

FORVIA
Inspiring mobility

Q3 2023 SALES

October 20th, 2023



*FORVIA at the IAA Mobility Munich,
September 2023*

KEY MESSAGES

Strong organic growth and outperformance in Q3

- › Sales at €6.5bn, +10.7% on an organic basis
- › Outperformance of 700bps, driven by outperformance in China of 1,210bps

Robust order intake with €22bn over the first nine months

- › Average profitability above POWER25 objectives
- › Significant reduction in upfront expenses

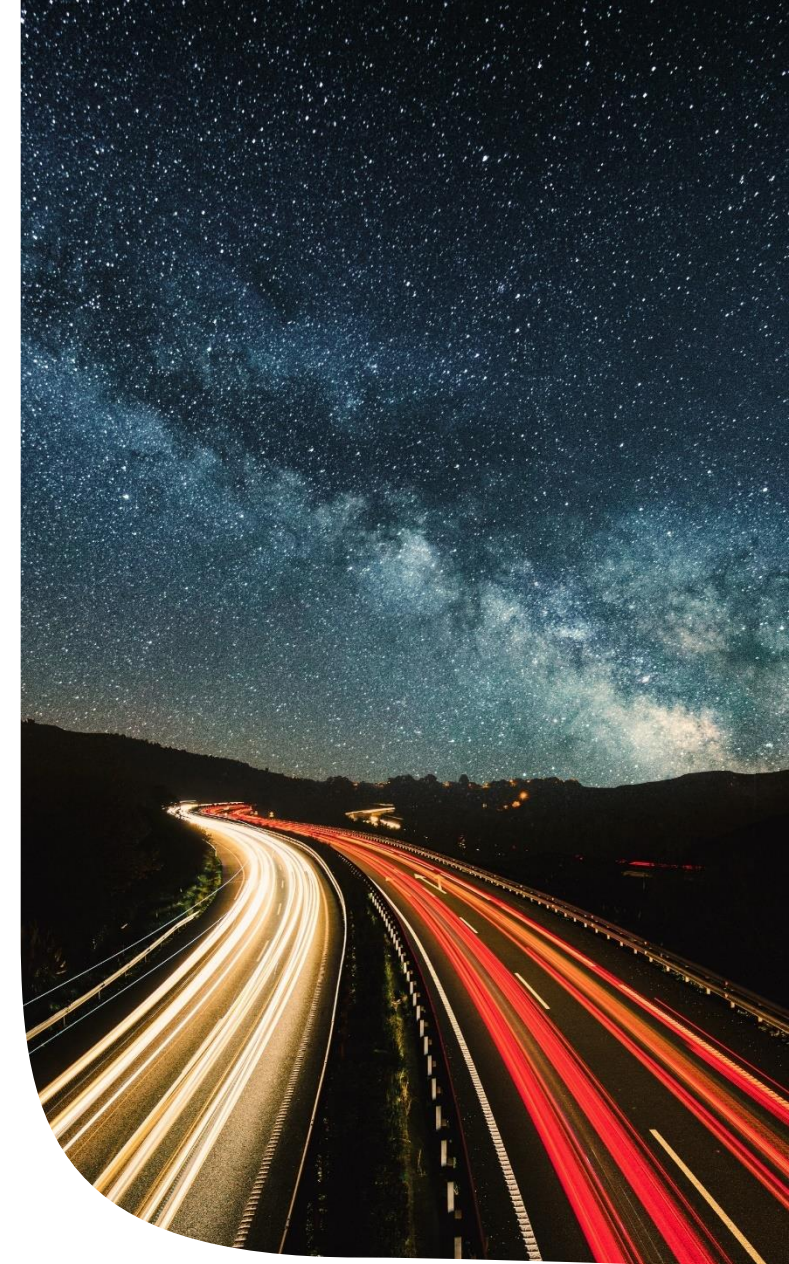
Timely completion of the €1bn disposal program

- › All three remaining deals closed in Q3
- › Total proceeds slightly exceeding the €1bn targeted

Launch of an additional €1bn asset disposal program to accelerate deleveraging and reduce financial expenses

- › Further rationalization of Group's portfolio with expected limited impact on consolidated sales and EBITDA
- › First transaction already signed: divestment by HELLA of its 50% stake in BHTC

FY 2023 guidance confirmed



OTHER MAJOR RECENT EVENTS

FORVIA steps up the pace on hydrogen

- › Inauguration of the hydrogen site in **Allenjoie** (France): first mass production plant of hydrogen storage tanks with capacity of **100,000 tanks a year by 2030**
- › FORVIA is the 1st automotive supplier in the world to have **production footprint across major regions** including Europe, China, Korea and soon in North America
- › **Best-in-Class Industry 4.0** industrial site

