

Q3 2020 SALES

Significantly better
than previously expected

H2 guidance **upgraded**

October 23, 2020



Key messages

 Q3 sales

€3.9bn

significantly better than previously expected

- ▶ **Strong organic sequential improvement:**
-7.0% in Q3, after -19.7% in Q1 and -50.0% in Q2
- ▶ **Month-after-month improvement,**
with September up 1.2% year-on-year
- ▶ **Strong organic sales in China,**
up 15.4%
- ▶ **Outperformance of Seating and Clean Mobility,**
representing combined 65% of Group sales

 H2 guidance
upgraded

- ▶ Worldwide automotive production now **expected to drop** in the mid-single digits in H2
- ▶ Consequently, sales, profitability and cash **targets upgraded**

Agenda

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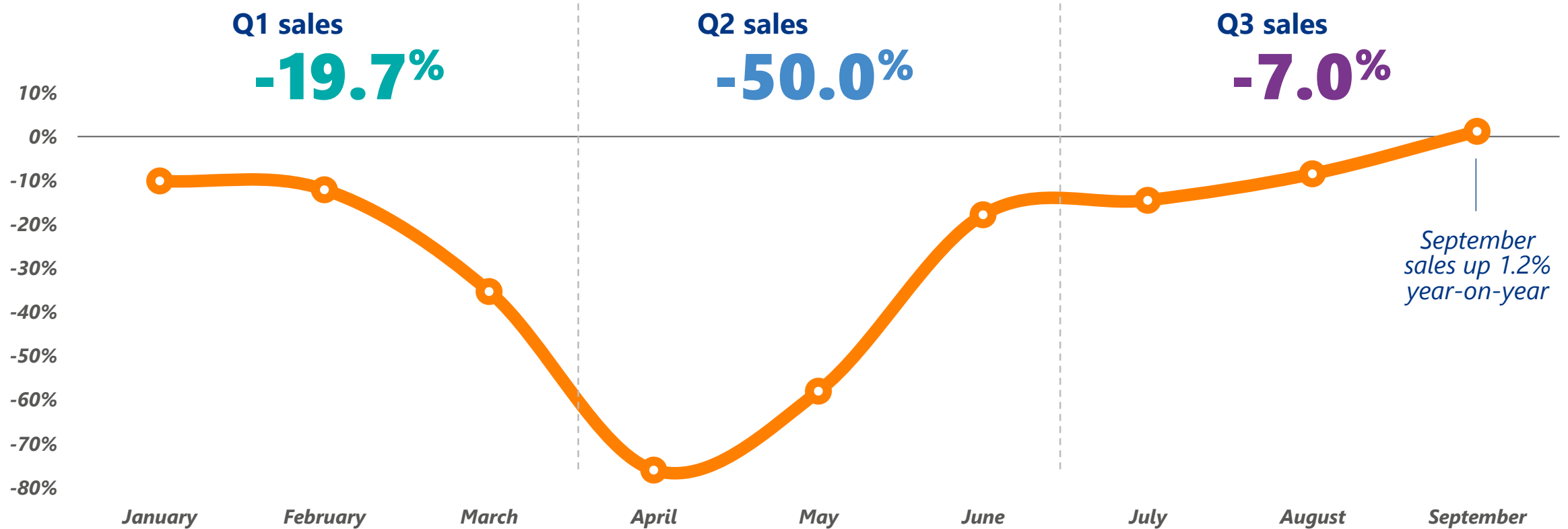
Review of Q3 2020 sales

(2)

