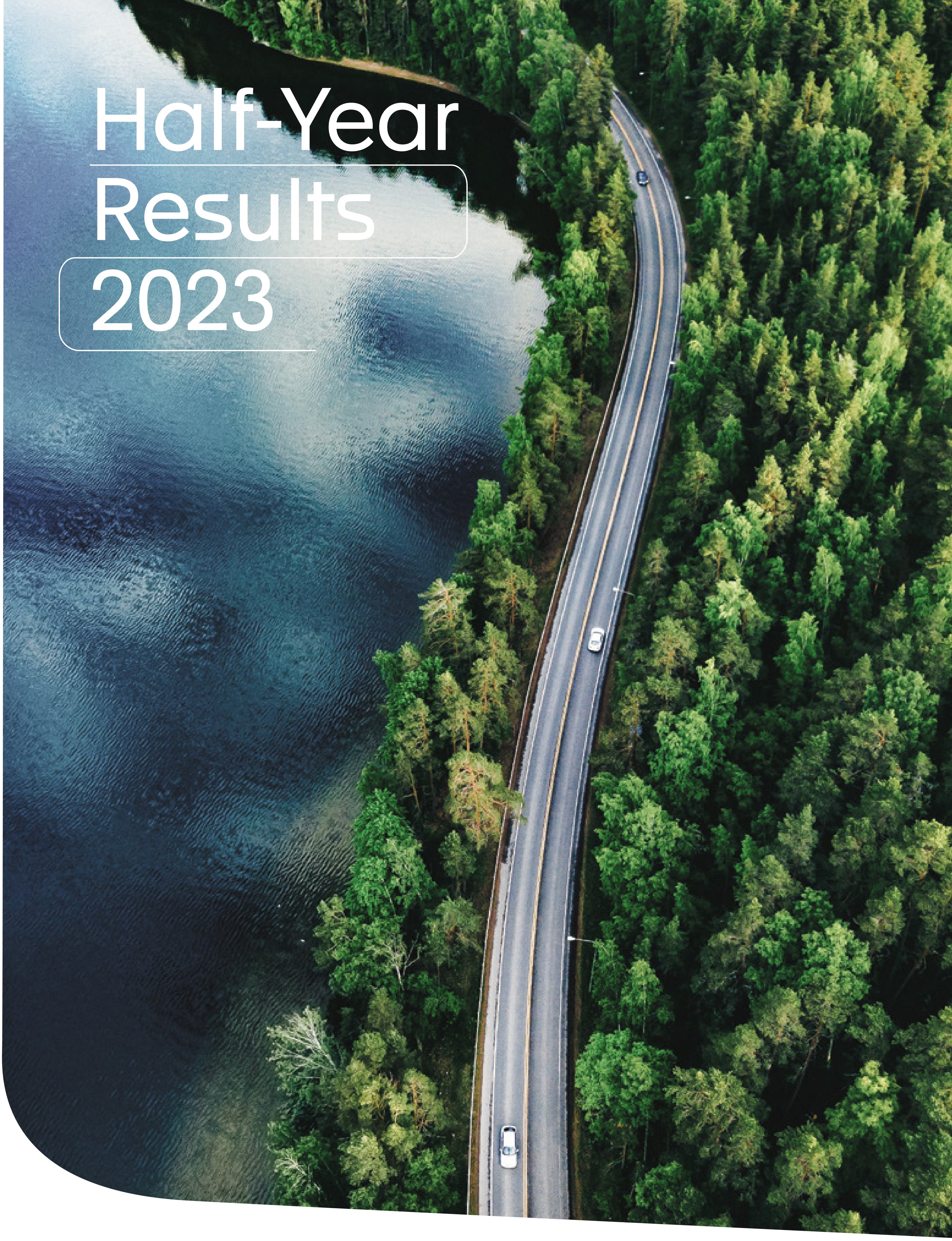
Half-Year Results 2023



FORVIA

Inspiring mobility

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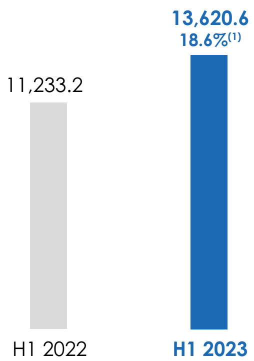
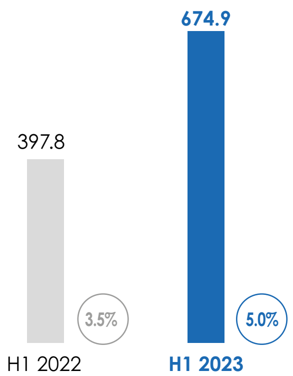
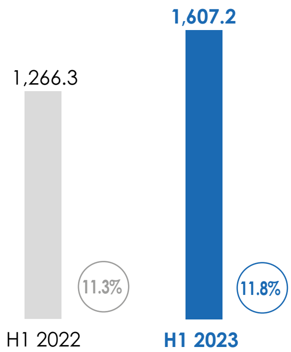
Key figures*



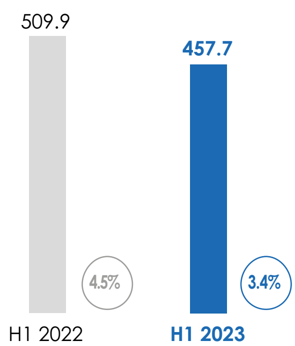
Sales
(in €m)



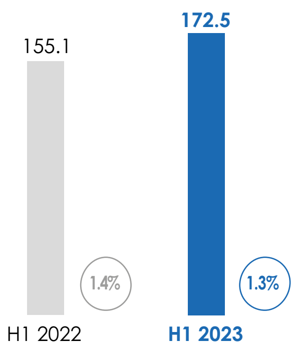
Operating Income[2]
(in €m and as a % of Sales)



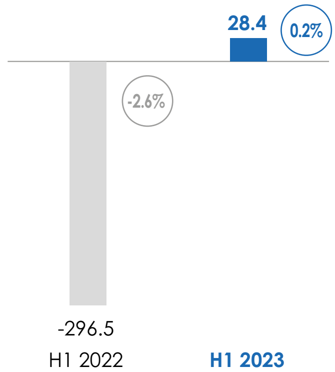
EBITDA Adjusted [3]
(in €m and as a % of Sales)



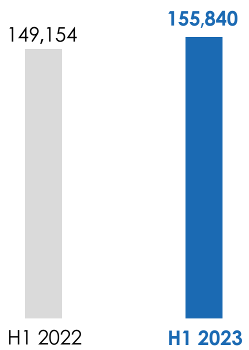
Capital expenditure
(in €m and as a % of Sales)



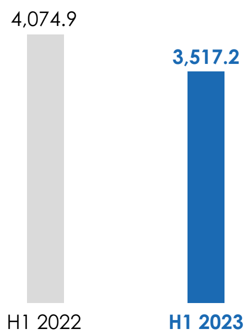
Net Cash Flow
(in €m and as a % of Sales)



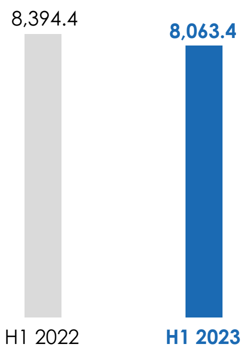
Net income/(loss) attributable to equity holders
(in €m and as a % of Sales)



Number of employees



Cash & cash equivalents
(in €m)



Net debt [4]
(in €m)

(*)All results presented after application of IFRS5 for 2023 and 2022.
(1) At constant currencies and scope.
(2) Before amortization of acquired intangible assets (§2.1 to the consolidated financial statements).
(3) Operating income before depreciations and amortizations of assets (§2.3 to the consolidated financial statements).
(4) Note 18.1 to the consolidated financial statements.

1. Business review

1.1. Notable facts

Global automobile production in the first half of 2023 was dynamic, reaching a volume of 43.3 million light vehicles, up 11.2% on the first half of 2022; the market was supported by very robust global demand and the gradual normalization of electronic component supply.

However, the impact of inflation continued in the first half of 2023; compared with 2022, which was mainly impacted by the rise in raw materials prices, the impact mainly concerned energy, labor and, to a lesser extent, raw materials (some starting to decrease).

During the first half of 2023, Forvia signed three agreements finalizing the €1 billion divestment program initiated in 2022:

- the sale of the SAS Cockpit Modules division to the Motherson group for a value of €540 million (see notes 1.2 & 2.1);
- the sale of part of its exhaust after-treatment business for commercial vehicles to the Cummins group in Europe and in the US for a value of €142 million;
- the sale of part of its stake in Symbio to Stellantis. Upon closing of this transaction FORVIA, Michelin and Stellantis will be equal partners in Symbio.

In accordance with IFRS 5, "Net income from discontinued operations" presented in the consolidated income statement 18.4 million corresponds to SAS operations from January 1, 2023 to June 30, 2023. This business essentially comprises industrial fixed assets and the current assets and liabilities related to its operations. The assets are presented separately from other assets or groups of assets, on the line "Assets held for sale" in the balance sheet and are valued at the lower of their carrying amount or estimated selling price, net of disposal disposal costs. Liabilities related to assets held for sale are shown on the line "Liabilities related to assets held for sale" on the liabilities side of the consolidated balance sheet.

The accounting principles and methods applied to discontinued operations are identical to those used for the annual financial statements.

MSCI leading ESG rating agency upgraded FORVIA's rating from 'BBB' to 'A'. The agency welcomes positive evolution in the governance, specifically the alignment of the Board structure with investor's interests. MSCI also highlights the entry in the Lighting business which has intrinsically lower exposure to product liability risks than other products in the auto supplier sector. After the previous upgrade from 'BB' to 'BBB' obtained in July 2022, this new step underlines the Group's constant progress on ESG topics and now ranks FORVIA within the first quartile of the MSCI 32 auto components manufacturers universe.

1.2. Main events

January 2023

- FORVIA has successfully priced the New Notes, sustainability-linked 7.25% senior notes due 2026 (the “New Notes”) following a private placement arranged by BNP Paribas. FORVIA priced the New Notes at 101.75% of par, or a yield of 6.65%. The proceeds of the issuance of the New Notes is used to fully reimburse the Bridge-to-Bond and the Bridge-to-Equity in connection with the HELLA acquisition and for general corporate purposes.

February 2023

- FORVIA has issued on February 1, 2023 €250 million of New Notes, sustainability-linked 7.25% senior notes due 2026. The proceeds of the issuance of the New Notes will be used to fully reimburse the Bridge-to-Bond and the Bridge-to-Equity in connection with the HELLA acquisition and for general corporate purposes.
- FORVIA has entered in February 2023 into exclusive negotiations with Cummins for the potential sale of a part of its Commercial Vehicle exhaust aftertreatment business. The potential transaction would be subject to customary conditions precedents, including regulatory approvals and completion of applicable employee representative consultations.
- FORVIA has announced mid-February 2023 to have signed with the Motherson group an agreement by which Motherson commits to acquire FORVIA SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors Segment, for an enterprise value of €540 million. The transaction will be subject to customary conditions precedents, including regulatory approvals.
- HELLA appoints Jörg Weisgerber and Stefan van Dalen, two executives from its own ranks, to the Management Board. Jörg Weisgerber is taking over from Björn Twiehaus as head of HELLA’s electronics business on April 1. Stefan van Dalen is succeeding Dr. Lea Corzilius as new Managing Director Lifecycle Solutions also as of April 1. Jörg Weisgerber (52) and Stefan van Dalen (52) both joined HELLA back in 2016.

March 2023

- FORVIA, added to its operational capacity in the Americas with the opening of a new, state-of-the-art manufacturing facility in Monterrey, Nuevo León, Mexico. Featuring bioclimatic design principles to optimize energy efficiency and support the Group’s commitment to achieving carbon neutrality by 2045, the more than 33,500 square-meter facility will employ approximately 1,500 people and manufacture automotive seat structures, instrument panels, and center consoles aligned with industry megatrends in sustainability and light weighting.

April 2023

- Auto Shanghai 2023 – From electrification to captain chair: FORVIA displayed deep understanding of Chinese market. FORVIA showcased breakthrough technologies at Auto Shanghai, participating for the first time as the world’s 7th largest automotive technology supplier. FORVIA presented its new solutions developed for the Chinese market alongside its global state-of-the-art portfolio, including its award-winning Solid-State Lighting High-Definition headlamp (SSL | HD).
- FORVIA, attended Hannover Messe 2023, in Hannover, Germany alongside Symbio, its joint-venture created with Michelin. Two breakthrough hydrogen solutions for Automotive and Infrastructure in the European Market were showcased:
  - containerized Hydrogen Storage: a lightweight storage solution aiming at drastically lowering the cost and CO_2 footprint of transporting hydrogen, by storing c. 1 ton of H_2 in the equivalent of a 40 feet container;
  - XL Gaseous Storage: a new 700 bar tank for truck applications which increases hydrogen capacity by 80% vs current 350 bar solution and provides new vehicle integration opportunities.

May 2023

- FORVIA, Michelin and Stellantis announced the signing of a binding agreement for Stellantis to acquire 33.3% stake in Symbio, a leader in zero-emission hydrogen mobility. FORVIA and Michelin will remain shareholders with 33.3% holding each.
- With the acquisition by Stellantis of a stake in Symbio (a joint venture between FORVIA and Michelin), confirmed in a joint press release by the three partners, FORVIA will receive a total amount of €150 million which will contribute to its €1 billion asset disposal program by the end of 2023. This asset disposal program includes two other operations already announced, representing together a cumulated enterprise value of almost €700 million:
  - the sale of FORVIA's SAS Cockpit Modules division (assembly and logistics services) to the Motherson group, announced on February 19, is currently subject to regulatory approvals and the closing is expected early Q3 2023;
  - the sale of part of FORVIA's commercial vehicle exhaust gas aftertreatment business in Europe and the United States, announced on February 16, is currently under exclusive and final negotiations with Cummins.

  These three operations are in addition to the two transactions already closed, the sale by FORVIA of its Interiors business in India to TAFE and the sale by HELLA of its stake in HBPO.

  FORVIA confirms it will deliver its €1 billion asset disposal program by the end of 2023. Those divestments contribute to FORVIA's net debt reduction, its top priority following the acquisition of a majority stake in HELLA at the end of January 2022.
- FORVIA signed an agreement to transfer to Cummins a part of its commercial vehicle business in Europe and in the United States. Following an exclusive negotiations phase, FORVIA and Cummins have signed a Share and Asset Purchase Agreement under which FORVIA will sell a part of its commercial vehicle exhaust aftertreatment business in Europe and the US to Cummins for an enterprise value of €142 million after final technical adjustments.
- FORVIA boosts its renewable energy capacity to up to 70% across Europe with Renewable Power Capital deal. FORVIA continues to implement its decarbonization roadmap by signing a ten-year Power Purchase Agreement (PPA) with Renewable Power Capital. This deal is securing almost all the output from the 417 GWh, 24 wind turbines, Klevberget onshore farm in Sweden and will generate the equivalent of more than 40% of all FORVIA's European yearly electric consumption. Building on existing deals, up to 70% of FORVIA's consumption – 650 GWh – will be powered by renewable electricity thanks to a portfolio of 37 wind turbines. In addition to this capacity, 130 hectares of solar panels are being installed at more than 150 FORVIA sites, which provides up to 5% of its renewable energy mix.
- At the Shareholders' Meeting of May 30, 2023, shareholders have renewed Denis Mercier as Board member for a period four years, and have appointed Esther Gaide and Dr Michael Bolle as Board members for a period four years. All three are considered as independent within the meaning of AFEP-MEDEF Code. Yan Mei and Dr Peter Mertens, whose terms of office expired at the close of this Shareholders' Meeting, did not wish to be renewed.

June 2023

- The FORVIA Foundation joins forces with the Maud Fontenoy Foundation and Plastic Odyssey to protect the oceans. Through its Corporate Foundation, FORVIA, is extending its action to protect the environment by joining forces with the Maud Fontenoy Foundation and Plastic Odyssey, two renowned organizations dedicated to protecting marine biodiversity.
- FORVIA starts deliveries of hydrogen tanks from first mass production plant in France. Type IV Hydrogen tanks have started rolling out from FORVIA's groundbreaking mass production plant in Allenjoie, France. This first-of-its-kind facility in Europe and North America aims to produce 100,000 tanks annually. With hydrogen as a driving force behind the decarbonization of mobility and industry, FORVIA is committed to delivering safe and affordable hydrogen storage technology.

July 2023

- FORVIA and BYD launch the construction of a new state-of-the-art seat-assembly plant in the Rayong province of Thailand. This new facility will produce complete seat sets under Shenzhen Faurecia Automotive Parts Co., Ltd, a joint venture created by BYD and Faurecia in 2017, majority owned by FORVIA.