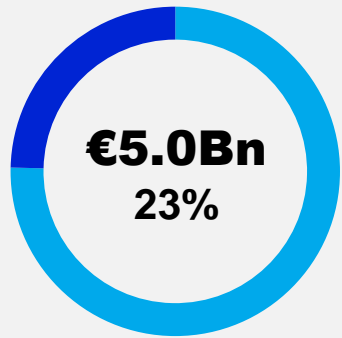
FORVIA expands in China with strategic cooperation with CHERY for smart cockpit development

- › FORVIA and CHERY will jointly develop a **smart cockpit software and a hardware platform** integrating FORVIA's products and technologies
- › Both companies will establish **“dual-carbon” and ESG goals**, jointly promoting green and sustainable development



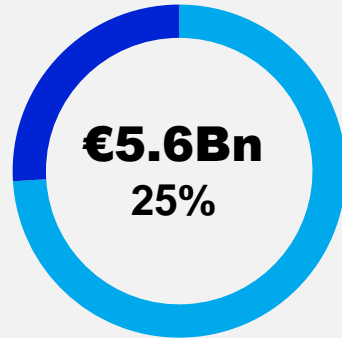
NINE-MONTH ORDER INTAKE OF €22 BILLION WITH AVERAGE PROFITABILITY ABOVE POWER25 OBJECTIVES

CHINA



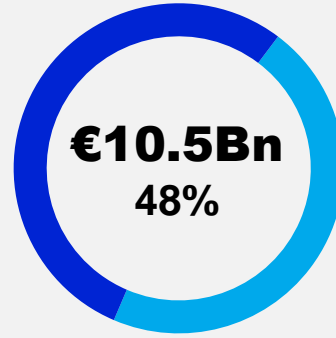
New award with Chery
Share of Chinese OEMs
stands at 63% YTD

ELECTRONICS



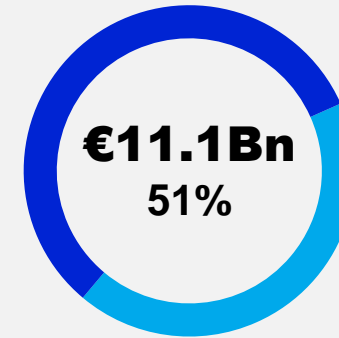
Significant award
with a European OEM in Q3

EV'S (BEVS + FCEVS)



