

## Historic year for Groupe PSA in 2018: record level in revenue, volume of sales, recurring operating income and net result

- **6.8% increase of Group sales at 3.88 million vehicles**
- **18.9% Group revenue growth at €74 billion<sup>1</sup>**
- **8.4% PCD<sup>2</sup> Automotive division recurring operating margin<sup>3</sup>**
- **4.7% OV<sup>4</sup> Automotive division recurring operating margin**
- **7.7% Group recurring operating margin, at €5.689 billion**
- **40.4% increase of Net result at €3.295 billion**
- **€3.501 billion Group free cash flow<sup>5</sup> of which €1.357 billion for OV**

**Carlos Tavares, Chairman of Groupe PSA Managing Board** said: 'Peugeot Citroën DS has made significant progress for the 5<sup>th</sup> year in a row and is closing the first phase of the Push to Pass strategic plan with outstanding results. This demonstrates the ability of our Group to deliver a profitable and recurring growth. Opel Vauxhall has laid the foundations for a sustainable future with PACE! Plan and are eager to unleash further potential. We are now entering in the second phase of the Push to Pass plan with confidence in a context of even stronger headwinds. No doubt that our agile, customer focused and socially responsible approach will make the difference.'

**A dividend of €0.78 per share will be submitted for approval at the next Shareholders' Meeting.**

**Group revenue** amounted to €74,027 million in 2018, up 18.9% compared to 2017 and up 23.3%<sup>6</sup> at constant 2015 exchange rates and perimeter. **PCD Automotive division revenue** amounted to €43,027 million up 5.6% versus 2017, mainly driven by product mix (+4.0%), as well as volume and country mix (+1.2%), sales to partners (+1.7%) and price (+1.3%), offsetting the negative impact of exchange rates (-2.7%). **OV Automotive division revenue** amounted to €18,306 million in 2018 compared to €7,238 million for the last 5 months of 2017<sup>1</sup>.

**Group recurring operating income** amounted to €5,689 million, up 43% with **PCD Automotive recurring operating income** up 21.9% at €3,617 million. This 8.4% record profitability level was reached despite strong exchange rate headwinds and raw material cost increases, thanks to positive product mix and price conditions as well as further cost reductions. **OV Automotive recurring operating income** amounted to a €859 million profit in 2018 compared to a €179 million loss for the last 5 months of 2017<sup>1</sup>.

**Group recurring operating margin** stood at 7.7%, up 1.3 pt versus 2017.

**Group non-recurring operating income and expenses** had a negative impact of -€1,289 million, compared to -€904 million in 2017.

**Group net financial expenses** increased to €446 million compared to €238 million in 2017.

<sup>1</sup> Group revenue includes OV since August, 1<sup>st</sup> 2017

<sup>2</sup> PCD (Peugeot, Citroën, DS perimeter)

<sup>3</sup> Recurring operating income related to revenue

<sup>4</sup> OV (Opel, Vauxhall perimeter)

<sup>5</sup> Sales and manufacturing companies

<sup>6</sup> Versus 2015 at constant 2015 exchange rates and perimeter (excluding OV)

**Consolidated net income** reached €3,295 million, an increase of €948 million compared to 2017. Net income, Group share, reached €2,827 million compared to €1,924 million in 2017.

**Banque PSA Finance** reported **recurring operating income** of €939 million<sup>7</sup>, up 48.6%.

**Faurecia recurring operating income** was €1,263 million, up 9.3%.

The **free cash flow of manufacturing and sales companies** was €3,501 million of which €1,357 million for OV.

**Total PCD inventory**, including independent dealers and importers, stood at 485,000 vehicles at 31 December 2018, an increase of 40,000 units from end 2017. **Total OV inventory**, including independent dealers, stood at 195,000 vehicles at 31 December 2018, a decrease of 32,000 units from end 2017.

**The net financial position of manufacturing and sales companies** was €9,098 million at 31 December 2018, compared to €6,194 million at 31 December 2017.

