

Press release

Nanterre (France), November 29, 2021

2021 GUIDANCE ADJUSTED TO REFLECT THREE MAIN IMPACTS:

- **NEW DOWNWARD REVISION OF AUTOMOTIVE PRODUCTION IN EUROPE**
- **DIFFICULTIES TO FLEXIBILIZE AND COMPENSATE STOP-AND-GO GENERATED COSTS**
- **ONE-OFF COSTS RELATED TO ONE PROGRAM LAUNCH ISSUES IN THE US**

Faurecia adjusts its 2021 guidance as follows:

- **Sales of between €15bn and €15.5bn with confirmed strong organic sales outperformance of > +600bps** (vs. "sales of c. €15.5bn and strong organic sales outperformance > +600bps" in the previous guidance released on September 23).
- **Operating margin of c. 5.5% of sales** (vs. "operating margin between 6.0% to 6.2% of sales" in the previous guidance released on September 23).
- **Net cash flow > €300m and net-debt-to-EBITDA ratio of c. 1.6x at year-end** (vs. "net cash flow of c. €500m and net-debt-to-EBITDA ratio ≤ 1.5x at year-end" in the previous guidance released on September 23).

This revised guidance is based on the latest IHS Markit forecast dated November 2021 for worldwide automotive production of c. 71 million vehicles in 2021 (as usually restated by Faurecia, i.e. vehicles segment in line with CAAM for China). It assumes no major lockdown impacting production or retail sales in any automotive region during the end of the year and it is based on 2021 average currency rates of 1.20 for USD/€ and 7.73 for CNY/€.

Sales

The latest forecast for automotive production in Europe in H2, released in November by IHS Markit, posted a further reduction by c. 1 million units or 13% vs. the forecast released in September (from 7.8 million to 6.8 million vehicles).

Due to its geographic mix (highly weighted on Europe, representing c. 45% of Group sales) and customer mix in the region (the highest revisions impact Faurecia's main customers in the region), Faurecia now expects sales in the full year to reach between €15 billion and €15.5 billion (vs. c. €15.5 billion in the previous guidance).

Strong sales outperformance in the full year is confirmed at more than 600bps (unchanged vs. the previous guidance).

Operating income

On top of the impact of lower sales on operating income, Faurecia is also facing operational challenges in the launching phase of a greenfield Seating program in Michigan (USA). These operational difficulties were already mentioned in Faurecia's announcement of its Q3 sales on October 26 and are mainly related to the lack of qualified and stable workforce in this region. This situation, which will be fixed before the end of the year, will generate in Q4 disruptions and additional costs (mainly subcontracting and non-quality costs) that will exceed what was initially estimated.

Additionally, the continued stop-and-gos decided by OEMs, even if gradually easing as from November, reduce cost flexibilization capabilities, especially for Just-In-Time deliveries.

Faurecia now expects operating margin of c. 5.5% of sales (vs. 6.0% to 6.2% of sales in the previous guidance).

Net cash flow

The adjustment of net cash flow results from the above-mentioned impacts on operating income, thus on EBITDA, but also from working capital at year-end.

Working capital is impacted by the continued stop-and-gos decided by OEMs that prevent an as efficient inventory management as planned and by lower sales volumes in the last three months that mechanically reduce cash collection from customers before year-end.

Faurecia now expects net cash flow of more than €300 million (vs. c. €500 million in the previous guidance) and net-debt-to-EBITDA ratio of c. 1.6x at year-end (vs. ≤ 1.5x at year-end in the previous guidance).

As regards 2022

Faurecia will release detailed FY2022 guidance (stand-alone) on February 21, 2022, when it announces its FY2021 results; by this date, the Hella deal should be closed or near to be closed.

A conference call for financial analysts and media will be held today at 8:00am (Paris time).

Dial-in numbers:

- France: +33 (0)1 70 73 27 27
- UK: +44 (0) 203 009 5710
- USA: +1 917 720 0178

No access code needed.

The conference call may also be followed at the following link:

<https://edge.media-server.com/mmc/p/8az8syo3>

A replay will be available as soon as possible after the call.

Calendar

February 21, 2022: FY 2021 results (before market hours)

Contacts

Press

Victoria CHANIAL
EVP Group Communications
Tel: +33 (0)1 72 36 72 58
victoria.chanial@faurecia.com

Eric FOHLEN-WEILL
Corporate communications Director
Tel: +33 (0)1 72 36 72 58
eric.fohlen-weill@faurecia.com

Analysts/Investors

Marc MAILLET
Head of Investor Relations
Tel: +33 (0)1 72 36 75 70
marc.maillet@faurecia.com

Matthieu FERNANDEZ
Deputy Head of Investor Relations
Tel: +33 (0)6 22 02 01 54
matthieu.fernandez@faurecia.com

About Faurecia

Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With 266 industrial sites, 39 R&D centers and 114,500 employees in 35 countries, Faurecia is a global leader in its four areas of business: Seating, Interiors, Clarion Electronics and Clean Mobility. Faurecia has focused its technology strategy on providing solutions for the "Cockpit of the Future" and "Sustainable Mobility". In 2020, the Group posted sales of €14.7 billion. Faurecia is listed on the Euronext Paris stock exchange and included in the CAC® Next 20 Index. For more information, please visit www.faurecia.com

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