

## **Q1 2022 Sales**

Sales of €5.3bn, up 33% incl. first two months of consolidation of HELLA

Increased financial flexibility

First release of FORVIA's FY 2022 guidance

April 26, 2022

**FORVIA**  
faurecia



# Summary

- 01** Update on the current situation
- 02** Q1 2022 sales review
- 03** Financial flexibility and HELLA acquisition re-financing next steps
- 04** FORVIA's FY 2022 guidance
- 05** Key takeaways



**01**

**UPDATE ON  
THE CURRENT  
SITUATION**

# Uncertain environment leads to new downward revisions of worldwide automotive production in 2022

## › The latest S&P Global Mobility (ex-IHS Markit) forecast for automotive production in 2022, dated April, is 77.3m LVs

- This compares to 80.7m LVs forecasted in February 2022 and to 73.4m LVs produced in 2021

## › The downward revision of 3.4m LVs between February and April 2022 forecasts is mainly due to:

- The impact of the war in Ukraine
- The impact of recent restrictions/lockdowns related to the Covid in China

## › By region, the 3.4m LVs downward revision mainly reflects:

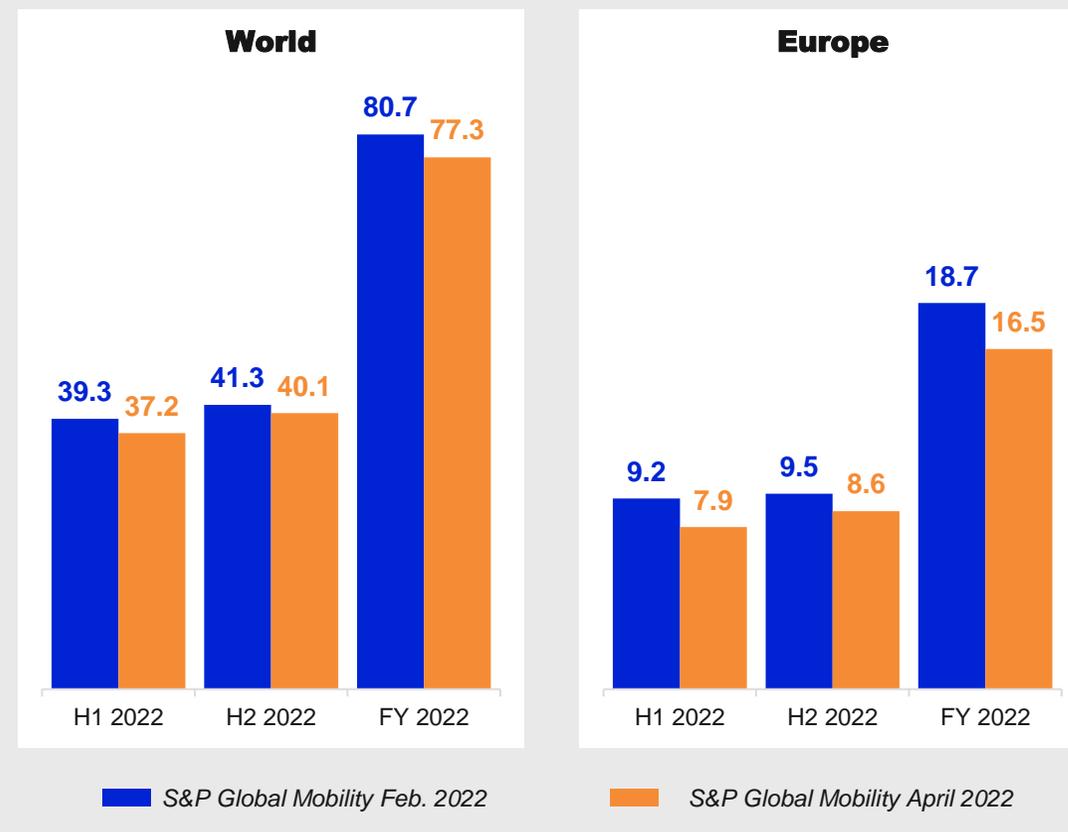
- -2.2m in Europe now forecasted at 16.5m LVs vs. 18.7m forecasted in February (15.9m produced in 2021)
- -0.5m in North America now forecasted at 14.7m LVs vs. 15.2m forecasted in February (13.0m produced in 2021)
- Only -0.4m in China now forecasted at 21.3m LVs vs. 21.7m forecasted in February (21.0m produced in 2021)

## › Faurecia's updated assumption for 2022 is more cautious than S&P Global Mobility, at 74.2m LVs, mainly due to:

- **Europe:** 1.4m LVs less than S&P's Global Mobility's latest forecast
- **China:** 1.2m LVs less than S&P's Global Mobility's latest forecast

## S&P Global Mobility 2022 automotive production comparison between Feb. and April

*In million vehicles\**



\* Source: S&P Global Mobility (ex IHS Markit) forecast dated April 2022 (vehicles segment in line with CAAM for China)

# Additional headwinds from costs inflation and supply chain disruptions related to the current market environment

**Reminder: FORVIA's direct exposure to Russia and Ukraine is limited to c. €250m of combined sales in 2021**

- *Faurecia: c.€200m or 1.3% of total Faurecia's consolidated sales in Russia, mainly to RNM/Avtovaz*
- *HELLA: below €50m or less than 0.5% of total HELLA's consolidated sales, only aftermarket sales*
- *Both Faurecia and HELLA have no sales in Ukraine*

## Costs inflation

- › Continuous increase in steel and chemicals prices largely offset by Faurecia's contractual "pass-through" to customers of c. 80% on average
- › Inflation in logistics costs driven by oil prices and scarcity of workforce
- › Inflation in energy costs mostly driven by electricity and gas prices in Europe

