H1 2019 RESULTS

Resilient sales, profitability and cash generation in a challenging environment
Full-year guidance confirmed

July 23, 2019

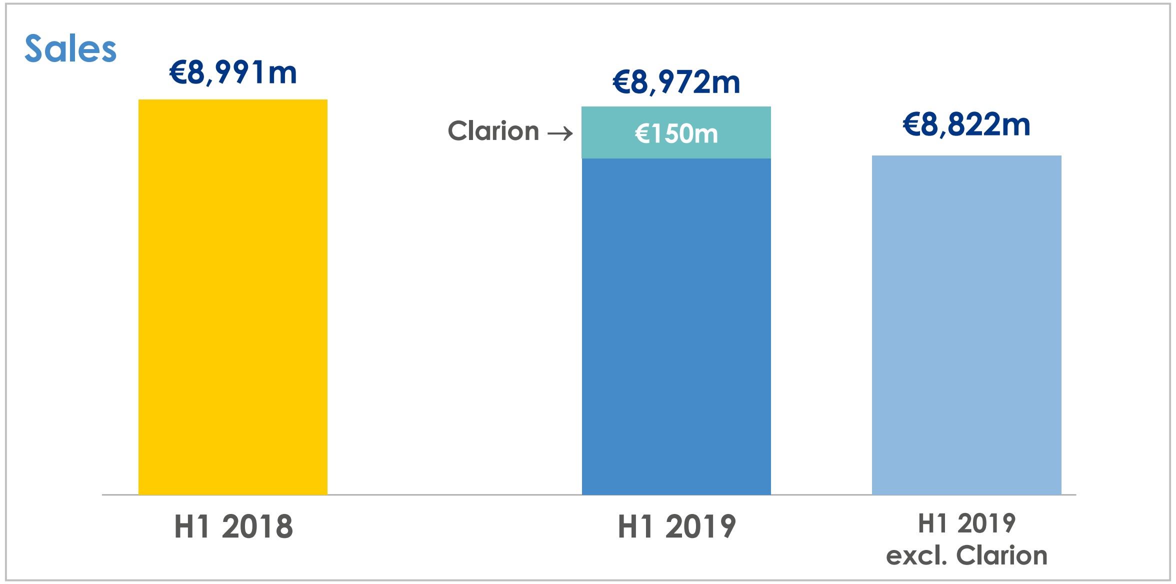
The 2019 half-year consolidated financial statements have been approved by the Board of Directors at its meeting held on July 22, 2019, under the chairmanship of Michel de Rosen. These financial statements have been subject to a limited review and the external auditors have issued their report.
Operating income presented as Faurecia's main performance indicator is Operating income before amortization of intangible assets acquired in business combinations.

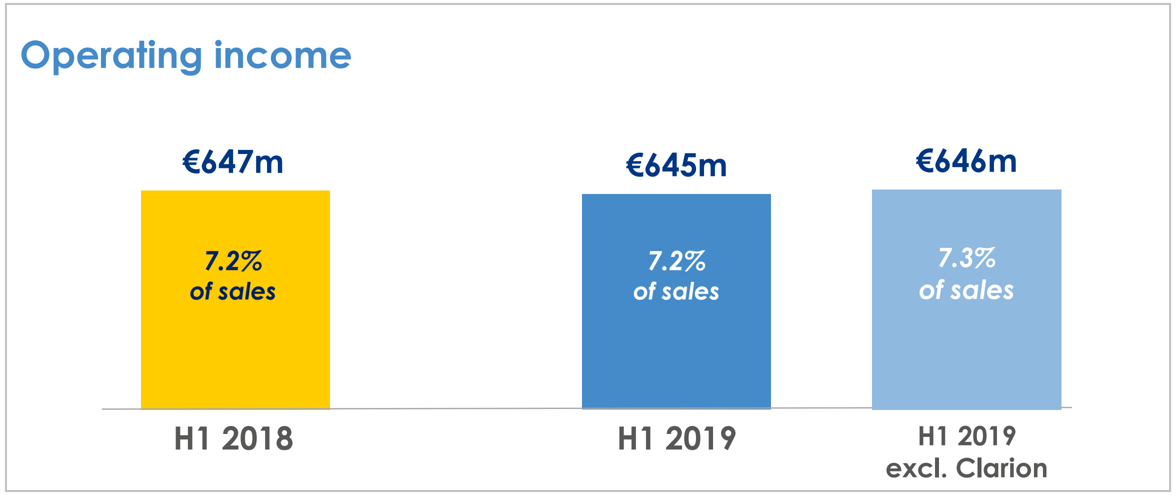
Agenda

1	**H1 2019 highlights**	Patrick Koller *Chief Executive Officer*
2	**Review of H1 2019 results**	Michel Favre *Chief Financial Officer*
3	**Confirmed FY2019 targets**	Patrick Koller *Chief Executive Officer*

Resilient sales, profitability and cash generation

- **Sales outperformance of 420bps in a challenging environment**
  - Growth ex-currencies and ex-Clarion @ -2.8%* vs. worldwide automotive production @ -7.0%**
  - Above the high end of the guidance range of 150bps to 350bps for the FY
- **Resilient profitability, demonstrating Faurecia's robust business model and flexible structure**
  - Operating margin of 7.2% including Clarion
  - Operating margin of 7.3% excluding Clarion, with improved or stable profitability in all three historical Business Groups
- **Net cash flow of €257m, up 3.9% year-on-year**

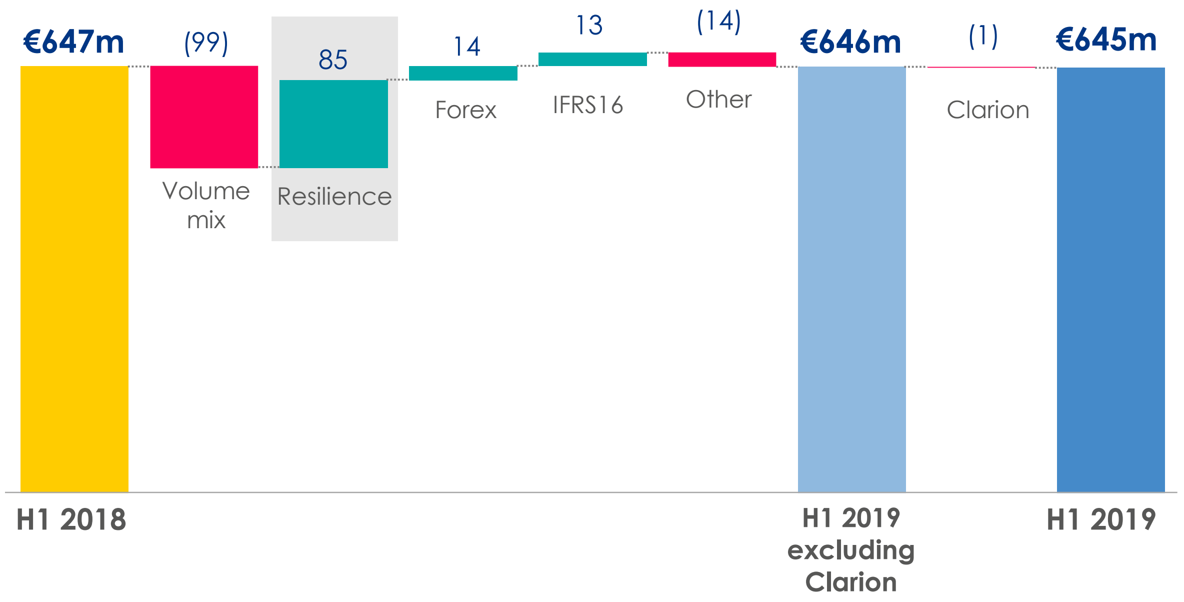




** Including bolt-ons*
*** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

Resilience through additional measures in H1 2019

Operating income



- **Flexibility through direct and indirect headcount management**
  - Reduction of c. 6% of headcount year-on-year for the three historical BGs (-17% in China)
  - Reduction of temporary headcount sub-contractors and consultancies (plan launched in July 2018)
  - Flexibility kept with temps representing 18% of total headcount

- **Rationalization of industrial footprint in H1 2019**
  - 11 plants and 2 administrative centers, of which 7 in China (excluding FCE)

- **Accelerated restructuring with short pay-back**
  - €73m of restructuring in H2 2018 (vs. €59m in H2 2017)
  - **€71m of restructuring in H1 2019** (vs. €28m in H1 2018)

Strong momentum in order intake and transformation strategy

- **Order intake on track for another strong year and acceleration in New Value Spaces**
  - Major awards for Interiors and Seating for Premium OEMs
  - Commercial vehicles gaining momentum
  - Significant award for HHP in Marine business
  - Increasing share from New Value Spaces with 20 new business awards

