

Nanterre (France), February 20, 2023

OUR ACHIEVEMENTS: GROWTH, RESILIENCE, CASH GENERATION & DELEVERAGING

- **GROWTH: SALES OF €25.5BN, +63% ON A REPORTED BASIS AND +17% ON AN ORGANIC BASIS**
- **RESILIENCE: OPERATING MARGIN OF 5.0% IN H2 2022 AND 4.4% IN FY 2022**
- **CASH GENERATION: STRONG NET CASH FLOW OF €471M**
- **DELEVERAGING: NET DEBT/ADJ. EBITDA RATIO AT 2.6x AT YEAR-END VS. 3.1x AT JUNE 30**

OUR PRIORITIES: DELEVERAGING, INTEGRATION & SUSTAINABLE GROWTH

- **DELEVERAGING: €1BN DISPOSAL PROGRAM FULFILLED THROUGH CONTEMPLATED TRANSACTIONS ANNOUNCED TO DATE**
- **INTEGRATION OF HELLA: COST SYNERGIES UPGRADED TO > €300M AND SALES SYNERGIES UPGRADED TO > €400M, SUPPORTED BY 2022 STRONG JOINT ORDER INTAKE OF €1.8BN**
- **SUSTAINABLE PROFITABLE GROWTH: STRONG 2022 ORDER INTAKE OF €31BN AT AN AVERAGE MARGIN ABOVE 7%, SUPPORTING MEDIUM-TERM PROFITABLE GROWTH TARGETS**

in €m	FY 2021 (Faurecia "stand-alone")	FY 2022 (incl. 11 months of HELLA)	YoY change
Worldwide automotive production*	77,197	82,375	+6.7%
Sales	15,618	25,458	+63.0%
<i>At constant scope & currencies</i>			<i>+17.0%</i>
Operating income	862	1,115	+29.4%
<i>As % of sales</i>	<i>5.5%</i>	<i>4.4%</i>	
Adjusted EBITDA	2,109	3,012	+42.8%
<i>As % of sales</i>	<i>13.5%</i>	<i>11.8%</i>	
Net cash flow	305	471	+54.6%
<i>As % of sales</i>	<i>2.0%</i>	<i>1.9%</i>	

* in 000 units, source: S&P Global Mobility (ex-IHS Markit) dated February 2023

FY 2023 GUIDANCE

Based on the following assumptions:

- Worldwide automotive production of 82 million vehicles in 2023, broadly flat vs. actual production in 2022,
- Average currency rates of USD/€ @ 1.10 and CNY/€ @ 7.50

FORVIA's full-year 2023 guidance is as follows:

- **Sales between €25.2bn and €26.2bn** (incl. an estimated impact of €(1.3)bn from disposal transactions announced to date)
- **Operating margin between 5% and 6% of sales**
- **Net cash flow exceeding 1.5% of sales**
- **Net debt/Adj. EBITDA ratio between 2.0x and 2.4x at December 31, 2023, including the effect of the disposal program of €1bn by end-2023**

Patrick KOLLER, CEO of Faurecia, declared:

“2022 has been a historic year for the Group as we closed the acquisition of a majority stake in HELLA to create FORVIA, the world’s 7th biggest automotive technology player, combining the complementary offers and strengths of the two companies.

2022, which was initially expected to be a year of recovery from the Covid crisis, turned out to be a year of continued semiconductor shortages and supply chain issues heightened by the outbreak of the war in Ukraine. The year was characterized by additional challenges, with high inflation, a surge in energy prices, rising interest rates and our disengagement from Russia.

In this uncertain environment, FORVIA’s 2022 performance reflects the new size of the Group, with consolidated sales above 25 billion euros, a resilient operating margin that reached 5% of sales in the second half of the year and a strong generation of net cash flow at 471 million euros.

We have fully refinanced the bridge-to-loan and bridge-to-equity to acquire HELLA.

The disposals we have announced to date fulfill our 1 billion euro divestment program of non-strategic assets.

The significant progress made in the integration of HELLA allows us to raise both the cost and sales synergy targets.

With our assumption that 2023 volumes will be at a similar level to 2022, we target to improve our financial performance in 2023.

I would like to thank all the Faurecia and HELLA teams for their commitment to the creation of FORVIA, succeeding in a tough environment to deliver resilient financial performance and to creating the conditions for future success and profitable growth, comforted by the solid order intake of 31 billion euros recorded last year.”

- *The 2022 consolidated financial statements have been approved by the Board of Directors, under the chairmanship of Michel de ROSEN, at its meeting held on February 17, 2023.*
- *These financial statements have been audited.*
- *There is no full comparability between figures reported for 2021 and figures reported for 2022 as:*
 - *Figures reported for 2021 are figures related to Faurecia “stand-alone” as reported in February 2022,*
 - *Figures reported for 2022 include a major scope effect, i.e. the consolidation of HELLA since February 1, 2022 (i.e. 11 months in 2022, representing 26% of total Group sales).*

KEY ACHIEVEMENTS SINCE THE START OF 2022

- **2022: FROM FAURECIA TO FORVIA, COMBINING FAURECIA'S AND HELLA'S STRENGTHS AND CREATING FORVIA, THE WORLD'S 7th BIGGEST AUTOMOTIVE TECHNOLOGY SUPPLIER, WITH SALES OF C. €30BN IN 2025**

On January 31, 2022, Faurecia closed the acquisition of a majority stake of 82% in HELLA. HELLA has been consolidated in Faurecia's accounts since February 1, 2022.

