Nanterre (France), February 17, 2020

Press release

FULL-YEAR 2019 RESULTS

ALL 2019 FINANCIAL TARGETS ACHIEVED DEMONSTRATING RESILIENCE AND FOCUS ON CASH

2020 GUIDANCE ON TRACK TO ACHIEVE MEDIUM-TERM AMBITIONS

2019 KEY FIGURES

- **Sales of €17.8 billion,** up 1.4% on a reported basis; down 3.0% at constant currencies and excluding the scope effect from Clarion, i.e. an **outperformance of 280bps** vs. worldwide automotive production growth (-5.8%, source: IHS Markit February 2020)
- **Increased operating income to €1,283 million** and **operating margin at 7.2% (7.4% excluding the dilutive impact of Clarion)**
- **Net cash flow of €587 million**, up 11% year-on-year

HIGH-QUALITY RECORD ORDER INTAKE

- **Record order intake in 2019** resulted in cumulative three-year rolling order intake of €68 billion

INCREASE IN PROPOSED DIVIDEND TO €1.30 PER SHARE (vs. €1.25 paid in 2019)

2020 GUIDANCE ON TRACK TO ACHIEVE MEDIUM-TERM AMBITIONS

With the assumption that worldwide automotive production should be down c. 3% in 2020, Faurecia's full-year 2020 guidance is as follows:

- **Solid reported sales growth**, including:
  - a scope effect representing c. 500bps of sales growth (3 months of Clarion + 11 months of SAS),
  - an outperformance of 100 to 200bps vs. worldwide automotive production (at constant scope & currencies)
- **Improvement in profitability**, with operating margin above 7.2% of sales
- **Continued strong cash generation**, with net cash flow above €500 million

Patrick KOLLER, CEO of Faurecia, declared:

"In 2019, we further demonstrated our resilience in a very challenging environment whilst continuing to deploy our transformation strategy. We achieved all our financial targets thanks to our agility to adapt to market conditions that worsened during the year. At the same time, we actively implemented our strategy focused on the Cockpit of the Future and Sustainable Mobility. We created our new Business Group, Faurecia Clarion Electronics, which has a clear and robust roadmap for profitable growth, and we acquired the remaining 50% stake in SAS that we will consolidate as from this year. We also continued our investment in Fuel Cell Electric Vehicles through the creation of a 50/50 joint venture with Michelin. I thank all Faurecia teams for their effective contribution to the strong performance of 2019 and would like in particular to offer our support and sympathy to our colleagues in China.

2020 should be another challenging year in terms of market conditions. We expect, at this stage, a drop of about 3% in worldwide automotive production. We have the appropriate plans in place to improve our performance. We will remain focused on resilience and cash generation. Our guidance is fully aligned with our medium-term vision and ambitions presented last November at our Capital Markets Day.

In 2020, we will accelerate the deployment of our convictions through our key initiatives including a strong focus on Total Customer Satisfaction and our program to become CO_2 Neutral by 2030. Our objective is to ensure sustainable value creation for all of Faurecia's stakeholders."

- ***The 2019 consolidated financial statements have been approved by the Board of Directors at its meeting held on February 14, 2020, under the chairmanship of Michel de Rosen; they have been audited and the auditors' report is about to be issued.***

- ***Application of IFRS16 as from January 1, 2019:***
  - *Faurecia is using the simplified retrospective method, according to which there will be no pro forma of the previous year,*
  - *All lease contracts are accounted for in the balance sheet with a "Right to use the asset" as an asset and a corresponding debt representing the obligation to pay the future leases,*
  - *The impact of IFRS16 on Faurecia's main indicators are detailed in the appendix.*

- ***Fourth new Business Group "Faurecia Clarion Electronics" reported as from January 1, 2019:*** *this new Business Group mainly regroups the operations of Coagent (consolidated as from January 1, 2018 and previously classified within "Interiors"), Parrot Faurecia Automotive (sales consolidated as from January 1, 2019) and Clarion (consolidated as from April 1, 2019).*

