Nanterre (France), July 27, 2020

Press release

HALF-YEAR 2020 RESULTS

AGILITY AND RESILIENCE

QUICK REACTION TO THE COVID-19 CRISIS WITH A FOCUS ON THREE PRIORITIES

- **Safe restart of production**
- **Rigorous management of liquidity and protection of a sound financial structure**
- **Resilience actions to face sharp sales drop**

CONTINUED COMMERCIAL SUCCESS WITH STRONG ORDER INTAKE OF €12bn IN H1 AND IMPROVED CUSTOMER SATISFACTION

FURTHER RESILIENCE ACTIONS AND STRUCTURAL INITIATIVES IN THE NEW POST-COVID ENVIRONMENT

- **Return to solid profit and cash generation in H2 2020**
  - Targeting operating margin of around 4.5% of sales and net cash flow of around €600m in the second half, with sales around €7.6bn (assuming worldwide automotive production down around 15% during the period)
- **Confirmation of 2022 ambition for profitability and cash generation with lower sales prospects**
  - Ambition to reach operating margin of 8% of sales and net cash flow of 4% of sales, with sales above €18.5bn (in a global market now estimated at 82m vehicles, still below 2019)

KEY H1 2020 FIGURES

- **Sales of €6,170m** (vs. €8,972m in H1 2019)
  - **-31.2% on a reported basis**
  - **-35.4% at constant scope and currencies** (vs. -34.4%, source IHS Markit forecast dated July 16,2020)**: most regions significantly outperformed their respective market, but unfavorable geographic mix resulted in a slight underperformance at Group level**
- **Operating income of €(114)m** (vs. €645m in H1 2019)**, including €(20)m of Covid-related one-offs: drop in operating income was contained, thanks to quick resilience actions that mitigated the significant negative impact from volume**
- **Net cash flow of €(1,045)m** (vs. €257m in H1 2019)**, mostly reflecting the drop in operating income and the strong temporary impact of lower activity on working capital**

Patrick KOLLER, CEO of Faurecia, declared:

"In the current unprecedented crisis due to Covid-19, Faurecia is demonstrating agility and resilience.

Since the very beginning, we have focused on three priorities. The health of our employees and the creation of the right conditions for the safe restart of production were our top priority. Secondly, we closely managed the Group's liquidity and implemented all the necessary measures to maintain a sound financial structure. Thirdly, we took quick actions to improve our resilience, on top of what has been achieved since mid-2018.

At the same time, we strengthened our relationships with customers, as shown by our strong order intake and numerous customer recognition awards, and we continued the deployment of our strategy. I would like to thank the whole Faurecian community for its commitment during this extremely difficult period.

The accelerated deployment of our key resilience initiatives and additional structural actions will allow us to further increase resilience and return to solid profit and cash generation in the second half of the year. In the medium term, our focus on key priorities in the new post-Covid market environment, gives us confidence in our ability to achieve our profitability and cash generation ambition for 2022."

- ***The 2020 half-year consolidated financial statements have been approved by the Board of Directors at its meeting held on July 24, 2020, 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. All other definitions are explained at the end of this Press Release, under the section "Definitions of terms used in this document".***

- ***All figures related to worldwide or regional automotive production refer to IHS Markit forecast dated July 16, 2020 (vehicles segment in line with CAAM for China).***

STRONG IMPACT OF COVID-19 IN H1 2020

The first half of the year was strongly impacted by the globalization of the Covid-19 virus that heavily impacted the automotive industry and all sectors of the economy.

As a consequence of the temporary shutdown of most of its customers' production sites around the globe, Faurecia also had to stop production in a large number of its sites during the period.

In line with the rapid expansion of the pandemic in the different parts of the world, Asia (19% of Group sales in H1 2019) was the first region to be impacted with a low point for sales in February and gradual recovery as from March. Since May, Faurecia's sales in China are above last year's levels.

Two months later, Europe and North America (76% of Group sales in H1 2019) faced a low point for sales in April, with gradual recovery as from May. In June, sales in Europe and North America were still respectively 22% and 14% below last year's level.

As will be detailed later, Group sales in the first half of the year dropped by 35.4% at constant scope and currencies (-19.7% in Q1 – see Press Release dated April 20 – and -50.0% in Q2).

In the light of this unprecedented situation, Faurecia immediately implemented a strong action plan to react to the crisis with three priorities:

- The first priority was the health and safety of all employees as well as the creation of the right conditions for a safe restart of production, learning from the successful experience in China,
- The second priority was the close management of the Group's liquidity and the protection of a sound financial structure. To this end, Faurecia has drawn €600 million out of its €1.2 billion Syndicated Credit Facility, signed a new Club Deal of €800 million and extended its factoring program to the newly integrated SAS business. In addition, the Board of Directors took the decision, approved by shareholders at the recent Annual General Meeting, to cancel the 2020 dividend,
- The third priority was to deploy quick actions to further improve the Group's resilience, on top of the continuous improvement since mid-2018, in order to limit the impact of the sharp sales drop on operating income.

