

# FY 2021 results

2021, a foundational year for Faurecia  
FORVIA on track to deliver on ambitions

February 21, 2022

**FORVIA**  
faurecia



# Agenda

- 01** **2021, a foundational year for Faurecia** | Patrick Koller - CEO
- 02** **Financial Review** | Michel Favre - CFO
- 03** **2022 Faurecia standalone guidance** | Patrick Koller - CEO
- 04** **FORVIA strategic update** | Patrick Koller - CEO



**01.**

**2021,  
A FOUNDATIONAL  
YEAR FOR  
FAURECIA**

# 2021, a foundational year for Faurecia

## Successful spin-off from the historical shareholder (PSA/Stellantis)

- Increased free float > 90% and inclusion in CAC Next 20 effective March 22, 2021
- First Employee Shareholding Plan (faur'ESO), with high subscription rate for a total of €100m

## Strategic and transformative acquisition of HELLA

- Creating the #7 global automotive supplier
- Highly advanced technology portfolio addressing all industry megatrends
- Faurecia now owns a controlling stake exceeding 80% of HELLA for a total amount of c.€5.4bn
- Strong earnings and cash flow accretion & value creation for all shareholders

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**FORVIA**



**on track to deliver  
on synergies  
and ambitions**

# Climate change at the heart of our strategy

## Faurecia is fully on track to become CO<sub>2</sub> neutral

for scopes 1 and 2 by 2025 and to reduce by 50% its scope 3 controlled emissions in 2030, before reaching net zero by 2050 at the latest

In 2021, **two major partnerships** were signed:

- Faurecia selected  and  for power purchase agreement and on-site renewable electricity purchasing advisory
- Faurecia partnered with  to support Faurecia in its commitment to reach CO<sub>2</sub> neutrality for scopes 1 and 2 by 2025

## Creation of a new cross-business division for Sustainable Materials

- Work across all Business Groups to propose a full cockpit low CO<sub>2</sub> and even CO<sub>2</sub> negative materials approach to OEMs
- In 2022, Faurecia will build a dedicated Sustainable Materials R&D center and a pilot plant (the new division will initially employ 125 engineers to grow over 400 in 2030)

**Launch of “Seat for the Planet”**, a cross-Business Groups initiative dedicated to improving industrial processes, material use and seat design to reduce lifecycle CO<sub>2</sub> footprints

# Acceleration of Zero-Emission Hydrogen strategy

**Internationalization of Faurecia's capabilities through the acquisition of a majority stake in CLD, a leading Chinese manufacturer of hydrogen tanks**

## **Structuration of Faurecia's industrial footprint**

- New plant in Allenjoie (France) with a capacity of up to 100,000 tanks per year; serial production to start in 2023 with strong ramp-up in 2024
- Start of construction of a new plant for Symbio in Lyon (France)

## **On track to become a Zero-Emission Hydrogen leader**

- Order intake of €500m\*, in line with target set at 2021 CMD, confirming ambition to reach €500m\* sales in 2025
- Start of pre-serial production for Stellantis, Hyvia (Renault Group) and Hyundai, in France and Korea, and for SAIC in China
- Partnership with Air Liquide to design and produce onboard liquid Hydrogen Storage Systems (HSS)
- Ambition to reach over €3.5bn\* of sales in 2030 confirmed



# Solid order intake amounting to cumulative €75bn for 2019 - 2021

## Continued progress in customer satisfaction through efficient Total Customer Satisfaction program

- 70 awards in 2021 for global performance, manufacturing excellence, cost savings and innovation
- New improvement in customer perception with 4.5 stars in 2021 (maximum is 5) vs. 4.2 in 2020

## Solid order intake amounting to cumulative €75bn for 2019 - 2021, consistent with 2021 CMD ambition of sales $\geq$ €24.5bn in 2025 (Faurecia standalone)

- 213 awards in 2021 demonstrating continued market share gain and confirming future profitable growth prospects
- €2.6bn for Faurecia Clarion Electronics in 2021, demonstrating the strong potential for this Business Group (driven by Chinese and Japanese OEMs, Stellantis and RNM)
- €6.1bn for Electric Vehicles in 2021 (EVs + FCEVs), representing 26% of total order intake
- €6.4bn for China in 2021 (27% of total order intake), reflecting continued strong growth potential of the Chinese market





02.

FINANCIAL  
REVIEW



# Resilient performance in 2021 despite headwinds

## Resilient performance in 2021:

- Sales of €15.6bn up 8.8% organically with strong outperformance of 650bps in H2 and 500bps in FY
- Operating income of €862m, representing 5.5% of sales
- Net cash flow of €305m or €317m before HELLA acquisition impact of €(12m)
- Net debt-to-EBITDA ratio of 1.6x

## 2021 has been penalized by:

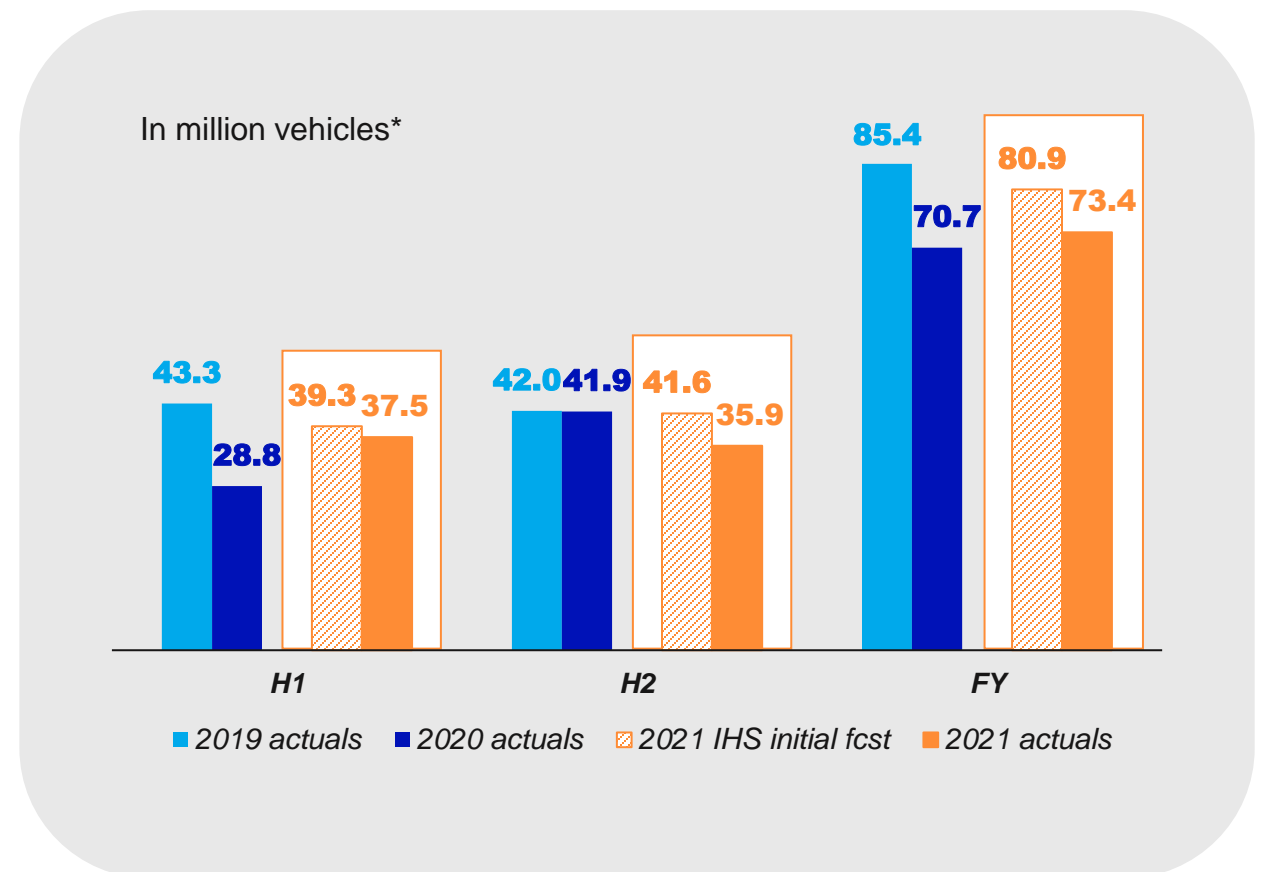
- Semiconductor shortage throughout the year
- Increase in raw material prices throughout the year
- Unprecedented Stop & Gos decided by OEMs in H2 that reduced cost flexibilization capabilities
- Extra-costs generated in H2 during the launch phase of a new Seating program in the US (Michigan)



# In 2021, the automotive industry has been strongly penalized by the semiconductor shortage

**In 2021, worldwide automotive production remained low at 73.4m LVs**, close to the record low of 2020 (impacted by Covid-19), vs. an initial forecast of 80.9m (as released by IHS Markit in February 2021)

