

# ANNUAL GENERAL MEETING

10 MAY 2017



# ANNUAL GENERAL MEETING – 10 MAY 2017

Louis Gallois

Chairman of the Supervisory Board



# ***FINANCIAL*** ***RESULTS***

**Jean-Baptiste de Chatillon**  
CFO and Member of the Managing Board

## FINANCIAL RESULTS : NET INCOME GROUP SHARE x 2

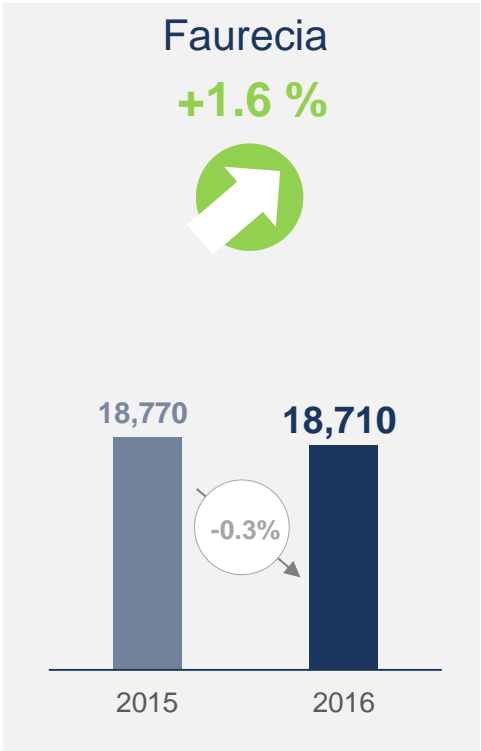
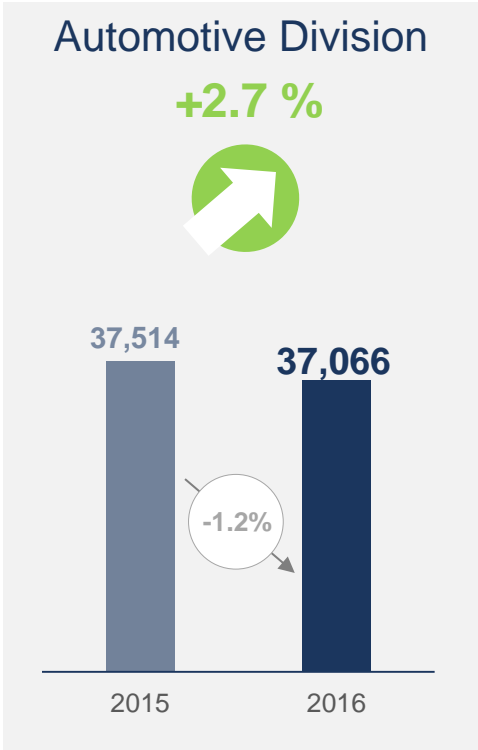
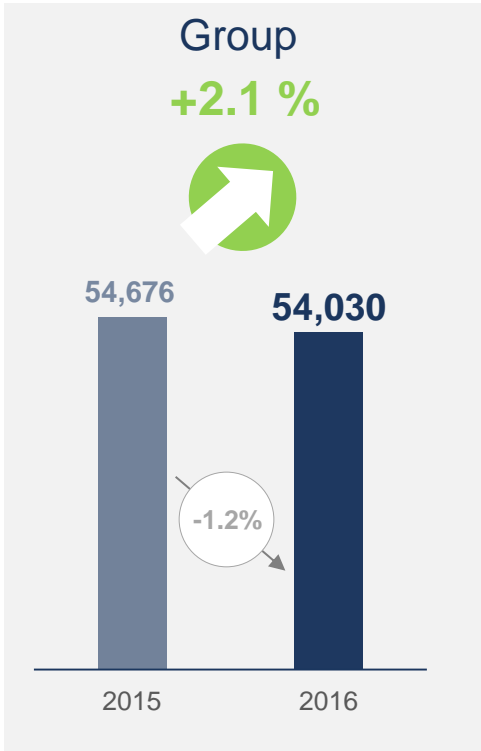
*In million Euros*

	2015	2016	Change
Revenue	54,676	54,030	(646)
<b>Recurring Operating Income</b>	<b>2,733</b>	<b>3,235</b>	<b>502</b>
% of revenue	5.0%	6.0%	
Non-recurring operating income and (expenses)	(757)	(624)	133
<b>Operating income</b>	<b>1,976</b>	<b>2,611</b>	<b>635</b>
Net financial income (expenses)	(642)	(268)	374
Income taxes	(706)	(517)	189
Share in net earnings of companies at equity	437	128	(309)
Net result from operations to be continued in partnership	137	195	58
<b>Consolidated net income / (loss)</b>	<b>1,202</b>	<b>2,149</b>	<b>947</b>
<b>Net income, Group Share</b>	<b>899</b>	<b>1,730</b>	<b>831</b>

# GROUP REVENUE : +2.1 % AT CONSTANT EXCHANGE RATES

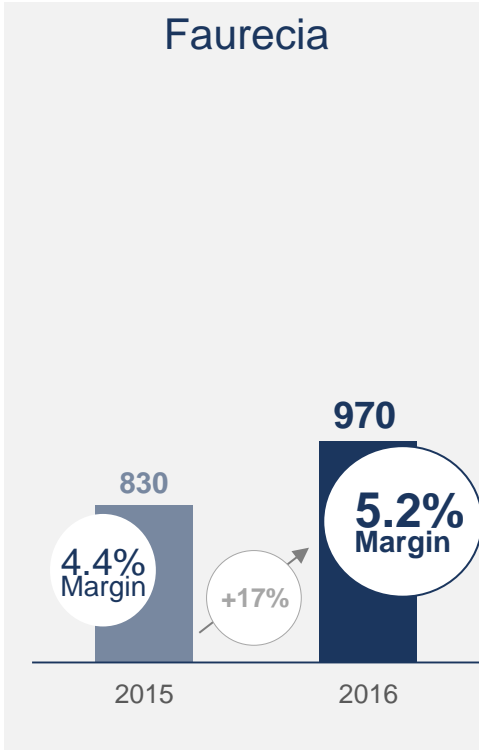
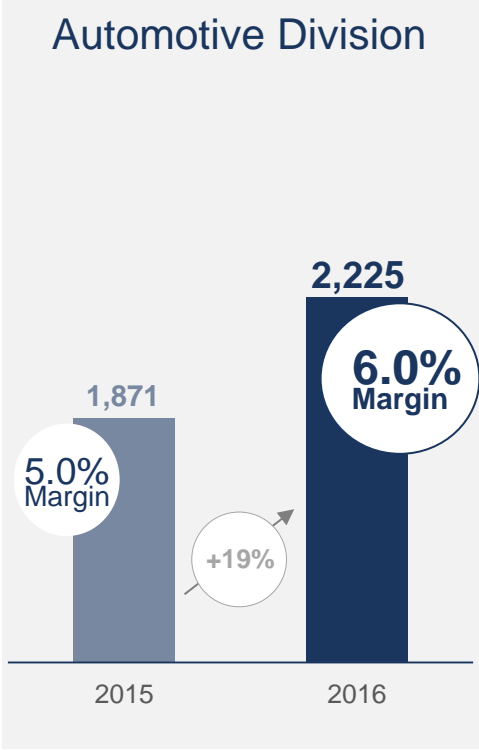
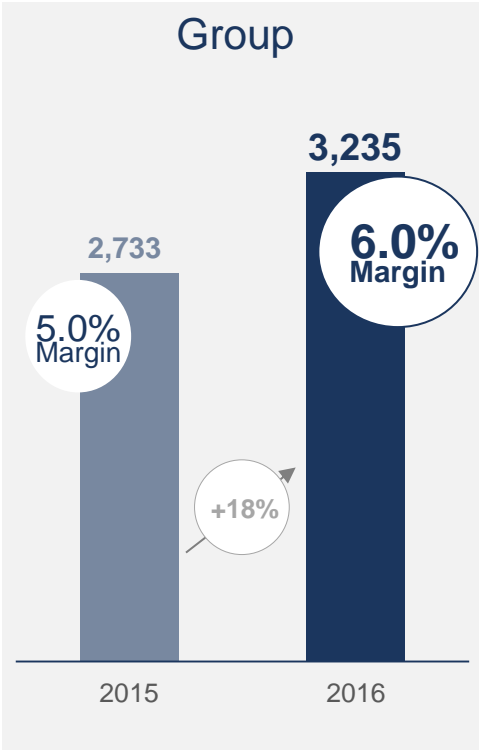
In million Euros

