

Sharp growth and record profitability

- **40.1% Group revenue growth at €38.6 billion¹**
- **8.5% PCD² Automotive division recurring operating margin³**
- **5.0% OV⁴ Automotive division recurring operating margin**
- **7.8% Group recurring operating margin, at €3.017 billion**
- **€3.191 billion Group operational free cash flow⁵ of which €1.157 billion for OV**

Carlos Tavares, Chairman of Groupe PSA Managing Board said: « *The Group demonstrates since 2014 its recurring ability to level up global profitability, efficiency and volumes, despite strong headwinds. Opel Vauxhall teams start to deliver good results to build the New Opel Vauxhall and are eager to unleash further potential. Our agility and strong focus on execution remain a strong asset to reach our targets.* »

Group revenue amounted to €38,595 million in the first half of 2018, up 40.1% compared to 2017 H1 and up 22.9%⁶ at constant 2015 exchange rates and perimeter. **PCD Automotive division revenue** amounted to €22,149 million up 11.4% versus 2017 H1, mainly driven by volume and country mix (+5.4%), as well as product mix (+4.7%), and sales to partners (+3.2%), offsetting the negative impact of exchange rates (-2.9%). **OV Automotive division revenue** amounted to €9,946 million in 2018 H1.

Group recurring operating income amounted to €3,017 million, up 48.1% with **PCD Automotive recurring operating income** up 29.9% at €1,873 million. This 8.5% record profitability level was reached despite raw material cost increases and exchange rate headwinds, thanks to an increase of sales, a positive product mix and further cost reductions. **OV Automotive recurring operating income** amounted to a €502 million profit in 2018 H1.

Group recurring operating margin stood at 7.8%, up 0.4 pt versus 2017 H1.

Group non-recurring operating income and expenses amounted to -€750 million, compared to -€112 million in 2017 H1.

Group net financial expenses increased to -€218 million compared to -€121 million in 2017 H1.

Consolidated net income reached €1,713 million, an increase of €242 million compared to 2017 H1. Net income, Group share, reached €1,481 million, up €226 million compared to 2017 H1.

Banque PSA Finance reported **recurring operating income** of €510 million⁷, up 63.5%.

Faurecia recurring operating income was €642 million, up 10.1%.

The **free cash flow of manufacturing and sales companies** was €2,577 million and the **operational free cash flow** was €3,191 million of which €1,157 million for OV.

¹ Group revenue includes OV since August, 1st 2017

² PCD (Peugeot, Citroën, DS)

³ Recurring operating income related to revenue

⁴ OV (Opel, Vauxhall)

⁵ Sales and manufacturing companies

⁶ Versus 2015 H1 at constant 2015 exchange rates and perimeter (excluding OV)

⁷ 100% of the result of Banque PSA Finance. In the financial statements of Groupe PSA, joint ventures are consolidated using the equity method.

Total PCD inventory, including independent dealers, stood at 412,000 vehicles at 30 June 2018, an increase of 38,000 units from end June 2017. **Total OV inventory**, including independent dealers, stood at 216,000 vehicles at 30 June 2018.

The net financial position of manufacturing and sales companies was €8,257 million at 30 June 2018, up €2,063 million compared to 31 December 2017.

Market outlook: in 2018, the Group anticipates a stable automotive market in Europe, and growth of 4% in Latin America, 10% in Russia and 2% in China.

Operational outlook reminder:

The [Push to Pass](#) plan sets the following targets for Groupe PSA (excluding Opel Vauxhall):

- Deliver over 4.5% Automotive recurring operating margin⁸ on average in 2016-2018, and target over 6% by 2021;
- Deliver 10% Group revenue growth by 2018⁹ vs 2015, and target additional 15% by 2021⁹.

[Link](#) to the presentation of H1 2018.

Financial Calendar

24 October 2018: Third-quarter 2018 revenue

Groupe PSA consolidated financial statements at 30 June 2018 were approved by the Managing Board on 18 July 2018 and reviewed by the Supervisory Board on 23 July 2018. The Group's Statutory Auditors have completed their audit and are currently issuing their report on the consolidated financial statements.

The interim results report and interim financial results presentation for 2018 are available at www.groupe-psa.com, in the "Analysts and Investors" section.