  This strategic leap strengthens the global technical partnership developed with Chinese electric vehicles manufacturer BYD, propelling both companies further into the Asia-Pacific market. The collaboration has already yielded impressive results, with seven cutting-edge factories established in China, including four within the past 18 months.

All press releases related to these events are available on the site www.forvia.com.

1.3. Automotive production

Worldwide automotive production increased by 11.2% from H1 2022 to H1 2023. It increased in EMEA by 13.7%, increased in Americas by 11.9%, and increased in Asia by 9.9% (of which an increase of 7.1% in China).

The data related to automotive production and volume evolution in the first semester is based on the S&P Global Mobility (ex-IHS Markit) forecast dated July 2023 (vehicles segment in line with CAAM for China).

Automotive production and volume evolution from H1 2022 to H1 2023

	Q1	Q2	H1
EMEA	**13.9%**	**13.4%**	**13.7%**
Americas	**10.2%**	**13.6%**	**11.9%**
Asia	**3.2%**	**17.3%**	**9.9%**
o/w China	*- 4.6%*	*20.4%*	*7.1%*
TOTAL	**7.1%**	**15.5%**	**11.2%**

1.4. Sales

FORVIA'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);
- a "Growth at constant scope & currencies".

As "Scope effect", FORVIA 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 H1 2023, there was no effect from "bolt-on acquisitions".

(in € millions)	H1 2023	Currencies	Scope Effect*	At constant scope & currencies	H1 2022
Product Sales	13,077.5	(304.4)	602.9	2,131.8	10,647.2
Var. *(in %)*	22.8%	-2.9%	5.7%	20.0%	
Tooling, Prototypes and Other Services	543.1	(17.2)	13.9	(39.6)	586.0
Var. *(in %)*	-7.3%	-2.9%	2.4%	-6.8%	
SALES	**13,620.6**	**(321.6)**	**616.8**	**2,092.2**	**11,233.2**
VAR. *(IN %)*	**21.3%**	**-2.9%**	**5.5%**	**18.6%**	

** Scope effect includes HELLA sales of January 2023.*

Sales of products (parts, components and R&D sold to manufacturers) reached €13,077.5 million in H1 2023 compared to €10,647.2 million in H1 2022. This represents an increase of 22.8% on a reported basis and by 20.0% at constant scope & currencies.

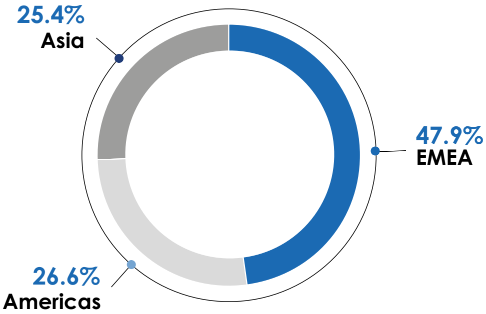
Sales of tooling, prototypes and other services reached €543.1 million in H1 2023 compared to €586.0 million in H1 2022. This represents a decrease of 7.3% on a reported basis and a decrease of 6.8% at constant scope & currencies.

Sales reached €13,620.6 million in H1 2023 compared to €11,233.2 million in H1 2022. This represents an increase of 21.3% on a reported basis and 18.6% at constant scope & currencies.

1.4.1. Sales by region

(in € millions)	H1 2023	Scope Effect*	H1 2022	Reported	At constant scope & currencies	Automotive Production
Sales						
EMEA	6,529.4	363.0	5,281.9	23.6%	18.8%	13.7%
Americas	3,624.9	134.9	3,183.5	13.9%	10.3%	11.9%
Asia	3,466.2	118.8	2,767.8	25.2%	27.8%	9.9%
o/w China	*2,708.5*	*104.6*	*2,131.6*	*27.1%*	*29.2%*	*7.1%*
TOTAL	**13,620.6**	**616.8**	**11,233.2**	**21.3%**	**18.6%**	**11.2%**

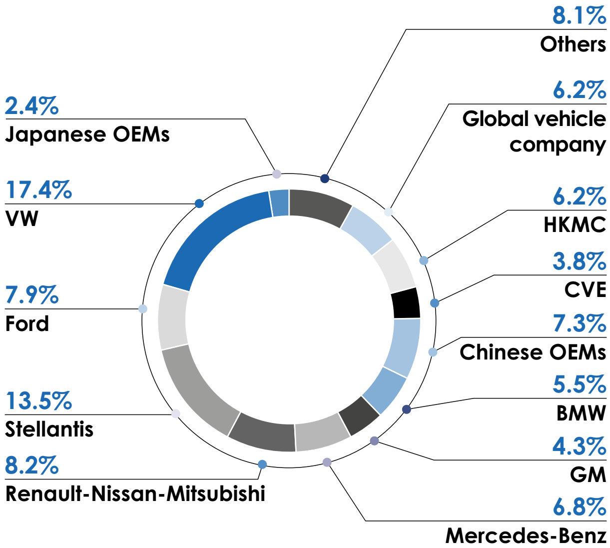
** Scope effect includes HELLA sales of January 2023.*



Sales by region in H1 2023 were as follows:

- in EMEA, sales reached €6,529.4 million (47.9% of total sales), compared to €5,281.9 million in H1 2022. This represents an increase of 23.6% on a reported basis and by 18.8% at constant scope and currencies. This is to be compared to a 13.7% upturn in production market in EMEA;
- in Americas, sales reached €3,624.9 million (26.6% of total sales), compared to €3,183.5 million in H1 2022. This represents an increase of 13.9% on a reported basis and by 10.3% at constant scope and currencies. This is to be compared to a 11.9% upturn in production market in Americas;
- in Asia, sales reached €3,466.2 million (25.4% of total sales), compared to €2,767.8 million in H1 2022. This represents an increase of 25.2% on a reported basis and 27.8% at constant scope and currencies. This is to be compared to a 9.9% upturn in Asia and by 7.1% in China;
- worldwide sales amounted to €13,620.6 million compared to €11,233.2 million in H1 2022. This represents an increase of 21.3% on a reported basis and 18.6% at constant scope and currencies. This is to be compared to a 11.2% upturn in production market in the world source S&P Global Mobility (ex-IHS Markit) forecast dated July 2023.

1.4.2. **Sales by customer**



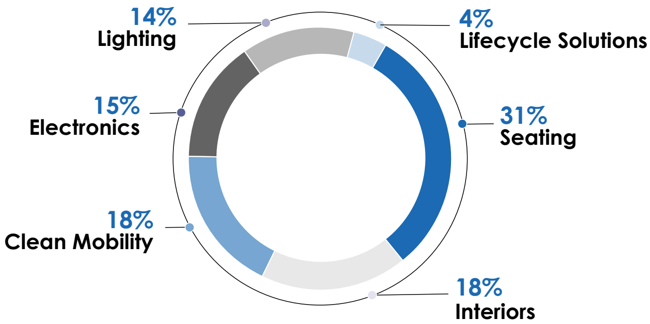
In the first semester of 2023, sales to FORVIA four main customers (VW, Stellantis, Renault-Nissan – Mitsubishi, Ford) amounted to €6,406.0 million or 47.0% compared to 50.3% in the first semester of 2022:

- sales to the VW group totaled €2,373.2 million. They accounted for 17.4% of FORVIA's total sales. They increased by 19.3% on a reported basis and by 14.8% at constant scope & currencies compared to H1 2022;
- sales to the Stellantis group totaled €1,843.3 million, accounting for 13.5% of FORVIA's total sales. They increased by 8.1% on a reported basis and by 8.7% at constant scope & currencies compared to H1 2022;
- sales to the Renault-Nissan – Mitsubishi group totaled €1,111.6 million. They accounted for 8.2% of FORVIA's total sales. They increased by 18.0% on a reported basis and by 18.7% at constant scope & currencies compared to H1 2022;
- sales to the Ford group totaled €1,077.9 million. They accounted for 7.9% of FORVIA's total sales. They increased by 6.0% on a reported basis and by 11.2% at constant scope & currencies compared to H1 2022;
- sales to the Chinese OEMs totaled €994.1 million or 7.3% of total sales. They increased by 21.8% on a reported basis and by 26.2% at constant scope & currencies compared to H1 2022;
- sales to the Mercedes-Benz group totaled €921,6 million or 6.8% of total sales. They increased by 20.6% on a reported basis and by 10.1% at constant scope & currencies compared to H1 2022;
- sales to a Global vehicle company totaled €840.0 million or 6.2% of total sales. They increased by 79.9% on a reported basis and by 72.8% at constant scope & currencies compared to H1 2022;
- sales to the BMW group totaled €754.7 million or 5.5% of total sales. They increased by 54.2% on a reported basis and by 44.2% at constant scope & currencies compared to H1 2022.

1.4.3. **Sales by Business Group**

(in € millions)	H1 2023	Scope Effect*	H1 2022	Reported	At constant scope & currencies
Sales					
Seating	4,248.0		3,529.9	20.3%	23.2%
Interiors	2,438.0		2,171.7	12.3%	15.6%
Clean Mobility	2,467.5		2,284.8	8.0%	11.7%
Electronics	2,047.3	247.1	1,550.4	32.0%	18.7%
Lighting	1,874.2	281.4	1,281.4	46.3%	24.9%
Lifecycle Solutions	545.5	88.2	415.1	31.4%	14.1%
TOTAL	**13,620.6**	**616.8**	**11,233.2**	**21.3%**	**18.6%**
o/w group Faurecia	*9,705.2*		*8,444.7*	*14.9%*	*18.2%*
o/w group HELLA	*3,915.3*	*616.8*	*2,788.5*	*40.4%*	*19.8%*

* *Scope effect includes HELLA sales of January 2023.*



In the first semester of 2023:

- Seating totaled €4,248.0 million sales, up 20.3% on a reported basis and up 23.2% at constant scope & currencies compared to H1 2022;
- Interiors totaled €2,438.0 million sales, up 12.3% on a reported basis and up 15.6% at constant scope & currencies compared to H1 2022;
- Clean Mobility totaled €2,467.5 million sales, up 8.0% on a reported basis and up 11.7% at constant scope & currencies compared to H1 2022;
- Electronics totaled €2,047.3 million sales, up 32.0% on a reported basis and up 18.7% at constant scope & currencies compared to H1 2022;
- Lighting totaled €1,874.2 million sales, up 46.3% on a reported basis and up 24.9% at constant scope & currencies compared to H1 2022;
- Lifecycle Solutions totaled €545.5 million sales, up 31.4% on a reported basis and up 14.1% at constant scope & currencies compared to H1 2022.

1.5. Operating income

In the first semester of 2023:

- the operating income before amortization of acquired intangible assets totaled €674.9 million (5.0% of sales), compared to €397.8 million (3.5% of sales) in the first semester 2022;
- gross expenditures for R&D totaled €1,105.4 million, or 8.1% of sales, compared to €1,026.3 million, or 9.1% of sales in the first semester 2022. The portion of R&D expenditure capitalized amounted to €593.5 million, compared to €573.6 million in the first semester 2022. The R&D capitalization ratio represented 53.7% of total R&D expenditure, whereas it represented 55.9% over the same period in the first semester 2022;
- the net R&D expenses reached €527.0 million (3.9% of sales) compared to €452.1 million (4.0% of sales)in the first semester 2022;
- selling and administrative expenses reached €647.6 million (4.8% of sales), compared to €547.4 million (4.9% of sales) in the first semester 2022;
- EBITDA adjusted– which represents operating income before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditures – totaled to €1,607.2 million (11.8% of sales), to be compared to €1,266.3 million (11.3% of sales) in the first semester 2022.

1.5.1. By region

	H1 2023			H1 2022		
(in € millions)	Sales	Operating Income	%	Sales	Operating Income	%
EMEA	6,529.4	170.8	2.6%	5,281.9	105.7	2.0%
Americas	3,624.9	144.0	4.0%	3,183.5	42.7	1.3%
Asia	3,466.2	360.1	10.4%	2,767.8	249.4	9.0%
TOTAL	**13,620.6**	**674.9**	**5.0%**	**11,233.2**	**397.8**	**3.5%**

The operating income in the first semester of 2023 compared to the first semester of 2022 increased by €277,1 million :

- in EMEA, the operating income increased by €65,0 million, to reach €170,8 or 2.6% of sales. This is to be compared to €105.7 million or 2.0% in H1 2022;
- in Americas, the operating income increased by €101,3 million, to €144,0 or 4.0% of sales. This is to be compared to €42.7 million or 1.3% in H1 2022;
- in Asia, the operating income increased by €110,7 million to reach €360,1 or 10.4% of sales. This is to be compared to €249.4 million or 9.0% in H1 2022.

1.5.2. By Business Group

(in € millions)	H1 2023			H1 2022		
	Sales	Operating Income	%	Sales	Operating Income	%
Seating	4,248.0	139.4	3.3%	3,529.9	64.6	1.8%
Interiors	2,438.0	93.5	3.8%	2,171.7	62.5	2.9%
Clean Mobility	2,467.5	190.3	7.7%	2,284.8	151.9	6.6%
Electronics	2,047.3	88.3	4.3%	1,550.4	62.9	4.1%
Lighting	1,874.2	91.3	4.9%	1,281.4	10.7	0.8%
Lifecycle Solution	545.5	72.1	13.2%	415.1	45.1	10.9%
TOTAL	**13,620.6**	**674.9**	**5.0%**	**11,233.2**	**397.8**	**3.5%**
o/w group Faurecia	*9,705.2*	*403.4*	*4.2%*	*8,444.7*	*268.1*	*3.2%*
o/w group HELLA	*3,915.3*	*271.4*	*6.9%*	*2,788.5*	*129.7*	*4.7%*

In the first semester of 2023:

- Seating operating income amounted to €139.4 million (3.3% of sales) compared to €64.6 million in H1 2022 (1.8% of sales);
- Interiors operating income amounted to €93.5 million (3.8% of sales) compared to €62.5 million in H1 2022 (2.9% of sales);
- Clean Mobility operating income amounted to €190.3 million (7.7% of sales) compared to €151.9 million in H1 2022 (6.6% of sales);
- Electronics operating income amounted to €88.3 million (4.3% of sales) compared to €62.9 million in H1 2022 (4.1% of sales);
- Lighting operating income amounted to €91.3 million (4.9% of sales) compared to €10.7 million in H1 2022 (0.8% of sales);
- Lifecycle Solutions operating income amounted to €72.1 million (13.2% of sales) compared to €45.1 million in H1 2022 (10.9% of sales).

1.6. Net income

The net income group share is a gain of €28.4 million, or 0.2% of sales in the first semester 2023. This is to be compared to a loss of €296.5 million or 2.6% of sales over the same period in the first semester 2022. It represented an increase of €324.9 million.

In the first semester 2023:

- the amortization of intangible assets acquired represented an expense of €97.6 million compared to an expense of €80.5 million in the first semester 2022;
- the "Other non-recurring operating income and expenses" represented an expense of €71.2 million, compared to an expense of €228.5 million in the first semester 2022. This item included €71.8 million in restructuring charges compared to an expense of €153.4 million in the first semester 2022;
- financial income amounted to €41.0 million, compared to €16.0 million in the first semester 2022. Financial costs totaled €280.2 million, versus €178.7 million in the first semester 2022;
- other financial income and expense represented an expense of €66.6 million compared to an expense of €108.4 million in the first semester 2022. This expense included €10.8 million from discounting pension benefit liabilities;
- the tax expense reached €115.7 million, compared to €44.2 million in the first semester 2022. It included a gain of 87.7 million due to changes in deferred taxe;
- the share of net income of associates is a loss of €0.1 million, compared to a loss of €11.9 million in the first semester 2022;
- net income attributable to minority interests totaled €74.4 million in first semester 2023. It consists of net income accruing to investors in companies in which FORVIA is not the sole shareholder, mainly in China, compared to €52.0 million in the first semester 2022.

Basic earnings per share amounted to €0.14 (diluted net earnings per share at €0.14) compared to -€1.98 in the first semester 2022 (diluted net earnings per share at -€1.98).