- ***All figures related to worldwide or regional automotive production refer to IHS Markit forecast dated February 2020 - vehicles segment in line with CAAM for China.***

- ***All definitions are explained at the end of this Press Release, under the section "Definitions of terms used in this document".***

ALL 2019 FINANCIAL TARGETS ACHIEVED IN A CHALLENGING ENVIRONMENT, DEMONSTRATING RESILIENCE AND FOCUS ON CASH

in €m	2018	2019	Change
Sales	17,524.7	**17,768.3**	**+1.4%**
at constant currencies & excl. Clarion scope effect			-3.0%
Operating income	1,273.9	**1,283.3**	**+0.7%**
as % of sales	7.3%	**7.2%**	**-10bps**
as % of sales, excluding Clarion		*7.4%*	*+10bps*
Net cash flow	528.1	**587.0**	**+11.2%**

Sales of €17,768.3 million, up 1.4% on a reported basis

- **Positive currency effect of €186.6 million or +1.1%**
- **Scope effect from the consolidation of Clarion since April 1 of €586.3 million or +3.3%**
- **At constant currencies & excl. Clarion scope effect, sales were down 3.0% vs. a drop of 5.8% in worldwide automotive production growth; outperformance of 280bps, in line with the guidance of between 150bps and 350bps**

Operating income of €1,283.3 million and resilient operating margin at 7.2% of sales

- **Up 0.7% year-on-year; in line with the guidance of an increase in value**
- **Operating margin of 7.2%; in line with the guidance of at least 7.0%**
- **Operating margin of 7.4% excluding Clarion, which had a dilutive impact of 20bps**

The resilience of operating margin despite a strong negative impact from volume/mix of €188 million was achieved thanks to cost savings of €175 million generated by the Group's three global cost optimization programs and resilience actions put in place as early as the second half of 2018 for cost flexibilization.

Net cash flow of €587.0m, up 11.2% year-on-year

- **Well above the guidance of at least €500 million**
- Including a positive impact from the disposal of Clarion's HQ in Saitama for €110 million and a negative impact from higher restructuring (€73 million year-on-year) and lower factoring of receivables (€57 million).

HIGH-QUALITY ORDER INTAKE IN 2019 RESULTING IN CUMULATIVE THREE-YEAR ROLLING ORDER INTAKE OF €68 BILLION

2019 was a record year of order intake with a cumulative three-year rolling (2017-2019) figure of €68 billion lifetime sales.

The 2019 order intake included:

- €1.9 billion lifetime sales for the new Business Group, Faurecia Clarion Electronics,
- €1.6 billion lifetime sales for Commercial Vehicles and High Horsepower (HHP).

Total 2019 order intake for New Value Spaces (including these mentioned above) represented 17% of 2019 order intake vs. 12% in 2018.

Strong order intake reflects Faurecia's capability to attract new business and continue gaining market share.

In 2019, Faurecia also received 48 customer awards demonstrating high recognition, operational excellence and customer satisfaction.

SALES AND PROFITABILITY BY BUSINESS GROUP

Seating (39% of Group sales)

	Sales		Operating income	
	€m	vs. 2018	€m	% sales
2018	7,438.0		448.5	6.0%
Currency	52.1	0.7%		
Ex-currency*	-516.9	-6.9%		
2019	**6,973.2**	**-6.2%**	**453.1**	**6.5%**

** including bolt-ons for €106.1m*

Sales

- Sales were down 6.2% on a reported basis and down 6.9% at constant currencies.
- The ex-currency sales drop of €517 million was mostly driven by the temporary negative impact from EoPs (End of Production) representing €511 million or 6.8% of last year's sales. Because of this impact, Seating underperformed worldwide automotive production by 110bps (-5.8%, source: IHS Markit dated February 2020).
- The negative impact from EoPs will gradually decrease to c. €100 million in Q1 and c. €40 million in Q2 2020.
- Conversely, the positive impact from SoPs (Start of Production) will gradually contribute to sales growth as from Q4 2020 and accelerate in 2021.