## Supply chain disruptions

- › Continued volatility in OEMs programs due to persistent shortage of semiconductors
- › Supply chain disruptions, mainly in Europe, due to the war in Ukraine
- › Impacts (starting in March) from Covid-related restrictions in China



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Q1 2022  
SALES REVIEW

# Q1 2022 sales of €5.3bn, up 33% including the first two months of consolidation of HELLA

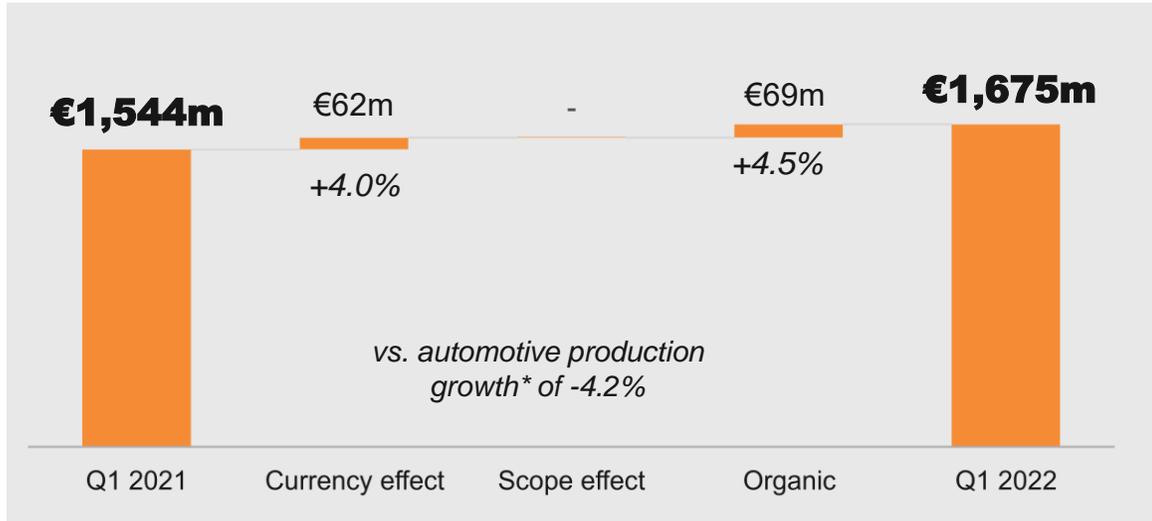
- › Organic sales growth of +1.1%, outperforming worldwide automotive production by **530bps**
- › Scope effect of €1,143m related to the first two months consolidation of HELLA (starting February 1, 2022)
- › While January and February posted solid organic growth, sales in March were down 6% on an organic basis including a drop of c.20% of sales in Europe reflecting disruptions in supply chain due to the war in Ukraine and initial effects from Covid restrictions/lockdowns in China



\* Source: S&P Global Mobility (ex IHS Markit) forecast dated April 2022 (vehicles segment in line with CAAM for China)

# Seating

31% of Group consolidated sales in the period



## Strong sales outperformance of 870bps, driven by:

- Strong organic growth of +43.9% in China vs. Chinese automotive production of +8.9%; this reflected increase in sales with Chinese OEMs, new entrants and a major American EV carmaker
- Solid organic growth of +4.6% in North America vs. American automotive production of -1.8%; this reflected contribution from the new programs that started in H2 2021

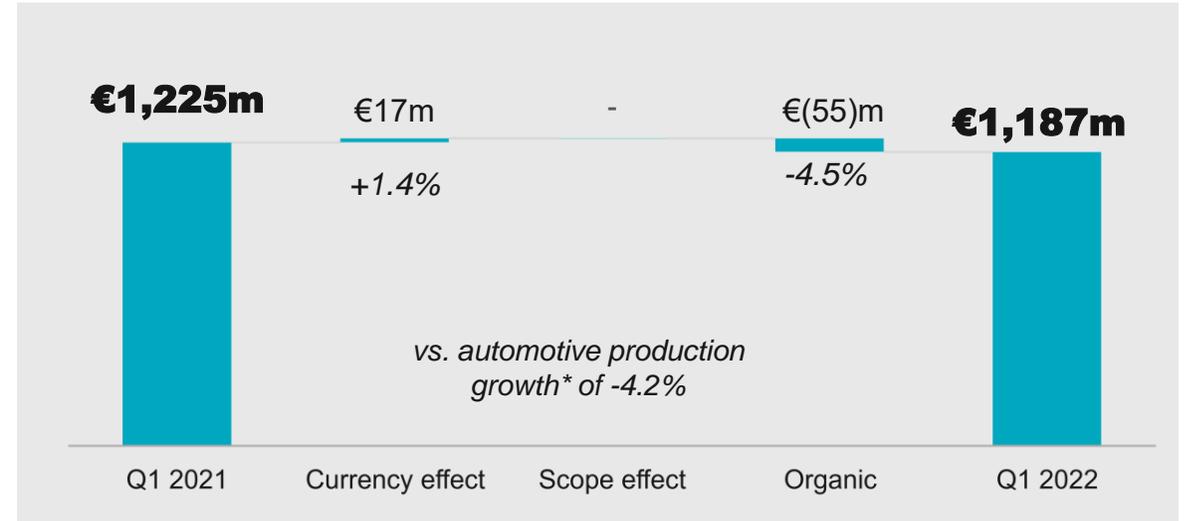
In Europe, sales were down 10.8% vs. European automotive production of -18.3%, reflecting the impact in March of supply chain disruptions due to the war in Ukraine

*Situation for the greenfield program in Michigan (USA) is under control and the estimation of over-costs in H1 2022 is confirmed at €(30)m*

\* Source: S&P Global Mobility (ex IHS Markit) forecast dated April 2022 (vehicles segment in line with CAAM for China)