At constant  
Exchange  
Rates\*



# GROUP RECURRING OPERATING INCOME & MARGIN

In million Euros

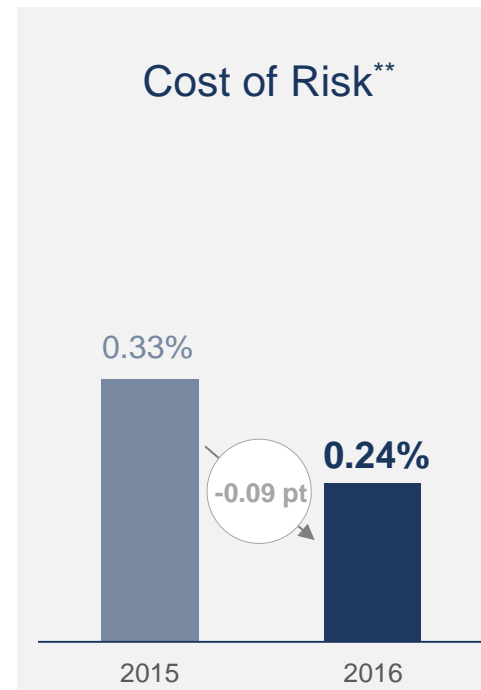
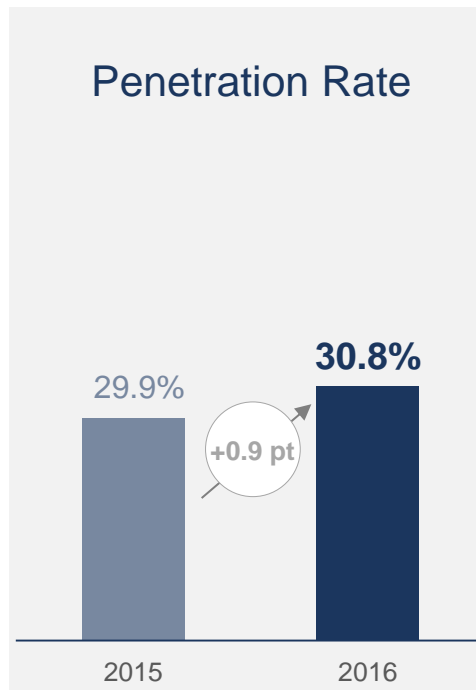
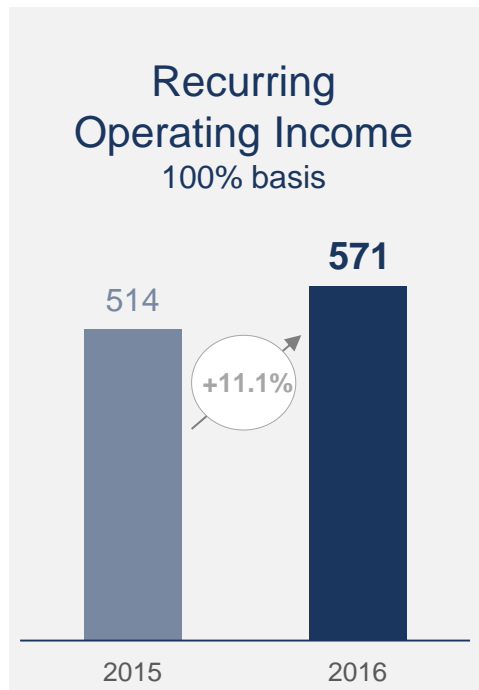


# AUTOMOTIVE RECURRING OPERATING INCOME ANALYSIS

In million Euros



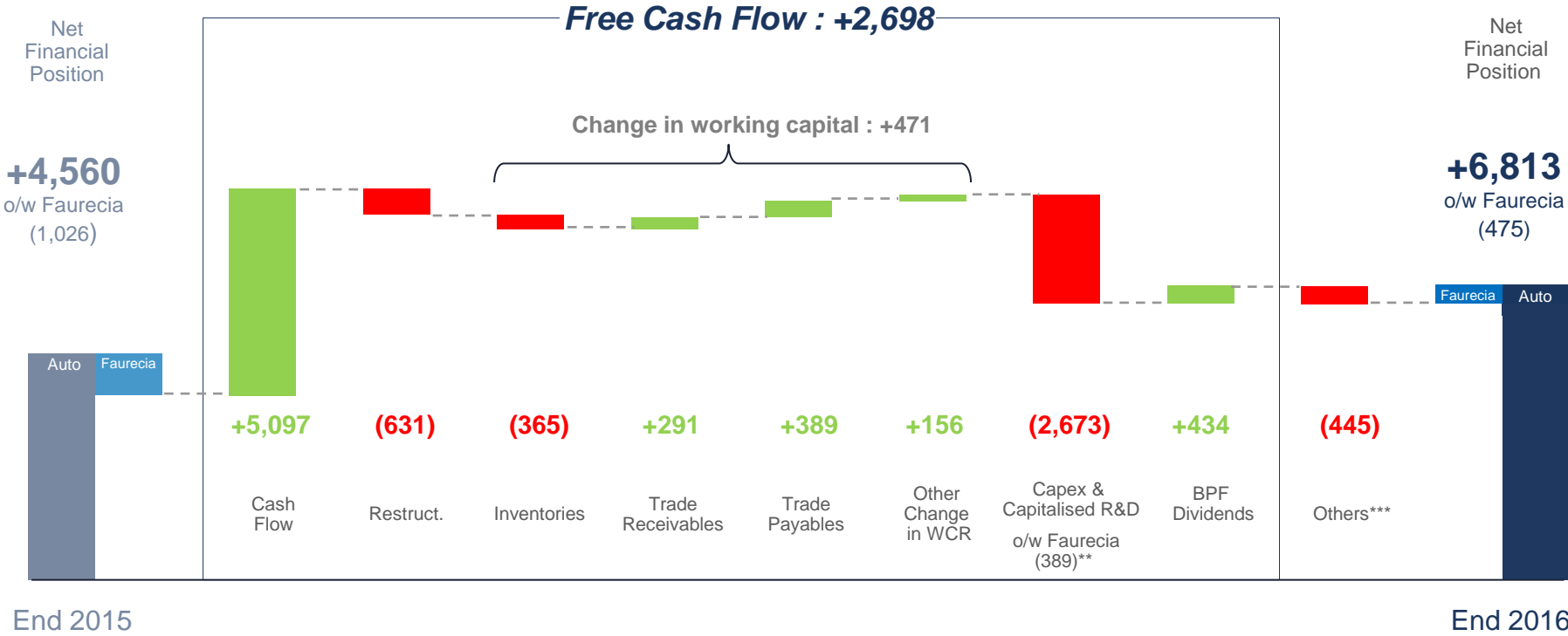
In million Euros





# CASH FLOW ANALYSIS\*

In million Euros



\* Manufacturing and Sales Companies  
\*\* Including €604M from Faurecia Automotive Exteriors sale  
\*\*\* Including warrants exercised (+ € 330 M), operations held for sale (-€255M), conversion differences (-€196M) & dividends to Faurecia minority interests (-€123M)



