Press release

Nanterre (France), July 23, 2019

FIRST-HALF 2019 RESULTS

RESILIENT SALES, PROFITABILITY AND CASH GENERATION IN A CHALLENGING ENVIRONMENT

FULL-YEAR GUIDANCE CONFIRMED

in €m	H1 2018	H1 2019*	Change
Sales	8,991	**8,972**	**-0.2%**
At constant currencies and excluding Clarion			*-2.8%*
Operating income	647	**645**	**-0.4%**
as % of sales	*7.2%*	***7.2%***	***stable***
Net cash flow	247	**257**	**+3.9%**
Net income, Group share	342	**346**	**+1.0%**

* *First application of IFRS16 as of January 1, 2019 (impacts detailed in appendix and no pro forma for 2018 accounts)*
All definitions are explained at the end of this Press Release

SALES OUTPERFORMANCE OF 420bps AT CONSTANT CURRENCIES (excluding Clarion)

- **All three historical Business Groups outperformed worldwide automotive production** (-7.0%, source: IHS Markit forecast dated July 16 - vehicles segment in line with CAAM for China)
- **All regions, except North America** (impacted by the end of production of a significant Seating program for Daimler in Cottondale)**, outperformed local automotive production**

RESILIENT PROFITABILITY AT 7.2% OF SALES (including Clarion)

- **Improved or stable margin in all three historical Business Groups, thanks to structural initiatives and increased agility**
- **Operating margin at 7.3% of sales, excluding Clarion**

NET CASH FLOW OF €257m AND NET INCOME OF €346m INCLUDED HIGHER RESTRUCTURING TO ADAPT TO MARKET CONDITIONS AND COSTS RELATED TO THE ACQUISITION OF CLARION

FULL-YEAR GUIDANCE CONFIRMED

- **Sales growth outperformance at constant currencies between 150 to 350bps** (excluding Clarion consolidation)
- **Operating income increase in value and operating margin of at least 7%** (including Clarion consolidation as from April 1)
- **Net cash flow at least €500m** (including Clarion consolidation as from April 1)

Patrick KOLLER, CEO of Faurecia, declared:

"The first half of the year was tougher than expected, mostly due to significantly lower production volumes in China. In this context, we demonstrated again our ability to deliver a very resilient performance.

Since we took control of Clarion, we have put in place a strong organization for Faurecia Clarion Electronics, combining Faurecia and Clarion competencies. We are currently focused on executing a significant cost reduction plan and we will present our strategic plan and profitable growth roadmap for the new Business Group at our Capital Markets Day, on November 26.

Our first-half performance and forecast for the second half allow us to confirm our guidance for the full-year."

- ***The 2019 half-year consolidated 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.***

- ***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 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)*
  - *Due to time constraints related to the first consolidation of Clarion, it was accounted for only two months (April and May) in the half-year consolidated statements. The month of June will be caught up at the financial closing of September 30.*

- ***All figures related to worldwide or regional automotive production for the half-year refer to IHS Markit forecast dated July 16 - 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".***

GROUP OPERATING PERFORMANCE IN H1 2019

- **RESILIENT SALES AND OUTPERFORMANCE OF 420bps IN A TOUGH ENVIRONMENT**
- **RESILIENT PROFITABILITY WITH STABLE OPERATING MARGIN AT 7.2% OF SALES**

First-half sales amounted to €8,972.0 million, down 0.2% on a reported basis

- **Currencies had a positive impact of €82.3 million, representing 0.9% of last year's sales** (positive impact from the US dollar vs. the euro partly offset by negative impact from the Turkish lira and the Argentine peso vs. the euro).
- **Sales at constant currencies (excluding Clarion) were down 2.8%, representing an outperformance of 420bps compared to worldwide automotive production that dropped year-on-year by 7.0% (source IHS Markit dated July 16, 2019).** They included:
  - A positive effect of €164 million due to the contribution from bolt-on acquisitions (see detail in appendix), representing 1.8% of last year's sales,
  - A negative effect, as expected and announced on February 18, of €218 million (representing 2.4% of last year's sales) due to the end of production of two Seating programs in North America (Cottondale) and Europe (Vigo),
  - A negative effect of €15.5 million from the wind-down of activities in Iran as from June 30, 2018.
- **Sales included a positive scope effect of €150.4 million, due to the consolidation of Clarion as from April 1.** It was only accounted for 2 months (April and May) in the half-year financial consolidated statements (for the reason already mentioned above).