The newly combined FORVIA Group's mission is: **"WE PIONEER TECHNOLOGY FOR MOBILITY EXPERIENCES THAT MATTER TO PEOPLE"**.

On November 3, 2022, Faurecia and HELLA held their first joint Capital Markets Day in Paris, during which FORVIA unveiled its **Power25** medium-term plan to drive profitable growth, enhance cash generation and accelerate Group deleveraging (all details available on www.forvia.com).

FORVIA's Power25 plan is focused on three key strategic priorities:

- **Drive sales growth through innovation and sustainability,**
- **Enhance profitability and lower breakeven,**
- **Generate strong cash conversion and actively manage portfolio to accelerate Group deleveraging.**

These ambitions are translated into the following 2025 financial objectives (based on an assumption of worldwide automotive production of 88 million units in 2025 and after the estimated effect of the €1bn disposal program by end-2023):

- **2025 sales of c. €30 billion,**
- **2025 operating margin > 7% of sales,**
- **2025 net cash flow at 4% of sales,**
- **Net-debt-to-adjusted-EBITDA < 1.5x at December 31, 2025**

In January 2023, FORVIA presented at CES 2023 in Las Vegas its combined portfolio of Faurecia and HELLA technologies addressing megatrends in electrification, automated driving, and personalized cockpits. The world's first Solid State Lighting High-Definition headlamp (SSL | HD) presented by the Group received a CES 2023 Innovation Award.

As from 2023, Faurecia and HELLA's fiscal years are aligned on the calendar year.

Significant progress achieved in the integration process of HELLA: cost synergies upgraded to more than €300 million 2025 EBITDA run-rate (vs. > €250 million previously) and sales synergies upgraded to more than €400 million in 2025 (vs. between €300 million and €400 million previously), supported by strong 2022 joint order intake for €1.8 billion

Since the effective entry of HELLA into the Group's consolidation scope, the two companies, under the leadership of their respective management teams, have accelerated collaboration and achieved significant progress in generating synergies.

As regards cost synergies, over 200 individual synergy measures have been validated by Faurecia's and HELLA's teams. They can be broken down into more than 1,000 detailed actions, with robust tracking and governance.

As a result, cost synergies and optimization have been upgraded to more than €300 million 2025 EBITDA run-rate (vs. more than €250 million previously).

Concerning sales synergies, Faurecia's and HELLA's joined forces succeeded in generating a strong order intake of €1.8 billion in 2022, demonstrating the potential for combined commercial offers and opportunities in the coming years, notably capitalizing on CES 2023 successes. The 2022 joint order intake of €1.8 billion already represents more than €300 million of 2025 sales synergies or more than €400 million 2026 run-rate.

Sales synergies are now upgraded to more than €400 million by 2025 (vs. between €300 million and €400 million previously).

- **SOLID ORDER INTAKE OF €31BN IN FY 2022 SUPPORTS MEDIUM-TERM PROFITABLE GROWTH DRIVERS**

In 2022, FORVIA (Faurecia + HELLA) recorded a solid order intake of €31 billion, with an average operating margin above 7%, already reaching the Power25 plan's targeted profitability.

New 2022 awards reflect FORVIA's strategy to focus on key activities; they included:

- **€8.4 billion for Electronics**, representing 27% of the Group's total order intake and demonstrating the strong potential of Electronics,
- **€13.3 billion for Electric Vehicles (BEVs and FCEVs)**, representing 43% of the Group's total order intake and demonstrating acceleration on the Zero Emissions strategy,
- **€6.2 billion for China**, representing 20% of the Group's total order intake and reflecting the continued strong growth of this highly profitable market,
- **€18.8 billion for Premium Vehicles and SUVs**, representing 61% of the Group's total order intake and reflecting the Group's strong positioning on segments with the highest content per vehicle.

- **REFINANCING OF THE ACQUISITION OF HELLA COMPLETED**

The acquisition of an 82% stake in HELLA represented a total investment of €5.4 billion.

The financing was fully secured through a committed bridge facility of €5.5bn, signed in August 2021. This bridge facility included a bridge-to-equity component, whose deadline was mid-February 2023, and a bridge-to-loan, whose deadline was mid-August 2023.

The refinancing has been entirely completed, although markets conditions have proven more difficult since the outbreak of the war in Ukraine and the start of a period of strong inflation.

Out of the total investment of €5.4 billion:

- €0.5 billion was paid in shares through a Faurecia capital increase reserved to the Hueck/Roepke Family pool (now holding 9.22% of Faurecia's share capital),
- €0.7 billion was financed through a capital increase with preferential subscription rights issued in June 2022 (45,482,154 new shares at a subscription price of €15.50).

The rest was financed through debt issuances and use of cash for a total amount of €4.2 billion.