**H2 2021 was severely impacted by the semiconductor shortage**, as reflected in the unprecedented downward revision of IHS Markit forecast in September

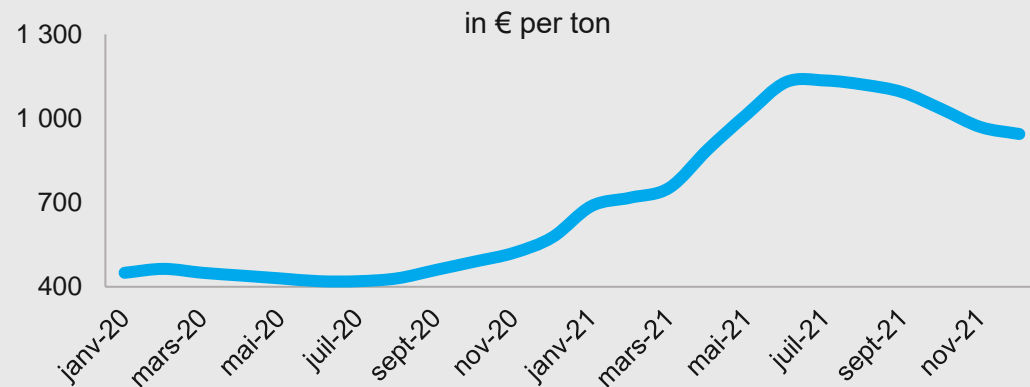


# In 2021, raw material prices faced a significant rise mitigated in Faurecia's account by our "pass-through" contractual terms

**Steel and chemicals represented c. 40%** of the Group's total free purchases in 2021

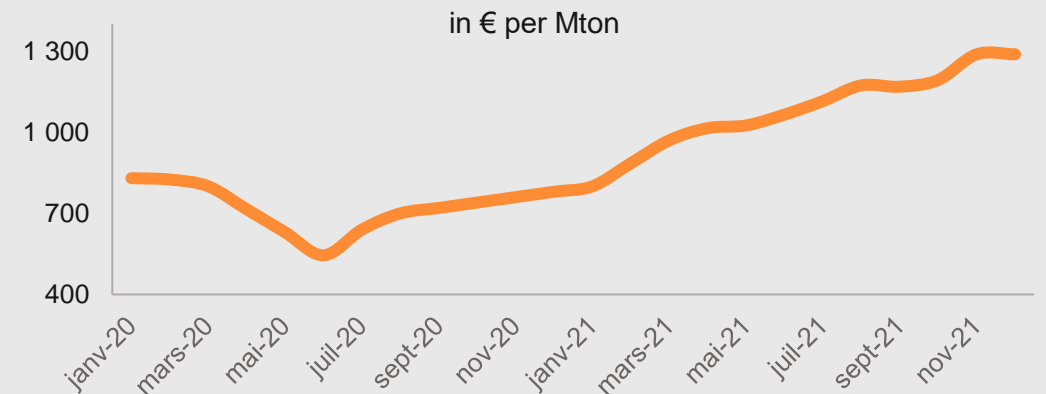
**Contractual "pass-through" to customers** is on average of c. 80%

**CARBON STEEL PRICE EVOLUTION SINCE JANUARY 2020**



- Historical increase of steel prices levels up to 130% vs. end 2020
- Mid-term inflation expected to be sustained by shift to "green steel" requiring heavy investments

**C3 CHEMICALS PRICE EVOLUTION SINCE JANUARY 2020**



- Strong upswing in chemical prices while offer/demand remained highly subject to plant outages
- Upward risks remain, mainly due to global increase in energy costs

# In H2 2021, Stop & Gos decided by OEMs reduced our cost flexibilization capabilities, especially for JIT deliveries

**Semiconductor shortage** strongly disrupted our customers' activity and generated a record **high volatility** in OEMs programs and consequent numerous and erratic Stop & Gos in H2

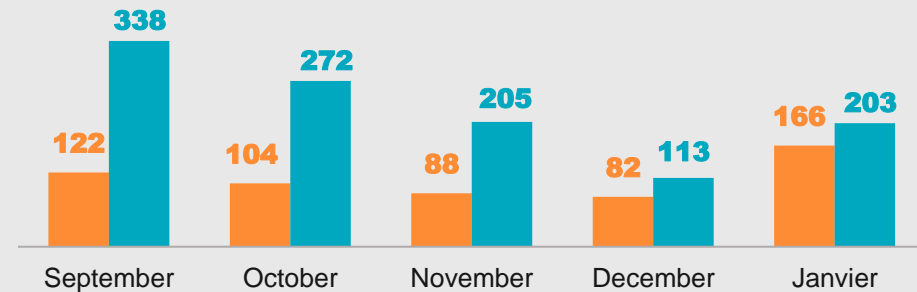
## These **Stop & Gos**:

- Reduced cost flexibilization capabilities, especially for Just-In-Time deliveries
- Generated quality extra-costs (scraps,...)

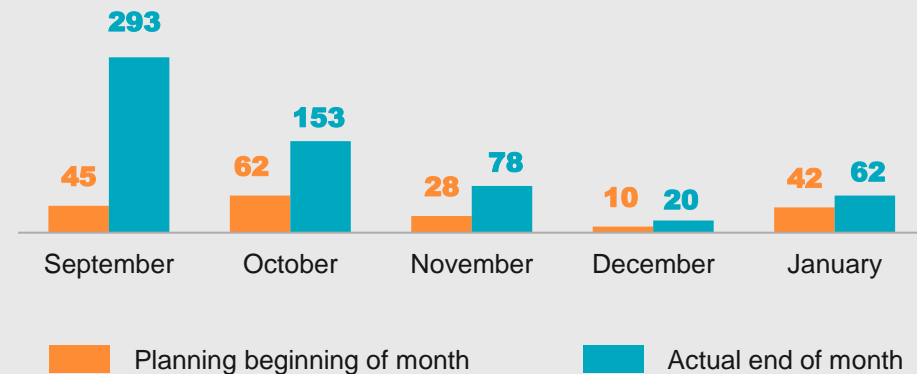
## **Progressive easing of the situation**

as from November, both in Europe and North America

**CUMULATED OEMS DAYS OF CLOSURE IN EUROPE**



**CUMULATED OEMS DAYS OF CLOSURE IN NORTH AMERICA**



# In H2 2021, the launch of a new Seating program in Michigan generated significant extra-costs before being fixed in 2022

**Operational difficulties met in H2 2021 in the two new separate production units** (one for Metal and one for Assembly of complete seats):

- Structural shortage of the US labor market leading to difficulties in hiring and attracting the necessary technical competencies
- Instability of workforce leading to record high absenteeism and turnover
- Wage inflation
- Very limited technical onsite support linked to the pandemic situation (no travel to the US)
- Production quality issues & ramp up difficulties

**Total extra-costs estimated to €(100)m in 2021**

**Situation under control at the end of 2021:**

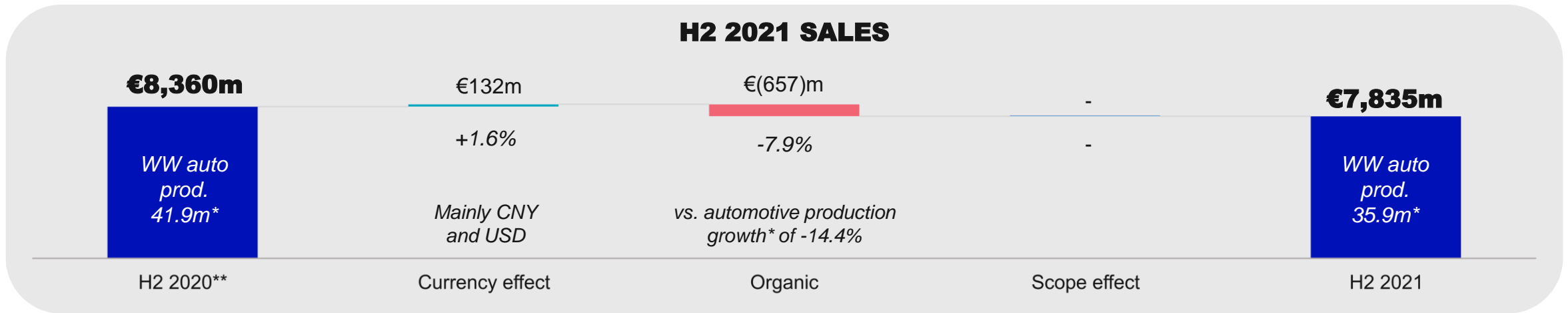
- Appointment of an EVP North America to increase autonomy of the North American organization
- Faurecia's teams sent to support operations locally as borders re-opened early November
- Stabilization of qualified workforce and use of subcontractors
- Gradual ramp-up of production to meet customer's needs