First-half operating income amounted to €644.8 million, broadly stable in value (-0.4%) with stable margin at 7.2% of sales, despite a dilutive impact from Clarion consolidation; excluding Clarion, operating margin stood at 7.3% of sales, up 10bps year-on-year

- **All three historical Business Groups improved or maintained profitability year-on-year, despite tough environment.**
- **Profitability proved very resilient, thanks to structural cost reduction initiatives and accelerated restructuring.**

SALES AND PROFITABILITY BY REGION

Europe (50% of Group sales): Sales of €4,530.8million (vs. €4,730.1 million in H1 2018) **and operating income of €295.0 million** (vs. €305.3 million in H1 2018)

Year-on-year sales evolution:

- Down 4.2% on a reported basis
- **Down 3.8% at constant currencies, 180bps above regional automotive production (-5.6%, source: IHS Markit dated July 16, 2019)**
- Currencies had a negative impact of 31.1 million (-0.7% of last year's sales, mainly attributable to the Turkish lira)
- The positive scope effect from Clarion consolidation represented €13 million of sales in the region

Sales at constant currencies benefited from a contribution of €31 million from bolt-ons (Hug Engineering for €14 million, whose consolidation started as from Q2 2018, and Parrot Automotive for €17 million, whose sales consolidation started as from January 1, 2019).

Conversely and as expected, European sales were negatively impacted by the end of production of the Berlingo program in Vigo (Seating) that represented a year-on-year negative impact of €83 million.

Operating income proved resilient with stable operating margin at 6.5% of sales.

North America (26% of Group sales): Sales of €2,288.9 million (vs. €2,232.0 million in H1 2018) **and operating income of €152.9 million** (vs. €135.4 million in H1 2018)

Year-on-year sales evolution:

- Up 2.5% on a reported basis
- **Down 6.3% at constant currencies, 380bps below regional automotive production (-2.5%, source: IHS Markit dated July 16, 2019)**
- Currencies had a positive impact of €150.1 million (+6.7% of last year's sales, mainly attributable to the US dollar)
- The positive scope effect from Clarion consolidation represented €47 million of sales in the region.

Sales at constant currencies, as expected, underperformed regional automotive production because of the significant impact from the end of production of the Seating GLE/GLS program for Daimler in Cottondale (Alabama) that represented a year-on-year negative impact of €135 million (i.e. 5.9% of last year's sales). Clean Mobility posted a strong outperformance with a 0.5% growth during the period.

Operating income significantly improved with an operating margin at 6.7% of sales, up 60bps year-on-year, mainly driven by improved performance from Seating operations (including the accretive effect from the end of production of the GLE/GLS program for Daimler).

Asia (19% of Group sales): Sales of €1,716.3 million (vs. €1,542.8 million in H1 2018) **and operating income of €171.0 million** (vs. €179.7 million in H1 2018)

Year-on-year sales evolution:

- Up 11.2% on a reported basis
- **Up 4.4% at constant currencies, 1,260bps above regional automotive production (-8.2%, source: IHS Markit dated July 16, 2019)**
- Currencies had a positive impact of €16.2 million (+1.0% of last year's sales, mainly attributable to the Chinese yuan renminbi and the Thai baht)
- The positive scope effect from Clarion consolidation represented €90 million of sales in the region.

