

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

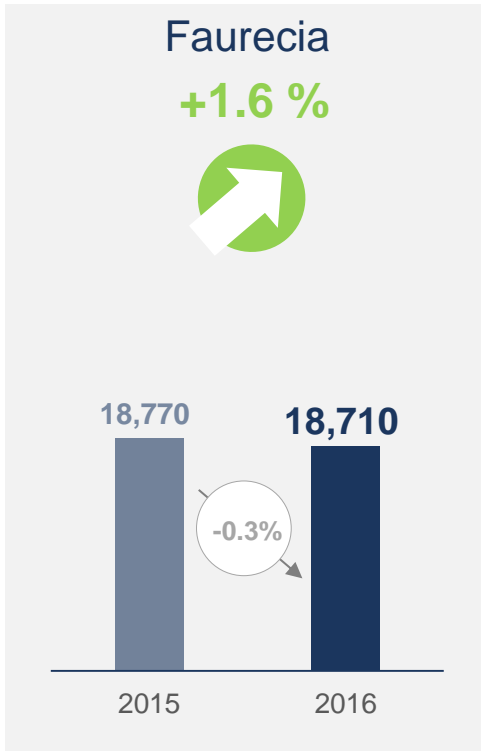
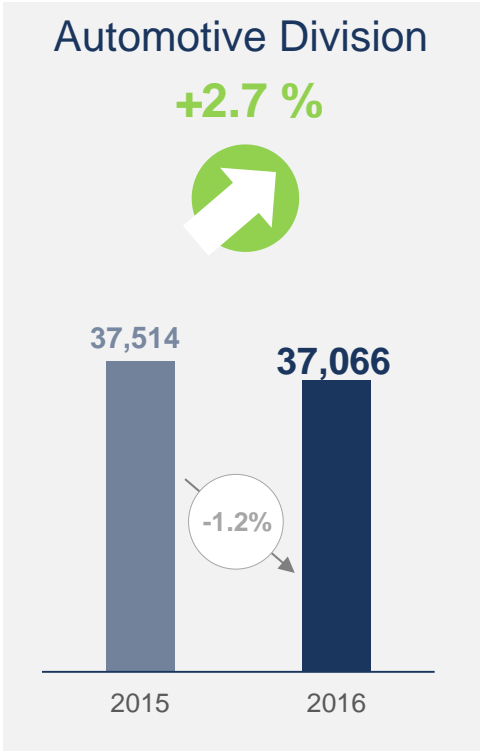
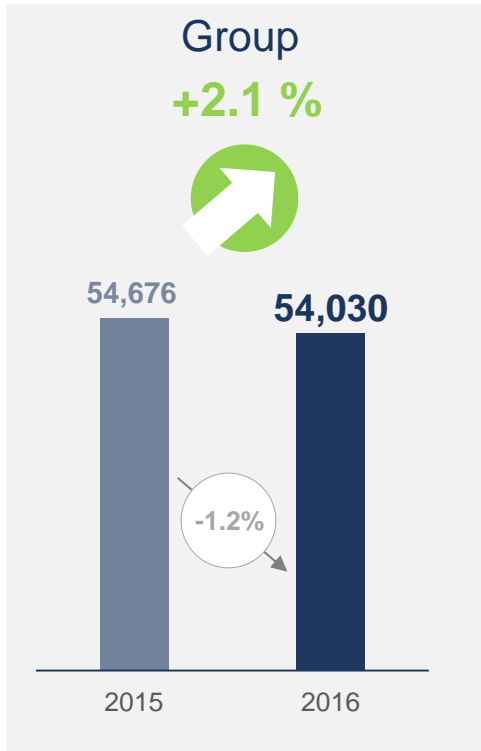
In million Euros

	2015	2016	Change
Revenue	54,676	54,030	(646)
Recurring Operating Income	2,733	3,235	502
% of revenue	5.0%	6.0%	
Non-recurring operating income and (expenses)	(757)	(624)	133
Operating income	1,976	2,611	635
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
Consolidated net income / (loss)	1,202	2,149	947
Net income, Group Share	899	1,730	831

GROUP REVENUE : +2.1 % AT CONSTANT EXCHANGE RATES

In million Euros

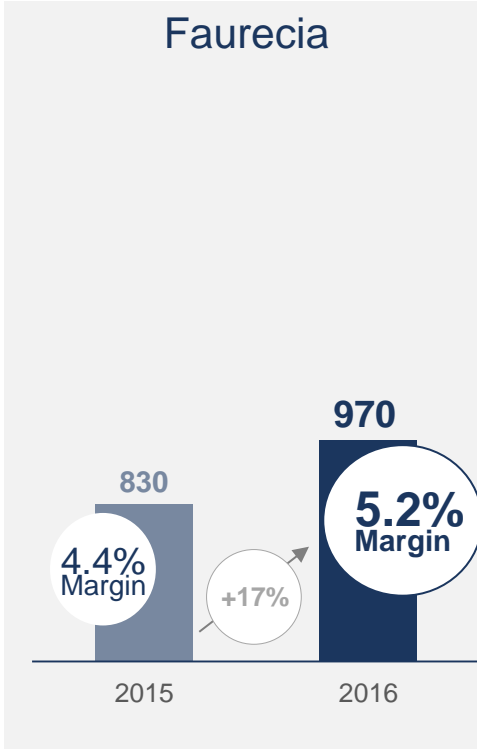
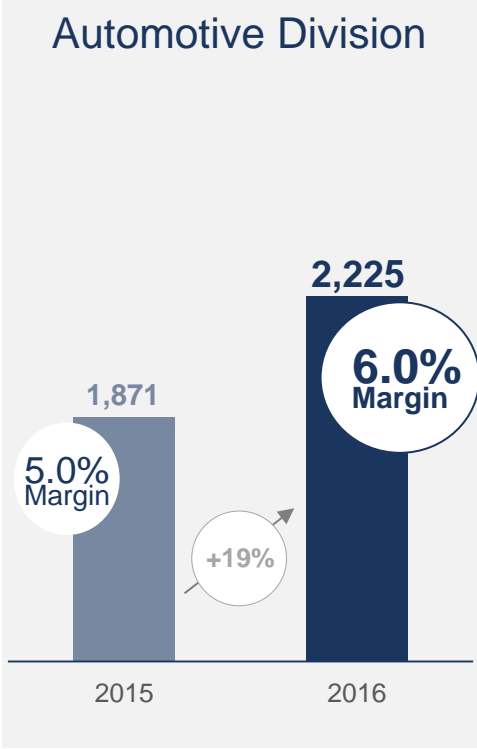
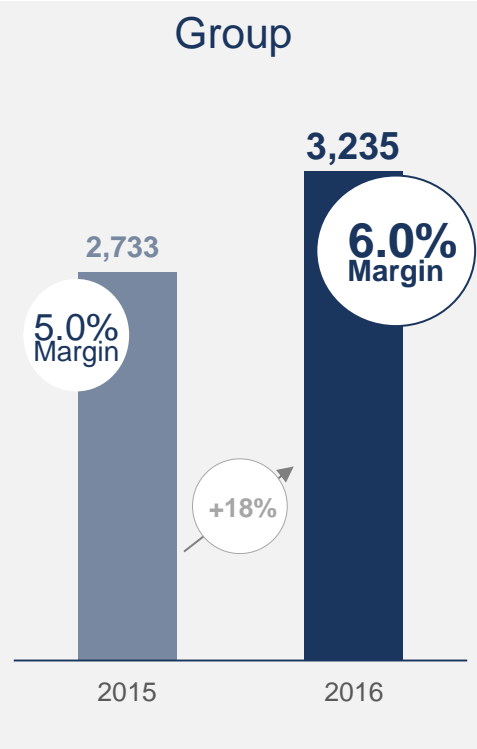
At constant Exchange Rates*



