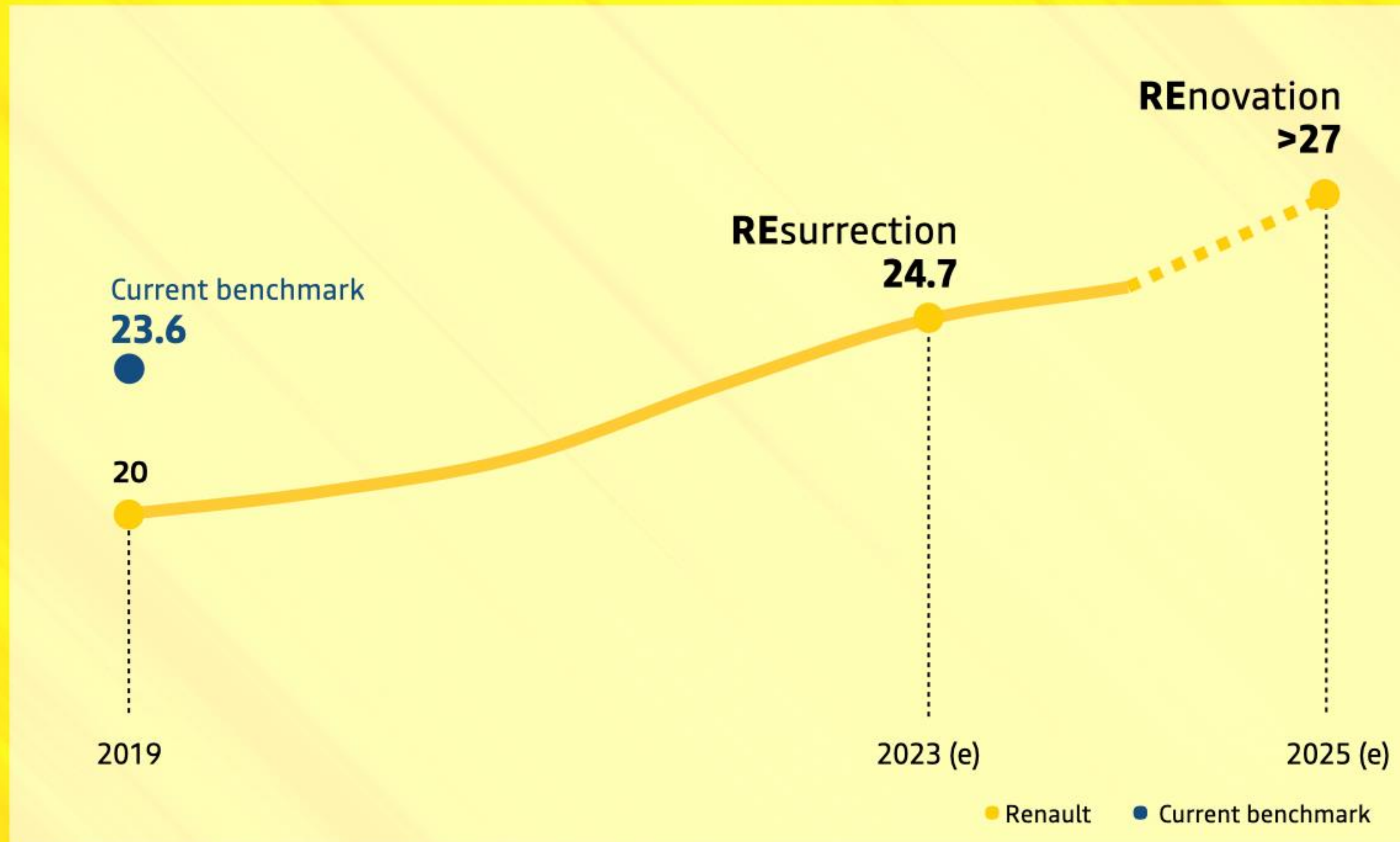
MODELS LAUNCHED IN C/D-SEG  
BY 2025 IN EUROPE

Renault Core Renault International 100% EV

Source: Groupe Renault  
1. Battery Electric Vehicle (=100% EV)  
2. Passenger cars only