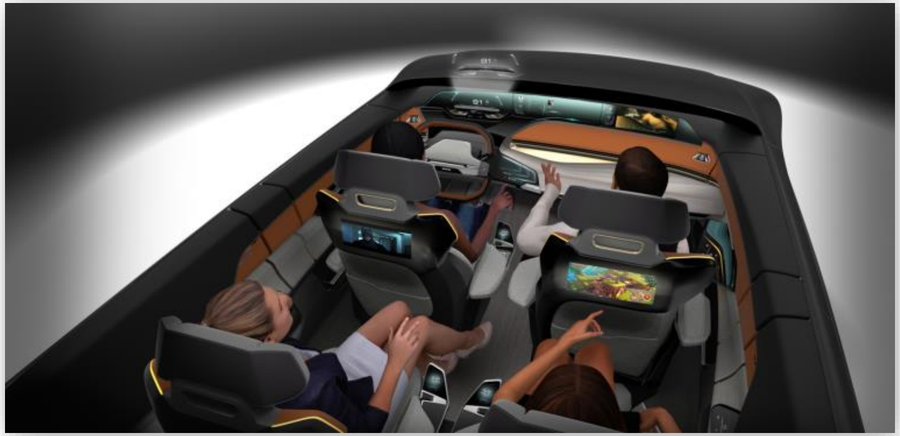
- **Continuing transformation and expansion of technology ecosystem**
  - Joint Venture with Michelin for fuel cell systems to be closed in Q3
  - Creation of global center of expertise for hydrogen tanks in Bavans, France
  - Partnership with Microsoft for digital services for Cockpit of the Future
  - Acquisition of Creo Dynamics and Covatech and investment in GuardKnox

Faurecia Clarion Electronics
Smart Cockpit Electronics and software integration

faurecia clarion ELECTRONICS

- **A new Business Group regrouping Clarion, Parrot Automotive and Coagent and integrating Covatech and Creo Dynamics technologies**

clarion Coagent Parrot AUTOMOTIVE COVA CREO DYNAMICS



- **Five product lines with strong growth potential through leveraging synergies**
  - Cockpit Domain Controller
  - Immersive Sound Systems
  - Interior Monitoring Systems
  - Display Technologies
  - Advanced Driver Assistance Systems (ADAS)

- **Over 100 million vehicles equipped with software and hardware solutions**

Faurecia Clarion Electronics Product Lines

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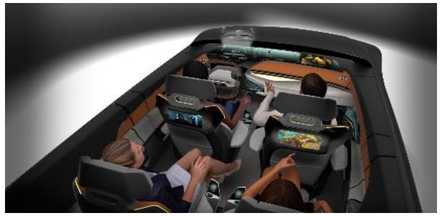
COCKPIT DOMAIN CONTROLLER



Cockpit Domain Controller

Rear Seat IVI

Remote Tuner

Apps Market

IMMERSIVE SOUND SYSTEMS

Exciter

Smart Headrest

Active Noise Control

Sound Domain Controller

Sound tuning

Seat-based bass

INTERIOR MONITORING SYSTEMS

Near Infrared / Thermal cameras

Radars & other sensors

Sensor data processing

Data fusion

ECU

Situation analysis

E-mirror

DISPLAY TECHNOLOGIES

S-shaped Display

Rear screen Display

Pillar-to-Pillar Display

Optical Bonding

Back Lighting

ADAS

Rear view

Surround view

Auto parking

Summon & valet parking

HW & SW library

Faucecia Clarion Electronics
An organization and integration plan for rapid synergies

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- **Organization combining Faurecia and Clarion competences to be fully deployed by September 1**

Atsushi Kawabata – EVP

Jean-Paul Michel – Deputy EVP

Nik Endrud – North America
Nicolas Diehl – Europe
Benjamin Thoma – China
Hiroshi Murakami – Japan
Display Technologies

David Schajer – HR
Toshiya Kimura – R&D/Programs
Frantz Lohier – Techno. & Product lines
Katsuaki Ogiso – Strategy
Norikazu Kumasaka – Operations
Olivier Valade – Finance
Tadaaki Yamada – Purchasing

- **Faurecia Clarion Electronics profitability to gradually reach Group level**
  - Significant cost reduction plan confirmed. P&L impact: €15m by the end of 2019 and €20m per quarter in 2020
  - Estimated restructuring expenses, including footprint optimization, of c. €70m to be mainly booked in H2 2019
  - Clarion will achieve positive operating income in H2 2019

Strategic plan and profitable growth roadmap will be presented at the Capital Markets Day to be held in Paris on November 26

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H1 2019 figures - Notable facts

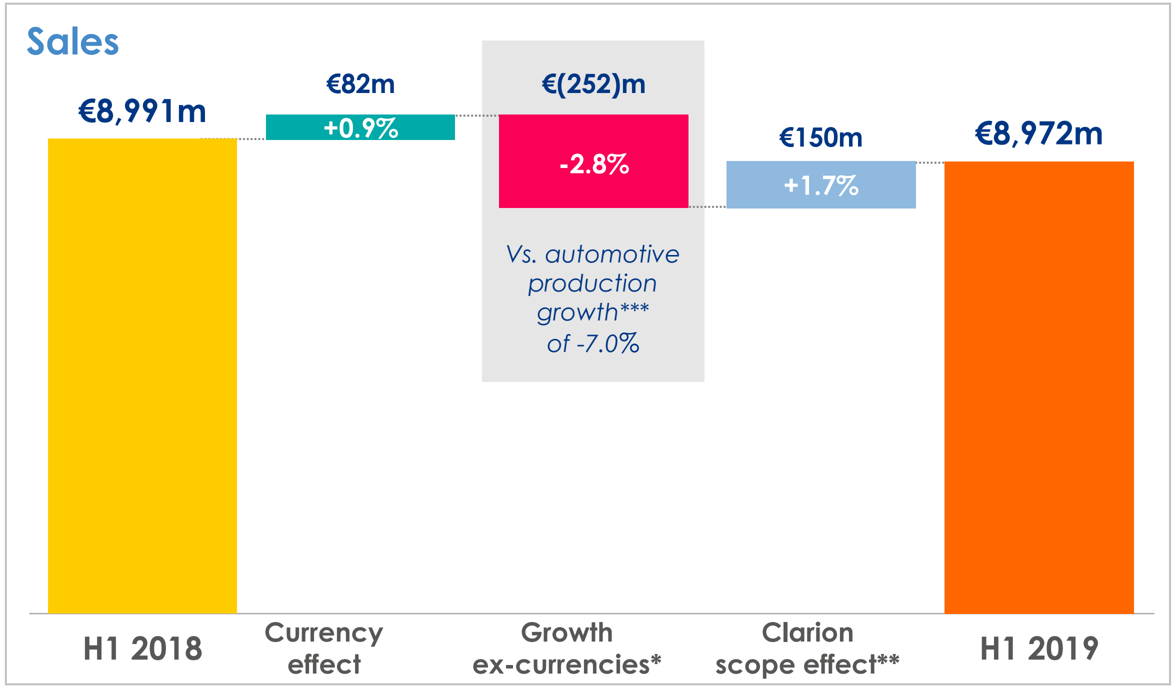
- **Fourth new Business Group "Faurecia Clarion Electronics" as from January 1, 2019, including:**
  - Coagent, consolidated as from January 1, 2018 and previously classified within "Interiors"
  - Parrot Automotive, sales consolidated as from January 1, 2019
  - Clarion, consolidated as from April 1, 2019 and accounted for only two months (April and May) in the half-year consolidated statements as of June 30, 2019 (June will be caught up at the financial closing of September 30)

- **H1 2019 sales included a positive contribution from bolt-ons of €164m:**

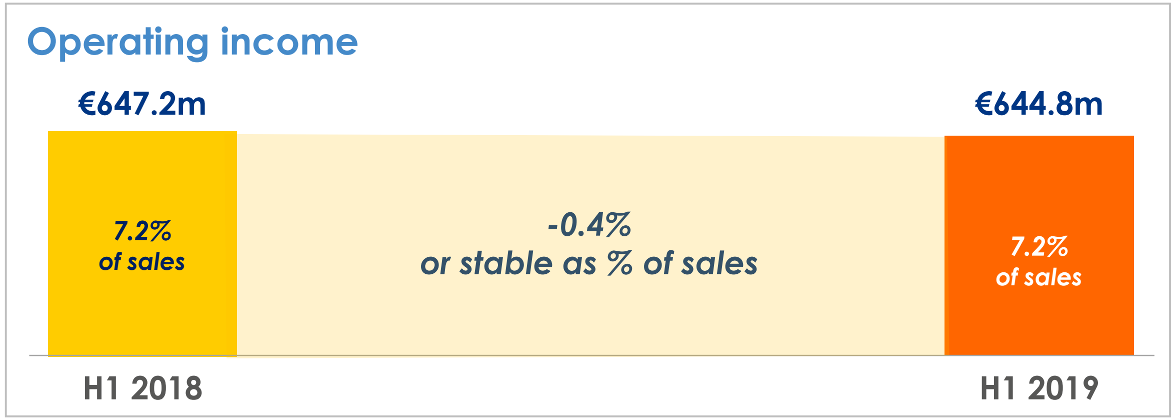
Sales (in €m)	Business Group	Region	Conso as from	H1 2019
Hug Engineering	Clean Mobility	Europe	Q2 2018	**14**
JV with Wuling	Interiors	Asia	Q2 2018	**21**
BYD	Seating	Asia	Q3 2018	**106**
Parrot Automotive	Faurecia Clarion Electronics	Europe/Asia	Q1 2019	**23**
TOTAL				**164**