EV share of wallet up
+5 points vs. 2022

PREMIUM & SUVs



Increasing portion
of segments with high
Content Per Vehicle

COMMERCIAL VEHICLES



Major conquest: €1.7Bn
global award in Seating

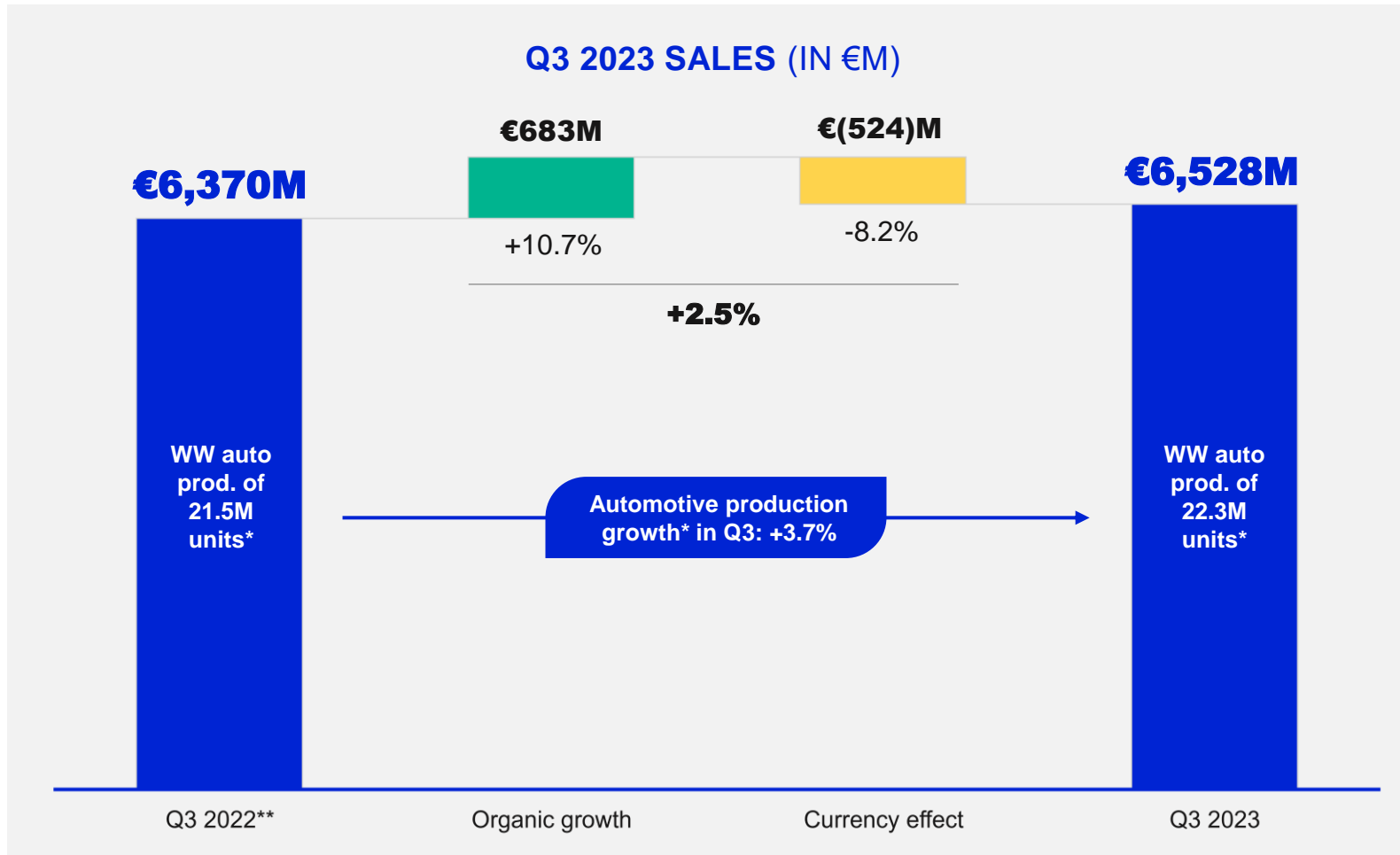
Commercial selectivity in order intake will translate into improved financial metrics:

- > The order intake recorded in the first nine months of 2023 has an **average operating margin above the Group's POWER25 objective**
- > **Upfront investments reduced by c. 20%** vs. the first nine months of 2022



Q3 2023 SALES REVIEW

Q3 2023 SALES OF €6.5BN, +10.7% ON AN ORGANIC BASIS STRONG OUTPERFORMANCE OF 700BPS



Sales growth of +2.5% on a reported basis included:

- > Organic growth of +10.7% in a global automotive market up +3.7%
- > Adverse currency impact of 8.2% due to the depreciation of the USD, Yuan, Turkish lira and Argentinian peso against the euro

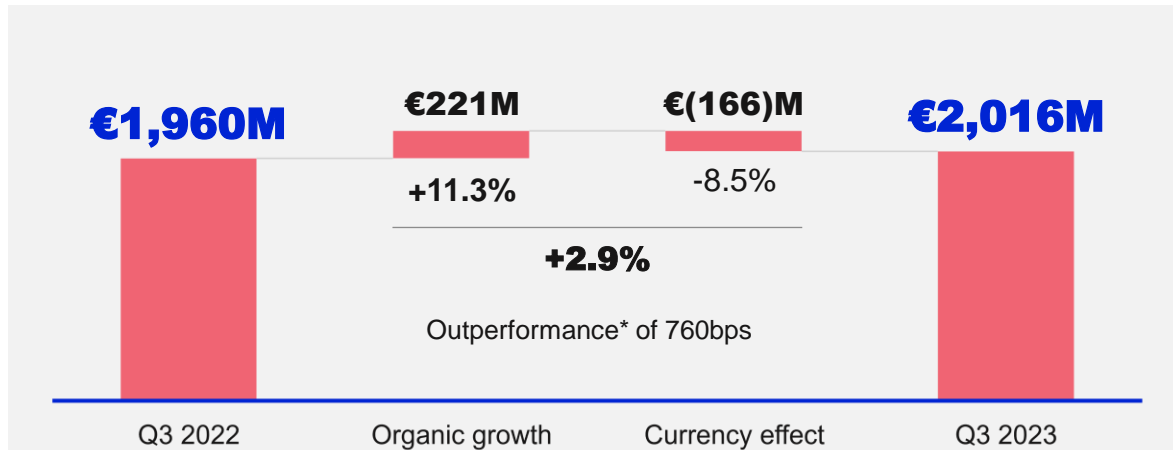
Outperformance of 700bps included:

- > c. 600bps from volumes and favorable geographic mix
- > c. 100bps from inflation pass-through

All business groups and regions outperformed market growth

SEATING

31% of Group consolidated sales in the period



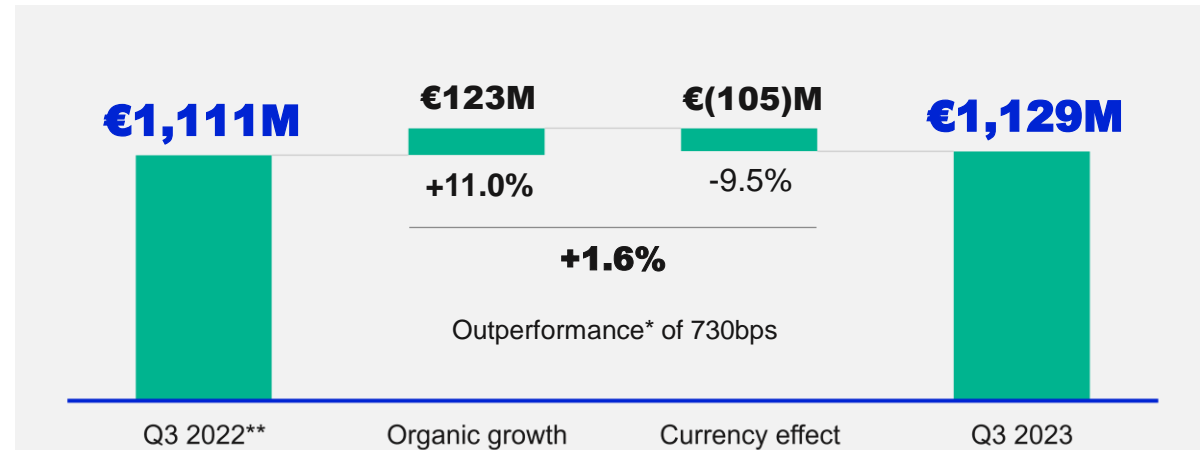
Double digit organic growth reflected good performance in China and Europe:

- › **China:** activity with BYD and Chinese OEMs driving organic growth over 20%
- › **Europe:** robust sales growth with BMW and Mercedes

Effective end of the Michigan Seating JIT operations for the Jeep Grand Wagoneer at the end of Q3

INTERIORS

17% of Group consolidated sales in the period

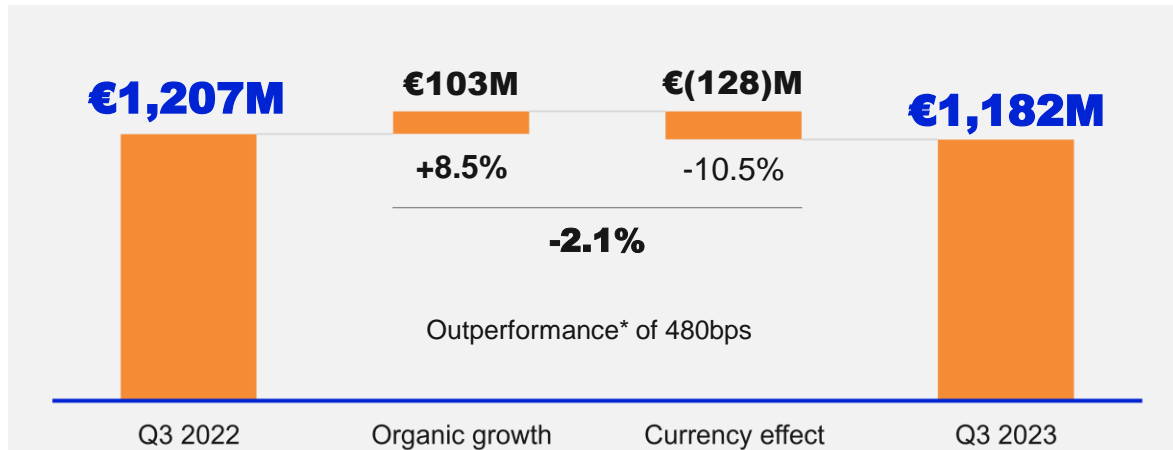


Growth of 11% driven by strong outperformance in Europe and China:

- › **Europe:** growth above 20% driven by strong activity with Ford, RNM and JLR
- › **China:** growth above 20% supported by sales momentum with Chinese OEMs, new players and a US EV car maker
- › **In North America:** sales slightly up thanks to a good level of activity with GM and BMW