# LA NOUVELLE VAGUE: FROM VOLUME TO VALUE

AVERAGE TRANSACTION PRICE EVOLUTION, RENAULT VS BEST-IN-CLASS BENCHMARK, €k

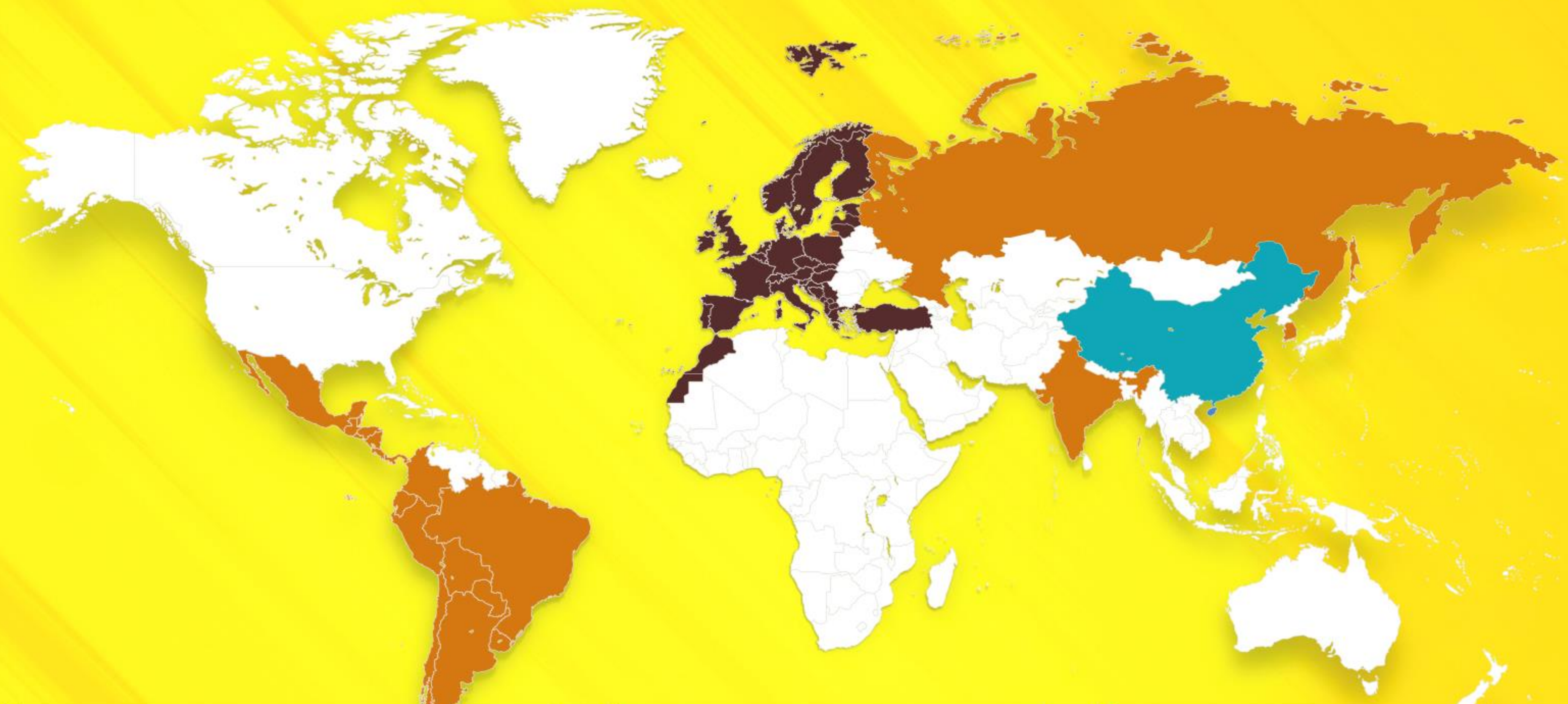


**BETTER PRODUCTS**  
LEADING ELECTRIFICATION  
AND LIFETIME VALUE

**BETTER SEGMENT MIX**  
RECONQUERING C-SEGMENT  
& DEFENDING B-SEGMENT

**BETTER VERSION**  
MIX & PRICING DISCIPLINE

# STAYING GLOBAL, AIMING ALL MARKETS TO BE PROFITABLE BY 2023(E)



**Focus on profitable segments & channels**

India, LatAm, Russia, South Korea

**Strengthen position, optimize distribution**

Europe, Morocco, Turkey

**Reinvent business model**

China



LA NOUVELLE VAGUE

**3 PILLARS OF MODERNITY AT THE CORE**  
ENERGY, TECH & SERVICES

**DOUBLE-DOWN ON ELECTRIFICATION**  
PROFITABLE EV LEADER

**HIGH-TECH CATALYST**  
AI, DATA & SOFTWARE ECOSYSTEM

**REVAMPED LINEUP**  
C-SEGMENT OFFENSIVE & BRAND UPLIFTING

**LIFECYCLE SERVICES**  
LEARNING & RE-GENERATED CARS

**MOVE FROM VOLUME TO VALUE**  
AIMING ALL MARKETS TO BE PROFITABLE BY 2023(e)

# DACIA

TOUT. SIMPLEMENT



# LADA



**GROUPE** RENAULT

# DACIA & LADA: AN INCREDIBLY PROFITABLE BUSINESS MODEL



Design-to-cost



Unbeatable labor cost,  
plant utilization ratio **>90%**



Lean distribution model,  
low discount



**BRAND DNA**

**>10% VARIABLE COST ADVANTAGE VS COMPETITORS**

**BEST VALUE FOR MONEY**

**85% RETAIL**

# REAL PEOPLE'S CHOICE

**LADA**

**GRANTA**



**1.2M**  
CARS SOLD

**#1** IN THE RUSSIA MARKET

**VESTA**



**0.5M**  
CARS SOLD

**#2** IN THE RUSSIA MARKET

**DACIA**

**LOGAN**



**1.9M**  
SALES

**1<sup>ST</sup>** LOW-COST  
CAR LAUNCHED

**DUSTER**



**1.8M**  
CARS SOLD

**#1** SUV SOLD TO RETAIL  
CLIENTS IN EUROPE

**SANDERO**

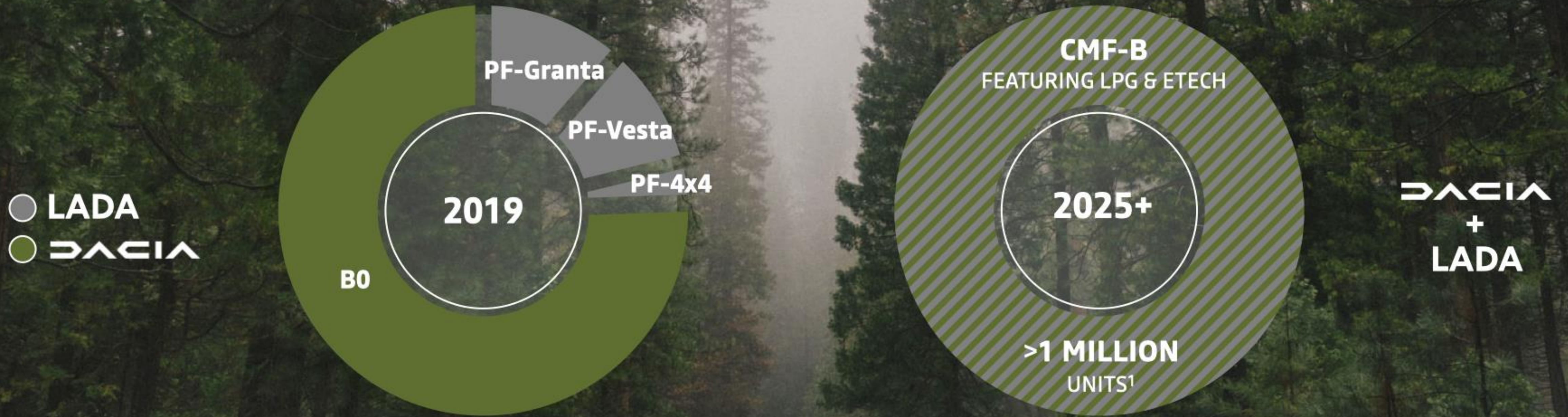


**2.2M**  
CARS SOLD

**#1** CAR SOLD TO RETAIL  
CLIENTS IN EUROPE

# ONE BUSINESS UNIT TO FOSTER SYNERGIES

## PLATFORM EFFICIENCY



## REDUCED NB OF BODYTYPES

18

11



# BREAKING GLASS CEILING TO C-SEGMENT

LADA

DACIA

	2021	2022	2023	2024	2025
<b>C</b> seg.					
<b>B</b> seg.					
<b>C</b> seg.					
<b>B</b> seg.					
<b>A</b> seg.					