# ***Q1 HIGHLIGHTS***



## EUROPE - PRODUCT BLITZ

**NEW CITROEN C3**  
**100,000 ORDERS SINCE LAUNCH**  
**65% 2-TONE / 45% ON HIGHEST LEVEL**



New Citroen C3

## EUROPE - PRODUCT BLITZ

**NEW PEUGEOT 3008**  
**125,000 ORDERS SINCE LAUNCH**  
**>80% ON HIGHEST LEVELS**



New Peugeot 3008

## EUROPE - PRODUCT BLITZ

**1<sup>ST</sup> IN LCVs in EUROPE**  
**3 SEGMENTS = 3 PODIUMS**  
**SALES UP +10%**



New Citroen Jumpy



## EUROPE - PRODUCT BLITZ

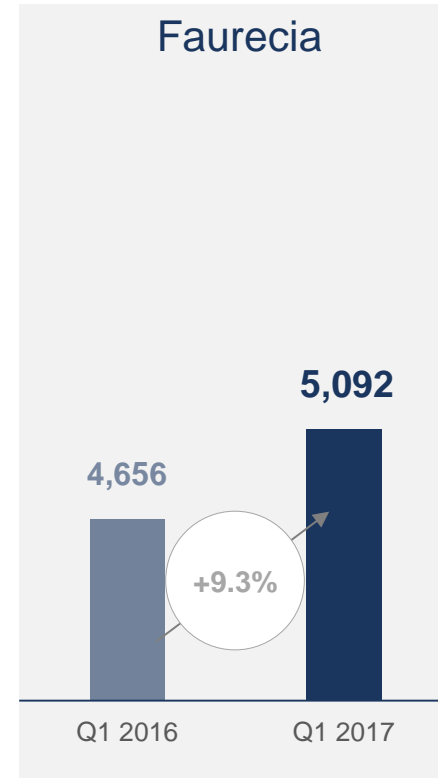
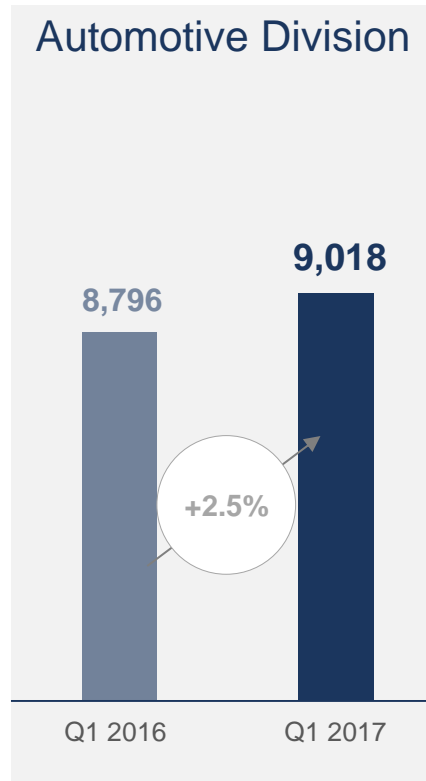
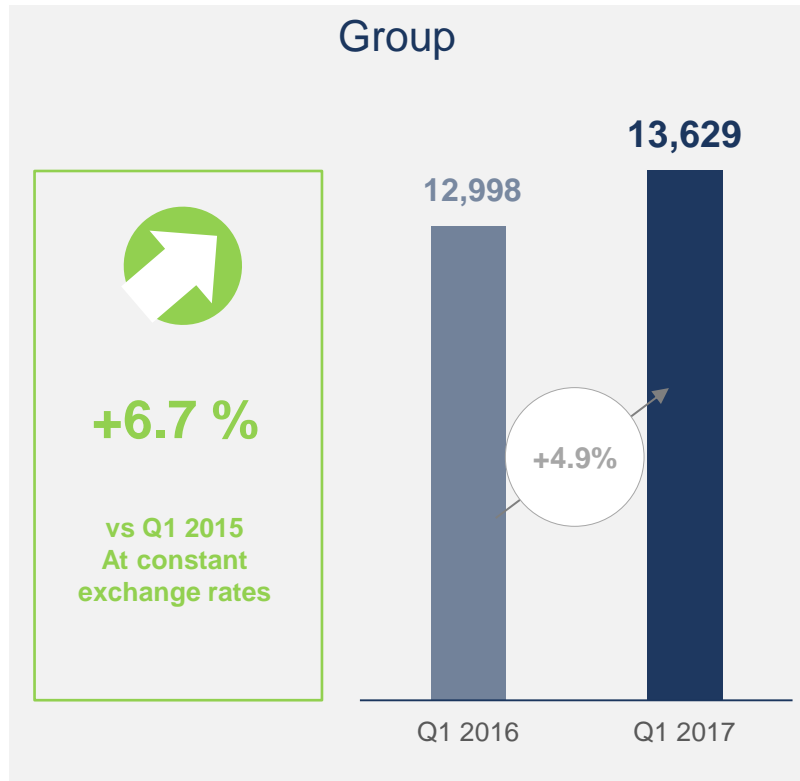
### **DS 7 CROSSBACK THE NEW SUV BY DS, INNOVATIVE SAVOIR-FAIRE FROM PARIS**



DS 7 Crossback

# GROUP REVENUE\*: +6.7 % CUMULATED GROWTH AT 2015 EXCHANGE RATES

In million Euros



## 2017 Market Outlook

EUROPE

**+ 1%**

CHINA

**+ 5%**

LATIN AMERICA

**+ 2%**

RUSSIA

**-**

## Operational Outlook

**Deliver over 4.5% Automotive Recurring Operating Margin\*** on average in 2016-2018, and target over 6% by 2021

**Deliver 10% Group Revenue growth by 2018\*\*** vs 2015, and target additional 15% by 2021\*\*



# ***PUSH***<sup>TO</sup> ***PASS***

Carlos Tavares  
Chairman of the Managing Board

**Recurring Operating Margin\***

Automotive Division

**6%**

**Worldwide Unit Sales\*\***

(in millions)