- **First application of IFRS16 on January 1, 2019 :**
  - Faurecia is using the simplified retrospective method, according to which there are no pro-forma for 2018
  - Impacts on main indicators are detailed in Financial Statements and relevant slides of this presentation

H1 2019 Results
Resilient sales and profitability



- **Sales growth ex-currencies* proved resilient with an outperformance of 420bps vs. worldwide automotive production including:**
  - Positive effect of €164m (or +1.8%) from bolt-ons
  - Negative impact of €218m (or -2.4%) from EoPs
- **Sales broadly stable (-0.2%) on a reported basis, including:**
  - Positive currency effect of +0.9%
  - Clarion scope effect of +1.7%
- **Outperformance in all three historical Business Groups**
  - Seating: +250bps
  - Interiors: +470bps
  - Clean Mobility: +500bps



- **Resilient profitability at 7.2% of sales, thanks to structural cost reduction initiatives and increased restructuring**
- **Stable or improved margin in all three historical Business Groups**
- **Slight dilutive impact from Clarion consolidation**
  - Ex-Clarion, operating margin stood at 7.3%, up 10bps yoy

** Including bolt-ons*
*** Only 2 months (April + May)*
**** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

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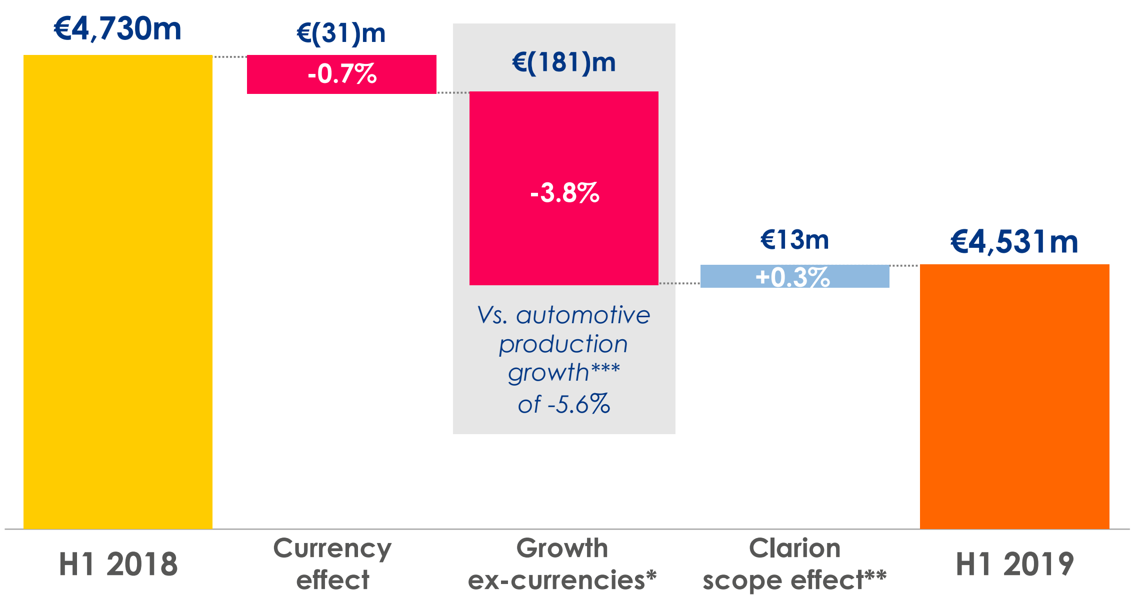
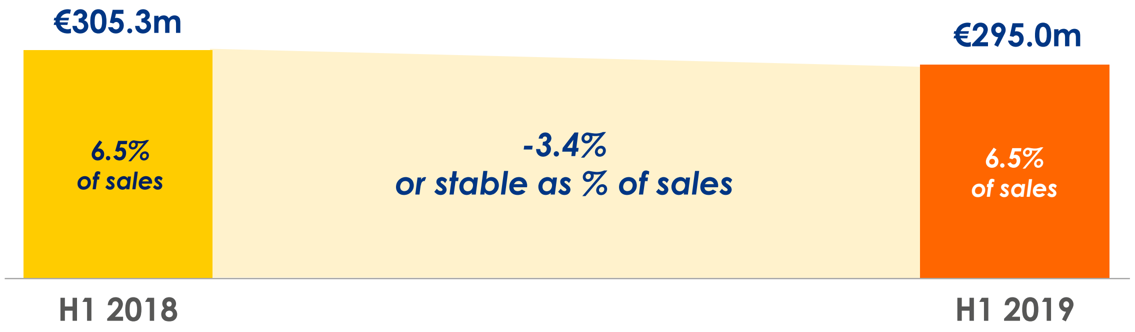
Europe (50% of Group sales)
Sales outperformance of 180bps and resilient profitability

Sales



- Sales of €4,531m, down 4.2% on a reported basis, including:
  - Limited negative currency effect of -0.7% (mainly the TRY vs. the euro)
  - Clarion scope effect of €13m (+0.3%)
- Sales growth ex-currencies* outperformed regional automotive production by 180bps
  - Including €31m (or +0.7%) from bolt-ons
- Sales growth in Q2 2019 reflected the challenging base of comparison, as Q2 2018 was boosted by increased volumes ahead of WLTP implementation
- Seating in Europe was negatively impacted by the EoP of the Seating program for PSA (Berlingo) in Vigo for €83m

Operating income



- Operating income of €295m vs. €305m in H1 2018
- Resilient profitability and stable margin despite sales drop of 3.8%

Including bolt-ons
*** Only 2 months (April + May)*
**** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

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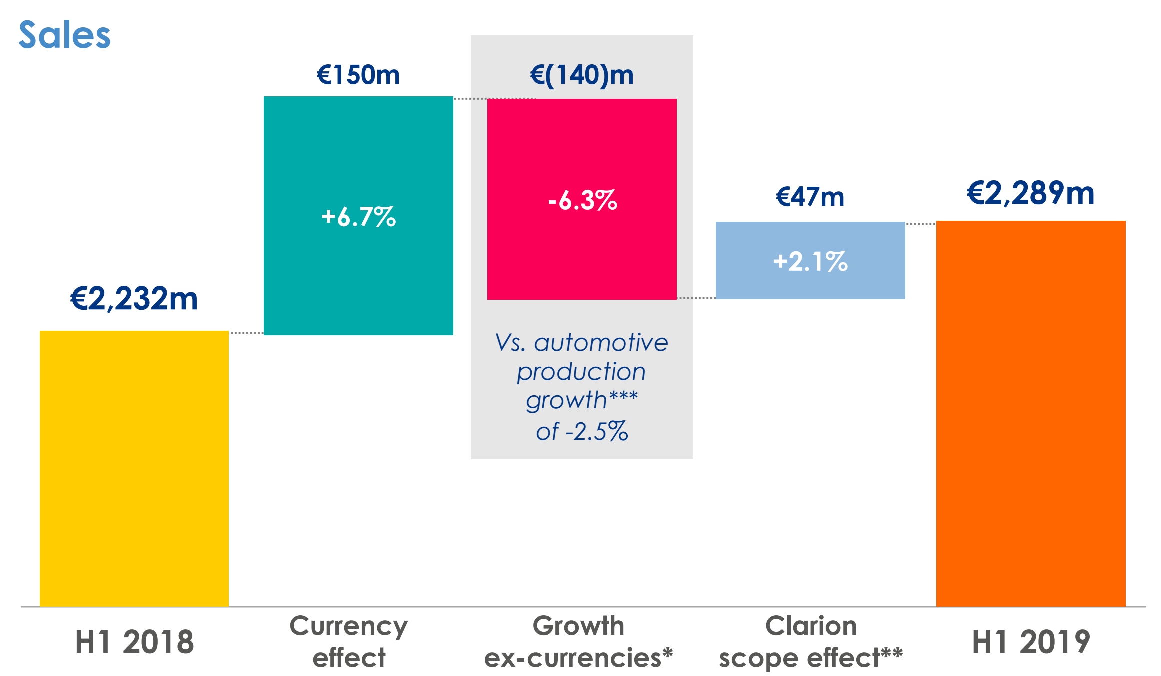
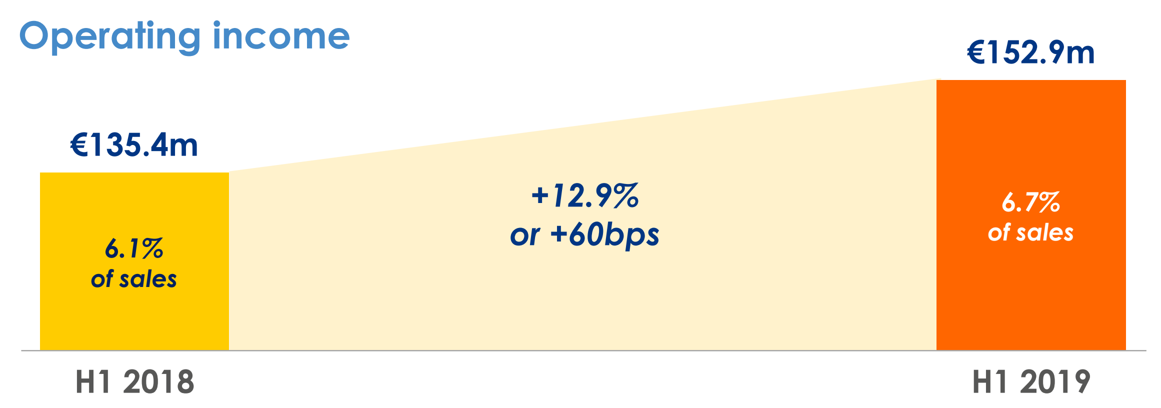
North America (26% of Group sales)
Sales impacted by significant EoP in Seating but improved profitability



