

## 2024 first half results

### Renault Group breaks new records and continues to improve its performance

- **New record profitability in 2024 H1:**
  - **Group revenue:** €27.0bn, +0.4% and +3.7% vs. 2023 H1 at constant exchange rates<sup>1</sup>
  - **Automotive revenue:** €24.4bn, -1.9% and +1.2% vs. 2023 H1 at constant exchange rates<sup>1</sup>
  - **Record profitability:**
    - Group operating margin: 8.1% of revenue (+0.5 points vs. 2023 H1), up €0.1bn vs. 2023 H1
    - Automotive operating margin: 6.6% of revenue (+0.4 points vs. 2023 H1)
  - **Net income:** €1.4bn (including €440m of capital loss on the disposal of Nissan shares)
  - **Solid free cash flow:** €1.3bn driven by a strong operational performance. It included €600m of Mobilize Financial Services dividend and a negative variation of working capital requirement of €209m
  - **Record automotive net cash financial position:** €4.9bn at June 30, 2024 (+€1.1bn vs. December 31, 2023)
- **Complementary and growing automotive brands:**
  - Renault brand #3 in Europe, #1 in France and leader in LCVs<sup>2</sup>
  - Dacia in the top 10 best-selling brands in Europe, with Sandero best-selling car across all channels
  - Alpine strong double-digit growth before new launches
- **Strong orderbook in Europe at 2.6 months of forward sales**, reflecting the strong order intake
- **Very healthy level of total inventories at 500ku** at June 30, 2024 (down 69ku yoy)
- **Renault Group confirms its 2024 financial outlook:**
  - A Group operating margin  $\geq 7.5\%$
  - A free cash flow  $\geq \text{€}2.5\text{bn}$

*“These record results are the fruit of a considerable work made by the Renault Group teams over the last years. Our efforts to reduce costs and focus our commercial policy on value are reflected in a new line-up, the best one that this company has had in 3 decades. We have implemented the traditional levers of performance improvement, but we have also reconnected the company with the innovative mindset that once made its golden years.*

*For some months now, we have been accelerating our transformation to become the most progressive European automotive company. 5 focused businesses, a horizontal and ecosystemic approach, the strengthening of our supply chain, key processes optimization (“speed of lightness” program), AI deployment at all levels and across all value chains: these are the key ingredients of this Renault’s new secret sauce. Flexibility, agility and innovation continue to drive performance improvement and efficient capital allocation. And the most important: Renault Group’s people are fully committed to achieve this transformation. This is passion, fueling sustainable value creation for all our stakeholders”, said Luca de Meo, CEO of Renault Group.*

<sup>1</sup> In order to analyze the variation in consolidated revenue at constant exchange rates, Renault Group recalculates the revenue for the current period by applying average exchange rates of the previous period.

<sup>2</sup> Excluding pick-up trucks.

Boulogne-Billancourt, July 24, 2024

## Financial results

**Group revenue** reached €26,958 million, up 0.4% compared to 2023 H1. At constant exchange rates<sup>1</sup>, it increased by 3.7%.

**Automotive revenue** stood at €24,372 million, down 1.9% compared to 2023 H1. It included 3.1 points of negative exchange rates effect (-€779 million) mainly related to the devaluation of the Argentinean peso and to a lesser extent of the Turkish lira. At constant exchange rates<sup>1</sup>, it increased by +1.2%. This evolution was mainly explained by the following:

- A price effect of +1.8 points, mostly to offset currency devaluations mainly in Argentina and Turkey. As already announced, Renault Group has entered a phase of price stabilization combined with price repositioning of targeted products enabled by cost reduction.
- A positive product mix effect of +1.0 point, which reflected a gradual improvement in line with the Group's recent launches (Scenic, Rafale and Espace). It has more than offset the negative effect from the end of life of Zoe and the continuing success of Sandero. This positive effect will continue to improve in the coming quarters.
- A positive geographic mix of +1.1 points, driven by the Group's activity in Europe.
- A negative volume effect of -4.7 points. The 1.9% increase in registrations was more than offset by a destocking within the dealership network in 2024 H1 compared to an important restocking in 2023 H1. As of June 30, 2024, total inventories of new vehicles stood at a very healthy level and represented 500'000 vehicles (down 69k units yoy), of which 369'000 at independent dealers and 131'000 at Group level.
- A stable effect of sales to partners of +0.2 points, due to the decrease of new vehicles sales to partners in a transition year before the launch of new products as anticipated, offset by R&D billings in line with the ramp-up of Group's partnerships.
- A positive "Other" effect of +1.8 points, thanks to the robust performance of parts and accessories as well as dynamic used cars sales.