* At constant (2015) exchange rates

GROUP RECURRING OPERATING INCOME & MARGIN

In million Euros

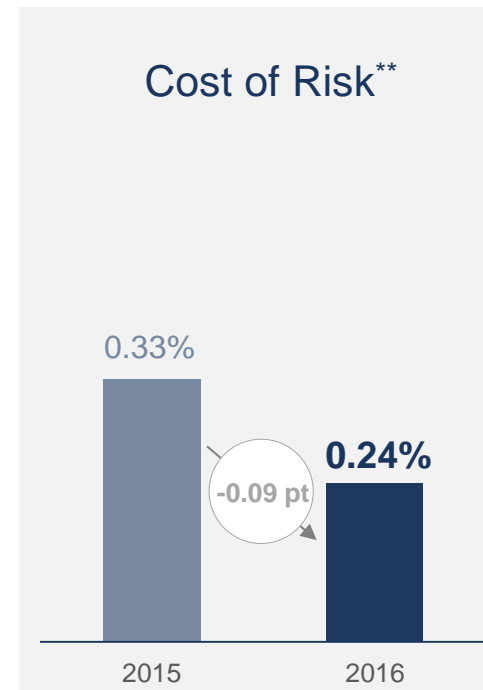
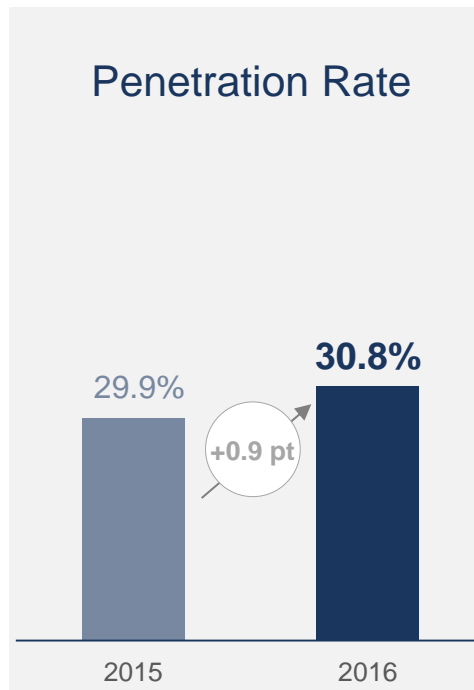
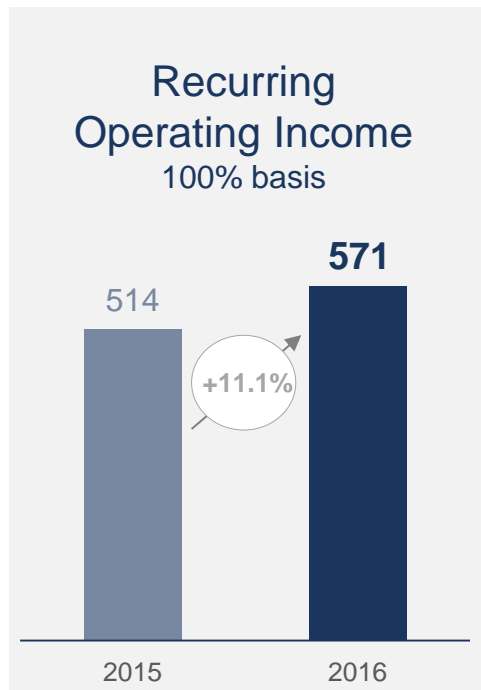


