

## **Q3 2022 SALES**

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- › **Sales of €6.6bn, up 92% on a reported basis**
  - Including a scope effect of 54% from the consolidation of HELLA (€1.8bn)
  - Strong organic sales growth of 31% driven by production recovery; outperformance of +140bps or +490bps restated for unfavorable geographic mix of -350bps
- › **Upgraded FY 2022 sales guidance to between €24.5bn and €25.5bn**

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# Summary

- 01** Q3 2022 sales review
- 02** Update on ongoing topics
- 03** Updated FY 2022 guidance
- 04** Key takeaways

## **Q3 2022 main events (1/2)**

- › **Continued strong order intake of €24.5bn YTD, while being selective on programs, including:**
  - Major award with Daimler for complete seats (1<sup>st</sup> and 2<sup>nd</sup> rows) with lifetime sales of €2bn (SOP in 05/2025)
  - Award with a global long-haul truck leader for the first mass-production of hydrogen storage systems for long-haul trucks
  - HELLA won awards to equip 8 different EVs from German premium manufacturers with multifunctional Front Phygital Shields (Lighting)
  
- › **Our H<sub>2</sub> activities have been selected as “Important Project of Common European Interest” (IPCEI) and will be allocated €213m; those of Symbio (50/50 JV with Michelin) have also been selected**
  
- › **On August 18, HELLA announced its outlook for the next 12-month period (June 2022 to May 2023):**
  - Sales in the range of €7.1bn to €7.6bn (vs. €6.3bn for the FY 2021/2022)
  - Adj. EBIT margin in the range of 5.5% to 7.0%, improving vs. 4.4% recorded in the FY 2021/2022
  
- › **Inclusion in the Euronext CAC 40 ESG® index, recognizing our ESG practices**

## **Q3 2022 main events (2/2)**

### **> On track for the disposal program of €1bn by end 2023, contributing to Group deleveraging, with 30% achieved to date**

- On July 28, HELLA announced the divestment of its 33% stake in the HBPO JV to its co-shareholder Plastic Omnium for €290m
- This is a further milestone reached in sharpening HELLA's profile as a technology company with Lighting, Electronics and Lifecycle Solutions at its core
- Closing expected in the fourth quarter of 2022

### **> Further steps in the refinancing process of the acquisition of HELLA, now well-advanced**

- €0.5bn of new financings signed in Q3 at attractive conditions
- Remaining part is €0.9bn that will be refinanced through new financings and/or next divestments

# **Q3 2022 sales of €6.6bn, up 92% on a reported basis and up 31% at constant scope and currencies; outperformance of +490bps**

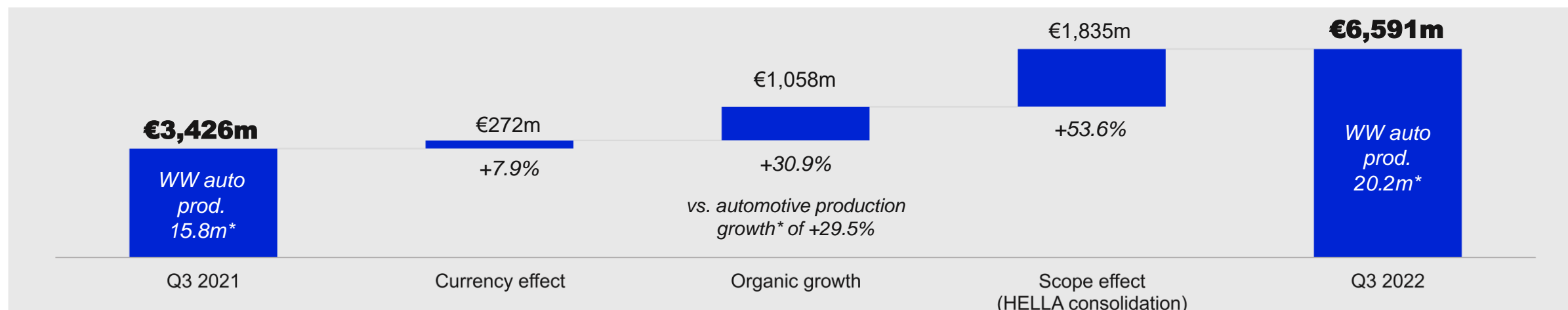
## › Strong sales growth of +92.4% on a reported basis included:

- A scope effect of €1.8bn or +53.6%, related to the consolidation of HELLA (consolidated since Feb. 1)
- A currency effect of €272m of +7.9%, mainly due to USD and CNY

## › Organic growth of +30.9% reflected:

- Strong YoY growth in worldwide automotive production, after a low Q3 2021 that had been severely impacted by semiconductor shortage and related stop-and-gos
- An outperformance of +140bps or +490bps restated for unfavorable geographic mix impact of -350bps

