

Nanterre (France), June 3rd, 2022

FAURECIA LAUNCHES A €705 MILLION CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS AS PART OF THE REFINANCING OF HELLA'S ACQUISITION

Main terms

- **Subscription price:** €15.50 per new share
- **Theoretical value of the preferential subscription rights:** €2.29
- **Subscription ratio:** 3 new shares for every 10 existing shares
- **Preferential subscription rights trading period:** from June 7 to June 15, 2022, inclusive
- **Subscription period:** from June 9 to June 17, 2022, inclusive
- **Subscription commitments:** the family pool Hueck and Roepke, having become a shareholder with 8.95% of Faurecia share capital upon the HELLA's acquisition (the "**Family Pool**"), Exor, Peugeot 1810 and Bpifrance, have committed to exercise all of their preferential subscription rights, corresponding to a total subscription of 19.26% of the capital increase.
- **Dilution:** For illustrative purposes only, a shareholder holding 1% of the Company's share capital as of June 1, 2022, and not participating in the Rights Issue, would hold 0.76% following the Rights Issue on a fully diluted basis.

Following its successful combination with HELLA announced on August 14, 2021 and closed on January 31, 2022, Faurecia (the "**Company**"), announces today the launch of a capital increase with shareholders' preferential subscription rights for an amount (including issue premium) of approximately €705 million (the "**Rights Issue**").

The proceeds of the Rights issue will be used by Faurecia to partially refinance the acquisition of HELLA (the "**Acquisition**") by refinancing part of the initial bridge facilities.

This capital increase and its terms have been approved by the Board of Directors that met on June 1, 2022 under the chairmanship of Michel de ROSEN.

Acquisition of HELLA: a strong strategic rationale leading to the creation of FORVIA, the world's 7th largest automotive supplier

The completion of the acquisition of HELLA on January 31, 2022 gave birth to FORVIA, which combines two profitable and highly complementary companies in terms of technologies, customer portfolio and geographical coverage.

This acquisition is a unique opportunity for these two recognized technology leaders to accelerate their transformations, reach a critical size and become a main player with leading positions especially in Electronics (with a sales target of €7 billion by 2025) and Lifecycle Solutions.

In addition, FORVIA will strengthen its proximity with its customers, by accelerating its growth in Asia and improving electronics and electrification offer (battery and fuel cell electric



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vehicles); FORVIA's exposure to the internal combustion engine (ICE) will be notably decreased to 10% of its sales by 2025.

The process of HELLA's integration, which was prepared ahead of the completion of the acquisition, is being carried out as planned. It is based on a long-lasting organization with a clear cooperation framework and governance that promotes the implementation of an ambitious synergy program aimed at achieving more than €250 million in cost optimization by 2025.

Faurecia announced on April 26, 2022 the first full-year 2022 guidance for FORVIA (including 11 months of consolidation of HELLA).

This guidance, based on an assumption for worldwide automotive production of 74.2 million light vehicles¹ in 2022, is the following:

- Sales between €23 billion and €24 billion (including c. €1.5 billion from the combined effect of currencies and raw materials),
- Operating margin between 4% and 5%,
- Net cash-flow at breakeven

Faurecia also confirms its ambition for the combined group by 2025 (based on a worldwide automotive production assumption of 90.5 million light vehicles¹), especially its objectives of sales of more than €33 billion², operating margin of more than 8.5% of sales and net cash flow of approximately €1.75 billion.

In addition, strong cash generation, supported by continued optimization of investments and working capital requirements, combined with an asset disposal program targeting €1 billion of proceeds by the end of 2023, will enable the combined group to rapidly reduce its debt, with a target net debt/adjusted EBITDA ratio of 1x at the end of 2025.

FORVIA will leverage strong common ESG commitments and priorities

Both companies share strong values, including an industry-leading ESG approach with an ambitious CO2 neutrality roadmap, targeting carbon neutrality by 2045 (scopes 1,2 and 3), and a focused circular economy approach.

Carbon neutrality and sustainability strategy are and will continue to be accelerated through strong partnerships with major players as well as through investment into a newly-created Sustainable Materials division.

Both companies have robust and best-in-class governance and share convictions about being a responsible employer in a fast-moving environment, providing employees with a safe environment, career management and development tools, developing solidarity actions and strongly committed to diversity and inclusion.

¹ Vehicle segment in line with CAAM figures for China, i.e. excluding vehicles >3.5t

² To the current perimeter of FORVIA



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Patrick KOLLER, Chief Executive Officer of Faurecia, declared:

“The acquisition of a majority stake of 81.6% in the German automotive supplier HELLA, leader in the fields of Lighting, Electronics and Software, is a major milestone in Faurecia’s growth history and opens a new page in its strategic development.