Upgraded H2 2020 guidance

Strong sequential improvement in Q3

Faurecia monthly organic sales

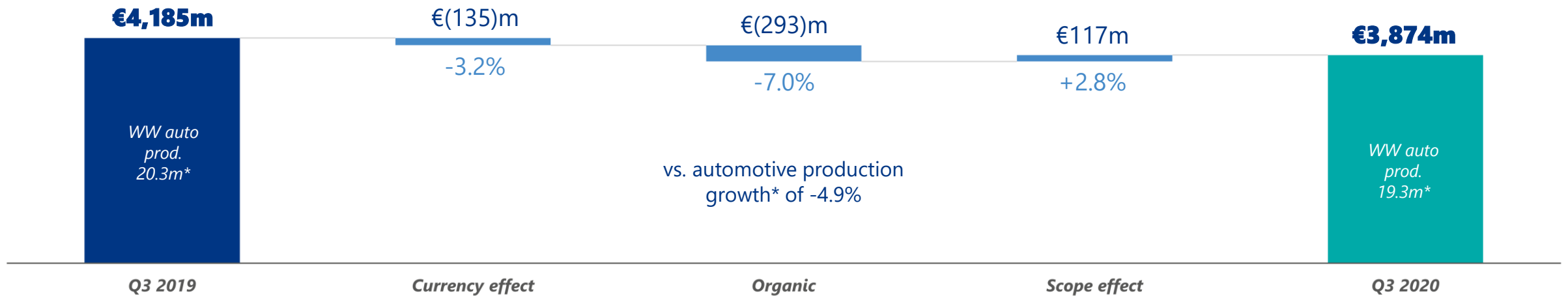


Q3 2020 sales at €3.9bn

significantly better than previously expected

➤ Reported sales down **7.4%**, of which:

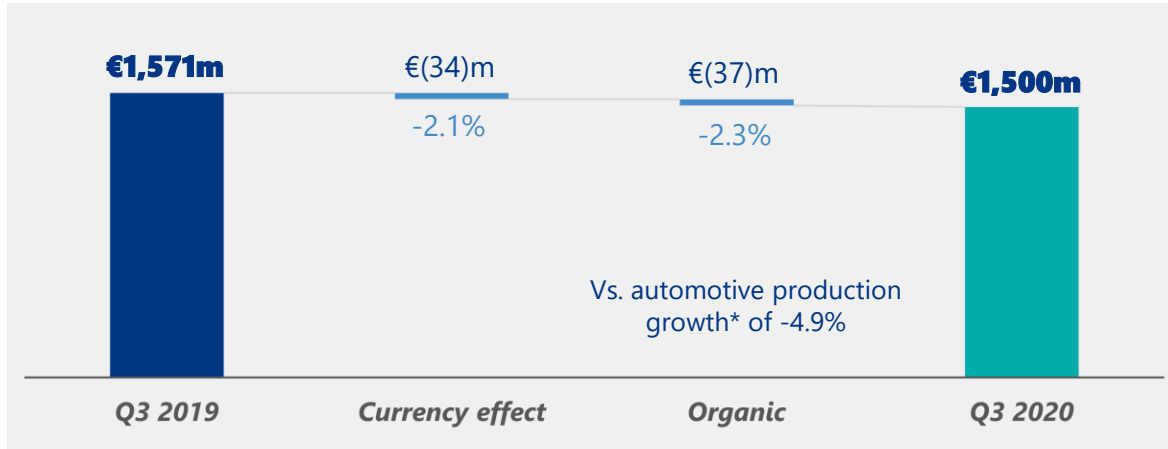
- ▶ Negative currency effect of **€(135)m**, higher than in previous quarters
- ▶ Positive scope effect of **€117m**, due to SAS for €160m partly offset by a negative contribution of €(43)m from Clarion**
- ▶ Organic drop of **7.0%**, reflecting underperformance of Interiors and FCE (35% of Group sales), while Seating and Clean Mobility (65% of Group sales) outperformed the market



*Source: IHS Markit forecast dated October 2020 (vehicles segment in line with CAAM for China) / ** In Q3 2019, four months of Clarion were consolidated (June catch-up + July to September)