**3.15**

**Free Cash Flow (€bn)**

2016\*\*\*

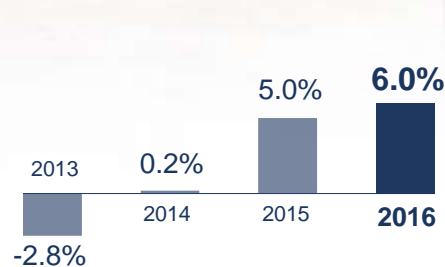
**+ 2.7**



**For the 3<sup>rd</sup> year in a row : ROI UP, Volumes UP, Positive FCF**

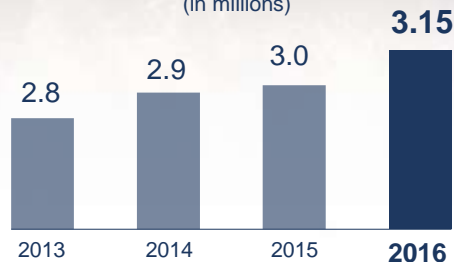
**Recurring Operating Margin\***

Automotive Division



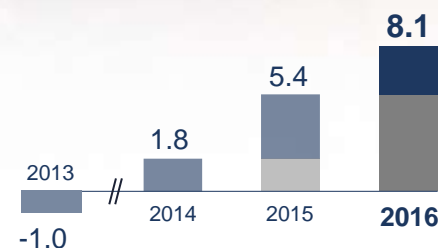
**Worldwide Unit Sales\*\***

(in millions)



**Cumulated Free Cash Flow (€bn)**

Since end 2013



\* Recurring Operating Income related to Revenue

\*\* Assembled Vehicles, CKDs and vehicles under license - Detail in attachment

\*\*\* FCF for Sales & Manufacturing companies

# *PUSH* **TO** *PASS*

**ROADMAP FOR PROFITABLE GROWTH**

**BUSINESS  
SENSE**

**COMPETITIVE  
MINDSET**

**MERITOCRACY**

## SUSTAINABLE PERFORMANCE - OPERATIONAL OUTLOOK IMPROVED

### AUTOMOTIVE RECURRING OPERATING MARGIN

**>4.5%**

average over 2016-2018

**>6%**

by 2021

Deliver **over 4.5%** Automotive Recurring Operating Margin\* on average in 2016-2018, and target over **6%** by 2021

### GROUP REVENUE

**+10%**

by 2018\*\* vs 2015

**+25%**

by 2021\*\* vs 2015

Deliver **10%** Group Revenue growth by 2018\*\* vs 2015, and target additional **15%** by 2021\*\*



# ***PUSH TO PASS***

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# ***HIGHLIGHTS***

# PSA GROUP 2021

FROM TURNAROUND TO PROFITABLE SUSTAINABLE GROWTH  
A CUSTOMER DRIVEN TRANSFORMATION



**A GREAT CAR MAKER**  
With cutting edge efficiency



**A MOBILITY PROVIDER**  
For a lifetime customer relationship

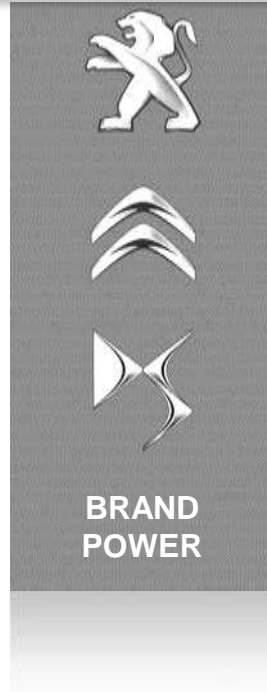
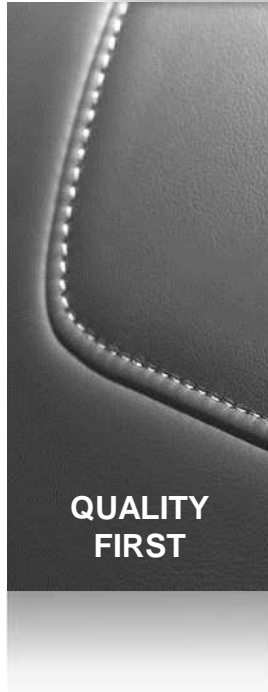
**DIGITAL BOOSTER**

**A COMPETITIVE TEAM TO CHALLENGE BENCHMARKS**



# A GREAT CAR MAKER

## CUTTING EDGE EFFICIENCY



# QUALITY FIRST – UNCOMPROMISING ATTITUDE

2 cars among  
7 finalists

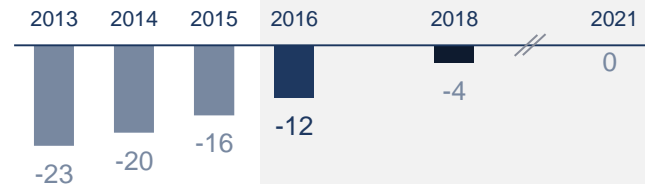


RV New 3008 +10 pts  
vs previous 3008 at launch

3008 awarded



## Push to Pass Roadmap



Industrial Right-First Time-Through<sup>(3)</sup>  
vs benchmark

## PRODUCTS



(1)



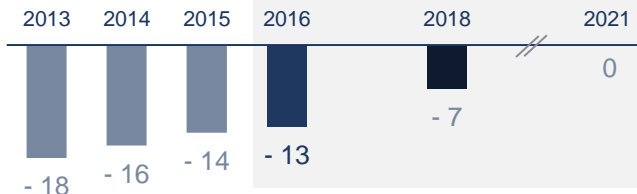
(2)