AUTOMOTIVE RECURRING OPERATING INCOME ANALYSIS

In million Euros

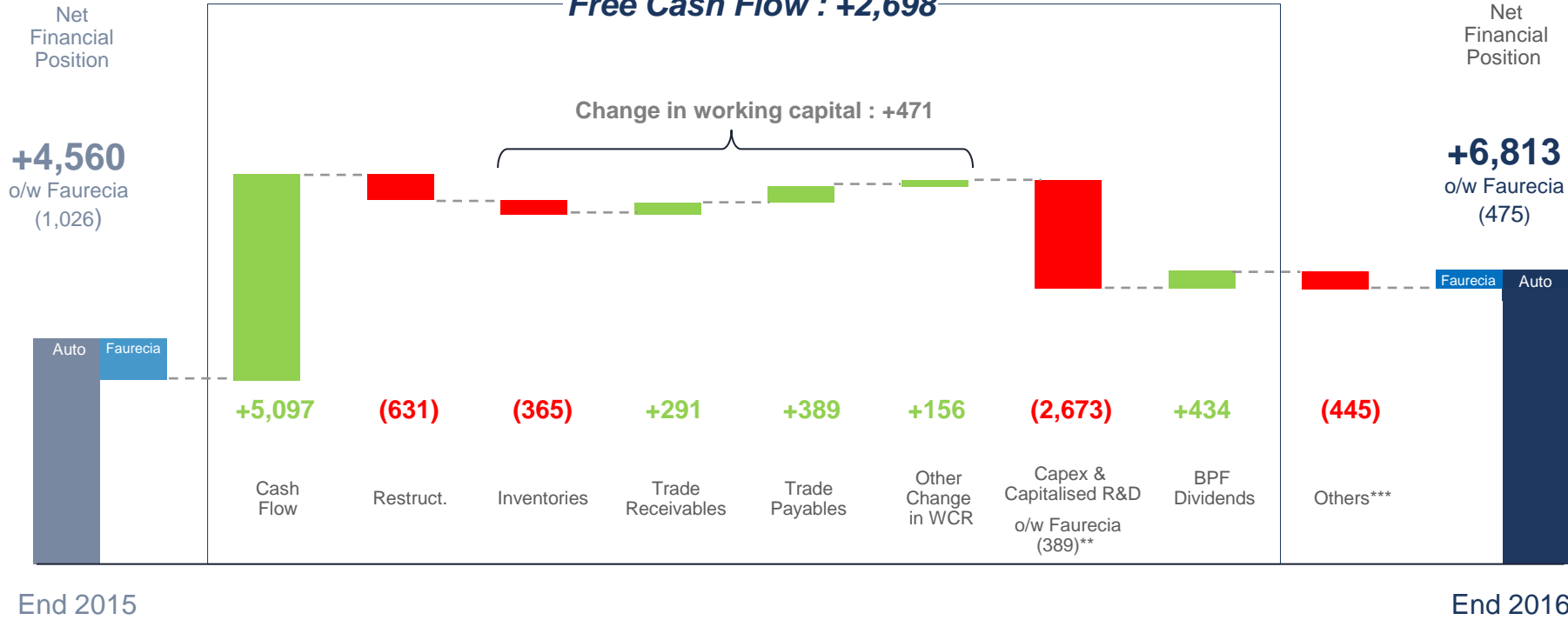


In million Euros



CASH FLOW ANALYSIS*

In million Euros



End 2015

End 2016



* 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

1ST IN LCVs in EUROPE
3 SEGMENTS = 3 PODIUMS
SALES UP +10%



New Citroen Jumpy

EUROPE - PRODUCT BLITZ

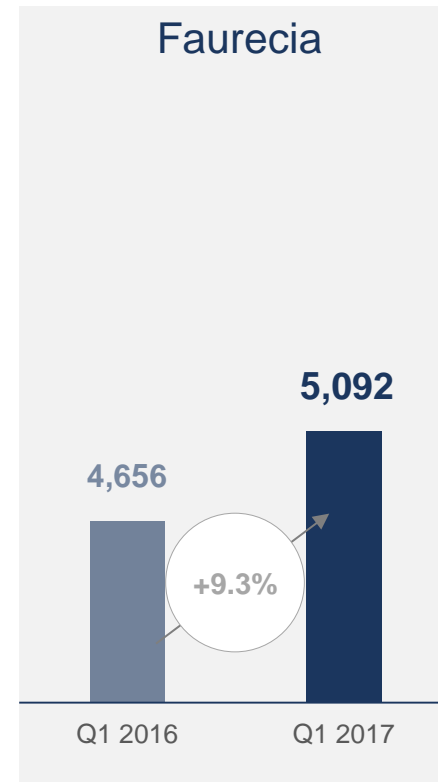
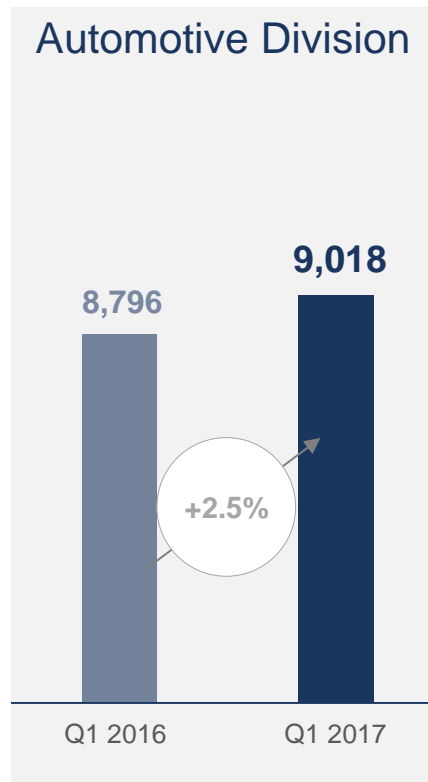
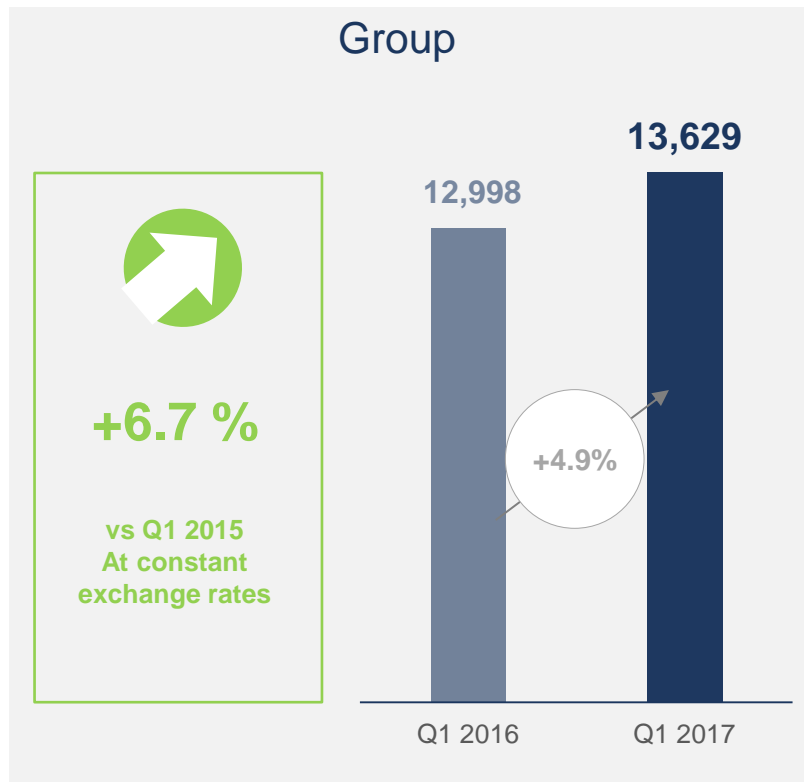
DS 7 CROSSBACK THE NEW SUV BY DS, INNOVATIVE SAVOIR-FAIRE FROM PARIS