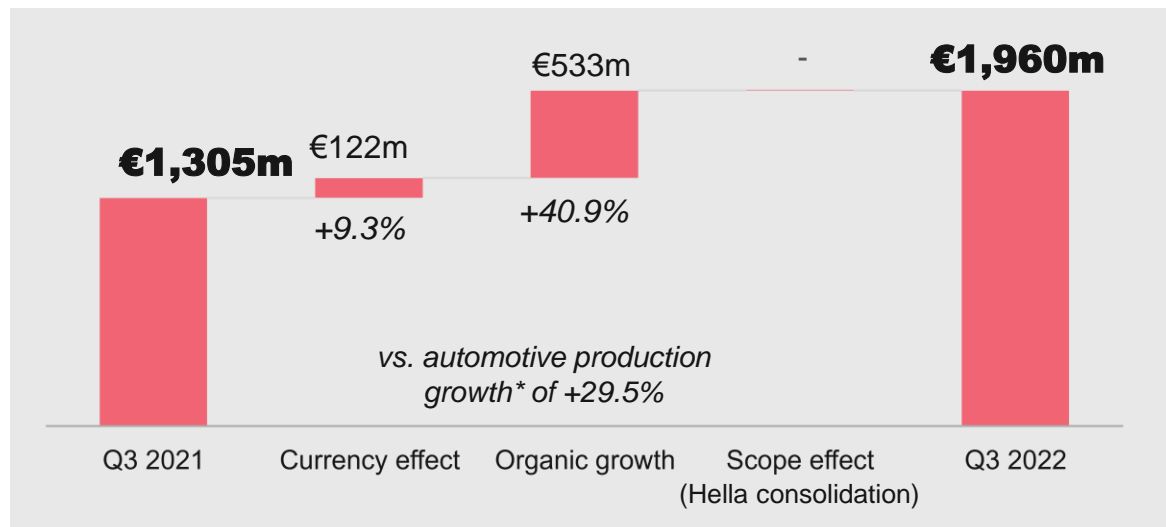
### Q3 2022 SALES (in €m)



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

# Seating

30% of Group consolidated sales in the period

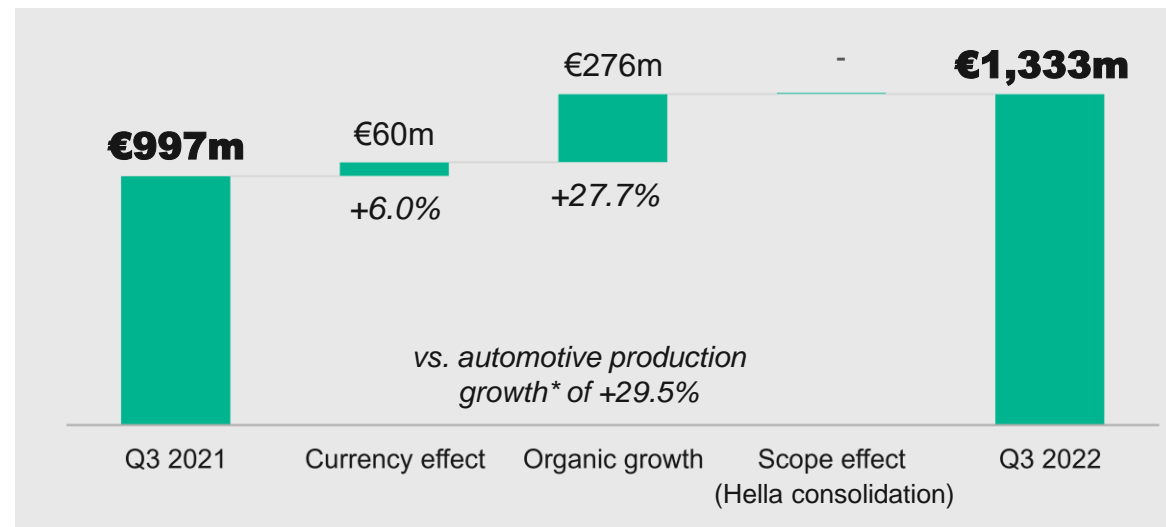


## Strong sales outperformance of 1,140bps, driven by:

- Strong organic growth of +67% in China vs. Chinese automotive production of +32%; this reflected increase in sales with Chinese OEMs (notably BYD), a major American EV carmaker and new entrants
- Solid organic growth of +33% in North America vs. American automotive production of +26%; outperformance is lower than in previous quarters as the base effect is less favorable (major new programs started in H2 2021)
- Solid organic growth of +28% in Europe, broadly in line with regional automotive production, driven by VW, BMW and Stellantis

# Interiors

20% of Group consolidated sales in the period



## Organic sales grew by 28%, slightly below automotive production growth:

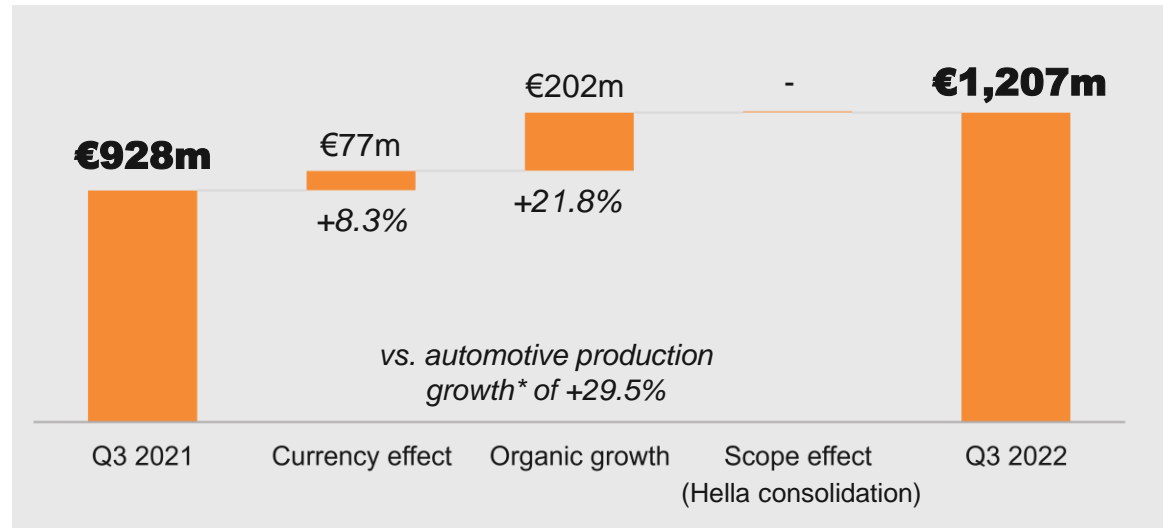
- Strong organic growth of +32% in Europe, outperforming regional automotive production by c. 400bps
- Sales in North America grew organically by 29%, also outperforming regional automotive production by c. 300bps
- In Asia, sales grew by 20%, underperforming regional automotive production because of an unfavorable customer mix in the quarter

