Focus - PEUG PA - 116,2 Euros

PEUGEOT INVEST

2021, a record year

PI's NAV increased by 32.2% in 2021. All types of investments contributed, with Stellantis taking the lead. Investments reached the high level of €726 million, exclusively in unlisted assets which represent 62% of the Investment GAV. Divestments and dividends received covered most of the financing needs.

Stellantis published very good results confirming the success of the merger. Carlos Tavares presented his 9-year plan to transform the group into a "sustainable mobility tech company", structured for "all times" with a break-even point low enough to face all situations. He aims to double revenues to €300 billion with a double-digit margin.

Our central valuation scenario takes into account 1/ the strong increase in uncertainties arising from the Russian invasion of Ukraine, which leads us to apply a 50% discount to the consensus price targets for listed companies. 2/ In the specific case of Orpéa, we are retaining the current share price. Beyond the reputational crisis, the profitability of the business model will, in our opinion, remain questionable for a long time. Excluding these elements, our central scenario is based on an annual IRR of 15% for unlisted assets. This results in a potential NAV of €263 per share, i.e. an upside of 26%. The application of a 30% discount instead of the current 45% would generate a substantial upside on the share price.

M€	31/12/2021
NAV	5 857
NAV per share (€)	235
LTV (%)	17%
Gross Debt	1 198
Market capitalization (03/22/22)	2 856

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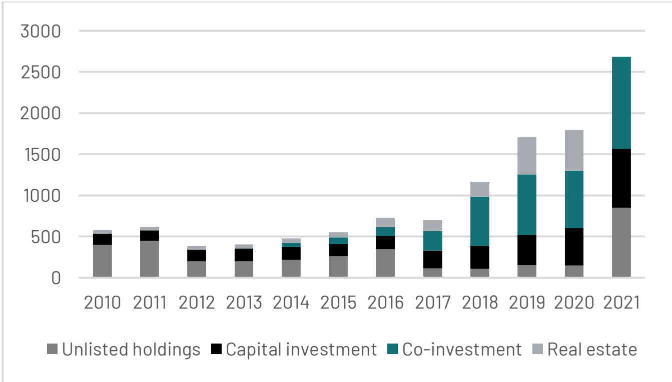
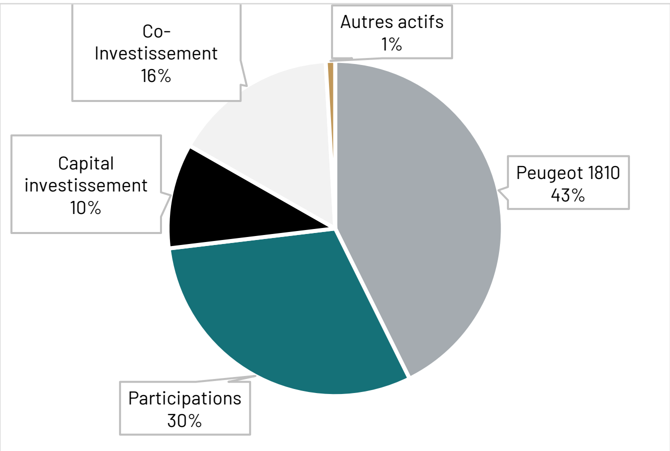


Chart 2 :ABR 2021 of IP by asset type



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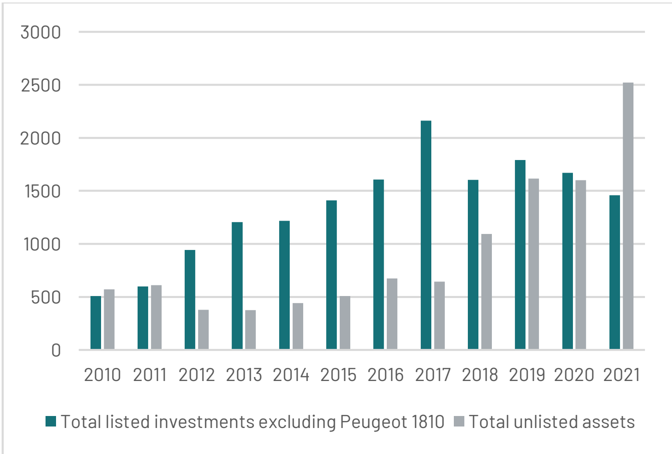
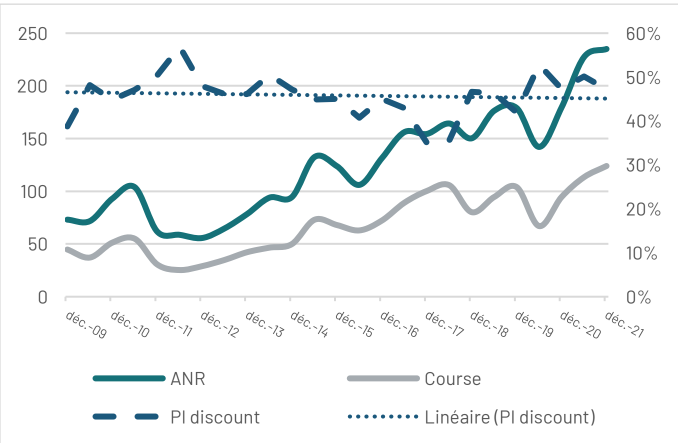