ALL NEW

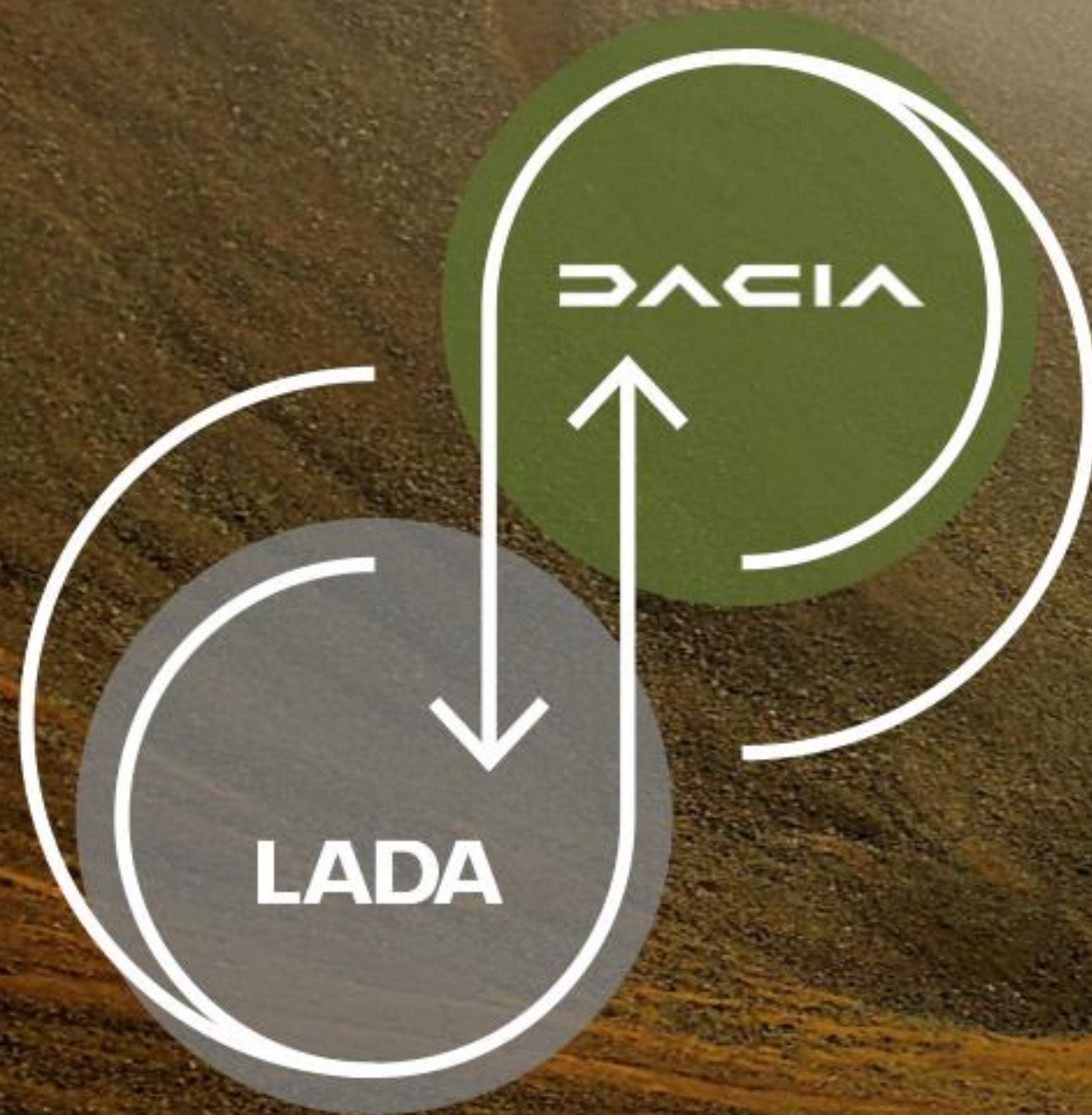


ADDRESSABLE  
PROFIT POOL  
INCREASE<sup>1</sup>  
FROM **€3B** TO **€5B**  
2020 VS 2025(e)



Source: Groupe Renault  
1. Global profit pool estimate

# DACIA. TOUT. SIMPLEMENT.



ALL-WEATHER EFFICIENT BUSINESS MODEL:

- **>10% VARIABLE COST ADVANTAGE**
- **LEVERAGING GROUP TECH ASSETS** FOR CAFE COMPETITIVENESS

FURTHER BOOSTED BY NEW BUSINESS UNIT

- **FROM 4 PLATFORMS TO 1**
- **FROM 18 BODY-TYPES TO 11**

REINFORCED BRAND IDENTITIES:

- **DACIA:** OUTDOORSY WITH A TOUCH OF COOLNESS
- **LADA:** ROUGH & TOUGH

REVAMPED COMPETITIVE LINE-UP EXPANDING INTO C-SEGMENT

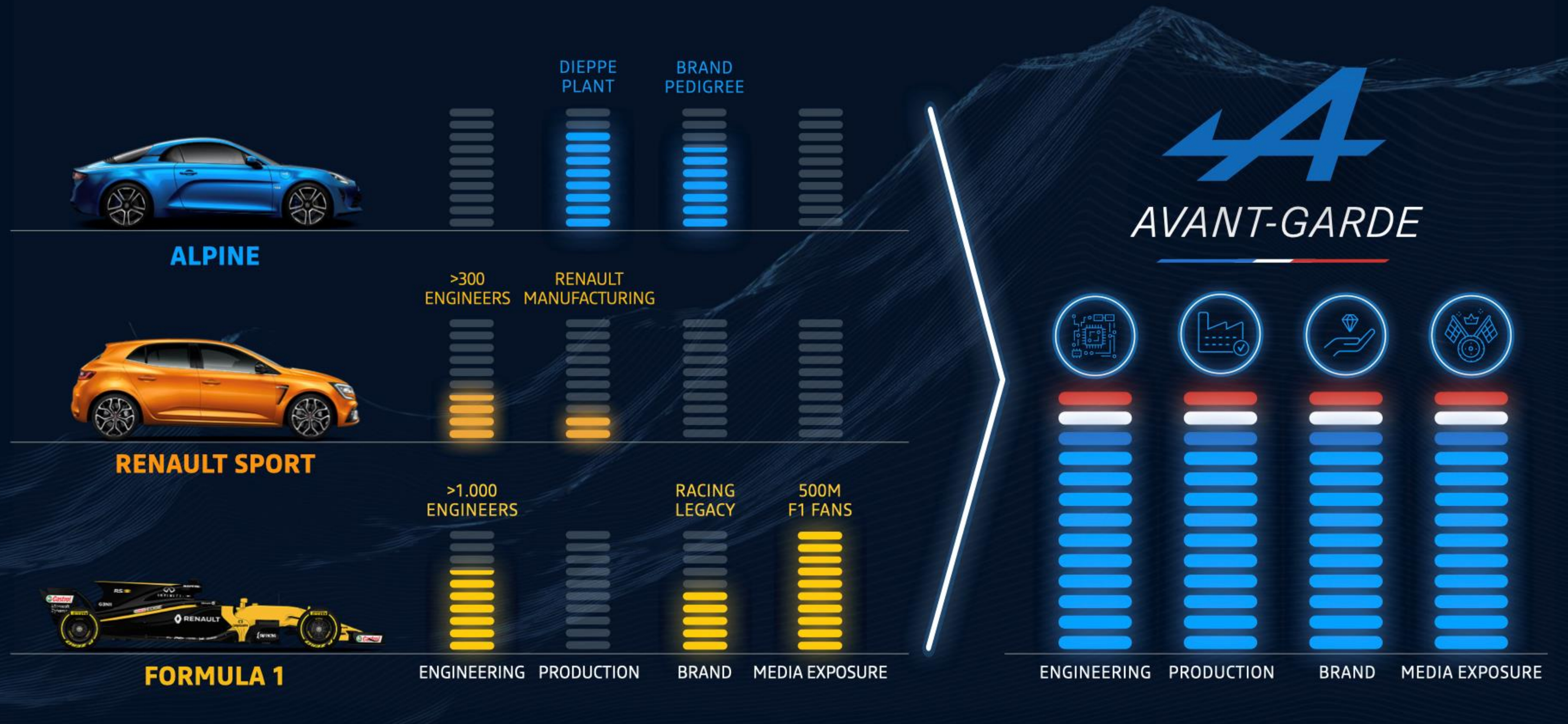
- **7 MODELS** LAUNCHED BY 2025, 2 IN C-SEG, 1 ICONIC MODEL
- **ADDRESSABLE PROFIT POOL INCREASE FROM €3B TO €5B**