CLEAN MOBILITY

18% of Group consolidated sales in the period

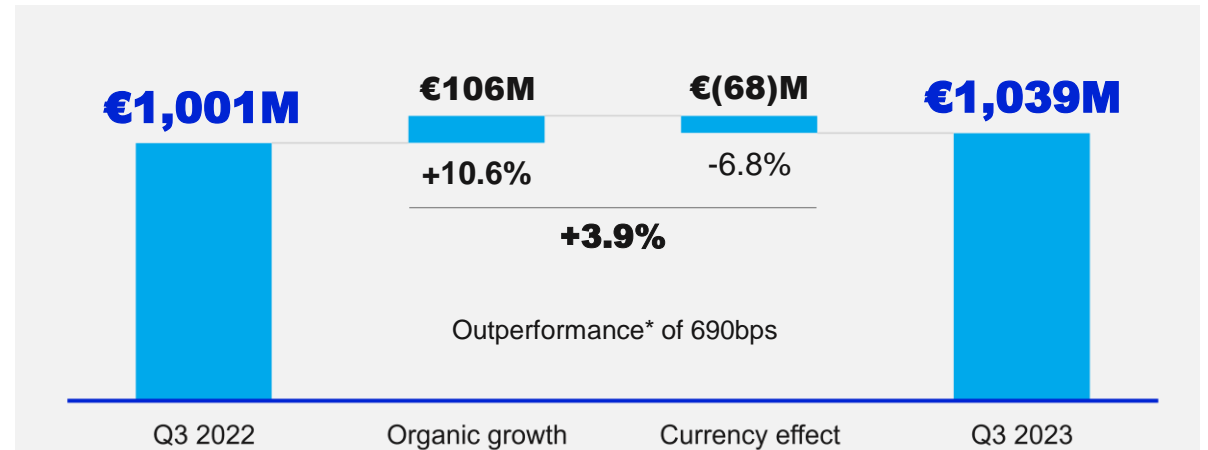


High-single digit organic growth reflecting outperformance mainly in Asia:

- › Mid-single digit growth in **Asia**, driven by HKMC and Chinese OEMs
- › Activity in the **US** was led by important sales development with Stellantis and double-digit growth with Ford
- › **Europe**: mid-to-high single digit growth in Europe mainly driven by Ford

ELECTRONICS

16% of Group consolidated sales in the period



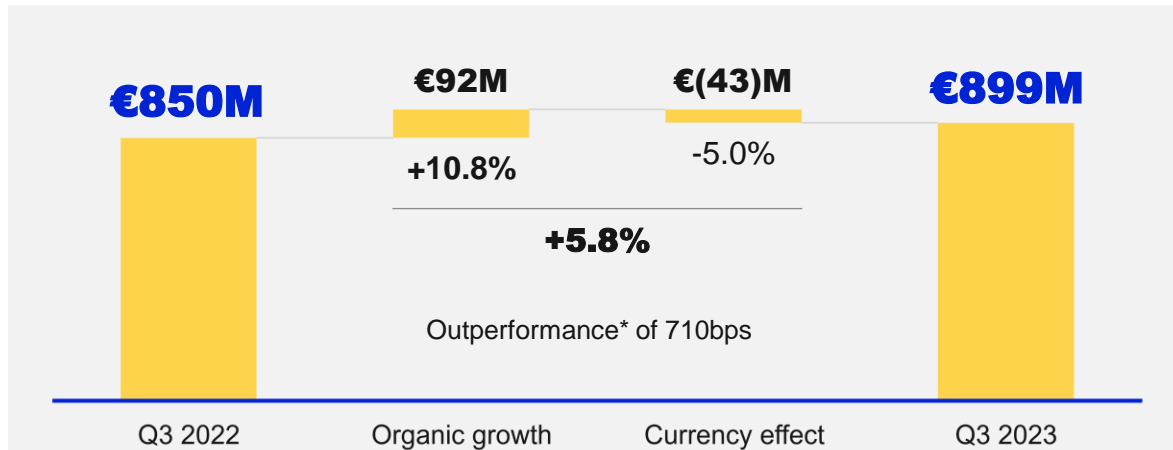
Organic growth of +10.6% driven by continued success with electrification components like high-voltage battery management systems and radar applications

By geography:

- › Strong double-digit growth in **Americas**
- › High-single growth in **Europe** and **Asia**