Operating income

- The improvement of 50bps in operating margin was mainly driven by improved execution and accretive mix effect (seat structures vs. complete seats).

Interiors (30% of Group sales)

	Sales		Operating income	
	€m	vs. 2018	€m	% sales
2018	5,362.6		325.3	6.1%
Currency	58.2	1.1%		
Ex-currency*	-50.6	-0.9%		
2019	**5,370.2**	**0.1%**	**293.7**	**5.5%**

** including bolt-ons for €20.9m*

Sales

- Sales were broadly stable on a reported basis and slightly down at constant currencies (-0.9%), outperforming by 490bps worldwide automotive production (-5.8%, source: IHS Markit dated February 2020).
- Sales growth with RNM in Europe, FCA and Tesla in North America, as well as Hyundai, Vinfast and Chinese OEMs in Asia did not offset a drop with other OEMs.

Operating income

- The deterioration of 60bps in operating margin was mainly attributable to the temporary impact from losses in the Decoration activity in Europe for €37 million (back to profit expected in H2 2020).

Clean Mobility (26% of Group sales)

	Sales		Operating income	
	€m	**vs. 2018**	**€m**	**% sales**
2018	4,615.1		499.8	10.8%
Currency	74.6	1.6%		
Ex-currency*	-36.2	-0.8%		
2019	**4,653.5**	**0.8%**	**524.6**	**11.3%**

** including bolt-ons for €13.6m*

Sales

- Sales were slightly up on a reported basis (+0.8%) and slightly down at constant currencies (-0.8%), outperforming by 500bps worldwide automotive production (-5.8%, source: IHS Markit dated February 2020).
- Sales at constant currencies outperformed production in every region, mainly driven by RNM, GM, Hyundai and Honda.

Operating income

- The improvement of 50bps in operating margin was mainly driven by North America, Europe and South America (tax recovery in Brazil).

Faurecia Clarion Electronics (5% of Group sales)

	Sales		Operating income	
	€m	**vs. 2018**	**€m**	**% sales**
2018	109.1		0.3	0.3%
Currency	1.7	n/a		
Ex-currency*	74.4	n/a		
Scope (Clarion 9 mois)	586.3	n/a		
2019	**771.4**	**n/a**	**11.9**	**1.5%**

** including bolt-ons for €49.2m*

Sales

- Sales included the first consolidation of Clarion (since April 1) and the first consolidation of Parrot Automotive (since January 1).
- Coagent sales posted double-digit growth at constant currencies, driven by new launches.

Operating income

- Operating income improved significantly in the second half of the year thanks to Clarion, which was back to profit, demonstrating its quick and successful integration within the Group.
- Operating income in 2019 included €(6) million from one-off integration costs (mainly SAP implementation); excluding this one-off, operating margin stood at 2.3%.

SALES AND PROFITABILITY BY REGION

Europe (49% of Group sales)

	Sales		Operating income	
	€m	vs. 2018	€m	% sales
2018	8 858,2		565,9	6,4%
Currency	-15,8	-0,2%		
Ex-currency*	-250,1	-2,8%		
Scope (Clarion 9 mois)	49,2	0,6%		
2019	**8 641,4**	**-2,4%**	**558,0**	**6,5%**

** including bolt-ons for €52.9m*

Sales

- Sales were down 2.4% on a reported basis and down 2.8% at constant currencies, outperforming by 120bps regional automotive production (-4.0%, source: IHS Markit dated February 2020).
- Sales in Europe were penalized by the temporary negative impact from Seating EoPs, representing €132 million or 1.5% of last year's sales.

Operating income

- Operating margin improved by 10bps despite lower sales.