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



# Clean Mobility

18% of Group consolidated sales in the period

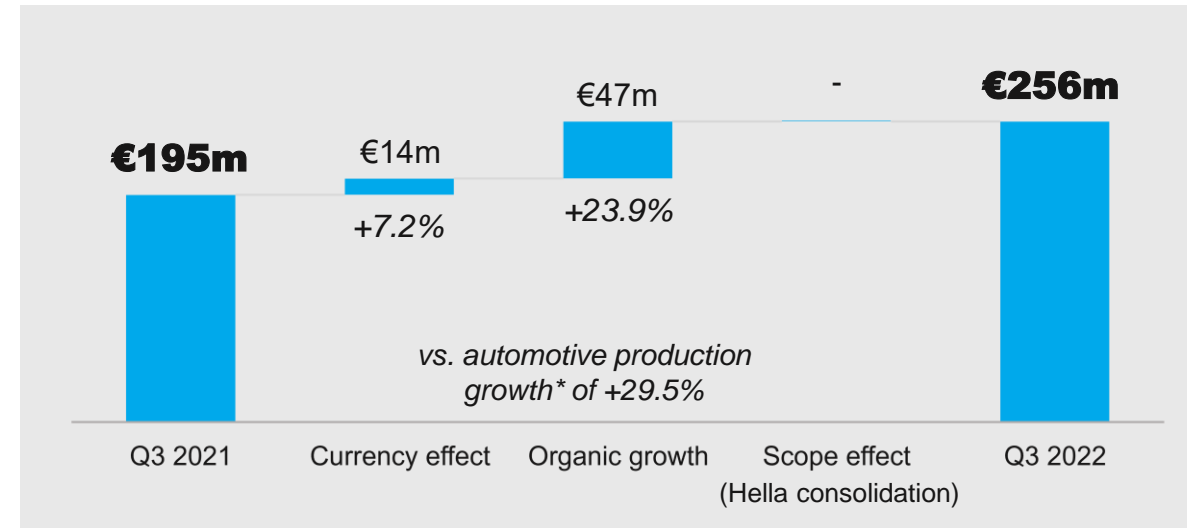


## Organic sales grew by 22%, below worldwide automotive production growth:

- Organic sales were broadly in line with regional automotive production in Europe
- In North America and Asia, sales grew by 12% and 16% respectively, below regional automotive production: underperformance in the quarter was due to unfavorable customer mix in North America in the quarter and high BEV growth in Asia

# Clarion Electronics

4% of Group consolidated sales in the period



## Organic sales grew by 24%, below worldwide automotive production growth:

- Sales growth was mainly driven by North America, with organic growth of +47%
- Sales in China only grew by 4.2% in the quarter, underperforming overall Chinese automotive production as a result of the shutdown of the Fengcheng plant, due to Covid lockdown in the Jiangxi area
- Sales in other Asian countries (outside China) also grew strongly by +37%

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

# HELLA's contribution to consolidated sales amounted to €1.8bn

28% of Group consolidated sales in the period

- › HELLA is consolidated since February 1 and its 3-month contribution to the Group's consolidated sales in Q3 amounted to €1,835m, of which:

	Q3 2022
Sales (€m)	1,835
<i>Lighting</i>	745
<i>Electronics</i>	850
<i>Lifecycle Solutions</i>	240

- › All three activities recorded YoY strong growth, supported by the strong recovery in worldwide automotive production over a low Q3 2021
  - **Lighting** (11% of Group consolidated sales in Q3) benefited from ramp-up of programs with premium OEMs and SOPs in China
  - **Electronics** (13% of Group consolidated sales in Q3) was driven by high demand for energy management solutions but also components business and body electronics
  - **Lifecycle Solutions** (4% of Group consolidated sales in Q3) recorded solid demand in the Aftermarket and Special Applications solutions