Top 5 - Customer satisfaction

## SERVICES

## Push to Pass Roadmap



Aftersales customer recommendation<sup>(4)</sup>  
vs benchmark



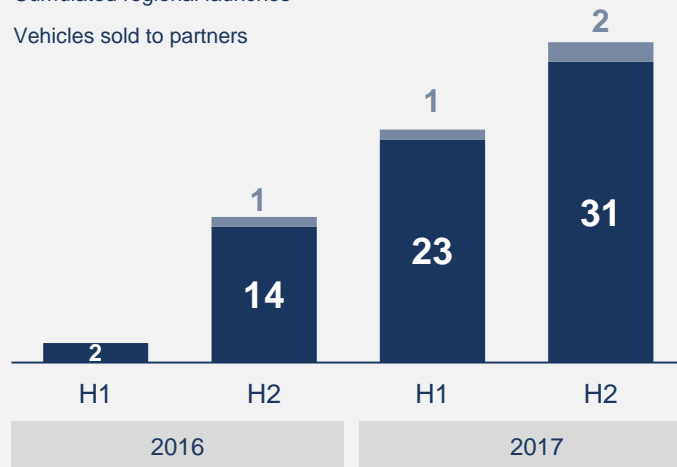
## CORE MODEL STRATEGY – PRODUCT BLITZ ON TRACK



### Rich product momentum as planned

Cumulated local launches across 6 regions

- Cumulated regional launches
- Vehicles sold to partners



**31 regional launches by end 2017**

Out of 121 planned over 2016 - 2021

# CORE TECHNO STRATEGY – TECHNO PUSH ON 2 MULTI-ENERGY PLATFORMS



...towards a full range of vehicles built on  
**2 MULTI-ENERGY PLATFORMS**

c.**80%**  
**ELECTRIFIED CORE MODELS**  
**BY 2023\*\***

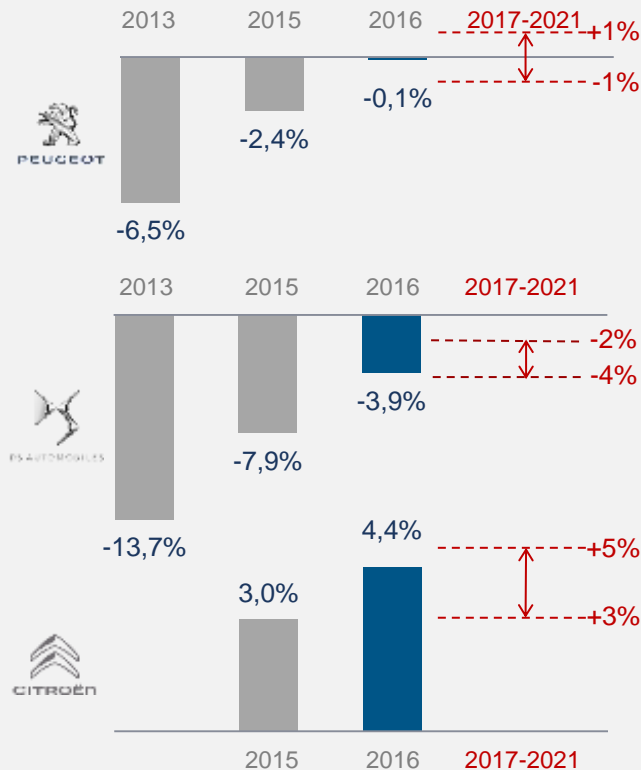
From dedicated  
products & architectures...