Growth at constant currencies benefited from bolt-on contribution of €132 million (mainly the Seating JV with BYD for €106 million, whose consolidation started as from Q3 2018, and the Interiors JV with Wuling for €21 million, whose consolidation started as from Q2 2018). Even restated for this contribution, sales in Asia proved resilient in the current tough environment, with an outperformance of 400bps vs. regional automotive production.

In **China**, sales amounted to €1,208 million (vs. €1,169 million in H1 2018), up 3.3% on a reported basis and up 1.4% at constant currencies, an outperformance of 1,710bps vs. the Chinese automotive production (-15.7%, source: IHS Markit dated July 16, 2019). Sales in China included the above-mentioned contribution of €132 million from bolt-ons. Even restated for this contribution, sales in China proved resilient with an outperformance of 580bps vs. the Chinese automotive production.

Sales to Chinese OEMs amounted to €409 million and represented 34% of sales in the country (vs. 25% in H1 2018).

Operating income proved resilient with a double-digit operating margin at 10.0% of sales (vs. 11.6% in H1 2018)**, despite a dilutive impact from Clarion consolidation.** Margin resilience was supported by a significant cost rationalization program in China, including the closure of 7 plants during the period.

South America (4% of Group sales): Sales of €344.7 million (vs. €363.4 million in H1 2018) **and operating income of €18.5 million** (vs. €11.8 million in H1 2018)

Year-on-year sales evolution:

- Down 5.2% on a reported basis
- **Up 7.2% at constant currencies, 1,030bps above regional automotive production (-3.1%, source: IHS Markit dated July 16, 2019)**
- Currencies had a negative impact of €45.9 million (-12.6% of last year's sales, attributable to the Argentine peso and the Brazilian real)

Growth at constant currencies in Brazil was mainly driven by Clean Mobility, while exposure to Argentina was reduced through the sale of the Interiors plant in Malvinas.

Operating income significantly improved with an operating margin at 5.4% of sales, up 210bps year-on-year. Margin improvement was driven by significant loss reduction in Argentina and by a one-off effect from tax recovery (ICMS in Brazil).

SALES & PROFITABILITY BY BUSINESS GROUP

Seating (41% of Group sales): Sales of €3,640.1 million (vs. €3,781.5 million in H1 2018) **and operating income of €219.1 million** (vs. €221.5 million in H1 2018)

Year-on-year sales evolution:

- Down 3.7% on a reported basis
- **Down 4.5% at constant currencies, 250bps above worldwide automotive production (-7.0%, source: IHS Markit dated July 16, 2019)**
- Currencies had a positive impact of €28.5 million (+0.8% of last year's sales)

Growth at constant currencies included a bolt-on contribution of €106.1 million from the JV with BYD in Asia (consolidated as from Q3 2018).

Conversely, it was penalized, as previously commented, by the end of production of two programs in North America (Cottondale) and Europe (Vigo), representing a combined year-on-year negative impact of €218 million.

Operating income proved very resilient with an operating margin at 6.0% of sales, up 10bps year-on-year. This was mainly driven by improved performance in South America and also by the accretive effect from the end of production of the GLE/GLS program for Daimler in the USA.

Interiors (30% of Group sales): Sales of €2,746.1 million (vs. €2,795.6 million in H1 2018) **and operating income of €170.8 million** (vs. €167.6 million in H1 2018)

Year-on-year sales evolution:

- Down 1.8% on a reported basis
- **Down 2.3% at constant currencies, 470bps above worldwide automotive production (-7.0%, source: IHS Markit dated July 16, 2019)**
- Currencies had a positive impact of €14.6 million (+0.5% of last year's sales)

Sales at constant currencies included a bolt-on contribution of €20.9 million from the JV with Wuling in Asia (consolidated as from Q2 2018).

Operating income improved year-on-year with an operating margin at 6.2% of sales, up 20bps year-on-year. This was mainly driven by increased operating efficiency in North America and in Europe.