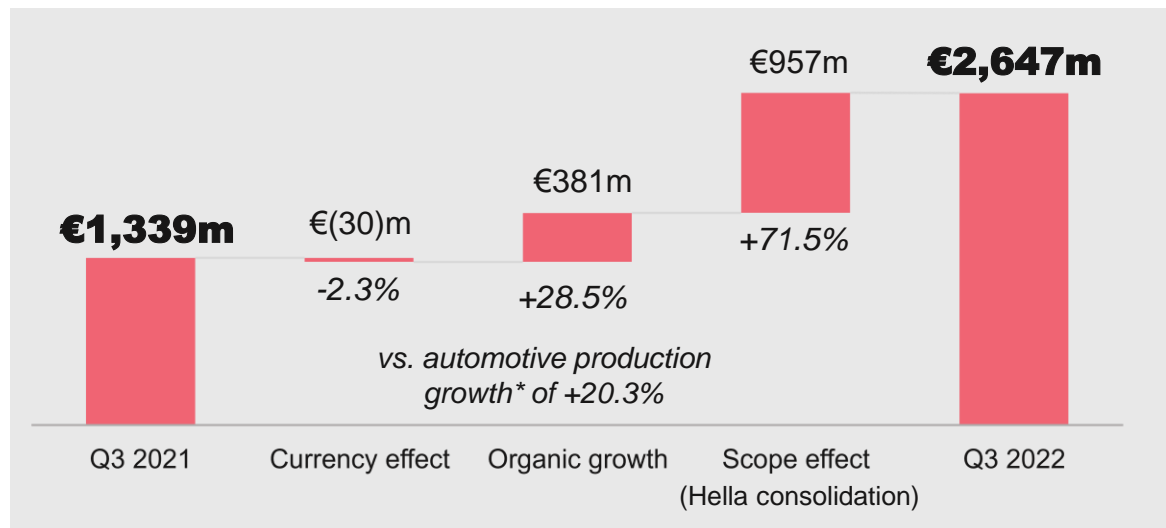
NB: HELLA reported its FY 2021/2022 results (ending May 31, 2022) on August 18 and its Q1 2022 (June 1 to August 31, 2022) results on September 29, 2022



# Europe

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

40% of Group consolidated sales in the period



**Organic sales growth of 28.5%, outperforming regional automotive production by 820bps:**

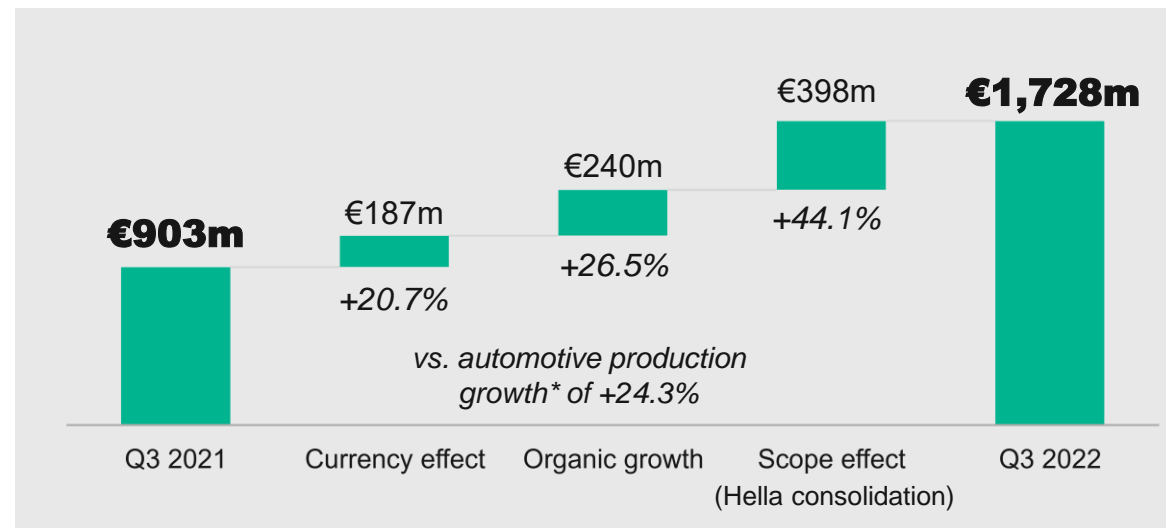
- Seating, Interiors and Clean Mobility posted strong organic growth slightly below 30%
- Clarion Electronics posted a low-single digit organic growth

HELLA's contribution in the quarter (scope effect) amounted to €957m

# North America

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

26% of Group consolidated sales in the period



**Organic sales growth of 26.5%, outperforming regional automotive production by 220bps:**

- Seating, Interiors and Clarion Electronics posted strong organic growth at or above +30%
- Clean Mobility posted double-digit organic growth (+12%)

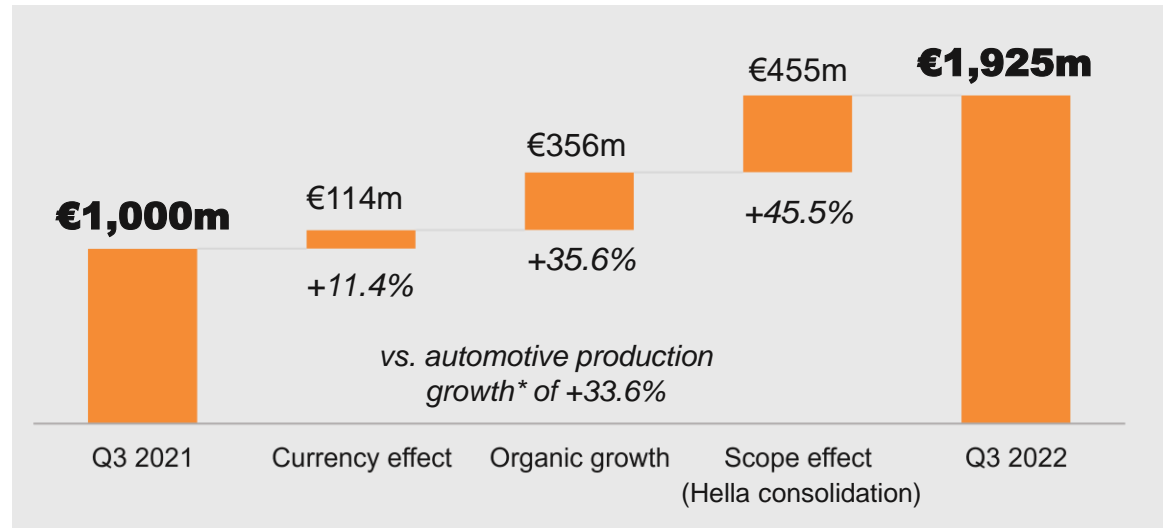
HELLA's contribution in the quarter (scope effect) amounted to €398m