**2016 EV**  
**Registrations +67 %\***

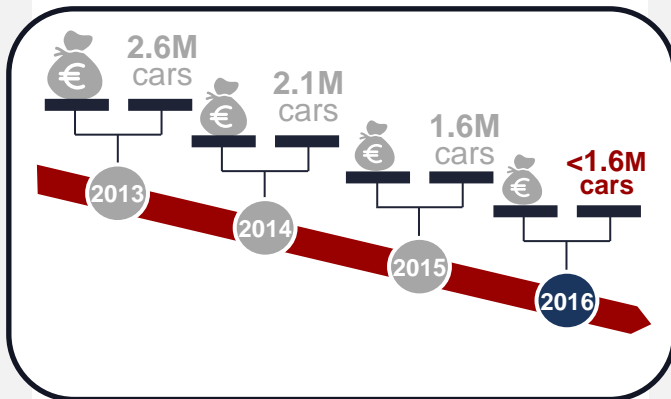
**2016 EV**  
**market +5 %\***

# A GREAT CAR MAKER: Efficient and Agile

## Pricing power up in Europe <sup>(1)</sup>

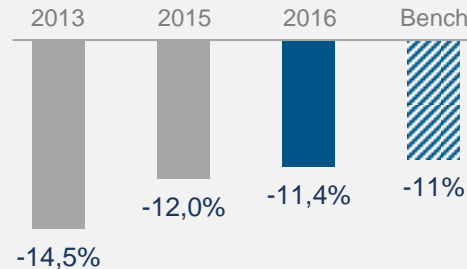


*Break-even point lowered  
by more than 1M cars <sup>(2)</sup> ...*

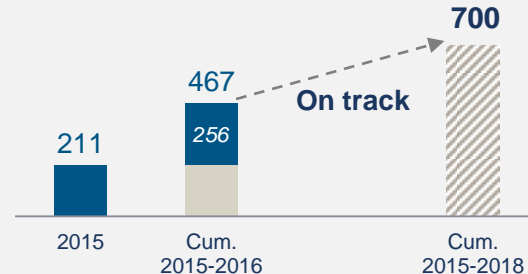


*At dawn of a product blitz...*

## Fixed costs down Wages / Revenue <sup>(3)</sup>

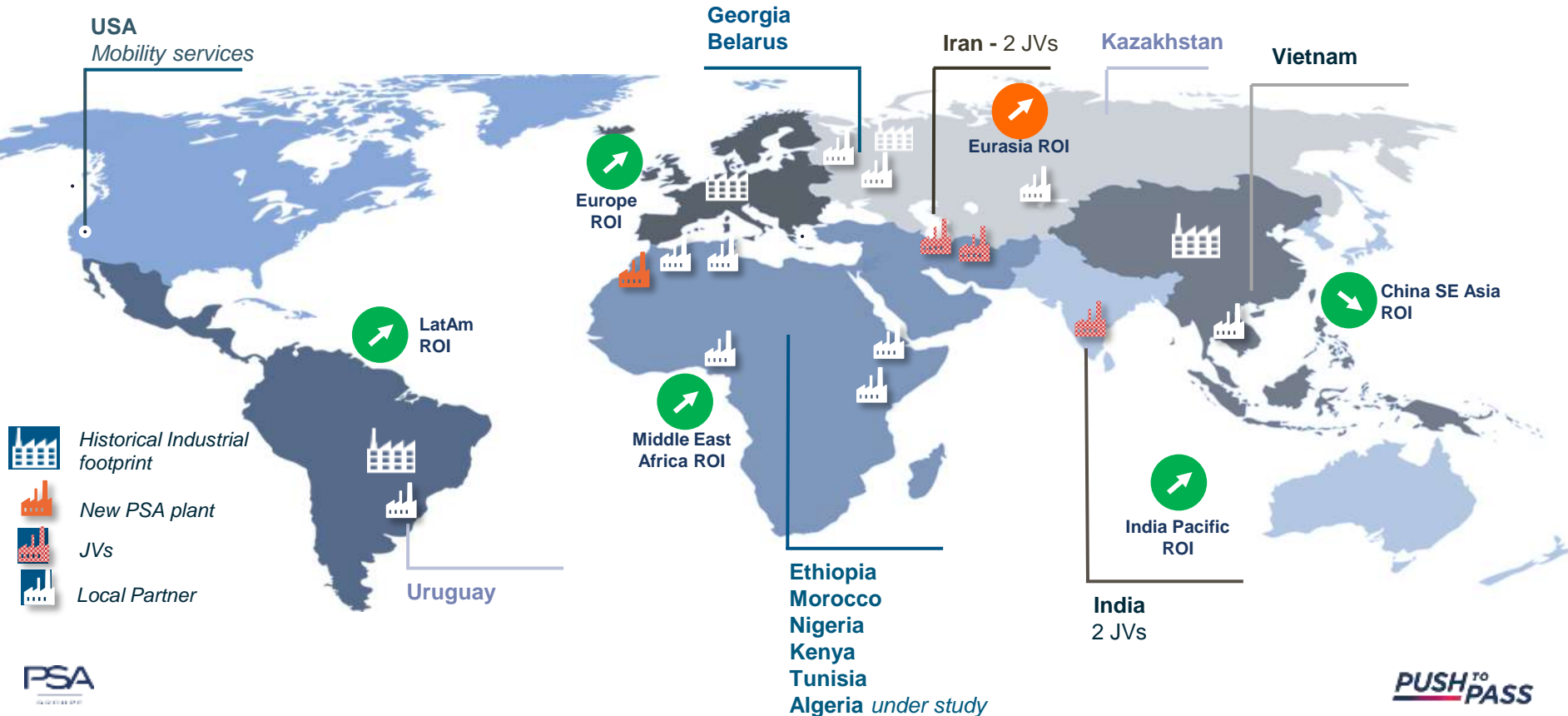


## Variable costs down Production cost Savings <sup>(4)</sup> (€/veh)



# A GREAT CAR MAKER: Tackling new frontiers

## New geographical developments



# A MOBILITY PROVIDER

FOR A LIFETIME CUSTOMER RELATIONSHIP



**CUSTOMER  
INSIDE**

**MULTI-BRAND  
AFTERMARKET**

**USED CARS  
NEW  
CUSTOMERS**

**CONNECTED  
AND  
MOBILITY  
SERVICES**

**HASSLE  
FREE  
MOBILITY**

**NORTH  
AMERICA  
10 YEAR  
PROJECT**

**ENLARGE OUR CUSTOMER BASE**

## Co-creative process

### Online products and services results



★★★★★ 4.7/5

34 countries  
by end 2017



## A seamless customer journey

### Selling online

#### 2 countries launched

Brazil Nov. 2016  
UK Jan. 2017



5 countries  
by end 2017

## A personalised relationship

### Connected vehicles Proactive maintenance service



c.70 000 customers

8.1/10 satisfaction rate  
89% service recommendation

### Online aftersales appointments

c.160 000  
entries booked  
in Europe





## MULTI-BRAND AFTERMARKET – STRONG ENABLERS TO BUILD PROFITABLE GROWTH

**Multi-brand  
References**  
c.44,000

**Parc Coverage\***  
95%

**ROI & Turnover  
UP\*\***



2015

2016

2017

2021

16

67

140

*Spare parts distribution Hubs*



5

13

14

20

*Mister Auto markets*



2,100

2,645

>4,000

10,000

*Euro Repar Car Service Repairers*

**+10% Sales  
by 2018\*\***



## CAR SHARING - ONE SINGLE APP FOR ALL MOBILITY CUSTOMER NEEDS

# FREE2MOVE

**1 SINGLE APP**  
Launched in Feb. 2017



**150,000 USERS**

★★★★☆ 4.2/5

**22 mobility providers**  
**16 cities in 5 countries**



## MOBILITY SERVICES ENRICHMENT By end 2017

**emov**

Madrid,  
45K reg. users



France & more,  
300K reg. users

**Koolicar**

France,  
170K reg. users

**Communauto**

Canada & France,  
48K reg. users

**Bolloré**

Bordeaux & Lyon, Los Angeles  
6K reg. users

& more to come ...

## GEOGRAPHIC DEPLOYMENT By end 2017



& more to come ...

**PROFITABLE GROWTH :**

**PERFORMANCE MATTERS  
MORE THAN SIZE**

**GROWTH AS A REWARD  
OF A JOB WELL DONE**

**FOCUS ON EXECUTION AND STAY OPEN TO STRATEGIC OPPORTUNITIES**





VAUXHALL

## *PSA & Opel / Vauxhall Alliance: Driving Towards A Better Future*



PEUGEOT



CITROËN



DS AUTOMOBILES

FREE2  
MOVE

# A Game-Changing Alliance for PSA & Opel / Vauxhall

- **Leading European OEM: #1 / #2 Positions Across Key Markets**
- **Complementary Brands**
- **Drive Efficiency on a Higher Scale**
- **Stronger Homebase to Address International Growth Opportunities**
- **Step-Change in Innovation Capability**



**4.3 MM**

Vehicles

**€55 Bn**

Auto Revenue<sup>(1)</sup>

**€4.8 Bn**

Auto EBITDA<sup>(2)</sup>

**+50%**

R&D Spend

# Alliance Will Enhance Push-to-Pass and Raise Opel / Vauxhall to Industry Benchmark



Current Perimeter



Group Revenue

10%

Growth<sup>(1)</sup> by 2018 vs 2015  
Additional 15%<sup>(1)</sup> by 2021E

Automotive  
Recurring Operating  
Margin

>4.5%

Average  
over  
2016A-18E

≥6%

by 2021E<sup>(3)</sup>

2%<sup>(4)</sup>

by 2020E

6%<sup>(4)</sup>

by 2026E

Operational Free  
Cash Flow<sup>(2)</sup>

Positive

by 2020E

## Notes

1. At constant (2015) exchange rate
2. Defined as ROI + D&A – restructuring – capex – Capitalized R&D – Change in NWC
3. vs. initial guidance of 6% by 2021
4. Subject to full review of IFRS – US GAAP differences

## Opel / Vauxhall Teams to Drive Turnaround with Full PSA Support

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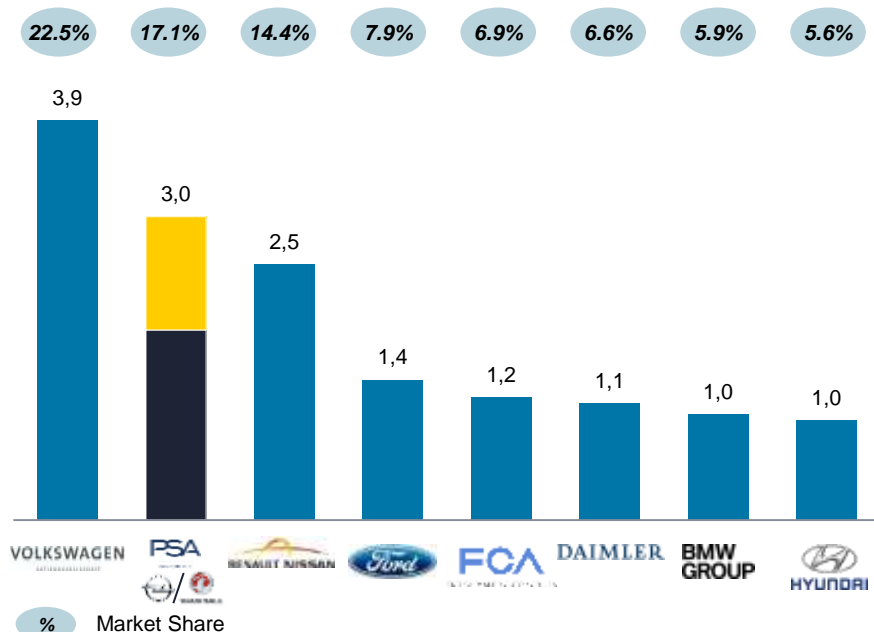


# A Game-Changing Alliance for PSA & Opel/Vauxhall

## A Combination Leading to Mass Market Leadership

### European Light Vehicle Sales<sup>(1)</sup>

MM Units, 2016A



## Built on an Already Successful Partnership

### 3 Joint Vehicle Programs

#### Crossland X C3 Aircross



Launch 2017E

#### Grandland X Peugeot 3008



Launch 2017E

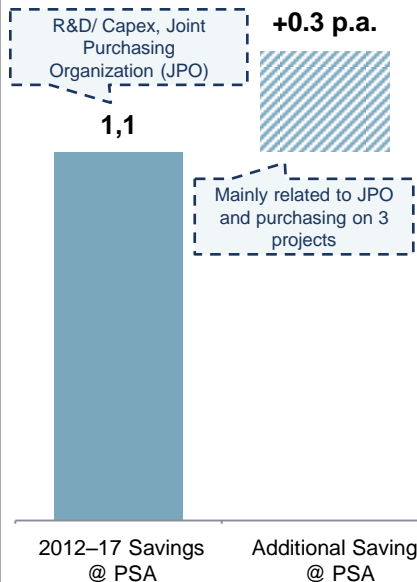
#### B-LCV



Launch 2018E

c.€1.1 Bn Savings Already  
Generated With Add. €0.3 Bn p.a.