- **Sales of €2,289m, up 2.5% on a reported basis, including:**
  - Positive currency effect of +6.7% (mainly the USD vs. the euro)
  - Clarion scope effect of €47m (+2.1%)
- **Sales growth ex-currencies underperformed regional automotive production by 380bps**
- **As expected, this underperformance is mostly attributable to the negative impact from the EoP of the Seating program for Daimler (GLE/GLS) in Cottondale for €135m (-5.9%)**
- **Outperformance of Clean Mobility, whose sales grew by 0.5% year-on-year**



- **Operating income of €153m vs. €135m in H1 2018**
- **Margin improvement driven by Seating thanks to operational performance and accretive effect from Cottondale EOP**

** Including bolt-ons*
*** Only 2 months (April + May)*
**** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

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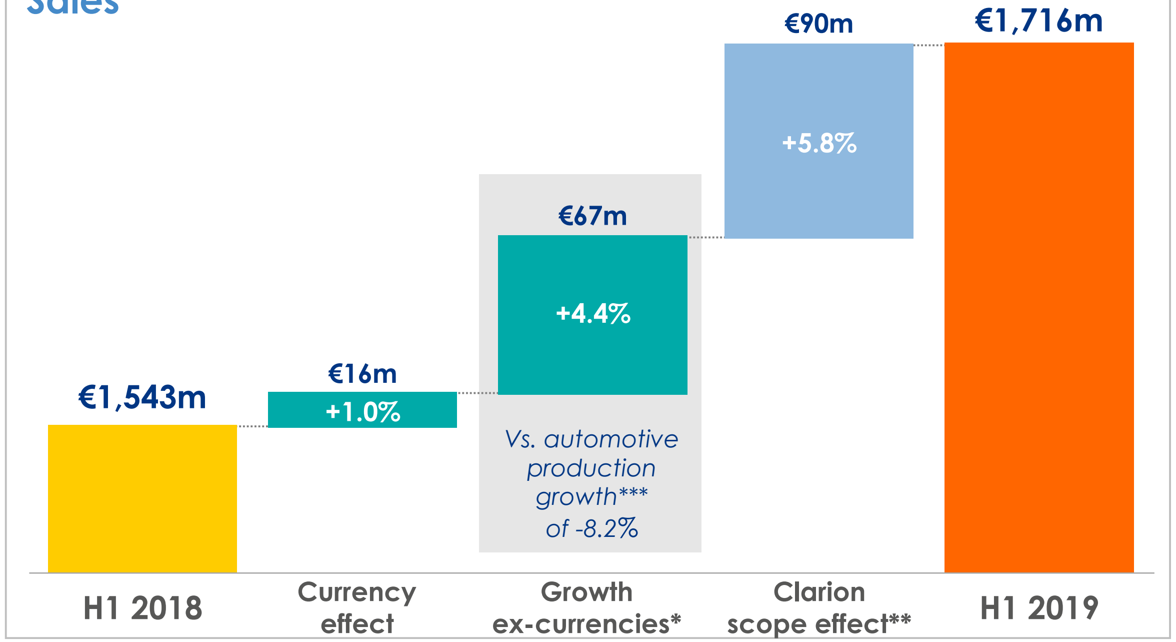
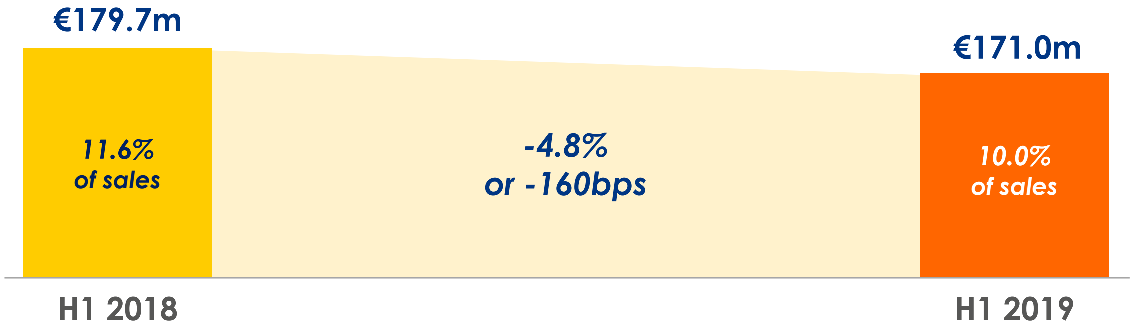
Asia (19% of sales)
Sales outperformance despite challenging environment; resilient margin @ 10%

Sales



- **Sales of €1,716m, up 11.2% on a reported basis, including:**
  - Positive currency effect of +1.0% (mainly the CNY and the THB vs. the euro)
  - Clarion scope effect of €90m (+5.8%)
- **Sales growth ex-currencies* outperformed regional automotive production by 1,260bps**
  - Including €132m (or +8.6%) mainly from JV with BYD for Seating and JV with Wuling for Interiors
- **In China, sales amounted to €1,208m, up 1.4%***
  - Outperformance of 1,710bps vs Chinese automotive production (-15.7%***) and of 580bps excluding bolt-ons
  - Sales to Chinese OEMs reached €409m, representing 34% of the Group's sales in the country (vs. 25% in H1 2018)

Operating income

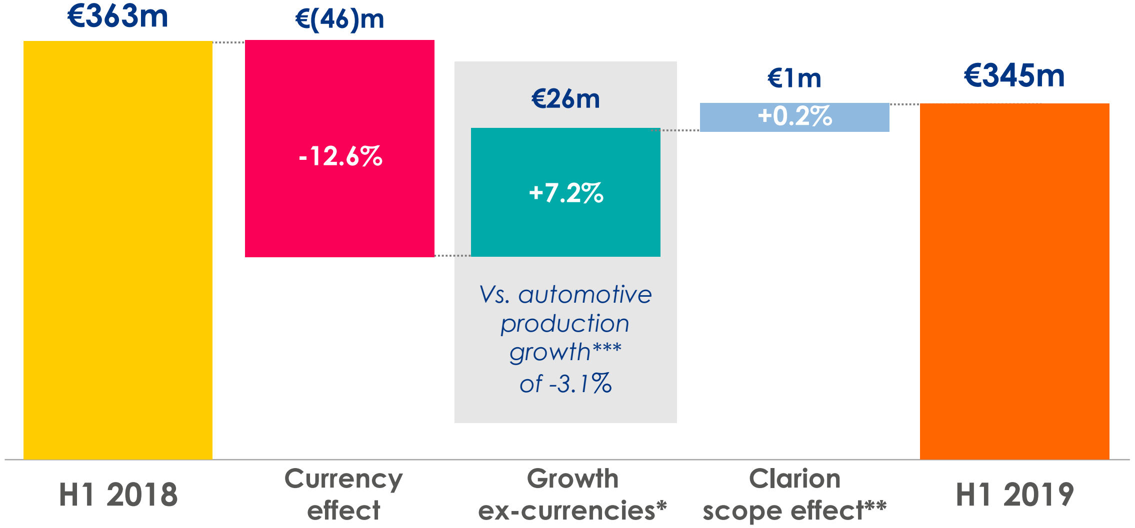


- **Operating income of €171m vs. €180m in H1 2018**
- **Margin was impacted by:**
  - Tougher market conditions
  - Slight dilution from bolt-ons (dilutive at regional level but accretive at Group level)
  - Dilutive effect from Clarion consolidation
- **In China, plant rationalization with 7 closures and headcount reduced by 21% in H1 2019**