Seating

39% of Group sales

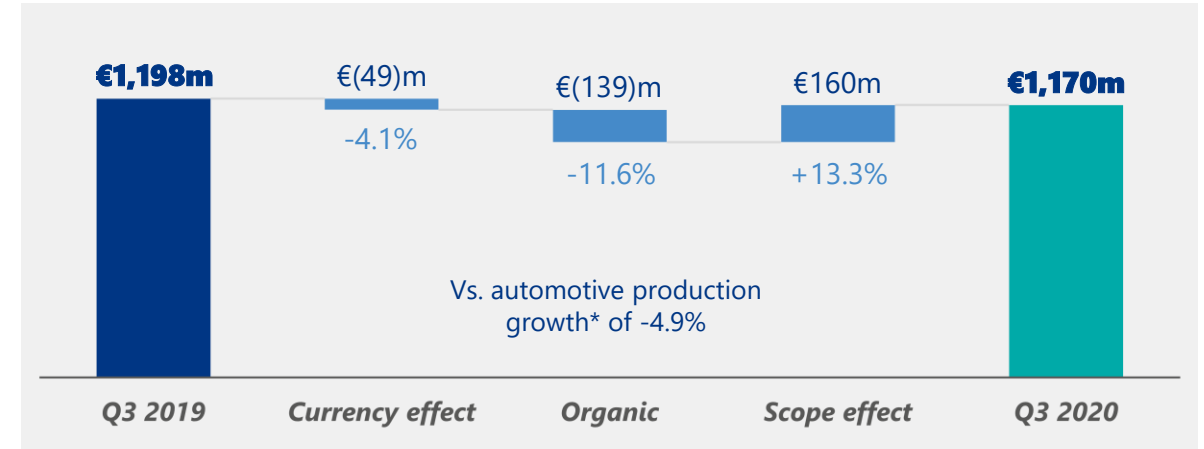


- > **Outperformance of 260bps**, driven by all three of Faurecia's major regions
- > As from Q3 2020, sales evolution is no longer impacted by the EoPs that had a negative effect in the previous quarters
- > Conversely, significant SoPs will start as from Q2 2021 and **boost Seating outperformance as from next year**

*Source: IHS Markit forecast dated October 2020 (vehicles segment in line with CAAM for China)

Interiors

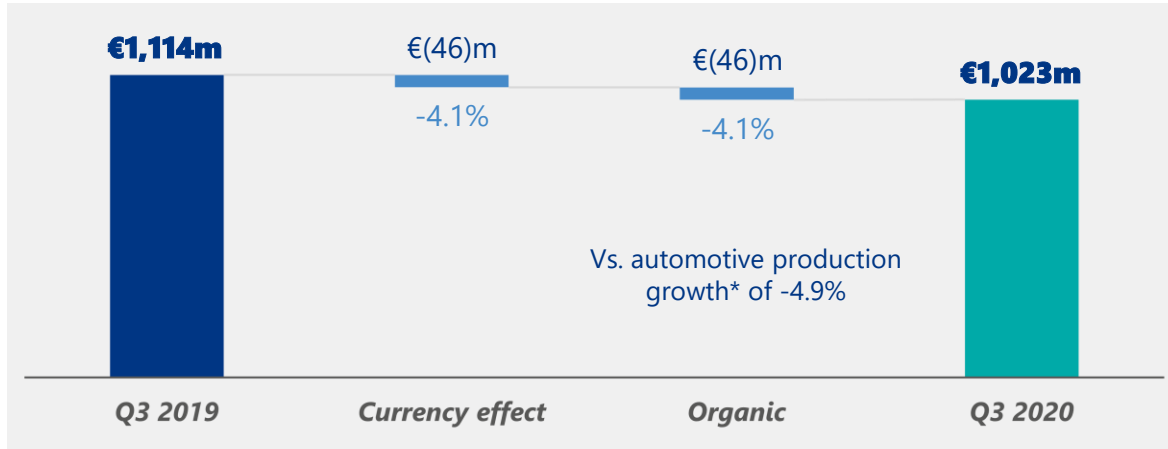
30% of Group sales



- > **Underperformance of 670bps**, largely due to lower tooling sales, down 45.0% year-on-year, caused by delayed programs in Europe, North America and China. Excluding tooling, **Product sales were down 8.5%, i.e. an underperformance of 360bps**
- > **Product sales outperformed the market in all regions, except in Europe:**
 - ▶ In Europe, lower content for new models for VW and Daimler and temporary unfavorable product mix with PSA
- > Scope effect due to the consolidation of SAS (since February 1st)