Chart 3 :Historical discount and NAV over 10 years



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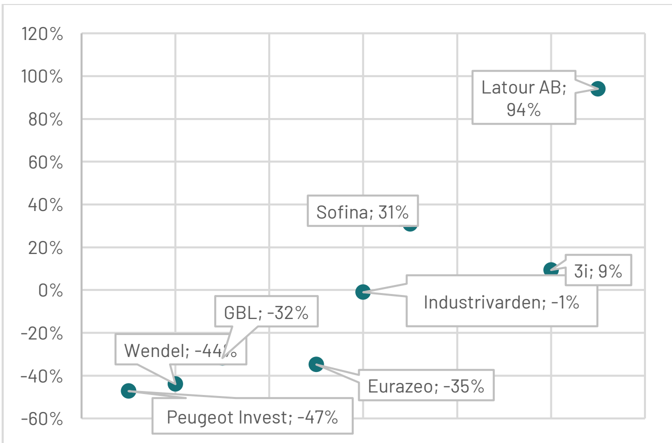


Source of graphs: Factset, Peugeot Invest, Theia Recherche
*Investments = Assets excluding Peugeot 1810

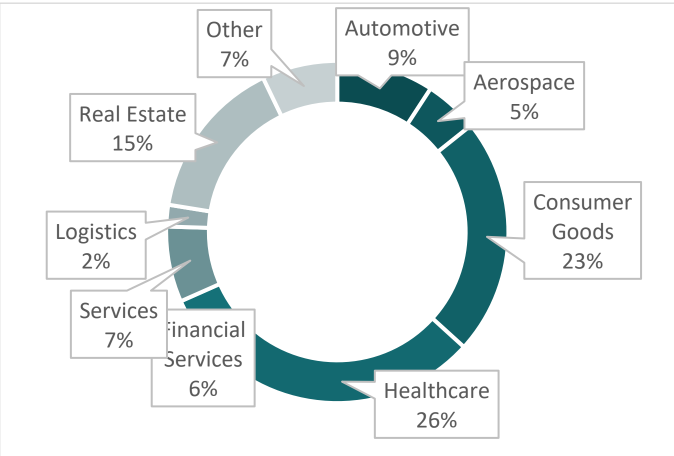
* Price at 12/31/21 compared to published 2021 NAV

Table 1 : Published NAV of Peugeot Invest as of 12/31/2021

	31/12/2021	Value (M€)
	Stellantis	3 740
	Faurecia	196
Peugeot 1810 (76.5%) - A		**3 011**
	Lisi (total)	293
	SEB	304
	Safran	44
	Orpea	287
	CIEL	14
	Tikehau Capital	72
	Spie	193
	Immobilières Dassault	88
Listed investments - B		**1 296**
Unlisted investments - C		**850**
Total investments D = B+C		**2 146**
Private equity vehicles - E		**715**
	JDE Peet's	6
	Keuring Dr Pepper	143
	Krispy Kreme	14
	Unlisted co-investments	956
Co-Investment - F		**1 119**
	Other financial assets and liabilities	13
	Treasury	51
Other assets - J		**64**
Gross asset value of investments D+E+F+J		**4 044**
Total gross revalued assets A+D+E+F+J		7 055
Debt		-1 198
Net asset value		**5 857**
Net asset value per share		**235,0**
Stock market price at 12/31/21		**124,0**
Discount		47%

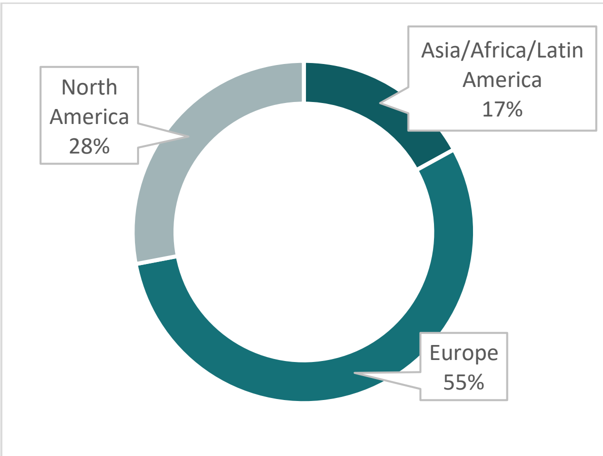
Source: Peugeot Invest, Theia Research

Chart 7Assets Investment* by sector (2021)



Source: Peugeot Invest *Investments = excluding Peugeot 1810

Chart 8Assets Investment* by geography



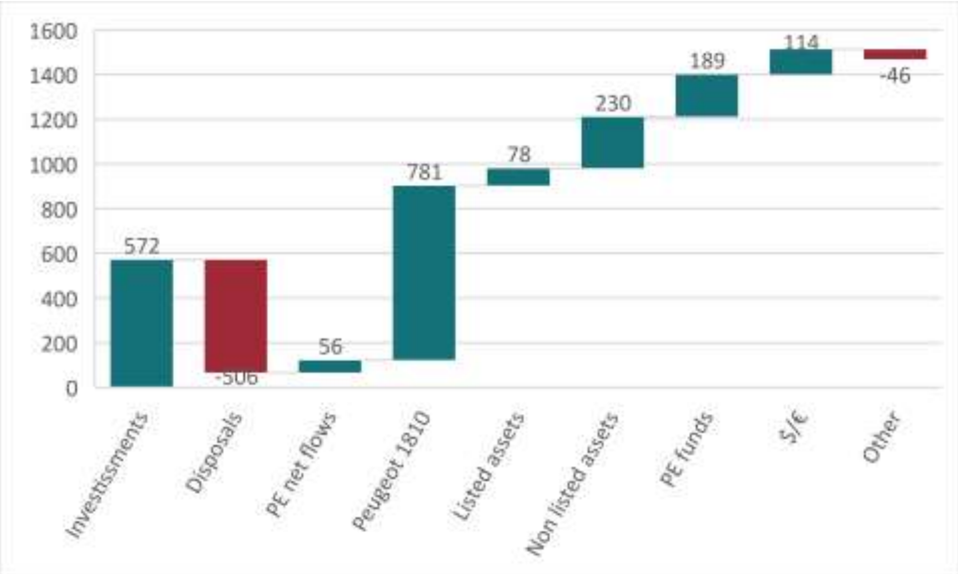
Source: Peugeot Invest *Investments = excluding Peugeot 1810