# Interiors

22% of Group consolidated sales in the period

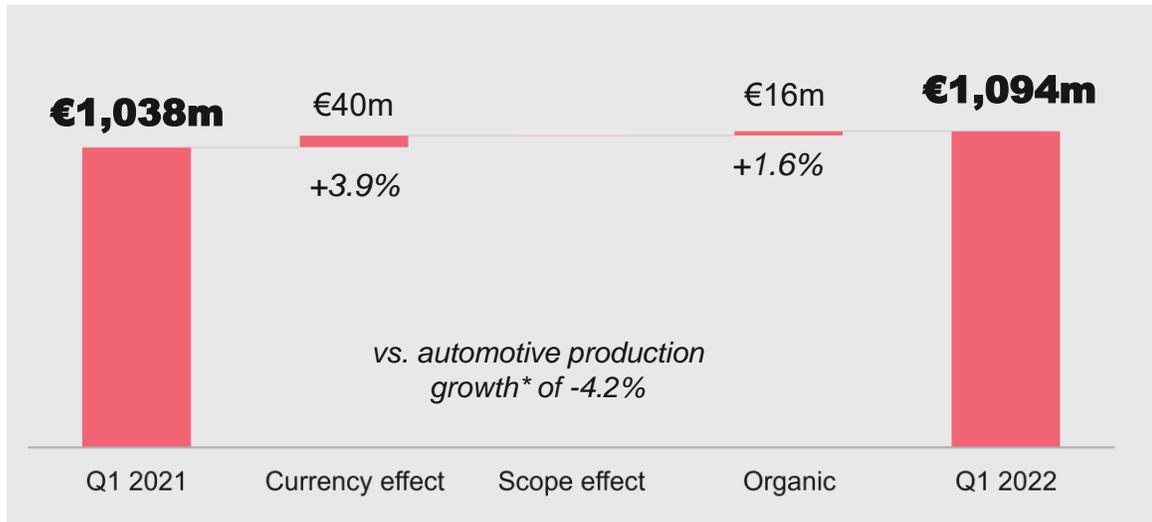


## Organic sales were broadly in line with automotive production, down 4.5%, impacted by:

- Lower sales from SAS (15% of Q1 2021 sales) that dropped by 9.4% year-on-year, more impacted by shortage of semiconductors and the war in Ukraine in March
- Organic sales drop of 8.5% in Europe, nevertheless strongly outperforming the 18.3% drop in European automotive production

# Clean Mobility

21% of Group consolidated sales in the period

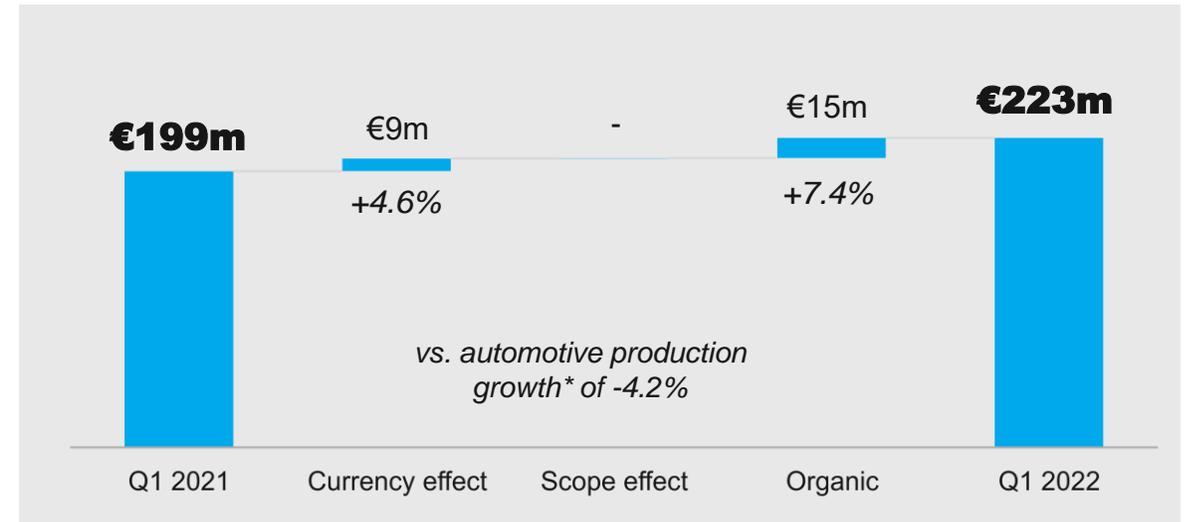


**Strong sales outperformance of 580bps**, driven by:

- Strong organic growth of +7.4% in North America, a strong outperformance vs. North American automotive production of -1.8%; this reflected sales with Stellantis and Ford
- Resilient organic growth in Europe (broadly stable), another strong performance vs. European automotive production of -18.3%, mainly reflecting sales for commercial vehicles

# Clarion Electronics

4% of Group consolidated sales in the period



**Strong sales outperformance of 1,160bps, with +7.4% organic growth reflecting the positive effect of the strategic refocus**, driven by:

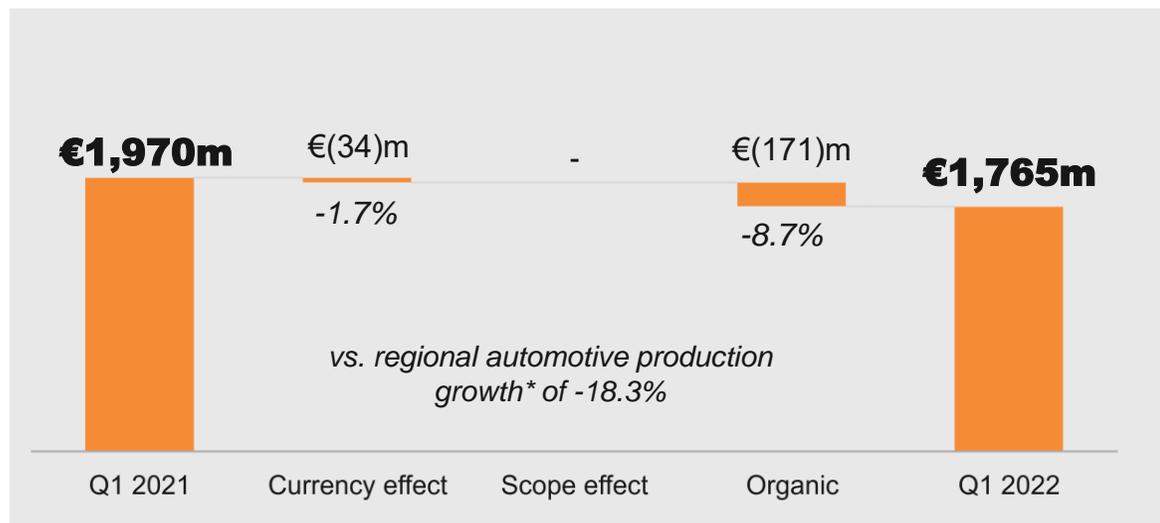
- Strong organic growth of +20.8% in China vs. Chinese automotive production of +8.9%; limited impact from Covid variant and semiconductor shortage in Q1
- Strong organic growth of +33.8% in North America vs. North American automotive production of -1.8%; sales to RNM were the main contributor

\* Source: S&P Global Mobility (ex IHS Markit) forecast dated April 2022 (vehicles segment in line with CAAM for China)

# Europe

*(comments are related to Faurecia's standalone perimeter in the region)*

45% of Group consolidated sales in the period



Sales in Europe were down 8.7% in Q1, reflecting the 20% drop in sales in March due to supply chain disruptions related to the war in Ukraine

**Nevertheless, sales showed a solid outperformance of 960bps, vs. European automotive production of -18.3%:**

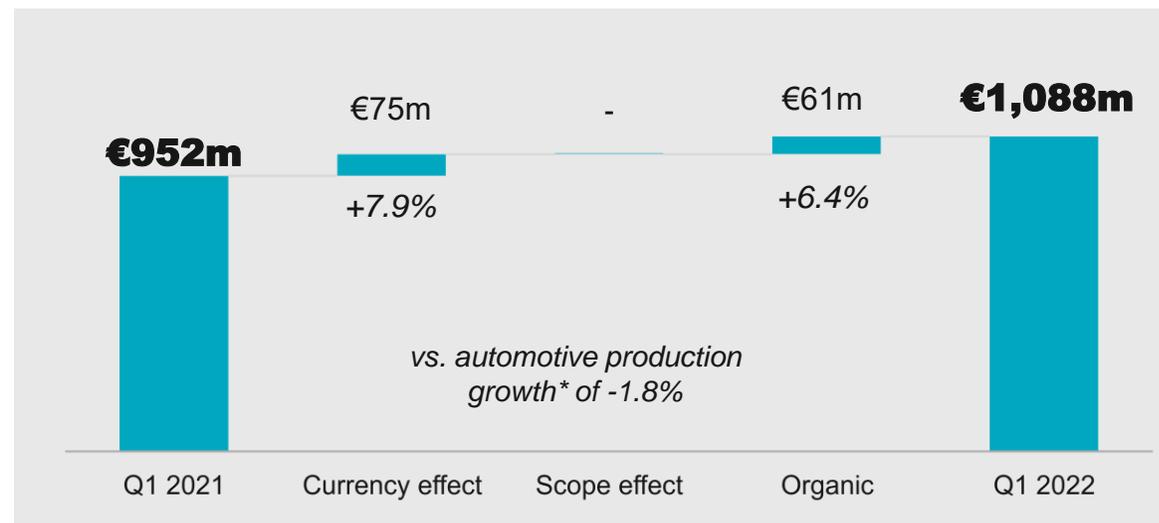
- All Business Groups posted an outperformance of at least 750bps in the region
- Commercial vehicles and sales to Ford (mainly for Interiors) posted organic growth in the quarter

\* Source: S&P Global Mobility (ex IHS Markit) forecast dated April 2022 (vehicles segment in line with CAAM for China)

# North America

*(comments are related to Faurecia's standalone perimeter in the region)*

25% of Group consolidated sales in the period



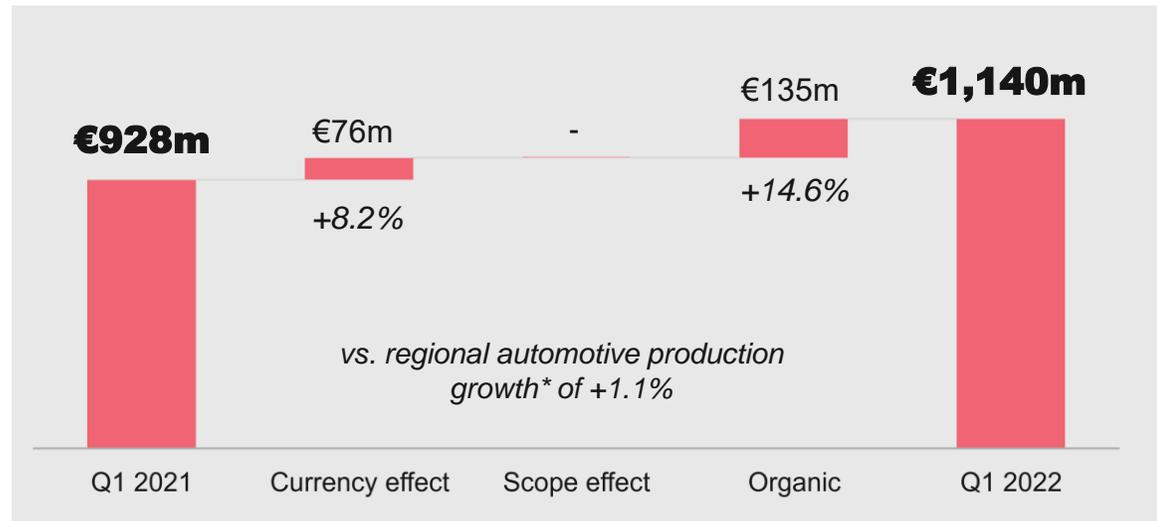
**Strong organic growth of +6.4%, reflecting a solid sales outperformance of 820bps:**