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

# Asia

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

29% of Group consolidated sales in the period



**Organic sales growth of 35.6%, outperforming regional automotive production by 200bps, driven by:**

- Seating that grew organically by +61%
- Clarion Electronics in other Asian countries (outside China) that grew organically by +37%

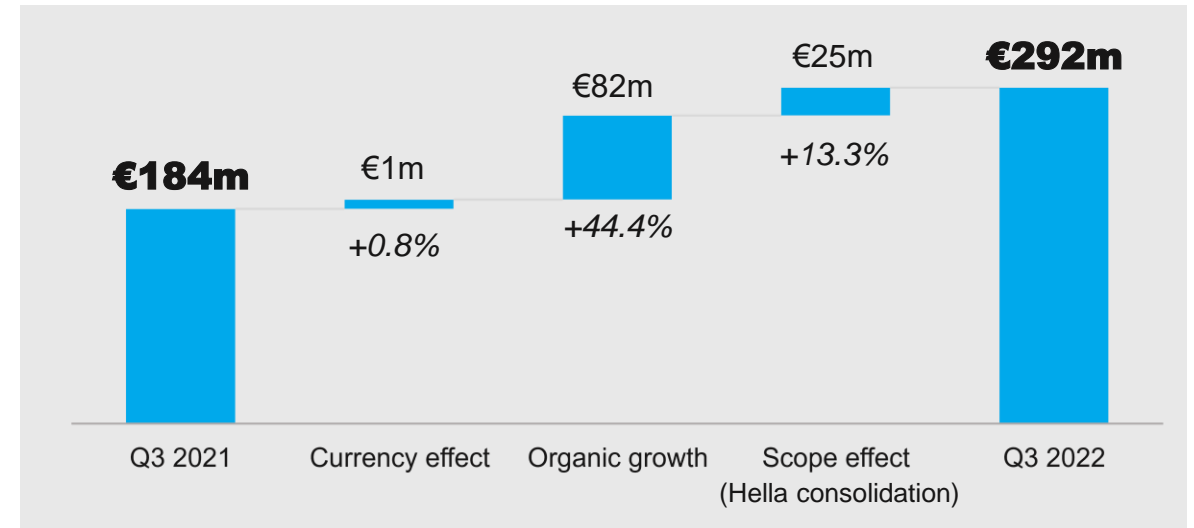
**In China, sales amounted to €1,566m and grew organically by 38.4%**

HELLA's contribution in the quarter (scope effect) amounted to €455m

# Rest of the world

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

5% of Group consolidated sales in the period



**In South America, which represented c. 3/4 of the total, organic sales were up 49.1%, a strong outperformance of 1,580bps mainly driven by sales to Stellantis and VW**

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

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# €1bn disposal program by end-2023 well underway

- › **On August 14, 2021**, along with the announcement of the HELLA acquisition, Faurecia announced a disposal program of €500m by end-2023 to contribute to deleveraging post-acquisition
- › **On April 26, 2022**, Faurecia upgraded the disposal program to €1bn by end-2023 to enhance financial flexibility in an environment that became increasingly uncertain after the outbreak of the war in Ukraine
- › A portfolio review at both Faurecia and HELLA identified some non-strategic assets with a combined estimated value significantly above the current €1bn commitment
- › **On July 28, 2022**, HELLA announced the divestment of its 33% stake in the HBPO JV to its co-shareholder Plastic Omnium for €290m
  - ✓ This first announced sale represents close to 30% of the planned disposal program
  - ✓ Closing is expected in Q4 2022
- › **The portfolio of non-strategic assets significantly above €1bn and the timeframe for the disposal program gives full confidence to reach the targeted €1bn by end-2023**

**The disposal program is already c. 30% achieved and is on track to be fully completed as planned by end-2023**

# Refinancing of the Hella acquisition nearly complete

## › €705m capital increase in June 2022 successfully refinanced the bridge-to-equity, ahead of initial deadline (mid-February 2023)

- ✓ Strong support from core shareholders, which all participated in the capital increase in proportion of their rights
- ✓ High demand with subscription rate of 187%, for a total issuance of 45,482,154 new shares (Faurecia's new share capital now comprises 197,089,340 shares)

## › To date, total HELLA-related debt instruments represented c. ¾ of total debt instruments that should be eventually issued to finance the transaction, at a reasonable average cost of 3.25%