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About Groupe PSA

Groupe PSA designs unique automotive experiences and delivers mobility solutions to meet all customer expectations. The Group has five car brands, Peugeot, Citroën, DS, Opel and Vauxhall and provides a wide array of mobility and smart services under the Free2Move brand. Its 'Push to Pass' strategic plan represents a first step towards the achievement of the Group's vision to be "a global carmaker with cutting-edge efficiency and a leading mobility provider sustaining lifetime customer relationships". An early innovator in the field of autonomous and connected cars, Groupe PSA is also involved in financing activities through Banque PSA Finance and in automotive equipment via Faurecia. Find out more at groupe-psa.com/en.

Media library: medialibrary.groupe-psa.com / [@GroupePSA_EN](https://twitter.com/GroupePSA_EN)

Attachements

⁸ Recurring operating income related to revenue

⁹ At 2015 constant exchange rates and perimeter (excluding OV)

Consolidated Income Statement*

<i>(in million euros)</i>	First-half 2017				First-half 2018			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Revenue	27,476	87	(11)	27,552	38,545	61	(11)	38,595
Recurring operating income (loss)	2,022	15	-	2,037	3,003	14	-	3,017
Operating income	1,910	15	-	1,925	2,253	14	-	2,267
Net financial income (expense)	(121)	-	-	(121)	(222)	4	-	(218)
Income taxes	(439)	(6)	-	(445)	(404)	(5)	-	(409)
Share in net earnings of companies at equity	(1)	113	-	112	(125)	198	-	73
Consolidated profit	1,349	122	-	1,471	1,502	211	-	1,713
Attributable to owners of the parent	1,136	119	-	1,255	1,272	209	-	1,481
<i>attributable to non-controlling interests</i>	213	3	-	216	230	2	-	232
Basic earnings per €1 par value share attributable to equity holders of the parent				1.43				1.66
Diluted earnings per €1 par value share – attributable to equity holders of the parent				1.39				1.58

* IFRS15 application with 2017 restated (excluding essentially monoliths)

Consolidated balance sheet*

<i>(in million euros)</i>	31 December 2017				30 June 2018			
	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Assets								
Total non-current assets	28,897	2,313		31,210	31,076	2,432		33,508
Total current assets	25,884	865	(44)	26,705	28,385	871	(30)	29,226
TOTAL ASSETS	54,781	3,178	(44)	57,915	59,461	3,303	(30)	62,734
Equity and liabilities								
Total equity				16,706				17,942
Total non-current liabilities	11,544	7		11,551	13,236	8		13,244
Total current liabilities	29,078	624	(44)	29,658	31,037	541	(30)	31,548
TOTAL EQUITY & LIABILITIES				57,915				62,734

* IFRS15 application with 2017 restated (excluding essentially monoliths)

Consolidated statement of cash flows*

	First-half 2017	First-half 2018
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<i>(in million euros)</i>	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL	Manufacturing and sales companies	Finance companies	Eliminations	TOTAL
Consolidated profit from continuing operations	1,349	122	-	1,471	1,502	211	-	1,713
Funds from operations	2,960	56	-	3,016	3,715	76	-	3,791
Net cash from (used in) operating activities of continuing operations	3,047	61	-	3,108	4,885	127	(1)	5,011
Net cash from (used in) investing activities of continuing operations	(1,931)	3	-	(1,928)	(2,308)	(5)	-	(2,313)
Net cash from (used in) financing activities of continuing operations	669	-	(1)	668	(572)	-	-	(572)
Net cash related to the non-transferred debt of finance companies to be continued in partnership	-	-	-	-	-	-	-	-
Net cash from the transferred assets and liabilities of operations held for sale or to be continued in partnership	-	-	-	-	-	-	-	-
Effect of changes in exchange rates	(58)	(1)	-	(59)	(35)	(2)	-	(37)
Increase (decrease) in cash from continuing operations and from operations held for sale or to be continued in partnership	1,727	63	(1)	1,789	1,970	120	(1)	2,089
Net cash and cash equivalents at beginning of period	11,464	530	(8)	11,986	11,491	320	(8)	11,803
Net cash and cash equivalents of continuing operations at end of period	13,191	593	(9)	13,775	13,461	440	(9)	13,892

* IFRS15 application with 2017 restated (excluding essentially monoliths)