LIGHTING

14% of Group consolidated sales in the period



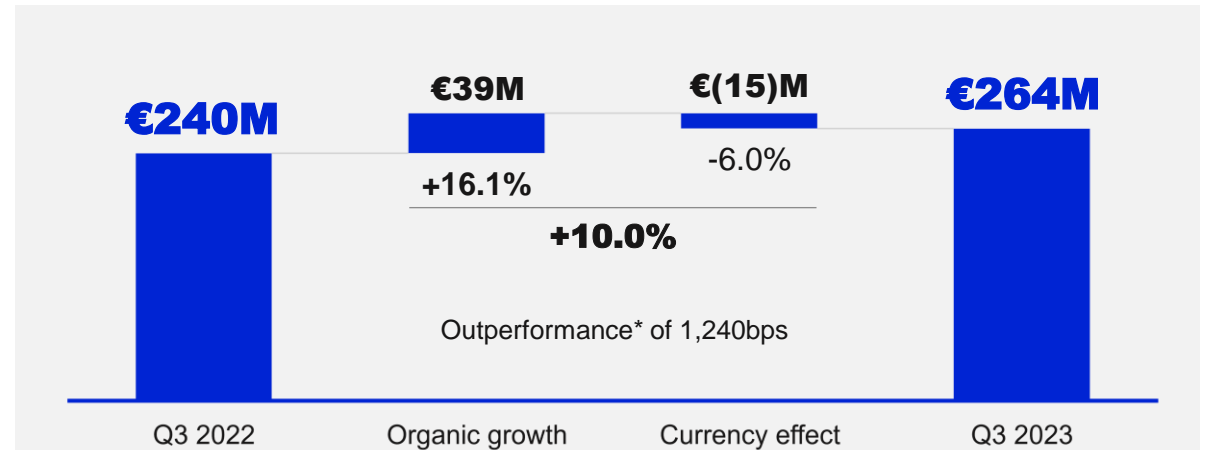
Robust organic growth of 10.8%, benefiting from higher production in all regions and increased demand for the latest technologies for electric vehicles

By geography:

- > Double-growth in **North America** and **Asia**
- > Mid-single digit growth in **Europe**

LIFECYCLE SOLUTIONS

4% of Group consolidated sales in the period



Organic growth accelerated to 16.1%, driven by increased contribution from the truck and bus segment

By geography:

- > Sales grew above 20% in **Europe**
- > Sales grew close to double digit in **North America**

OUTPERFORMING ALL REGIONAL MARKETS

in €m	EMEA	Americas	Asia	Group
Q3 2022**	2,622	1,849	1,898	6,370
Currency effect	(93)	(192)	(239)	(524)
% of last year's sales	-3.5%	-10.4%	-12.6%	-8.2%
Organic growth	282	171	230	683
% of last year's sales	+10.8%	+9.2%	+12.1%	+10.7%
Regional auto production*	+5.9%	+7.6%	+1.7%	+3.7%
Outperformance (bps)	490	160	1,040	700
Q3 2023	2,811	1,828	1,890	6,529
Reported growth	+7.2%	-1.2%	-0.5%	+2.5%

Organic growth of +10.8% in EMEA (43% of Group consolidated sales in Q3) mainly reflected:

- › **Organic growth of +10.3% in Europe**, more than half being attributable to Seating and Interiors

Organic growth of +9.2% in Americas (28% of Group consolidated sales in Q3) mainly reflected:

- › **Organic growth of +5.9% in North America**, representing c. 90% of sales in Americas, mainly driven by Lighting, Clean Mobility and Interiors
- › **Organic growth of +34.6% in South America**, driven by Seating and Clean Mobility

Organic growth of +12.1% in Asia (29% of Group consolidated sales in Q3) mainly reflected:

- › **Organic growth of +11.8% in China**, representing c. 80% of sales in Asia, driven by Seating and Lighting
- › **Organic growth of +13.7% in other Asian countries**, driven by Electronics

ESTIMATED IMPACTS OF THE UAW STRIKE* ON NORTH AMERICA'S PERFORMANCE

Exposure to “Detroit Three” in North America

- › Combined sales with Ford, GM and Stellantis account for c. €300m per month, i.e. around half of FORVIA's sales in the United States
- › Ford accounts for > 40% of the total

Estimated impact of the strike on FORVIA's sales

- › c. €6 million in September
- › c. €55 million in October based on the current strike status
- › Risks beyond October will depend on the evolution of the strike

FORVIA has already implemented measures:

- › To quickly react to any eventual intensification of the strike
- › To mitigate as much as possible the impact on the Group's profitability (estimated drop-through of 20%)





2022

**ACCELERATED
DELEVERAGING**

SUCCESSFUL COMPLETION OF THE €1BN ASSET DISPOSAL PROGRAM IN Q3

The €1 billion program, achieved in less than 15 months, was comprised of:

- › c. 40% from operations related to non-consolidated joint ventures:
 - Sale by HELLA of its 33% stake in HBPO to its co-shareholder Plastic Omnium (closed in 2022)
 - Entry of Stellantis into the capital of Symbio (closed in Q3 2023)
- › c. 60% from divestments of consolidated non-strategic assets:
 - Sale of the Indian Interiors business to TAFE (closed in 2022)
 - Sale of the SAS Cockpit Modules division to the Motherson group (closed in Q3 2023)
 - Sale of the CVI aftertreatment business in Europe and NA to Cummins (closed on October 2nd)

These 3 consolidated assets represented combined sales of c. €1.3 billion on an annual basis

Good valuations and total cash proceeds slightly exceeding the €1 billion target:

- › c. €320 million cashed in 2022
- › c. €700 million cashed in 2023



LAUNCH OF AN ADDITIONAL €1BN DISPOSAL PROGRAM TO ACCELERATE DELEVERAGING BEYOND THE POWER25 OBJECTIVE

Further strengthening and simplification of the group's portfolio

Deleveraging beyond the POWER25 Net debt / Adjusted EBITDA objective

- › Expected limited impact on the Group's consolidated sales and EBITDA
- › Further reduction of debt and financial expenses, in a context of persistent inflation and high interest rates
- › Along with POWER25 objective of improvement in net cash flow generation to 4% of sales in 2025 (mostly through synergies, capex and R&D control, and inventory management), this will accelerate reduction of financial leverage ratio

First step of this new program already recently announced, with the disposal by HELLA of its 50% stake in BHTC

- › Total EV of €600 million for 100% (€300 million for each of the two co-owners, HELLA and MAHLE)
- › Transaction subject to approval by the relevant authorities and closing expected to take place by mid-2024





Q3

**FY 2023 GUIDANCE
CONFIRMED**

CONFIRMED FY 2023 GUIDANCE

SALES

between
€26.5Bn and **€27.5Bn**

OPERATING MARGIN

between
5.2% and **6.2%** of sales

NET CASH FLOW

> **1.5%** of sales

NET DEBT / ADJ. EBITDA

at December 31st, 2023

between
2.0x and **2.2x**

This guidance is based on the main following assumptions:

- > Worldwide automotive production of around 86 million vehicles in 2023, more conservative than S&P's latest forecast of 88.5 million
- > Main currency rates of €/USD @ 1.09 and €/CNY @ 7.70

This guidance assumes no major lockdown or market event impacting production or retail sales in any major automotive region