## › Bridge-to-bond provides headroom until mid-August 2023 and will be refinanced through a mix of:

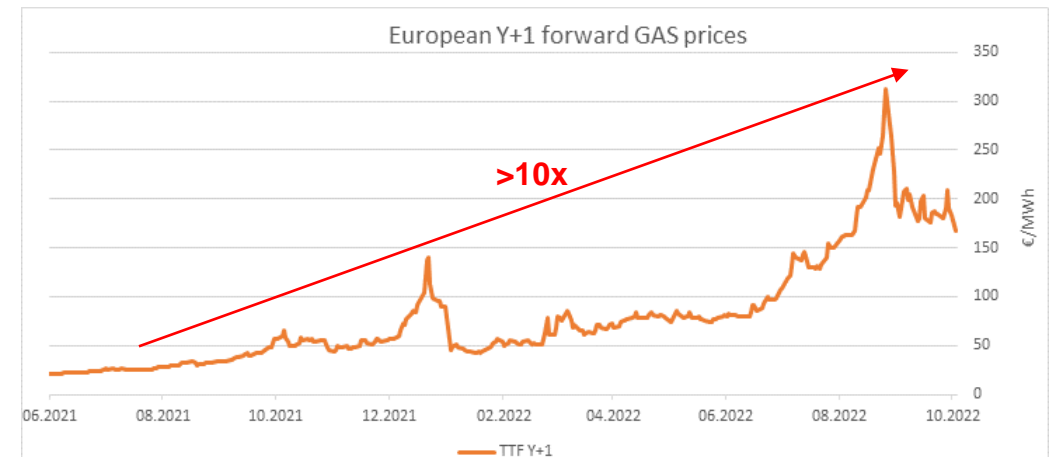
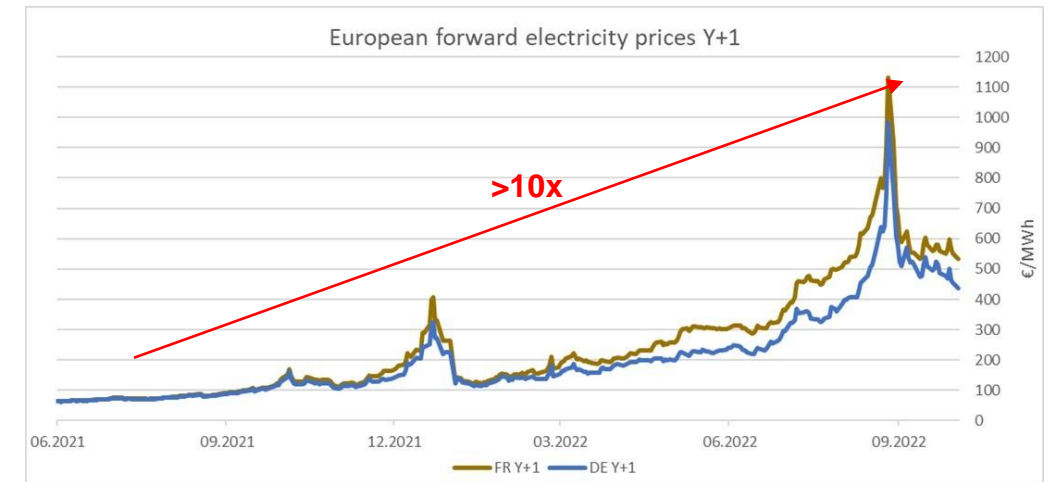
- ✓ Additional debt instruments to provide new financings
- ✓ Deals to be closed from the disposal program underway

<b>Acquisition price for 82% of HELLA</b>	<b>€5.4bn</b>
<i>Part paid in Faurecia shares to the Hueck/Roepke Family</i>	<i>(€0.5bn)</i>
<b>Part paid in cash at closing (February 2022)</b>	<b>€4.9bn</b>
<i>Pre-financed in H2 2021</i>	
• Available cash	€(0.6)bn
• Nov. 2021 Notes due 2027 @ 2.75%	€(1.2)bn
• Dec. 2021 SSD (Schuldschein) up to 6 years @ c. 2%	€(0.7)bn
<i>Since the start of 2022:</i>	
• Capital increase	€(0.7)bn
• EIB Loan maturity 2029 @ 3.47%	€(0.3)bn
• Syndicated Loan with Latam banks maturity 2028 @ 3.35%	€(0.2)bn
<i>Disposal program achieved to date:</i>	
• Divestment of HBPO (expected closing Q4 2022)	€(0.3)bn
<b>Left to be refinanced as of October 31, 2022</b>	<b>€0.9bn</b>

**HELLA acquisition to be fully refinanced by August 2023**

# Energy crisis management

- › Our operations are not highly energy-intensive, while benefiting from very efficient historical hedging policies
  - In 2021 (“reference year”), the total Faurecia + HELLA energy bill (electricity c. 70% + gas c. 30%) amounted to c. €170m, representing 0.7% of sales
  - FORVIA’s 2023 European bill hedged at c. 90%
- › On top of hedging policies, energy savings measures have already been implemented, and self-production is accelerating
  - Energy savings measures should represent c. 22% (exit 2023), including week-end and night flexing
  - Self-production through solar panels (120 GWh installed) should represent an additional 7% (exit 2023)
- › As a result, our total Faurecia + HELLA energy bill should grow by only 1.8x in 2023 vs. the 2021 “reference year”, while energy prices in Europe are multiplied by more than 10x
- › Lastly, we manage risk related to our supply chain by securing safety stock and alternative production sites for most critical parts and suppliers



Impact of energy price increase contained through efficient hedging policy and self-help measures

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# Updated FY 2022 guidance: Upgraded sales target & confirmed operating margin and NCF targets

## › Upgraded FY 2022 sales guidance to reflect:

- Upward revision of worldwide automotive production\* to 77 million LVs (vs. 74m LVs previously), considering already c. 58m LVs produced in 9m 2022 and maintaining some prudence vs. S&P Global Mobility's latest forecast\*\* of 79.0m
- Currencies evolution: USD/€ now estimated on average for 2022 @ 1.05 (vs. 1.13 previously)

## › Confirmed FY 2022 operating margin and NCF guidance:

- Operating income in absolute terms will benefit from higher sales
- Net cash flow at breakeven (incl. building of a safety stock to secure supplies given energy shortage risks in Europe)