A year marked by strong asset appreciation

NAV rose by 32.2% in 2022. All the group's investment types contributed to this, although the lion's share was due to the appreciation of Stellantis. It was also a year of high levels of investment (€726m), exclusively in unlisted assets, the proportion of which reached 62% of Investment NAV (vs. 48% in 2020). Divestments and dividends received covered most of the financing needs, which contained the LTV at 17% (20% in 2020).

NAV boosted by all types of investments

Chart 9 : Bridge GAV 2021



Source : Peugeot Invest

Listed holdings: 58% of the increase in SLA

In 2021, Peugeot Invest benefited fully from the success of its main asset. Peugeot 1810, 95% of whose value is made up of Stellantis, contributed 53% of the increase in the ABR: because of its importance to the group, we will discuss the news and strategy of Stellantis later in this document.

The other listed participations made a positive but modest (5%) and more contrasted contribution. One of the declines for the year concerned Orpéa. Due to the scandal that hit this company, we have developed this subject in a dedicated section.

It should be noted that while the contribution of listed assets is crucial, it is nevertheless at a lower level than their weight in the total RBA, which was 70% at the beginning of 2020 and 63% at the end of 2021.

THEIA RECHERCHE

All unlisted assets: 29% of the increase in the RBA

This contribution is similar to the weight of these assets in total SVA, but a more detailed analysis shows that the private equity fund component contributes in a much higher proportion than its weight in assets. We do not see this as an intrinsic difference in performance, but rather as a reflection of the greater maturity of the PE fund portfolio.

Unlisted investments and co-investments contributed 16% of the increase in SLA compared to about 20% of their importance in SLA.

Private equity vehicles: while private equity funds accounted for only €455 million of the SLA at the end of 2020 (or 8%), they contributed 13% of the SLA growth in 2021. The strategy followed for several years of positioning itself on LBO and growth funds confirms its relevance here. For more details, we refer to the study we published on this subject in January 2022 (download the study).

A year of significant investments

The significant investments (€765M) made this year have strengthened the weight of unlisted companies in the group's portfolio: they now represent 62% of the Investments' IRR (vs. 48% in 2020) and 36% of total IRR (vs. 29%). The sale of the remaining Safran (€380 million for an IRR of 13.7% since 2018) as well as the exit of IDI (€27.2 million with a multiple of 2.3x) have accentuated this movement, while all new investments have been made in unlisted investments.

It should be remembered that listed vs. unlisted is not an explicit choice of the group, which always puts forward the question of opportunities in the investment themes it has chosen. For an outside investor, however, it is a relevant indicator because it concerns underlyings that would not be directly accessible. We highlighted the long-term trend towards the development of this particularity of the Peugeot Invest portfolio in our October 2021 initiation study (download the initiation study).

Equity investments (i.e. companies in which the group, even if it is a minority shareholder, can exercise influence and has representation on the board) were enriched by International SOS for $306 million and Signa (premium real estate in the German zone) for €75 million.

Co-investments (i.e. without influence in governance) were numerous in various sectors for a total of €230M: from healthcare with ArchiMed for €105M through several companies, to refrigerated logistics with Lineage for an additional $25M or US real estate with ELV for an additional $10M.

In terms of disposals, PEUG benefited from the exit of ELV for $69.3 million with IRRs between 8% and 31% and also from the sale by PAI of Asmodee, which generated a multiple of 2.7x in only 3 years (circa €60 million).

Investment vehicles (i.e. PE fund units) also had a record year in terms of commitments (€204 million), calls (€149 million) and distributions (€94 million). During the results presentation webcast, management indicated that it wished to maintain the level of commitments at around €200 million over the next few years. These commitments have been made with some fifteen funds for amounts ranging from €10 million to €25 million, mainly in LBOs (€104 million), growth and growth tech in Europe and the United States, in line with the group's strategy over the years.

A solid balance sheet

From the end of 2020 to the end of 2021, gross debt has increased by €87 million to €1,198 million thanks to the balancing of investments by disposals but also the return of dividends from holdings. While disposals are not very predictable, dividends are more predictable and those of Stellantis should continue to increase this source of financing in 2022.

The LTV ratio stands at 17% at the end of 2021 vs. 20% at the end of 2020. In a period of volatile valuations, this ratio loses its relevance. At 46%, gearing sends the same message and remains well below the covenants (100%).

Dividend up 13%.

In line with its policy of regularly increasing the dividend, the group has decided to distribute a dividend of €66 million, an increase of 13%. €2.65 per share corresponds to a yield of 2.3% at the close of March 22, 2022.

Focus on Stellantis and Orpéa

Stellantis, 41% of the group's SLA, published 2021 results confirming the success of the merger and communicated an ambitious strategic plan. Orpéa, 4.1% of the group's ABR, collapsed on the stock market in 2022 following the publication of a book questioning its ethics to the point of questioning the future of its business model.

Stellantis: heading for 2030

Investment data

The Peugeot family is at the origin of the PSA automotive group. Peugeot Invest has notably participated in the capital increases in 2012 and 2014 and has actively participated in the negotiations leading to the completion of the merger with FCA in 2021.