Clean Mobility

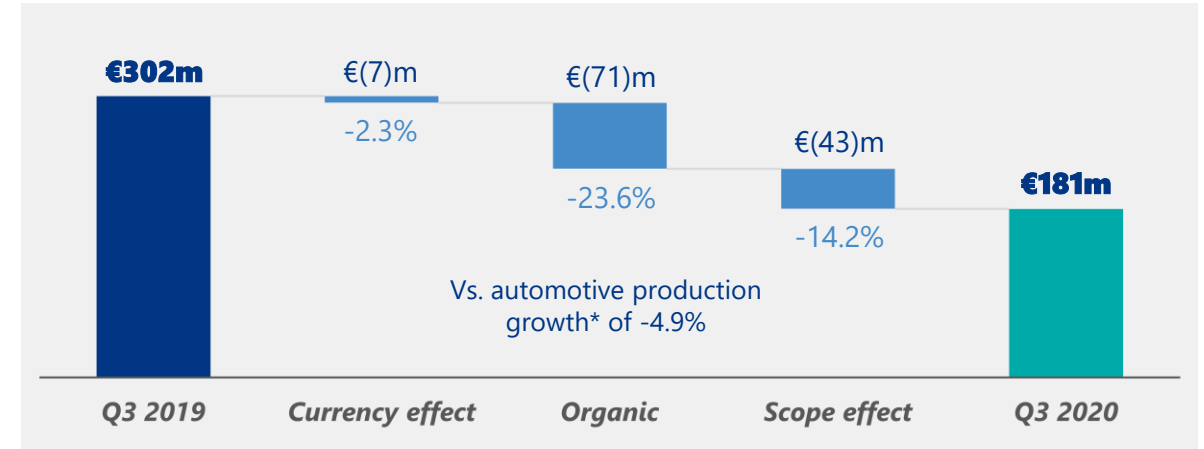
26% of Group sales



- > **Outperformance of 80bps, with double-digit sales growth in China**
- > **Contrasted evolution for Commercial vehicles, in line with market regional sales evolution for this segment:**
 - Double-digit growth in China
 - Double-digit drop in Europe and North America

Clarion Electronics

5% of Group sales

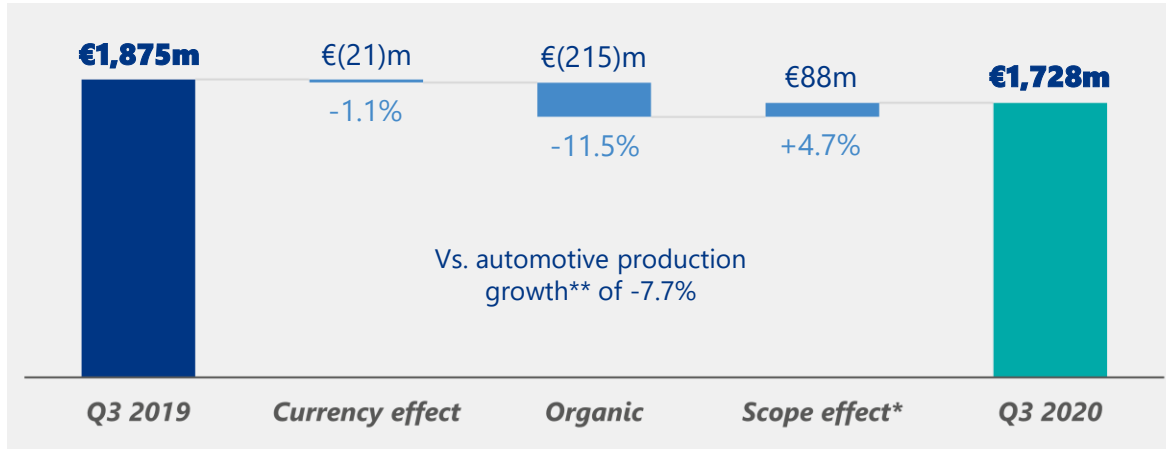


- > **Underperformance**, highly impacted by the sales decline with Nissan, Clarion's major customer
 - This effect will continue to impact sales in Q4 and gradually disappear in 2021
- > **Clarion Electronics is on track to overachieve its order intake target of €2.1bn in 2020**
- > Negative scope effect as in Q3 2019, four months of Clarion were consolidated (June catch-up + July to September) vs. 3 months in Q3 2020