** Including bolt-ons*
*** Only 2 months (April + May)*
**** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

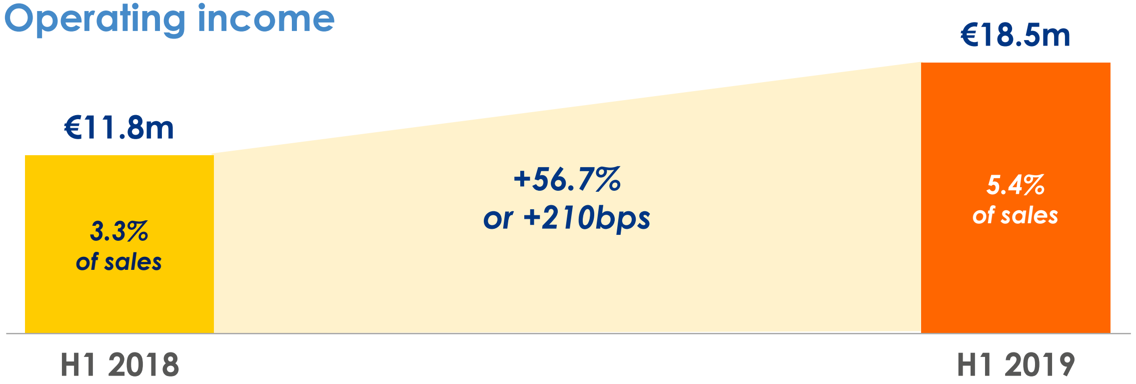
South America (4% of Group sales)
Sales outperformance of 1,030bps and strong improvement in profitability

Sales



- **Sales of €345m, down 5.2% on a reported basis, including:**
  - *Strong negative currency effect of -12.6% (mainly the ARS and the BRL vs. the euro)*
- **Sales growth ex-currencies outperformed regional automotive production by 1,030bps**
- **Growing sales in Brazil, mainly driven by Clean Mobility**
- **Reduced exposure to Argentina, through the sale of the Malvinas plant (Interiors)**

Operating income

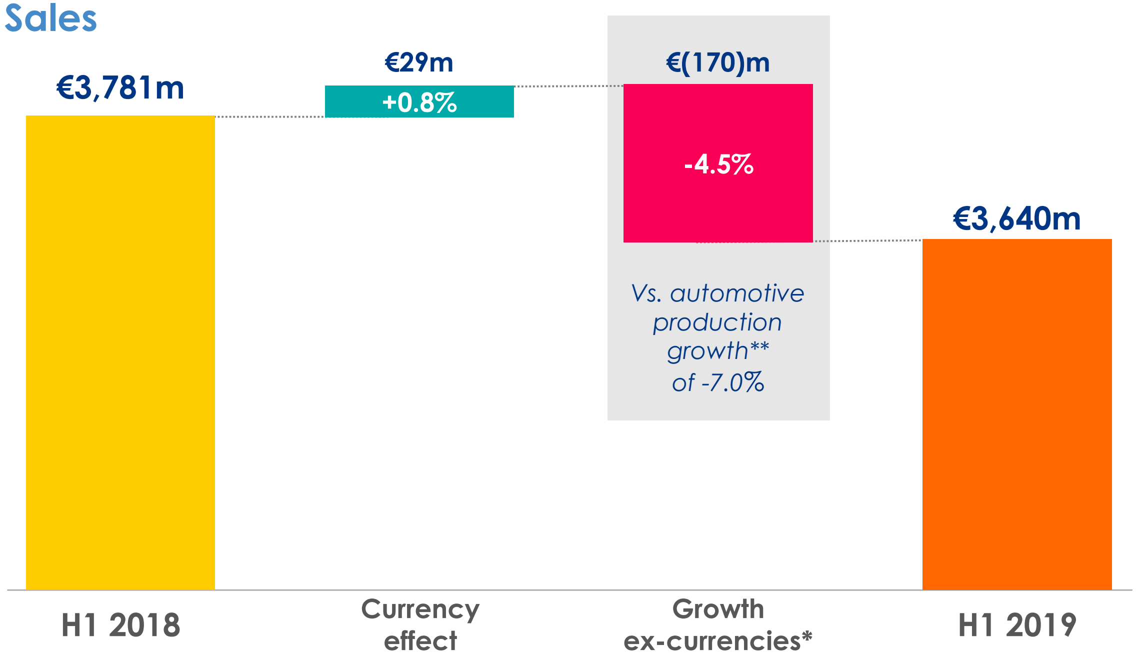


- **Operating income of €19m vs. €12m in H1 2018**
- **Margin improvement mainly driven by significant loss reduction in Argentina and by a one-off effect from tax recovery (ICMS in Brazil)**

** Including bolt-ons*
*** Only 2 months (April + May)*
**** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

Seating (41% of Group sales)
Sales outperformance despite the two EoPs and improved profitability @ 6%

Sales



- **Sales of €3,640m, down 3.7% on a reported basis**
  - Including limited positive currency effect of +0.8% (mainly the USD vs. the euro)
- **Sales growth ex-currencies* outperformed worldwide automotive production by 250bps, including:**
  - A positive effect from the contribution of the JV with BYD for €106m or +2.8%
  - A negative effect from the end of production of two Seating programs (PSA in Spain and Daimler in the USA) for €(218)m or -5.8%
- **Double-digit growth in Asia (+16.7%) was driven by Chinese OEMs** (incl. the JV with BYD) **and VW**

Operating income

- **Operating income of €219m vs. €221m in H1 2018**
- **Operating margin up 10bps, mainly driven by improved operating performance in South America and also by the accretive effect from the EoP for Daimler in the USA**

** Including bolt-ons*

*** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

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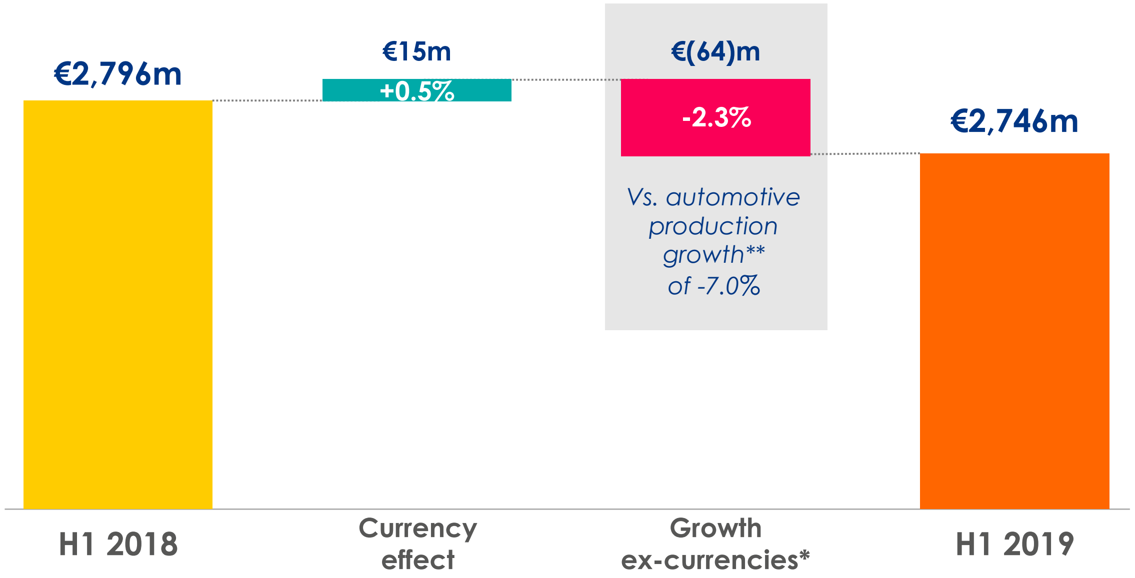
Interiors (30% of Group sales)
Sales outperformance in a challenging environment; profitability > 6%

Sales



- **Sales of 2,746m, down 1.8% on a reported basis**
  - Including limited positive currency effect of +0.5% (net effect of the USD and the TRY vs. the euro)
- **Sales growth ex-currencies* outperformed worldwide automotive production by 470bps**
  - Including €21m (or +0.7%) from JV with Wuling
- **Growth with:**
  - VW and RNM in Europe,
  - FCA and Tesla in North America and
  - Chinese OEMs