ALPINE  
AVANT-GARDE



| GROUPE RENAULT

# FROM SCATTERED ASSETS TO FULLY-FLEDGED BUSINESS UNIT



# LEVERAGING GROUP ASSETS



# LEARNING ON F1 TECH TO MULTIPLY VALUE



## LEADING-EDGE ENERGY MANAGEMENT SYSTEM

- ADVANCED MATERIALS
- V2G / ENERGY TRADING



## HIGH-FREQUENCY DATA EXCHANGE CAPABILITIES

- FAST RESPONSE SAFETY SYSTEMS
- HIGH-SPEED CONNECTIVITY



## AI-POWERED DATA ANALYSIS & PROCESSING

- REAL-TIME PATTERN RECOGNITION
- CUSTOMIZED SERVICES

# GOING FULL ELECTRIC



ALLIANCE CMF-B  
PLATFORM



ALLIANCE CMF-EV  
PLATFORM



PARTNERSHIP WITH  
TOP-NOTCH PLAYER

 ALREADY AVAILABLE

# DREAM GARAGE



FOR ME



FOR US



FOR THE WEEKEND





**AVANT-GARDE**

**HIGH-TECH AND CRAFTSMANSHIP**

**EXCLUSIVE AUTHENTIC BRAND**

**100% ELECTRIC HIGH-PERFORMANCE VEHICLES**

**PROFITABLE BY 2025  
(ALL-IN, INCLUDING INVESTMENTS IN MOTORSPORT)**

# MOBILIZE

BEYOND AUTOMOTIVE



GROUPES RENAUULT

# EMBRACING DISRUPTION

## GAP BETWEEN USAGE AND COST



OF THE TIME  
CARS STAY UNUSED



PROVIDE MOBILITY  
ALTERNATIVES

## FAST ASSET VALUE DECREASE



VALUE DROPS  
AFTER 3 YEARS

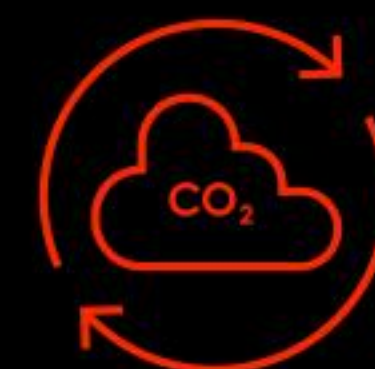


ADDRESS RESIDUAL VALUE  
DICTATORSHIP

## ENVIRONMENTAL CONCERNS



OF CO<sub>2</sub> EUROPE EMISSIONS  
FROM AUTO INDUSTRY



DESIGN SUSTAINABLE SOLUTIONS  
BASED ON EV AND ENERGY

# FUTURE IS:

MOBILITY

ENERGY

DATA

Revenue pools in Europe

2019 (e)

€200B



2030 (e)

€350B

Subscription  
Car sharing  
Ride-hailing & taxis  
On-demand transit  
Goods delivery

€1B



€15B

Infrastructure management  
Energy supply & services  
Battery 2<sup>nd</sup> life & recycling

€2B



€12B

Data monetization  
Connected services

# WHY WE WILL SUCCEED

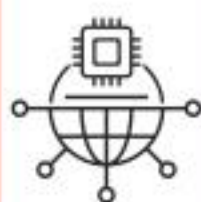
## OUR ASSETS...