Total HELLA-related average cost of financing for this amount of €4.2billion is estimated at c. 4.5% (estimation based on Euribor 1 month at 2.50%).

- **€1BN DISPOSAL PROGRAM OF NON-STRATEGIC ASSETS BY END-2023 FULFILLED THROUGH CONTEMPLATED TRANSACTIONS ANNOUNCED TO DATE**

With yesterday's announcement that the Motherson group has committed to acquire Faurecia's SAS Cockpit Modules division, contemplated transactions announced to date fulfill FORVIA's €1 billion disposal program of non-strategic assets by end-2023, designed to accelerate deleveraging after the HELLA acquisition.

In July 2022:

- HELLA announced the sale of its 33.33% stake in HBPO to its co-shareholder, Plastic Omnium, for a price of c. €290 million and the transaction was closed, as expected, in December 2022.

In December 2022:

- Faurecia announced the sale of its Interiors business in India to TAFE (Tractors and Farm Equipment Ltd),
- Faurecia, Michelin (its 50/50 partner in Symbio) and Stellantis announced they were in exclusive negotiations for Stellantis to acquire a substantial stake in Symbio, a leader in zero emission hydrogen mobility. The closing of the transaction is expected to occur in H1 2023 and is subject to customary closing conditions, including regulatory approvals.

In February 2023:

- Faurecia and Cummins announced they are in exclusive negotiations for the potential sale to Cummins of Faurecia's commercial vehicle exhaust aftertreatment business in Europe and the United States for an enterprise value of €150 million.

- Faurecia announced yesterday that the Motherson group has committed to acquire its SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors Segment, for an enterprise value of €540 million.

- **DISENGAGEMENT FROM RUSSIA**

Faurecia has decided to disengage from Russia and completed depreciation of related assets at the end of 2022.

H2 2022 & FY 2022 GROUP SALES & PROFITABILITY

CONTINUED STRONG SALES OUTPERFORMANCE IN H2, INCLUDING POSITIVE EFFECT FROM INFLATION PASS-THROUGH

IMPROVING OPERATING MARGIN OF 5.0% IN H2, UP 50BPS YEAR-ON-YEAR AND UP 130BPS SEQUENTIALLY VS. H1 2022

GROUP (in €m)	H2 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 6 months)	H2 2022 FORVIA	Reported change
Worldwide auto. production (m units)	37 786				43 395	14,8%
Sales	7 835	319	1 957	3 724	13 835	76,6%
<i>% of last year's sales outperformance (bps)</i>		4,1%	25,0%	47,5%		
			1 020			
Operating income	352				689	95,7%
<i>% of sales</i>	4,5%				5,0%	+50bps

In H2 2022:

- **Sales amounted to €13,835 million, up 76.6% on a reported basis and up 25.0% on an organic basis**
 - Currency effect of +4.1%, almost equivalent to that registered in H1 2022 (mainly US dollar and Chinese yuan)
 - Scope effect of +47.5% (or €3,724 million) related to the consolidation of HELLA over the entire period
 - Organic growth of +25.0% to be compared with 14.8% growth in worldwide automotive production over the same period, i.e. an **outperformance of 1,020bps**. This outperformance included a very limited negative impact from geographic mix of c. 50bps and a positive impact of c. 620bps related to inflation pass-through to customers during the period
- **Operating margin stood at 5.0% of sales, up 50bps year-on-year and up 130bps sequentially vs. H1 2022**
 - The sequential improvement of 130bps vs. H1 2022 mainly reflected fewer supply chain disruptions, no Covid restrictions in China in H2, reduced extra costs from the Seating program in Michigan and improved efficiency of inflation pass-through to customers
 - Inflation pass-through to customers, which corresponds to sales at zero margin, had a cumulated dilutive impact on operating margin of c. 140bps in H2

STRONG SALES OUTPERFORMANCE IN FY 2022, INCLUDING POSITIVE EFFECT FROM INFLATION PASS-THROUGH

RESILIENT OPERATING MARGIN OF 4.4% IN FY 2022, OR 5.6% EXCLUDING A 120BPS DILUTIVE EFFECT FROM INFLATION PASS-THROUGH (SALES AT ZERO MARGIN)

GROUP (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
Worldwide auto. production (m units)	77 197				82 375	6,7%
Sales	15 618	674	2 654	6 512	25 458	63,0%
<i>% of last year's sales outperformance (bps)</i>		4,3%	17,0%	41,7%		
			1 030			
Operating income	862				1 115	29,4%
<i>% of sales</i>	5,5%				4,4%	-110bps

In FY 2022:

- **Sales amounted to €25,458 million, up 63.0% on a reported basis and up 17.0% on an organic basis**
 - Currency effect of +4.3%, mainly the US dollar and the Chinese yuan vs. the euro
 - Scope effect of +41.7% (or €6,512million) related to the consolidation of HELLA over 11 months (since February 1, 2022)
 - Organic growth of +17.0% to be compared with a 6.7% growth in worldwide automotive production over the same period, i.e. an **outperformance of 1,030bps**. This outperformance included a negative impact from geographic mix of c. 200bps and a positive impact of c. 540bps related to inflation pass-through to customers during the period
- **Operating margin stood at 4.4% of sales, down 110bps year-on-year**
 - The full-year drop of 110bps in operating margin year-on-year reflected the low level of operating margin in H1 (3.7% vs. 6.6% in H1 2021) that was severely hit by the outbreak of the war in Ukraine and its multiple consequences (supply chain disruptions, raw materials and energy inflation...) and by Covid restrictions in China, in addition to continued shortage of semiconductors and still significant extra costs from the Seating program in Michigan
 - Inflation pass-through to customers, which corresponds to sales at zero margin, had a cumulated dilutive impact on operating margin of c. 120bps in the full year