North America (25% of Group sales)

	Sales		Operating income	
	€m	vs. 2018	€m	% sales
2018	4 474,2		289,7	6,5%
Currency	227,2	5,1%		
Ex-currency	-364,0	-8,1%		
Scope (Clarion 9 mois)	146,0	3,3%		
2019	**4 483,4**	**0,2%**	**282,6**	**6,3%**

Sales

- Sales were broadly stable on a reported basis and included a strong positive currency impact of €227 million, mainly attributable to the US dollar vs. the euro.
- The ex-currency sales drop of €364 million was mostly driven by the temporary negative impact from EoPs representing €280 million or 6.3% of last year's sales.
- Because of this impact, the region underperformed automotive production by 420bps (-8.1% vs. a drop of -3.9% in regional automotive production, source: IHS Markit dated February 2020).
- Sales in the region were also negatively impacted by the GM strike for €73m or -1.6% of last year's sales.

Operating income

- The deterioration of 20bps mainly resulted from the GM strike.

Asia (21% of Group sales)

	Sales		Operating income	
	€m	vs. 2018	€m	% sales
2018	3 257,2		367,0	11,3%
Currency	41,7	1,3%		
Ex-currency*	81,1	2,5%		
Scope (Clarion 9 mois)	386,1	11,9%		
2019	**3 766,0**	**15,6%**	**373,6**	**9,9%**

** including bolt-ons for €136.9m*

Sales

- Sales were up 15.6% on a reported basis and up 2.5% at constant currencies and excluding Clarion scope effect, outperforming by 910bps regional automotive production (-6.6%, source: IHS Markit dated February 2020).
- Sales were positively impacted by bolt-on contribution for €137 million or +4.2% of last year's sales.
- Conversely, sales were negatively impacted by Seating EoP in China for €99m or -3.0% of last year's sales.
- In China, sales amounted to €2,595 million, up 4.0% on a reported basis and up 0.8% ex-currencies and excluding Clarion scope effect, outperforming by 1,010bps the automotive production in the country (-9.3%, source: IHS Markit dated February 2020).

Operating income

- Operating margin deteriorated by 140bps, impacted by tough market conditions and dilutive effect from Clarion. Excluding Clarion, operating margin in Asia stood at 10.7%.
- In China, operating margin proved resilient in double digits.

South America (4% of Group sales)

	Sales		Operating income	
	€m	vs. 2018	€m	% sales
2018	714.1		24.6	3.4%
Currency	-60.0	-8.4%		
Ex-currency	37.2	5.2%		
Scope (Clarion 9 months)	5.0	0.7%		
2019	**696.4**	**-2.5%**	**47.9**	**6.9%**

Sales

- Sales were down 2.5% on a reported basis and up 5.2% at constant currencies, outperforming by 970bps regional automotive production (-4.5%, source: IHS Markit dated February 2020).
- Sales growth in Brazil was mainly driven by Clean Mobility and Seating and offset reduced exposure to Argentina.

Operating income

- Operating margin improved by 350bps, mainly driven by tax recovery in Brazil (PIS-Cofins).

NET INCOME (GROUP SHARE) OF €590 MILLION INCLUDED HIGHER RESTRUCTURING TO ADAPT TO MARKET CONDITIONS AND COSTS RELATED TO THE ACQUISITION OF CLARION

Group operating income stood at €1,283.3 million, slightly up compared with €1,273.9 million in 2018.

- **Amortization of intangible assets acquired in business combinations:** net charge of €56.4 million vs. a net charge of €10.9 million in 2018; the increase mainly reflected Clarion for €32.7 million (9 months of amortization) and Parrot Automotive for €10.0 million.
- **Restructuring costs:** net charge of €193.9 million vs. a net charge of €100.8 million in 2018; the increase of €93 million reflected the measures taken to adapt to a more challenging environment (for €31 million) and the restructuring of Clarion Electronics (for €62 million).
- **Other non-recurring operating income and expenses:** net charge of €19.9 million vs. a net charge of €46.5 million in 2018; in 2019, they included a charge of €16.2 million related to Clarion acquisition and integration costs.
- **Net financial result:** net charge of €219.4 million vs. a net charge of €163.8 million in 2018; in 2019, it included €38.7 million related to the financing of Clarion and €45.5 million from the implementation of IFRS16.
- **Income tax:** net charge of €166.8 million (21.0% of pre-tax income) vs. a net charge of €190.0 million in 2018 (20.0% pf pre-tax income); in 2019, it mainly benefited from the recognition of deferred tax assets in Germany.
- **Share of net income of associates:** profit of €37.8 million vs. a profit of €31.4 million in 2018.