Clean Mobility (26% of Group sales): Sales of €2,351.2 million (vs. €2,360.3 million in H1 2018) **and operating income of €254.7 million** (vs. €255.3 million in H1 2018)

Year-on-year sales evolution:

- Slightly down (-0.4%) on a reported basis
- **Down 2.0% at constant currencies, 500bps above worldwide automotive production (-7.0%, source: IHS Markit dated July 16, 2019)**
- Currencies had a positive impact of €38.5 million (+1.6% of last year's sales)

Growth at constant currencies included a bolt-on contribution of €13.6 million from Hug Engineering in Europe (consolidated as from Q2 2018). Lower tooling sales, due to fewer launches, had a negative impact on sales in Europe and North America, while Asia was mostly impacted by lower sales to international OEMs and Geely.

Operating income proved very resilient and operating margin was stable year-on-year at 10.8% of sales. This was mainly driven by improved performance in North and South America, offsetting reduced contribution from China.

Faurecia Clarion Electronics: Sales of €234.6 million and operating income of €0.2 million

In H1 2019, sales for this new Business Group included:

- €61 million from Coagent (consolidated since January 1, 2018), vs. €54 million in H1 2018,
- €23 million from Parrot Automotive (sales consolidated since January 1, 2019),
- €150 million from Clarion (sales consolidated only for April and May in H1 2019).

Operating income for the period stood at €0.2 million. It included a negative contribution of €1.2 million from Clarion. Clarion contribution to operating income will be positive in the second half of the year.

NET INCOME (GROUP SHARE) OF €346 MILLION INCLUDED HIGHER RESTRUCTURINGS TO ADAPT TO MARKET CONDITIONS AND COSTS RELATED TO THE ACQUISITION OF CLARION

Group operating income in H1 2019 stood at €644.8 million, broadly stable (-0.4%) in value vs. H1 2018.

- **Amortization of intangible assets acquired in business combinations:** net charge of €10.8 million vs. a net charge of €5.4 million in H1 2018; it mainly included Parrot Automotive for €4 million, Coagent for €3 million and Hug Engineering for €2 million.
  As regards Clarion, the purchase price allocation process is ongoing. As a consequence, there was no amortization accounted for Clarion at June 30 and amortization for the 9 months will be booked in H2.
- **Restructuring costs:** net charge of €71.0 million vs. a net charge of €27.8 million in H1 2018; the increase mainly reflected the actions taken to adapt to a more challenging environment.
- **Other non-recurring operating income and expenses:** net charge of €22.0 million vs. a net charge of €36.0 million in H1 2018; in H1 2019, it included a charge of €16 million related to Clarion acquisition and integration costs (in H1 2018, it included a charge of €17 million due to the wind-down of activities in Iran).
- **Net financial result:** net charge of €94.5 million vs. a net charge of €68.4 million in H1 2018; in H1 2019, it included €20 million related to the financing of Clarion (annual run-rate of €32 million) and €24 million from the implementation of IFRS16
- **Income tax:** net charge of €93.1 million (21% of pre-tax income) vs. a net charge of €136.0 million in 2018 (27% of pre-tax income); the expected tax rate for the year should be of c. 25%.
- **Share of net income of associates:** profit of €24.9 million vs. a profit of €16.8 million in H1 2018.

Net income before minority interests was a profit of €378.4 million, vs. a profit of €390.5 million in H1 2018.

Minority interests amounted to €32.8 million vs. €48.5 million in H1 2018.

Net income (Group share) was a profit of €345.6 million or 3.9% of sales, vs. a profit of €342.0 million or 3.8% of sales in H1 2018.

NET CASH FLOW OF €257 MILLION, SLIGHTLY UP (+3.9%), INCLUDING HIGHER RESTRUCTURINGS AND COSTS RELATED TO THE ACQUISITION OF CLARION

SOUND FINANCIAL STRUCTURE AND STRONG FINANCIAL DISCIPLINE

EBITDA stood at €1,170.8 million, up 10.4% vs. €1,060.8 million in H1 2018; most of the increase in EBITDA was related to IFRS16 implementation.