**Next major step will be the optimization of the current industrial set-up related to this program**

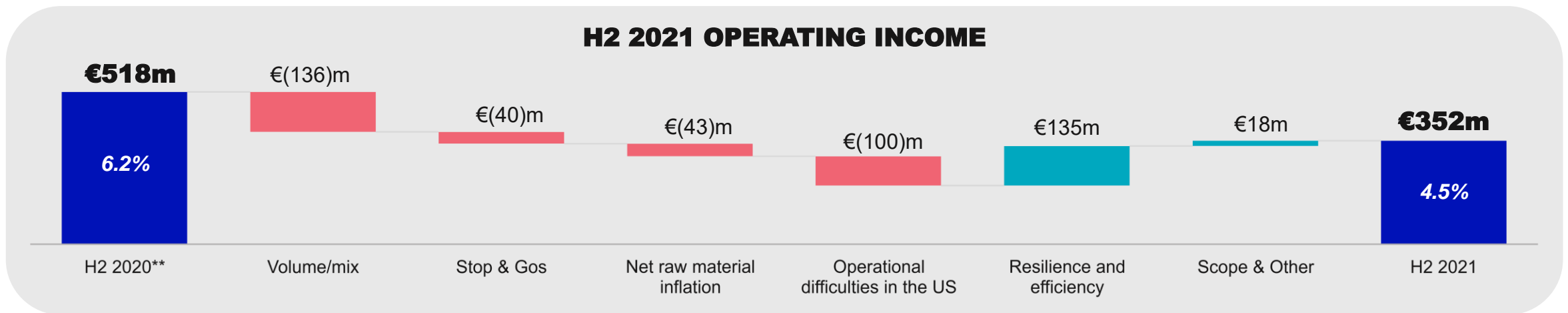
**Extra-costs in 2022** expected to impact only H1 for c.€(30)m; program to be profitable in H2

# Strong headwinds in H2 2021: Stop & Gos due to high volatility in OEM programs and operational difficulties in a Seating US program

## H2 2021 SALES



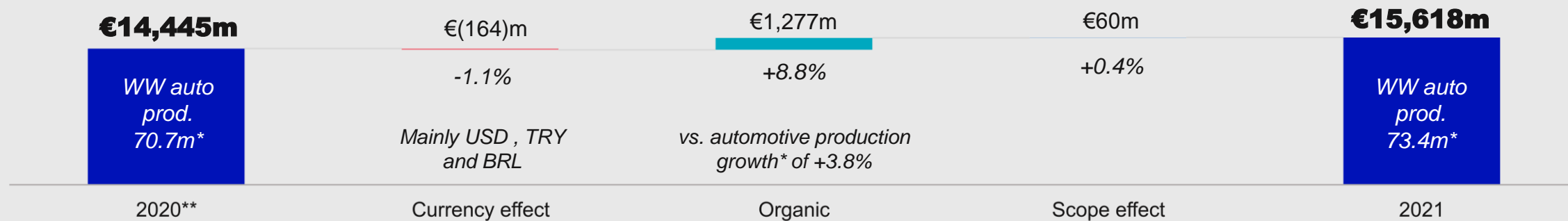
## H2 2021 OPERATING INCOME



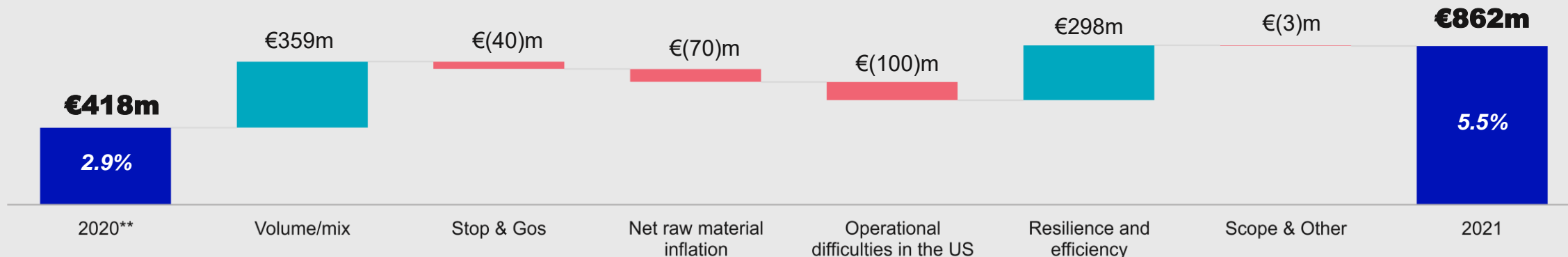
# Strong sales outperformance of 500bps

## Confirmed robust operating leverage of 34%

### FY 2021 SALES



### FY 2021 OPERATING INCOME



# Seating

39% of Group sales

FY 2020*		H2 2021	FY 2021	
<b>5,560</b>	<b>Sales (€m)</b>	<b>3,082</b>	<b>6,049</b>	<i>Excl. €100m impact in the US</i>
	<i>YoY reported</i>	-6.3%	+8.8%	
	<i>YoY organic</i>	-8.2%	+9.1%	
<b>191</b>	<b>Operating income (€m)</b>	<b>88</b>	<b>285</b>	<b>385</b>
3.4%	<i>% of sales</i>	2.9%	4.7%	6.4%

**Strong sales outperformance of 620bps in H2 and 530bps in FY**, driven by significant SOPs and despite negative impact from Stop & Gos in H2

**Operating margin at 4.7% in 2021 reflected:**

- Strong operating leverage in H1
- Cumulated negative impacts in H2 of Stop & Gos and operational difficulties met in the launch phase of a major greenfield program in Michigan (US)

# Interiors

30% of Group sales

FY 2020*		H2 2021	FY 2021	
<b>4,335</b>	<b>Sales (€m)</b>	<b>2,265</b>	<b>4,641</b>	
	<i>YoY reported</i>	-9.4%	+7.0%	
	<i>YoY organic</i>	-10.2%	+7.7%	
<b>33</b>	<b>Operating income (€m)</b>	<b>73</b>	<b>190</b>	
0.8%	<i>% of sales</i>	3.2%	4.1%	

**Strong sales outperformance of 420bps in H2 and 390bps in FY**, largely driven by sales to Stellantis and a major American EV carmaker and despite negative impact from Stop & Gos in H2

**Operating margin of 4.1% in 2021 reflected:**

- Strong operating leverage in H1
- Cumulated negative impacts in H2 of Stop & Gos, unfavorable mix (low sales in North America) generating difficulty to flex cost base and dilutive effect of raw material inflation on margin



# Clean Mobility

26% of Group sales

FY 2020*		H2 2021	FY 2021
<b>3,823</b>	<b>Sales (€m)</b>	<b>2,051</b>	<b>4,091</b>
	<i>YoY reported</i>	-5.8%	+7.0%
	<i>YoY organic</i>	-7.8%	+8.2%
<b>200</b>	<b>Operating income (€m)</b>	<b>191</b>	<b>389</b>
5.2%	<i>% of sales</i>	9.3%	9.5%

## Strong sales outperformance of 660bps in H2 and 440bps in FY:

- Strong outperformance in Europe (+1,230bps over the year) and North America (+510bps over the year)
- Strong growth in China with all Chinese and most international OEMs

**Operating margin of 9.5% 2021**, a strong improvement throughout the entire year, including H2

# Clarion Electronics

5% of Group sales

FY 2020*		H2 2021	FY 2021
<b>727</b>	<b>Sales (€m)</b>	<b>438</b>	<b>838</b>
	<i>YoY reported</i>	+10.7%	+15.4%
	<i>YoY organic</i>	+ 9.3%	+17.5%
<b>(5)</b>	<b>Operating income (€m)</b>	<b>(1)</b>	<b>(2)</b>
-0.7%	<i>% of sales</i>	-0.2%	-0.2%

## Strong sales organic growth of 17.5% in 2021 and outperformance of 1,370bps, reflected:

- Strong sales momentum due to strategic refocus
- Limited impact from semiconductor shortage, as Clarion Electronics succeeded in avoiding any production stoppages for its customers
- Strong dynamics with Chinese OEMs and in North America

**Broadly flat operating income**, despite increased costs of semiconductors (mainly in H2), negative mix effect (aftermarket vs. product sales) and further restructuring and depreciation costs

# Europe

45% of Group sales

FY 2020*		H2 2021	FY 2021
<b>6,763</b>	<b>Sales (€m)</b>	<b>3,191</b>	<b>6,996</b>
	YoY reported	-16.5%	+3.5%
	YoY organic	-16.2%	+3.7%
<b>85</b>	<b>Operating income (€m)</b>	<b>86</b>	<b>292</b>
1.3%	% of sales	2.7%	4.2%