As a result of this efficient action plan, Faurecia contained the drop in operating income vs. drop in sales. Through resilience actions such as flexibilization of direct and indirect labor cost, flexibilization of manufacturing costs, reduction of R&D net expenses and strict control of SG&A, Faurecia generated savings of €536 million that mitigated the €1.3 billion impact estimated from lower sales volume on operating income. Operating income stood at €(114) million in H1 2020 and included €(20) million from Covid-related one-offs.

The impairment test conducted as of June 30, 2020 integrated new market assumptions due to the Covid-19 impact. The test led to impairment of €150 million for Clarion Electronics while no impairment was required for Seating, Interiors and Clean Mobility.

KEY ACHIEVEMENTS IN H1 2020

Despite the strong focus on the action plan to overcome the peak of the crisis, Faurecia continued, in the first half, to deploy its strategy as reflected in:

- **Improved customer satisfaction**, which was demonstrated by a strong order intake of €12 billion during the first half (including €1.4 billion for Clarion Electronics, in advance of its full-year target of €2.1 billion) and 31 customer recognition awards as well as an increase in customer average feedback from 3.8 stars in H1 2019 (out of a maximum of 5 stars) to 4.2 stars in H1 2020
- **Successful integration of SAS** (fully consolidated as from February) **and selective acquisitions**, such as the acquisition of IRYStec (a Canadian startup specialized in display technologies) and the joint venture with the Xuyang Group (for production, assembly and sales of automotive display products as well as relevant after-sales services for OEMs)

H1 2020 KEY FIGURES

in €m	H1 2019	H1 2020	Change
Sales	8,972	**6,170**	**-31,2%**
at constant scope and currencies			*-35.4%*
Operating income	645	**(114)**	**n/a**
as % of sales	*7.2%*	***(1.8)%***	***n/a***
Net cash flow	257	**(1,045)**	**n/a**

Sales of €6,170 million, down 31.2% on a reported basis, mostly reflecting the impact of the Covid-19 crisis

- **Limited currency effect of €(43) million or -0.5%**
- **Scope effect €417 million or +4.6%, of which €207 million from SAS (5 months, since February 1) and €210 million from Clarion (4 months)**
- **At constant scope and currencies, sales were down 35.4% in H1 vs. a drop of 34.4% in worldwide automotive production growth:**
  - **The slight underperformance at Group level is due to an unfavorable geographic mix impact of c. -350bps** (Europe and North America, the most impacted regions, represented 76% of last year's Group sales while they represented 46% of worldwide automotive production), **while all regions, except North America, posted strong outperformance**
  - **In Q2, all regions posted strong outperformance**

Operating income of €(114) million vs. €645 million in H1 2019; the €(759) million change was attributable to:

- **The impact of volume drop due to the Covid-19 crisis for €(1,284) million**
- **Savings from resilience actions taken to mitigate the above-mentioned negative impacts for €536 million**
- **Covid-related one-offs for €(20) million**
- **Scope effect & other for €9 million**

Operating leverage, calculated as the drop in operating income (excl. Covid-related one-offs and scope effect & other) over drop in sales at constant scope, was contained to 23% (see calculation in appendix)

Net cash flow of €(1,045) million vs. €257 million in H1 2019

It was mainly impacted by:

- The negative contribution from operating income for €(114) million (vs. a positive contribution of €645 million in H1 2019)
- A temporary impact of lower activity on working capital requirement for €(647) million, to be largely reversed in H2 2020
- Change in receivables factoring for €(96) million

SALES AND PROFITABILITY BY REGION

Europe (49% of Group sales)

	Sales		Operating income	
	€m	change	€m	% sales
H1 2019	4,531		295	6.5%
Currency	-12	-0.3%		
Organic	-1,634	-36.1%		
Scope	142	3.1%		
H1 2020	**3,027**	**-33.2%**	**-113**	**-3.7%**

In Europe, the low point in sales was April with continuous volume recovery since May:

- Sales were down 36.1% in H1 at constant scope and currencies (-16% in Q1 and -55% in Q2); in June, sales were down 22% year-on-year
- **Strong outperformance of 360bps in H1** (IHS Markit dated July 2020 indicated -39.7%)
- The positive scope effect was attributable to SAS for €122 million and Clarion for €20 million

North America (24% of Group sales)