1.7. Financial structure

1.7.1. Reconciliation between net cash flow and cash provided by operating and investing activities

(in € millions)	*Notes*	30/06/2023	30/06/2022
Surplus (used) from operating and financing activities	**2.3**	**16.5**	**(4,562.5)**
Acquisitions / Sales of investments and business (net of cash and cash equivalents) from continued	2.3	0.2	(5,182.0)
Proceed from disposal of financial assets from continued operations	2.3	0.0	0.0
Other changes from continued operations	2.3	(17.6)	517.8
Financing surplus (used) from discontinued operations	2.3	(138.5)	(53.4)
Other changes from discontinued operations		0.0	0.0
Net Cash Flow of continued operations		**172.5**	**155.1**

1.7.2. Net cash flow

The net cash flow was an inflow of €172.5 compared to a net cash inflow of €155.1 million over the same period in the first semester 2022. It can be explained as follows:

- the operating margin before depreciations and amortizations of non-current assets or EBITDA adjusted reached €1,607.2 million compared to €1,266.3 million in the first semester 2022, due to the increase in operating income by €277.1 million and the increase in depreciation and amortization by €63.9 million;
- restructuring represented cash outflows of €91.2 million compared to €92.5 million in the first semester 2022;
- net financial costs represented cash outflows of €233.8 million, versus €178.2 million in the first semester 2022;
- the change in working capital requirement, including receivables factoring, represented a positive impact of €260.2 million compared to a positive impact of €324.1 million in the first semester 2022. This change consisted in part of an increase in inventories of €290.0 million, a net increase in trade receivables of €452.0 million, an increase in trade payables of €864.3 million and a positive variation of other trade receivables and payables for €137.9 million. The evolution of these balance sheet positions was impacted by exchange rate changes;
- capital expenditures on property, plant and equipment and on intangible assets represented cash outflows of €457.7 million, versus €509.9 million in the first semester 2022;
- capitalized research and development costs represented cash outflows of €496.5 million, versus €462.8 million in the first semester 2022;
- income taxes represented cash outflows of €306.5 million, compared to €207.7 million in the first semester 2022;
- finally, other cash flow items represented €109.3 million in outflows, compared to €15.8 million in inflows in the first semester 2022.

1.7.3. **Net Debt**

(in € millions)	06/30/2023	12/31/2022
Net Debt	8,063.4	7,939.1

The Group's net financial debt stood at €8,063.4 million at June 30, 2023 compared to €7,939.1 million at December 31, 2022.

The net debt evolution is mainly impacted by the positive net cash flow evolution, dividends paid for €75.0 million, the negative impact of €50.8 million related to IFRS 5 and the negative impact of €75.5 million related to IFRS16.

The main elements of long-term financial resources are:

- our main syndicated credit facility, which has been renegotiated in May 2021. Its amount has been increased from €1,200 to €1,500 million, and its maturity extended to May 2026, with two one-year maturity extension options. The credit facility is now a sustainability-linked credit line, with a margin indexed on the Group's performance in terms of CO_2 emissions reduction for its scopes 1 & 2. On the 27th of June 2023, Forvia has extended the credit facility until 28th of May 2027 for an amount of €1,450 million, the available amount being of €1,500 million until the 28th of May 2026. Forvia also benefits from the possibility to extend the facility until 2nd of June 2028 submitted to banks agreement. As at June 30, 2023, this facility was not drawn ;
- Hella's syndicated credit facility, has been renegotiated in September 2022. It has an available amount of € 450 million, with one option to increase the available amount by €150 million and its maturity is 30th September 2025, with two one-year maturity extension options. As at June 30, 2023, this facility was not used and fully available for its total amount;
- a total amount of €6,690million bonds, of which €1,000 million of bonds maturing in June 2025, €750 million of bonds maturing in June 2026, €950 million of sustainability-linked bonds maturing June 2026(of which €250 million issued in February 2023), €1,200 million of sustainability-linked bonds maturing in February 2027, €890 million of bonds maturing in June 2027 (of which an additional €190 million issued in February 2021), €700 million of bonds maturing in June 2028,€400 million of Green Bonds maturing in June 2029, €300 million Hella bonds maturing May 2024, €500 million Hella bonds maturing January 2027 and ¥12,000 million Hella Notes maturing 2032;
- on June 09, 2023 Forvia signed a new €500 million syndicated Term Loan (Term Loan 2023) with a maturity of June 02, 2026. This loan includes two extension possibilities with a final maturity of June 02,2028. The proceeds of the Loan were used to repay back the €500 Term Loan issued under the Bridge Loan for the Hella acquisition;
- €1,023 million of Schuldscheindarlehen (private placement under German law), made of several tranches maturing in December 2023, June, July and December 2024, January 2026, January 2027 and January 2028;
- a 30 billion Japanese Yen credit line signed in February 2020 in order to refinance the long-term debt of Clarion Co. Ltd maturing in February 2026 after a first maturity extension. As at June 30. 2023, this facility was used up to ¥20 billion;
- on the 1st of July 2022, Forvia signed a €315 million Credit Agreement with the European Investment Bank with maturity 1st of July 2029. The amount drawn under the facility as of June 30, 2023 is €289 million;
- Faurecia Sistemas Automotrices SA DE CV signed on September 22, 2022 a $210 million syndicated loan with Latin American investors. The loan is composed of a $100 million tranche and 2,000 million Mexican peso tranche both with maturity March 22, 2028. On February 10, 2023, Faurecia Sistemas Automotrices SA DE CV signed an additional USD90 million loan with maturity March 22, 2028 and the same financial conditions as the initial loan;
- Hella signed on June 16, 2003 a ¥10,000 million loan with maturity June 20, 2033.

1.8. Outlook

FULL-YEAR 2023 NEW GUIDANCE

Based on actual worldwide automotive production growth in the first half and expected evolution in the second half, FORVIA is revising upward its worldwide automotive production assumption in 2023 to around 86 million LVs (vs. 82 million estimated in February and S&P Global Mobility's latest forecast dated July 2023 of 86.7 million LVs).

As a consequence, the Group is adjusting upward its 2023 guidance as follows:

- **Sales between €26.5 billion and €27.5 billion** (vs. between €25.2 billion and 26.2 billion);
- **Operating margin between 5.2% and 6.2% of sales** (vs. between 5.0% and 6.0%)**, confirming sequential improvement in H2 over H1;**
- **Net cash flow > 1.5% of sales** (unchanged);
- **Net debt/Adj. EBITDA ratio between 2.0x and 2.2x at December 31, 2023** (vs. between 2.0x and 2.4x).

This guidance reflects the expected sequential improvement of operating margin in H2 vs. H1, led by:

- acceleration in synergies, with the full impact of synergies implemented in the first half and the ramp-up of new projects identified;
- enhanced compensation for cost inflation through continued negotiations;
- sequential reduction in operating losses from the Seating program in Michigan (JIT loss-making operations to terminate at the end of Q3).

This guidance is based on full-year average currency rates of 1.08 for €/USD and of 7.54 for €/CNY and assumes no major lockdown impacting production or retail sales in any automotive region in H2 and takes into account the Group's latest update of net impact from cost inflation.

ON TRACK TO ACHIEVE POWER25 OBJECTIVES

The Group also confirms its FY 2025 objectives, as presented at the Capital Markets Day held on November 3, 2022:

- **Sales of c. €30 billion;**
- **Operating margin > 7% of sales;**
- **Net cash flow > 4% of sales;**
- **Net debt/Adjusted EBITDA ratio < 1.5x at December 31, 2025.**

These financial objectives are based on the following main assumptions:

- *Worldwide automotive production of 88 million vehicles in 2025, more conservative than S&P's latest forecast of 90 million;*
- *2025 currency rates of USD/€ at 1.05 and CNY/€ at 7.00.*

They assume no major lockdown impacting production or retail sales in any major automotive region over the period.

2.

Consolidated financial statements

In the financial statements thereafter, please note that :

- figures reported for H1 2023 include 6 months of activity of HELLA (major acquisition of 2022) vs 5 months for H1 2022;
- figures reported for the year 2022 include HELLA since February 1st, 2022 (i.e. 11 months in 2022).

2.1. Consolidated statement of comprehensive income

(in € million)	Notes	First-half 2023	First-Half 2022 restated*	2022 restated*
SALES	*4*	**13,620.6**	**11,233.2**	**24,573.7**
Cost of sales	*5*	(11,771.1)	(9,835.9)	(21,442.1)
Research and development costs	*5*	(527.0)	(452.1)	(896.0)
Selling and administrative expenses	*5*	(647.6)	(547.4)	(1,175.1)
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	***4***	**674.9**	**397.8**	**1,060.5**
Amortization of intangible assets acquired in business combinations		(97.6)	(80.5)	(189.9)
OPERATING INCOME (AFTER AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)		**577.3**	**317.3**	**870.6**
Other non-recurring operating income	6	8.5	0.8	1.8
Other non-recurring operating expense	6	(79.7)	(229.3)	(444.3)
Income from loans, cash investments and marketable securities		41.0	16.0	50.3
Finance costs	*7*	(280.2)	(178.7)	(377.1)
Other financial income and expense	*7*	(66.6)	(108.4)	(168.4)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**200.3**	**(182.3)**	**(67.1)**
Taxes	*8*	(115.7)	(44.2)	(177.0)
of which deferred taxes	*8*	*87.7*	*91.5*	*177.5*
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**84.6**	**(226.5)**	**(244.1)**
Share of net income of associates	*11*	(0.1)	(11.9)	11.4
NET INCOME FROM CONTINUED OPERATIONS		**84.5**	**(238.4)**	**(232.7)**
NET INCOME FROM DISCONTINUED OPERATIONS		**18.4**	**(6.0)**	**(17.7)**
CONSOLIDATED NET INCOME (LOSS)		**102.9**	**(244.4)**	**(250.4)**
Attributable to owners of the parent		**28.4**	**(296.5)**	**(381.8)**
Attributable to minority interests from continued operations		74.4	52.0	131.4
Attributable to minority interests from discontinued operations		0.0	0.0	0.0
Basic earnings (loss) per share *(in €)*	9	0.14	(1.98)	(2.20)
Diluted earnings (loss) per share *(in €)*	9	0.14	(1.98)	(2.20)
Basic earnings (loss) from continued operations per share *(in €)*	9	0.05	(1.94)	(2.10)
Diluted earnings (loss) from continued operations per share *(in €)*	9	0.05	(1.94)	(2.10)
Basic earnings (loss) from discontinued operations per share *(in €)*	9	0.09	(0.04)	(0.10)
Diluted earnings (loss) from discontinued operations per share *(in €)*	9	0.09	(0.04)	(0.10)

* *cf Note 1.2.*

Other comprehensive income

(in € million)	Notes	First-half 2023	First-Half 2022 restated*	2022 restated*
CONSOLIDATED NET INCOME (LOSS)		102.9	(244.4)	(250.4)
Amounts to be potentially reclassified to profit or loss from continued operations		**(247.9)**	**325.4**	**79.5**
Gains (losses) arising on fair value adjustments to cash flow hedges		16.6	75.0	92.6
of which recognized in equity		*59.4*	*45.8*	*82.5*
of which transferred to net income (loss) for the period		*(42.8)*	*29.2*	*10.1*
Exchange differences on translation of foreign operations		(258.7)	254.9	11.8
Tax impact		(5.8)	(4.5)	(24.9)
Amounts not to be reclassified to profit or loss from continued operations		**0.7**	**109.8**	**168.6**
Actuarial gain/(loss) on post-employment benefit obligations		1.0	156.1	244.2
Tax impact		(0.2)	(46.3)	(75.6)
Other comprehensive income from discontinued operations		**(11.5)**	**(0.9)**	**(8.9)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**(155.7)**	**189.8**	**(11.2)**
Attributable to owners of the parent		(193.2)	99.2	(150.8)
Attributable to minority interests		37.5	90.6	139.6

** cf.Note 1.2.*

2.2. Consolidated balance sheet

Assets

(in € million)	*Notes*	06/30/2023	12/31/2022
Goodwill	*10*	5,132.4	5,260.3
Intangible assets		4,355.0	4,590.1
Property, plant and equipment		4,864.3	5,055.8
Right-of-use assets		1,024.8	1,183.5
Investments in associates	*11*	301.9	333.9
Other equity interests		115.8	128.5
Other non-current financial assets	*12*	215.8	158.1
Other non-current assets		188.1	187.1
Deferred tax assets		747.8	690.5
TOTAL NON-CURRENT ASSETS		**16,945.9**	**17,587.8**
Inventories, net		3,075.5	2,924.2
Contract assets		179.7	275.6
Trade accounts receivables	*13*	4,822.4	5,065.9
Other operating receivables		716.9	720.5
Other receivables		1,544.0	1,425.7
Other current financial assets		7.3	17.6
Cash and cash equivalents	*14*	3,517.2	4,201.1
TOTAL CURRENT ASSETS		**13,863.0**	**14,630.6**
Assets held for sale		1,517.5	N/A
TOTAL ASSETS		**32,326.4**	**32,218.4**

Liabilities

(in € million)	*Notes*	06/30/2023	12/31/2022
EQUITY			
Capital	*15*	1,379.6	1,379.6
Additional paid-in capital		1,408.7	1,408.7
Treasury stock		(3.9)	(4.5)
Retained earnings		1,839.4	2,162.5
Translation adjustments		(250.3)	(16.5)
Net income (loss)		28.4	(381.8)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	*15*	**4,401.9**	**4,548.0**
Minority interests		1,659.1	1,691.1
TOTAL SHAREHOLDERS' EQUITY		**6,061.0**	**6,239.1**
Non-current provisions	*17*	576.7	575.2
Non-current financial liabilities	*18*	9,312.1	9,106.2
Non-current lease liabilities	*18*	912.3	1,049.2
Other non-current liabilities		80.6	48.2
Deferred tax liabilities		346.2	390.4
TOTAL NON-CURRENT LIABILITIES		**11,227.9**	**11,169.2**
Current provisions	*16*	716.6	795.5
Current financial liabilities	*18*	1,170.4	1,773.7
Current portion of lease liabilities	*18*	227.4	251.8
Prepayments on customers contracts		1,059.0	975.4
Trade payables		8,995.0	9,181.3
Accrued taxes and payroll costs		1,150.3	1,104.3
Sundry payables		596.6	728.1
TOTAL CURRENT LIABILITIES		**13,915.3**	**14,810.1**
Liabilities linked to assets held for sale		1,122.2	N/A
TOTAL EQUITY AND LIABILITIES		**32,326.4**	**32,218.4**

2.3. Consolidated cash flow statement

(in € million)	Notes	First-half 2023	First-Half 2022 restated*	2022 restated*
I- OPERATING ACTIVITIES				
Operating income (before amortization of acquired intangible assets)		674.9	397.8	1,060.5
Depreciations and amortizations of assets	5.4	932.4	868.5	1,846.8
o/w depreciations and amortizations of R&D assets	5.4	*359.5*	*316.3*	*684.5*
o/w other depreciations		*572.9*	*552.2*	*1,162.3*
EBITDA adjusted		**1,607.2**	**1,266.3**	**2,907.3**
Operating current and non-current provisions		(26.0)	(14.8)	(99.3)
Capital (gains) losses on disposals of operating assets		(3.5)	5.3	(2.4)
Paid restructuring		(91.2)	(92.5)	(181.9)
Paid finance costs net of income		(233.8)	(178.2)	(362.4)
Other non-recurring operating income and expenses paid		(4.4)	(52.4)	(79.4)
Paid taxes		(306.5)	(207.7)	(362.1)
Dividends from associates		1.7	17.1	24.4
Change in working capital requirement		**260.2**	**324.1**	**588.3**
Change in inventories		(290.0)	(149.3)	(154.1)
o/w R&D inventories increase	5.3	*(97.1)*	*(110.8)*	*(216.7)*
o/w R&D inventories decrease		*98.0*	*83.6*	*194.9*
Change in trade accounts receivables		(452.0)	(174.8)	(395.8)
Change in trade payables		864.3	515.5	1,144.0
Change in other operating receivables and payables		237.0	120.5	56.9
Change in other receivables and payables (excl. Tax)		(99.1)	12.1	(62.8)
Operating cash flows from discontinued activities		**(111.5)**	**(36.0)**	**32.0**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		1,092.2	1,031.2	2,464.6
II- INVESTING ACTIVITIES				
Additional property, plant and equipment		(452.5)	(497.6)	(1,119.3)
Additional intangible assets		(5.2)	(12.3)	(17.7)
Capitalized development costs	5.3	(496.5)	(462.8)	(954.2)
Acquisitions/Sales of investments and business (net of cash and cash equivalents)		0.2	(5,182.0)	(4,885.5)
Proceeds from disposal of property, plant and equipment		17.8	23.0	21.0
Proceed from disposal of financial assets		0.0	0.0	0.0
Change in investment-related receivables and payables		(95.0)	37.6	120.9
Other changes		(17.6)	517.8	628.7
Investing cash flows from discontinued operations		**(27.0)**	**(17.3)**	**(44.6)**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		(1,075.7)	(5,593.7)	(6,250.7)
CASH PROVIDED BY (USED IN) OPERATING AND INVESTING ACTIVITIES (I)+(II)		16.5	(4,562.5)	(3,786.1)
III- FINANCING ACTIVITIES				
Shares issued by FORVIA and fully consolidated companies (net of costs)		0.2	1,216.8	1,216.8
Dividends paid to owners of the parent company		0.0	0.0	0.0
Dividends paid to minority interests in consolidated subsidiaries		(75.0)	(4.1)	(54.9)
Acquisitions of treasury stocks		1.2	(0.9)	(1.1)
Debt securities issued and increase in other financial liabilities		406.2	3,603.6	4,739.7
Repayment of debt and other financial liabilities		(770.9)	(896.6)	(2,539.8)
Repayments on lease debts		(123.8)	(119.4)	(239.9)
Financing cash flows from discontinued activities		**2.2**	**(8.0)**	**(0.9)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(559.9)	3,791.4	3,119.9
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		(115.8)	66.0	(38.4)
Net cash flows from discontinued operations		**5.3**	**(125.8)**	**(29.7)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(653.9)	(830.9)	(734.3)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		4,171.4	4,905.7	4,905.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	3,517.2	4,074.9	4,171.4