- All Business groups posted strong outperformance of at least 600bps in the region
- Positive effect from the contribution of the new Seating programs that started in H2 2021
- Strong increase in sales with a major American EV carmaker and RNM

# Asia

*(comments are related to Faurecia's standalone perimeter in the region)*

26% of Group consolidated sales in the period



**Double-digit organic growth of +14.6%, reflecting a solid sales outperformance of 1,350bps, driven by:**

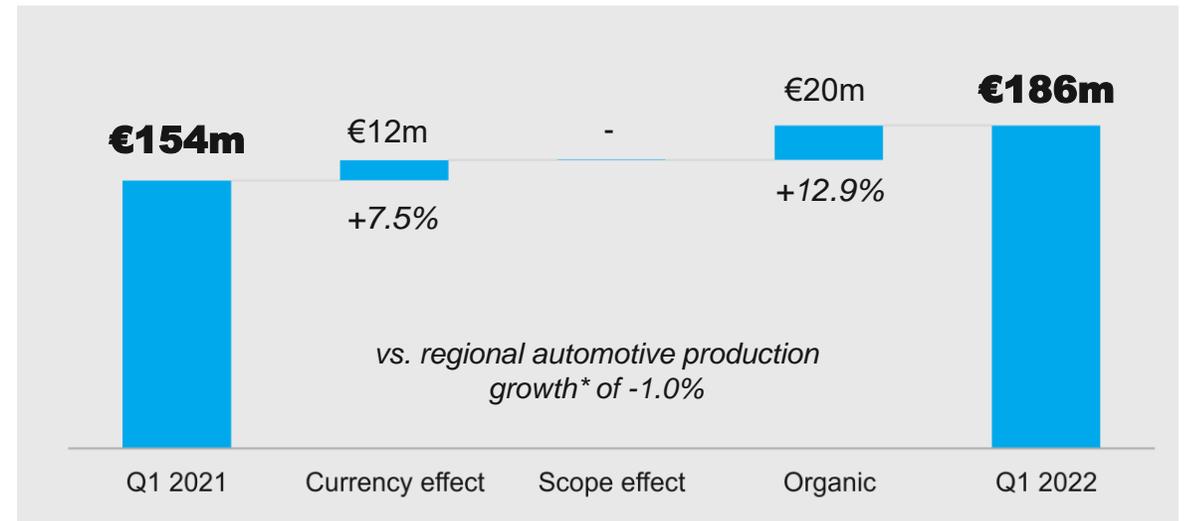
- Strong organic growth of +18.0% in China, vs. Chinese automotive production of +8.9%; this reflected strong sales in Seating with Chinese OEMs, a major American EV maker and new entrants
- Sales in China continued to grow in March but at a lower pace (+6%) than in the first two months, due to first impacts of Covid restrictions in some areas

\* Source: S&P Global Mobility (ex IHS Markit) forecast dated April 2022 (vehicles segment in line with CAAM for China)

# Rest of the world

*(comments are related to Faurecia's standalone perimeter in the region)*

4% of Group consolidated sales in the period



**In South America, which represented c. 3/4 of the total, organic sales were up 17.5%, a very strong outperformance of 3,020bps mainly driven by sales to the Stellantis group**