*Source: IHS Markit forecast dated October 2020 (vehicles segment in line with CAAM for China)

Europe

45% of Group sales



> **Sales down 11.5%** on an organic basis
→ **underperformance of 380bps**

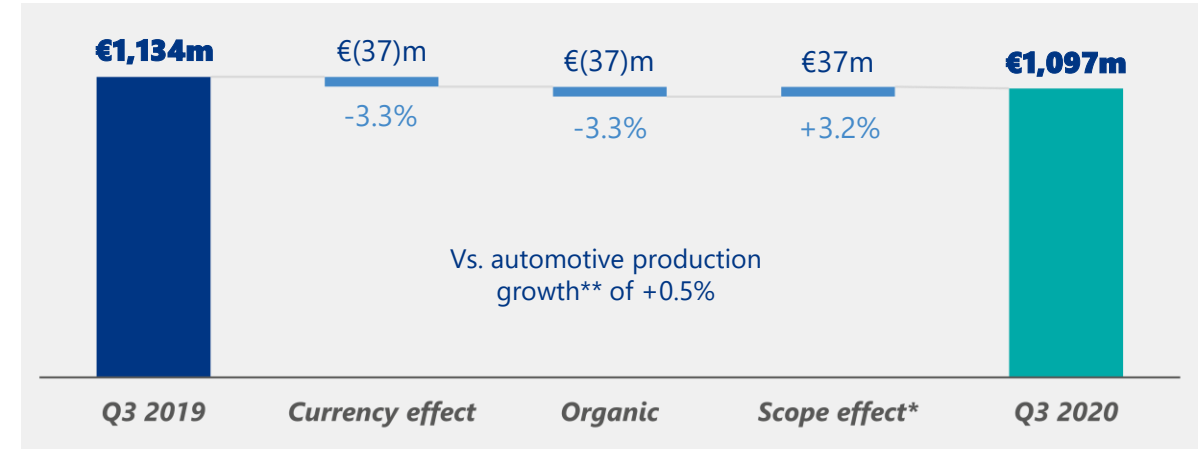
- ▶ Mostly reflecting the underperformance of Interiors and the double-digit drop in sales for Clean Mobility Commercial Vehicles

> **Reported sales down 7.9%**

- ▶ Positive scope impact of +4.7%, or €88m

North America

28% of Group sales



> **Sales down 3.3%** on an organic basis
→ **underperformance of 380bps**

- ▶ Mostly attributable to the double-digit drop in sales for Clean Mobility Commercial Vehicles and, to a lower extent, to lower sales to Nissan for Clarion Electronics

> **Reported sales down 3.3%**

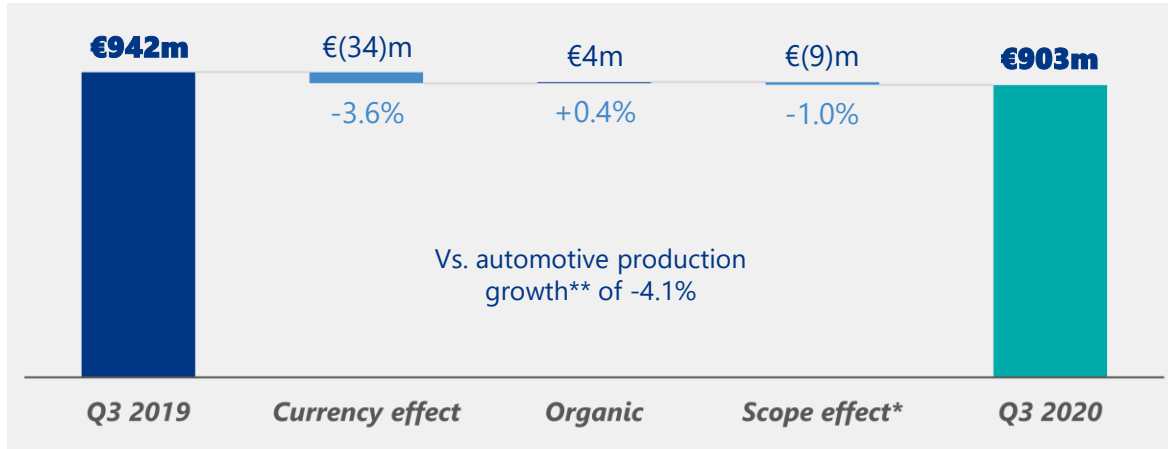
- ▶ Negative currency impact of -3.3%, or €(37)m
- ▶ Positive scope impact of +3.2%, or €37m