Ownership: 76.5% of Peugeot 1810, which holds 7.2% of the capital **Value at 12/31/2021: €2,861 million**

Amount invested: Contribution of 14.4% of the capital of PSA **Representative of PI:** Robert Peugeot

Vice-Chairman of the Board - Member of the Compensation

A successful first year, heralding strong dividend growth
The 1er asset of Peugeot Invest has published very good results for 2021 confirming the success of the merger both quickly and efficiently. Despite the shortage of components, the group grew its sales on all continents to reach a total turnover of €152 billion, up 14%, and a recurring operating income almost doubled to €18 billion, i.e. a margin of 11.8%. These good operating results were generally expected by the analysts' consensus.

The group has announced that it will achieve €5 billion in synergies a year early in 2024 (€3.2 billion in 2021).

Strong cash flow generation and a solid balance sheet (€62.7 billion of available cash) have enabled the group to announce a dividend of €3.2 billion or €1.04 per share. This level is higher than the €0.89 dividend expected by the consensus at the time of the publication of our initiation study. This implies that Peugeot Invest should receive a gross amount of €178 million in 2022 for its stake vs. €54 million in 2021.

Long-term strategic plan: "Dare forward 2030
Carlos Tavares presented on March 1er Stellantis' 9-year plan to transform the group into a "sustainable mobility tech company". In his presentation, he repeatedly stressed the need to build a group for "all times" with a sufficiently low breakeven point (<50% of volumes) to face all situations. This concern will resonate well with investors in general, and Peugeot Invest in particular, who have very bad memories of the 2012 crisis.

4 main objectives are targeted for 2030:

- A 50% reduction in the carbon footprint compared to 2021 (scope 1&2 -75% in absolute emissions / scope 3 -50% in emission intensity) and the ambition to reach net zero in 2038. These objectives are conditional on the implementation of the necessary public policies in terms of renewable energies and electrical infrastructure.

- A massively electrified sales mix: 100% of sales in Europe and 50% in the United States. In support of these objectives, the group has significantly increased the production capacity of the "Gigafactories" announced at the presentation of the electricity strategy from 260GWh to 400GWh.

- To be No. 1 in customer experience. We understand that this objective requires investments in artificial intelligence and software, as well as in all possible services, from online sales to shared mobility solutions and reconditioning of used vehicles.

- Doubling of revenues to €300 billion with a double-digit margin. Carlos Tavares, in response to questions from analysts, said that the mix and new services would play an important role in achieving this objective, which should not depend too much on volumes, which are by nature quite volatile in this industry. Stressing his experience of crises in the sector, he indicated that he had built these objectives with great caution, in particular by not extrapolating the effects of the mix on the margin objective (close to the current level).

The plan is broken down into 3 periods: the KPIs for the first period, up to 2024, are presented as commitments, those for the second period, up to 2027, as objectives, and those for the last 3 years, up to 2030, as directions.

Table 2 : Financial KPIs of "Dare forward 2030

bn	2021	2024e	2027e	2030e
CA	152	c200	c250	c300
Adjusted operating margin	11,80%	>10%	>10%	>12%
FCF Industrial	6,1	>6	>12	>20
Capex & R&D (% of sales)	8,60%	c8%	c8%	c8%

Source : Stellantis

Table 3 : Breakdown of projected sales to 2030

	2021	2030
Sales (bn€)	152	300
Hybrid & ICE	81%	26%
BEV	3%	52%
Software	0%	7%
Current Services	10%	7%
New Services	2%	6%
Other	4%	2%

Source : Stellantis

What is the impact on the market's appreciation of Stellantis?

The strategy presented by Carlos Tavares is promising. It benefits from the credibility gained by the turnaround of PSA and the successful creation of Stellantis. Nevertheless, the success of this very ambitious plan implies a profound revolution carried out at a sustained pace, which necessarily involves numerous and varied implementation difficulties: more than half of the €300 billion in sales targeted in 2030 will be achieved with products and services that do not exist today. This is the price to pay for the group's adaptation to the changes in mobility made necessary by the climate transition. Carlos Tavares has explicitly renounced in his answers to analysts and journalists to convince public authorities to modulate this transition by perpetuating hybrid models: Stellantis aims to be competitive in the environment that is imposed on the group.

For short-term estimates (2022 to 2024), it is likely that the consensus will gradually adjust upwards in terms of sales (2024th sales of €184.7bn to date vs. a guidance of €200bn), without this having a major impact on expectations for operating profit, which are already €20.6bn for 2024th. On the other hand, it is possible that the group's desire to make its balance sheet less volatile will result in a higher WCR and therefore a lower generation of FCF. Overall, we believe that this plan will reinforce the enthusiasm of analysts and investors for Stellantis shares, which have 84% buy opinions (16% neutral opinions) and an average target price of €24.15, i.e. a potential of 62%.

Orpéa : more regulations and controls expected

Investment data	
Entry date: 2011	**Value at 12/31/2021: €287 million**
Ownership: 5% of the capital	
Amount invested: €115 million	**IP representative: Thierry Mabille de Poncheville**
(partial sale of 0.9% for €63.8M in 2018)	Director, member of the Audit and CSR Committee, Chairman of the Nominations and Remuneration Committee

The facts: accusation of "institutional abuse" towards the residents.
At the end of January, an investigation into the living conditions of Ehpad residents, conducted by journalist Victor Castanet, was published in a book entitled "Les Fossoyeurs". The book describes a system where hygiene, medical care and even meals for residents are rationed to improve the group's profitability. Like its public and private competitors, Orpéa benefits from hundreds of millions of Euros in public funding for its establishments. It is therefore a questionable management of public money, which was supposed to be allocated for the benefit of the elderly and which, in the end, was not used entirely for their benefit, explains the author. These revelations caused Orpéa's share price to fall by more than 50%, and led to numerous reactions from the public authorities, who have indicated that they want to strengthen the control of retirement homes and have sparked a national debate in France on private sector Ehpads and the care of the dependency sector in general.