The **Group** posted a record **operating margin** at 8.1% of revenue versus 7.6% in 2023 H1, up 0.5 points.

**Automotive operating margin** stood at €1'600 million versus €1'541 million in 2023 H1. It represented 6.6% of Automotive revenue, an improvement of +0.4 points versus 2023 H1. This evolution was mainly explained by the following:

- A positive impact of foreign exchange of €93 million, mostly attributable to the impact of the Turkish lira devaluation on production costs.
- A negative volume effect of €329 million, mostly driven by the destocking previously mentioned.

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- In 2024 H1, price/mix/enrichment effect was a positive of €51 million and costs decreased by €262 million thanks to a strong purchasing performance and to a lesser extent to a raw materials tailwind. Together, it represented a positive impact of €313 million.

Renault Group continues to reduce its costs and to pass part of those gains to its customers which allows the Group to boost its competitiveness by offering attractive vehicles in terms of price and content while offsetting regulatory requirements, especially on new models and facelifts. Renault Group's strategy is to work on the combination of these two effects, with the sole objective to improve margins.

- A positive effect of R&D of €153 million: the increase in gross R&D spendings and the lower capitalization rate (-6.2 pts versus 2023 H1) were more than offset by R&D billings, in line with the ramp-up of the Group's partnerships, and lower amortization of capitalized R&D expenses.
- A negative impact of SG&A, which increased by €109 million, mainly driven by an increase of marketing costs related to the brands' offensives and to the current performance of motorsport activities.
- Prior to deconsolidation, Horse was under the IFRS 5 assets held for sale accounting treatment and therefore, amortization of its assets had been suspended. Since Horse was deconsolidated on May 31<sup>st</sup>, 2024, invoices paid to Horse by Renault Group include the cost of amortization again as well as Horse's mark up. The cumulated effect of these 2 elements represented €55 million for the month of June.

The contribution of **Mobilize Financial Services** (Sales Financing) to the Group's operating margin reached €593 million, up €75 million vs. 2023 H1, mainly thanks to the continuous strong growth of the customer financing activity as well as -€37 million of non-recurring negative impact of swaps valuation in 2023 H1.

**Other operating income and expenses** were negative at -€277 million (vs. +€56 million in 2023 H1) and included notably +€286 million of capital gain on Horse deconsolidation, -€440 million of capital loss on Nissan shares disposal made in March 2024 and restructuring expenses for -€123 million.

After considering other operating income and expenses, the **Group's operating income** stood at €1'898 million compared to €2'096 million in 2023 H1.

**Net financial income and expenses** amounted to -€385 million compared to -€260 million in 2023 H1. This variation is mostly explained by the impact of hyperinflation in Argentina.

The **contribution of associated companies** amounted to €195 million compared to €566 million in 2023 H1.

**Current and deferred taxes** represented a charge of -€328 million compared to a charge of -€278 million in 2023 H1. The effective tax rate amounted to 17% at the end of June 2024, up +2 pts versus 2023 H1, due to the first year of implementation of Pillar 2 directive and other deferred tax impacts.

Thus, **net income** stood at €1'380 million, including the capital loss on Nissan shares disposal. **Net income, Group share**, was €1'293 million (or €4.74 per share).

The **cash flow of the Automotive business** reached €2'972 million in 2024 H1 and included €600 million of Mobilize Financial Services dividend.