CONFIRMED POWER25 OBJECTIVES, BEFORE DEBT REDUCTION FROM THE ADDITIONAL €1BN DISPOSAL PROGRAM

SALES

c. €30Bn

OPERATING MARGIN

> 7%

NET CASH FLOW

4%
of sales

NET DEBT / ADJ. EBITDA

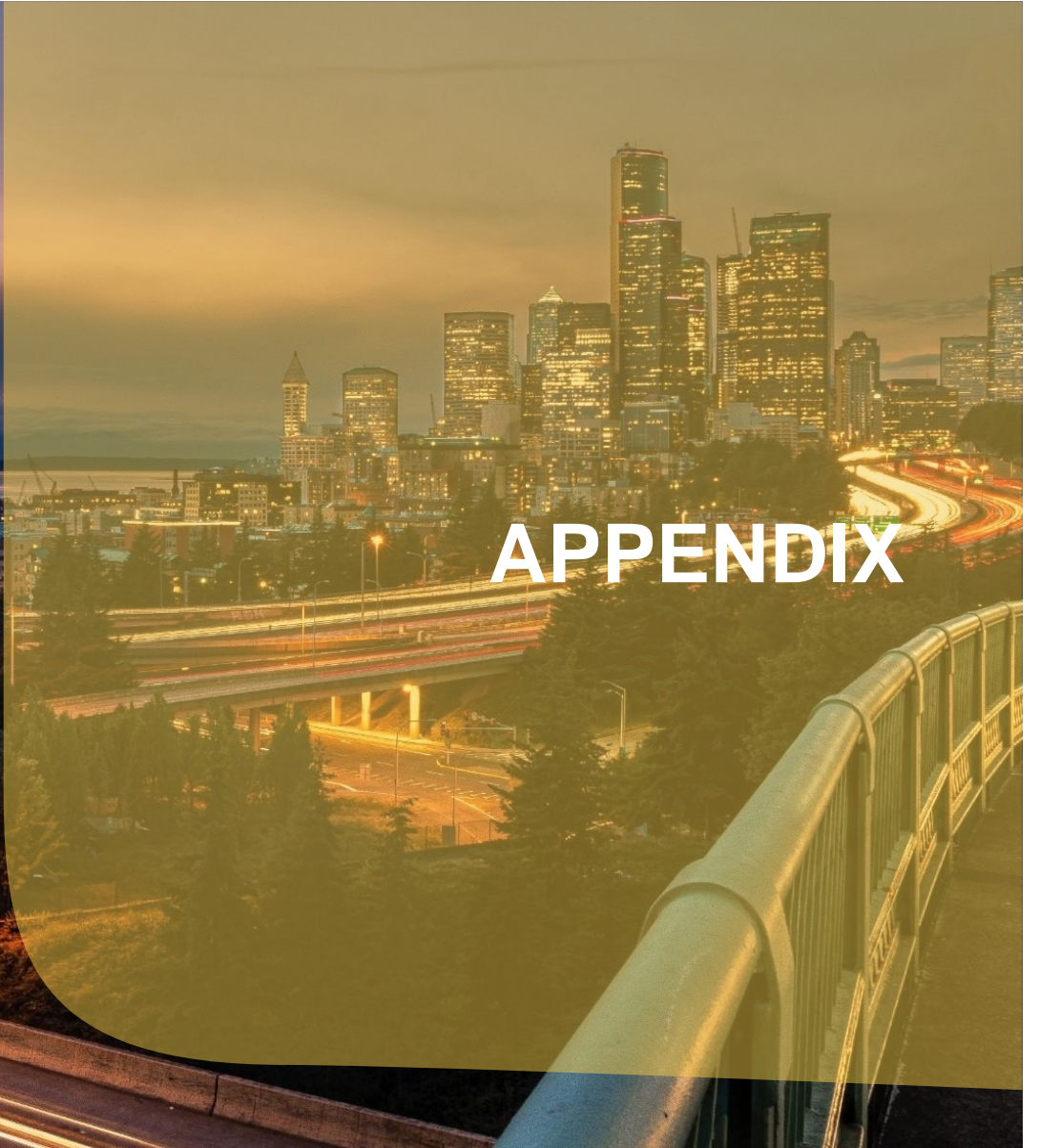
at December 31st, 2025

< 1.5x

These targets were presented at November 2022 CMD and based on the main following assumptions:

- > Worldwide automotive production of 88 million vehicles in 2025, more conservative than S&P's latest forecast of 90.5 million
- > 2025 currency rates of €/USD @ 1.05 and €/CNY @ 7.00

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



APPENDIX

DEFINITIONS OF TERMS USED IN THIS DOCUMENT

Sales growth

- › 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)
 - And “**Growth at constant scope and currencies**” or “**Organic growth**”
- › 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”

Operating income

Operating income is the FORVIA group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

- › Amortization of intangible assets acquired in business combinations
- › Other non-recurring operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses
- › Income on loans, cash investments and marketable securities; Finance costs
- › Other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IFRS 9, and gains and losses on sales of shares in subsidiaries
- › Taxes

Adjusted EBITDA

- › **Adjusted EBITDA** is Operating income as defined above + depreciation and amortization of assets; to be fully compliant with the ESMA (European Securities and Markets Authority) regulation, this term of “Adjusted EBITDA” will be used by the Group as of January 1st, 2022 instead of the term “EBITDA” that was previously used (this means that “EBITDA” aggregates until 2021 are comparable with ‘Adjusted EBITDA’ aggregates as from 2022)

Net cash-flow

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

Net financial debt

- › **Net financial debt** is defined as follow: Gross financial debt less cash and cash equivalents and derivatives classified under non-current and current assets. It includes the lease liabilities (IFRS 16 debt)

Debt covenant

- › **Debt covenant** is the ratio Net financial debt at the end of the period vs. Adjusted EBITDA over the last 12 months; it is tested twice every year at June 30 and at December 31st

INVESTOR RELATIONS

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Share tickers & ISIN code

- > **Bloomberg:** FRVIA.FP
- > **Reuters:** FRVIA.PA
- > **ISIN:** FR0000121147

Bonds ISIN codes

- > **2024 bonds:** XS1611167856
- > **2025 bonds:** XS1785467751
- > **2026 bonds:** XS2553825949
XS1963830002
- > **2027 bonds:** XS2047479469
XS2405483301
XS2081474046
- > **2028 bonds:** XS2209344543
- > **2029 bonds:** XS2312733871

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FORVIA

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