The net cash flow from continued operations amounts to €172.5 million as of June 30, 2023 and €155.1 million as of June 30, 2022 and €483.4 million as of December 31, 2022.
** Cf. note 1.2.*

2.4. Consolidated statement of changes in equity

(in € million)	Number of shares[(1)]	Capital stock	Additional paid-in capital	Treasury Stock	Retained earnings and net income (loss) for the period	Valuation adjustments: Translation adjustments	Valuation adjustments: Cash flow hedges	Valuation adjustments: Actuarial gain/(loss) on post employment benefit obligations	Equity attributable to owners of the parent	Minority interests	Total
Shareholders' equity as of January 1, 2022 before appropriation of net income (loss)	**138,035,801**	**966.3**	**605.2**	**(4.0)**	**1,993.2**	**(34.3)**	**2.2**	**(103.0)**	**3,425.6**	**386.3**	**3,811.9**
Net income (loss)					(296.5)				(296.5)	52.0	(244.5)
Other comprehensive income						230.9	66.8	98.0	395.7	38.6	434.3
Comprehensive income					***(296.5)***	***230.9***	***66.8***	***98.0***	***99.2***	***90.6***	***189.8***
Capital increase[(2)]	59,053,539	413.3	803.5						1,216.8		1,216.8
2021 dividends									0.0	(6.2)	(6.2)
Allocation of free shares					9.5				9.5		9.5
Purchases and sales of treasury stock				(0.8)					(0.8)		(0.8)
Changes in scope of consolidation and other					163.0	0.3	(51.1)	(81.6)	30.7	1,268.9	1,299.6
Shareholders' equity as of June 30, 2022 before appropriation of net income (loss)	**197,089,340**	**1,379.6**	**1,408.7**	**(4.8)**	**1,869.2**	**196.9**	**17.9**	**(86.6)**	**4,781.0**	**1,739.6**	**6,520.6**
Net income (loss)					(85.3)				(85.3)	79.4	(5.9)
Other comprehensive income						(213.6)	(3.3)	52.2	(164.7)	(30.4)	(195.1)
Comprehensive income					***(85.3)***	***(213.6)***	***(3.3)***	***52.2***	***(250.0)***	***49.0***	***(201.0)***
Capital increase									0.0		0.0
2021 dividends									0.0	(49.0)	(49.0)
Allocation of free shares					(0.3)				(0.3)		(0.3)
Purchases and sales of treasury stock				0.3					0.3		0.3
Changes in scope of consolidation and other					21.1	0.2	0.1	(4.3)	17.1	(48.5)	(31.4)
Shareholders' equity as of December 31, 2022 before appropriation of net income (loss)	**197,089,340**	**1,379.6**	**1,408.7**	**(4.5)**	**1,804.7**	**(16.5)**	**14.7**	**(38.7)**	**4,548.0**	**1,691.1**	**6,239.1**
Net income (loss)					28.4				28.4	74.4	102.8
Other comprehensive income						(231.7)	9.4	0.7	(221.6)	(36.9)	(258.5)
Comprehensive income					***28.4***	***(231.7)***	***9.4***	***0.7***	***(193.2)***	***37.5***	***(155.7)***
Capital increase									0.0	4.0	4.0
2022 dividends									0.0	(73.4)	(73.4)
Allocation of free shares					6.6				6.6		6.6
Purchases and sales of treasury stock				0.6					0.6		0.6
Changes in scope of consolidation and other					42.1	(2.1)			40.0	(0.1)	39.9
Shareholders' equity as of June 30, 2023 before appropriation of net income (loss)	**197,089,340**	**1,379.6**	**1,408.7**	**(3.9)**	**1,881.7**	**(250.3)**	**24.1**	**(38.0)**	**4,401.9**	**1,659.1**	**6,061.0**

(1) Of which 77,093 treasury stock as of 06/30/2023 and 84,171 treasury stock as of 12/31/2022 - See note 9.

(2) Of which €524.5 miillion on January 31, 2022 and €692.3 million on June 24, 2022.

2.5. Notes to the consolidated financial statements

FORVIA comprises the complementary technology and industrial strengths of FORVIA and HELLA, and is the 7th largest global automotive supplier.

FORVIA S.E. is a European company which registered office is located at 23-27, avenue des Champs-Pierreux, 92000 Nanterre (Hauts-de-Seine department) in France. The Company is listed on Euronext Paris.

The consolidated financial statements were approved by FORVIA's Board of Directors on July 26, 2023.

The accounts were prepared on a going concern basis.

Contents

Note 1 Summary of significant accounting policies

1. Accounting principles

The consolidated financial statements of the FORVIA group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website.

The interim consolidated financial statements comply with IAS 34 "Interim Financial Reporting", which permits entities to present condensed information. They should therefore be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

The standards used to prepare the interim consolidated financial statements for the six months ended June 30, 2023 and comparative data for 2022 are those published in the Official Journal of the European Union (OJEU) as of June 30, 2023, whose application was mandatory at that date. All new standards, amendments and revisions to the existing standards, (Amendments to following standards : IAS 1 : disclosures on accounting policies, IAS 8 : Definition of Accounting Estimates, IAS 12 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction, IFRS 17 and linked amendments : insurance contracts) have no significant impact on the Group semester consolidated financial statements. The amendement to IAS 12 international Tax Reform — Pillar Two Model Rules, published on May 23, 2023, will only be applicable after its adoption by the UE, which is still not the case ; the analysis of the potential impacts is on going. Moreover, in France, following the pension reform published on April 14, 2023, the retirement age has been postponed by 2 years. The impact of this reform is not material (see note 17).

Moreover, FORVIA has not undertaken any early application of new standards, amendments or interpretations whose application is mandatory after June 30, 2023, irrespective of whether or not they are adopted by the European Union.

The main accounting policies considered have been applied consistently to all presented periods. Specifically, the operating margin (before amortization of intangible assets acquired) is the FORVIA group's principal performance indicator. It corresponds to net income of the fully consolidated companies before:

- the amortization of intangible assets acquired in business combinations (customer relationship...);
- other non-recurring operating income and expenses, corresponding to material, unusual and non-recurring items including reorganization costs and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure of an industrial site, disposals of non-operating buildings, impairment losses and reversals 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 expenses, 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 IFRS 9, and gains and losses on sales of shares in subsidiaries;
- taxes.

The FORVIA's group financial statements are presented in euros. Except if specifically specified, amounts are in million of euros; generally, amounts presented are rounded to the closest unit; consequently, the sum of rounded amounts can present non significant differences to the reported total. Moreover, ratios and variances reported are computed with the detailed amounts and not with the rounded amounts.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions when measuring certain assets, liabilities, income, expenses accounted for in the financial statements as well as for the evaluation of commitments given and contingent liabilities. These estimates and assumptions are primarily used for measuring pension and other employee benefit obligations as well as for lease liabilities and depreciation of deferred tax assets. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. These estimations are revised on a regular basis. Moreover, the Group must exercise judgment in determining whether the criteria for recognizing an asset or group of assets as held for sale are met, pursuant to the provisions of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

2. Modifications to the previously published consolidated financial statements

IFRS 5 – DISCONTINUED ACTIVITIES

FORVIA has announced mid February 2023 to have signed with the Motherson Group an agreement by which Motherson commits to acquire FORVIA's SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors Segment. The transaction remains subject to customary conditions precedents, including regulatory approvals, which are on going. All the conditions were met from an IFRS point of view to qualify the activity as discontinued, mainly regarding the criteria of being a major line of business and the highly probable character of the sale.

Since January 1, 2023, applying IFRS 5, the corresponding assets and liabilities have been isolated in dedicated lines as the net result of the corresponding discontinued activities.

The net income, other comprehensive income and cash flows items of discontinued operations are presented separately in the statement of financial position for the first half year 2023 and all prior periods presented in the financial statements. Assets and liabilities as held for sale are presented in the balance sheet without any restatement of the prior years. Inter-company transactions other than the ones linked to management fees remain eliminated. The classification of management fees for which the sale of the SAS will have no impact has been maintained in operating income.

The restatements of the previously published financial statements for the year 2022 and the first half year 2022 are detailed in the tables below.

RESTATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

First half 2022 restated

(in € million)	First-Half 2022 published in July 2022	IFRS 5 Impact	First-Half 2022 restated
SALES	11,623.1	(389.9)	11,233.2
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	426.3	(28.5)	397.8
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	(232.5)	6.0	(226.5)
NET INCOME FROM CONTINUED OPERATIONS	(244.4)	6.0	(238.4)
NET INCOME FROM DISCONTINUED OPERATIONS	0.0	(6.0)	(6.0)
CONSOLIDATED NET INCOME (LOSS)	(244.4)	0.0	(244.4)
Attributable to owners of the parent	**(296.5)**	**0.0**	**(296.5)**
Attributable to minority interests from continued operations	52.0	0.0	52.0
Attributable to minority interests from discontinued operations	0.0	0.0	0.0

Full year 2022 restated

(in € million)	Full-Year 2022 published in February 2023	IFRS 5 impact	2022 restated
SALES	25,458.2	(884.5)	24,573.7
OPERATING INCOME (BEFORE AMORTIZATION OF ACQUIRED INTANGIBLE ASSETS)	1,114.9	(54.4)	1,060.5
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	(261.8)	17.7	(244.1)
NET INCOME FROM CONTINUED OPERATIONS	(250.4)	17.7	(232.7)
NET INCOME FROM DISCONTINUED OPERATIONS	0.0	(17.7)	(17.7)
CONSOLIDATED NET INCOME (LOSS)	(250.4)	0.0	(250.4)
Attributable to owners of the parent	**(381.8)**	**0.0**	**(381.8)**
Attributable to minority interests from continued operations	131.4	0.0	131.4
Attributable to minority interests from discontinued operations	0.0	0.0	0.0

RESTATED CONSOLIDATED CASH FLOW STATEMENT

First half 2022 restated

(in € million)	First-Half 2022 published in July 2022	IFRS 5 Impact	First-Half 2022 restated
I- OPERATING ACTIVITIES			
EBITDA adjusted	**1,321.1**	**(54.8)**	**1,266.3**
Change in working capital requirement	**255.9**	**68.1**	**324.1**
Operating cash flows from discontinued activities	**0.0**	**(36.0)**	**(36.0)**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,031.2	0.0	1,031.2
II- INVESTING ACTIVITIES			
Investing cash flows from discontinued operations	**0.0**	**(17.3)**	**(17.3)**
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	(5,593.7)	0.0	(5,593.7)
CASH PROVIDED BY (USED IN) OPERATING AND INVESTING ACTIVITIES (I)+(II)	(4,562.5)	0.0	(4,562.5)
III- FINANCING ACTIVITIES			
Financing cash flows from discontinued activities	**0.0**	**(8.0)**	**(8.0)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	3,791.4	0.0	3,791.4
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	66.8	(0.8)	66.0
Net cash flows from discontinued operations	**0.0**	**(125.8)**	**(125.8)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(704.3)	(126.6)	(830.9)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4,905.7	0.0	4,905.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,201.5	(126.6)	4,074.9

Full year 2022 restated

(in € million)	Full-Year 2022 published in February 2023	Impact IFRS 5	2022 restated
I- OPERATING ACTIVITIES			
EBITDA adjusted	**3,011.9**	**(104.6)**	**2,907.3**
Change in working capital requirement	**557.2**	**31.1**	**588.3**
Operating cash flows from discontinued activities	**0.0**	**32.0**	**32.0**
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,464.6	0.0	2,464.6
II- INVESTING ACTIVITIES			
Investing cash flows from discontinued operations	**0.0**	**(44.6)**	**(44.6)**
Cash flows provided by (used in) investing activities	(6,250.7)	0.0	(6,250.7)
Cash provided by (used in) operating and investing activities (I)+(II)	(3,786.1)	0.0	(3,786.1)
III- FINANCING ACTIVITIES			
Financing cash flows from discontinued activities	**0.0**	**(0.9)**	**(0.9)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	3,119.9	0.0	3,119.9
IV- OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents	(38.4)	0.1	(38.4)
Net cash flows from discontinued operations	**0.0**	**(29.7)**	**(29.7)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(704.6)	(29.7)	(734.3)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4,905.7	0.0	4,905.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,201.1	(29.7)	4,171.4

Note 2 Change in scope of consolidation and recent events

2.1 Disposal of SAS

FORVIA has announced mid February 2023 to have signed with the Motherson Group an agreement by which Motherson commits to acquire FORVIA's SAS Cockpit Modules division (assembly and logistics services), reported as part of its Interiors Segment, for an entreprise value of €540 million. The transaction remains subject to customary conditions precedents, including regulatory approvals, which are on going.

In accordance with IFRS 5, "net income of discontinued operations" presented in the Consolidated statement of comprehensive income amounts to €18.4 million and corresponds mainly to the operations of the SAS business from January 1, 2023 to June 30, 2023 for sales of €528.9 million. This activity comprises mainly fixed assets for manufacturing as well as the current assets and liabilities linked to the working capital. The assets have been presented separately on a line "Assets held for sale" in the consolidated balance sheet as at June 30, 2023 and are valued at the lower of its carrying amount or fair value less costs linked to the disposal. The corresponding liabilities have been presented on a line "Liabilities linked to assets held for sale" in the consolidated balance sheet.

The accounting principles and policies applied to discontinued operations are the same as those applied for annual accounts.

2.2 Other changes in scope in 2023

Within Seating perimeter, in China, the company Zhengzhou Faurecia Automotive Parts Co LTD has been created and is fully consolidated since April 2023, it is held at 70% by Group. The company SIELEST has been absorbed into the company SIEDOUBS as of January 1, 2023.

For Interiors, in United States, the companies of Detroit Manufacturing Systems' Group held at 49% and consolidated by equity method have been sold in June 2023.

Within Clean Mobility perimeter, companies dedicated to the hydrogen activities have been created in France, in Germany, in China, in South Korea et in United states during the first half year 2023.

In China, for Lighting segment, the company Hella Faway Automotive Lighting (Tianjin) Co., Ltd has been created in May 2023. It is held at 39.98% and consolidated by equity method.

For Electronics, in China, the company Parrot Automotive Shenzhen, held at 100% and fully consolidated, has been liquidated in June 2023.

2.3 Reminder of change in scope of consolidation introduced in 2022

FORVIA has completed on January 31, 2022 the acquisition of 79.5% of HELLA, group listed on the Frankfort Stock Exchange, comprising the 60% acquired from the family pool, of which 8.95% were paid through newly issued FORVIA shares and 19.5% as a result of the public tender offer. FORVIA also acquired additional shares on the market, representing 2.09% of HELLA shares as of March 18, 2022. As of December 31, 2022, FORVIA holds 81.6% of HELLA shares. FORVIA has an exclusive control on HELLA, which is fully consolidated (including all its significant affiliates) since February 1, 2022.

Within the Seating perimeter, in China the companies Xian Faurecia Automotive Parts Co., Ltd and Changzhou Faurecia Automotive Parts Co., Ltd have been created and are fully consolidated since February 2022; they are held at 70% by the Group. The company Faurecia (Tianjin) Automotive Systems Co., Ltd has been created and is fully consolidated since February 2022; it is held at 100%. The company Faurecia (Changshu) Automotive System Co., Ltd in China, fully consolidated, is being held at 60% vs initially at 55% since October 2022.

For the Electronics perimeter, in Mexico, the company Hitachi Automotive Systems San Juan Del Rio, S.A. de C.V held at 20% and consolidated in equity method had been sold in June 2022. In China, the company Changchun FAWSN Faurecia Cockpit of Future System Co., Ltd in China, has been acquired in July 2022 at 50% and is fully consolidated and the company Faurecia Clarion (Wuhan) has been created and is fully consolidated since September 2022, it is held at 100%.

Within the Lighting perimeter, the company HBPO Beteiligungsgesellschaft mbH in Germany, consolidated in equity method with a share of 27% since February 2022 following HELLA acquisition has been sold in December 2022.

2.4 Recent events

ECONOMICAL CONTEXT

The worldwide automotive production showed strong dynamics in H1 2023 with a global production of 43.3 million light vehicles, corresponding to an 11.2% growth year on year. The market was supported by a very robust global demand and the progressive normalization of semi-conductor's supply.