Net income before minority interests was a profit of €664.7 million vs. a profit of €793.3 million in 2018.

Minority interests amounted to €75.0 million vs. €92.5 million in 2018.

Net income (Group share) was a profit of €589.7 million vs. a profit of €700.8 million in 2018.

NET CASH FLOW OF €587 MILLION, UP 11.2%
STRONG FINANCIAL DISCIPLINE AND SECURED FINANCING

EBITDA stood at €2,404.3 million, up 12.3% vs. €2,140.6 million in 2018.

- **Capital expenditure** was an outflow of €685.2 million broadly in line with an outflow of €673.3 million in 2018.
- **Capitalized R&D** was an outflow of €681.2 million vs. an outflow of €592.7 million in 2018. This year-on-year increase mainly reflected newly consolidated companies (Clarion and Parrot Automotive).
- **Change in working capital requirement** was an inflow of €166.0 million vs. an inflow of €80.3 million in 2018; the 2019 inflow mainly reflected further deployment of reverse factoring.
- In addition to change in working capital requirement, **factoring of receivables** was reduced by €56.5 million in 2019.
- **Restructuring** represented an outflow of €166.3 million vs. an outflow of €93.4 million in 2018; in 2019, it included the closure of 20 plants.
- **Net financial expense** was an outflow of €197.1 million vs. an outflow of €107.8 million in 2018; in 2019, it mainly reflected IFRS16 impact, Clarion acquisition and one-offs due to refinancing operations.
- **Income tax** was an outflow of €295.8 million vs. an outflow of €260.9 million in 2018.
- **Other operational items** represented an inflow of €99 million in 2019 vs. an inflow of €97 million in 2018; in 2019, they included the sale of Clarion's HQ in Saitama for €110m (no P&L impact).

Net cash flow stood at €587.0 million, up 11.2% vs. €528.1 million in 2018.

- **Dividend paid** (incl. minorities) was an outflow of €211.8 million (€170.2 million to Faurecia shareholders + €41.6 million to minorities) in line with an outflow of €210.6 million in 2018.
- **Share purchase** was an outflow of €29.0 million vs. an outflow of €47.8 million in 2018.
- **Net financial investments and other cash elements** was an outflow of €1,485.9 million vs. an outflow of €295.8 million in 2018. The 2019 outflow mainly included the acquisition of Clarion, the investment in Symbio and the increase from 50.1% interest to 100% interest in Coagent.

After a negative impact of €906 million related to IFRS16 (€726 million impact on opening net debt at January 1, 2019 + €180 million for the year 2019), **the Group's net financial debt stood at €2,524 million at December 31, 2019, representing 1.05x EBITDA.**

Faurecia's sound financial structure is supported by strong discipline and secured financing flexibility.

- The financing of Clarion was achieved at an average cost of 2.6% (€700 million *Schuldscheindarlehen* issue in December 2018 and €500 million bond issue in March 2019),
- The SAS financing was achieved in October 2019 through €250 million additional Senior Notes due 2026, issued at a yield of 2.4%,
- In November 2019, Faurecia successfully priced €700m bonds due 2027 @ 2.375% and anticipated repayment of €700m 3.625% bonds due 2023.

Through recent refinancing operations, Faurecia has an average long-term cost of financing below 2.5%, with no significant long-term debt repayment before June 2025:

- Strong financial flexibility through an undrawn €1.2 billion syndicated credit facility with maturity June 2024,
- Significantly improved terms and conditions through recent refinancing operations.