This acquisition creates the world’s seventh largest automotive supplier with a cutting-edge technology portfolio responding to all major industry trends and the challenges of tomorrow’s mobility.

FORVIA, the combination of FAURECIA and HELLA, two highly complementary companies, will provide to its customers in the world innovative solutions that meet the strategic growth levers of:

- *Electrification and Energy savings,*
- *Automated driving and Safety,*
- *Digital and Sustainable Cockpit offering individualized experiences on board,*

while relying on a solid bedrock of sustainable development, aiming for carbon neutrality by 2045.

In pro forma 2021, FAURECIA has thus gone from revenues of more than €15 billion to nearly €22 billion. FORVIA aims to achieve sales of €33 billion in 2025, fully benefiting from the expected growth in global automotive production in the medium term.

This capital increase with preferential subscription rights is a unique opportunity to participate in this strategic transformation.

It is supported by our main shareholders and we sincerely hope that you will associate yourself, alongside them and our management, to the acceleration of FORVIA’s sustainable growth as well as the continuous improvement of its performance, in order to benefit from the strong potential of value creation over the coming years.”

The Rights Issue is part of the refinancing of the bridge facilities in the context of the HELLA acquisition

On January 31, 2022, Faurecia completed the strategic acquisition of 79.5% of HELLA’s capital, including a 60% acquisition from the Family Pool, following the approval by the competent authorities for merger control and foreign investment. Faurecia then acquired shares in the market and currently holds 81.59% of HELLA’s share capital. The total amount of the investment represents €5.4 billion (€4.9 billion in cash and €0.5 billion in newly issued Faurecia shares).

€2.5bn were already refinanced in the second half of 2021 mainly through two debt issuances for a combined amount of €1.9bn³.

The proceeds of the Rights Issue of approximately €705 million will be allocated to the refinancing of the bridge facilities partially drawn on January 31, 2022.

³ Of which €1.2 billion of senior sustainability-linked notes due 2027 at 2.75% as announced on November 4, 2021 and €700 million Schuldscheindarlehen under Faurecia’s Sustainability-Linked Financing Framework as announced on December 17, 2021. The €700 million transaction is structured into several tranches in EUR and USD, with maturities of 2.5, 4, 5 and 6 years. Margin above reference rates, fixed or variable, is close to 2% on average which represents a very attractive financing cost.



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The balance of the bridge facilities will be refinanced by additional bonds and/or bank loans as well as by Faurecia's existing cash (including proceeds from the committed asset disposal program).

Key terms of the Rights Issue

The Rights Issue will be carried out pursuant to the 14th resolution of the combined general meeting of June 1, 2022, and will result in the issuance of 45,482,154 new shares (the "**New Shares**"), at a subscription price of €15.50 per share (i.e. a nominal value of €7 plus an issue premium of €8.50), to be fully paid upon subscription, representing gross proceeds, including the issue premium, of €704,973,387.

Holders of existing shares recorded on their account as of the end of the accounting day on June 6, 2022 will be entitled to receive preferential subscription rights which will be detached from the underlying existing shares on June 7, 2022. Existing shares will be therefore traded ex-rights from June 7, 2022.

Each existing share will entitle its holder to receive one (1) preferential subscription right. 10 rights will entitle holders to subscribe for 3 New Shares on an irreducible basis (*à titre irréductible*), at a subscription price of €15.50 per share.

Subscriptions on a reducible basis (*à titre réductible*) will be accepted. Any New Shares not subscribed on an irreducible basis will be allocated to the holders of the rights having submitted additional subscription orders on a reducible basis subject to reduction in the event of oversubscription.

Based on the closing price of Faurecia stock on the regulated market of Euronext in Paris ("**Euronext Paris**") on June 1, 2022, i.e. €25.44:

- The theoretical value of one preferential subscription right is €2.29 (this value may fluctuate during the rights trading period depending on the evolution of the Faurecia share price)
- The theoretical value of the ex-right share is €23.15

The subscription price of the New Shares of €15.50 per share (of which €7 nominal and €8.50 issue premium) reflects a discount of 33.0% compared to the theoretical value of the ex-right share and 39.1% compared to the closing price on June 1, 2022.

The New Shares in the context of the Rights Issue will be offered to the public in France only.