* Including a positive contribution from SAS (3 months) and a negative contribution from Clarion (1 month), as in Q3 2019 four months of Clarion were consolidated (June catch-up + July to September)

** Source: IHS Markit forecast dated October 2020 (vehicles segment in line with CAAM for China)

Asia

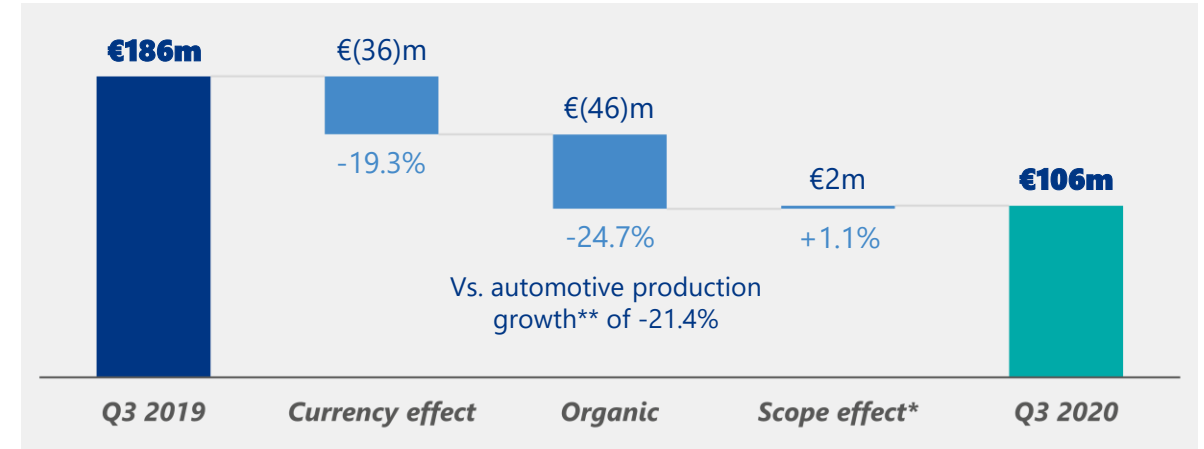
23% of Group sales



- **Sales up 0.4%** on an organic basis
➔ **outperformance of 450bps**
 - ▶ **Strong growth in China of 15.4% and outperformance of 850bps**, driven by Seating and Clean Mobility with strong sales to international OEMs, new customers and commercial vehicles
- **Sales down 4.2%** on a reported basis
 - ▶ Negative currency impact of -3.6%, or €(34)m

South America

3% of Group sales



- **Sales down 24.7%** on an organic basis
➔ **underperformance of 330bps**
 - ▶ Mostly impacted by Brazil as gradual exit from Argentina is underway
- **Sales down 42.9%** on a reported basis
 - ▶ Negative currency effect of -19.3%, or €(36)m

* Including a positive contribution from SAS (3 months) and a negative contribution from Clarion (1 month), as in Q3 2019 four months of Clarion were consolidated (June catch-up + July to September)