**Sales between  
€24.5bn and €25.5bn**  
*(vs. between €23bn and €24bn, previously)*

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

**Net cash flow  
at breakeven**

*This guidance assumes no major lockdown impacting production or retail sales in any automotive region during Q4 and takes into account the Group's latest update of net impact from cost inflation*

- › In addition, the Group confirms targeting Net debt-to-Adj. EBITDA  $\leq$  3x at December 31, 2022
- › A Capital Markets Day will be held on November 3 and will present medium-term strategy and ambition
- › A Sustainability Day will be held on November 4 and will be focused on ESG strategy and priorities

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

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

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# **Q3 2022 key takeaways**

## **> Strong consolidated sales growth of 92.4% in Q3, fed by:**

- **Scope effect of 53.6%** due to the consolidation of HELLA that started on February 1
- **Positive currency effect of 7.9%**
- **Strong organic growth of 30.9%**, reflecting:
  - **Worldwide automotive production growth of 29.5%** in the quarter, due an easy base effect from Q3 2021
  - **A negative regional mix of -350bps**
  - **An outperformance of +490bps**

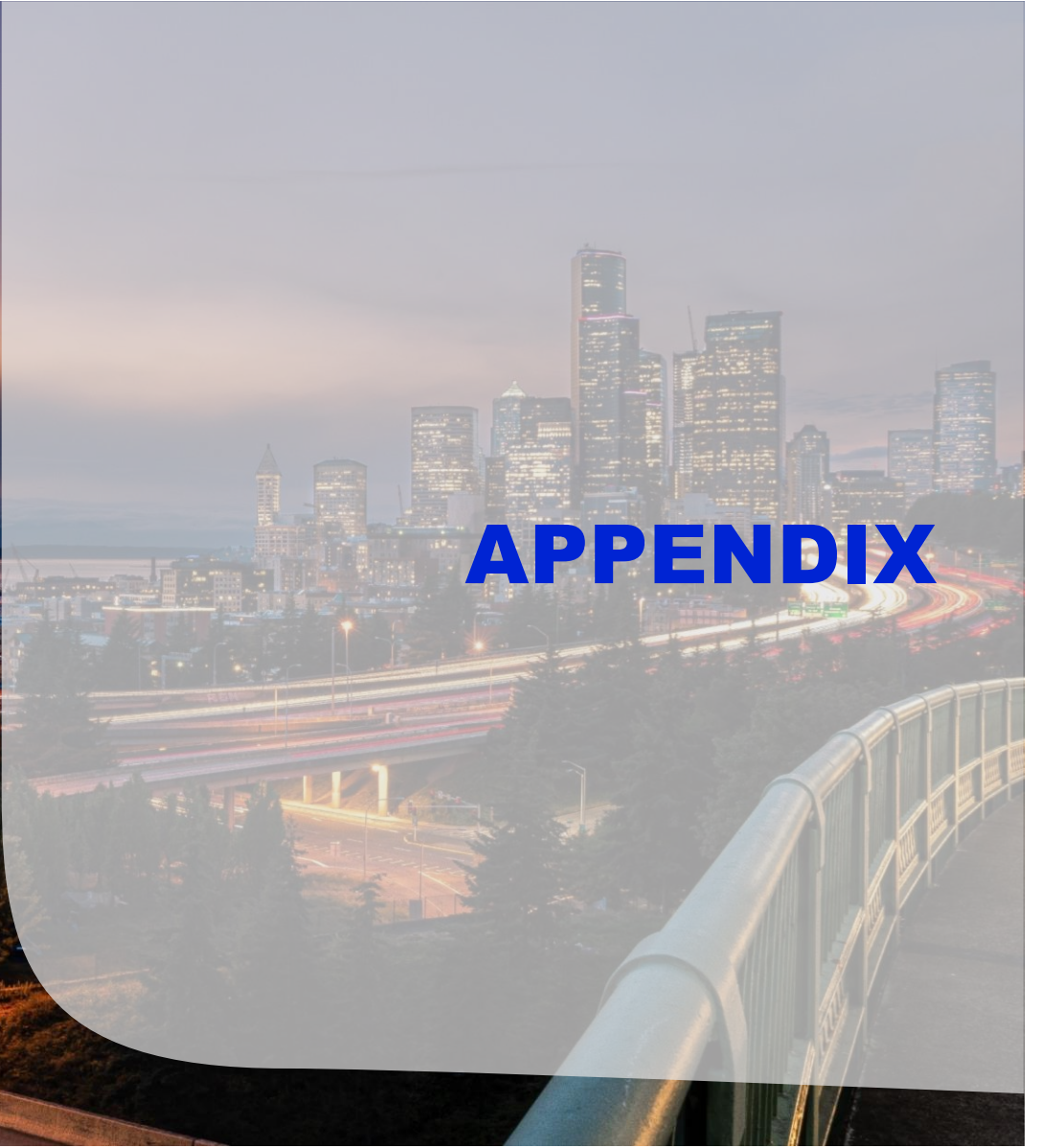
## **> Continued strong development of order intake, while maintaining focus on strategic segments and selectivity on programs with the highest returns**

## **> Updated FY 2022 guidance:**

- **Sales guidance revised upwards to between €24.5bn and €25.5bn** (vs. between €23bn and €24bn previously)
- **Confirmed operating margin (between 4% and 5%) and NCF (at breakeven)**

## **> Preparing for 2023:**

- **The refinancing of HELLA and the announced disposal program are on track and will be finalized in 2023**
- **Securing performance amid current adverse macro conditions (such as energy prices)**



# APPENDIX



# Definitions of terms

Used in this document (1/3)

## SALES GROWTH

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

- A “**Currency effect**”, calculated by applying average currency rates for the period to the sales of the prior year,
- A “**Scope effect**” (acquisition/divestment),
- And “**Growth at constant currencies**”.