**PURPOSE-DESIGNED VEHICLES**



**CAPTIVE FINANCIAL SERVICES (RCi)**



**SOFTWARE RÉPUBLIQUE**

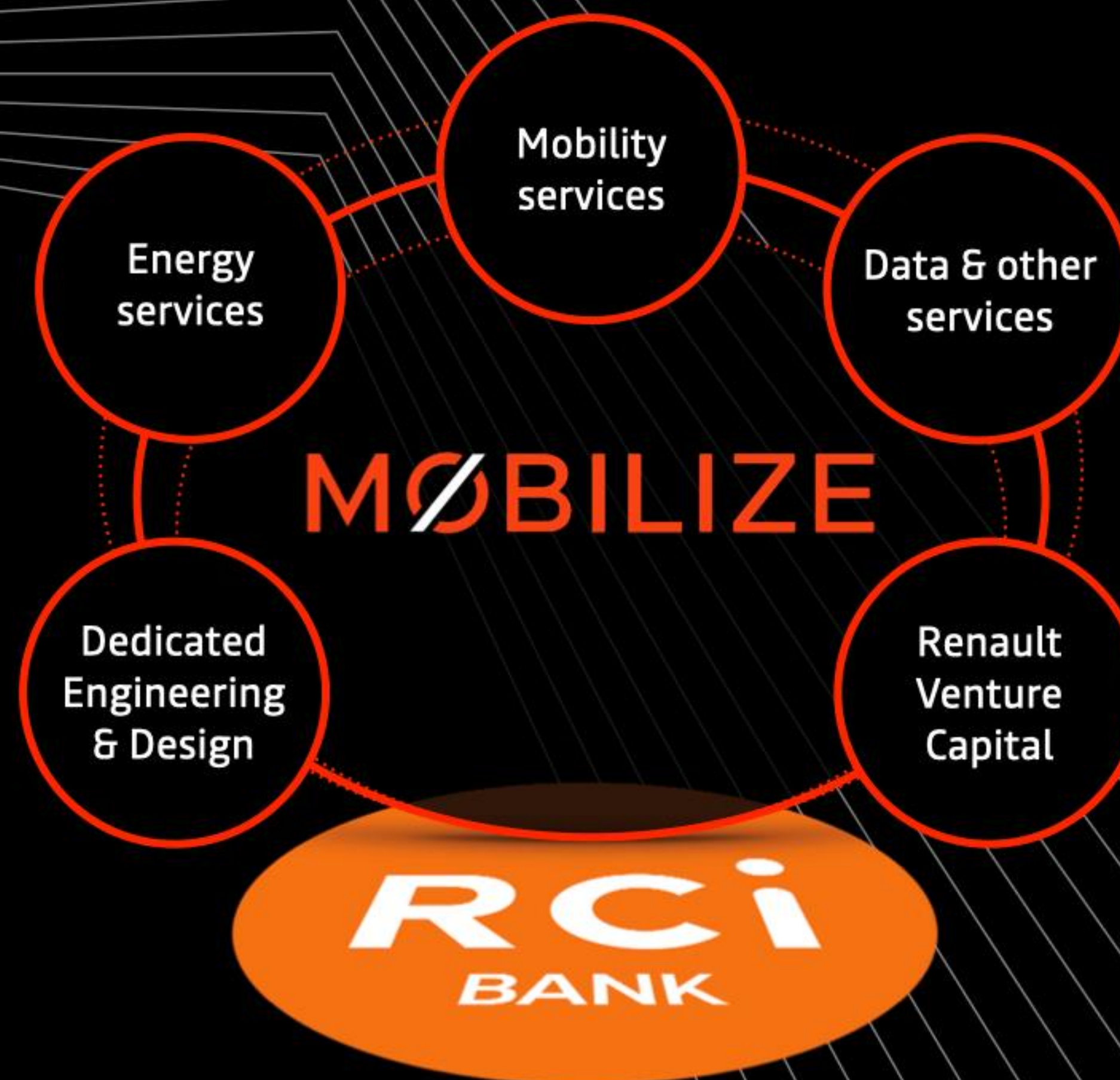


**NETWORK OF DEALERS**



**RE-FACTORY**

## ... LEVERAGED BY A DEDICATED BUSINESS UNIT



# UNLOCKING THE TRADE-OFF BETWEEN ACCESS AND PROFITABILITY

## PURPOSE-DESIGNED VEHICLES



### DEDICATED ENGINEERING

Durable vehicles by service

**-20%**  
OPERATION COSTS



## 2<sup>ND</sup> LIFE TCO OPTIMIZATION



### FLINS RE-FACTORY

Recycled battery and re-used vehicles

**+>€1K**  
PER BATTERY



## ADVANCED TECHNOLOGIES



### SOFTWARE RÉPUBLIQUE

Software co-developed with partners to better predict demand & dispatch vehicles

**+20%**  
VEHICLE UTILIZATION



## FINANCING ARM



### RCi

Fleet financing enabling an asset light model

**REDUCED**  
COST OF OWNERSHIP



**END-CUSTOMERS**



**CORPORATES**



**CITIES & GOVERNMENTS**

BOOSTED BY GEOGRAPHICAL COVERAGE OF DEALERS' NETWORK