Subscription intentions

As of the date of the prospectus drawn up in connection with the Rights Issue, Faurecia has received subscription commitments from the following shareholders:

- The Family Pool, which holds 8.95% of Faurecia's share capital, has undertaken to participate in the Rights Issue pro rata its current holding,
- Exor, Peugeot 1810 and Bpifrance, which respectively hold 5.05%, 3.10% and 2.16% of Faurecia's share capital, have committed to participate in the Rights Issue pro rata their current holding, respectively.

Faurecia is not aware of the subscription intentions of any other shareholder.



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Lock-up agreements

Faurecia has agreed to a lock-up period starting on the date of signing of the underwriting agreement relating to the Rights Issue and ending 120 calendar days after the settlement-delivery date of the Rights Issue, subject to certain customary exceptions.

Exor, Peugeot 1810 and Bpifrance have agreed to a lock-up commitment for a period starting on the date of approval by the Autorité des marchés financiers (the "AMF") of the prospectus drawn up in connection with the Rights Issue and ending 120 calendar days after the date of settlement-delivery of the Rights Issue, subject to certain customary exceptions.

As a reminder, the Family Pool agreed to be subject to an initial lock-up of its Faurecia shares for a period of 18 months from January 31, 2022, followed by a further 12-month lock-up period for the portion of Faurecia's shares exceeding 5% of the Company's share capital.

Dilution

For illustrative purposes only, a shareholder holding 1% of the Company's share capital as of June 1, 2022, and not participating in the Rights Issue, would hold 0.77% following the Rights Issue (on a non-diluted basis).

Underwriting

The Rights Issue is being underwritten pursuant to an underwriting agreement entered into on June 2, 2022 between the Company and a syndicate of banks including Société Générale, Natixis and J.P. Morgan SE as Global Coordinators, Joint Bookrunners and Lead Managers and Santander, BNP Paribas, Citigroup, Crédit Agricole Corporate and Investment Bank and SMBC as Joint Bookrunners and Lead Managers. Lazard is acting as financial advisor of the Company.

The underwriting agreement does not constitute an irrevocable guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code.

Indicative timetable of the Rights Issue

The preferential subscription rights will be traded on Euronext Paris under ISIN code FR0014008SJ0 from June 7 to June 15, 2022 inclusive. It will therefore no longer be possible to buy or sell the preferential subscription rights on the market after the close of the trading session of June 15, 2022. The subscription period for the New Shares will be run from June 9 to June 17, 2022 inclusive.

Any preferential subscription rights not exercised before the end of the subscription period, i.e. the close of trading on June 17, 2022, shall automatically become null and void.

Settlement and delivery of the New Shares and commencement of trading on Euronext Paris are expected to take place on June 24, 2022. The New Shares, which will carry dividend rights and will entitle their holders to any dividend declared by Faurecia from the date of issuance, will be, as from their issuance date, fully fungible with Faurecia's existing shares and will be traded under the same trading line and ISIN code as Faurecia's existing shares (ISIN code: FR0000121147).



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Availability of the Prospectus

The prospectus (the "**Prospectus**") including (i) the 2021 universal registration document (*document d'enregistrement universel*) of Faurecia filed with the AMF on April 6, 2022 under number D.22-0246, (ii) the first amendment to the 2021 universal registration document filed with the AMF on June 2, 2022 under number D.22-0246-A01, (iii) a securities note (*note d'opération*) (including the summary of the Prospectus), which was filed with the AMF and received approval under number 22-191 on June 2, 2022, is available on the website of the AMF (www.amf-france.org) and the Company (www.faurecia.com). Copies of the Prospectus are available free of charge at the Company's registered office (23 Avenue des Champs Pierreux, 92000 Nanterre, France).

Risk Factors

Investors' attention is drawn to the risk factors mentioned in chapter 2 "Risk factors and risk management" of the 2021 universal registration document and chapter 2 "Risk factors" of the securities note.

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About FORVIA Faurecia

Faurecia, company of the Group FORVIA, is a global automotive technology leader. With 257 industrial sites, 39 R&D centers and 111,000 employees in 33 countries, Faurecia operates through four areas of business: Seating, Interiors, Clarion Electronics and Clean Mobility. In 2021, the Group reported total turnover of €15.6 billion. Faurecia is listed on the Euronext Paris market and is a component of the CAC Next 20 index. www.faurecia.com

About FORVIA

FORVIA comprises the complementary technology and industrial strengths of Faurecia and HELLA. With over 300 industrial sites and 77 R&D centers, 150,000 people, including more than 35,000 engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of 6 business groups with 24 product lines, 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



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