The impact of cost inflation has however persisted during the first half year 2023. Compared to 2022, which predominantly caused by increase in raw material prices, cost inflation in 2023 mainly related to energy, labor and, to a lesser extent, raw material prices (some of them starting to go down).

During first half 2023, FORVIA has signed three agreements finalizing its €1 billion asset disposal program that started in 2022:

- the sale of SAS Cockpit Modules division (assembly and logistics services) to the Motherson Group, for an enterprise value of €540 million (See Notes 1.2 & 2.1);
- the sale of part of commercial vehicle exhaust gas after treatment business in Europe and in the United-States to Cummins for an enterprise value of €142 million;
- the sale of a part of its stake in Symbio to Stellantis. Upon closing of this transaction, FORVIA, Michelin and Stellantis will be equal partners in Symbio.

Note 3 Post-balance sheet events

No significant post-balance sheet events have occurred apart from the events described in 2.4.

Note 4 Information by operating segment

The Group is structured into business units based on the nature of the products and services offered ; following the integration of the activities of HELLA, acquired on January 31, 2022, the group business units are presented as follows since December 31, 2022:

- Seating (design and manufacture of complete vehicle seats, seating frames and adjustment mechanisms);
- Interiors (design, manufacture and assembly of instrument panels and complete cockpits, door panels and modules);
- Clean Mobility (design and manufacture of exhaust systems, solutions for fuel cell electric vehicles, and aftertreatment solutions for commercial vehicles);
- Electronics (design and manufacture of display technologies, driver assistance systems and cockpit electronics), which includes HELLA Electronics and Clarion Electronics;
- Lighting (design and manufacture of lighting technologies);
- Lifecycle solutions (solutions extending the vehicle lifecycle as well as workshop equipment and special original equipment)

The data as at June 30, 2022 were published while the integration of HELLA, acquired on January 31, 2022, was on going, leading to the presentation of all the HELLA activities as one specific segment. These data have been restated to reflect the business units defined above.

These business units are managed by the Group on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment – notably operating income (before amortization of acquired intangible assets)– and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expenses, and taxes are monitored at the Group level and are not allocated to the various segments. A review of the useful life for the fixed assets has been performed in regard to the climate changes and its regulatory consequences as known at the closing date, more specifically for the Clean Mobility segment, and has not enabled to identify any significant impact for the Group.

4.1 Key figures by operating segment

First-Half 2023

(in € million)	Seating	Interiors	Clean Mobility	Electronics	Lighting	Lifecycle Solutions	Other	Total
TOTAL SALES	4,266.3	2,480.1	2,476.9	2,229.9	1,880.7	550.3	96.7	13,980.8
Inter-segment eliminations	(18.3)	(42.1)	(9.4)	(182.6)	(6.4)	(4.8)	(96.7)	(360.3)
Consolidated sales	**4,248.0**	**2,438.0**	**2,467.5**	**2,047.3**	**1,874.2**	**545.5**	**0.0**	**13,620.6**
Operating income (before amortization of acquired intangible assets)	**139.4**	**93.5**	**190.3**	**88.3**	**91.3**	**72.1**	**0.0**	**674.9**
Amortization of intangible assets acquired in business combinations								(97.6)
Operating income (after amortization of acquired intangible assets)								**577.3**
Other non recurring operating income								8.5
Other non recurring operating expenses								(79.7)
Finance costs, net								(239.2)
Other financial income and expenses								(66.6)
Corporate income tax								(115.7)
Share of net income of associates								(0.1)
Net income of continued activities								84.5
Net income of discontinued activities								18.4
NET INCOME (LOSS)								102.9
Segment assets	**5,302.1**	**3,989.6**	**4,995.1**	**5,913.0**	**3,153.9**	**1,305.7**	**620.6**	**25,280.0**
Net property, plant and equipment	886.5	773.7	845.7	1,129.1	973.2	128.7	127.4	4,864.3
Right-of-use assets	241.9	285.4	199.5	66.2	63.3	12.5	155.9	1,024.8
Other segment assets	4,173.7	2,930.5	3,950.0	4,717.8	2,117.3	1,164.5	337.3	19,391.0
Investments in associates								301.9
Other equity interests								115.8
Short and long-term financial assets								3,968.8
Tax assets (current and deferred)								1,142.3
Assets held for sale								1,517.5
TOTAL ASSETS								32,326.4
Segment liabilities	**2,958.9**	**2,334.7**	**3,966.3**	**1,485.9**	**1,548.1**	**246.1**	**576.4**	**13,116.3**
Borrowings								10,482.5
Lease liabilities								1,139.7
Tax liabilities (current and deferred)								404.7
Liabilities linked to assets held for sale								1,122.2
Equity and minority interests								6,061.0
TOTAL LIABILITIES								32,326.4
Capital expenditure	89.2	105.7	64.4	85.7	89.6	5.6	12.2	452.5
Depreciation of property, plant and equipment	(78.9)	(74.8)	(80.9)	(92.3)	(81.0)	(9.2)	(7.8)	(424.9)
Depreciation of right-of-use assets	(35.2)	(33.2)	(24.6)	(11.6)	(5.8)	(2.5)	(11.4)	(124.3)
Impairment of property, plant and equipment	(1.8)	(1.3)	(2.5)	(0.1)	0.0	0.0	0.0	(5.7)
Headcounts	47,081	33,184	20,867	20,604	23,107	5,038	5,959	155,840

First-Half 2022 restated

(in € million)	Seating	Interiors restated	Clean Mobility	Electronics	Lighting	Lifecycle Solutions	Other	Total
TOTAL SALES	3,555.8	2,201.1	2,293.2	1,676.3	1,295.6	419.7	76.4	11,518.0
Inter-segment eliminations	(26.0)	(29.4)	(8.4)	(125.8)	(14.2)	(4.6)	(76.4)	(284.8)
Consolidated sales	**3,529.9**	**2,171.7**	**2,284.8**	**1,550.5**	**1,281.4**	**415.1**	**0.0**	**11,233.2**
Operating income (before amortization of acquired intangible assets)	**64.6**	**62.5**	**151.9**	**62.9**	**10.7**	**45.1**	**0.0**	**397.8**
Amortization of intangible assets acquired in business combinations								(80.5)
Operating income (after amortization of acquired intangible assets)								**317.3**
Other non recurring operating income								0.8
Other non recurring operating expenses								(229.3)
Finance costs, net								(162.7)
Other financial income and expenses								(108.4)
Corporate income tax								(44.2)
Share of net income of associates								(11.9)
Net income from continued operations								**(238.4)**
Net income from discontinued operations								**(6.0)**
NET INCOME (LOSS)								(244.4)
Segment assets	**4,852.6**	**4,556.0**	**5,248.9**	**4,612.8**	**2,767.1**	**733.8**	**3,452.0**	**26,223.2**
Net property, plant and equipment	852.0	848.5	933.0	1,131.0	1,027.7	126.6	169.7	5,088.6
Right-of-use assets	234.5	372.6	233.6	78.3	50.3	14.4	166.4	1,150.1
Other segment assets	3,766.1	3,334.9	4,082.3	3,403.5	1,689.1	592.8	3,115.9	19,984.5
Investments in associates								559.1
Other equity interests								72.1
Short and long-term financial assets								4,622.6
Tax assets (current and deferred)								998.6
Assets held for sale								0.0
TOTAL ASSETS								32,475.7
Segment liabilities	**2,674.2**	**2,886.3**	**4,051.4**	**1,346.6**	**1,041.7**	**218.0**	**435.2**	**12,653.4**
Borrowings								11,361.9
Lease liabilities								1,266.5
Tax liabilities (current and deferred)								669.9
Liabilities linked to assets held for sale								0.0
Equity and minority interests								6,524.1
TOTAL LIABILITIES								32,475.7
Capital expenditure	69.8	59.0	55.3	131.9	156.2	16.6	8.8	497.6
Depreciation of property, plant and equipment	(76.8)	(76.4)	(84.3)	(82.7)	(103.6)	(7.2)	(8.2)	(439.1)
Depreciation of right-of-use assets	(34.9)	(31.4)	(25.3)	(10.6)	(5.1)	(2.0)	(10.6)	(119.8)
Impairment of property, plant and equipment	(2.1)	(5.3)	(11.1)	0.0	0.0	0.0	(0.3)	(18.9)
Headcounts	44,545	31,991	20,843	18,817	22,295	4,922	5,741	149,154

Full-Year 2022 restated

(in € million)	Seating	Interiors restated	Clean Mobility	Electronics	Lighting	Lifecycle Solutions	Other	Total
TOTAL SALES	7,750.1	4,699.2	4,754.1	3,806.9	3,096.1	902.7	199.2	25,208.3
Inter-segment eliminations	(45.8)	(54.3)	(18.4)	(285.0)	(22.1)	(9.8)	(199.2)	(634.6)
Consolidated sales	**7,704.3**	**4,645.0**	**4,735.7**	**3,521.7**	**3,074.0**	**893.0**	**0.0**	**24,573.7**
Operating income (before amortization of acquired intangible assets)	**197.0**	**191.3**	**336.3**	**140.8**	**106.5**	**88.5**	**0.0**	**1,060.5**
Amortization of intangible assets acquired in business combinations								(189.9)
Operating income (after amortization of acquired intangible assets)								**870.6**
Other non recurring operating income								1.8
Other non recurring operating expenses								(444.3)
Finance costs, net								(326.8)
Other financial income and expenses								(168.4)
Corporate income tax								(177.0)
Share of net income of associates								11.4
Net income from continued operations								**(232.7)**
Net income from discontinued operations								**(17.7)**
NET INCOME (LOSS)								(250.4)
Segment assets	**5,246.6**	**5,040.9**	**4,993.7**	**5,979.9**	**3,064.3**	**1,317.3**	**553.6**	**26,196.4**
Net property, plant and equipment	898.5	860.7	890.9	1,179.2	975.2	134.3	117.0	5,055.8
Right-of-use assets	259.6	400.2	219.7	71.6	64.3	13.5	154.7	1,183.5
Other segment assets	4,088.5	3,780.0	3,883.1	4,729.2	2,024.8	1,169.6	282.0	19,957.1
Investments in associates								333.9
Other equity interests								128.5
Short and long-term financial assets								4,573.2
Tax assets (current and deferred)								986.3
Assets held for sale								0.0
TOTAL ASSETS								32,218.4
Segment liabilities	**2,845.2**	**2,951.4**	**3,830.4**	**1,409.2**	**1,486.3**	**229.1**	**597.3**	**13,348.8**
Borrowings								10,879.9
Lease liabilities								1,301.0
Tax liabilities (current and deferred)								449.5
Liabilities linked to assets held for sale								0.0
Equity and minority interests								6,239.1
TOTAL LIABILITIES								32,218.4
Capital expenditure	226.4	168.3	132.0	270.3	270.8	33.2	26.7	1,127.7
Depreciation of property, plant and equipment	(155.7)	(157.6)	(171.7)	(189.7)	(178.4)	(17.1)	(22.8)	(893.2)
Depreciation of right-of-use assets	(71.4)	(64.0)	(50.9)	(22.0)	(11.3)	(4.5)	(22.4)	(246.4)
Impairment of property, plant and equipment	(10.1)	(13.7)	(17.9)	(2.8)	0.0	0.0	(11.7)	(56.1)
Headcounts	45,052	33,541	20,462	19,817	22,779	4,870	5,878	152,399

4.2 Sales by operating segment

Sales by operating segment break down as follows:

(in € million)	First-Half 2023 Consolidated Sales	%	First-Half 2022 restated Consolidated Sales	%	2022 restated Consolidated Sales	%
Seating	4,248.0	31	3,529.9	32	7,704.3	31
Clean Mobility	2,467.5	18	2,284.8	20	4,735.8	19
Interiors	2,438.0	18	2,171.6	19	4,644.9	19
Electronics	2,047.3	15	1,550.4	14	3,521.7	14
Lighting	1,874.3	14	1,281.4	11	3,074.0	13
Lifecycle solutions	545.5	4	415.1	4	893.0	4
TOTAL	**13,620.6**	**100**	**11,233.2**	**100**	**24,573.7**	**100**

4.3 Sales by major customer

Sales* by major customer break down as follows:

(in € million)	First-Half 2023 Consolidated Sales	%	First-Half 2022 restated Consolidated Sales	%	2022 restated Consolidated Sales	%
VW Group	1,947.4	14	1,642.5	15	3,454.4	14
Stellantis	1,618.0	12	1,490.9	13	2,937.3	12
Ford Group	960.9	7	926.9	8	1,973.1	8
Renault-Nissan	886.8	7	700.9	6	1,585.6	7
Mercedes-Benz	824.8	6	701.4	6	1,505.5	6
Global vehicle company	777.4	6	424.4	4	1,113.3	5
BMW	701.6	5	446.4	4	1,071.5	4
Others	5,903.7	43	4,899.7	44	10,933.0	44
TOTAL	**13,620.6**	**100**	**11,233.2**	**100**	**24,573.7**	**100**

* *The presentation of sales invoiced may differ from that of sales by end customer when products are transferred to intermediary assembly companies.*

Note 5 Analysis of operating expenses

5.1 Analysis of operating expenses by function

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Cost of sales	(11,771.1)	(9,835.9)	(21,442.1)
Research and development costs	(527.0)	(452.1)	(896.0)
Selling and administrative expenses	(647.6)	(547.4)	(1,175.1)
TOTAL	**(12,945.7)**	**(10,835.4)**	**(23,513.2)**

5.2 Analysis of operating expenses by nature

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Purchases consumed	(8,391.8)	(6,748.7)	(14,885.3)
External costs	(1,519.1)	(1,260.8)	(2,711.3)
Personnel costs	(2,969.1)	(2,543.1)	(5,293.3)
Taxes other than on income	(30.6)	(31.8)	(62.2)
Other income and expenses	886.8	618.3	1,212.4
Depreciation, amortization and provisions for impairment in value of non-current assets	(932.4)	(868.5)	(1,846.8)
Charges to and reversals of provisions	10.6	(0.8)	73.3
TOTAL	**(12,945.7)**	**(10,835.4)**	**(23,513.2)**

5.3 Research and development costs

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Research and development costs, gross	(1,105.4)	(1,026.3)	(2,067.5)
Allowance/reversal of depreciation of assets in development	(15.2)	0.6	0.6
Capitalized development costs	593.5	573.6	1,170.8
of which in inventory	*97.1*	*110.8*	*216.7*
of which in intangible assets	*496.4*	*462.8*	*954.1*
TOTAL	**(527.0)**	**(452.1)**	**(896.0)**

Development costs are usually capitalized in intangible assets as they are considered as set up costs for the serial parts production, and then amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances. For some specific contracts where the developments works are a separate performance obligation under IFRS 15 the corresponding costs comply with the definition of work in progress and are capitalized in inventory. These inventories are then expensed (cost of sales) when the corresponding revenue is recognized.

The development costs recognized in the cost of sales (stock decrease and R&D assets depreciation) amount to €442.2 million as of June 30, 2023 vs €400.1 million as of June 30, 2022 restated and € 877.8 million as of December 31, 2022 restated.

5.4 Depreciation, amortization and provisions for impairment in value of non-current assets

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Amortization of capitalized development costs	(348.5)	(309.7)	(674.5)
Provisions for impairment of capitalized development costs	(11.0)	(6.6)	(10.0)
Amortization of other intangible assets	(23.8)	(19.5)	(39.5)
Depreciation of specific tooling	(4.6)	(4.9)	(10.1)
Depreciation and impairment of other property, plant and equipment	(420.2)	(408.0)	(866.3)
Depreciation of right-of-use assets	(124.3)	(119.8)	(246.4)
TOTAL	**(932.4)**	**(868.5)**	**(1,846.8)**

This table does not include allowances and reversals of provision for non-recurring items.

Note 6 Other non recurring operating income and expenses

Other non recurring operating income and expenses are analyzed as follows:

OTHER NON RECURRING OPERATING INCOME

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Release of provision for impairment of assets	0.2	0.0	0.0
Gain on disposals of assets	2.6	0.1	1.5
Others	5.7	0.7	0.3
TOTAL	**8.5**	**0.8**	**1.8**

OTHER NON RECURRING OPERATING EXPENSES

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Other provisions for impairment of assets	0.0	0.0	0.0
Reorganization expenses[(1)(3)]	(71.8)	(153.4)	(349.2)
Impairment of goodwill	0.0	0.0	0.0
Losses on disposal of assets	0.0	0.0	0.0
Others[(2)(3)]	(7.9)	(75.9)	(95.1)
TOTAL	**(79.7)**	**(229.3)**	**(444.3)**

(1) As of June 30, 2023, this item includes restructuring costs in the amount of €64.1 million and provisions for impairment in value of assets in the amount of €7.7 million versus €205.1 million and €144.1 million as of December 31, 2022 and €120.5 million and €32.9 million as of June 30, 2022.