# OUR CAR(D)S TO PLAY THE GAME

2023



THE ACE

2021



THE KING

2022



THE QUEEN

202X



THE JACK OF ALL TRADES



# MOBILIZE: A UNIQUE MODEL WITHIN AUTOMOTIVE INDUSTRY

**MOBILITY** | TURNKEY SOLUTIONS ASSEMBLER

**ENERGY** | ENERGY MANAGEMENT  
& CIRCULAR ECONOMY PLAYER

**DATA** | SECURITY AND  
MONETIZATION OPERATOR

## MOBILIZE



BRIDGING THE GAP  
BETWEEN USAGE AND COST



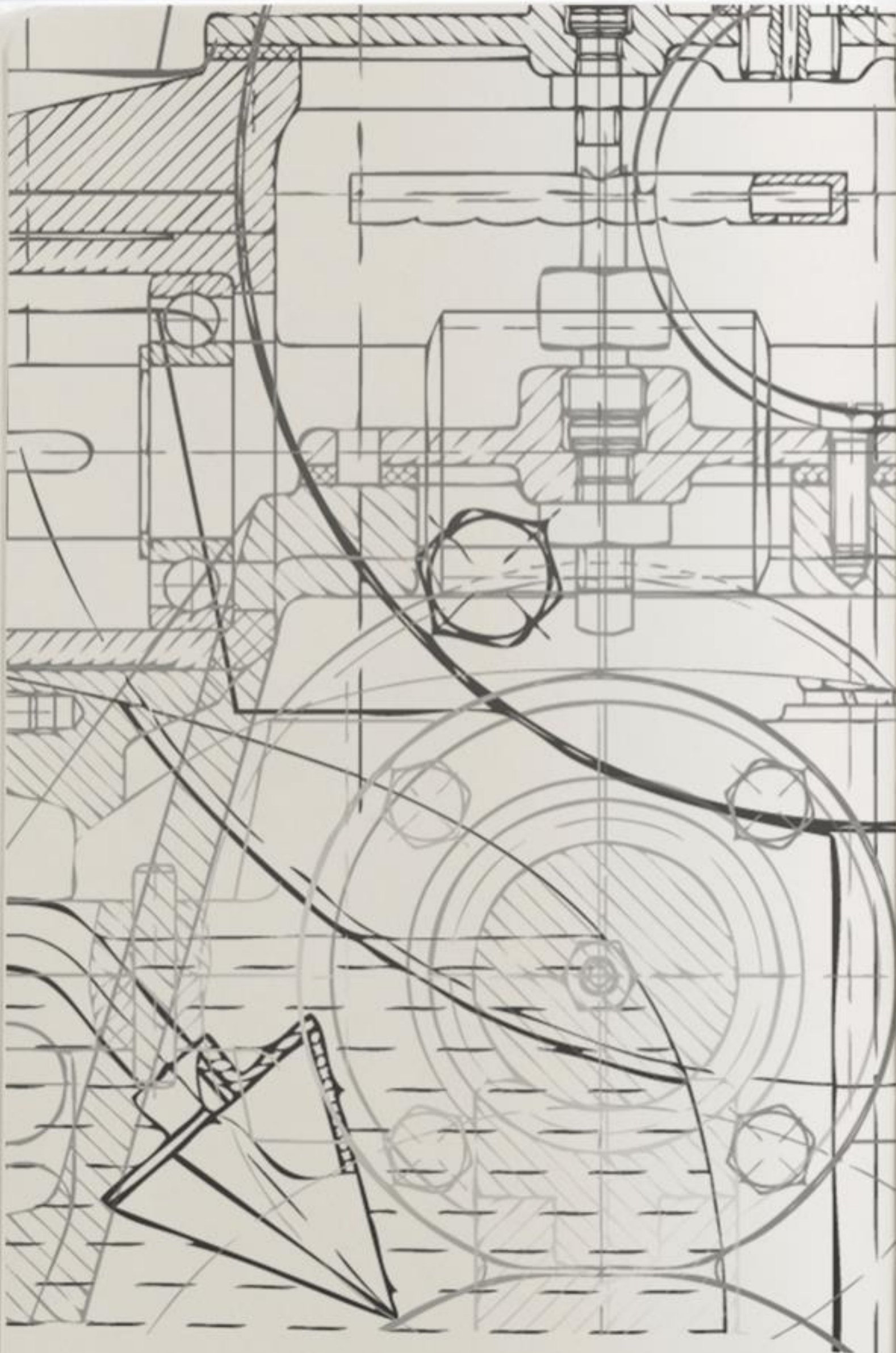
MAXIMIZING ASSET VALUE  
OVER LIFETIME



REDUCING AUTO INDUSTRY  
ENVIRONMENTAL FOOTPRINT

**MORE THAN 20% OF  
GROUP'S TURNOVER  
BY 2030**





GROUPE RENAULT

DIAGNOSTIC

**RENAU<sup>↑</sup>LUTION<sup>★</sup>**

FROM VOLUME TO VALUE

THE FUNCTIONS PUSH

THE BRANDS PULL

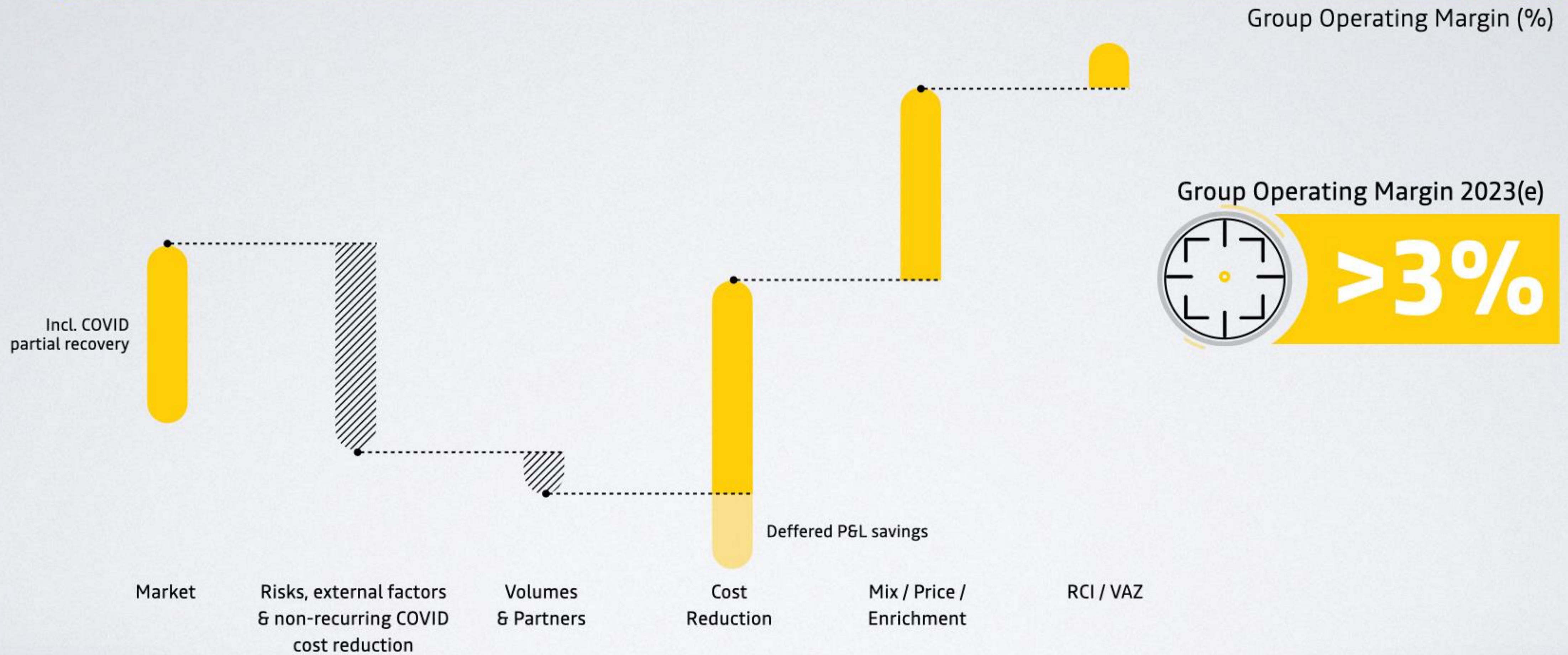
**A NEW BEGINNING**



GROUPE RENAULT

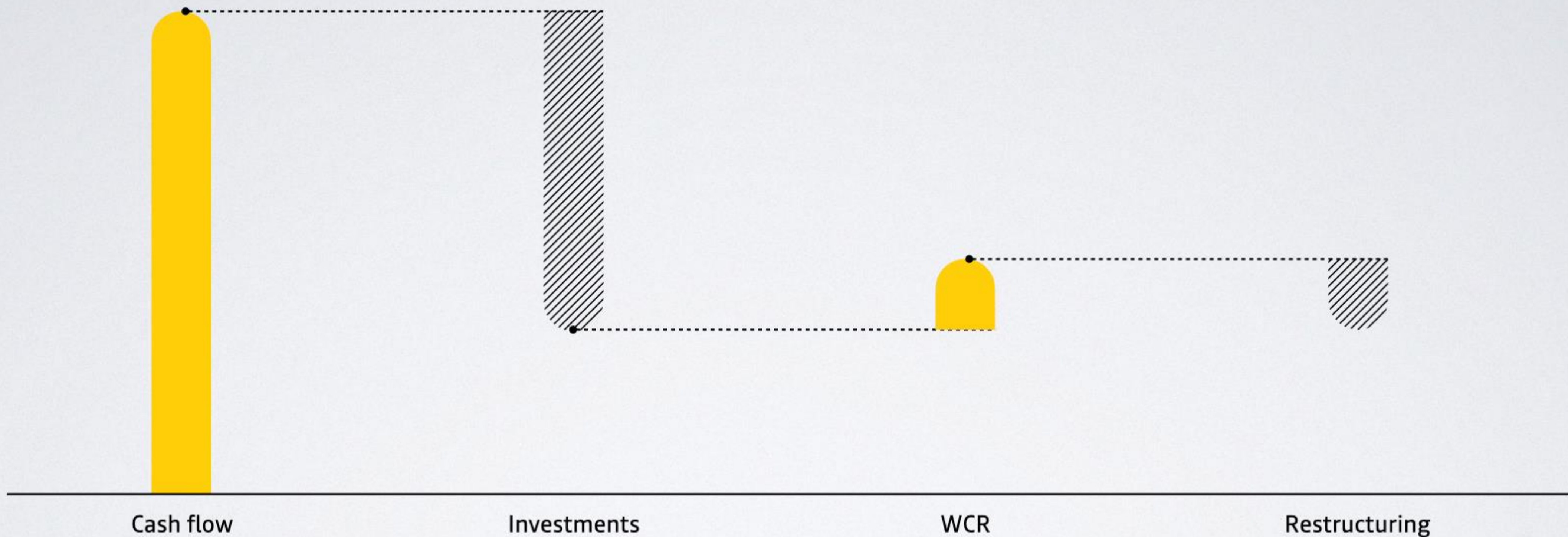
# BETTING ON VALUE RATHER THAN VOLUMES

Main levers for margin improvement, cumulated 2021-2023(e)