In FY 2022, inflation generated more than €1 billion of additional costs vs. 2021 for FORVIA operations (Faurecia + HELLA) and pass-through to customers generated additional sales of close to €1 billion through contractual mechanisms in place and specific negotiations and claims to customers, i.e. a pass-through that exceeded 85%.

FY 2022 SALES AND PROFITABILITY BY BUSINESS GROUP

SEATING (30% of Group consolidated sales)

SEATING (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
<i>Worldwide auto. production (m units)</i>	77 197				82 375	6,7%
Sales	6 049	331	1 324		7 704	27,4%
<i>% of last year's sales outperformance (bps)</i>		5,5%	21,9%			
			1 520			
Operating income	285				197	-30,8%
<i>% of sales</i>	4,7%				2,6%	-210bps

Sales

Strong organic growth of +29.9% in H2, resulting in +21.9% in FY. All regions contributed to the full-year organic growth: China and North America grew in strong double-digits, while Europe grew in high single-digits. North America was driven by Stellantis (as the Michigan program only got underway in H2 2021) and China was driven by very strong growth from Chinese OEMs (mostly BYD) and a US EV carmaker present in China.

Operating income

Operating income in H2 recovered to 3.2% of sales from 1.8% of sales in H1, resulting in full-year operating margin of 2.6% of sales, down 210bps year-on-year. The sequential improvement in H2 reflected continued reduction in extra costs related to the Michigan plant (€35 million in H2 2022 after €45 million in H1 2022 and €100 million in H2 2021). Excluding these extra costs, operating margin in 2022 stood at 4.0% of sales in H2 and 3.6% of sales in FY.

INTERIORS (22% of Group consolidated sales)

INTERIORS (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
<i>Worldwide auto. production (m units)</i>	77 197				82 375	6,7%
Sales	4 641	110	779		5 529	19,2%
<i>% of last year's sales outperformance (bps)</i>		2,4%	16,8%			
			1 010			
Operating income	190				246	29,4%
<i>% of sales</i>	4,1%				4,4%	+30bps

Sales

Strong organic growth of +29.1% in H2, resulting in +16.8% in FY. Organic growth was mainly driven by Europe and North America, which both grew in double-digits. North America reflected growth with GM, Ford, a US EV carmaker and new entrants, while Europe reflected strong growth with Ford and BMW.

Operating income

Operating income in H2 improved to 5.2% of sales from 3.6% of sales in H1. In the full-year, operating income was 4.4% of sales, up 30bps vs. FY 2021. This year-on-year improvement mainly reflected better fixed cost absorption through higher sales volume and positive effect from repricing in North America.

CLEAN MOBILITY (19% of Group consolidated sales)

CLEAN MOBILITY (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
<i>Worldwide auto. production (m units)</i>	77 197				82 375	6,7%
Sales	4 091	199	446		4 736	15,8%
<i>% of last year's sales outperformance (bps)</i>		4,9%	10,9%			
			420			
Operating income	389				336	-13,5%
<i>% of sales</i>	9,5%				7,1%	-240bps

Sales

Organic growth of +15.1% in H2, resulting in +10.9% in FY. Organic growth was mainly driven by Europe and North America and, to a lesser extent, South America. In the three regions, sales grew organically in double-digits. In Europe, organic growth was driven by Ford and sales related to commercial vehicles, while in North America it was also Ford and commercial vehicles, as well as GM. In South America, increase in sales to GM was the main driver for sustained organic growth.

Operating income

Operating income in H2 improved to 7.5% of sales after 6.6% of sales in H1, resulting in 7.1% of sales in FY, down 240bps vs. FY 2021. This year-on-year deterioration mainly reflected dilutive impact from inflation pass-through for c. 100bps, some operational extra costs for c. 40bps and the development of zero-emissions sales, which are not yet profitable, for another 60bps.

ELECTRONICS (14% of Group consolidated sales)

ELECTRONICS (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
<i>Worldwide auto. production (m units)</i>	77 197				82 375	6,7%
Sales	838	34	105	2 545	3 522	320,5%
<i>% of last year's sales outperformance (bps)</i>		4,1%	12,5%	303,9%		
			580			
Operating income	-2				141	n/s
<i>% of sales</i>	<i>-0,2%</i>				<i>4,0%</i>	<i>n/s</i>

Sales

Step change in size (sales multiplied by more than 4x between 2021 and 2022) as Electronics now aggregates the Electronics activity of Faurecia (€977 million vs. €838 million in 2021) and the Electronics activity of HELLA (€2,545 million of scope effect for 11 months in 2022). Organic growth (only related to Faurecia's Electronics activity) stood at 12.5% with double-digit growth in all regions.