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**

* Recurring Operating Income related to Revenue
** At constant (2015) exchange rates

PUSH^{TO} ***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***

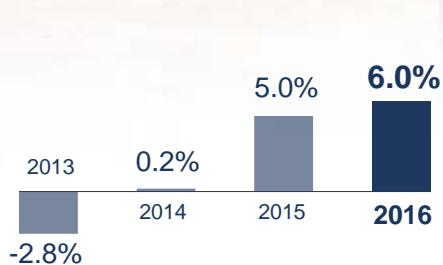
+ 2.7



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

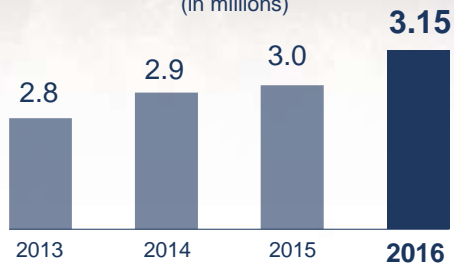
Recurring Operating Margin*

Automotive Division



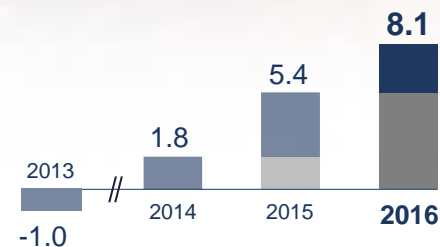
Worldwide Unit Sales**

(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



HIGHLIGHTS

PSA GROUP 2021

FROM TURNAROUND TO PROFITABLE SUSTAINABLE GROWTH
A CUSTOMER DRIVEN TRANSFORMATION



A GREAT CAR MAKER
With cutting edge efficiency



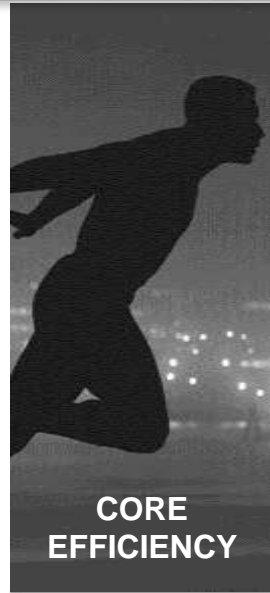
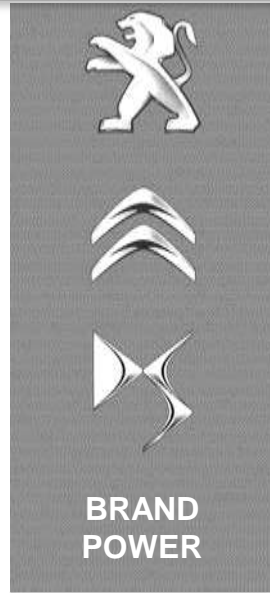
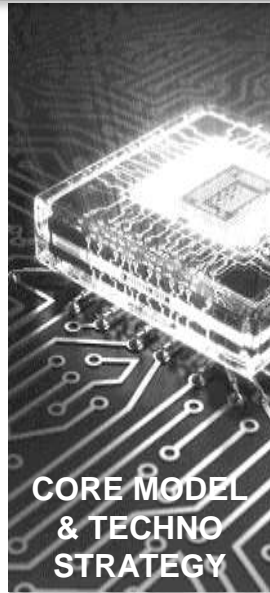
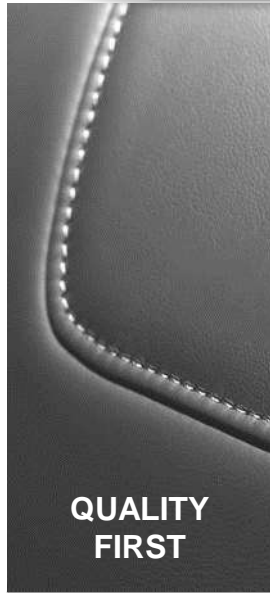
A MOBILITY PROVIDER
For a lifetime customer relationship