# REACHING SUSTAINABLE CASH GENERATION

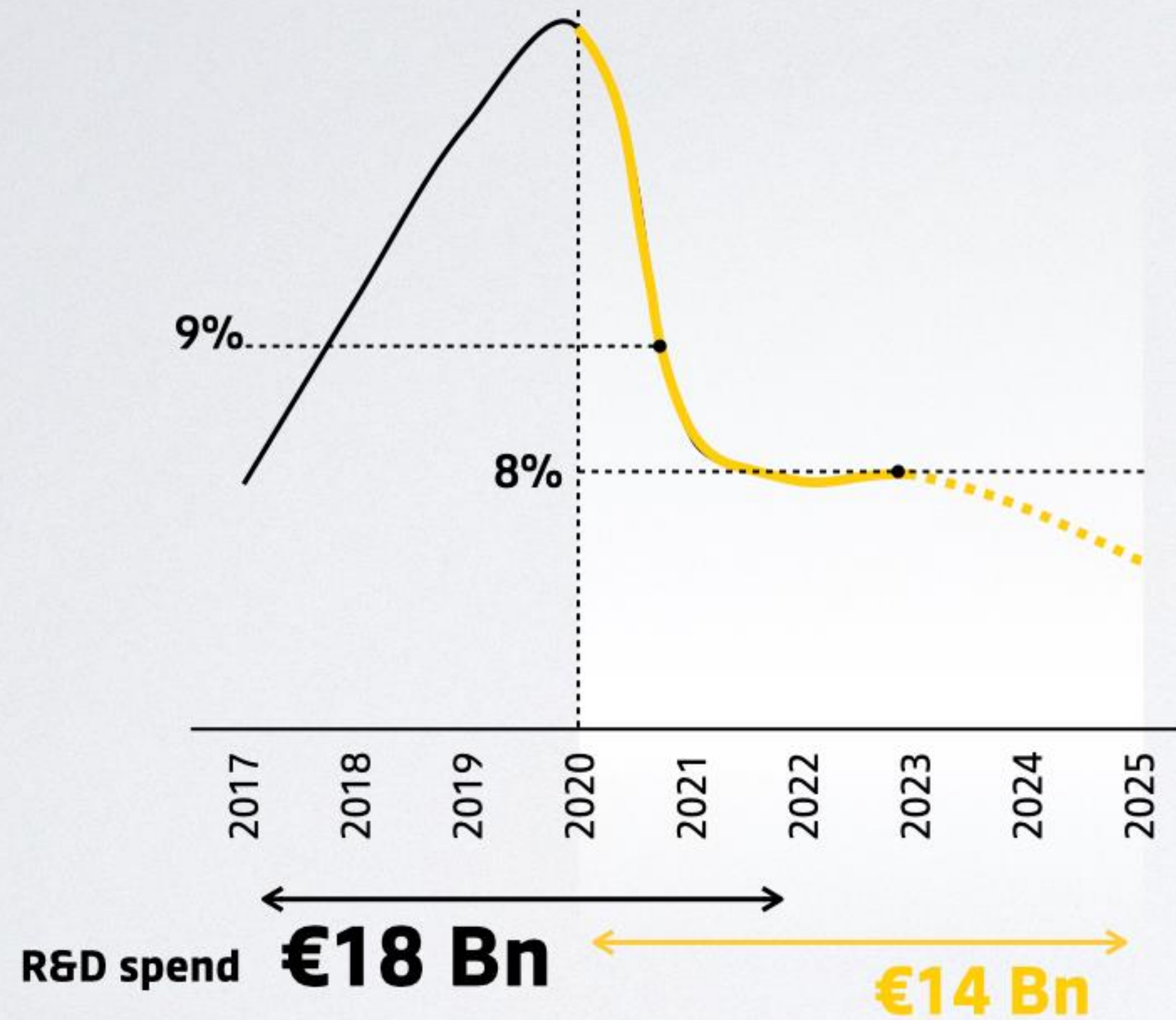
Automotive Operational FCF\*, cumulated 2021-2023(e), €M



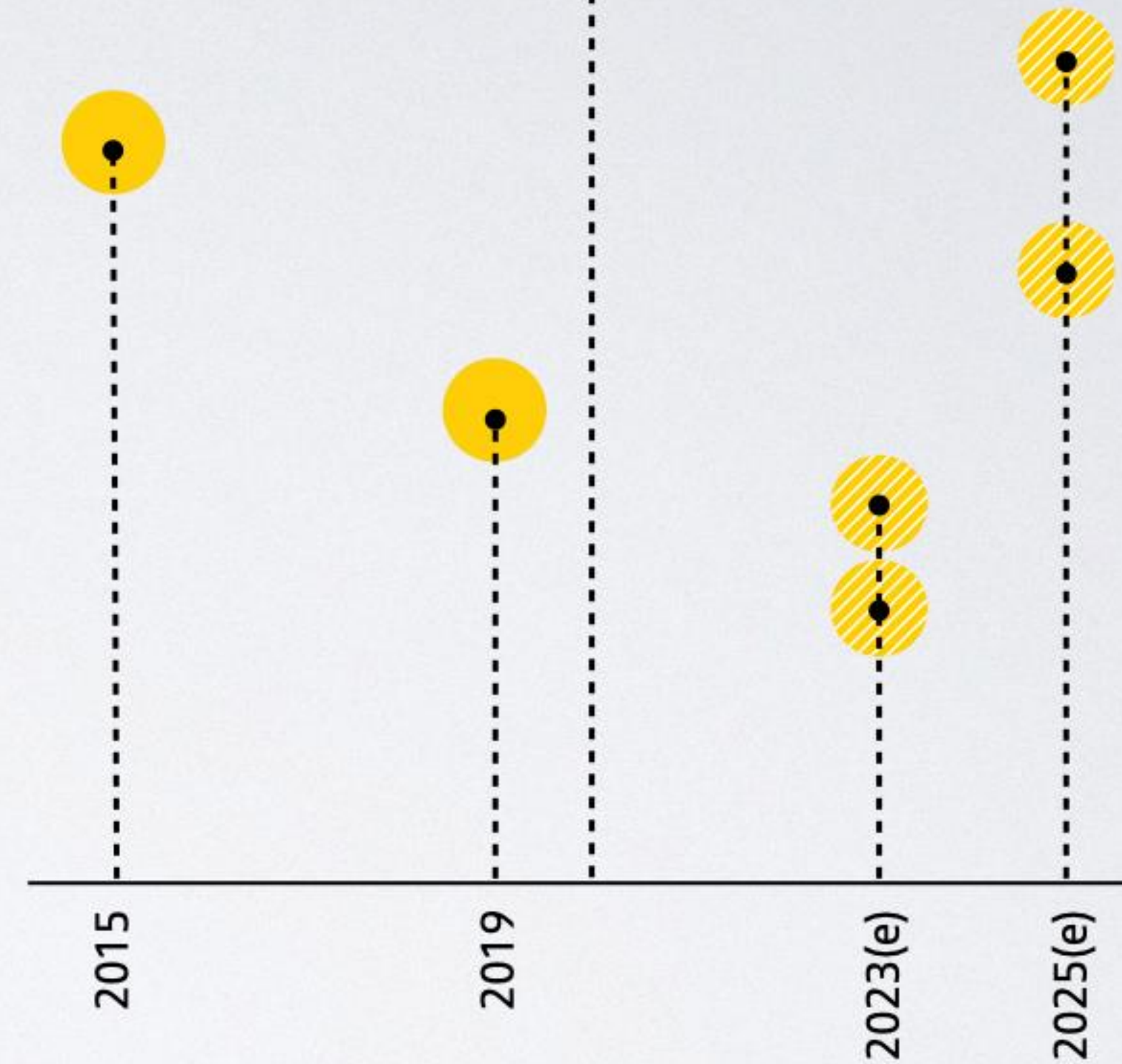
# WISELY LEVERAGING INVESTED ASSETS

## R&D and Capex

In % of revenues



## ROCE\*



Source: Groupe Renault

\* ROCE =  $\frac{\text{Auto Operating Profit (incl. VAZ)} \times (1 - \text{average tax rate})}{\text{PP\&E} + \text{intangibles assets} + \text{financial assets} - \text{investments in RCI/Nissan/Daimler} + \text{WCR}}$



