

GEFCO awarded €8 billion contract to optimise PSA Group's global supply chain

3rd November 2016 - The PSA and GEFCO groups have signed a new €8 billion exclusivity agreement under which GEFCO will manage and optimise the automaker's entire global manufacturing supply chain. The agreement reaffirms that GEFCO is the PSA Group's leading supplier in Europe, number two worldwide. The agreement will take effect on 1 January 2017 for a period of five years.

In line with the profitable growth objectives set out in its Push to Pass plan, the PSA Group will be able to further improve its operating performance via this agreement, which is yet another show of confidence in GEFCO's teams and the reliability of its services.

Globally integrated logistics and transport solutions

Under the agreement, GEFCO will design and implement global logistics and transport solutions for the three PSA Group brands, Peugeot, Citroën and DS. It will manage and optimise the entire supply chain, from sourcing components for production and assembly plants to distributing finished vehicles. In addition to these outbound and inbound logistics services, GEFCO will be responsible for distributing spare parts.

This strategic partnership is an affirmation of GEFCO's expertise in designing and optimising complex supply chains. As a 4PL provider, GEFCO will be the PSA Group's sole partner in putting in place optimised multi-modal processes that combine rail, road, sea, air and inland water transport to create end-to-end solutions. It will also be responsible for coordinating the suppliers chosen to take part in the supply chain following calls for tenders. A central part of its integrated role will be applying its advanced logistics engineering skills, in combination with high-performance IT and data management systems, to provide real-time tracking and ensure the seamless interplay of the supply, storage and distribution chains.

The agreement will cover all of the countries (i.e., about 50) where the PSA Group currently operates, whether in manufacturing or distribution. Its implementation will increase GEFCO's buying and pooling power to the benefit of all its customers.

A strategic partnership for both parties

“The agreement will be a powerful driver of improved operating performance at the PSA Group. We have every confidence in GEFCO’s ability to partner us as we navigate a challenging transformation, pursue new business opportunities and develop internationally,” said Yannick Bézard, the Group’s Executive Vice-President, Purchasing.

The PSA Group is also teaming up with logistics specialist GEFCO to develop supply chain and manufacturing solutions for future projects, to be carried out in collaboration with external partners or alone.

“GEFCO is proud to be chosen by the PSA Group as a trusted strategic partner. All of GEFCO’s teams are actively committed to meeting our customers’ need for efficiency,” said Luc Nadal, Chairman of the Managing Board of GEFCO. “Every day, they demonstrate their ability to support our customers as they grow internationally, while working with them to tackle their long-term growth and profitability challenges.”

About PSA Group

With sales and revenue of €54 billion in 2015, the PSA Group designs unique automotive experiences and delivers mobility solutions that provide freedom and enjoyment to customers around the world. The Group leverages the models from its three brands, Peugeot, Citroën and DS, as well as a wide array of mobility and smart services from its Free2Move brand, to meet the evolving needs and expectations of automobile users. PSA is the European leader in terms of CO₂ emissions, with average emissions of 104.4 grams of CO₂ per kilometre in 2015, and an early innovator in the field of autonomous and connected cars, with 1.8 million such vehicles worldwide. It is also involved in financing activities through Banque PSA Finance and in automotive equipment via Faurecia. Find out more at groupe-psa.com/en.

About GEFCO

GEFCO offers to design and implement logistics schemes alongside manufacturers, a source of added-value that strengthens their competitiveness. The performance GEFCO delivers to its customers is based on the expertise acquired over the last 65 years, particularly in the automotive industry, one of the most complex and demanding sectors. Present in 150 countries, GEFCO is one of the top 10 European Groups. It achieved a turnover of €4.2 billion in 2015 and employs

12,000 employees. With over 300 business locations worldwide, GEFCO is developing its activities in Southeast Asia, Central and Eastern Europe, in the Balkans, East Asia and South America.

Website: www.gefco.net; Twitter: @GEFCO_Group