DIGITAL BOOSTER

A COMPETITIVE TEAM TO CHALLENGE BENCHMARKS

A GREAT CAR MAKER

CUTTING EDGE EFFICIENCY



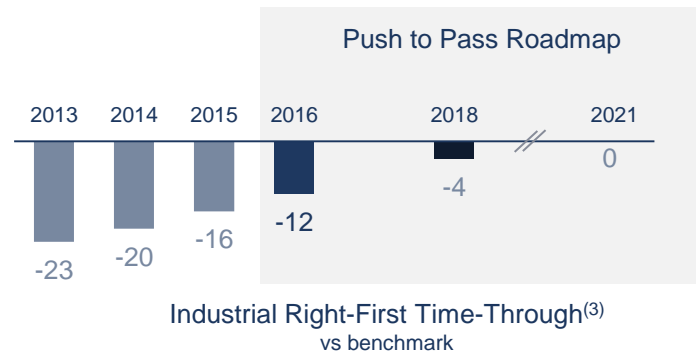
QUALITY FIRST – UNCOMPROMISING ATTITUDE

2 cars among
7 finalists



RV New 3008 +10 pts
vs previous 3008 at launch

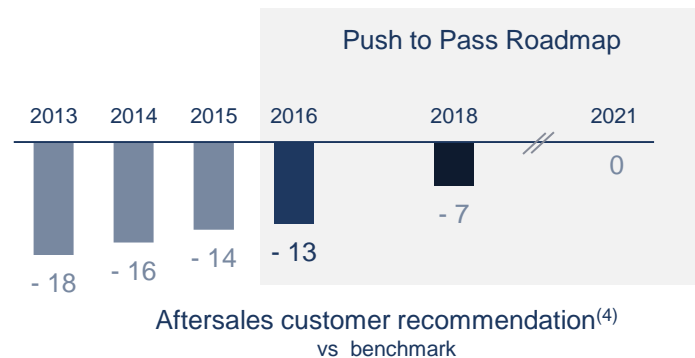
3008 awarded



PRODUCTS



SERVICES



CORE MODEL STRATEGY – PRODUCT BLITZ ON TRACK



Citroën Jumpy **Peugeot Expert**

B-SUV **C-SUV**

Peugeot 5008 **Peugeot 3008**

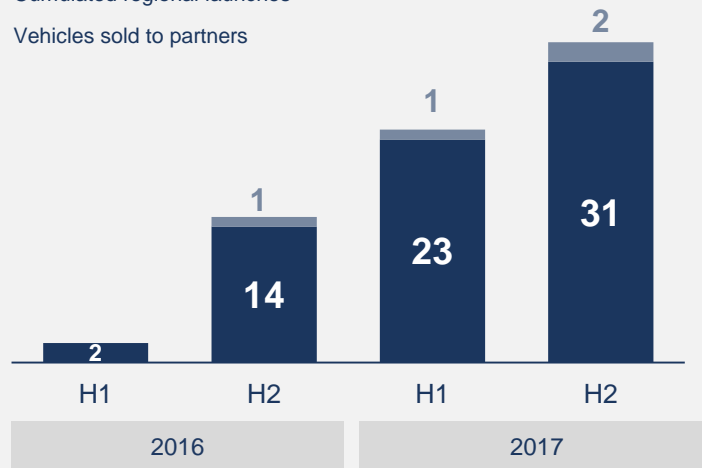
Citroën C3

7 global core models launched by end 2017
Out of 34 planned over 2016 - 2021

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

2 MULTI-ENERGY PLATFORMS

EMP2



34 CORE MODELS
PC & LCV

CMP
from 2019



BEST IN CLASS ICE



✓ Pure Tech Gasoline Engine (3 cyl.)



2015 & 2016



✓ Euro6 Diesel 100% SCR



PHEV
C & D segments
from 2019



New BEV
B & C segments
from 2019



✓ 2016 : Mirroring function available on 2/3rds PC range*

- ▶ 2018 : Over-The-Air infotainment update
- ▶ 2020 : Over-The-Air full vehicle Apps update



✓ 2016 : Level 1 ADAS functions rolled out as planned

- ▶ Towards Autonomous Vehicle

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

c.80%
ELECTRIFIED CORE MODELS
BY 2023**

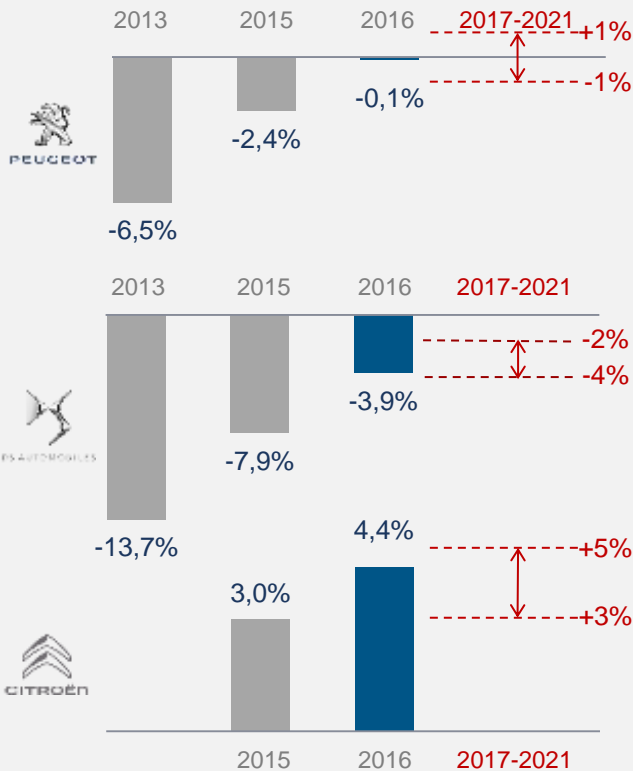
From dedicated
products & architectures...

2016 EV
Registrations +67 %*

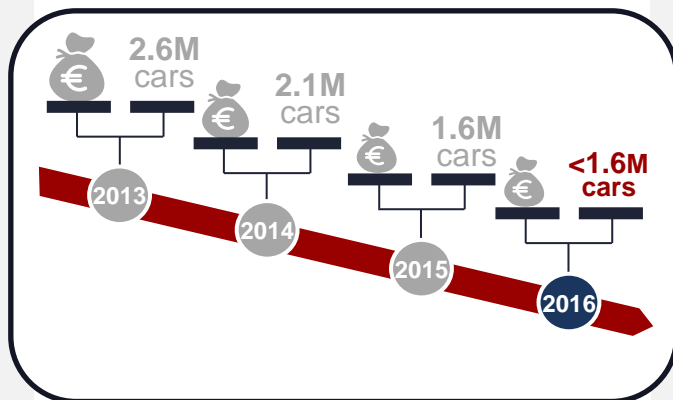
2016 EV
market +5 %*

A GREAT CAR MAKER: Efficient and Agile

Pricing power up in Europe (1)

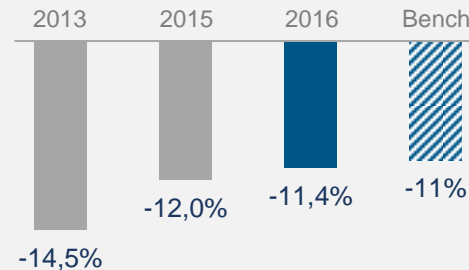


Break-even point lowered by more than 1M cars (2) ...