**GROUPE RENAULT**

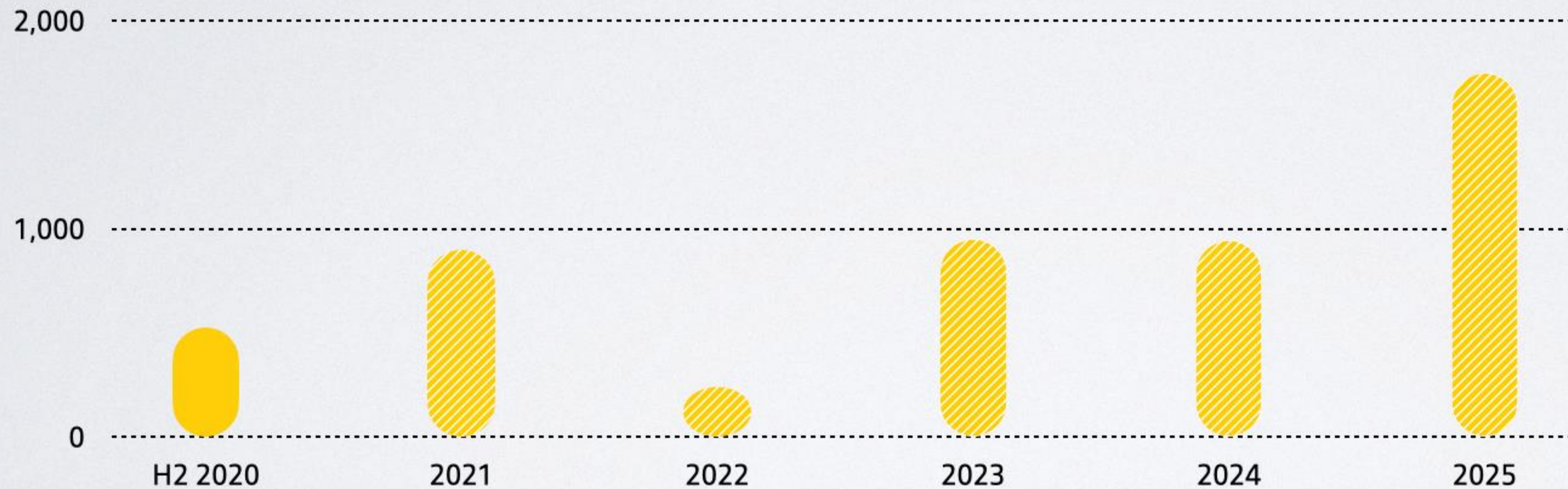
# RESURRECTION!

AUTO DIVISION LIQUIDITY RESERVES  
(2020-06-30)

€16.8Bn

## REDEMPTION SCHEDULE<sup>1</sup> 2020-2025 - RENAULT SA

Bonds, Banks & assimilated, excluding CP & redeemable shares (in million euros, at 2020-06-30)



2020-2025<sup>2</sup>  
LIQUIDITY  
RESERVES

>20%

OF REVENUES  
EVERY YEAR

Source: Groupe Renault

1. Not including state-guaranteed loan

2. With no new bond issuance



GROUPE RENAULT

# CLEAR PATH TO TURNAROUND

..... SOCIALLY & ENVIRONMENTALLY RESPONSIBLE .....

 AMBITION  
2025(e)

**PROFITABILITY**  
**≥5%**  
GROUP OPERATING MARGIN  
IN 2025

**CASH GENERATION**  
**~€6B**  
AUTO OPERATIONAL FCF  
CUMULATED 2021-2025

**ROCE**  
**≥+15pts**  
VS 2019

CAUTIOUS VOLUME ASSUMPTIONS  
POTENTIAL UPSIDE FROM PARTNERS NOT EMBEDDED

Source: Groupe Renault

Note: Ambitions based on current known emission standards

$$ROCE = \frac{\text{Auto Operating Profit (incl. VAZ)} \cdot (1 - \text{average tax rate})}{PP\&E + \text{intangibles assets} + \text{financial assets} - \text{investments in RCI/Nissan/Daimler+WCR}}$$



Auto operational FCF = cash flows after interest & tax (excl. dividends received from publicly listed companies) minus tangible & intangible investments net of disposals +/- change in the WCR

# FROM PROFITABLE CARMAKER INTEGRATING TECH...

**BY 2025**

**GROUPE  
RENAULT**



## Operational resilience

- Fixed costs reduced by >€2.5B
- Right-sized manufacturing capacity



## Product efficiency

- 3 Alliance platforms, >6 Mu in total
- 1 ICE powertrain family<sup>1</sup>
- Variable costs increase addressed & covered

**RENAULT**

**DACIA | LADA**

**ALPINE**

**MØBILIZE**

**2025**

## Focus on value

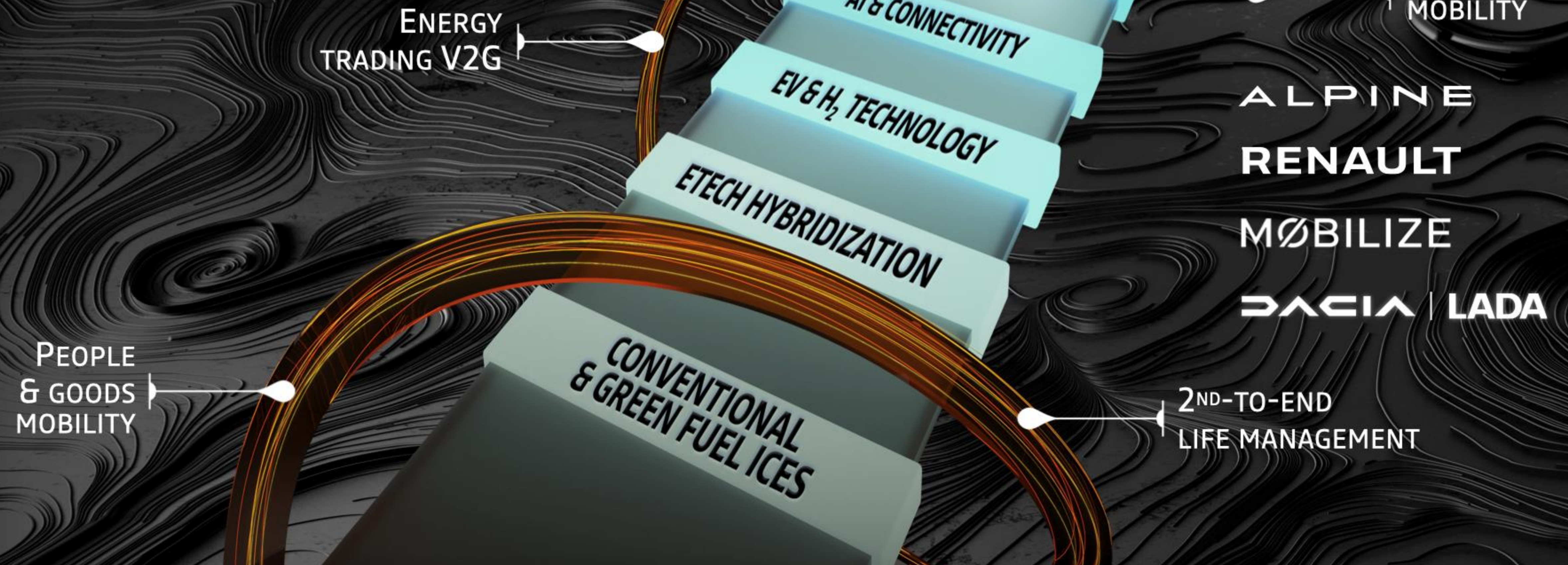
- New value-driven organization
- 24 new models, 10+ EVs launched
- EVs' contribution margin per unit > ICE
- C-seg reconquest driving price up 20%

**SOCIALLY & ENVIRONMENTALLY RESPONSIBLE**



# ... TO TECHMAKER INTEGRATING CARS

**TOWARDS 2030**





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