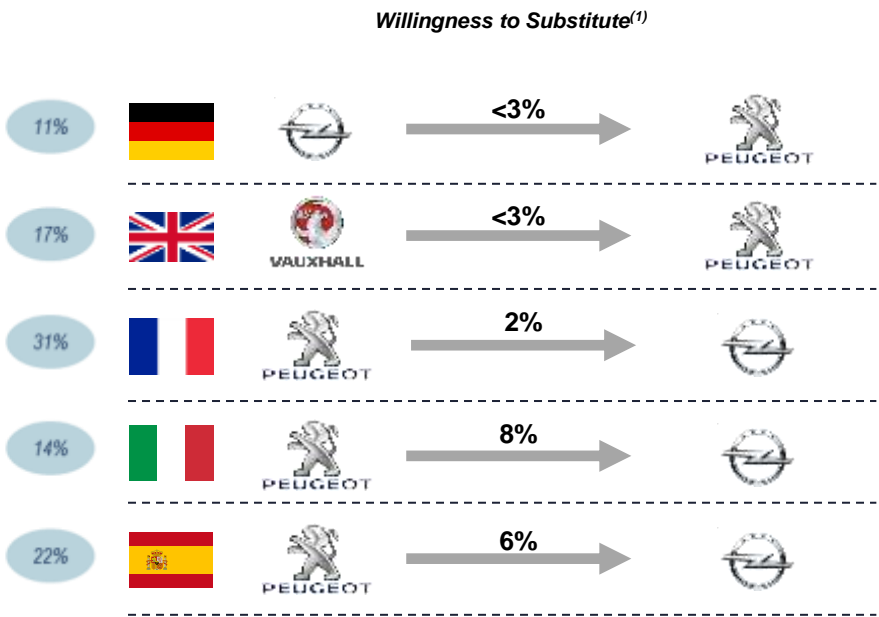
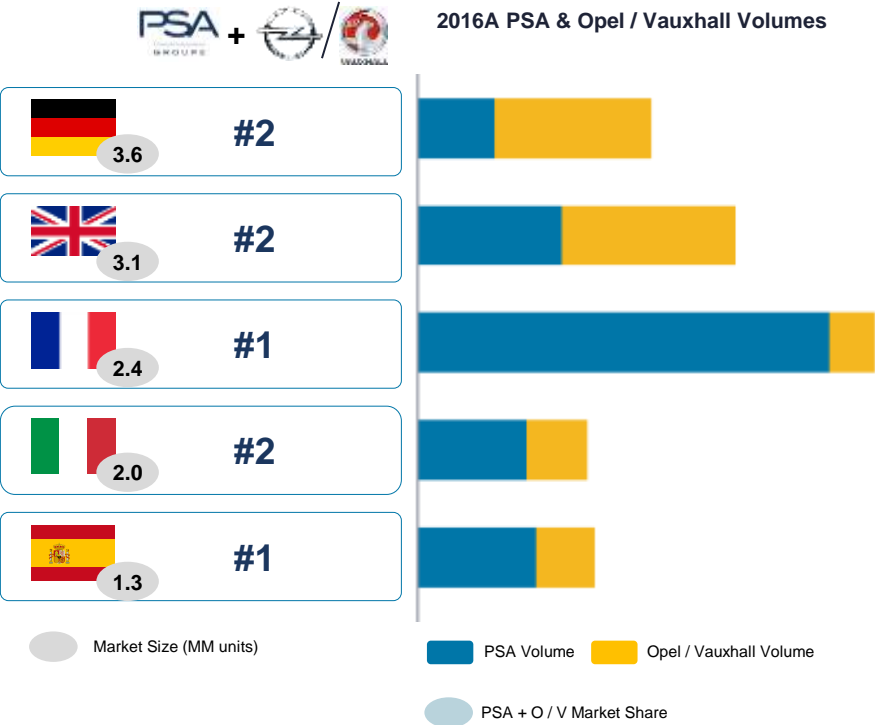
### PSA Share - In € Bn



# Strong Geographic & Brand Complementarities

Complementarities leading to #1 / #2 Positions across European markets...

...and Low Cannibalization Risk



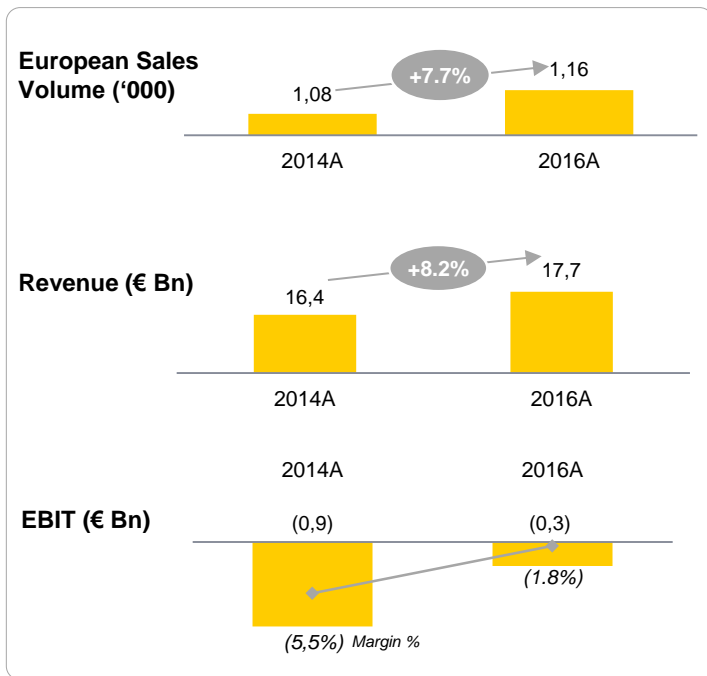
Note  
1. E.g. less than 3% of customers for a given model of Opel would alternatively buy a Peugeot model





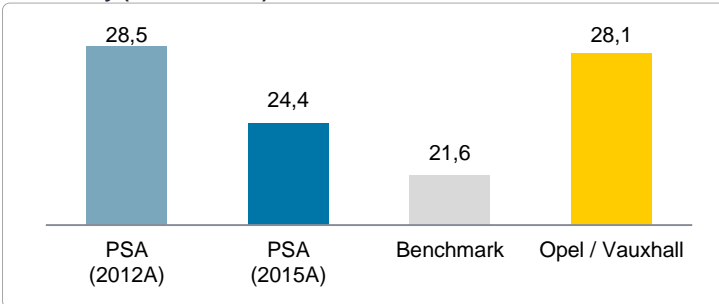
# Clear Additional Levers to Drive Performance Towards Benchmark Levels