A dividend of €0.78 per share will be submitted for approval at the next Shareholders' Meeting *with an ex-dividend date considered to be on 2 May 2019, and the payment date on 6 May 2019.*

**Market outlook:** in 2019, the Group anticipates a stable automotive market in Europe, a decrease by 1% of the market in Latin America and by 3% in China and growth of 5% in Russia.

### **New operational outlook**

Having overpassed the initial targets of the Push to Pass plan for the period 2016-2018, Groupe PSA sets the following new target for the period 2019-2021 (including Opel Vauxhall):

- Deliver over 4.5% Automotive recurring operating margin<sup>8</sup> on average in 2019-2021.

Groupe PSA announces also a new dividend policy for 2019-2021 with a pay out ratio increased to 28% from fiscal year 2019.

[Link](#) to the presentation of FY2018.

### **Financial Calendar**

25 April 2019: First-quarter 2019 revenue

25 April 2019: Shareholders' Meeting

24 July 2019: 2019 interim results

23 October 2019: Third-quarter 2019 revenue

*Groupe PSA consolidated financial statements for the year ended 31 December 2018 were approved by the Managing Board on 18 February 2019 and reviewed by the Supervisory Board on 25 February 2019. The Group's Statutory Auditors have completed their audit and are currently issuing their report on the consolidated financial statements. The report on the annual results and the presentation of the 2018 results can be consulted on the Group's website ([www.groupe-psa.com](http://www.groupe-psa.com)), in the "Finance" section.*

<sup>7</sup> 100% of the result of Banque PSA Finance. In the financial statements of the PSA Group, joint ventures are consolidated using the equity method.

<sup>8</sup> Automotive division (PCDOV) recurring operating income related to revenue

Media contact: Karine Douet - + 33 6 61 64 03 83– [karine.douet@mpsa.com](mailto:karine.douet@mpsa.com)

### 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.-*

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

## Attachements

### Consolidated Income Statement

| (in million euros)   | 2017                              |                   |              |               | 2018                              |                   |              |               |
|--|-----------------------------------|-------------------|--------------|---------------|-----------------------------------|-------------------|--------------|---------------|
|  | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL         | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL         |
| Revenue  | 62,410                            | 139               | (23)         | <b>62,256</b> | 73,972                            | 71                | (16)         | <b>74,027</b> |
| Recurring operating income (loss)  | 3,964                             | 14                |              | <b>3,978</b>  | 5,712                             | (23)              |              | <b>5,689</b>  |
| Operating income   | 3,060                             | 14                |              | <b>3,074</b>  | 4,424                             | (24)              |              | <b>4,400</b>  |
| Net financial income (expense)   | (241)                             | 3                 |              | <b>(238)</b>  | (456)                             | 10                |              | <b>(446)</b>  |
| Income taxes   | (689)                             | (10)              |              | <b>(699)</b>  | (613)                             | (2)               |              | <b>(615)</b>  |
| Share in net earnings of companies at equity   | (9)                               | 226               |              | <b>217</b>    | (404)                             | 360               |              | <b>(44)</b>   |
| Profit (loss) from operations held for sale or to be continued in partnership          | (7)                               |                   |              | <b>(7)</b>    |                                   |                   |              |               |
| Consolidated profit  | 2,114                             | 233               |              | <b>2,347</b>  | 2,951                             | 344               |              | <b>3,295</b>  |
| Attributable to owners of the parent   | 1,697                             | 227               |              | <b>1,924</b>  | 2,481                             | 346               |              | <b>2,827</b>  |
| <i>attributable to non-controlling interests</i>                                       | 417                               | 6                 |              | <b>423</b>    | 470                               | (2)               |              | <b>468</b>    |
| Basic earnings per €1 par value share attributable to equity holders of the parent     |                                   |                   |              | <b>2.17</b>   |                                   |                   |              | <b>3.16</b>   |
| Diluted earnings per €1 par value share – attributable to equity holders of the parent |                                   |                   |              | <b>2.04</b>   |                                   |                   |              | <b>3.01</b>   |