**03**

**FINANCIAL  
FLEXIBILITY  
& HELLA ACQUISITION  
RE-FINANCING  
NEXT STEPS**

# **Faurecia has increased its financial flexibility to get through current market uncertainties**

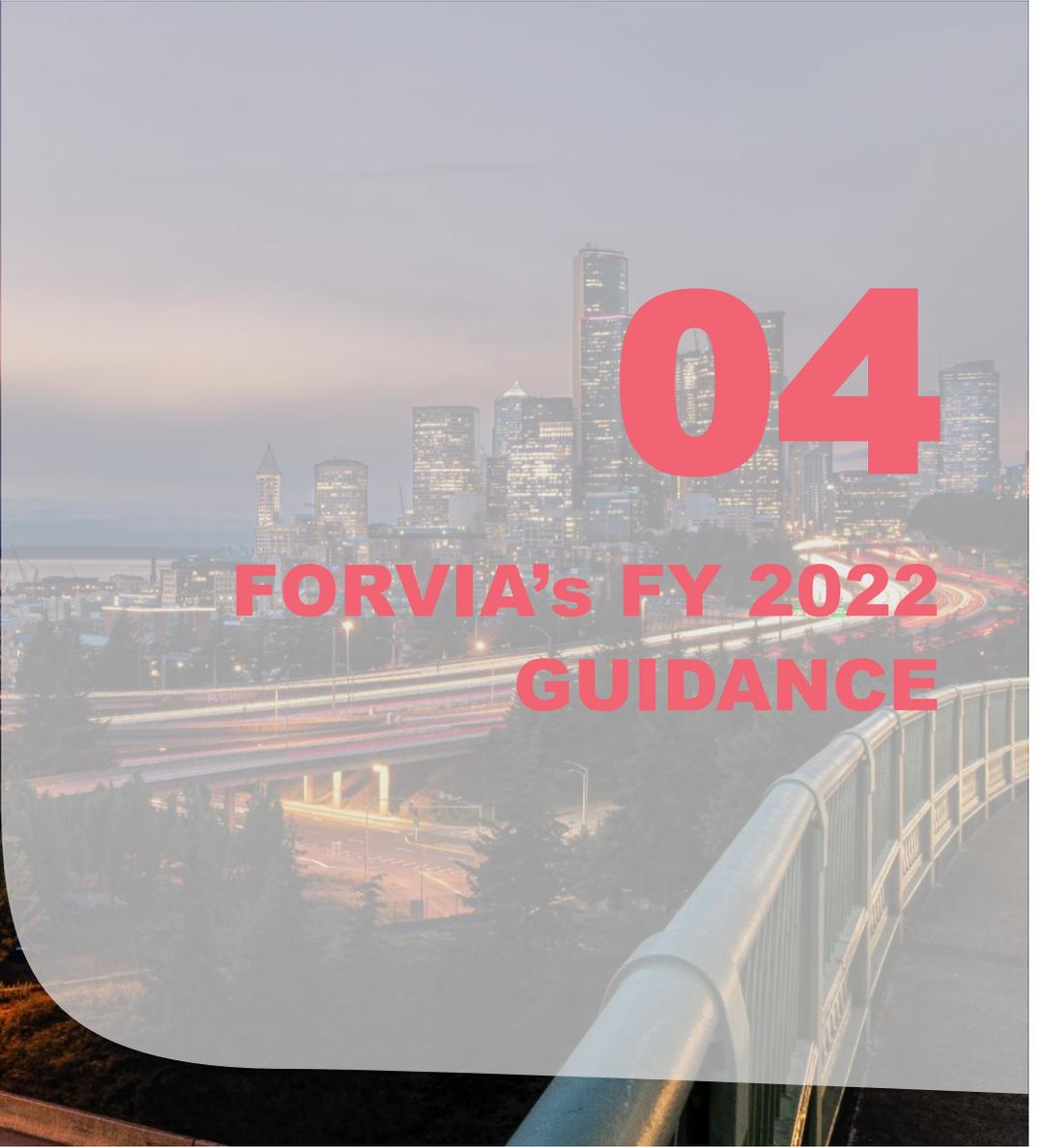
- › **Faurecia has proactively renegotiated its debt covenant with the full support of banks:**
  - Covenant will not be tested at June 30, 2022
  - Covenant will be of 3.75x at December 31, 2022 (instead of 3.0x); this new covenant limit has been tailored in order to offer enough headroom, even in the current uncertain environment
  - Covenant will return to 3.0x as from next test on June 30, 2023
- › **Faurecia has increased its asset divestment program target from €500m to €1bn of proceeds to be closed by end 2023**
- › **Moreover, the Board of Directors has decided, at its latest meeting held on April 25, 2022, to propose at the next Shareholders' meeting (to be held on June 1) to exceptionally suspend dividend payment in 2022**

# **Next steps regarding the refinancing process of the acquisition of HELLA**

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- › **On January 31, Faurecia closed the strategic and transformative acquisition of 81.5% of HELLA for a total price of €5.4bn:**
  - €0.5bn paid in shares through a Faurecia's capital increase reserved to the Hueck/Roepke Family pool
  - €4.9bn paid in cash to other HELLA shareholders and to the Family pool for the part not paid in Faurecia shares
- › **Faurecia has enough comfort to wait for adequate market conditions to launch the next steps in the re-financing process of the acquisition of HELLA, thanks to:**
  - Time headroom on Bridge to equity of €800m until mid-February 2023 and on Bridge to bond of €1.6bn until mid-August 2023
  - Adequate measures described earlier to increase the Group's financial flexibility

**Faurecia is strongly committed to strengthen its financial structure and return as soon as possible to its deleveraging trajectory**



**04**

**FORVIA's FY 2022  
GUIDANCE**

# Cautious guidance for FORVIA in FY 2022 in the current uncertain environment

- › Due to current low visibility, FY 2022 guidance for FORVIA (Faurecia including 11 months consolidation of HELLA) is based on cautious market assumptions and demonstrates again solid resilience:

**Sales between  
€23bn and €24bn**

*(including c.€1.5bn from the combined effect of currencies and raw materials)*

**Operating margin  
between 4% and 5%**

**Net cash flow  
at breakeven**

- › **This guidance:**

- Is **based on an updated and cautious assumption of worldwide automotive production of 74.2 million LVs in 2022** (of which 15.1 million in Europe and 20.1 million in China\*)
- Is based on full year average currency rates of 1.13 for USD/€ and 7.20 for CNY/€
- Takes into account the Group's latest update of net impact from cost inflation

- › **Medium-term 2025 perspectives for FORVIA will be presented at a Capital Markets Day to be held early November 2022**

\* Vehicles segment in line with CAAM, i.e. excluding vehicles > 3.5t



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KEY TAKEAWAYS

## **Q1 2022 takeaways**

- **Strong Q1 2022 sales including first two months of consolidation of HELLA and reflecting only in March the impacts from the war in Ukraine:**
  - €5.3bn of sales, up 33% on a reported basis, including €1.1bn from HELLA
  - Up 1.1% on an organic basis, outperforming worldwide automotive production by 530bps
- **In Q1, the start of the war in Ukraine and first Covid restrictions/lockdowns in China added uncertainty to the current environment that was already penalized by shortage of semiconductor:**
  - Latest S&P Global Mobility forecast for worldwide automotive production in 2022 is now 77.3m light vehicles (vs. 80.7m in February forecast and 73.4m produced in 2021)
  - Faurecia's updated assumption for 2022 is more cautious at 74.2m light vehicles (vs. 78.7m in its February assumption)
- **In this uncertain environment, Faurecia took all necessary measures to increase financial flexibility and to ensure enough headroom to achieve next steps in the refinancing of the HELLA acquisition**
- **Faurecia is more than ever convinced about the huge potential of FORVIA enhanced by HELLA acquisition and reaffirms its strong commitment to accelerate its return to the planned deleveraging trajectory**