## Strong sales outperformance of 1,140bps in H2 and 810bps in FY:

- H2 was strongly impacted by Stop & Gos
- Organic growth was mainly driven by Interiors and Clean Mobility (mostly commercial vehicles)

## Operating margin at 4.2%, up 290bps in 2021

despite significant negative impact from Stop & Gos in H2

# North America

24% of Group sales

FY 2020*		H2 2021	FY 2021	
<b>3,632</b>	<b>Sales (€m)</b>	<b>1,945</b>	<b>3,725</b>	<i>Excl. €100m impact in the US</i>
	YoY reported	-9.8%	+2.6%	
	YoY organic	-11.3%	+5.8%	
<b>33</b>	<b>Operating income (€m)</b>	<b>(12)</b>	<b>49</b>	<b>149</b>
0.9%	% of sales	-0.6%	1.3%	4.0%

## Solid outperformance of 930bps in H2 and 560bps in FY:

- Double digit organic growth in sales for Seating (driven by SOPs) and Clarion Electronics (driven by strategic refocus)
- Strong organic growth with a major American EV carmaker (Interiors) and Commercial vehicles (Clean Mobility)

## Operating margin at 1.3%, mostly impacted by H2:

- Significant negative impact from Stop & Gos
- €100m extra-costs related to operational difficulties in the launch phase of a greenfield Seating program in Michigan

# Asia

27% of Group sales

FY 2020*		H2 2021	FY 2021
<b>3,528</b>	<b>Sales (€m)</b>	<b>2,309</b>	<b>4,167</b>
	<i>YoY reported</i>	+12.2%	+18.1%
	<i>YoY organic</i>	+7.7%	+16.3%
<b>308</b>	<b>Operating income (€m)</b>	<b>256</b>	<b>458</b>
8.7%	<i>% of sales</i>	11.1%	11.0%

**Strong sales outperformance of 1,520bps in H2 and 890bps in FY**, with sales exceeding pre-Covid level of 2019 both in Asia & China

- In China, sales posted a strong organic growth of 17.7%, an outperformance of 1,070bps
- Growth was driven by Seating, Interiors and Clarion Electronics and by most OEMs

**Solid double-digit operating margin:**

- 11.1% in H2, up 100bps yoy
- 11.0% in FY, up 230bps yoy

# Rest of the world

4% of Group sales

FY 2020*		H2 2021	FY 2021
<b>523</b>	<b>Sales (€m)</b>	<b>391</b>	<b>731</b>
	<i>YoY reported</i>	+20.4%	+39.8%
	<i>YoY organic</i>	+15.2%	+46.7%
<b>(8)</b>	<b>Operating income (€m)</b>	<b>21</b>	<b>63</b>
-1.6%	<i>% of sales</i>	5.4%	8.7%

**Organic sales up 46.7% vs 2020**

- In South America, which represented c. 3/4 of the total, organic sales were up 48.7% in 2021, a very strong outperformance of 3,260bps mainly driven by sales to the Stellantis group

**Strong operating margin at 8.7%**

- In South America, operating margin stood at 8.0%; it included €13m in H1 from PIS-Cofins tax recovery in Brazil

# Gross margin at 12.1%, up 190bps yoy Operating margin at 5.5%, up 260bps yoy } despite headwinds in H2

in €m	FY 2020*	FY 2021	Change
<b>Sales</b>	<b>14,445</b>	<b>15,618</b>	<b>+8.1%</b>
<b>Organic growth</b>			<b>+8.8%</b>
Cost of sales	(12,972)	(13,734)	
% of sales	-89.8%	-87.9%	
<b>Gross margin</b>	<b>1,473</b>	<b>1,883</b>	
<b>% of sales</b>	<b>10.2%</b>	<b>12.1%</b>	<b>+190bps</b>
R&D costs, gross	(1,178)	(1,218)	
Capitalized dvp. costs & depreciations	836	888	
R&D costs, net	(342)	(331)	
% of sales	-2.4%	-2.1%	
Selling and administrative expenses	(713)	(691)	
% of sales	-4.9%	-4.4%	
<b>Operating income</b> (before amort. of acquired intangible assets)	<b>418</b>	<b>862</b>	
<b>% of sales</b>	<b>2.9%</b>	<b>5.5%</b>	<b>+260bps</b>

## Gross margin of 12.1%, up 190bps year-on-year

- Purchasing policy with resilience actions on inflation
- Efficient cost efficiency measures
- Claims to customers to compensate Stop & Gos
- Increased Tooling and R&D invoicing related to launches

## Net R&D expenses down 30bps as % of sales

**Selling and administrative expenses reduced by 50bps** as % of sales, reflecting effectiveness of resilience measures taken in previous quarters

## Operating income up 260bps, at 5.5% of sales

# Net income from continued operations of €113m, incl. €(41)m from one-off costs related to HELLA acquisition

in €m	FY 2020*	FY 2021	Change
<b>Sales</b>	<b>14,445</b>	<b>15,618</b>	<b>+8.1%</b>
<b>Organic growth (%)</b>			<b>+8.8%</b>
<b>Operating income</b> (before amort. of acquired intangible assets)	<b>418</b>	<b>862</b>	<b>444</b>
Amort. of int. assets acquired in business combinations	(92)	(93)	
<b>Operating income</b> (after amort. of acquired intangible assets)	<b>327</b>	<b>769</b>	
Restructuring	(285)	(196)	
Other non-recurring operating income and expense	9	(42)	
Net interest expense & Other financial income and expense	(218)	(254)	
<b>Income before tax of fully consolidated companies</b>	<b>(168)</b>	<b>276</b>	
Income taxes	(122)	(139)	
<i>as % of pre-tax income</i>	<i>n/a</i>	<i>-50%</i>	
<b>Net income of fully consolidated companies</b>	<b>(290)</b>	<b>137</b>	
Share of net income of associates	(13)	(25)	
<b>Net income from continued operations</b>	<b>(303)</b>	<b>113</b>	<b>416</b>
<b>Net income from discontinued operations</b>	<b>(18)</b>	<b>(96)</b>	
<b>Consolidated net income before minority interest</b>	<b>(321)</b>	<b>16</b>	
Minority interest	(57)	(95)	
<b>Consolidated net income, Group share</b>	<b>(379)</b>	<b>(79)</b>	<b>300</b>

## Restructuring expenses of €(196)m:

- Significantly reduced vs. the historical high of €285m in 2020
- Gradually normalizing as market conditions improve
- Largely reflecting the implementation of footprint rationalization

## Costs related to HELLA acquisition amounted to c.€(41)m:

- Financial expenses for c.€(16)m (bridge loan fees)
- Other costs for c.€(26)m

**Income taxes of €(139)m** reflecting China mix effect, withholding tax, French CVAE and US BEAT tax

**Share of net income of associates at €(25)m**, mainly due to increased investment in Symbio

**Discontinued operations represented a loss of €(96)m** reflecting the disposal of AST

# Strong EBITDA margin at 13.5%, up 190bps yoy

## Solid NCF of €317m, before €(12)m due to HELLA acquisition

in €m	FY 2020*	FY 2021	Change
<b>Operating income</b>	<b>418</b>	<b>862</b>	<b>444</b>
Depreciation and amortization, of which:	1,251	1,247	
- Amortization of R&D intangible assets	518	487	
- Other depreciation and amortization	732	760	
<b>EBITDA</b>	<b>1,669</b>	<b>2,109</b>	<b>440</b>
% of sales	11.6%	13.5%	+190bps
Capex	(464)	(530)	
Capitalized R&D	(613)	(670)	
Change in WCR	(107)	(19)	
Change in factoring	38	72	
Restructuring	(124)	(175)	
Financial expenses	(205)	(230)	
Taxes	(196)	(243)	
Other (operational)	15	1	
<b>Net cash flow before HELLA acquisition</b>	<b>13</b>	<b>317</b>	<b>304</b>
Outflow related to HELLA acquisition	-	(12)	
<b>Net cash flow</b>	<b>13</b>	<b>305</b>	<b>292</b>

**Capex contained to €530m** well below initial target of below €600m

**Capitalized R&D outflow of €670m** in 2021

**Strict control of WCR generated a limited outflow of €19m** vs. an outflow of €107m in 2020

**Factoring of receivables at €1,069m** vs. €944m at end 2020 (restated for IFRS 5)

**Increase in restructuring outflow to €175m** vs. an outflow €124m in 2020; 2021 included part of the decisions taken in H2 2020