- **Capital expenditure** was an outflow of €285.7 million, broadly in line with an outflow of €278.3 million in H1 2018.
- **Capitalized R&D** was an outflow of €321.9 million (incl. Faurecia Clarion Electronics) vs. an outflow of €305.7 million in H1 2018.
- **Change in working capital requirement** was an inflow of €2.6 million vs. an outflow of €18.7 million in H1 2018.
- **Restructuring** represented an outflow of €60.9 million vs. an outflow of €31.1 million in H1 2018.
- **Net financial expense** was an outflow of €85.1 million vs. an outflow of €52.4 million in H1 2018.
- **Income tax** was an outflow of €152.4 million vs. an outflow of €105.7 million in H1 2018.

Net cash flow stood at €256.5 million, up 3.9% vs. €247.0 million in H1 2018.

- **Dividend paid** was an outflow of €189.8 million (€170.2 million to Faurecia shareholders + €19.6 million to minorities) vs. an outflow of €163.9 million in H1 2018.
- **Share purchase** was an outflow of €30.3 million vs. an outflow of €4.6 million in H1 2018.
- **Net financial investments and other cash elements** was an outflow of €1,336.0 million vs. an outflow of €92 million in H1 2018. The H1 2019 outflow mainly included the acquisition of Clarion (squeeze-out to be paid in H2 2019) and the increase from 50.1% interest to 100% interest in Coagent. It also included an impact of €61 million from IFRS16 for the period.

At December 31, 2018, the Group's net financial debt stood at €477.7 million.

After a negative impact of €687.3 million related to the first implementation of IFRS16, the opening net debt at January 1, 2019 was €1,165.0 million.

At June 30, 2019, the Group's net financial debt stood at €2,464.6 million. Most of the increase during the period is related to the acquisition of Clarion.

Faurecia boasts a sound financial structure, supported by strong discipline and secured financing flexibility.

The financing of Clarion was achieved at an average cost of 2.6%:

- In December 2018, Faurecia issued €700 million of *Schuldscheindarlehen*, with maturities between 4 and 6 years (average 5 years) and an average margin of less than 180bps,
- In March 2019, Faurecia issued €500 million of bonds at 3.125% and maturity in 2026.

Through recent refinancing operations, Faurecia has secured an average long-term cost of financing below 3%, with no significant long-term debt repayment before June 2023 and an average long-term debt maturity above 5.5 years.

- 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.

ACTIVE INTEGRATION OF CLARION WITHIN THE NEW BUSINESS GROUP "FAURECIA CLARION ELECTRONICS"

On April 1, 2019, Clarion entered the Group perimeter and it is now consolidated into the new Business Group named "Faurecia Clarion Electronics".

This new Business Group also includes Coagent Electronics (consolidated since January 1, 2018 but reported until the end of 2018 into "Interiors") and Parrot Automotive (sales consolidated since January 1, 2019).

Since April 1, an integration plan has been implemented and a new division-based organization has been designed, according to Faurecia standards, to generate rapid synergies.

Five product lines will drive profitable growth:

- Cockpit Domain Controller
- Immersive Sound Systems
- Interior Monitoring Systems
- Display Technologies
- ADAS (Advanced Driver Assistance Systems)

A strong management team is now in place, combining Faurecia and Clarion competences. Reflecting this combination of competences, Atsushi KAWABATA, previously President and Chief Executive Officer of Clarion, was named Executive Vice-President of "Faurecia Clarion Electronics" and Jean-Paul MICHEL, previously Finance Vice-President of Faurecia Interiors, was named Deputy Executive Vice-President.