(2) Of which €1.8 million as of June 30, 2023 and €43.0 million as of December 31, 2022 and €41.3 million as of June 30, 2022 of costs linked to the acquisition of HELLA.

(3) Of which €74.0 million as of June 30, 2022 and €130.3 million as of December 31, 2022 of costs linked to reduction of activities in Russia.

RESTRUCTURING

Reorganization costs (€71.8 million) include redundancy and site relocation payments for 1,730 people.

Note 7 Finance costs and Other financial income and expenses

7.1 Finance costs

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Finance costs	(250.8)	(153.5)	(325.1)
Finance costs on leases	(29.4)	(25.2)	(52.0)
TOTAL	**(280.2)**	**(178.7)**	**(377.1)**

7.2 Other financial income and expenses

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Impact of discounting pension benefit obligations	(10.8)	(13.6)	(11.2)
Changes in the ineffective portion of currency hedges	0.1	(0.1)	(0.3)
Changes in fair value of currency hedged relating to debt	1.9	(11.6)	(1.1)
Foreign exchange gains and losses on borrowings	(7.1)	(19.1)	(34.0)
Hyperinflation impact (Argentina-Turkey)	(15.7)	(19.0)	(29.8)
Others*(1) (2)	(35.0)	(45.0)	(92.0)
TOTAL	**(66.6)**	**(108.4)**	**(168.4)**

** This item includes amortization of costs related to long-term debts and commissions for non-use of the credit facility.*
(1) Of which €34.3 million of financial costs linked to the acquisition of HELLA in full year 2022 vs. €23.9 million in first-half 2022.
(2) Of which €18.5 million for the variance of the fair value of the off-site VPPA contracts - cf Note 19.

Note 8 Corporate income tax

Corporate income tax can be analyzed as follows:

(in € million)	First-Half 2023	First-Half 2022 restated	2022 restated
Pre-tax income of consolidated companies	**200.3**	**(182.3)**	**(67.1)**
Theoretical Tax (25.83% in 2023)	*(51.7)*	*47.1*	*17.3*
Effect of rate changes on deferred taxes recognized on the balance sheet	(2.9)	(1.3)	(1.0)
Effect of local rate differences*	31.6	17.1	44.6
Tax credits	2.5	3.6	6.4
Change in unrecognized deferred tax	(93.9)	(40.7)	(173.5)
Permanent differences & others**	(1.3)	(70.0)	(70.8)
Corporate tax recognized	**(115.7)**	**(44.2)**	**(177.0)**

** The impact of local rate differences mainly relates to Chinese and German entities.*
*** Mainly due to withholding tax.*

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the loss carry forward can be utilized, based on the Group's forecasts.

Deferred tax assets are not recognized for tax losses carried forward that are not certain of being utilized. As of June 30, 2023, these assets amounted to €748.9 million, compared with €730.5 million in June 30, 2022 and €736.2 million as of December 31, 2022.

Note 9 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. For the purpose of calculating diluted earnings per share, the Group adjusts net income attributable to owners of the parent and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

	First-Half 2023	First-Half 2022 restated	2022 restated
Number of shares outstanding at year-end [(1)]	**197,089,340**	**197,089,340**	**197,089,340**
Adjustments:			
■ treasury stock	(77,093)	(138,471)	(84,171)
■ weighted impact of share issue prorated		(47,052,687)	(23,332,976)
Weighted average number of shares before dilution	**197,012,247**	**149,898,182**	**173,672,193**
Weighted impact of dilutive instruments:			
■ free shares attributed	637,830	79,409	81,117
■ bonds with conversion option	0	0	0
Weighted average number of shares after dilution	**197,650,077**	**149,977,591**	**173,753,310**

(1) Changes in the number of shares outstanding as of June 30, 2023, are analyzed as follows:

As of December 31, 2022: Number of FORVIA shares outstanding	***197,089,340***
change of number of shares	*0*
As of June 30, 2023: Number of FORVIA shares outstanding	***197,089,340***

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value.

The potentially dilutive impact of free shares is taken into account considering the number of shares to be distributed for the plans of which the realization of the performance conditions has already been stated by the Board.

Earnings per share

Earnings per share break down as follows:

	First-Half 2023	First-Half 2022 restated	2022 restated
Net Income (loss) *(in € million)*	**28.4**	**(296.5)**	**(381.8)**
Basic earnings (loss) per share	0.14	(1.98)	(2.20)
After dilution	0.14	(1.98)	(2.20)
Net Income (loss) from continued operations *(in € million)*	**10.1**	**(290.4)**	**(364.1)**
Basic earnings (loss) per share	0.05	(1.94)	(2.10)
After dilution	0.05	(1.94)	(2.10)
Net Income (loss) from discontinued operations *(in € million)*	**18.4**	**(6.0)**	**(17.7)**
Basic earnings (loss) per share	0.09	(0.04)	(0.10)
After dilution	0.09	(0.04)	(0.10)

Note 10 Goodwill

(in € million)	Gross	Impairment	Net
Amount as of January 1, 2022	**2,896.7**	**(660.5)**	**2,236.2**
Acquisitions	3,014.0	0.0	3,014.0
Provision for impairment	0.0	0.0	0.0
Translation adjustments and other movements	10.2	(0.1)	10.1
Amount as of December 31, 2022	**5,920.9**	**(660.6)**	**5,260.3**
Acquisitions	0.0	0.0	0.0
Provision for impairment	0.0	0.0	0.0
Translation adjustments and other movements*	(128.1)	0.1	(127.9)
Amount as of June 30, 2023	**5,792.8**	**(660.5)**	**5,132.4**

* Including €123.2 million reclassified to Assets held for sale.

The CGU to which goodwill is allocated represents the level within the operating segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs (see Note 4):

- Seating;
- Interiors;
- Clean Mobility;
- Electronics;
- Lighting;
- Lifecycle Solutions.

The carrying amount of assets and liabilities thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

Breakdown of the net amount of goodwill by operating segment:

(in € million)	06/30/2023	12/31/2022
Seating	1,141.8	1,141.8
Interiors	766.1	889.0
Clean Mobility	689.9	694.9
Electronics	1,661.5	1,661.5
Lighting	291.1	291.1
Lifecycle solutions	581.9	581.9
TOTAL	**5,132.4**	**5,260.3**

As of June 30, 2023, the management did not identify any triggering event for a potential impairment. The future worldwide automotive market assumptions, based themselves on external information sources, being the basis for the cash flow forecasts for the CGUs within the frame of the 2022 year closing (respectively of 81 million of cars in 2023, 85 million in 2024 and 88 million in 2025) have been confirmed as of June 30, 2023.

Note 11 Investments in associates

Investment in associates for continued operations:

As of June 30, 2023

(in € million)	% interest	FORVIA Group share of equity*	Dividends received by the Group FORVIA	FORVIA Group share of sales	FORVIA Group share of total assets
Changchun Hella Faway Automotive Lighting Co.	40%	46.6	0.0	31.6	81.9
HELLA MINTH Jiaxing Automotive Parts Co.	41%	27.8	0.0	5.0	33.4
Behr-Hella Thermocontrol GmbH	41%	52.5	0.0	122.4	194.7
FAURECIA-NHK Co., Ltd	50%	0.0	0.0	116.1	43.3
Teknik Malzeme Ticaret Ve Sanayi A.S.	50%	0.0	0.0	8.1	15.0
Symbio	50%	1.2	0.0	5.1	266.5
Total Network Manufacturing LLC	49%	0.8	0.0	66.4	34.9
Detroit Manufacturing Systems, LLC**	49%	0.0	(0.6)	301.9	10.8
Others		172.9	(14.5)	299.6	478.5
TOTAL		**301.9**	**(15.1)**	**956.1**	**1,159.1**

** As the Group share of some company's net equity is negative, it is recorded under liabilities as a provision for contingencies and charges.*
*** Sold in June 2023.*

There is no joint operation in the sense of IFRS 11 within the companies consolidated by equity method.

11.1 Change in investments in associates

(in € million)	06/30/2023	06/30/2022	12/31/2022
Group share of equity at beginning of period	**333.9**	**150.8**	**150.8**
Dividends	(15.1)	(19.0)	(22.1)
Share of net income of associates	(0.1)	(11.9)	11.4
Change in scope of consolidation	(5.4)	433.6	197.8
Capital increase	(0.4)	1.4	2.8
Currency translation adjustments	(11.0)	4.2	(6.8)
Group share of equity at end of period	**301.9**	**559.1**	**333.9**

Note 12 Other non-current financial assets

Loans and other financial assets are initially stated at fair value and then at amortized cost, calculated using the effective interest method.

Provisions are booked on a case-by-case basis where there is a risk of non-recovery.

	06/30/2023			12/31/2022
(in € million)	Gross	Provisions	Net	Net
Loans to companies consolidated by equity method and non-consolidated companies	147.4	(7.1)	140.3	88.7
Other loans	19.1	(4.1)	15.0	11.9
Derivatives	34.3	0.0	34.3	23.1
Others	29.8	(3.7)	26.2	34.4
TOTAL	**230.6**	**(14.9)**	**215.8**	**158.1**

Note 13 Trade accounts receivables

Under trade receivables sale programs, the Group can sell a portion of the receivables of a number of its French, German, North American and other subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

The following table shows the amount of receivables sold with maturities beyond June 30, 2023, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized, as well as the financing under these programs:

(in € million)	06/30/2023	12/31/2022
Financing	1,370.6	1,304.2
Guarantee reserve deducted from borrowings	(32.5)	(29.3)
Cash received as consideration for receivables sold	1,338.2	1,274.9
Receivables sold and derecognized	(1,338.2)	(1,274.9)

Individually impaired trade receivables are as follows:

(in € million)	06/30/2023	12/31/2022
Gross total trade receivables	4,870.7	5,115.8
Provision for impairment of receivables	(48.3)	(49.9)
TOTAL	**4,822.4**	**5,065.9**

Given the high quality of Group counterparties, late payments do not represent a material risk. They generally arise from administrative issues.

Late payments as of June 30, 2023 were €256.1 million, breaking down as follows:

- €126.9 million less than one month past due;
- €39.0 million between one and two months past due;
- €28.8 million between two and three months past due;
- €26.8 million between three and six months past due;
- €34.6 million more than six months past due.

Note 14 Cash and cash equivalents

Cash and cash equivalents include current account balances in the amount of €2,759.7 million (compared to €3,747.5 million in 2022) and short-term investments in the amount of €757.5 million (compared to €453.5 million in 2022), for a total of €3,517.2 million as of June 30, 2023.

These components include cash at bank, current account balances, marketable securities such as money market and short-term money market funds, deposit and very short term risk free securities that are readily sold or converted into cash. Cash equivalents are investments held for the purpose of meeting short term cash commitments and are subject to an insignificant risk of change in value.

They are measured at fair value and variances are booked through P&L.

Note 15 Shareholders' equity

15.1 Capital

As of June 30, 2023, FORVIA capital stock totaled €1,379,625,380 divided into 197,089,340 fully paid-up shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Double voting rights are granted to all shares for which a nominative registration can be confirmed, for at least two years in the name of the same shareholder.

15.2 Share-based payment

FREE SHARE GRANT

In 2010, FORVIA implemented a share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

In 2021, FORVIA has implemented a unique long term share grant plan (Executive Super Performance Initiative-ESPI) for the members of the Group Executive Committee. The acquisition period is five years without conservation condition, and the maximum amount is limited to 300% of the yearly fixed wages. These shares are subject to a service and a performance condition, the Total Shareholder Return -TSR, compared to a peer group.

Free shares are measured at fair value by reference to the market price of FORVIA's shares at the grant date, less an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

Details of the share grant plans as of June 30, 2023 are set out in the table below:

Date of Annual Share-holders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted* for: reaching the objective	exceeding the objective	Performance condition	Share market value at grant date (€)	Adjustments: dividend rate	Non- trans-ferrability discount	Acquisition date	Sales date (from)
05/31/2021	10/25/2021	941,475	1,224,688	2023 after tax income target as stated in strategic plan when granted, FORVIA earning per share growth compared to a reference group of companies and percentage of diversity men-women within the management population	42.33	3.60%	NA	10/25/2025	10/25/2025
06/01/2022	07/28/2022	1,650,850	2,145,410	for the CEO : 2024 after tax income target as stated in strategic plan when granted, FORVIA earning per share growth compared to a reference group of companies and percentage of diversity men-women within the management population for the other beneficiaries : 2024 operating income and net cash flow target as stated in strategic plan when granted, FORVIA earning per share growth compared to a reference group of companies, percentage of diversity men-women within the management population and CO_2 emissions reduction target	16.68	6.00 %	NA	07/28/2026	07/28/2026
05/31/2021	07/23/2021	445,474	445,474	ESPI plan: FORVIA share relative performance (TSR) compared to a reference group of companies on a yearly basis; for the CEO, FORVIA share relative performance (TSR) compared to a reference group of companies on average over 5 years (2021-2026)	39.57	3.60%	NA	07/23/2026	07/23/2026

** Net of free shares granted cancelled.*

The shares corresponding to the plan attributed by the Board of October 9, 2019 (76,467), will be distributed in October 2023. The performance conditions for the plan attributed by the Board of October 22, 2020 have been partially met, the corresponding shares (561,363) will be distributed in October 2024.

Furthermore, a long-term variable remuneration (long-term incentive, LTI) has been implemented for HELLA Management Board before HELLA acquisition by FORVIA. This long term incentive is paid in cash. The performance criteria are based on the return on invested capital (RoIC), the income before tax as well as the performance of the HELLA share (total shareholder return). The LTI base amount is determined for the first fiscal year in the calculation period, as a fixed percentage of the annual fixed salary depending on the RoIC; the long term variable remuneration is based on a calculation period of five fiscal years and payment is made once the calculation period comprising a total of five fiscal years has come to an end. For example, the LTI allocated for the fiscal year 2020/2021 will be paid out at the end of the fiscal year 2024. As these LTI are share-based, their value is recognized according to IFRS2.

There are currently 5 plans on going with the following valuation:

Plan	Grant date	Vesting date	Debt as at 06/30/2023 *(in M€)*
LTI 19/20 (share based)	04/01/2020	12/31/2023	0.1
LTI 20/21 (share based)	06/01/2020	12/31/2024	4.6
LTI 21/22 (share based)	06/01/2021	12/31/2025	2.5
LTI 22 (share based)	06/01/2022	12/31/2026	2.1
LTI 23 (share based)	01/01/2023	12/31/2027	0.5

The amount recognized for the period for all these plans is an expense of €8.8 million, compared to €15.2 million for the first half-year 2022.

Note 16 Current provisions and contingent liabilities

16.1 Current provisions

A provision is recorded when Group Executive Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives, when relevant.

(in € million)	06/30/2023	12/31/2022
Restructuring	168.7	200.0
Risks on contracts and customer warranties	438.2	478.1
Litigation	61.2	65.4
Other provisions	48.5	52.0
TOTAL	**716.6**	**795.5**

Changes in these provisions during 2023 were as follows:

(in € million)	Amount as of January 1, 2023	Additions	Expenses charged	Reversals*	Sub total changes	Change in scope of consolidation and other changes	Amount as of June 30, 2023
Restructuring	200.0	63.2	(88.6)	0.0	(25.4)	(5.9)	168.7
Risks on contracts and customer warranties	478.1	30.6	(72.2)	0.0	(41.6)	1.8	438.3
Litigation	65.4	0.6	(3.0)	0.0	(2.4)	(1.8)	61.2
Other provisions	52.0	0.3	(0.6)	0.0	(0.3)	(3.1)	48.5
TOTAL	**795.5**	**94.7**	**(164.4)**	**0.0**	**(69.7)**	**(9.0)**	**716.6**

* *Surplus provisions.*

16.2 Contingent liabilities

LITIGATION

There are no claims or litigation in progress or pending that are likely to have a material impact on the Group's consolidated financial position.

Note 17 Non-current provisions and provisions for pensions and other post-employment benefits

17.1 Non-current provisions

(in € million)	06/30/2023	12/31/2022
Provisions for pensions and other employee obligations	**576.7**	**575.2**
■ Pension plan benefit obligations	373.5	370.7
■ Post-retirement benefit obligations	159.3	155.3
■ Long-service awards	35.8	41.0
■ Healthcare costs	8.1	8.2
TOTAL	**576.7**	**575.2**

ASSUMPTIONS USED

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 64 and 65 for employees in France; this assumption has been updated following the pension reform adopted in France during the 1st semester 2023; the impact of the reform is not significant for the Group.
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past two years to measure the pension liability are as follows:

(in %)	Euro zone	United Kingdom	USA	Japan
DISCOUNT RATE				
06/30/2023	**3.85%**	**5.20%**	**4.66%**	**1.20%**
12/31/2022	3.90%	4.85%	4.66%	1.20%
06/30/2022	3.40%	3.51%	4.25%	0.73%
INFLATION RATE				
06/30/2023	**2.00%**	**3.25%**	**N/A**	**N/A**
12/31/2022	2.00%	3.15%	N/A	N/A
06/30/2022	2.00%	3.50%	N/A	N/A

Nota: the discount rate for the euro zone was determined on the basis of yields on prime corporate bonds for a maturity corresponding to the duration of the obligations. Prime corporate bonds are defined as bonds awarded one of the top two ratings by a recognized rating agency (for example, bonds rated AA or AAA by Moody's or Standard & Poor's).