Operating income

Operating income stood at 4.0% of sales in FY, or €141 million. This included an operating loss of €10 million related to Faurecia's Electronics activity and a negative accounting impact of €19 million linked to asset revaluations in the context of HELLA's opening balance-sheet exercise.

Restated for this last accounting item, operating income was €160 million, representing 4.5% of total Electronics sales, of which:

- ✓ A loss of 1.0% of sales from Faurecia's Electronics activity (but at breakeven in H2 2022),
- ✓ A profit of 6.7% of sales from HELLA's Electronics activity.

LIGHTING (12% of Group consolidated sales)

LIGHTING (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
<i>Worldwide auto. production (m units)</i>	77 197				82 375	6,7%
Sales				3 074	3 074	
<i>% of last year's sales outperformance (bps)</i>						
Operating income					107	
<i>% of sales</i>					<i>3,5%</i>	

Sales

This activity is consolidated for the first year in Faurecia's consolidated accounts. Sales for 11 months amounted to €3,074 million.

Operating income

Operating income stood at 3.5% of sales in FY. Operating income of €107 million included a positive accounting impact of €40 million linked to asset revaluations in the context of HELLA's opening balance-sheet exercise.

Restated for this accounting item, operating income was €67 million, representing 2.2% of Lighting sales.

LIFECYCLE SOLUTIONS (3% of Group consolidated sales)

LIFECYCLE SOLUTIONS (in €m)	FY 2021 (Faurecia stand-alone)	Currency effect	Organic growth (Faurecia stand-alone)	Scope effect (HELLA 11 months)	FY 2022 FORVIA	Reported change
<i>Worldwide auto. production (m units)</i>	77 197				82 375	6,7%
Sales <i>% of last year's sales outperformance (bps)</i>				893	893	
Operating income <i>% of sales</i>					89	9,9%

Sales

This activity is consolidated for the first year in Faurecia's consolidated accounts. Sales for 11 months amounted to €893 million.

Operating income

Operating income stood at 9.9% of sales in FY. The operating income of €89 million included a negative accounting impact of €2 million linked to asset revaluations in the context of HELLA's opening balance-sheet exercise. Restated for this accounting item, operating income was €91 million, representing 10.2% of Lifecycle Solutions sales.

FY 2022 SALES & PROFITABILITY BY REGION

	Europe	North Am.	South Am.	Americas	Asia
% of 2022 consolidated sales	44%	25%	3%	28%	27%
<i>Regional auto. prod. YoY*</i>	-0,5%	9,7%	8,4%	9,4%	8,2%
2021 sales (€m)	6 996	3 725	543	4 268	4 167
Currency effect	-2,4%	14,8%	-1,9%	12,7%	7,2%
YoY organic	10,1%	20,7%	34,3%	22,4%	21,6%
Scope effect	52,0%	36,6%	4,1%	32,4%	34,3%
2022 sales (€m)	11 165	6 410	741	7 151	6 795
YoY reported	59,6%	72,1%	36,4%	67,6%	63,1%
2021 operating income (€m)	292	49	44	92	458
% of sales	4,2%	1,3%	7,9%	2,2%	11,0%
2022 operating income (€m)	180	142	51	193	723
% of sales	1,6%	2,2%	6,9%	2,7%	10,6%

* Regional automotive production 2022 vs. 2021, source: S&P Global Mobility (ex-IHS Markit) dated February 2023

Sales

All regions reported double-digit sales outperformance vs. regional automotive performance.

Operating income

- **In Europe (44% of Group sales)**, operating margin dropped by 260bps, mainly due to the consequences of the war in Ukraine.
- **In North America (25% of Group sales)**, operating margin increased by 90bps to 2.2% (extra costs from the Michigan plant decreased every half from €100m in H2 2021 to €45m in H1 2022 and €35m in H2 2022).
- **In Asia (27% of Group sales)**, operating margin stood above 10%.

2022 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in €m	2021	2022
Sales	15 618	25 458
Reported growth		+63.0%
Organic growth		+17.0%
Operating income (before amort. of acquired intangible assets)	862	1 115
Amort. of int. assets acquired in business combinations	(93)	(219)
Operating income (after amort. of acquired intangible assets)	769	896
Restructuring	(196)	(352)
Other non-recurring operating income and expense	(42)	(97)
Net interest expense & Other financial income and expense	(254)	(523)
Income before tax of fully consolidated companies	276	(75)
Income taxes	(139)	(186)
Net income of fully consolidated companies	137	(262)
Share of net income of associates	(25)	11
Net income from continued operations	113	(250)
Net income from discontinued operations	(96)	
Consolidated net income before minority interest	16	(250)
Minority interest	(95)	(131)
Consolidated net income, Group share	(79)	(382)

Reminder: 2021 figures are Faurecia "stand-alone" figures while 2022 figures include the impact of the consolidation of HELLA since February 1, 2022 (11 months) as well as the cost of financing the acquisition.

Group operating income stood at €1,115 million (4.4% of sales) vs. €862 million in 2021 (5.5% of sales).