did not offset challenging market conditions faced by other OEMs

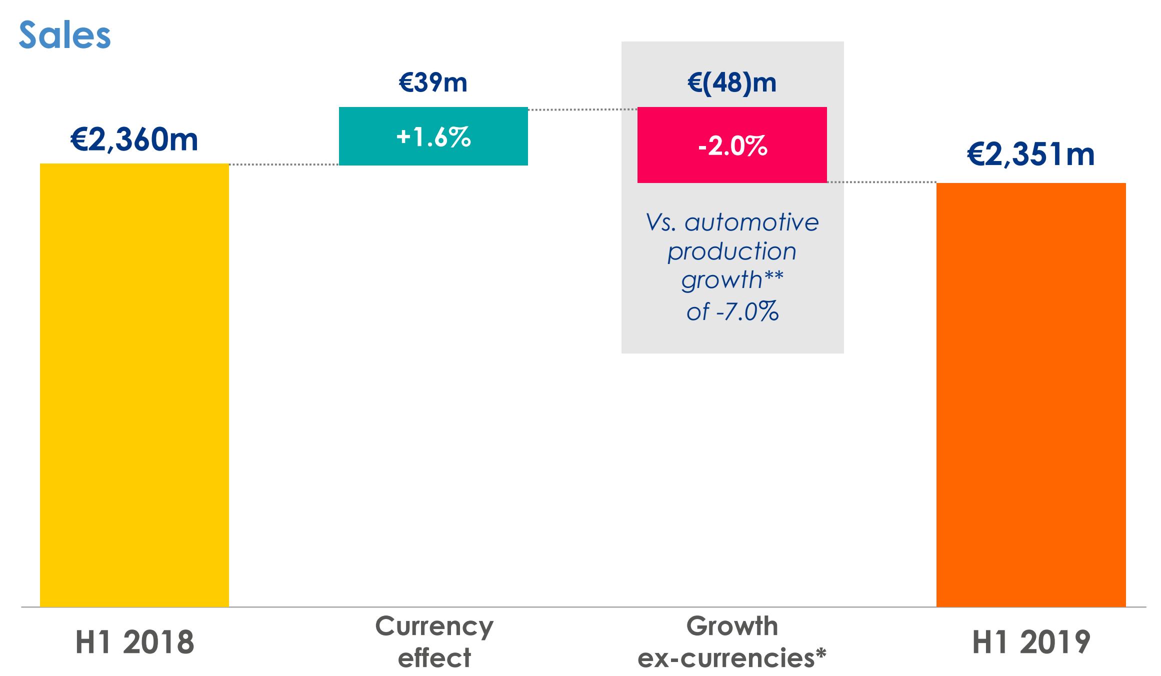
Operating income

- **Operating income of €171m, vs. €168m in H1 2018**
- **Operating margin up 20bps thanks to increased operating efficiency in North America and in Europe (painting lines)**

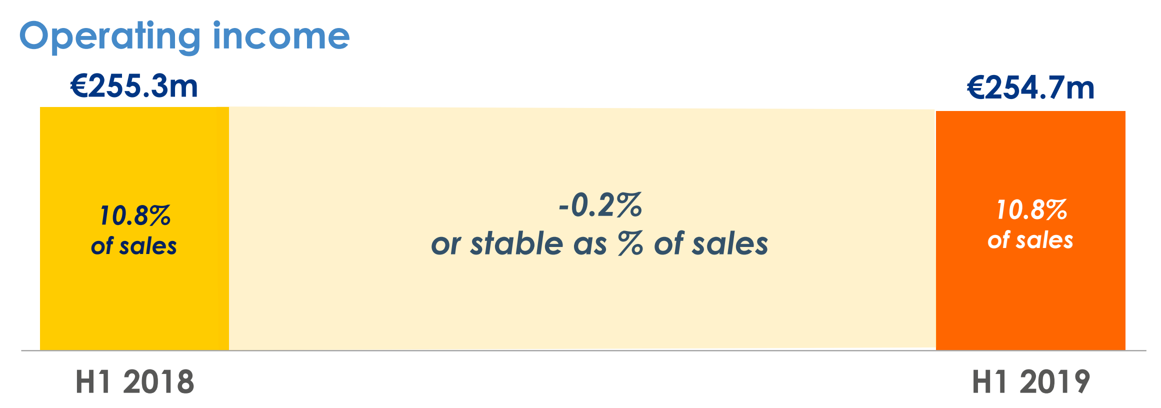
** Including bolt-ons*

*** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

Clean Mobility (26% of Group sales)
Solid sales* growth and improved profitability



- **Sales of 2,351m, down 0.4% on a reported basis**
  - Including positive currency effect of +1.6% (mainly attributable to the USD vs. the euro partly offset by the BRL and the ARS)
- **Sales growth ex-currencies* outperformed worldwide automotive production by 500bps**
  - Including €14m (or +0.6%) from Hug Engineering
- **Lower tooling sales due to fewer launches had a negative impact on sales in Europe and North America**
- **Asia was impacted by lower sales to PSA, Ford, VW and Geely**
- **Sales in South America grew by double-digit (+17.0%)**



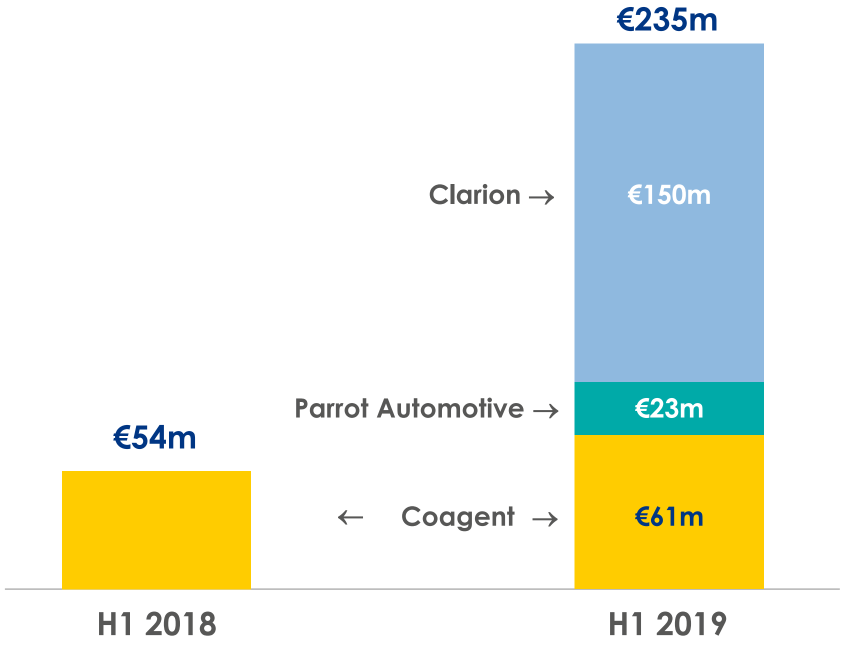
- **Operating income of €255m, broadly stable vs. H1 2018**
- **Operating margin stable, at 10.8% of sales, thanks to improvement in Americas that offset reduced contribution from China**

** Including bolt-ons*

*** Source: IHS Markit forecast dated July 16 (vehicles segment in line with CAAM for China)*

Faurecia Clarion Electronics
First reporting of the new Business Group includes only two months of Clarion

Sales



- **Sales of €235m, included:**
  - €61m for Coagent
  - €23m for Parrot Automotive, consolidated as from Jan. 1, 2019
  - €150m for Clarion, consolidated as from April 1, 2019 but accounted for only two months (April + May) at the end of June
- **Solid growth at Coagent, driven by new launches**
- **First consolidation of Clarion impacted by lower sales to Nissan (Clarion #1 customer) and difficult market conditions in China**

Operating income

- **Operating income of €0.2m, included:**
  - A negative impact of €(1.2)m from Clarion consolidation
  - Development costs at Parrot Automotive
- **Clarion will achieve positive operating income in H2 2019**

Resilient operating margin despite challenging environment

in €m	H1 2018	H1 2019	Change
Sales	**8,991**	**8,972**	**-0.2%**
ex-currency growth*			**-2.8%**
Cost of sales	(7,828)	(7,747)	-1.0%
% of sales	*(87.1%)*	*(86.3%)*	
Gross margin	**1,163**	**1,225**	**+5.3%**
% of sales	***12.9%***	***13.7%***	**+80bps**
R&D gross	*(558)*	*(638)*	
Capitalized development costs	*405*	*440*	
as % of R&D gross	*72.5%*	*68.9%*	
R&D costs, net	(153)	(198)	
% of sales	(1.7%)	(2.2%)	
Selling and administrative expenses	(362)	(382)	
% of sales	*(4.0%)*	*(4.3%)*	
Operating income	**647**	**645**	**-0.4%**
% of sales	**7.2%**	**7.2%**	**stable**

- **Gross margin improved by 80bps**, reflecting improved operations and resilience actions (positive impact of €85m)
- **Net R&D increased by 50bps**, reflecting increased innovation and newly-consolidated companies (Clarion and Parrot Automotive for €16m)
- **Selling and administrative expenses** increase reflected the consolidation of Clarion

- **Confirmed target of operating margin ≥ 7% in FY**

** Including bolt-ons, exluding Clarion scope effect*

Net income reflecting higher restructuring and Clarion-related costs

in €m	H1 2018	H1 2019	Change
Operating income (before amort. of acquired intangible assets)	**647**	**645**	**-0.4%**
as % of sales	***7.2%***	***7.2%***	**Stable**
Amort. of intangible assets acquired in business combinations	(5)	(11)	
Operating income (after amort. of acquired intangible assets)	**642**	**634**	**-1.2%**
Restructuring	(28)	(71)	
Other non-recurring operating income and expense	(36)	(22)	
Net interest expense & Other financial income and expense	(68)	(94)	
Income before tax of fully consolidated companies	**510**	**447**	**-12.4%**
Income taxes	(136)	(93)	
as % of pre-tax income	*(26.7%)*	*(20.8%)*	
Net income of fully consolidated companies	**374**	**353**	**-5.4%**
Share of net income of associates	17	25	
Consolidated net income before minority interest	**391**	**378**	**-3.1%**
Minority interest	(49)	(33)	
Consolidated net income, Group share	**342**	**346**	**+1.0%**