# Deleveraging with net debt-to-EBITDA ratio reduced to 1.6x

in €m	FY 2020*	FY 2021	Change
<b>Net cash flow</b>	<b>13</b>	<b>305</b>	<b>292</b>
Dividends paid incl. mino.	(35)	(201)	
Share purchase	6	(26)	
Net financial investment & other	(369)	(126)	
Discontinued operations	2	(49)	
IFRS16 impact	(207)	(241)	
<b>Change in net debt</b>	<b>(590)</b>	<b>(339)</b>	
Net debt at the beginning of the period	(2,524)**	(3,128)	
IFRS 5 impact on net debt at Dec. 31, 2020	(14)		
<b>Net debt at the end of the period</b>	<b>(3,128)</b>	<b>(3,467)</b>	
<i>of which IFRS 16 related net debt</i>	(791)	(1,032)	
<b>Net-debt-to-EBITDA ratio</b>	<b>1.9x</b>	<b>1.6x</b>	

## Return to dividend payment in 2021:

- Dividend suspended in 2020 due to the Covid-crisis
- Resumed dividend policy with 1€ per share paid in June 2021

**Share purchase of €(26)m** reflected the Employee Shareholding Program “faur’ESO”

**Net financial investment and other at €126m** included bolt-on acquisitions, investment in Symbio and HELLA acquisition related outflow

**Net debt of €2.4bn** at year-end 2021 excluding IFRS 16 debt

**Continuous deleveraging with net debt-to-EBITDA ratio reduced to 1.6x** as of December 31, 2021

- vs. 1.9x as of December 31, 2020

# Faurecia has been active on the financial markets to strengthen debt profile, extend maturity and secure the financing of HELLA

## 2021 debt issuance included a large share of sustainability-linked financings

<b>February 2021</b>	Additional issuance of €190m 2027 bonds @ 2.26%
<b>March 2021</b>	First issuance of Senior Green Notes of €400m due in 2029 @ 2.375%
<b>May 2021</b>	LT Syndicated Credit Facility (SCF) increased from €1.2bn to €1.5bn and maturity extended from June 2023 to May 2026 options up to May 2028
<b>November 2021</b>	€1.2bn Senior Sustainability-linked notes due 2027 @ 2.75%
<b>December 2021</b>	€700m ESG-linked Schuldscheindarlehen (SSD) with maturity up to 6 years with an average cost of 2%

## Secured financing of HELLA

### August 2021

Bridge facility agreement of €5.5bn (including a 3Y term loan of €500m) to secure the project to acquire HELLA

*Bridge facility to be refinanced through additional bonds and/or bank loans and a rights issue up to €800m with preferential subscription right for the shareholders*

- *Family pool committed to participate to the rights issue in proportion to its prevailing shareholding in Faurecia*
- *Peugeot 1810 and Bpifrance have also already expressed their intention to participate to the rights issue in the amount of their respective prevailing shareholding in Faurecia*

### January 2022

Utilization of €2.9bn out of the €5.5bn bridge facility + Faurecia's cash to finance the payment of the cash share of HELLA acquisition at closing

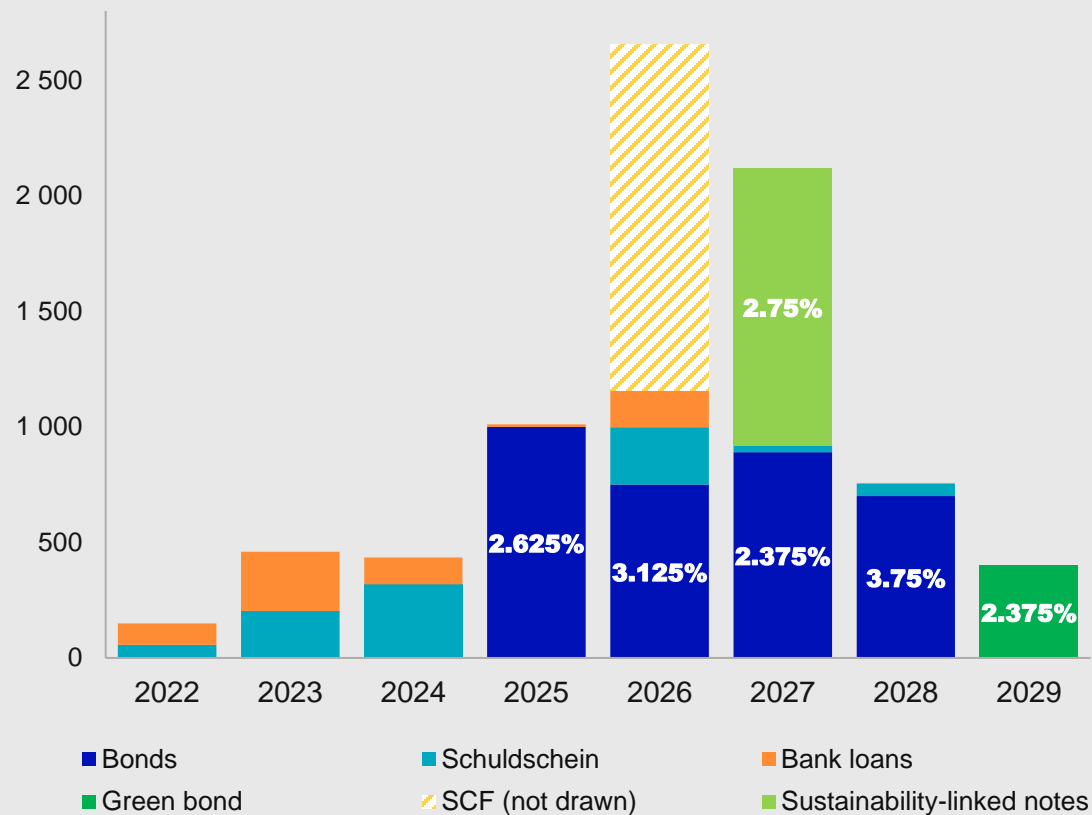


# Solid financial structure as of December 31, 2021

## Strong liquidity of €6.4bn, incl. pre-financing actions for HELLA

### BREAKDOWN OF GROSS DEBT BY MATURITY

As of December 31, 2021



### Improved financial flexibility

**Average cost of long-term debt < 2.8%**  
excl. IFRS16 debt

**No major debt repayment** before 2025

**Liquidity of €6.4bn** as of December 31, 2021:  
€4.9bn of available cash + €1.5bn from fully undrawn SCF  
vs. €4.3bn as of December 31, 2020 (€3.1bn + €1.2bn)

**Maintained credit rating** with the three agencies,  
including the impact of the acquisition of HELLA

# Proposed dividend of €1 per share, stable year-on-year

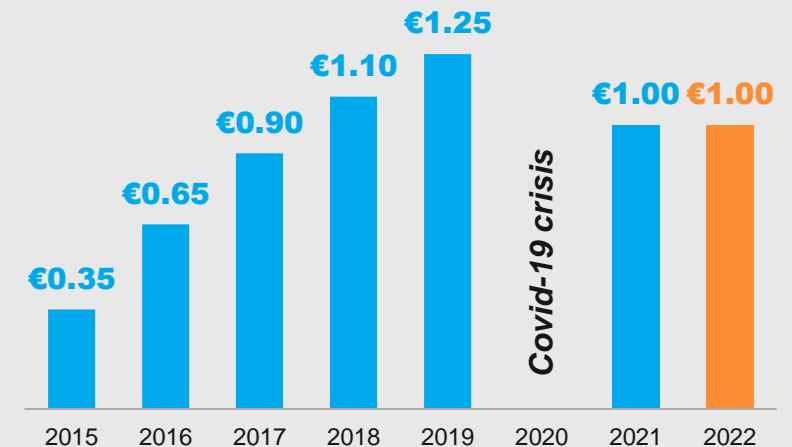
## Stable dividend at €1 per share\* to reflect:

- Strategy to offer a fair and attractive remuneration to shareholders
- Commitment to maintain a sound financial structure, fully aligned with the Group's deleveraging strategy post HELLA acquisition (net-debt-to-EBITDA ratio back to  $\leq 1.5x$  at the end of 2023 and at  $1x$  in 2025)
- Strong confidence in profitable growth prospects