** Source: IHS Markit forecast dated October 2020 (vehicles segment in line with CAAM for China)

Agenda

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Review of Q3 2020 sales

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Upgraded H2 2020 guidance

Upgraded H2 2020 guidance

- Considering improved market conditions, **Faurecia now expects worldwide automotive production to drop in the mid-single digits in H2** (vs. an assumption of “down around 15%” on July 27)
- With the above assumption and thanks to the confirmed positive effects of measures deployed to further increase resilience, **our guidance is revised upward:**



SALES

H2 sales
at least **€8.0bn**

*vs. “around €7.6 billion”
as announced on July 27*



PROFITABILITY

H2 operating margin
at least **5.5% of sales**

*vs. “around 4.5% of sales”
as announced on July 27*



NET CASH FLOW

H2 net cash flow
at least **€700m**

*vs. “around €600 million”
as announced on July 27*

- The assumption of worldwide automotive production in H2 assume no major lockdown in any automotive region during the last quarter of the year
- Main currency assumptions for H2: USD/€ @ 1.17 and CNY/€ @ 8.12, on average

Key takeaways

Q3

Sales significantly better

than previously expected

*supported by improved
worldwide automotive
production*

H2

Upgraded guidance

*thanks to improved environment
and the positive effects
of our resilience measures*

2022

Faurecia on track

to achieve its sales, profitability
and cash ambition

*as a strong market rebound
is expected in the next 2 years*

- The **46%** stake of PSA in Faurecia is now expected to be distributed to all Stellantis shareholders after completion of the merger
 - ▶ Considering the minimum time period required for the approval process, the spin-off could happen at the latest in Q2 2021
 - ▶ This event will contribute to significantly increase the Faurecia's free float and share liquidity

Appendices



9m sales

by Region

Sales (in €m)

	REPORTED	CURRENCY EFFECT		GROWTH EX-CURRENCIES		SCOPE EFFECT*		REPORTED	
	9M 2019	value	%	value	%	value	%	9M 2020	%
Europe	6,406	-32	-0.5%	-1,849	-28.9%	230	3.6%	4,755	-25.8%
North America	3,423	-3	-0.1%	-991	-28.9%	142	4.1%	2,571	-24.9%
Asia	2,659	-47	-1.8%	-395	-14.9%	156	5.9%	2,373	-10.7%
<i>of which China</i>	1,806	-32	-1.8%	-125	-6.9%	55	3.0%	1,703	-5.7%
South America	530	-83	-15.6%	-191	-36.0%	6	1.2%	263	-50.5%
RoW	139	-14	-9.8%	-43	-31.3%			82	-41.1%
GROUP	13,157	-178	-1.4%	-3,470	-26.4%	534	4.1%	10,043	-23.7%

* Scope effect included 3 months of Clarion and 8 months of SAS

9m sales

by Business Group

Sales (in €m)	REPORTED	CURRENCY EFFECT		GROWTH EX-CURRENCIES		SCOPE EFFECT*		REPORTED	
	9M 2019	value	%	value	%	value	%	9M 2020	%
Seating	5,210	-49	-0.9%	-1,391	-26.7%			3,771	-27.6%
Interiors	3,939	-68	-1.7%	-1,146	-29.1%	367	9.3%	3,092	-21.5%
Clean Mobility	3,466	-57	-1.7%	-739	-21.3%			2,669	-23.0%
Faurecia Clarion Electronics	542	-5	-0.9%	-193	-35.5%	167	30.9%	512	-5.5%
GROUP	13,157	-178	-1.4%	-3,470	-26.4%	534	4.1%	10,043	-23.7%

* Scope effect included 3 months of Clarion and 8 months of SAS

Definitions of terms

used in this document

> 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 Q3 2020, 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**.

Financial calendar

➤ *February 22, 2021*

FY 2020 results announcement (before market hours)

INVESTOR RELATIONS

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Share Data

Bloomberg Ticker: EO:FP

Reuters Ticker: EPED.PA

Datastream: F:BERT

ISIN Code: FR0000121147

Bonds ISIN Codes

2025 bonds: XS1785467751

2026 bonds: XS1963830002

2027 bonds: XS2081474046

2028 bonds: XS2209344543

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