Consequences:

- **governance crisis**

Orpéa first officially contested all of the accusations, which were deemed to be false, outrageous and prejudicial. The company then stated that it intended to shed full light on the alleged facts. On January 30, the Board of Directors terminated Yves Le Masne's duties as CEO, replaced with immediate effect by Philippe Charrier, already non-executive Chairman of the Board of Directors since March 2017. In addition, Yves Le Masne was simultaneously investigated for insider trading because he allegedly sold shares just after learning that the management of the group's establishments was going to be called into question in a forthcoming book.

At the beginning of February, Orpéa announced that it had mandated the firms Grant Thornton and Alvarez & Marsal to carry out evaluation and audit missions and to assess the allegations published in the book in complete independence. Their conclusions, communicated and made available to the competent authorities, will be presented to the Board of Directors as soon as possible.

- **reactions of public authorities, minorities and residents' families**

Brigitte Bourguignon, Minister for the Autonomy of the Elderly, quickly opened two investigations. The first is being conducted by the General Inspectorate of Social Affairs (IGAS), the second by the General Inspectorate of Finance (IGF). They are intended to obtain information on the use of consumables and nutrition, managerial practices concerning staff, the rate of supervision, the procedures for reporting and monitoring abuse, and the group's financial practices.

On February 7, Mirova, a management company specializing in sustainable finance and Orpea's third largest shareholder with 3.9% of the capital, sent a letter to the Board of Directors requesting an overhaul of the group's model and the adoption of the status of a mission company.

Finally, in early March, attorney Sarah Saldmann announced the launch of a joint class action suit by angry resident families.

On March 8, the government announced that all 7,500 nursing homes in France would be inspected over the next two years, as part of a plan to better supervise their activities. In addition to these controls, it is also planned to facilitate reporting, including the creation of an online platform for families and professionals, to strengthen the training of professionals and to impose new constraints on institutions. The Ehpad will be required to publish a series of ten indicators each year to improve information for residents and families, including the staffing rate, the staff turnover rate, the presence of a night nurse and the daily budget for meals per person. This transparency requirement will also apply to the finances of the facilities, which will be more closely monitored.

On March 21, the newspaper Le Monde revealed that the preliminary report of the administrative inquiry confirms the savings made by the group thanks to public money. Indeed, Orpéa would have increased its profits by hiring fewer caregivers than the public allocations made for this purpose. The IGF and the IGAS consider that Orpéa would have pursued primarily a budgetary performance objective which would have contributed to the poor quality of life of the residents and of the care provided to them. In financial terms, the article concludes that, over the period 2017-2020, Orpéa generated a surplus of €20 million thanks to its under-spending of public funds paid by the Regional Health Agencies and departmental councils.

Some financial data at the end of 2021

In 2021, Orpéa's sales rose by 5.1% like-for-like to €4.284 billion. Q4 showed organic growth of 4.5%, in line with expectations, driven by all geographical areas. At the beginning of 2022, business remains dynamic with a recovery in clinics and slightly higher occupancy rates than in Q4-2021 for retirement homes. Annual EBITDAR (EBITDA before rent) amounted to €1,068 million, representing a margin of 24.9%. Net financial debt amounted to €7,767 million, taking into account the construction investments and external growth made during the year.

Impact for Peugeot Invest

During the presentation of the 2021 results, Peugeot Invest's management indicated that it did not wish to comment on the situation pending the final conclusions, expected in April, of the joint inspection mission. PI recalled that the Board of Directors dismissed the CEO, Mr. Yves Le Masne, at the end of January and appointed Mr. Philippe Charrier, then non-executive Chairman of the Board of Directors since March 2017, as CEO.

It seems relevant to us to ask the question of the effective control of a minority shareholding held for 10 years and the active role that the reference shareholders should play. Peugeot Invest is, with 5.0% of the capital, the second largest shareholder of the group behind Canada Pension Plan Investment Board (CPPIB) which holds 14.5% since the end of 2013. Peugeot

Invest also chairs the Nominations and Remuneration Committee and participates in the CSR Committee. Clearly, the information exchanged during the various Committees and Boards of Directors has been insufficient to enable its members to fully understand the situation. While the group conducts extensive due diligence prior to its investments, it is clear that it was taken by surprise, as were almost all investors, by the information revealed in Les Fossoyeurs. We believe that what constitutes a real industrial incident should lead it, once a balance sheet can be drawn up calmly, to revisit the means implemented to monitor its investments beyond the information transmitted by the management (access to employees, weak signals, benchmarks etc.).

Impact on Peugeot Invest's valuation scenarios

Considering that the Orpéa share will remain difficult to invest in until all the investigations are closed and the business model is re-evaluated in its new framework, we have decided to value the holding at the current stock market price without taking into account the analysts' objectives. Indeed, analysts are currently unaware of both the risks weighing on the "license to operate" and the real value of the real estate assets dependent on it. This approach is deliberately cautious, because while some analysts have suspended their recommendations and targets, others have maintained their recommendations with targets showing significant potential (consensus: +97.7% to €71.59!).

The damage to the group's reputation is such that, whatever the results of the current investigations, it seems to us that it will appear as non-investable for most institutional funds that include ESG criteria under "controversies". Furthermore, the profitability of the business model and its growth rate will, in our opinion, remain questionable for a long time.