## Payment in cash or shares at shareholders' option for all shares

### DIVIDEND PER SHARE

Year of payment





**03.**

**2022 FAURECIA  
STANDALONE  
GUIDANCE**

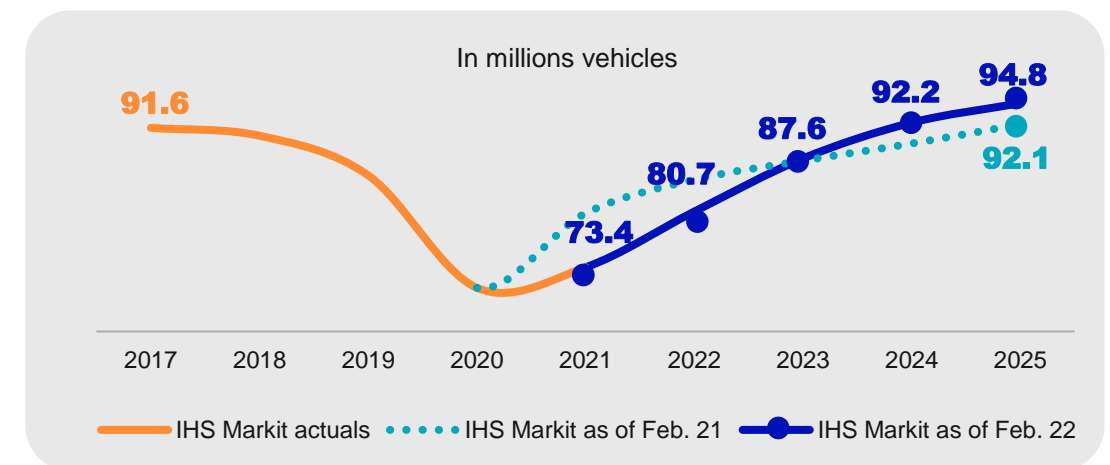
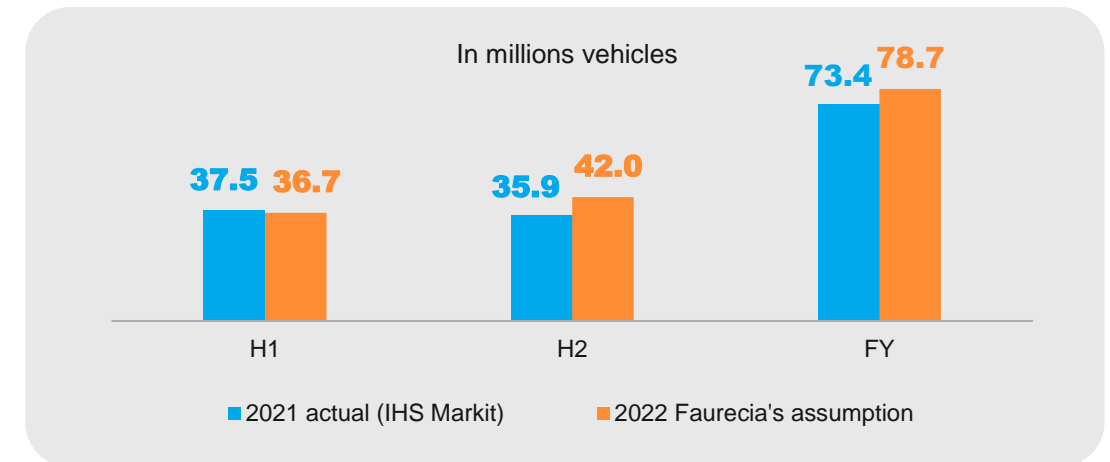
# Faurecia's worldwide automotive production assumptions 2022 expected to grow by 7%, driven by H2

**Faurecia's assumption for 2022 is 78.7m light vehicles,** a +7.2% year-on-year growth driven by H2 2022:

- H1 2022 to decrease by c.2% vs. H1 2021, mostly due to the high base of Q1 2021
- H2 2022 to grow by 17% vs. H2 2021, eased by the low comparable base of H2 2021 and reflecting the expected gradual easing of semiconductor shortage
- c.2m light vehicles less than IHS Markit's latest forecast of 80.7m light vehicles (+9.9%)

**Strong IHS Markit prospects beyond 2022 reflecting:**

- Catch-up post Covid-19 crisis and semiconductor shortage
- Historical low level of inventories
- Sustained worldwide demand



# 2022 guidance (Faurecia standalone) reflects strong sales organic growth, solid operating leverage and strong cash generation

At this stage and due to the recent closing of HELLA transaction, **Faurecia is guiding for its standalone scope:**

**Sales between  
€17.5bn and €18bn**  
*(vs. €15.6bn in 2021)*

**Operating margin  
between 6% and 7%**  
*(vs. 5.5% in 2021),*  
**with H2 close to pre-Covid levels**

**Net cash flow of c.€500m  
before HELLA  
acquisition impact**  
*(vs. €317m in 2021)*

## **This guidance:**

- Is based on an assumption of worldwide automotive production of 78.7 million vehicles in 2022 (gradual easing of semiconductor shortage as from H2 2022 and no major lockdown impacting production or retail sales in any automotive region during the year)
- Is based on full year average currency rates of 1.15 for USD/€ and 7.50 for CNY/€
- Includes inflation on raw materials (net impact in 2022 should not exceed that of 2021) and other costs such as wages, transportation, logistics and energy

**Guidance for the combined Group** (incl. the consolidation of HELLA as from February 1, 2022) should be released along with Q1 sales figures, on April 28, 2022



**04.**

**FORVIA  
STRATEGIC  
UPDATE**

# HELLA acquisition successfully closed within a short period of time

## January 31, 2022: closing of the acquisition

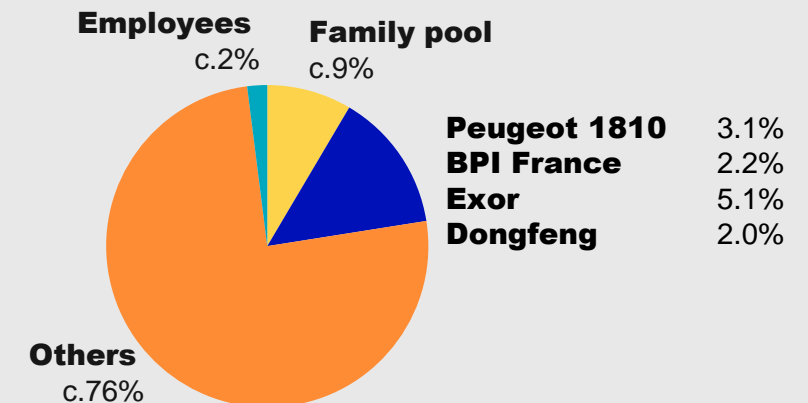
- Faurecia owns a controlling stake exceeding 80% for a total value of €5.4bn
- HELLA to be fully consolidated into Faurecia's accounts as from February 1, 2022

## The Family pool is now the first shareholder of Faurecia

- The Hueck and Roepke Family pool owns c. 9% of Faurecia shares with a lock-up period of 18 months as from the closing date of the acquisition and a subsequent lock-up period of 12 months for the portion of their shares exceeding 5% of the Faurecia share capital
- At the next shareholders' meeting, Dr Jürgen Behrend (former HELLA's CEO) will be proposed to join Faurecia's Board of Directors as representative of the Hueck and Roepke Family pool

## CAPITAL STRUCTURE

As of January 31, 2022



**February 7**  
**“DAY ONE”**

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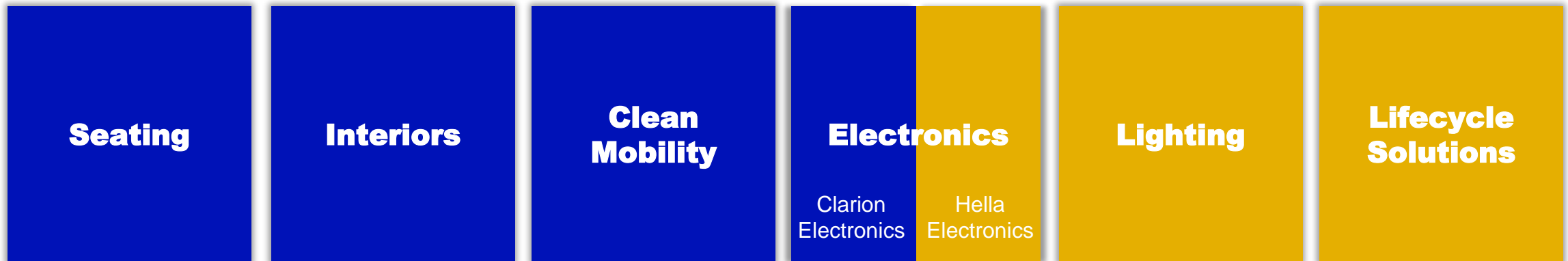
**Creation of FORVIA,**  
the new combined  
company name  
of Faurecia and HELLA  
around a successful project