- **Resilient operating margin at 7.2% of sales**
  - Demonstrating solid operating leverage in a tough context
  - Including a dilutive impact from Clarion of 10bps
- **Amortization of intangible assets in H1 2019 included €(4)m for Parrot, €(3)m for Coagent and €(2)m for Hug**
  - No amortization for Clarion in H1
  - Amortization for 9 months will be accounted for in H2
- **Increased restructuring expense in H1 2019 to adapt to challenging environment**
  - In the FY, it should amount to c. €(110)m with additional c. €(70)m restructuring related to Clarion
- **Other non-recurring operating income and expenses included:**
  - H1 2018: €(17)m from wind-down of activities in Iran
  - H1 2019: €(16)m of acquisition & integration costs related to Clarion
- **Net financial expenses in H1 2019 included:**
  - Financing of Clarion for €(20)m; in the FY, it should amount to c. €(36)m with run-rate of €(32)m in coming years
  - €(24)m related to IFRS16
- **Normalized tax rate for the FY 2019 is expected at c. 25%**

Solid net cash flow at €257m, up year-on-year

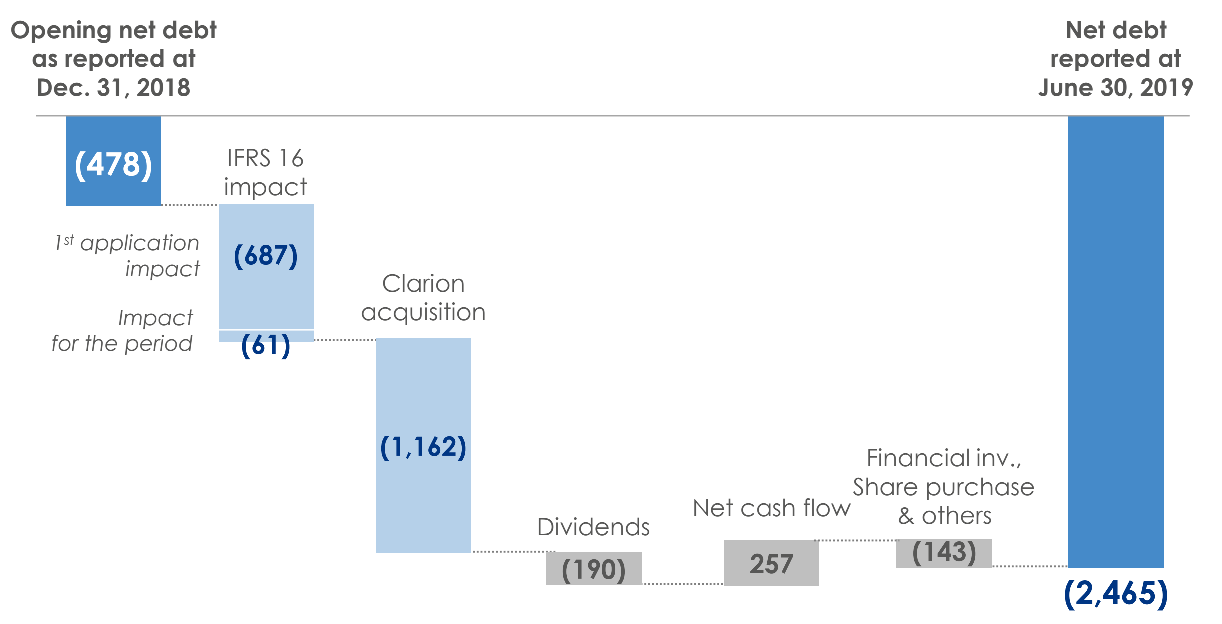
in €m	H1 2018	H1 2019	Change
Operating income	**647**	**645**	**-0.4%**
Depreciation and amortization, of which:	414	526	
- Amortization of R&D intangible assets	*184*	*207*	
- Other depreciation and amortization	*229*	*319*	
EBITDA	**1,061**	**1,171**	**+10.4%**
Capex	(278)	(286)	
Capitalized R&D	(306)	(322)	
Change in WCR	(19)	3	
Restructuring	(31)	(61)	
Financial expenses	(52)	(85)	
Taxes	(106)	(152)	
Other (operational)	(22)	(11)	
Net cash flow	**247**	**257**	**+3.9%**
Dividends paid (incl. mino.)	(164)	(190)	
Share purchase	(5)	(30)	
Net financial investment & Other	(92)	(1,276)	
IFRS16 impact		(748)	
Change in net debt	**(14)**	**(1,987)**	

- **EBITDA up €110m or +10.4%**, mostly due to the application of IFRS16 as of January 1, 2019
- **Capex** broadly stable year-on-year
- **Capitalized R&D** mainly reflected newly-consolidated companies (Clarion and Parrot Automotive)
- **WCR** broadly stable
- **Restructuring** included closure of 11 plants in H1 2019 (of which 7 in China)
- **Financial expenses** reflected IFRS16 impact and Clarion acquisition
- **Other (operational)** includes sales and lease-back operations for €39m
- **Net financial investments** mainly include the acquisition of Clarion (squeeze-out to be paid in H2) and the stake increase in Coagent from 50.1% to 100%

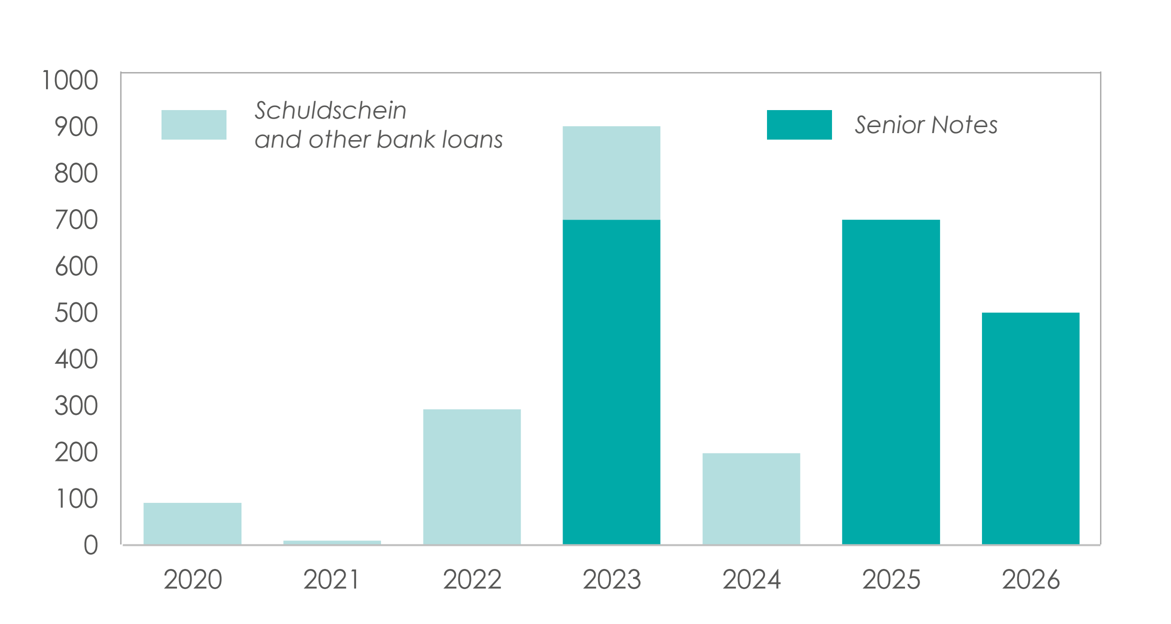
- **Confirmed target of net cash flow > €500m in FY**

Sound financial structure and strong financial discipline

NET DEBT VARIATION (€M)



LONG TERM DEBT MATURITY PROFILE (€M)



- **Post Clarion acquisition and IFRS16 impact, net debt-to-EBITDA ratio should stay between 1x and 1.1x at year-end**
- **Strong financial flexibility through €1.2bn undrawn credit facility**
  - Maturity in June 2024
- **BB+/Ba1 rating (outlook Stable) affirmed by all 3 rating agencies**

- **Financing of Clarion achieved at 2.6% average cost:**
  - Issuance of €700m of Schuldscheindarlehen in December 2018 @ an average margin < 180bps and maturities 4 to 6 years
  - Issuance of €500m bonds in March 2019 @ 3.125%, maturity 2026
- **No significant LT debt repayment before June 2023**
- **Average maturity of LT debt above 5.5 years**

Agenda

1	H1 2019 highlights	Patrick Koller *Chief Executive Officer*
2	Review of H1 2019 results	Michel Favre *Chief Financial Officer*
3	**Confirmed FY2019 targets**	Patrick Koller *Chief Executive Officer*

Faurecia market assumptions for H2 and FY 2019

- We assume worldwide automotive production to be down c. 4% in 2019 vs. 2018
- In China, Q3 2019 should still be penalized by destocking of CN5 vehicles, while Q4 2019 should benefit from gradual ramp up of CN6 vehicles and low base of comparison

WORLDWIDE AUTOMOTIVE PRODUCTION (YEAR-ON-YEAR CHANGE)