As regards Clarion, a significant cost reduction plan will be executed representing savings of c. €15 million to be captured by the end of 2019 and c. €20 million per quarter in 2020. Related restructuring expenses of c. €70m will be mainly booked in H2 2019. **Clarion will achieve positive operating income in the second half of 2019.**

The profitability of the new Business Group will gradually reach Group level. Its strategic plan and profitable growth roadmap will be presented at the Capital Markets Day to be held in Paris on November 26.

CONFIRMED FULL-YEAR GUIDANCE

Faurecia fully confirms its full-year 2019 targets, as announced on February 18, 2019.

These targets are confirmed with the updated assumption that worldwide automotive production should be down c. 4% in 2019 vs. 2018.

Based on this assumption and including the impact of IFRS16 implementation as of January 1, 2019:

- **Sales growth at constant currencies in the full-year 2019 should outperform worldwide automotive production by 150 to 350bps (excluding Clarion consolidation)**
- **Operating income in the full-year 2019 should increase in value and operating margin should be at least 7% (including Clarion consolidation as from April 1)**
- **Net cash flow in the full-year 2019 should be at least €500m (including Clarion consolidation as from April 1)**

Main currency assumptions: USD/€ @ 1.14 average and CNY/€ @ 7.74 average (vs. 1.18 and 7.77 previously).

Faurecia's financial presentation and financial report will be available at 8:30 am today (Paris time) on the Faurecia website: www.faurecia.com.

A webcast will be held today at 9:00 am (Paris time) that may also be viewed at www.faurecia.com or at the following link: https://edge.media-server.com/mmc/p/ryvoab3g

You may follow the presentation via conference call:

- France: +33 (0)1 76 77 22 57
- UK: +44 (0)330 336 9411
- USA: +1 323 794 2093

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

Calendar

September 10, 2019:	Deutsche Bank Auto Conference (Frankfurt)
September 12, 2019:	Kepler Cheuvreux Autumn Conference (Paris)
October 17, 2019:	Q3 2019 sales announcement (before market hours)
November 26, 2019:	Capital Markets Day focused on the new Business Group "Faurecia Clarion Electronics" (Paris)

About Faurecia

Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With around 300 sites including 46 R&D centers and 122,000 employees in 37 countries, Faurecia is now 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 "Cockpit of the Future" and "Sustainable Mobility". In 2018, the Group posted sales of €17.5 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

H1 2019 Sales by region

Sales (in €m)	Reported H1 2018	Currency effect value	Currency effect %	Growth ex-currencies* value	Growth ex-currencies* %	Clarion scope effect** value	Clarion scope effect** %	Reported H1 2019	Reported %
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 included bolt-ons (detailed in Appendix)*
*** 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 Sales by Business Group

Sales (in €m)	Reported H1 2018	Currency effect value	Currency effect %	Growth ex-currencies* value	Growth ex-currencies* %	Clarion scope effect** value	Clarion scope effect** %	Reported H1 2019	Reported %
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 included bolt-ons (detailed in Appendix)*
*** 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 Detailed contribution from bolt-ons to sales

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	Clarion Electronics	Europe/Asia	Q1 2019	**23**
TOTAL				**164**

2018 Sales by quarter and Business Group, presenting Coagent separately

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 (incl. into Faurecia Clarion Electronics)	34	20	26	30	**109**
Group	**4,315**	**4,677**	**4,014**	**4,520**	**17,525**

H1 2019 Operating income by Business Group and by region

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***

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***

Profit and Loss Statement

in €m	H1 2018	H1 2019	Change
Sales	**8,991**	**8,972**	**-0.2%**
ex-currency growth			**-2.8%**
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%**

Cash Flow Statement

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)**	

Net Cash Flow Reconciliation

in €m	H1 2018	H1 2019
Net cash flow	**247**	**257**
Sales/Acquisitions of investments and businesses (net of cash)	(64)	(994)
Proceeds from disposal of financial assets	0	0
Other changes from continued operations	5	50
Cash provided (used) by operating and investing activities	**188**	**(688)**

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	**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

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).