# Powerful and strong organization around 6 Business Groups

**Six Business Groups with leading positions** will be the backbone of the new organization

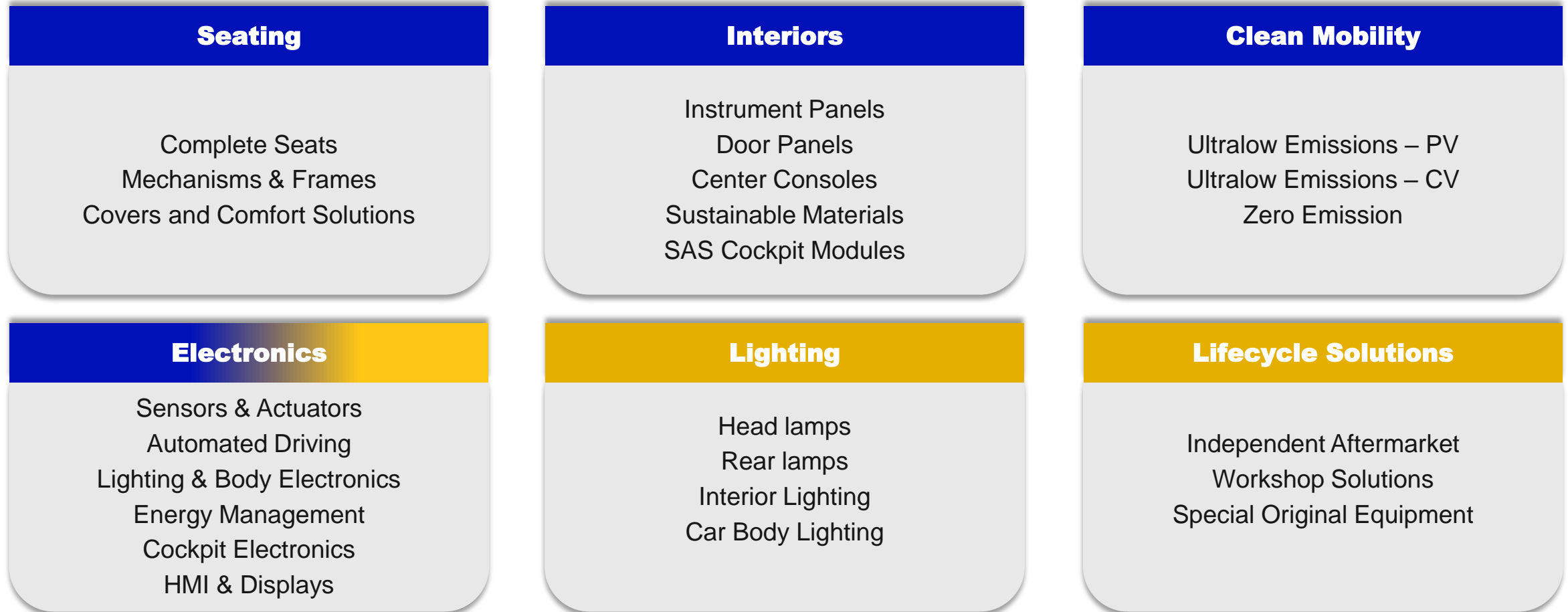
- All with full accountability, consolidating Product lines and Regional Divisions
- 5 (Seating, Interiors, Clean Mobility, Electronics and Lighting) with sales already > €3bn + 1 newly-created (Lifecycle Solutions) that will grow this segment to a leading position
- 3 based in Nanterre (France) and 3 based in Lippstadt (Germany)
- Global Support Functions deployed at Group, Business Group, Product & Business Division and Plant levels



 = Faurecia activities based in Nanterre (France) or Saitama (Japan)

 = HELLA activities based in Lippstadt (Germany)

# A high technology offer structured around 24 differentiating products lines, addressing all industry megatrends



 = Faurecia activities     = HELLA activities     = Containing activities of Faurecia and HELLA – indicative only

# Strong and well-identified synergies >€250m, above initial plan

## Cost synergies and optimization

**>€250m**  
2025 EBIT run rate

Impact on P&L to ramp up from 40% in 2023 to 80% in 2024, to reach 100% in 2025

**Cost synergies and optimization target increased vs. initial plan**

**Ready for implementation**

## Revenue synergies

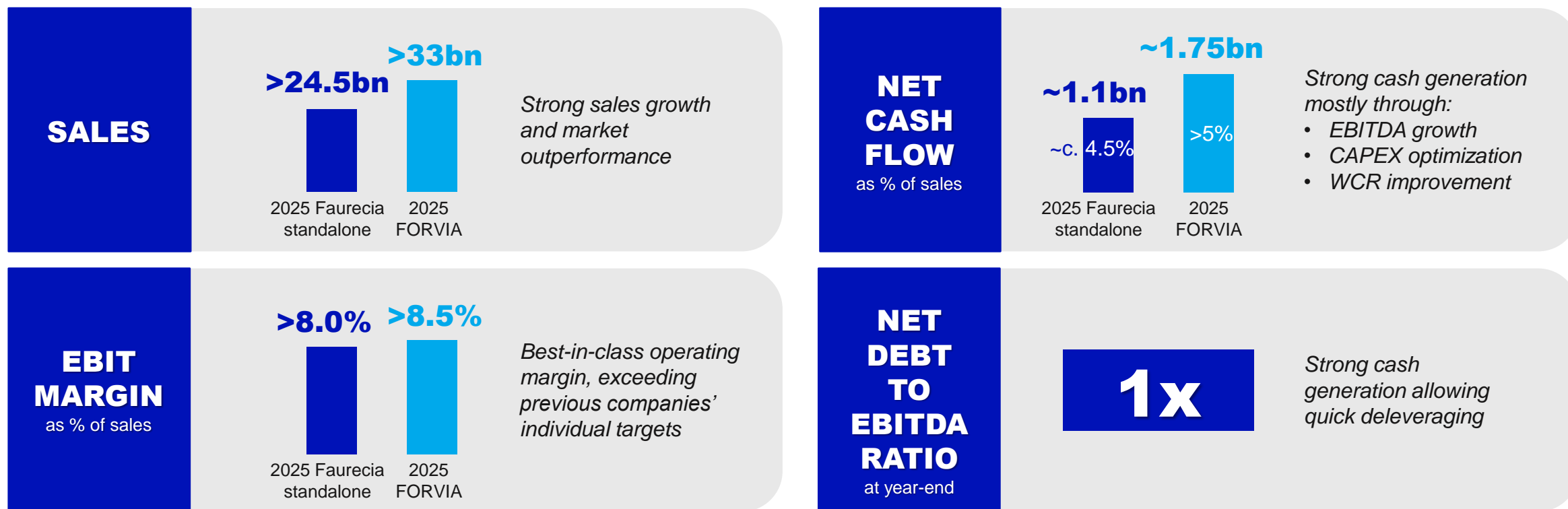
**€300-400m**  
sales increase by 2025

Will favor more selectivity and more robust profitability

Leverage Faurecia's strong presence in China, Japan and Americas

Leverage HELLA's customer intimacy with German OEMs and Lifecycle Solutions customers

# 2025 ambition and deleveraging trajectory fully confirmed



**FORVIA's 2025 ambition significantly exceeds the sum of the two pre-existing companies**

# At FORVIA, we shape safe, sustainable, advanced and customized mobility

## WE INSPIRE MOBILITY

We are a global system enabler combining hardware and software

### Safe

We relentlessly enhance mobility **safety** inside and out

### Sustainable

We frame everything through the lens of **sustainability**

### Advanced

We design **advanced solutions** to stay connected, productive and entertained while on the move

### Customized

We offer solutions for **customized**, aesthetic and emotional experiences

We work on challenges that matter with people who matter to us

5





# KEY TAKEAWAYS

# Strategic transformation from Faurecia into FORVIA

**2021 was a foundational year for Faurecia** with two major events:

- The spin-off from historical PSA/Stellantis shareholding
- The strategic and transformative acquisition of HELLA

**Faurecia posted a solid and resilient 2021 performance,** despite difficult market conditions

**In 2022, creation of FORVIA,** the 7<sup>th</sup> global automotive technology supplier, empowering Faurecia's and HELLA's strengths

- Fully focused on delivering on synergies and on ambitions
- Creating value for all stakeholders