In the United States, the pension benefit obligations are not sensitive to the inflation rate.

Note 18 Net debt

The Group's financial liabilities are generally measured at amortized cost using the effective interest method.

18.1 Analysis of net debt

(in € million)	06/30/2023	12/31/2022
Bonds	6,448.7	6,499.5
Bank borrowings	2,708.5	2,461.7
Other borrowings	82.2	84.8
Non-current lease liabilities	912.3	1,049.2
Non-current derivatives	72.7	60.2
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES	**10,224.4**	**10,155.4**
Current portion of long term debt	473.2	849.5
Current portion of lease liabilities	227.4	251.8
Short-term borrowings(1)	693.2	922.1
Current derivatives	4.0	2.0
SUB-TOTAL CURRENT FINANCIAL LIABILITIES	**1,397.8**	**2,025.5**
TOTAL FINANCIAL LIABILITIES	**11,622.2**	**12,180.9**
Derivatives classified under non-current and current assets	(41.6)	(40.7)
Cash and cash equivalents	(3,517.2)	(4,201.1)
NET DEBT	**8,063.4**	**7,939.1**
Net cash and cash equivalent	3,517.2	4,201.1
(1) Including bank overdrafts	*15.9*	*38.8*

18.2 Financing

The main components of FORVIA financing are described below;

SYNDICATED CREDIT FACILITY

On December 15, 2014, FORVIA signed a syndicated credit facility, with a five-year maturity, for an amount of €1,200 million. This credit facility was renegotiated on June 24, 2016, then on June 15, 2018 in order to extend the maturity to five years from that date. In May 2021, FORVIA has signed with its banks an Amend & Extend agreement of this syndicated credit line enabling the Group to increase the amount up to €1,500 million, as well as indexing its costs on FORVIA's environmental performance, the interest rate varying depending upon the achievement of the Group's target of CO_2 neutrality for its scopes 1 & 2, and to extend its maturity to five years, i.e. May 2026, with two one-year extension options submitted to the banks' agreement.

On April 26, 2022 FORVIA has proactively renegotiated its covenant for its bank credit lines (ratio Net debt [1]/adjusted EBITDA [2]) and which compliance is a condition affecting the availability of this credit facility. The level of this covenant was not to be tested for June 30, 2022 and was at 3.75x for December 31, 2022 (instead of 3.0x) before coming back to 3.0x from June 30, 2023 onwards. As of June 30, 2023, this condition was met.

(1) Consolidated net debt.

(2) Operating income before depreciation of intangible assets acquired plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.

On June 27, 2023 FORVIA has extended the maturity of the syndicated credit facility to May 28, 2027 for an amount of €1,450 million, the available amount being of €1,500 million up to May 28, 2026. FORVIA also benefits from the possibility to extend the credit facility until June 2, 2028, submitted to the banks' agreement.

This credit facility includes some restrictive clauses on asset disposals (disposal representing over 35% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

As of June 30, 2023, this facility was not drawn.

SYNDICATED CREDIT FACILITY HELLA

On June 1, 2015, HELLA signed a syndicated credit facility, with a five-year maturity with two extension options, for an amount of €450 million. A first one-year extension option has been exercised in April 2016, extending the maturity of this credit facility to June 2021. A second one-year extension option has been exercised in April 2017, extending the maturity of this credit facility to June 2022.

This credit facility was renegotiated on August 16, 2021, to extend the maturity to June 3, 2023, and adjust its terms and conditions.

On September 30, 2022, HELLA signed a new syndicated credit facility, replacing the previous one, for an amount of €450 million, with maturity on September 30, 2025, with two one year extension options and an option to increase the amount up to €150 million.

As of June 30, 2023, this facility was not drawn.

SYNDICATED BRIDGE LOAN

On August 13, 2021, FORVIA signed a syndicated confirmed bridge loan for an amount of €5.5 billion in order to secure the financing of the HELLA acquisition, this credit facility being refinanced mainly through bonds issues and bank loans, to the exception of the €800 million part to be refinanced through a capital increase (bridge to equity).

On January 26, 2022 FORVIA has drawn €2.9 billion on this bridge loan, of which €500 million corresponding to a three years loan granted by the banks of the syndicated bridge loan.

On April 26, 2022 FORVIA has proactively renegotiated its covenant for its bank credit lines (ratio Net debt [(1)]/adjusted EBITDA [(2)]) and which compliance is a condition affecting the availability of this credit facility. The level of this covenant was not to be tested for June 30, 2022 and was at 3.75x for December 31, 2022 (instead of 3.0x) before coming back to 3.0x from June 30, 2023 onwards. As of June 30, 2023, this condition was met.

As of December 31, 2022, the bridge loan was drawn up to €705 million of which €100 million for the bridge to equity, €105 million for the bridge to bond and €500 million for the term loan with a maturity on August 13, 2024. The bridge to equity and bridge to bond have been fully repaid in February 2023.

The fees linked to the implementation of this facility have been fully expensed in 2022.

On June 9, 2023, FORVIA has repaid by anticipation the €500 million term loan consequently to the signature of a new €500 million loan described below.

TERM LOAN 2023

FORVIA has signed on June 9, 2023 a new €500 million syndicated loan (Term loan 2023) with a maturity to June 2, 2026 and including two one year extension options until June 2, 2028, submitted to the banks' agreement, the interest rate varying depending upon the achievement of the Group's target of CO_2 neutrality for its scopes 1, 2 & 3 (controlled emissions).

This credit facility includes some restrictive clauses on asset disposals (disposal representing over 35% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the term loan 2023) and on the debt level of some subsidiaries.

(1) Consolidated net debt.

(2) Operating income before depreciation of intangible assets acquired plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.

SCHULDSCHEINDARLEHEN

FORVIA has signed on December 17, 2018 a private placement under German law (*Schuldscheindarlehen*) for a total amount of €700 million. This transaction is structured into several tranches in EUR and USD, at fixed and variable rates, with maturities of 4, 5 and 6 years, i.e. December 2022, 2023 and 2024. €378 million have been received on December 20, 2018 and the remaining amount has been received in early January 2019. The USD tranches have been partially converted in EUR resources through long term cross-currency swaps.

This private placement has been used to finance the acquisition of Clarion Co., Ltd.

On June 21, 2021 FORVIA has reimbursed by anticipation €226.5 million of the variable rate tranche of the *Schuldscheindarlehen* with 2022 maturity. On December 20, 2022, FORVIA has reimbursed €58.5 million of the fixed rate tranche of the *Schuldscheindarlehen* with 2022 maturity.

FORVIA has signed on December 17, 2021 a private placement under German law (*Schuldscheindarlehen*) including ESR performance criteria for a total amount of €700 million and on June 15, 2022 an additional placement of €50 million. This transaction is structured into several tranches in EUR and USD, at fixed and variable rates, with maturities of 2.5, 4, 5 and 6 years, i.e. July 2024 and January 2026, 2027 and 2028. €435 million have been received on December 22, 2021 and the remaining amount has been received in early January 2022. The USD tranches have been partially converted in EUR resources through long term cross-currency swaps.

This private placement is part of the prefinancing of the acquisition of HELLA.

On June 20, 2023, FORVIA has reimbursed by anticipation US$165 million of the variable rate tranche of the *Schuldscheindarlehen* with December 2023 maturity. The US$55 million long term cross-currency swap linked the repaid tranche has also been closed by anticipation.

¥30 BILLION CREDIT FACILITY

On February 7, 2020, FORVIA has signed a credit facility in yen for an amount of ¥30 billion, with a five-year maturity, aiming at refinancing on a long term basis the debt of Clarion Co., Ltd. The credit facility comprises two tranches of ¥15 billion each, one being a loan and the other one a renewable credit line.

The proceeds of this credit line have enabled Clarion Co., Ltd to reimburse most of its bank debts.

The maturity of the credit line has been extended from February 2025 to February 2026 by exercising the first extension option.

On April 26, 2022, FORVIA has proactively renegotiated its covenant for its bank credit lines (ratio Net debt [1]/adjusted EBITDA [2]) and which compliance is a condition affecting the availability of this credit facility. The level of this covenant was not to be tested for June 30, 2022 and was at 3.75x for December 31, 2022 (instead of 3.0x) before coming back to 3.0x from June 30, 2023 onwards. As of June 30, 2023, this condition was met.

As of June 30, 2023, the drawn amount was at ¥20 billion, representing €127.3 million.

SYNDICATED LOAN LATIN AMERICA

On September 22, 2022, Faurecia Sistemas Automotrices de Mexico S.A. DE CV signed a syndicated credit facility for an amount of US$210 million, with various investors from Latin America. On this basis, Faurecia Sistemas Automotrices de Mexico S.A. DE CV has borrowed US$100 million and 2 billion mexican pesos at a variable rate with a maturity on March 22, 2028, the amount in pesos being converted in USD resources through long term cross-currency swaps.

On February 10, 2023, Faurecia Sistemas Automotrices de Mexico S.A. DE CV has suscribed an additonal loan for US$90 million with the same conditions and a maturity to March 22, 2028.

This credit facility includes some restrictive clauses on the debt level of some subsidiaries.

(1) Consolidated net debt.

(2) Operating income before depreciation of intangible assets acquired plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.

EUROPEAN INVESTISSEMENT BANK (EIB) CREDIT FACILITY

On July 1, 2022, FORVIA signed a credit facility for an amount of €315 million, with a seven year maturity with the European Investment Bank (EIB). This credit facility aims at financing investments in R&D, production and deployment of the hydrogen technology for mobility applications, advanced systems for driving assistance and driver control systems. It is composed of two tranches: (i) one for an amount of €289 million (ii) one for an amount of €26 million.

This credit facility includes a covenant on the ratio Net debt[1] /adjusted EBITDA[2] which compliance is a condition affecting the availability of this credit facility, identical to the syndicated credit facility and which cannot exceed 3.75x for December 31, 2022 and 3.0x from June 30, 2023 onwards. As of June 30, 2023, this condition was met. It includes as well some restrictive clauses on asset disposals and on the debt level of some subsidiaries.

In compliance with IAS20, the difference between the market rate for a comparable loan at initial date and the interest rate for this loan has been recognized as a grant; it is recognized in P&L against the costs that the grant aims to compensate over the loan duration.

As of June 30, 2023, the drawn amount was at €289 million.

2024 BONDS HELLA

On May 17, 2017, HELLA issued bonds for an amount of €300 million due May 17, 2024, carrying annual interest of 1.00%, payable on May 17 each year, as from May 17, 2018.

The proceeds of these bonds have been used to redeem the €300 million bonds due September 07, 2017, carrying annual interest of 1.25%, issued in March 2014.

The bonds are listed on the Luxembourg Stock Exchange.

As of June 30, 2023, the outstanding amount of these 2024 bonds amounted to €300 million.

2025 BONDS

On March 8, 2018, FORVIA issued bonds for an amount of €700 million due June 15, 2025, carrying annual interest of 2.625%, payable on June 15 and December 15 each year, as from June 15, 2018.

These bonds include a covenant restricting the additional indebtedness if the EBITDA after certain adjustments is lower than twice the gross interest costs, and restrictions on the debt similar to those of the syndicated credit loan.

The proceeds of these bonds have been used to redeem the €700 million bonds due June 15, 2022, carrying annual interest of 3.125%, issued in March and April 2015.

The bonds are listed on the Global Exchange Market of Euronext Dublin (previously Irish Stock Exchange).

An additional issue for €300 million of these 2025 bonds has been done on July 31, 2020. These additional bonds have been issued at 97.50% of the par, which corresponds to a yield to maturity of 3.18%.

As of June 30, 2023, the outstanding amount of these 2025 bonds amounted to €1,000 million.

2026 SLB 7.25% BONDS

On November 15, 2022, FORVIA issued bonds for an amount of €700 million due June 15, 2026, carrying annual interest of 7.25%, payable on June 15 and December 15 each year, as from June 15, 2023.

These bonds are subject to the same restrictions than the 2029 bonds and base the 2025 objectives of CO_2 emission reduction on scope 1 & 2 on the "Sustainable Linked Financing Framework" published in October 2021 and approved by the ISS ESG. The non compliance to these objectives involves a step up of the bonds interest in 2026.

The proceeds of these bonds have been used to redeem partially the syndicated bridge loan.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

An additional issue for €250 million has been done on February 1, 2023. These additional bonds have been issued at 101.75% of the par, which corresponds to a yield to maturity of 6.65%.

As of June 30, 2023, the outstanding amount of these bonds amounted to €950 million.

2026 BONDS

On March 27, 2019, FORVIA issued bonds for an amount of €500 million due June 15, 2026, carrying annual interest of 3.125%, payable on June 15 and December 15 each year, as from June 15, 2019.

These bonds are subject to the same restrictions than the 2025 bonds.

The proceeds of these bonds have been used to finance the acquisition of Clarion Co., Ltd.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

In order to prefinance the acquisition of 50% of SAS shares, an additional issue for €250 million of these 2026 bonds has been performed on October 31, 2019. These additional bonds have been issued at 104.50% of the par, which corresponds to a return at issuance of 2.40%.

As of June 30, 2023, the outstanding amount of these 2026 bonds amounted to €750 million.

2027 2.375% BONDS

On November 27, 2019, FORVIA issued bonds for an amount of €700 million due June 15, 2027, carrying annual interest of 2.375%, payable on June 15 and December 15 each year, as from June 15, 2020.

These bonds are subject to the same restrictions than the 2026 bonds.

The proceeds of these bonds have been used to refinance the €700 million bonds due June 15, 2023 carrying annual interest of 3.625%, issued on April 1, 2016.

This refinancing has been done through a tender offer through which 2023 bond holders could exchange their bonds against new 2027 bonds. The rate of exchange has reached 76%. The bonds that were not tendered in this offer have been redeemed in accordance with the offering memorandum. The settlement of these two operations has taken place respectively on November 25 and November 28, 2019.

The bond premium for bonds tendered in the offer is amortized over the duration of the new 2027 bonds; the bond premium for bonds redeemed by anticipation has been expensed in the year 2019.

On February 3, 2021, an additional issue for €190 million of these 2027 bonds has been performed via a private placement. These bonds have been issued at 100.75% of the par, which corresponds to a return at issuance of 2.26%.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of June 30, 2023, the outstanding amount of these 2027 bonds amounted to €890 million.

2027 SLB 2.75% BONDS

On November 10, 2021, FORVIA issued bonds for an amount of €1,200 million due February 15, 2027, carrying annual interest of 2.75%, payable on June 15 and December 15 each year, as from June 15, 2022.

These bonds are subject to the same restrictions than the 2029 bonds and base the 2025 objectives of CO_2 emission reduction on scope 1 & 2, on the "Sustainable Linked Financing Framework" published in October 2021 and approved by the ISS ESG. The non compliance to these objectives involves a step up of the bonds interest in 2026.

The proceeds of these bonds have been used to pre finance the acquisition of HELLA.

The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of June 30, 2023, the outstanding amount of these 2027 bonds amounted to €1,200 million.

2027 BONDS HELLA

On September 3, 2019, HELLA issued bonds for an amount of €500 million due January 26, 2027, carrying annual interest of 0.50%, payable on January 26 each year, as from January 26, 2020.

The proceeds of these bonds have been used to redeem the €500 million bonds due January 24, 2020, carrying annual interest of 2.375%, issued in January 2013.

The bonds are listed on the Luxembourg Stock Exchange.

As of June 30, 2023, the outstanding amount of these 2027 bonds amounted to €500 million.

2028 BONDS

On July 31, 2020, FORVIA issued bonds for an amount of €700 million due June 15, 2028, carrying annual interest of 3.75%, payable on June 15 and December 15 each year, as from December 15, 2020.

These bonds are subject to the same restrictions than the 2027 bonds. The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of June 30, 2023, the outstanding amount of these 2028 bonds amounted to €700 million.

GREEN BONDS 2029

FORVIA issued on March 22, 2021 green bonds for an amount of €400 million due June 15, 2029, carrying annual interest of 2.375%. The proceeds will be used to finance or refinance the Group's investments in the hydrogen mobility, for both hydrogen storage and distribution systems and in fuel cell stacks and systems through Symbio, its joint venture with Michelin. The Green Bond Framework has been reviewed by ISS ESG, environmental rating agency.

These bonds are subject to the same restrictions than the 2028 bonds. The bonds are listed on the Global Exchange Market of Euronext Dublin.