Regions	Actual H1 2019*	Faurecia estimates H2 2019	Faurecia estimates FY 2019
Europe	-5.6%	flat	low single-digit negative
North America	-2.5%	low single-digit negative	low single-digit negative
China	-15.7%	mid single-digit negative	low double-digit negative
Rest of Asia	-0.4%	low single-digit positive	flat
South America	-3.1%	mid single-digit positive	low single-digit positive
Worldwide	**-7.0%**	**low single-digit negative**	**c. -4%**

** Source: IHS Markit forecast dated July 16, 2019 (vehicles segment in line with CAAM for China)*

Confirmed FY 2019 guidance, demonstrating increased resilience

- **With the assumption of worldwide automotive production down c. 4% in 2019 vs. 2018, we confirm our full-year 2019 targets*:**

SALES	PROFITABILITY	NET CASH FLOW
FY 2019 sales at constant currencies should outperform worldwide automotive production between 150 and 350bps	**FY 2019 operating income should increase in value and operating margin should be at least 7% of sales**	**FY 2019 net cash flow should be at least €500m**
(excluding Clarion consolidation)	*(including Clarion consolidation as from April 1)*	*(including Clarion consolidation as from April 1)*

** Currency assumptions: USD/€ @ 1.14 and CNY/€ @ 7.74, on average, and taking into account IFRS16 implementation*

H1 2019 RESULTS
Appendices

Calendar

September 10, 2019	**Deutsche Bank Auto Conference (Frankfurt)**
September 12, 2019	**Kepler Cheuvreux 2019 Autumn Conference (Paris)**
October 17, 2019	**Q3 2019 sales announcement**
November 26, 2019	**Capital Markets Day in Paris, presenting:**

- Strategic roadmap and medium-term objectives for the new Business Group Faurecia Clarion Electronics
- New medium-term Group objectives

Impacts from IFRS 16 implementation

- **IFRS16 is the new standard on leases, with first application on January 1, 2019**
  - All lease contracts are accounted in the balance sheet through:
    - an asset, representing the "Right to Use" the leased asset along the contract duration, and
    - the corresponding liability, representing the lease payments obligation
- **Faurecia is using the simplified retrospective method, according to which there is no restatement of comparative periods**

- **Main impacts on 2019 consolidated financial statements are the following:**

In m€	
P&L	**H1 2019**
Operating income	+13
of which:	
- Depreciation	(67)
- EBITDA	+80
Finance costs	(24)
Cash-flow statement	**H1 2019**
Cash flows provided by operating activities	+57
Cash flows provided by financing activities	(57)
Balance sheet	**June 30, 2019**
Assets:	
- Right of use	748
Liabilities:	
- Non current lease liability (>1 year)	557
- Current lease liability (<1 year)	207

Definitions of terms used in this document

- **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".

- **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.

- **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).

H1 2019 sales by Business Group

Sales	Reported	Currency effect		Growth ex-currencies*		Clarion scope effect**		Reported	
(in €m)	H1 2018	value	%	value	%	value	%	H1 2019	%
Seating	**3,781**	29	0.8%	-170	-4.5%			**3,640**	-3.7%
of which bolt-ons				*106*	2.8%				
Interiors	**2,796**	15	0.5%	-64	-2.3%			**2,746**	-1.8%
of which bolt-ons				*21*	0.7%				
Clean Mobility	**2,360**	39	1.6%	-48	-2.0%			**2,351**	-0.4%
of which bolt-ons				*14*	0.6%				
Faurecia Clarion Electronics	**54**	1		30		150		**235**	
of which bolt-ons				*23*					
Group	**8,991**	**82**	**0.9%**	**-252**	**-2.8%**	**150**	**1.7%**	**8,972**	**-0.2%**
of which bolt-ons				***164***	**1.8%**				

** Consistent with previous quarters, growth ex-currencies includes bolt-ons (detailed in slide 8)*
*** At June 30, only two months of Clarion were consolidated (April and May); the month of June will be caught up at the financial closing of September 30*

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H1 2019 sales by Region

Sales	Reported	Currency effect		Growth ex-currencies*		Clarion scope effect**		Reported	
(in €m)	H1 2018	value	%	value	%	value	%	H1 2019	%
Europe	**4,730**	-31	-0.7%	-181	-3.8%	13	0.3%	**4,531**	-4.2%
of which bolt-ons				*31*	0.7%				
North America	**2,232**	150	6.7%	-140	-6.3%	47	2.1%	**2,289**	2.5%
Asia	**1,543**	16	1.0%	67	4.4%	90	5.8%	**1,716**	11.2%
of which China	**1,169**	7	0.6%	*16*	1.4%	*16*	1.4%	**1,208**	3.3%
of which bolt-ons				*133*	8.6%				
South America	**363**	-46	-12.6%	26	7.2%	1	0.2%	**345**	-5.1%
RoW	**123**	-7	-5.8%	-25	-20.0%			**91**	-25.8%
Group	**8,991**	**82**	**0.9%**	**-252**	**-2.8%**	**150**	**1.7%**	**8,972**	**-0.2%**
of which bolt-ons				***164***	**1.8%**				

** Consistent with previous quarters, growth ex-currencies includes bolt-ons (detailed in slide 8)*
*** At June 30, only two months of Clarion were consolidated (April and May); the month of June will be caught up at the financial closing of September 30*

H1 2019 operating income by Business Group

Operating income (in €m)	H1 2018	H1 2019	Change
Seating	221.5	219.1	-1.1%
% of sales	*5.9%*	6.0%	*+10bps*
Interiors	167.6	170.8	+1.9%
% of sales	*6.0%*	6.2%	*+20bps*
Clean Mobility	255.3	254.7	-0.2%
% of sales	*10.8%*	10.8%	*stable*
Faurecia Clarion Electronics	2.8	0.2	
Group	**647.2**	**644.8**	**-0.4%**
% of sales	***7.2%***	***7.2%***	***stable***

H1 2019 operating income by Region

Operating income (in €m)	H1 2018	H1 2019	Change
Europe	305.3	295.0	-3.4%
% of sales	*6.5%*	*6.5%*	*stable*
North America	135.4	152.9	+12.9%
% of sales	*6.1%*	*6.7%*	*+60bps*
Asia	179.7	171.0	-4.8%
% of sales	*11.6%*	*10.0%*	*-160bps*
South America	11.8	18.5	+56.7%
% of sales	*3.3%*	*5.4%*	*+210bps*
RoW	15	7.4	
Group	**647.2**	**644.8**	**-0.4%**
% of sales	***7.2%***	***7.2%***	***stable***

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2018 sales by quarter with Coagent presented separately from Interiors

Sales (in €m)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Seating	1,817	1,964	1,743	1,914	**7,438**
Interiors (restated for Coagent)	1,358	1,438	1,185	1,382	**5,363**
Clean Mobility	1,106	1,254	1,061	1,194	**4,615**
Coagent (to be incl. into Faurecia Clarion Electronics)	34	20	26	30	**109**
Group	**4,315**	**4,677**	**4,014**	**4,520**	**17,525**

Research and development costs

in €m	H1 2018	H1 2019	
Research and development costs, gross	(558)	(638)	
Capitalized development costs	405	440	
of which in inventory	*99*	*118*	
of which in intangible assets (a)	*306*	*322*	*Cf. Note 5.3 of Financial Statements*
Research and development costs, net	**(153)**	**(198)**	

Amortization of capitalized development costs (b)	(184)	(207)	*Cf. Note 5.4 of Financial Statements*
Provisions for impairment of capitalized dev. costs (c)	(3)	(1)	*Cf. Note 5.4 of Financial Statements*
Capitalized development costs - intangible assets, net (a+b+c)	**119**	**114**	

- **Year-on-year increase in Capitalized development costs of €35m due to:**
  - Faurecia Clarion Electronics (Parrot Automotive and Clarion): €19m
  - Investment in NVS: €14m

Contact & share data

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Share Data

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

Bonds ISIN Codes

2023 bonds: XS1384278203
2025 bonds: XS1785467751
2026 bonds: XS1963830002

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Safe Harbor Statement

This report contains statements that are not historical facts but rather forward-looking statements. The words "will," "may," "designed to," "outlook," "believes," "should," "anticipates," "plans," "expects," "intends," "estimates" and similar expressions identify these forward-looking statements. All such statements are based upon our current expectations and various assumptions, and apply only as of the date of this report.

Our expectations and beliefs are expressed in good faith and we believe there is a reasonable basis for them.

However, there can be no assurance that forward-looking statements will materialize or prove to be correct. Because such statements involve risks and uncertainties such as automotive vehicle production levels, mix and schedules, financial distress of key customers, energy prices, raw material prices, the strength of the European or other economies, currency exchange rates, cancellation of or changes to commercial contracts, liquidity, the ability to execute on restructuring actions according to anticipated timelines and costs, the outcome could differ materially from those set out in the statements.

Except for our ongoing obligation to disclose information under law, we undertake no obligation to update publicity any forward-looking statements whether as a result of new information or future events.

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