- **Amortization of intangible assets acquired in business combinations:** net charge of €219 million, including a charge of €131 for the amortization of the goodwill related to the acquisition of HELLA since February 1, 2022 (11 months), vs. €93 million in 2021.
- **Restructuring expenses** of €352 million, vs. €196 million in 2021; 2022 restructuring expenses included €208 million of restructuring costs (vs. €138 million in 2021) and €144 million of asset write-downs (vs. €59 million in 2021), of which the main part was related to Russia for €104 million.

- **Other non-recurring operating income and expense** was a net charge of €97 million (vs. a net charge of €42 million in 2021); 2022 net charge included €43 million of non-recurring costs related to the acquisition of HELLA and €27 million of non-recurring costs related to operations in Russia.
- **Net financial charge of €523 million** (vs. a net charge of €254 million in 2021) included financial costs for €385 million (vs. €239 million in 2021) and other financial expenses for €189 million (vs. €47 million in 2021) that included a charge of €41 million for hyperinflation, a charge of €43 million related to currencies and a charge of €34 million for costs related to the acquisition of HELLA.

Income before tax of fully consolidated companies was an operating loss of €75 million (vs. an operating profit of €276 million in 2021); it included €130 million from costs related to the decision to disengage from Russia and €195 million from integration and integration and financial costs related to the acquisition of HELLA.

- **Income tax was a charge of €186 million in 2022 (vs. a charge of €139 million in 2021)** that mainly reflected an unfavorable geographic mix as most of the 2022 profit was recorded in Asia.
- **Share of net income from associates was a profit of €11 million** (vs. a loss of €25 million in 2021).
- Net income of discontinued operations in 2021 was a loss of €96 million in 2021, due to the divestment of AST.
- **Minority interest (including the c. 18% minority interest in HELLA) amounted to €131 million** (vs. €95 million in 2021).

Net income, Group share was a loss of €382 million (vs. a loss of €79 million in 2021), mainly impacted by:

- ✓ One-off charges (mainly asset impairment) of €143 million related to the decision to disengage from Russia,
- ✓ Integration costs related to the acquisition of HELLA for €51 million,
- ✓ One-off restructurings of €86 million,
- ✓ Hyperinflation costs for €41 million.

2022 CONSOLIDATED CASH FLOW STATEMENT

in €m	2021	H1 2022	2022
Operating income	862	426	1 115
Depreciation and amortization, of which:	1 247	895	1 897
- Amortization of R&D intangible assets	487	320	687
- Other depreciation and amortization	760	575	1 210
Adj. EBITDA	2 109	1 321	3 012
% of sales	13,5%	11,4%	11,8%
Capex	-530	-523	-1 177
Capitalized R&D	-670	-470	-966
Change in WCR	-19	22	374
Change in factoring	72	234	183
Restructuring	-175	-93	-184
Financial expenses	-230	-182	-373
Taxes	-243	-220	-384
Other (operational)	-10	13	-14
Net cash flow	305	102	471
Dividends paid incl. mino.	-201	-5	-55
Share purchase	-26		
Net financial investment & Other	-126	-4 863	-4 539
Discontinued operations	-49		
IFRS16 impact	-241	-162	-349
Change in net debt	-339	-4 928	-4 472
Net debt at the beginning of the period	-3 128	-3 467	-3 467
Net debt at the end of the period	-3 467	-8 394	-7 939
Net-debt-to-Adj. EBITDA ratio	1.6x	3.1x	2.6x

Reminder: 2021 figures are Faurecia "stand-alone" figures while 2022 figures include the impact of the consolidation of HELLA since February 1, 2022 (11 months) as well as the cost of financing the acquisition.

Net debt / Adjusted EBITDA ratio is Net financial debt at the end of each period vs. Adjusted EBITDA over the last 12 months; at December 31, 2022, as HELLA has been consolidated only since February 1, 2022 (11 months), one additional month of contribution from HELLA has been taken into account for the calculation of the ratio.

Adjusted EBITDA amounted to €3,012 million representing 11.8% of sales (vs. €2,109 million and 13.5% of sales in 2021).

- **Capex amounted to €1,177 million** (vs. €530 million in 2021), of which €608 million for Faurecia (3.2% of sales, down 20bps vs. 2021) and €569 million for HELLA (8.7% of sales), whose capital intensity is higher than Faurecia's.
- **Capitalized R&D amounted to €966 million or 3.8% of sales** (vs. €670 million or 2.4% of sales in 2021).
- **Change in working capital was an inflow of €374 million** (vs. an outflow of €19 million in 2021); it reflected first positive effects from the "Manage by Cash" program that was presented at the recent Capital Markets Day, mainly improved cash collection from receivables and reduction by 0.6 days in inventories, representing a positive effect of €85 million.
- **Change in factoring was an inflow of €183 million** (vs. an inflow of €72 million in 2021), mainly reflecting the extension to HELLA of the existing program in place at Faurecia; factoring stood at €1.3 billion at the end of 2022 vs. €1.1 billion at the end of 2021.
- **Restructuring cash-out amounted to €184 million** (vs. €175 million in 2021), **financial expenses cash-out amounted to €373 million** (vs. €230 million in 2021), mainly reflecting the increase in net debt related to the acquisition of HELLA, **and cash-out from taxes amounted to €384 million** (vs. €243 million in 2021).