Faurecia's ratings (BB+/Ba1 with stable outlook) were recently reaffirmed by all three rating agencies.

INCREASE IN PROPOSED DIVIDEND TO €1.30 PER SHARE

The Board of Directors will propose at the next Annual Shareholders' Meeting, to be held in Paris on May 29, the payment of a dividend of €1.30 per share vs. the dividend of €1.25 paid last year.

It will be paid in cash early June.

The dividend increase reflects the Group's confidence in its capability to generate profitable growth and enhanced cash flow as well as its commitment to create shareholder value.

OUTLOOK

In an environment that offers low visibility, Faurecia's current assumption is that worldwide automotive production should be down c. 3% in 2020 vs. 2019. There should be a strong seasonality, with the first quarter being the weakest of the year and expected to post a drop in double digits, mostly impacted by Asia and Europe.

Based on this assumption, Faurecia's full-year 2020 financial targets are the following:

- **Solid reported sales growth**, including:
  - a scope effect representing c. 500bps of sales growth (3 months of Clarion + 11 months of SAS)
  - an outperformance of 100 to 200bps vs. worldwide automotive production (at constant scope & currencies)
- **Improvement in profitability**, with operating margin above 7.2% of sales
- **Continued strong cash generation**, with net cash flow above €500 million

Main currency assumptions: USD/€ @ 1.15 average and CNY/€ @ 7.80 average

This guidance does not include the risk of a possible impact of Covid-19 on the global supply chain.

The 2020 guidance is fully aligned with the medium-term 2022 ambitions that Faurecia presented at its Capital Markets Day of November 26, 2019:

- **Sales should exceed €20.5 billion**
- **Operating margin should reach 8% of sales**
- **Net cash flow should reach 4% of sales**

Faurecia's financial presentation and financial report will be available at 9:30am today (Paris time) on the Faurecia website: www.faurecia.com.

A webcast will be held today at 10:00am (Paris time). If you wish to follow the presentation using the webcast, please access the following link: https://hosting.3sens.com/Faurecia/20200217-34E67F90/en/startup.php

You may also follow the presentation via conference call:

- France: +33 (0)1 70 72 25 50
- UK: +44 (0)330 336 9125
- USA: +1 323 794 2093

No access code needed and a replay will be available as soon as possible.

Financial calendar

April 20, 2020:	Q1 2020 sales announcement (before market hours)
May 29, 2020:	Annual Shareholders' Meeting
July 27, 2020:	H1 2020 results announcement (before market hours)
October 23, 2020:	Q3 2020 sales announcement (before market hours)

About Faurecia

Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With around 300 sites including 37 R&D centers and 115,000 employees in 37 countries, Faurecia is a global leader in its four areas of business: Seating, Interiors, Clarion Electronics and Clean Mobility. Faurecia has focused its technology strategy on providing solutions for the "Cockpit of the Future" and "Sustainable Mobility". In 2019, the Group posted sales of €17.8 billion. Faurecia is listed on the Euronext Paris stock exchange and is a component of the CAC Next 20 index. For more information, please visit www.faurecia.com

Contacts

Press
Eric FOHLEN-WEILL
Head of Corporate Communications
Tel: +33 (0)1 72 36 72 58
eric.fohlen-weill@faurecia.com

Analysts/Investors

Marc MAILLET
Head of Investor Relations
Tel: +33 (0)1 72 36 75 70
marc.maillet@faurecia.com

Anne-Sophie JUGEAN
Deputy Head of Investor Relations
Tel: +33 (0)1 72 36 71 31
annesophie.jugean@faurecia.com

APPENDICES

Definitions of terms used in this document

1. 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".

2. 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.

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.

4. 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).

