

Third quarter 2021: priority given to value over volume optimized revenues in a context strongly marked by the semiconductor crisis

- **Group revenues amounted to €9 billion for the quarter, down 13.4% (-14% at constant scope and exchange rates¹) while global sales decreased by 22.3% to 599,027 vehicles.**
- **Renault Group is continuing its commercial policy initiated in the third quarter of 2020, which leads to an increase in the share of its sales on the most profitable channels and a positive price effect of nearly 3 points in the quarter.**
- **The E-TECH² line up accounted for 31.3% of Renault brand's passenger car sales in Europe in the quarter.**
- **The renewal of the Dacia line up is a success, driven by New Sandero and New Duster. In the third quarter, Sandero is the best-selling car in Europe, Duster is the most sold SUV in Europe and these 2 models are on the podium of the most sold vehicles to retail clients in Europe (1st and 3rd respectively).**
- **The Group's order portfolio in Europe at the end of September 2021 stands at a record high for 15 years and represents 2.8 months of sales.**
- **The Group estimates its production loss due to the lack of components for the third quarter at around 170,000 units. Despite reduced visibility for the fourth quarter, the Group anticipates a loss close to 500,000 vehicles for the year.**
- **Despite the increase in estimated production losses for the year, Renault Group confirms its guidance to reach a full year Group operating margin rate of the same order as the one of the first half. The Group is also targeting to achieve a positive Automotive operational free cash flow, excluding change in working capital requirements, for the fiscal year.**
- **Renault Group confirms that it is on track to meet its 2021 CAFE³ target.**

"The actions taken to further lower costs and maximize the value of our production allow us to confirm our guidance for the year despite the deterioration in components availability in the third quarter and reduced visibility for the fourth quarter," said Clotilde Delbos, Chief Financial Officer of Renault Group.

¹ In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Renault Group recalculates revenues for the current year by applying the average annual exchange rates of the previous year and excluding significant changes in perimeter that occurred during the year.

² E-TECH line = full Electric vehicles + Hybrids + Plug-in hybrids

³ CAFE: Corporate Average Fuel Economy

Boulogne-Billancourt, 2021/10/22 -

COMMERCIAL RESULTS: THIRD QUARTER HIGHLIGHTS

In a context strongly disrupted by the semiconductor crisis and production shutdowns, Renault Group sold 599,027 vehicles in the third quarter of 2021, a decrease of 22.3% compared to 2020.

The Group's sales in Europe (53% of total sales) were down 26.3%. International sales fell by 17.3%.

The decline in revenues, limited to -13.4%, confirms the positive impact of the Group's commercial policy oriented towards better value from sales.

Renault brand

The Renault brand sold 365,934 vehicles worldwide, down 24.4% compared to the third quarter of 2020. In the five main European countries (France, Germany, Spain, Italy and the United Kingdom), the brand is growing on the **most profitable sales channels**: the share of retail sales is up 6 points compared to the third quarter of 2019, pre-crisis period.

In Europe, sales of **E-TECH**⁴ passenger cars are up 29% and represent 31.3% of sales in the quarter thanks to the success of the launch of Arkana, which marks the successful return of the Renault brand in the C segment with more than 40,000 orders in 9 months, 56% of which are E-TECH hybrid.

Sales of light commercial vehicles worldwide were up 1.4%, in a market down 11.2%, thanks to the performance of Master and Trafic.

Dacia and Lada brands

The Dacia brand sold 138,375 vehicles, a decrease of 11.2%. However, Dacia has outperformed the market thanks to the success of New Sandero, the best-selling vehicle in Europe in the quarter and New Duster which is leader in its segment in Europe in the quarter. These 2 models are on the podium of the most sold vehicles to retail clients in Europe (1st and 3rd respectively).

Dacia Spring, the most affordable electric vehicle on the European market, has recorded more than 30,000 orders since its recent start of sales to retail customers.

Dacia presented its brand-new family and versatile 7-seater model, Jogger, whose order take will begin at the end of the year.

⁴ E-TECH line = full Electric vehicles + Hybrids + Plug-in hybrids

The Lada brand retains the leadership of the Russian market despite a 27.8% drop in sales. LADA Vesta and LADA Granta remain the best-selling vehicles in this market.

THIRD QUARTER REVENUES BY OPERATING SECTOR

In the third quarter of 2021, **Group revenues** reached €8,987 million, down 13.4% compared to last year. At constant scope and exchange rates⁵, the decrease would have been 14%.

Automotive sales excluding AVTOVAZ were €7,685 million, down 14.1%.

This variation is primarily explained by a decrease in volumes (-20 points). This volume effect is mainly due to the shortage of semiconductors and strict commercial policy.

Currency effects were positive at 0.3 points due to the revaluation of some currencies (Brazilian Real, Pound Sterling, Russian Ruble).

The price effect, positive by 2.9 points, reflected the continuation of our value over volume policy. However, it is impacted by a high Q3 2020 comparison basis and by lower price increases in emerging markets in the absence of negative exchange rate effects.

The impact of sales to partners was negative by -1.2 points. It is mainly the result of lower sales of diesel engines to our partners, who were also impacted by the lack of components.

The product mix effect of +1.6 points reflected the success of the Arkana model launched at the beginning of the year and the good performance of light commercial vehicles.