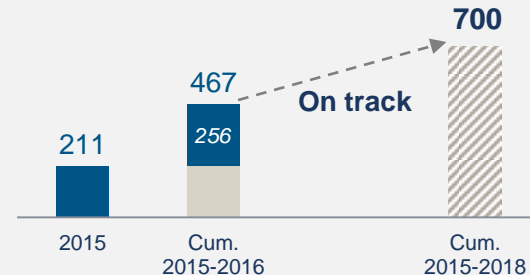


At dawn of a product blitz...

Fixed costs down Wages / Revenue (3)

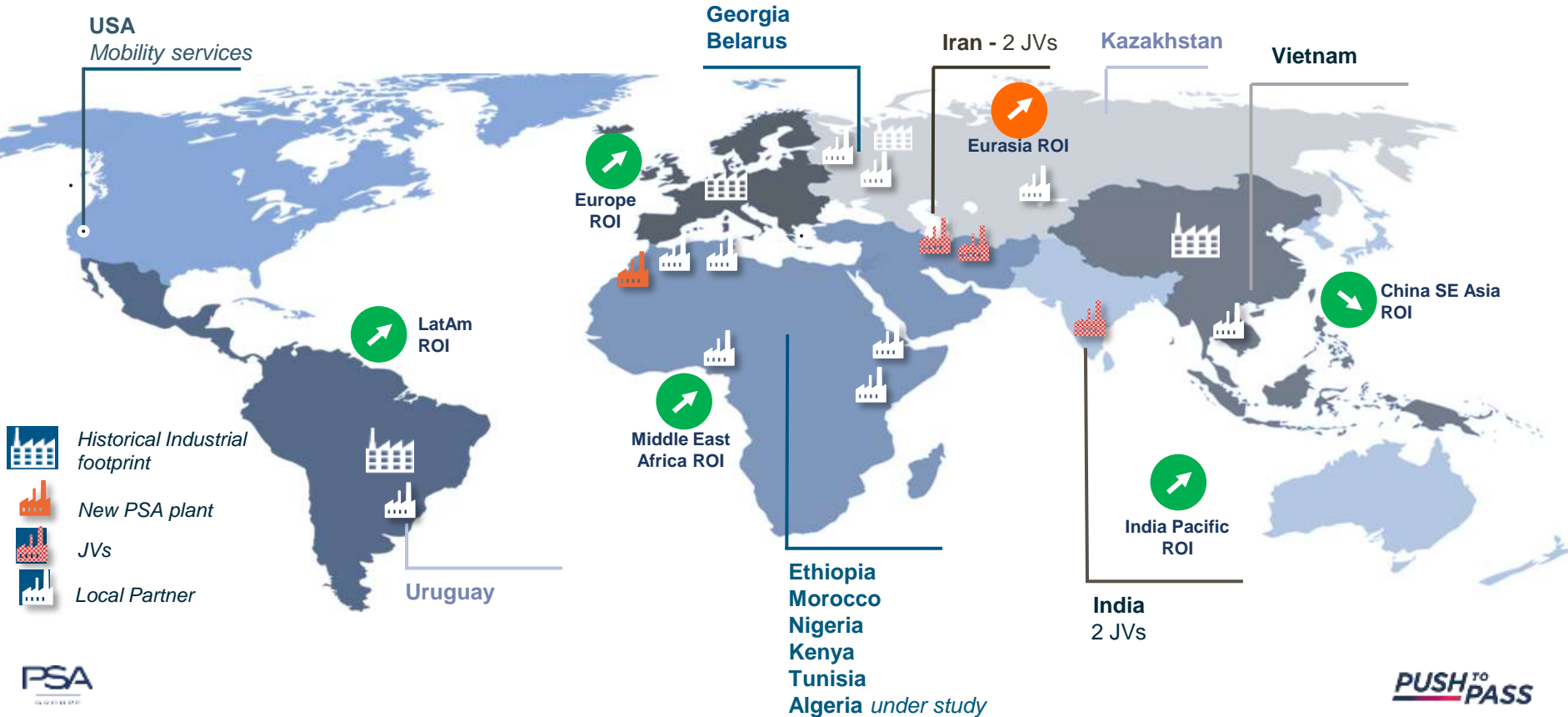


Variable costs down Production cost Savings (4) (€/veh)



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

FREE2 MOVE

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

Koolicar

France,
170K reg. users

Bolloré

Bordeaux & Lyon, Los Angeles
6K reg. users

TRAVELCAR

France & more,
300K reg. users

Communauto

Canada & France,
48K 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

PSA
GROUPE

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⁽¹⁾

€4.8 Bn
Auto EBITDA⁽²⁾

+50%
R&D Spend



Notes
1. 2016A metrics
2. 2016E metrics. Defined as recurring operating income + D&A, assuming 40% of Opel / Vauxhall Auto R&D capitalized