# APPENDICES

# Definitions of terms

Used in this document (1/3)

## SALES GROWTH

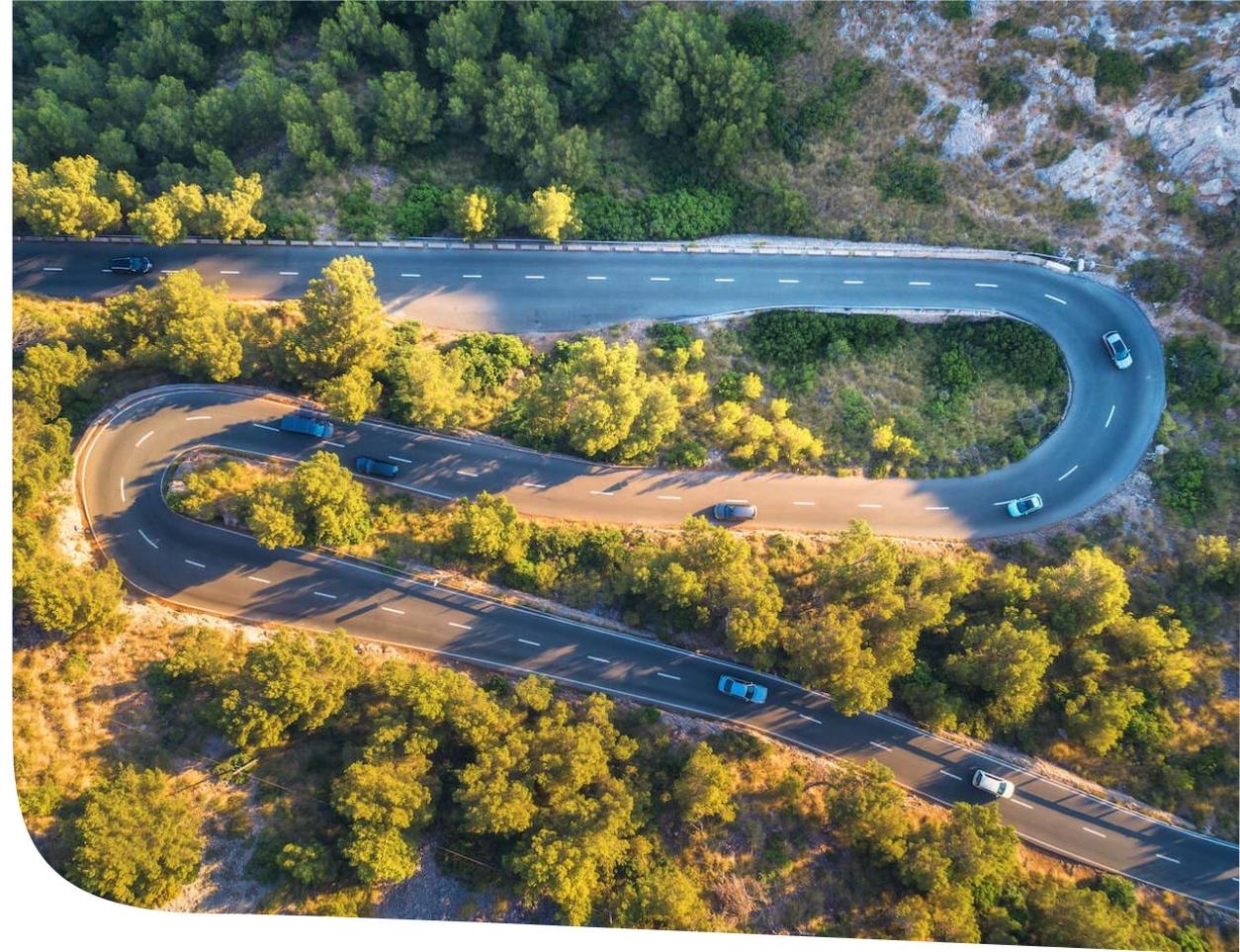
Faurecia's year-on-year sales evolution is made of three components:

- 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

Used in this document (2/3)

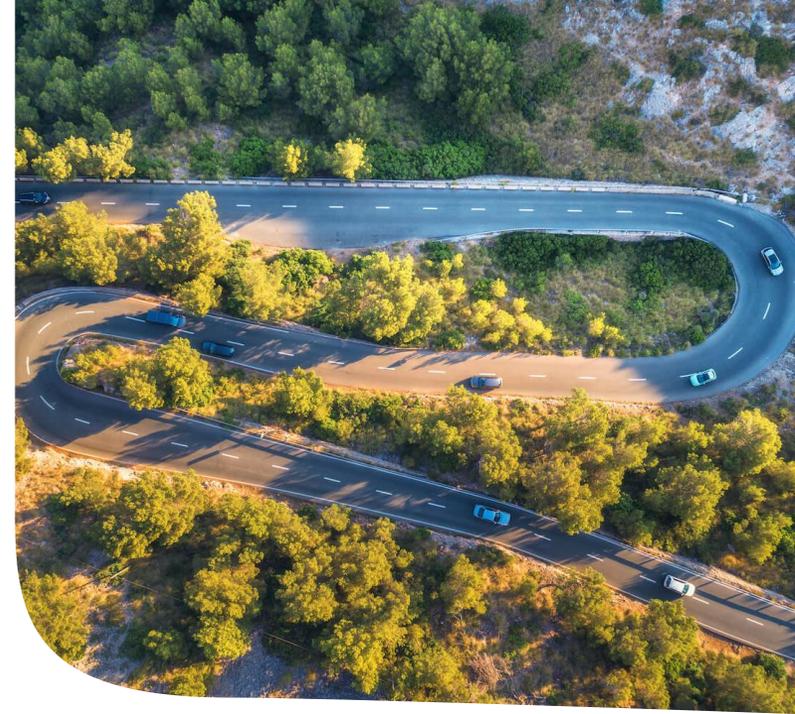
## ADJUSTED EBITDA

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).