Update of our 3 scenarios

Theia Research offers investors a central scenario, which we consider the most likely, and two alternative scenarios, one decidedly more optimistic, the other more pessimistic. With an unchanged discount, our central scenario shows a potential upside of 26%, which would rise to 59% with a reduction of the discount to 30%.

We have made two significant changes in the development of our scenarios compared to the method we used in our inception study (download the inception study).

Consider geopolitical uncertainty in the central and conservative scenarios.

The first reflects the sharp rise in uncertainty resulting from the Russian invasion of Ukraine. Traditionally, the analysts' consensus is slow to reflect violent changes in the economic environment: it therefore does not seem relevant to us to retain the price targets for listed companies in both the central and optimistic scenarios. We retain the price targets for the optimistic scenario only, apply a 50% discount on the targets for the central scenario and retain the current price for the conservative scenario.

Freeze the valuation of Orpéa in all cases while waiting for visibility on the long-term consequences.

The second concerns the specific case of Orpéa. Some analysts have suspended their recommendations and targets, while others have maintained their recommendations with targets showing significant potential (consensus: +97.7% to €71.59!). The damage to the group's reputation is such that, whatever the results of the current investigations, it seems to us that it will appear as non-investable for most institutional funds that retain ESG criteria as "controversies". Furthermore, the profitability of the business model and its growth rate will, in our opinion, remain questionable for a long time. These elements lead us to retain the current value of the share price in all our scenarios.

Each scenario is based on an IRR calculation that distinguishes the valuation:

- equity investments, (73% of total GAV as at 31/12/21)
    - those listed are valued, for the optimistic scenario, at their 12-month price target provided by the market consensus, for the central scenario at 50% of the potential price target and for the conservative scenario at the current price;
    - unlisted investments to which we apply a flat IRR of 10%, which we believe to be prudent (these are companies where the group has influence in governance, for example Tikehau, International SOS, Acteon, etc.).
    - In any case Orpéa is maintained at its current value.

- private equity vehicles, unlisted co-investments, real estate assets and certain listed assets (such as KDP) intended to be monetized.
    - IRR of 20% for the optimistic scenario
    - IRR of 15% for the central scenario
    - IRR of 10% for the conservative scenario

In addition, we apply a discount that the market could apply to the total NAV depending on the evolution of investors' perception. It is currently 51% on the basis of the NAV at 31/12/21 and 45% on the basis of the spot NAV at the close of 22/03/22, and is therefore at the top end of its historical range of between 35 and 50%.

- 10% discount for the optimistic scenario
- 30% discount for the central scenario
- 50% discount for the conservative scenario

We group all our scenarios in the tables below.

Central scenario: market takes into account PI changes

It is based on a 12-month IRR of 15% for unlisted assets. It results in a potential NAV of €264 per share, i.e. an upside of 26%. The application of a 30% discount instead of the current 47% would generate an upside of 59% on the share price.

Table 4 : Central scenario

	50% of Factset price target	Number of sharess	Value (M€)
Stellantis	19,5	224 150	4 367
Faurecia	37,7	4 680	176
Peugeot 1810 (76.5%) - A			**3 476**
Lisi (total)	27,9	10 330	288
SEB	145,4	2 224	323
Safran	118,1	410	48
Orpea	36,4	3 261	119
CIEL	6,7	115 000	16
Tikehau Capital	27,1	3 100	84
Spie	24,3	8 500	207
Immobilières Dassault			82
Listed investments - B			**1 167**
Unlisted investments - C	**IRR**	**15%**	**978**
Total investments D = B+C			**5 621**
Private equity vehicles - E	**15%**		**822**
JDE			6
Keuring Dr Pepper	40,2		160
Krispy Kreme			14
Unlisted co-investments	15%		**1 099**
Co-Investment - F			**1 273**
Other financial assets and liabilities			13
Treasury			51
Other assets - J			**64**
Total gross revalued assets A+D+E+F+J			**7 780**
Debt			-1 198
Net asset value			**6 582**
Net asset value per share			**264**
Potential increase in NAV/spot			**26%**
Share price on 22/03/22			**116**
Target discount / target price	30%		**185**
Price potential			**59%**

Source: Factset, Theia Research

Conservative scenario: status quo

It is based on the stability of the stock market prices of listed investments, a 12-month IRR of 10% for unlisted assets and a 50% discount. It results in a potential NAV of €217 per share, i.e. an upside of 3%, and a potential share price of €108, i.e. -7%.

Table 5 : Conservative scenario

22/03/2022	Course (ML)	Number of shares	Value (M€)
Stellantis	14,82	224 150	3 322
Faurecia	25,16	4 680	118
Peugeot 1810 (76.5%) - A		**76,50%**	**2 631**
Lisi (total)	22,6	10 330	233
SEB	124,2	2 224	276
Safran	104,94	410	43
Orpea	37,01	3 261	121
CIEL	6,7	115 000	16
Tikehau Capital	24,9	3 100	77
Spie	22	8 500	187
Immobilières Dassault	61,8	1 333	82
Listed investments - B			**1 036**
Unlisted investments - C			**850**
Total investments D = B+C			**1 886**
Private equity vehicles - E	**10%**		**787**
JDE			6
Keuring Dr Pepper	40,2		160,0
Krispy Kreme			14,0
Unlisted co-investments	10%		1 052
Co-Investment - F			**1 232**
Other financial assets and liabilities			13
Treasury			51
Other assets - J			**64**
Total gross revalued assets A+D+E+F+J			**6 599**
Debt			-1 198
Net asset value			**5 401**
Net asset value per share			217
Potential increase in NAV/spot			3%
Share price on 22/03/22			116
Target discount / target price	50%		108
Price potential			-7%

Source: Factset, Theia Research

Optimistic scenario: profound change in perception

It is based on an IRR of 20% for unlisted assets and a discount of 10%. It results in a potential NAV of €305 per share, i.e. an upside of 46%. The application of a 10% discount instead of the current 47% would generate an upside of 137% on the share price.