Excluding the impact of asset disposals, the Group's net CAPEX and R&D stood at €2'143 million i.e. 7.9% of revenue compared to 6.9% of revenue in 2023 H1. Assets disposals amounted to €28 million, compared to €197 million in 2023 H1. Group's net CAPEX and R&D amounted to 7.8% of revenue including asset disposals.

**Free cash flow<sup>1</sup>** stood at €1'257 million and included a negative change in working capital requirement of -€209 million.

**The Automotive net cash financial position** stood at the record level of €4'860 million on June 30, 2024, compared to €3'724 million on December 31, 2023, an improvement of €1'136 million.

This increase was driven by the strong free cash flow, a positive impact of Horse deconsolidation (+€420 million), cash received from the disposal of Nissan shares (+€358 million), dividends received from Nissan (+€142 million). It was partly offset by dividends paid to shareholders for -€628 million and financial investments for -€355 million, of which -€215 million in Flexis SAS.

**Liquidity reserve** at the end of June 2024 stood at a high level at €17.6 billion.

## 2024 FY financial outlook

Renault Group confirms its 2024 FY financial outlook:

- **Group operating margin superior or equal to 7.5%**
- **Free cash flow superior or equal to €2.5bn**

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<sup>1</sup> Free cash flow: cash flow after interest and taxes (excluding dividends received from listed companies) less tangible and intangible investments net of disposals +/- change in working capital requirement.

## Renault Group's consolidated results

In € million	2023 H1	2024 H1	Change
<b>Group revenue</b>	<b>26'849</b>	<b>26'958</b>	<b>+0.4%</b>
<b>Operating margin</b>	<b>2'040</b>	<b>2'175</b>	<b>+135</b>
<i>% of revenue</i>	<i>7.6%</i>	<i>8.1%</i>	<i>+0.5 pts</i>
<b>Other operating income and expenses</b>	<b>56</b>	<b>-277</b>	<b>-333</b>
<b>Operating income</b>	<b>2'096</b>	<b>1'898</b>	<b>-198</b>
<b>Net financial income and expenses</b>	<b>-260</b>	<b>-385</b>	<b>-125</b>
<b>Contribution from associated companies<sup>1</sup></b>	<b>566</b>	<b>195</b>	<b>-371</b>
<b>Current and deferred taxes</b>	<b>-278</b>	<b>-328</b>	<b>-50</b>
<b>Net income</b>	<b>2'124</b>	<b>1'380</b>	<b>-744</b>
<b>Net income, Group share</b>	<b>2'093</b>	<b>1'293</b>	<b>-800</b>
<b>Free cash flow</b>	<b>1'775</b>	<b>1'257</b>	<b>-518</b>
<b>Automotive net financial position</b>	<b>3'724</b> at 2023-12-31	<b>4'860</b> at 2024-06-30	<b>+1'136</b>

<sup>1</sup> Subject to the approval by the governing bodies of the associated companies.

## Additional information

The condensed half-year consolidated financial statements of Renault Group at June 30, 2024 were reviewed by the Board of Directors on July 24, 2024.

The Group's statutory auditors have conducted a limited review of these financial statements and their half-year report will be issued shortly.

The financial report, with a complete analysis of the financial results in the first half of 2024, is available at [www.renaultgroup.com](http://www.renaultgroup.com) in the "Finance" section.

## 2024 H1 Financial Results Conference

Link to follow the conference on July 25, 2024, from 8am CEST and available in replay:

[2024 H1 conference streaming](#)

## About Renault Group

Renault Group is at the forefront of a mobility that is reinventing itself. Strengthened by its alliance with Nissan and Mitsubishi Motors, and its unique expertise in electrification, Renault Group comprises 4 complementary brands - Renault, Dacia, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.235 million vehicles in 2023. It employs more than 105,000 people who embody its Purpose every day, so that mobility brings people closer.

Ready to pursue challenges both on the road and in competition, Renault Group is committed to an ambitious transformation that will generate value. This is centred on the development of new technologies and services, and a new range of even more competitive, balanced, and electrified vehicles. In line with environmental challenges, the Group's ambition is to achieve carbon neutrality in Europe by 2040.

[www.renaultgroup.com](http://www.renaultgroup.com)

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