Net cash flow amounted to €471 million, representing 1.9% of sales (vs. €305 million, 2.0% of sales in 2021).

- Net financial investment and other for a net outflow €4.6 billion represented mostly the investment in HELLA, reduced by inflows from (i) the capital increase with preferred subscription rights issued in June for €0.7 billion and (ii) the proceeds of €0.3 billion from the sale by HELLA of its 33% stake in HBPO.

Net financial debt at the end of 2022 stood at €7.9 billion (including an IFRS16 impact of €349 million), representing a Net debt / Adjusted EBITDA ratio of 2.6x, significantly reduced vs. 3.1x six months earlier.

As announced on November 3 at the Capital Markets Day, the Board of Directors, at its meeting held on November 2, decided to propose at Faurecia's next Shareholders' meeting that no dividend be paid in 2023.

AVAILABLE CASH OF €4.2 BILLION AT THE END OF 2022

As of December 31, 2022, Group liquidity amounted to €6.2 billion, of which €4.2 billion of available cash, €1.5 billion from the fully undrawn Faurecia Senior Credit Facility (maturity: May 2026, with options up to 2028) and €0.5 billion from HELLA Senior Credit Facility.

FY 2023 GUIDANCE

Based on the following assumptions:

- ✓ Worldwide automotive production of 82 million vehicles in 2023, broadly flat vs. actual production in 2022 and more conservative than S&P's latest forecast of 85 million
- ✓ Main currency rates of USD/€ @ 1.10 and CNY/€ @ 7.50

FORVIA's full-year 2023 guidance is as follows:

- Sales between €25.2bn and €26.2bn including an estimated impact on sales of €(1.3)bn from disposals announced to date (mainly SAS deconsolidation as from January 1, 2023 to comply with IFRS 5 and business to be sold to Cummins as from July 1, 2023)
- Operating margin between 5% and 6% of sales
- Net cash flow exceeding 1.5% of sales
- Net debt/Adj. EBITDA ratio between 2x and 2.4x at December 31, 2023, including the effect of the disposal program of €1bn by end-2023

This guidance assumes no major lockdown impacting production or retail sales in any major automotive region during the year.

FY 2025 TARGETS CONFIRMED (after estimated impact of the disposal program of €1bn by year-end 2023)

FORVIA's full-year 2025 targets, as presented at the recent Capital Markets Day held on November 3, 2022, are fully confirmed (based on an assumption of worldwide automotive production of 88 million vehicles in 2025, more conservative than S&P's latest forecast of 90 million, and on 2025 currency rates of USD/€ @ 1.05 and CNY/€ @ 7.00):

- Sales of c. €30bn
- Operating margin > 7% of sales
- Net cash flow > 4% of sales
- Net debt/Adjusted EBITDA ratio < 1.5x at December 31, 2025

FINANCIAL CALENDAR

- **April 17, 2023:** Q1 2023 sales (before market hours)
- **May 30, 2023:** Annual Shareholders' Meeting (Nanterre)
- **July 27, 2023:** H1 2023 results (before market hours)
- **October 20, 2023:** Q3 2023 sales (before market hours)

- *“Operating income” presented as Faurecia’s main performance indicator is Operating income before amortization of intangible assets acquired in business combinations.*
- *“Adjusted EBITDA” is Operating income as defined above + depreciation and amortization of assets; to be fully compliant with the ESMA (European Securities and Markets Authority) regulation, this term of “Adjusted EBITDA” will be used by the Group as of January 1, 2022 instead of the term “EBITDA” that was previously used (this means that “EBITDA” aggregates until 2021 are comparable with ‘Adjusted EBITDA” aggregates as from 2022).*
- *“Debt covenant” is the ratio “Net financial debt at the end of the period” vs. “Adjusted EBITDA over the last 12 months”; it is tested twice every year, at June 30 and at December 31 (except for June 30, 2022 when covenant was not tested as agreed during April 2022 negotiations with banks).*
- *As mentioned above, in the calculation of Net debt / Adjusted EBITDA at December 31, 2022, adjusted EBITDA was taken into account over the last 12 month-period; as HELLA has been consolidated only since February 1, 2022 (11 months), one additional month of contribution from HELLA has been taken into account for the calculation of the ratio.*
- *All other definitions are explained at the end of this Press Release, under the section “Definitions of terms used in this document”.*
- *All figures related to worldwide or regional automotive production refer to the S&P Global Mobility (ex-IHS Markit) forecast dated February 2023.*

Faurecia's financial report will be available at 9:30am today (Paris time) and the financial presentation at 10.15am (Paris time) on FORVIA's website: www.forvia.com

A webcasted meeting will be held today at 10:30am (Paris time) at Faurecia's HQ in Nanterre.

If you wish to follow the presentation using the webcast, please access the following link:
<https://www.sideup.fr/webcast-forvia-annual-results-2022>

A replay will be available as soon as possible.