## 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.



# Definitions of terms

Used in this document (3/3)

## NET CASH-FLOW

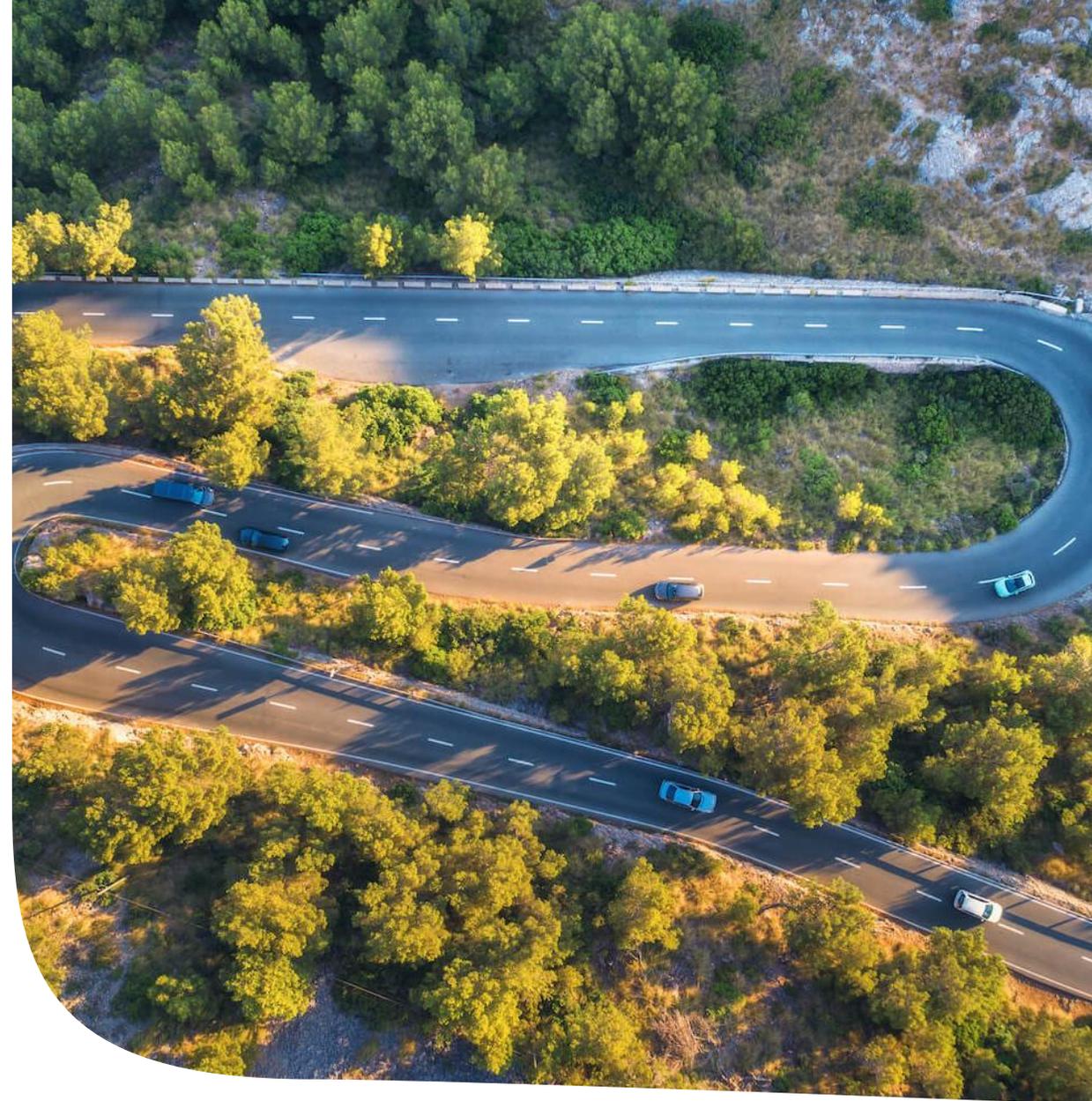
Net cash-flow is defined as follow: Net cash from (used in) operating and investing activities less (acquisitions)/disposal of equity interests and businesses (net of cash and cash equivalents), other changes and proceeds from disposal of financial assets. Repayment of IFRS 16 debt is not included.

## 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).

## DEBT COVENANT

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.



## Breakdown by quarter of FORVIA 2021 proforma sales

As presented in chapter 6 of Faurecia's 2021 Universal Registration Document:

Sales in €m (unaudited)	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>FY 2021</b>
<b>Faurecia 2021 as released</b>	4,005	3,778	3,426	4,409	15,618
<b>HELLA 12/2020 – 11/2021</b>	1,679	1,622	1,444	1,572	6,317
<b>Reciprocal operations</b>	-9	-9	-9	-9	-36
<b>FORVIA 2021 pro forma</b>	<b>5,675</b>	<b>5,391</b>	<b>4,861</b>	<b>5,972</b>	<b>21,898</b>

# 2022 Financial Agenda

**June 1** **Annual Shareholders' Meeting**

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

**October 21** **Q3 2022 sales** | before market hours

**Early November** **Capital Markets Day**

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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."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](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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