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



Current Perimeter



Group Revenue

10%

Growth⁽¹⁾ by 2018 vs 2015
Additional 15%⁽¹⁾ by 2021E

Automotive
Recurring Operating
Margin

>4.5%

Average
over
2016A-18E

≥6%

by 2021E⁽³⁾

2%⁽⁴⁾

by 2020E

6%⁽⁴⁾

by 2026E

Operational Free
Cash Flow⁽²⁾

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

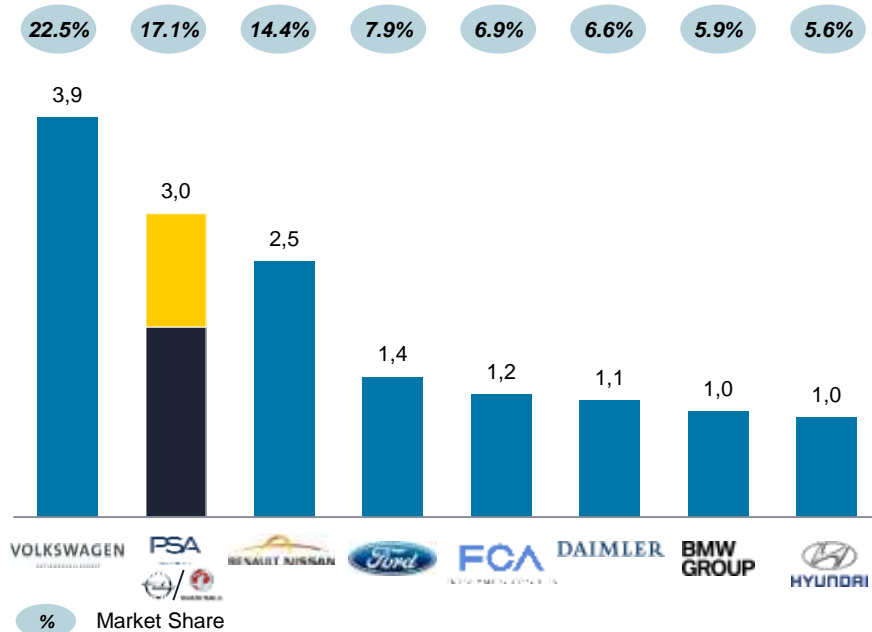


A Game-Changing Alliance for PSA & Opel/Vauxhall

A Combination Leading to Mass Market Leadership

European Light Vehicle Sales⁽¹⁾

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

R&D/ Capex, Joint Purchasing Organization (JPO)

+0.3 p.a.

1,1

Mainly related to JPO and purchasing on 3 projects

2012-17 Savings @ PSA

Additional Savings @ PSA

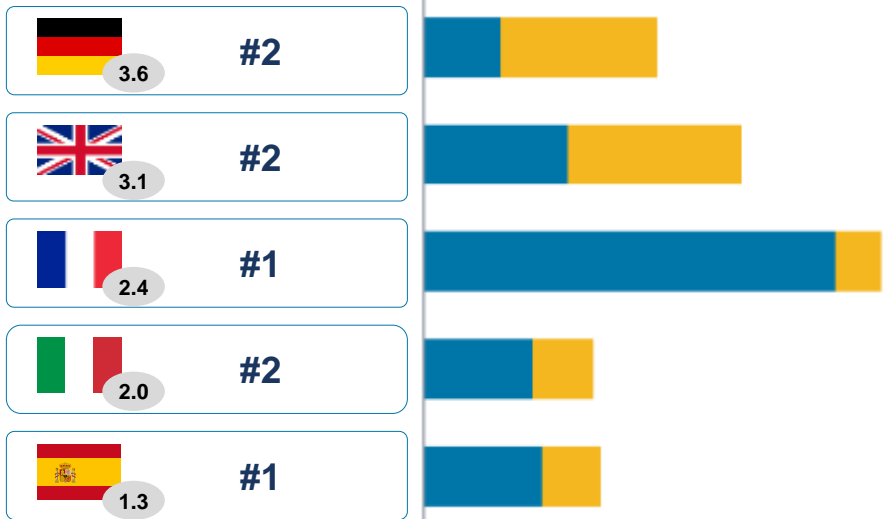
Strong Geographic & Brand Complementarities

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

...and Low Cannibalization Risk

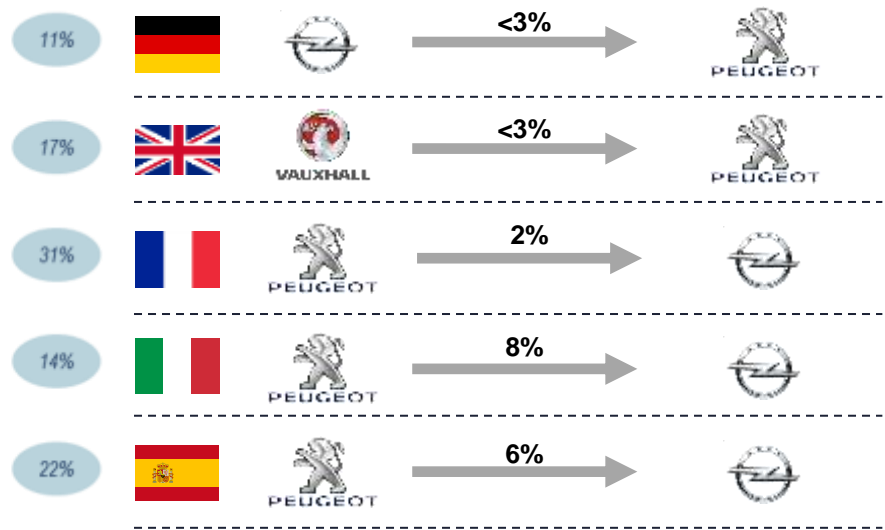


2016A PSA & Opel / Vauxhall Volumes



Market Size (MM units)
 PSA Volume Opel / Vauxhall Volume
 PSA + O / V Market Share

Willingness to Substitute⁽¹⁾

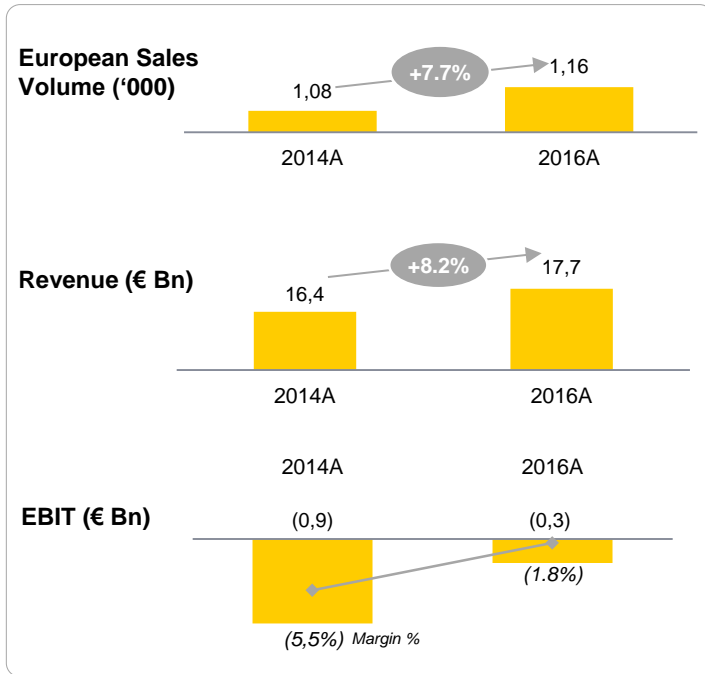


Note
1. E.g. less than 3% of customers for a given model of Opel would alternatively buy a Peugeot model