You may also follow the presentation via conference call:

- **France:** +33 (0)1 70 95 01 03
- **United Kingdom:** +44 (0)208 080 6592
- **United States:** +1 360-209-5623

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About FORVIA, whose mission is: "We pioneer technology for mobility experiences that matter to people".

FORVIA comprises the complementary technology and industrial strengths of Faurecia and HELLA. With over 290 industrial sites and 76 R&D centers, 157,000 people, including more than 15,000 R&D engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of 6 business groups and a strong IP portfolio of over 14,000 patents, FORVIA is focused on becoming the preferred innovation and integration partner for OEMs worldwide. FORVIA aims to be a change maker committed to foreseeing and making the mobility transformation happen.

www.forvia.com

About Faurecia

Faurecia, the parent company of the FORVIA Group, is a global automotive technology leader. In 2022, the Group reported consolidated sales of €25.5 billion. Faurecia is listed on the Euronext Paris market and is a component of the CAC Next 20, CAC 40 ESG and CAC SBT 1.5° indexes.

www.faurecia.com

About HELLA

HELLA, a company of the FORVIA Group, is an internationally positioned automotive supplier. For its fiscal year starting June 1, 2021 and ending May 31, 2022, HELLA reported consolidated sales of €6.3 billion.

HELLA is listed on the Frankfurt Stock Exchange and is a component of the SDAX index.

www.hella.com

DISCLAIMER

This presentation contains certain forward-looking statements concerning Faurecia. Such forward-looking statements represent trends or objectives and cannot be construed as constituting forecasts regarding the future Faurecia's results or any other performance indicator. In some cases, you can identify these forward-looking statements by forward-looking words, such as "estimate," "expect," "anticipate," "project," "plan," "intend," "objective", "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "would," "will", "could," "predict," "continue," "convinced," and "confident," the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, financial projections and estimates and their underlying assumptions including, without limitation, assumptions regarding present and future business strategies (including the successful integration of HELLA within the Faurecia Group), expectations and statements regarding Faurecia's operation of its business, and the future operation, direction and success of Faurecia's business. Although Faurecia believes its expectations are based on reasonable assumptions, investors are cautioned that these forward-looking statements are subject to numerous various risks, whether known or unknown, and uncertainties and other factors, all of which may be beyond the control of Faurecia and could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties and other factors, please refer to public filings made with the *Autorité des Marchés Financiers* ("AMF"), press releases, presentations and, in particular, to those described in the section 2."Risk factors & Risk management" of Faurecia's 2021 Universal Registration Document filed by Faurecia with the AMF on April 6th, 2022 under number D. 22-0246 (a version of which is available on www.faurecia.com). Subject to regulatory requirements, Faurecia does not undertake to publicly update or revise any of these forward-looking statements whether as a result of new information, future events, or otherwise. Any information relating to past performance contained herein is not a guarantee of future performance. Nothing herein should be construed as an investment recommendation or as legal, tax, investment or accounting advice. The historical figures related to HELLA included in this presentation have been provided to Faurecia by HELLA within the context of the acquisition process. These historical figures have not been audited or subject to a limited review by the auditors of Faurecia. HELLA remains a listed company. For more information on HELLA, more information is available on www.hella.com. This presentation does not constitute and should not be construed as an offer to sell or a solicitation of an offer to buy Faurecia securities.

APPENDICES

DEFINITIONS OF TERMS USED IN THIS DOCUMENT

1. Sales growth

Faurecia's year-on-year **sales evolution** is made of three components:

- A "**Currency effect**", calculated by applying average currency rates for the period to the sales of the prior year,
- A "**Scope effect**" (acquisition/divestment),
- And "**Growth at constant currencies**".

As "Scope effect", Faurecia presents all acquisitions/divestments, whose sales on an annual basis amount to more than €250 million.

Other acquisitions below this threshold are considered as "bolt-on acquisitions" and are included in "Growth at constant currencies".

In 2021, there was no effect from "bolt-on acquisitions"; as a result, "Growth at constant currencies" is equivalent to sales growth at constant scope and currencies also presented as organic growth.

2. Operating income

Operating income is the Faurecia group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

- Amortization of intangible assets acquired in business combinations;
- Other non-recurring operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- Income on loans, cash investments and marketable securities; Finance costs;
- Other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IFRS 9, and gains and losses on sales of shares in subsidiaries;
- Taxes.

3. Adjusted EBITDA

Adjusted EBITDA is Operating income as defined above + depreciation and amortization of assets; to be fully compliant with the ESMA (European Securities and Markets Authority) regulation, this term of "Adjusted EBITDA" will be used by the Group as of January 1, 2022 instead of the term "EBITDA" that was previously used (this means that "EBITDA" aggregates until 2021 are comparable with 'Adjusted EBITDA' aggregates as from 2022).

4. Net cash-flow

Net cash-flow is defined as follow: Net cash from (used in) operating and investing activities less (acquisitions)/disposal of equity interests and businesses (net of cash and cash equivalents), other changes and proceeds from disposal of financial assets. Repayment of IFRS 16 debt is not included.

5. Net financial debt

Net financial debt is defined as follow: Gross financial debt less cash and cash equivalents and derivatives classified under non-current and current assets. It includes the lease liabilities (IFRS 16 debt).