## Consolidated balance sheet

| Assets<br><i>(in million euros)</i> | 31 December 2017                  |                   |              |               | 31 December 2018                  |                   |              |               |
|-------------------------------------|-----------------------------------|-------------------|--------------|---------------|-----------------------------------|-------------------|--------------|---------------|
|                                     | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL         | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL         |
| Total non-current assets            | 28,991                            | 2,313             |              | 31,304        | 31,210                            | 2,596             |              | 33,806        |
| Total current assets                | 25,790                            | 865               | (44)         | 26,611        | 27,355                            | 819               | (28)         | 28,146        |
| <b>TOTAL ASSETS</b>                 | <b>54,781</b>                     | <b>3,178</b>      | <b>(44)</b>  | <b>57,915</b> | <b>58,565</b>                     | <b>3,415</b>      | <b>(28)</b>  | <b>61,952</b> |

  

| Equity and liabilities<br><i>(in million euros)</i> | 31 December 2017                  |                   |              |               | 31 December 2018                  |                   |              |               |
|---|-----------------------------------|-------------------|--------------|---------------|-----------------------------------|-------------------|--------------|---------------|
|   | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL         | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL         |
| Total equity  |                                   |                   |              | 16,706        |                                   |                   |              | 19,594        |
| Total non-current liabilities                       | 11,544                            | 7                 |              | 11,551        | 12,349                            | 7                 |              | 12,356        |
| Total current liabilities                           | 29,078                            | 624               | (44)         | 29,658        | 29,500                            | 530               | (28)         | 30,002        |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>               |                                   |                   |              | <b>57,915</b> |                                   |                   |              | <b>61,952</b> |

## Consolidated statement of cash flows

| <i>(in million euros)</i>   | 2017                              |                   |              |                | 2018                              |                   |              |                |
|---|-----------------------------------|-------------------|--------------|----------------|-----------------------------------|-------------------|--------------|----------------|
|   | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL          | Manufacturing and sales companies | Finance companies | Eliminations | TOTAL          |
| Consolidated profit from continuing operations  | 2,121                             | 233               | -            | 2,354          | 2,951                             | 344               | -            | 3,295          |
| Funds from operations   | 5,268                             | 145               | -            | 5,413          | 6,615                             | 119               | -            | 6,734          |
| <b>Net cash from (used in) operating activities of continuing operations</b>  | <b>5,391</b>                      | <b>67</b>         | <b>1</b>     | <b>5,459</b>   | <b>8,222</b>                      | <b>166</b>        | <b>7</b>     | <b>8,395</b>   |
| <b>Net cash from (used in) investing activities of continuing operations</b>  | <b>(4,891)</b>                    | <b>(535)</b>      | <b>270</b>   | <b>(5,156)</b> | <b>(4,721)</b>                    | <b>(18)</b>       | <b>-</b>     | <b>(4,739)</b> |
| <b>Net cash from (used in) financing activities of continuing operations</b>  | <b>(347)</b>                      | <b>264</b>        | <b>(271)</b> | <b>(354)</b>   | <b>(7)</b>                        | <b>-</b>          | <b>-</b>     | <b>(7)</b>     |
| <b>Net cash from the transferred assets and liabilities of operations held for sale or to be continued in partnership</b>         | <b>(7)</b>                        | <b>-</b>          | <b>-</b>     | <b>(7)</b>     | <b>-</b>                          | <b>-</b>          | <b>-</b>     | <b>-</b>       |
| Effect of changes in exchange rates   | (119)                             | (2)               | -            | (121)          | (44)                              | -                 | -            | (44)           |
| <b>Increase (decrease) in cash from continuing operations and from operations held for sale or to be continued in partnership</b> | <b>27</b>                         | <b>(206)</b>      | <b>-</b>     | <b>(179)</b>   | <b>3,450</b>                      | <b>148</b>        | <b>7</b>     | <b>3,605</b>   |
| Net cash and cash equivalents at beginning of period  | 11,464                            | 520               | (8)          | 11,976         | 11,491                            | 314               | (8)          | 11,797         |
| <b>Net cash and cash equivalents of continuing operations at end of period</b>  | <b>11,491</b>                     | <b>314</b>        | <b>(8)</b>   | <b>11,797</b>  | <b>14,941</b>                     | <b>462</b>        | <b>(1)</b>   | <b>15,402</b>  |