## Major Improvement in Momentum at Opel / Vauxhall ...

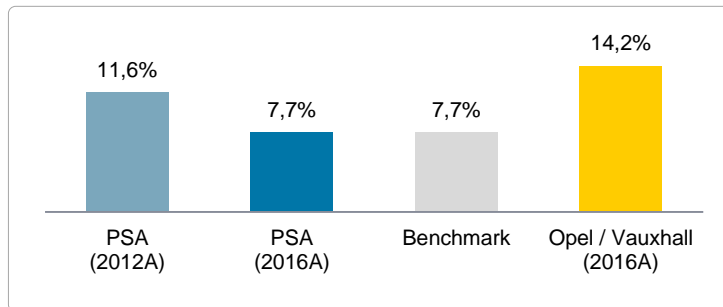


## ... with clear levers to drive further performance

### Efficiency (# Hours / Car)



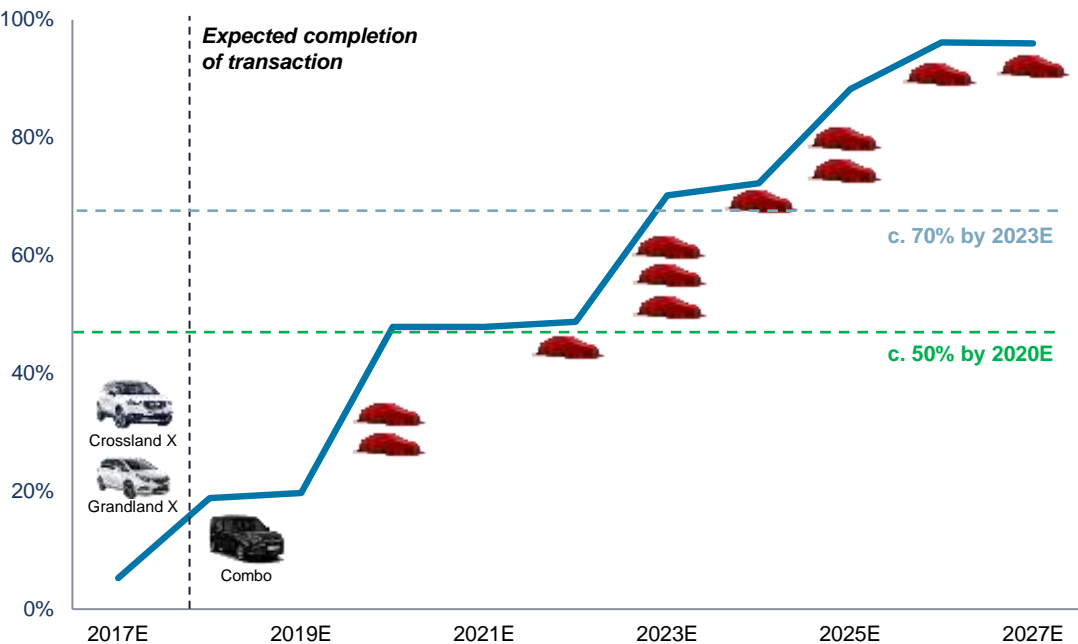
### Inventories % of Revenue



# PSA Platforms and Powertrain Rapidly Rolled Out to Opel / Vauxhall

## Ramp Up of Joint Platforms to Full Convergence Within 8 Years

% Combined Volumes on Common Platforms



## Complementary Powertrain Offering

### PSA technologies deployed on Opel / Vauxhall

- Small efficient ICE
- PHEV
- Electric platforms (E-CMP)

## Combined Sourcing

### Platform convergence will facilitate combined sourcing

#### % Sourcing from Europe

c. 45%








vs.

92%



# Combination to Generate Annual Synergies of €1.7 Bn and €1.2 Bn Working Capital Release

 <b>Purchasing</b>	<b>c. 30%</b>	<ul style="list-style-type: none"> <li>• Scale effects</li> <li>• Technical best practices leading to optimized purchasing</li> <li>• Combination of purchasing functions and European sourcing</li> </ul>
 <b>R&amp;D</b>	<b>c. 25%</b>	<ul style="list-style-type: none"> <li>• Convergence of platforms and powertrains</li> <li>• Reduction of outsourced R&amp;D</li> <li>• Full digitalization of product development</li> </ul>
 <b>Manufacturing</b>	<b>c. 20%</b>	<ul style="list-style-type: none"> <li>• Alignment of industry benchmarks</li> <li>• Plant modernization and improved efficiency</li> </ul>
 <b>SG&amp;A</b>	<b>c. 10%</b>	<ul style="list-style-type: none"> <li>• Alignment with industry benchmarks</li> <li>• Multiple areas of joint savings</li> </ul>
 <b>Capex</b>	<b>c. 15%</b>	<ul style="list-style-type: none"> <li>• Leveraging gains in manufacturing efficiency and common developments</li> <li>• Optimization of joint capex</li> </ul>

**c. €1.7 Bn p.a.**


**c. €1.1 Bn p.a.**

**c. €(1.6) Bn**

***Run-Rate Synergies By 2026E***

***Synergies Expected By 2020E (c. 65%)***

***Total Implementation Costs***

 <b>Working Capital Optimization</b>	<b>c. €1.2 Bn</b>	<ul style="list-style-type: none"> <li>• PSA with strong track record</li> <li>• Full realization by 2022E</li> </ul>
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# Transaction Financing With Limited Impact on PSA Net Cash Position

Opel / Vauxhall Automotive  
€1.32 Bn

- **Cash on balance sheet (c. €0.67 Bn) and warrants (c. €0.65 Bn)**
- **In connection with the transaction, GM would subscribe to warrants with a 9-year maturity, exercisable from 5<sup>th</sup> anniversary of issuance, corresponding to c. 39.7 MM PSA shares<sup>(1)</sup> / 4.2% of share capital<sup>(2)</sup>**
  - €1 strike (nominal)
  - €17.34 reference price<sup>(1)</sup>, total value of €0.65 Bn
  - No governance rights, no voting rights
  - Not transferrable
  - Undertaking to sell shares upon exercise within 35 days
  - Subject to May 10<sup>th</sup> EGM vote
  - Undertaking from FFP/ EFP/ French State/ DFM (in aggregate 36.6% of capital and 51.5% of voting rights<sup>(2)</sup>) to vote resolution

GM Europe Financial  
Services (50%)  
€0.46 Bn

- **Cash on balance sheet**

Cash-out / Net debt impact for PSA:  
c. €1.13 Bn  
64% of total transaction value

Warrants:  
c. €0.65 Bn  
36% of total transaction value

## Notes

1. Reference price is the 20-day volume-weighted average share price of PSA as of February 13th, 2017 (pre-leak of February 14th, 2017)
2. Based on fully diluted number of shares outstanding of 907 MM shares PF exercise of all outstanding 2014 warrants

# An Attractive Transaction for PSA Shareholders

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- **Opel / Vauxhall Automotive acquired for €1.3 Bn**

- 7.6% 2016A Revenue

- **c. €1.2 Bn working capital optimization opportunity**

- **Run-rate synergies of c. €1.7 Bn by 2026E**

- Front-loaded realisation: c. 65%+ by 2020E



**After-tax net present value of  
synergies of c. €9 Bn<sup>(1)</sup>**

- **FinCo acquired at 0.8x Book Value with increased profitability improvement potential through partnership**

# Report on Corporate Governance and on Internal Control and Risk Management Procedures

Louis Gallois

Chairman of the Supervisory Board



# Statutory Auditors' Reports

Jean-François Bélorgey – Ernst & Young

Jean-Louis Simon – Mazars



# Q&A

**PSA**  
—  
GROUPE

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# VOTE ON THE RESOLUTIONS



# ANNUAL GENERAL MEETING

10 MAY 2017