Profit and Loss Statement

in €m	FY 2018	FY 2019	Change
Sales	**17,525**	**17,768**	**+1.4%**
ex-currency growth			**-3.0%**
Operating income (before amort. of acquired intangible assets)	**1,274**	**1,283**	**+0.7%**
as % of sales	***7.3%***	***7.2%***	***-10bps***
Amort. of intangible assets acquired in business combinations	-11	-56	
Operating income (after amort. of acquired intangible assets)	**1,263**	**1,227**	**-2.9%**
Restructuring	-101	-194	
Other non-recurring operating income and expense	-47	-20	
Net interest expense & Other financial income and expense	-164	-219	
Income before tax of fully consolidated companies	**952**	**794**	**-16.6%**
Income taxes	-190	-167	
as % of pre-tax income	*(20.0%)*	*(21.0%)*	
Net income of fully consolidated companies	**762**	**627**	**-17.7%**
Share of net income of associates	31	38	
Consolidated net income before minority interest	**793**	**665**	**-16.2%**
Minority interest	-93	-75	
Consolidated net income, Group share	**701**	**590**	**-15.8%**

Cash Flow Statement

in €m	FY 2018	FY 2019	Change
Operating income	**1,274**	**1,283**	**+0.7%**
Depreciation and amortization, of which:	867	1,121	
- *Amortization of R&D intangible assets*	*399*	*438*	
- *Other depreciation and amortization*	*468*	*683*	
EBITDA	**2,141**	**2,404**	**+12.3%**
Capex	(673)	(685)	
Capitalized R&D	(593)	(681)	
Change in WCR	80	166	
Change in factoring	(61)	(57)	
Restructuring	(93)	(166)	
Financial expenses	(108)	(197)	
Taxes	(261)	(296)	
Other (operational)	97	99	
Net cash flow	**528**	**587**	**+11.2%**
Dividends paid (incl. mino.)	(211)	(212)	
Share purchase	(48)	(29)	
Net financial investment & Other	(296)	(1,486)	
IFRS16 impact		(906)	
Change in net debt	**(26)**	**(2,046)**	

Net Cash Flow Reconciliation

in €m	FY 2018	FY 2019	Change
Net cash flow	**528**	**587**	**+11.2%**
Sales/Acquisitions of investments and businesses (net of cash)	(175)	(1,130)	
Proceeds from disposal of financial assets	0	0	
Other changes from continued operations	(67)	54	
Cash provided (used) by operating and investing activities	**287**	**(490)**	**-270.9%**

FY 2019 Detailed contribution from bolt-ons to sales

Sales (in €m)	Business Group	Region	Conso as from	Q1 2019	Q2 2019	H1 2019	Q3 2019	Q4 2019	H2 2019	FY 2019
Hug Engineering	Clean Mobility	Europe	Q2 2018	14	0	14	0	0	0	**14**
JV with Wuling	Interiors	Asia	Q2 2018	21	0	21	0	0	0	**21**
BYD	Seating	Asia	Q3 2018	59	48	106	0	0	0	**106**
Parrot Automotive	Clarion Electronics	Europe/Asia	Q1 2019	12	12	23	14	12	26	**49**
TOTAL				**105**	**60**	**164**	**14**	**12**	**26**	**190**
Total Group sales 2018				**4,315**	**4,677**	**8,991**	**4,014**	**4,520**	**8,533**	**17,525**
% of 2019 ex-currency sales growth due to bolt-on contribution				**2.4%**	**1.3%**	**1.8%**	**0.3%**	**0.3%**	**0.3%**	**1.1%**

Summary of IFRS16 impacts

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	**FY 2019**
Operating income	+28
of which:	
- Depreciation	(157)
- EBITDA	+186
Finance costs	(45)
Cash-flow statement	**FY 2019**
Cash flows provided by operating activities	+140
Cash flows provided by financing activities	(140)
Balance sheet	**Dec. 31, 2019**
Assets:	
- Right of use	877
Liabilities (included in the net debt):	
- Non-current lease liability (>1 year)	732
- Current lease liability (<1 year)	174