Table 6: Optimistic scenario

	Factset price target	Number of shares	Target value (M€)
Stellantis	24,1	224 150	5 412
Faurecia	50,3	4 680	235
Peugeot 1810 (76.5%) - A			**4 320**
Lisi (total)	33,2	10 330	343
SEB	166,5	2 224	370
Safran	131,2	410	54
Orpea	36,4	3 261	119
CIEL	6,7	115 000	16
Tikehau Capital	29,4	3 100	91
Spie	26,6	8 500	226
Immobilières Dassault	5%		85
Listed investments - B			**1 304**
Unlisted investments - C	**IRR 12 months**	**10%**	**935**
Total investments D = B+C			**2 239**
Private equity vehicles - E	**20%**		**858**
JDE			6
Keuring Dr Pepper	40,2		160,0
Krispy Kreme			14,0
Unlisted co-investments	20%		1 147
Co-Investment - F			**1 327**
Other financial assets and liabilities			13
Treasury			51
Other assets - J			**64**
Total gross revalued assets A+D+E+F+J			**8 808**
Debt			-1 198
Net asset value			**7 610**
Net asset value per share			305
Potential increase in NAV/spot			46%
Share price on 22/03/22			116
Target discount / target price	10%		275
Price potential			137%

Source: Factset, Theia Research

Income statement as of 12/31 (M€)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Income from financial assets	30	55	99	53	89	159	172	230	154	186	227
Income from investment properties	2	1	2	1	1	1	3	1	2	2	5
Revenue from other activities	3	3	3	4	3	3	3	4	4	3	3
Revenue from ordinary activities	**35**	**60**	**104**	**57**	**93**	**164**	**178**	**235**	**160**	**190**	**235**
General administration costs	-8	-11	-10	-12	-15	-17	-18	-21	-23	-32	-37
Impairment of available-for-sale assets	-9	-7	-11	-1	-2	-5	-1	-4			
Cost of financial debt	-33	-11	-13	-14	-14	-12	-10	-13	-15	-20	-28
Income of consolidated companies before tax	-15	31	70	30	61	130	150	197	122	138	170
Share of net income of associates	267	151	-971	-1 096	236	32	18	21	6	9	-14
Consolidated income before tax	**251**	**182**	**-901**	**-1 066**	**298**	**161**	**168**	**218**	**128**	**147**	**155**
Income taxes (including deferred taxes)	7	-1	0	0	10	-3	-18	4	-13	-16	11
Consolidated net income	**258**	**181**	**-901**	**-1 066**	**307**	**159**	**150**	**222**	**115**	**131**	**166**
Of which minority interests	0	0	0	0	1	1	0	0	0	0	-32
Of which group share	**258**	**181**	**-900**	**-1 066**	**308**	**159**	**150**	**222**	**115**	**131**	**134**
Per share											
published	10,3	7,2	-35,8	-42,4	12,2	6,3	6,0	8,9	4,6	5,3	5,4
diluted	10,3	7,2	35,8	-42,4	12,2	6,4	6,0	9,0	4,6	5,3	5,4
Average number of shares											
published	25,16	25,16	25,16	25,16	25,16	25,16	25,07	25,07	24,92	24,92	24,92
diluted	25,16	25,16	25,16	25,16	25,16	25,16	25,07	25,07	24,92	24,92	24,92

Source : Peugeot Invest

Other comprehensive income as of December 31 (M€)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consolidated net income	258	181	-901	-1 066	307	159	150	222	115	131	166
Effects of equity affiliates on net comprehensive income	68	0	-399	-120	1	9	-3	-6	7	17	11
Net revaluation of financial assets	255	-15	147	198	84	580	26	323	-264	372	203
Capital gains on disposals of equity investments									232	137	94
Net revaluation of derivative instruments	4	-3	-6	-17	23	3	-2	3	-1	-3	0
Foreign exchange differences								-14	12	10	-49
Other direct revaluations net of equity	2				-2	-7	11	-16	11	7	-3
Total other comprehensive income	328	-17	-258	62	106	585	32	292	-4	540	255
CONSOLIDATED COMPREHENSIVE INCOME	**586**	**164**	**-1 159**	**-1 004**	**413**	**743**	**182**	**513**	**111**	**671**	**422**
Of which Group share	586	164	-1 159	-1 004	413	744	182	513	111	671	112
Of which minority interests	0	0	0	0	-1	-1	0	0	0	0	310