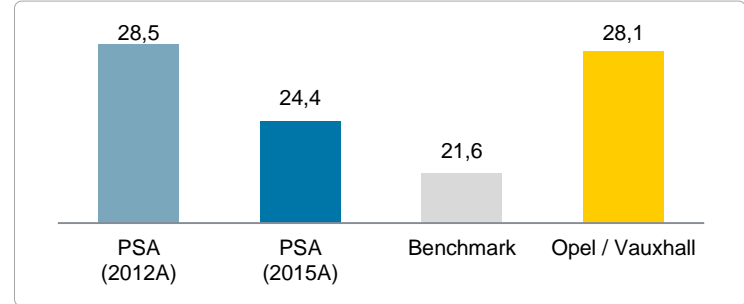
Clear Additional Levers to Drive Performance Towards Benchmark Levels

Major Improvement in Momentum at Opel / Vauxhall ...

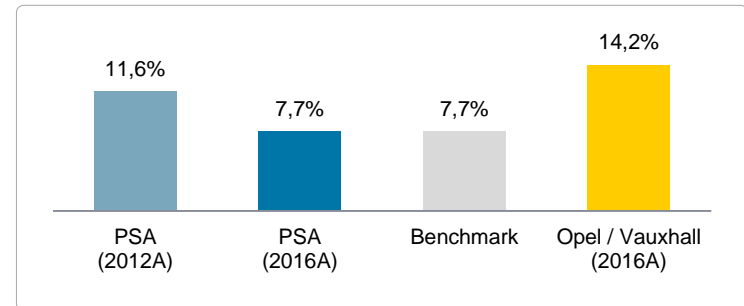


... with clear levers to drive further performance

Efficiency (# Hours / Car)

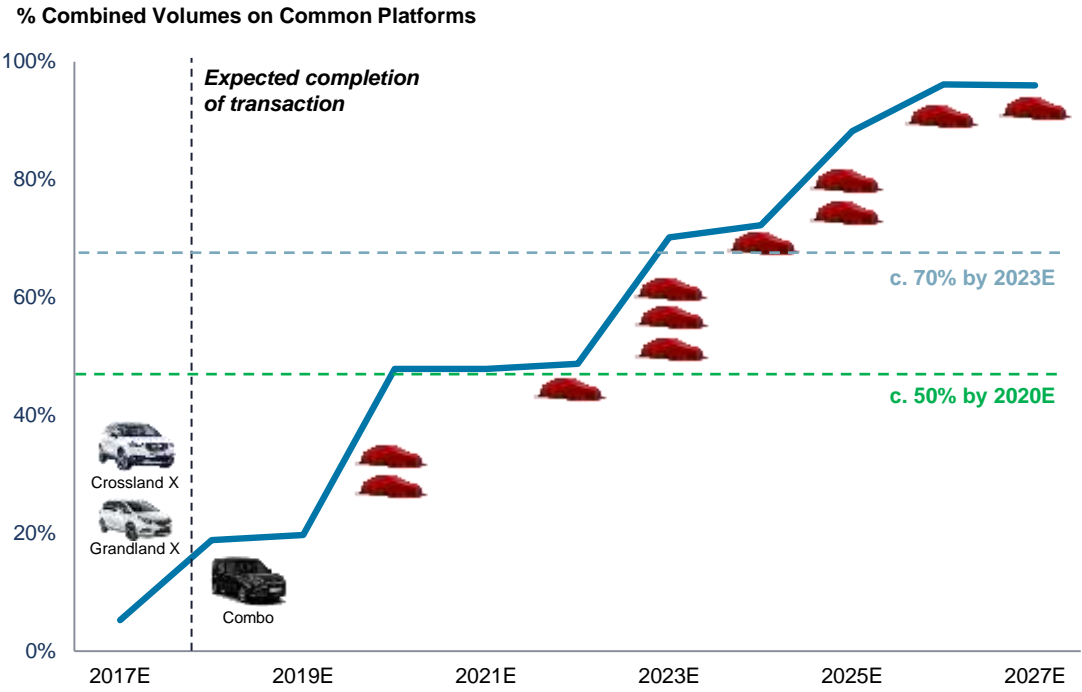


Inventories % of Revenue



PSA Platforms and Powertrain Rapidly Rolled Out to Opel / Vauxhall

Ramp Up of Joint Platforms to Full Convergence Within 8 Years



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%



Source: IHS Automotive (February 2017)



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

 Purchasing	c. 30%	<ul style="list-style-type: none"> • Scale effects • Technical best practices leading to optimized purchasing • Combination of purchasing functions and European sourcing 	
 R&D	c. 25%	<ul style="list-style-type: none"> • Convergence of platforms and powertrains • Reduction of outsourced R&D • Full digitalization of product development 	
 Manufacturing	c. 20%	<ul style="list-style-type: none"> • Alignment of industry benchmarks • Plant modernization and improved efficiency 	
 SG&A	c. 10%	<ul style="list-style-type: none"> • Alignment with industry benchmarks • Multiple areas of joint savings 	
 Capex	c. 15%	<ul style="list-style-type: none"> • Leveraging gains in manufacturing efficiency and common developments • Optimization of joint capex 	
c. €1.7 Bn p.a.		c. €1.1 Bn p.a.	
Run-Rate Synergies By 2026E		Synergies Expected By 2020E (c. 65%)	c. €(1.6) Bn
Total Implementation Costs			
 Working Capital Optimization	c. €1.2 Bn	<ul style="list-style-type: none"> • PSA with strong track record • Full realization by 2022E 	

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 5th anniversary of issuance, corresponding to c. 39.7 MM PSA shares⁽¹⁾ / 4.2% of share capital⁽²⁾**
 - €1 strike (nominal)
 - €17.34 reference price⁽¹⁾, 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 10th EGM vote
 - Undertaking from FFP/ EFP/ French State/ DFM (in aggregate 36.6% of capital and 51.5% of voting rights⁽²⁾) 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

An Attractive Transaction for PSA Shareholders

- **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⁽¹⁾

- **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

VOTE ON THE RESOLUTIONS



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10 MAY 2017