# APPENDICES

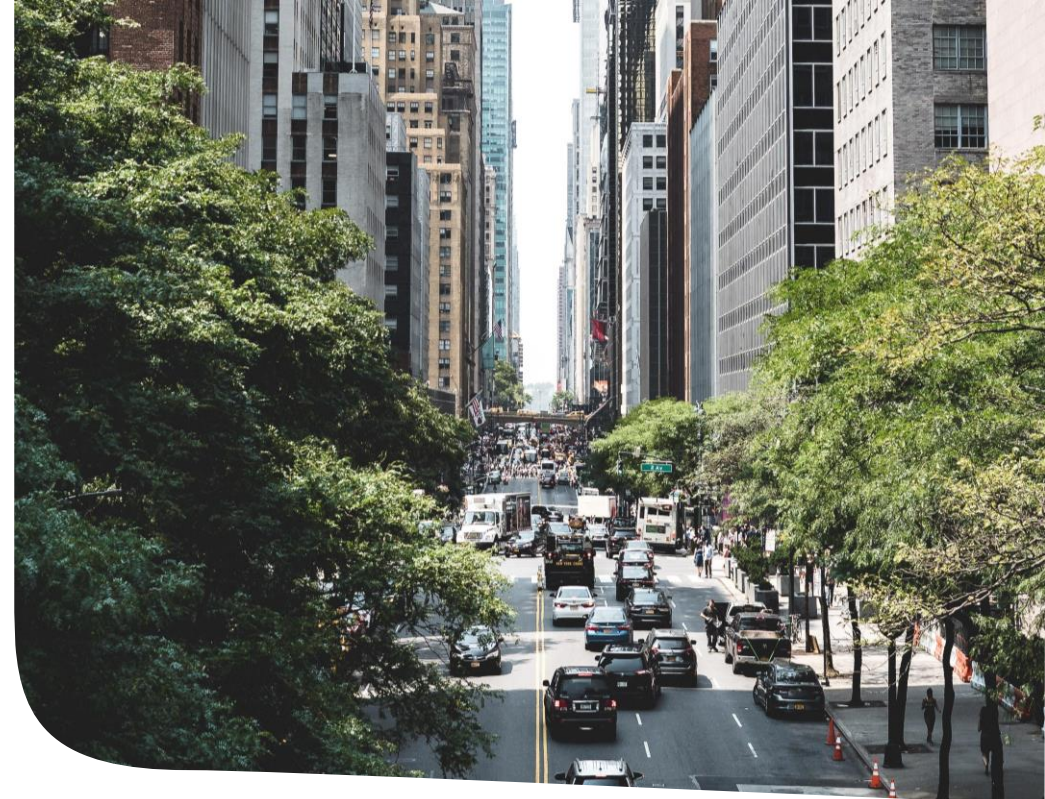
# IFRS 5 - Discontinued Operations

On February 18, Faurecia announced that it had signed a **Memorandum of Understanding** for the sale of its AST (Acoustics and Soft Trim) division and all conditions are met to qualify this activity as discontinued, in compliance with IFRS 5

Therefore, 2021 **Group figures** exclude AST and 2020 Group figures are restated and presented accordingly

This restatement impacts only:

- Interiors, as regards Business Groups
- Europe, as regards regions



in €m	Q1 2020	Q2 2020	H1 2020	Q3 2020	Q4 2020	H2 2020	FY 2020
<b>Sales</b>							
as previously released	3,739	2,431	<b>6,170</b>	3,874	4,610	<b>8,484</b>	<b>14,654</b>
restated for IFRS5	3,678	2,406	<b>6,084</b>	3,823	4,538	<b>8,360</b>	<b>14,445</b>
<b>Operating income</b>							
as previously released			<b>(114)</b>			<b>520</b>	<b>406</b>
restated for IFRS5			<b>(100)</b>			<b>518</b>	<b>418</b>

# Operating leverage

## Sales (in €m)

<b>2020*</b>	<b>14,445</b>
Currency effect	(164) (a)
Organic	1,277 (b)
Scope effect	60

## Operating income (in €m)

<b>2020 before one-offs*</b>	<b>483</b> (c)
<i>One-offs</i>	(65)
Volume	359
Stop & Gos	(40)
Net raw material inflation	(70)
Operational difficulties in the US	(100)
Resilience and efficiency	298
Scope & other	(2) (d)
<b>2021 before one-offs</b>	<b>863</b> (e)
Employee shareholding plan in H1 2021	(14)
PIS-Cofins tax recovery in Brazil in H1 2021	13

**2021** **15,618**

**2021** **862**

**Operating leverage in 2021 (e-d-c)/(a+b)** **34%**

Increase in operating income excl. 'Scope & other' and one-offs	+382
Increase in sales excluding Scope effect	+1,113

# Research & Development costs FY 2021

## Cash flow statement

In €m	FY 2020*	FY 2021
<b>Operating income</b>	<b>418</b>	<b>862</b>
Depreciation and amortization	1,251	1,248
<i>o/w amortization of R&amp;D intangible assets</i>	503	507
<i>o/w change in impairment of R&amp;D assets</i>	15	-20
<b>EBITDA</b>	<b>1,669</b>	<b>2,109</b>
Capex	-464	-530
Capitalized R&D	-613	-670
Change in WCR	-69	53
<i>o/w R&amp;D stock decrease</i>	194	201
<i>o/w R&amp;D stock increase</i>	-224	-206
Restructuring	-124	-178
Finance expenses	-205	-230
Taxes	-196	-243
Other (operational)	15	-11
<b>Net cash flow</b>	<b>13</b>	<b>305</b>
Dividends paid (incl. mino.)	-35	-201
Share purchase	1	-128
Net financial investments and Other	-569	-315
<b>Change in net debt</b>	<b>-590</b>	<b>-339</b>

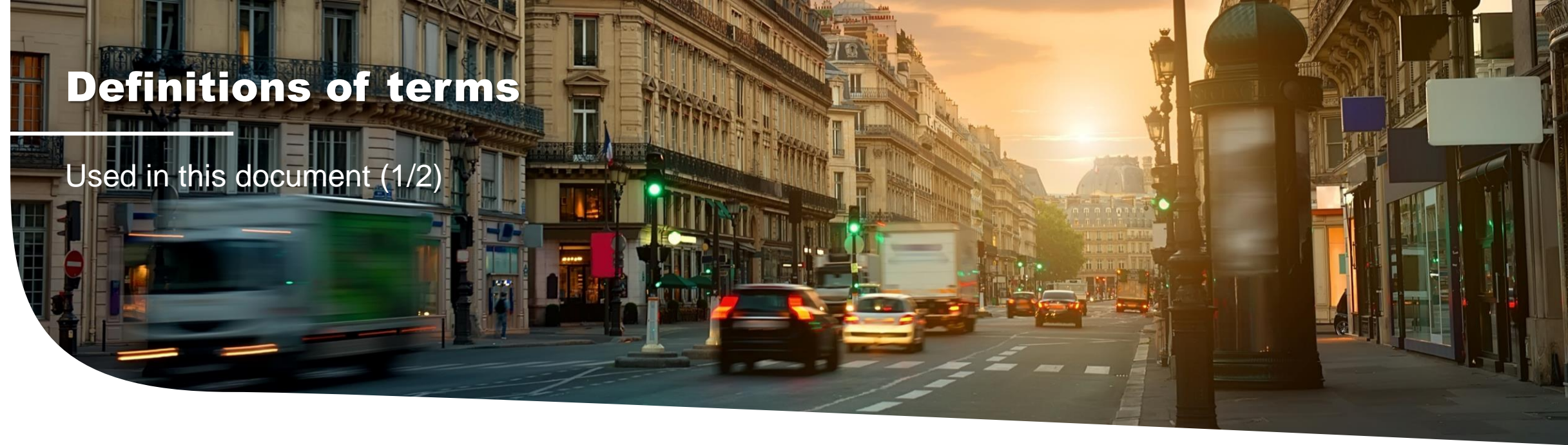
In €m	FY 2020*	FY 2021
<b>Depreciation and stock decrease</b>	<b>-713</b>	<b>-688</b>
<b>Capitalized costs</b>	<b>836</b>	<b>875</b>
<b>Capitalization net impact</b>	<b>124</b>	<b>187</b>

## P&L

In €m	FY 2020*	FY 2021
R&D Sales	594	660
Inventory decrease	-194	-201
Amort. of capitalized development costs	-503	-507
Charges to and reversals of prov. for impairment	2	7
<b>R&amp;D amortization and stock decrease (A)</b>	<b>-695</b>	<b>-701</b>
<b>R&amp;D Gross Margin</b>	<b>-101</b>	<b>-42</b>
Research and development Gross costs	-1,178	-1,206
<i>o/w depreciation of assets in development (B)</i>	-17	13
<b>Capitalized development costs (C)</b>	<b>836</b>	<b>875</b>
<i>o/w inventory increase</i>	224	206
<i>o/w capitalized in intangible assets</i>	613	670
<b>Net R&amp;D costs</b>	<b>-342</b>	<b>-331</b>
<b>Capitalization net impact (A + B + C)</b>	<b>124</b>	<b>187</b>

# Definitions of terms

Used in this document (1/2)



## 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 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**.

# Definitions of terms

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## Used in this document (2/2)

### **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.

### **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.

### **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).

# 2022 Financial Agenda

**April 28** **Q1 sales** | before market hours

**June 8** **Annual Shareholders meeting**

**July 25** **H1 2022 results** | before market hours

**October 21** **Q3 sales** | 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  
Additional 2027 bonds: XS2290556666\*  
2027 bonds: XS2405483301  
2028 bonds: XS2209344543

*\*Consolidated into 2027 bonds ISIN XS2081474046 from 15 March 2021*



# Disclaimer

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## Important information concerning forward looking statements

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, including the ongoing global impact of the COVID-19 pandemic outbreak and the duration and severity of the outbreak on Faurecia's business and operations, 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." Internal Controls & Risk Management" of Faurecia's 2019 Universal Registration Document filed by Faurecia with the AMF on April 30th, 2020 under number D. 20-0431 (a version of which is available on [www.faurecia.com](http://www.faurecia.com)).

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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](http://www.hella.com).

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**FORVIA**

Inspiring mobility