As of June 30, 2023, the outstanding amount of these 2029 bonds amounted to €400 million.

LOAN FACILITIES HELLA IN YEN

On September 17, 2002, HELLA issued a notes certificate for an amount of JPY 12 billion due September 17, 2032, carrying annual interest of 3.50%, payable on March 17 and September 17 each year, as from March 17, 2003.

On June 16, 2003, HELLA signed a loan for an amount of JPY 10 billion due June 20, 2033, carrying annual interest of 4.02%, payable on June 20 and December 20 each year, as from December 20, 2003.

Finally, during the first half-year 2023, FORVIA regularly issued commercial papers with a maturity up to one year for investors located mainly in France. As of June 30, 2023, the outstanding amount was €539.5 million.

18.3 Analysis of borrowings

As of June 30, 2023, the variable rate borrowings were 26.0% of borrowings before taking into account the impact of hedging.

(in € million)	06/30/2023	
Variable rate borrowings	3,027.3	26.0%
Fixed rate borrowings	8,594.9	74.0%
TOTAL	**11,622.2**	**100.0%**

Borrowings, taking into account foreign exchange swaps, break down by repayment currency as follows:

(in € million)	06/30/2023		12/31/2022	
Euros	9,845.8	84.7%	10,242.3	84.1%
US Dollars	1,032.5	8.9%	1,149.3	9.4%
Japanese Yen	406.3	3.5%	404.3	3.3%
Other currencies	337.6	2.9%	385.0	3.2%
TOTAL	**11,622.2**	**100.0%**	**12,180.9**	**100.0%**

In the first half of 2023, the weighted average interest rate on gross outstanding borrowings was 4.19%.

Note 19 Financial instruments

(in € million)	06/30/2023		Breakdown by category of instrument (1)			
	Balance Sheet Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Assets and liabilities at amortized cost	Financial assets/ liabilities measured at fair value
Other equity interests	115.8		115.8			115.8
Other non-current financial assets	215.8		16.1	18.2	181.5	215.8
Trade accounts receivables	4,822.4	4,822.4				0.0
Other operating receivables	716.9	635.1	16.4	65.4		81.8
Other non-current assets	188.1	182.3		5.8		5.8
Other receivables and prepaid expenses	1,544.0	1,484.9		59.1		59.1
Currency derivatives	7.2		7.0	0.2		7.2
Interest rate derivatives	0.0		0.0	0.0		0.0
Cash and cash equivalents	3,517.2		3,517.2			3,517.2
FINANCIAL ASSETS	**11,127.4**	**7,124.7**	**3,672.5**	**148.7**	**181.5**	**4,002.7**
Long-term debt*	9,312.1	2.3	29.6	43.0	9,237.2	8,783.3
Non-current lease liabilities	912.3				912.3	912.3
Short-term debt*	1,170.4		4.0		1 166.4	1,162.2
Current portion of lease liabilities	227.4				227.4	227.4
Prepayments on customers contracts	1,059.0	1,059.0				0.0
Trade payables	8,995.0	8,995.0				0.0
Accrued taxes and payroll costs	1,150.3	1,150.3				0.0
Other non current liabilities	80.6	44.6	35.2	0.8		36.0
Sundry payables	596.6	589.3	2.2	5.1		7.3
FINANCIAL LIABILITIES	**23,503.7**	**11,840.5**	**71.0**	**48.9**	**11,543.3**	**11,128.5**

(1) No financial instruments were transferred between categories in 06/30/2023

(2) All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.

* *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (June 30, 2023) : for the 2024 HELLA bonds quoted 97.19% of par, at €291.6 million; for the 2025 bonds quoted 95.44% of par, at €954.4 million; for the 2026 bonds quoted 94.11% of par, at €705.8 million ; for the SLB 7.25% 2026 bonds quoted 104.01% of par, at €988.1 million ; for the 2027 bonds quoted 88.06% of par, at €783.7 million; for the 2027 bonds SL quoted 90.58% of par, at €1,087.0 million; for the 2027 HELLA bonds quoted 88.31% of par, at €441.6 million; for the 2028 bonds quoted 90.63% of par, at €634.4 million and for the 2029 green bonds quoted 81.83% of par, at €327.3 million.*

(in € million)	12/31/2022 Balance Sheet Carrying amount	Breakdown by category of instrument [1] Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss [2]	Financial assets/ liabilities at fair value through equity [2]	Assets and liabilities at amortized cost	Financial assets/ liabilities measured at fair value
Other equity interests	128.5		128.5			128.5
Other non-current financial assets	158.1		2.5	20.6	135.0	158.1
Trade accounts receivables	5,065.9	5,065.9				0.0
Other operating receivables	720.5	672.1	8.4	40.0		48.4
Other non-current assets	187.1	178.6		8.5		8.5
Other receivables and prepaid expenses	1,425.7	1,327.1		98.6		98.6
Currency derivatives	13.1		11.4	1.7		13.1
Interest rate derivatives	4.6		0.0	4.6		4.6
Cash and cash equivalents	4,201.1		4,201.1			4,201.1
FINANCIAL ASSETS	**11,904.6**	**7,243.7**	**4,351.9**	**174.0**	**135.0**	**4,660.9**
Long-term debt*	9,106.2	2.3	14.3	46.0	9,043.6	8,239.3
Non-current lease liabilities	1,049.2				1,049.2	1,049.2
Short-term debt*	1,773.7		2.0		1,771.7	1,773.7
Current portion of lease liabilities	251.8				251.8	251.8
Prepayments on customers contracts	975.4	975.4				0.0
Trade payables	9,181.3	9,181.3				0.0
Accrued taxes and payroll costs	1,104.3	1,104.3				0.0
Other non current liabilities	48.1	47.0		1.1		1.1
Sundry payables	728.1	711.6	3.9	12.6		16.5
FINANCIAL LIABILITIES	**24,218.1**	**12,021.9**	**20.2**	**59.7**	**12,116.3**	**11,331.6**

(1) No financial instruments were transferred between categories in 12/31/2022

(2) All of the instruments in this category are financial assets or liabilities designated as measured on initial recognition.

* *The fair value of the bonds, excluding accrued interest, was established on the basis of the year-end market value (December 31, 2022): for the 2024 HELLA bonds quoted 96.45% of par, at €289.3 million; for the 2025 bonds quoted 90.86% of par, at €908.6 million; for the 2026 bonds quoted 88.31% of par, at €662.3 million; for the SLB 7.25% 2026 bonds quoted 100.89% of par, at €706.2 million; for the 2027 bonds quoted 83.54% of par, at €743.5 million; for the 2027 bonds SL quoted 84.21% of par, at €1,010.5 million; for the 2027 HELLA bonds quoted 83.60% of par, at €418.0 million; for the 2028 bonds quoted 85.09% of par, at €595.7 million and for the 2029 green bonds quoted 75.18% of par, at €300.7 million.*

Moreover, FORVIA has signed in 2022 two power purchase contracts (VPPA) in wind farms in Sweden for a total production of 638 GWh per year (ten years contracts). These contracts, except the component of origin certificates acquisition, are considered as financial instruments according to IFRS 9. As of June 30, 2023, the variance of the fair value of the contracts represented a loss of €18.5 million accounted for in other financial income and expense (fair value at level 3).

Note 20 Hedging of currency and interest rate risks

20.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by FORVIA, except HELLA and its subsidiaries, using forward purchase and sale contracts and options as well as foreign currency financing. FORVIA manages the hedging of currency risks on a central basis, through the Group Finance and Treasury department, which reports to the Executive Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Currency risks relating to the commercial transactions of the HELLA's subsidiaries, are managed centrally by HELLA, using forward purchase and sale contracts and options as well as foreign currency financing. HELLA manages the hedging of currency risks on a central basis, through the Treasury department, which reports to the Executive Management.

Currency risks on forecasted transactions are hedged on the basis of estimated cash flows determined when budgets are prepared, validated by Executive Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IFRS 9 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through foreign exchange swaps or financing in the concerned currency.

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expenses" together with changes in the fair value of instruments used to hedge other receivables and payables except for the changes in the fair value of cash flow hedges which are recorded in amounts to be potentially reclassified to profit or loss.

The foreign exchange exposure of investments in equity (in different currency than euro) is generally not hedged using financial instruments. However, the Group has decided to partially hedge its net investment in India for a total amount of INR 2.29 billion as at December 31, 2022. The hedging has been stopped in February 2023 with an impact of €2.3 million recognized in OCI.

INFORMATION ON HEDGED NOTIONAL AMOUNTS

(in € million)	Carrying amount			Maturities		
06/30/2023	**Assets**	**Liabilities**	**Notional amount***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
■ forward currency contracts	6.9	(1.0)	181.3	181.3	0.0	0.0
■ currency option	0.7	0.0	35.4	35.4	0.0	0.0
■ inter-company loans in foreign currencies swapped for euros	4.4	(4.1)	1,087.4	1,087.4	0.0	0.0
■ cross-currency swaps	30.1	(72.7)	338.4	59.8	138.6	140.0
Cash flow hedges						
■ forward currency contracts	73.6	(6.8)	1,483.1	1,291.6	191.5	0.0
■ currency option	6.5	(0.2)	314.6	229.1	85.5	0.0
Not eligible for hedge accounting	0.0	0.0	0.0	0.0	0.0	0.0
	122.1	**(84.8)**				

** Notional amounts based on absolute values.*

(in € million) 12/31/2022	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges						
■ forward currency contracts	0.0	(0.1)	4.0	4.0	0.0	0.0
■ inter-company loans in foreign currencies swapped for euros	4.2	(2.1)	965.4	965.4	0.0	0.0
■ cross-currency swaps	24.0	(63.0)	396.2	112.5	31.4	252.3
Cash flow hedges						
■ forward currency contracts	48.1	(16.3)	1,693.6	1,554.5	139.1	0.0
■ currency option	8.8	(0.9)	376.2	201.9	174.3	0.0
Not eligible for hedge accounting	0.0	(0.1)	4.8	4.8	0.0	0.0
	85.1	**(82.5)**				

** Notional amounts based on absolute values.*

20.2 Interest-rate hedges

FORVIA manages the hedging of interest rate risks on a central basis. Such management is implemented through the Group Finance and Treasury department, which reports to the Executive Management. Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

HELLA manages the hedging of interest rate risks on a central basis. Such management is implemented through the Group Finance and Treasury department, which reports to the Executive Management.

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expenses" when the hedging relationship cannot be demonstrated under IFRS 9, or where the Group has elected not to apply hedge accounting principles.

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

(in € million) 06/30/2023	Carrying amount Assets	Liabilities	Notional amounts by maturity < 1 year	1 to 5 years	> 5 years
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	7.1	0.0	0.0	137.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
Swaption	0.0	0.0	0.0	0.0	0.0
	7.1	**0.0**	**0.0**	**137.0**	**0.0**

(in € million) 12/31/2022	Carrying amount Assets	Liabilities	Notional amounts by maturity < 1 year	1 to 5 years	> 5 years
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable rate/fixed rate swaps	12.5	0.0	350.0	137.0	0.0
Accrued premiums payable	0.0	0.0	0.0	0.0	0.0
Swaption	0.0	0.0	0.0	0.0	0.0
	12.5	**0.0**	**350.0**	**137.0**	**0.0**

The impact of the valuation of the credit risk in the derivatives fair value is not material on the Group financial statements as of June 30, 2023.

Note 21 Commitments given and contingent liabilities

Commitments given

(in € million)	06/30/2023	12/31/2022
Future minimum lease payments	42.4	16.3
Debt collateral:		
▪ mortgages	2.2	2.1
Other debt guarantees	106.9	118.1
Firm orders for property, plant and equipment and intangible assets	448.4	422.9
Other	9.7	1.0
TOTAL	**609.6**	**560.4**

(1) Commitments on future lease payments are considering for June 2023 only obligations not reflected in the lease liability, such as payments on contracts corresponding to exemption criteria allowed by IFRS 16 and considered by the Group as well as future payments on signed contracts which execution has not yet started.

(2) Of which respectively €19.7 million of commitments as at June 2023 for discountinued activities and €12.2 million as at december 2022 (mainly firm orders for assets).

Note 22 Related party transactions

Transactions with consolidated entities are eliminated by the consolidation process. FORVIA's business relations with non-consolidated or Equity consolidated entities are considered as non-significant.

3.

Statement by the person responsible for the 2023 half-year financial report

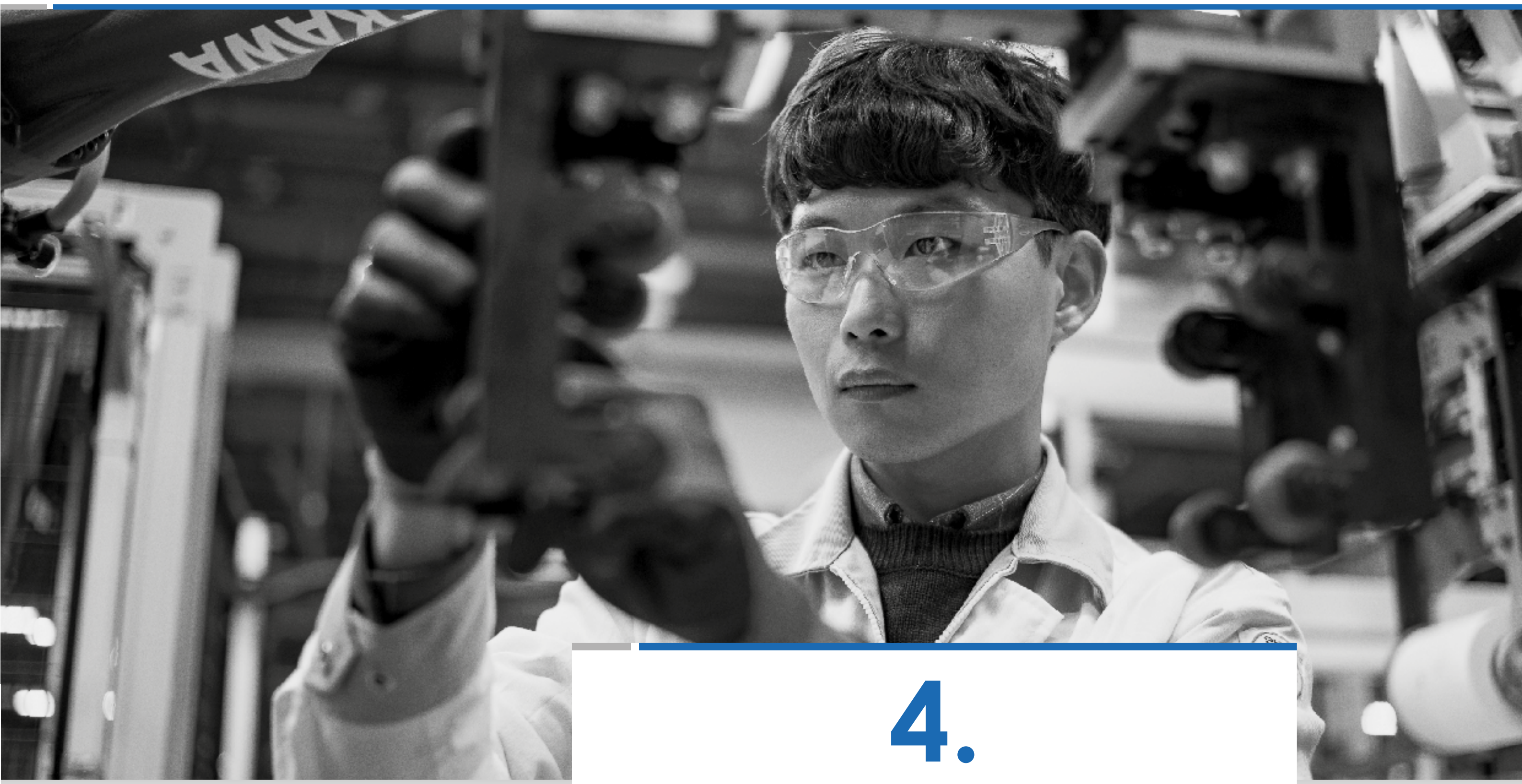
Statement by the person responsible for the 2023 half-year financial report

I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the past six-month period have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company FORVIA and the consolidated companies making up the Group. I further declare that, to the best of my knowledge, the accompanying interim management report provides a true and fair view of the material events that occurred in the first six months of the financial year and their impact on the financial statements, as well as of the main related-party transactions, and sets out a description of the principal risks and uncertainties for the remaining six months of the year.

July 27, 2023

Patrick KOLLER

Chief Executive Officer



4.

Statutory Auditors' review report on the interim financial information

Statutory auditors' review report on the half-yearly financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Forvia, for the period from January 1st 2023 to June 30th, 2023;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 26, 2023

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit
Anne-Laure Rousselou	Grégory Derouet	Guillaume Brunet-Moret

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FORVIA

Inspiring mobility

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