Source : Peugeot Invest

Cash flow as of 12/31 (M€)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consolidated net income	258	181	-901	-1 066	307	159	150	222	115	131	166
Net depreciation and provisions	9	7	13	1	2	5	1	5	2	1	1
Income on disposal of non-current assets	-10	-13	-72	-30	-63	-48	-135	-153	2	-7	-61
Unrealized gains and losses related to changes in fair value	-1	0	1	3	4	-80	-2	0	-73	-63	-148
Share of profit of associates, net of dividends received	-262	-90	975	1 099	-232	-28	-14	-16	-1	-4	16
Cost of net financial debt	33	11	13	14	14	12	10	13	15	20	29
Income tax expense (current and deferred)	-7	1	0	0	-10	3	18	-4	13	16	-11
Cash flow from operations before cost of net financial debt and tax	21	98	29	21	22	23	28	66	72	94	-8
Taxes payable	0	-5	0	-1	0	-6	-3	0	-7	-7	-1
Change in working capital requirements related to operations	-6	4	-10	6	-2	8	-7	-2	14	1	-14
Net cash provided by operating activities	**15**	**97**	**18**	**26**	**21**	**25**	**18**	**64**	**79**	**88**	**-22**
Acquisitions of tangible and intangible assets	0	0	0	0	0	-1	0	-2	-1	0	0
Proceeds from sale of property, plant and equipment and intangible assets	0	0		0	0	0	0	0	0	0	0
Acquisitions and disposals of treasury shares	0	0	0	0	-3	-1	0	-29	-1	0	0
Acquisitions of financial assets	-38	-176	-120	-15	-197	-148	-169	-439	-382	-453	-473
Proceeds from sale of financial assets	139	76	166	48	196	47	84	346	249	235	273
Change in other non-current assets	7	0	-7	0	-3	33	-3	-8	7	0	-11
Net cash used in investing activities	**108**	**-101**	**39**	**32**	**-7**	**-70**	**-88**	**-132**	**-128**	**-218**	**-212**
Dividends paid during the year	-18	-38	-28	0	0	-50	-40	-45	-49	-53	-53
Receipts from new loans		53	51	14	7	1	112	243	107	301	373
Loan repayments	-80		-48	-54	0	-52	-1	-110	0	-79	0
Change in other non-current financial liabilities	4	-1	-19	-4	-1	163	-1	5	0	0	0
Net financial interests paid	-33	-11	-13	-14	-14	-12	-10	-13	-15	-19	-28
Net cash used in financing activities	**-126**	**2**	**-57**	**-59**	**-8**	**50**	**60**	**79**	**42**	**149**	**291**
Change in net cash position	-4	-2	1	-1	7	5	-10	11	-6	19	57
Cash and cash equivalents at the beginning of the year	9	6	4	5	4	11	16	6	17	11	31
Cash and cash equivalents at the end of the period	6	4	5	4	11	16	6	17	11	31	88

Source : Peugeot Invest

Balance sheet as of 12/31 (M€)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Concessions, patents, similar values	0	0	0	0	0	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
Investment properties	17	17	17	16	16	16	18	18	19	19	22
Land	13	13	13	13	13	13	13	13	13	13	13
Buildings	1	1	1	0	0	0	0	0	2	2	1
Plantations	1	1	1	1	1	1	1	1	1	1	1
Other fixed assets	0	0	0	0	1	1	1	2	1	1	1
Rental rights of use										4	3
Property, plant and equipment	33	32	32	32	31	32	34	35	36	41	43
Investments in associates (equity method)	3 237	3 350	2 033	815	206	286	222	248	258	287	274
Non-consolidated investments	762	896	1 002	1 200	2 035	2 686	2 967	3 341	3 172	3 792	4 738
Fixed assets from portfolio activity (FAPI)	169	151	151	164	259	363	485	745	1 133	1 515	1 607
Other non-current financial assets	53	0	10	16	114	206	4	12	6	6	25
Non-current financial assets	4 221	4 397	3 195	2 195	2 616	3 540	3 678	4 347	4 568	5 600	6 644
Deferred taxes - Assets	14	9	12	22	16	21	3	5	3	4	29
Non-current assets	4 267	4 439	3 239	2 248	2 663	3 593	3 715	4 386	4 607	5 644	6 716
Stocks	10	10	9	10	10	11	10	10	7	8	9
Current taxes	0		4	0	1	0	2	4	0		7
Other receivables	1	1	2	1	1	1	2	7	2	3	5
Cash and cash equivalents	6	4	5	4	11	16	6	17	11	31	88
Current assets	16	16	20	15	23	29	20	38	21	41	108
Total Assets	**4 283**	**4 455**	**3 259**	**2 264**	**2 686**	**3 622**	**3 736**	**4 424**	**4 628**	**5 685**	**6 825**
Capital contributed	25	25	25	25	25	25	25	25	25	25	25
Premiums related to capital	158	158	158	158	158	158	158	158	158	158	158
Reserves	3 447	3 651	3 546	2 708	1 744	2 586	2 737	3 104	3 271	3 874	4 011
INCOME FOR THE YEAR (Group share)	258	181	-900	-1 066	308	159	150	222	115	131	134
Total capital and reserves (Group share)	3 889	4 016	2 829	1 825	2 236	2 928	3 070	3 509	3 570	4 189	4 328
Minority interests	1	1	1	0	0	-1	-1	0	0	-1	619
TOTAL EQUITY	**3 890**	**4 017**	**2 830**	**1 826**	**2 236**	**2 928**	**3 069**	**3 509**	**3 569**	**4 188**	**4 947**
Non-current financial liabilities	342	389	376	372	376	593	587	817	935	1 340	1 713
Deferred taxes - Liabilities	44	37	40	52	56	85	68	83	98	134	125
Provisions	0	0	0	0	0	0	1	1	1	1	1
Other non-current liabilities	1	0	0	0	1	0	1	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	387	427	417	424	432	679	656	901	1 034	1 474	1 838
Current financial liabilities	5	3	10	10	15	5	5	7	12	9	10
Current taxes		4		0	0	5	0	0	7	2	13
Other debts	2	4	3	4	3	6	5	8	6	11	17
TOTAL CURRENT LIABILITIES	6	12	12	14	18	15	10	14	25	23	39
Total liabilities	**4 283**	**4 455**	**3 259**	**2 264**	**2 686**	**3 622**	**3 736**	**4 424**	**4 628**	**5 685**	**6 825**

Source : Peugeot Invest

Risk of conflicts of interest

Nature	
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