As scope effect, Faurecia presents **all acquisitions/divestments**, whose sales on an annual basis amount to more than €250 million.

**Other acquisitions** below this threshold are considered as “**bolt-on acquisitions**” and are included in “**Growth at constant currencies**”.

In 2020, there was no effect from “bolt-on acquisitions”; as a result, “Growth at constant currencies” is equivalent to **sales growth at constant scope and currencies** also presented as **organic growth**.





# Definitions of terms

Used in this document (2/3)

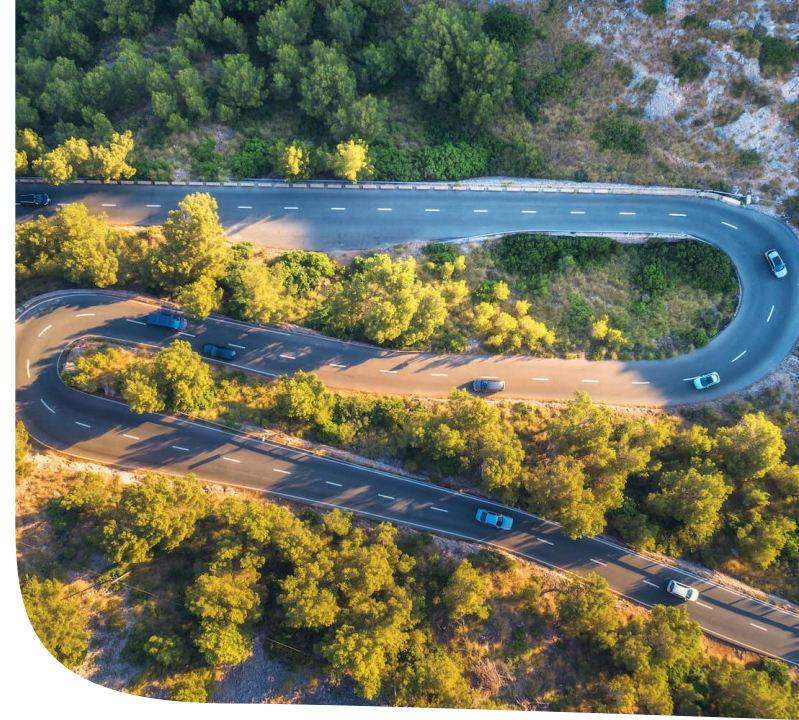
## ADJUSTED EBITDA

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

## OPERATING INCOME

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

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





# Definitions of terms

Used in this document (3/3)

## NET CASH-FLOW

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

## NET FINANCIAL DEBT

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

## DEBT COVENANT

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





## Breakdown by quarter of FORVIA 2021 proforma sales

FY 2021 pro forma is presented in chapter 6 of Faurecia's 2021 Universal Registration Document

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

# Financial Agenda

**November 3, 2022** **Capital Markets Day**

**November 4, 2022** **Sustainability Day**

**January 2023** **CES in Las Vegas**

## **Investor relations**

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## **Share Data**

Bloomberg Ticker:	EO:FP
Reuters Ticker:	EPED.PA
Datastream:	F:BERT
ISIN Code:	FR0000121147

## **Bonds ISIN Codes**

2025 bonds: XS1785467751  
2026 bonds: XS1963830002  
2027 bonds: XS2081474046  
Additional 2027 bonds: XS2290556666\*  
2027 bonds: XS2405483301  
2028 bonds: XS2209344543

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

# Disclaimer

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## Important information concerning forward looking statements

This presentation contains certain forward-looking statements concerning Faurecia. Such forward-looking statements represent trends or objectives and cannot be construed as constituting forecasts regarding the future Faurecia's results or any other performance indicator. In some cases, you can identify these forward-looking statements by forward-looking words, such as "estimate," "expect," "anticipate," "project," "plan," "intend," "objective", "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "would," "will", "could," "predict," "continue," "convinced," and "confident," the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, financial projections and estimates and their underlying assumptions including, without limitation, assumptions regarding present and future business strategies (including the successful integration of HELLA within the Faurecia Group), expectations and statements regarding Faurecia's operation of its business, and the future operation, direction and success of Faurecia's business..

Although Faurecia believes its expectations are based on reasonable assumptions, investors are cautioned that these forward-looking statements are subject to numerous various risks, whether known or unknown, and uncertainties and other factors, including the ongoing global impact of the COVID-19 pandemic outbreak and the duration and severity of the outbreak on Faurecia's business and operations, all of which may be beyond the control of Faurecia and could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties and other factors, please refer to public filings made with the Autorité des Marchés Financiers ("AMF"), press releases, presentations and, in particular, to those described in the section 2."Risk factors & Risk management" of Faurecia's 2021 Universal Registration Document filed by Faurecia with the AMF on April 6th, 2022 under number D. 22-0246 (a version of which is available on [www.faurecia.com](http://www.faurecia.com)).

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The historical figures related to HELLA included in this presentation have been provided to Faurecia by HELLA within the context of the acquisition process. These historical figures have not been audited or subject to a limited review by the auditors of Faurecia. HELLA remains a listed company. For more information on HELLA, more information is available on [www.hella.com](http://www.hella.com).

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