The geographical mix effect of -1.4 points came from a lower decline in international sales than that in Europe.

The "other" effect showed a positive contribution of 3.7 points largely related to the restatement of sales with buy back commitment, which were down compared to the third quarter of 2020.

AVTOVAZ's contribution to Group revenues, down 19.0%, was €537 million for the quarter. At constant exchange rates, AVTOVAZ's contribution would have been down 23.9%.

Mobility Services contributed €6 million to revenues for the third quarter of 2021.

Sales Financing (RCI Bank and Services) posted revenues of €759 million in the third quarter, stable compared to the third quarter of 2020.

⁵ In order to analyze the change in consolidated revenues at constant perimeter and exchange rates, Renault Group recalculates revenues for the current year by applying the average annual exchange rates of the previous year and excluding significant changes in perimeter that occurred during the year.

As of September 30, 2021, **total inventories** (including the independent network) represent 340,000 vehicles compared to 470,000 at the end of September 2020.

OUTLOOK 2021

Despite the increase in estimated production losses for the year, Renault Group confirms its guidance to reach a full year Group operating margin rate of the same order as the one of the first half.

The Group is also targeting to achieve a positive Automotive operational free cash flow, excluding change in working capital requirements, for the fiscal year.

Renault Group's consolidated revenues

(EUR million)	2020	2021	Variation 2021/2020
<i>1st quarter</i>			
Automotive excluding AVTOVAZ	8,591	8,566	-0.3%
AVTOVAZ	701	685	-2.3%
Mobility services	6	5	-16.7%
Sales financing	827	759	-8.2%
Total	10,125	10,015	-1.1%
<i>2nd quarter</i>			
Automotive excluding AVTOVAZ	7,136	11,773	+65.0%
AVTOVAZ	388	800	+106.2%
Mobility services	3	6	+77.8%
Sales financing	773	763	-1.3%
Total	8,300	13,342	+60.7%
<i>3rd quarter</i>			
Automotive excluding AVTOVAZ	8,948	7,685	-14.1%
AVTOVAZ	663	537	-19.0%
Mobility services	5	6	+20.0%
Sales financing	758	759	+0.1%
Total	10,374	8,987	-13.4%
<i>9 months cumulated</i>			
Automotive excluding AVTOVAZ	24,675	28,024	+13.6%
AVTOVAZ	1,752	2,022	+15.4%
Mobility services	14	17	+21.4%
Sales financing	2,358	2,281	-3.3%
Total	28,799	32,344	+12.3%

Total PC+LCV Group sales by brand

	3 rd quarter			Cumulative at the end of September		
	2020	2021	% change	2020	2021	% change
RENAULT						
PC	403,534	284,569	-29.5	1,027,490	988,761	-3.8
LCV	80,260	81,365	+1.4	216,783	278,947	+28.7
PC+LCV	483,794	365,934	-24.4	1,244,273	1,267,708	+1.9
RENAULT SAMSUNG MOTORS						
PC	16,373	13,174	-19.5	69,515	40,082	-42.3
DACIA						
PC	147,235	130,131	-11.6	343,159	369,542	+7.7
LCV	8,600	8,244	-4.1	23,696	31,602	+33.4
PC+LCV	155,835	138,375	-11.2	366,855	401,144	+9.3
LADA						
PC	101,819	75,138	-26.2	249,677	283,345	+13.5
LCV	4,616	2,494	-46.0	9,501	9,820	+3.4
PC+LCV	106,435	77,632	-27.1	259,178	293,165	+13.1
AVTOVAZ						
PC	997	1	---	9,517	183	---
ALPINE						
PC	348	668	+92.0	1,047	1,669	+59.4
JINBEI&HUASONG						
PC	313	17	-94.6	1,519	39	-97.4
LCV	6,981	2,282	-67.3	17,910	15,669	-12.5
PC+LCV	7,294	2,299	-68.5	19,429	15,708	-19.2
EVEASY						
PC	0	944	---	0	2,281	---
RENAULT GROUP						
PC	670,619	504,642	-24.7	1,701,924	1,685,902	-0.9
LCV	100,457	94,385	-6.0	267,890	336,038	+25.4
PC+LCV	771,076	599,027	-22.3	1,969,814	2,021,940	+2.6

The Group's 15 main markets at the end of September 2021

SALES		Volumes YTD Sept. 2021	Market share PC+LCV	Market share Change vs 2020
		(in units)	(in %)	(in points)
1	France	391,483	24.6	-1.8
2	Russia	367,348	29.2	-0.5
3	Germany	128,996	5.8	-0.4
4	Italy	117,227	9.0	-1.0
5	Brazil	95,920	6.6	-0.4
6	Turkey	86,894	15.6	-2.0
7	Spain	84,785	11.0	-1.2
8	India	75,786	2.8	0.0
9	Morocco	52,125	39.6	-1.5
10	United Kingdom	51,186	3.2	-0.9
11	South Korea	42,803	3.4	-2.0
12	Belgium+Luxembourg	38,716	9.3	-2.4
13	Poland	38,287	9.6	-0.9
14	Colombia	35,878	22.1	-0.4
15	Romania	33,957	33.3	-6.9

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 5 complementary brands - Renault, Dacia, LADA, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.9 million vehicles in 2020. It employs more than 170,000 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. <https://www.renaultgroup.com/en/>

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