	Sales		Operating income	
	€m	change	€m	% sales
H1 2019	2,289		153	6.7%
Currency	34	1.5%		
Organic	-954	-41.7%		
Scope	105	4.6%		
H1 2020	**1,475**	**-35.6%**	**-84**	**-5.7%**

In North America, the low point in sales was also April with continuous volume recovery since May:

- Sales were down 41.7% in H1 at constant scope and currencies (-18% in Q1 and -64% in Q2); in June, sales were down 14% year-on-year
- **Strong outperformance of 520bps in Q2** (-63.9% for Faurecia vs. IHS Markit dated July 2020 at -69.1%) did not fully offset the underperformance in the first quarter (mainly attributable to Seating end of production effect)
- The positive scope effect was attributable to SAS for €49 million and Clarion for €56 million

Asia (24% of Group sales)

	Sales		Operating income	
	€m	change	€m	% sales
H1 2019	1,716		171	10.0%
Currency	-12	-0.7%		
Organic	-399	-23.2%		
Scope	165	9.6%		
H1 2020	**1,470**	**-14.3%**	**101**	**6.8%**

In Asia, which was the first region in time to be impacted by the Covid-19 crisis, the low point in sales was February with continuous volume recovery since March:

- Sales were down 23.2% in H1 at constant scope and currencies (-34% in Q1 and -14% in Q2)
- **Strong outperformance of 500bps in H1** (IHS Markit dated July 2020 indicated -28.2%)
- The positive scope effect was attributable to SAS for €32 million and Clarion for €133 million

More specifically, in China, recovery was quicker and stronger with sales above 2019 since May; in June, they were up 23% year-on-year:

- Sales were down 18.0% in H1 at constant scope and currencies (-42% in Q1 and +6% in Q2)
- **Strong outperformance of 470bps in H1** (IHS Markit dated July 2020 indicated -22.7%)

South America (2% of Group sales)

	Sales		Operating income	
	€m	change	€m	% sales
H1 2019	345		19	5.4%
Currency	-47	-13.7%		
Organic	-145	-42.1%		
Scope	4	1.2%		
H1 2020	**157**	**-54.6%**	**-14**	**-8.8%**

In South America, the low point in sales was in April/May with gradual volume recovery since then:

- Sales were down 42.1% in H1 at constant scope and currencies (-2% in Q1 and -73% in Q2); in June, sales were down 42% year-on-year
- **Strong outperformance of 890bps in H1** (IHS Markit dated July 2020 indicated -51.0%)
- The positive scope effect was attributable to SAS only

SALES AND PROFITABILITY BY BUSINESS GROUP

Performance by Business Group is presented in the table below; it mainly reflected the Covid-19 impact that was previously commented in detail by region.

	Seating	Interiors	Clean Mobility	Clarion Electronics
H1 2019 sales	**€3,640m**	**€2,746m**	**€2,351m**	**€235m**
Currency effect	€(15)m	€(19)m	€(11)m	€2m
	-0.4%	*-0.7%*	*-0.5%*	*+0.9%*
Organic	€(1,355)m	€(1,012)m	€(693)m	€(116)m
	-37.2%	*-36.9%*	*-29.5%*	*-49.4%*
Scope effect		€207m (SAS)		€210m (Clarion)
		+7,5%		*+89.6%*
H1 2020 sales	**€2,270m**	**€1,922m**	**€1,646m**	**€331m**
Reported change in %	*-37.6%*	*-30.0%*	*-30.0%*	*+41.0%*
Reported change in value	*€(1,370)m*	*€(824)m*	*€(705)m*	*€96m*

Operating income				
H1 2019	€219m	€171m	€255m	€0m
H1 2020	€(23)m	€(93)m	€10m	€(9)m

NET INCOME (GROUP SHARE) OF €(433) MILLION, MOSTLY REFLECTING THE DROP IN OPERATING INCOME

Group operating income stood at €(114) million, vs. €645 million in H1 2019.

- **Amortization of intangible assets acquired in business combinations:** net charge of €46 million vs. a net charge of €11 million in H1 2019; the increase mainly reflected Clarion Electronics for €31 million and SAS (5 months) for €12 million.
- **Restructuring costs:** net charge of €89 million vs. a net charge of €71 million in H1 2019; the increase reflected the measures taken to adapt to the crisis. In the full year, restructuring costs should amount to €230 million (vs. €132 million in 2019, excluding Clarion).
- **Other non-recurring operating income and expenses:** net profit of €16 million vs. a net charge of €22 million in H1 2019; they included:
    - A profit of €178 million due to the reevaluation of the initial 50% stake held in SAS,
    - A charge of €150 million due to goodwill impairment of Clarion Electronics.
- **Net financial result:** net charge of €108 million vs. a net charge of €94 million in H1 2019; the increase mainly reflected the gross debt increase.
- **Income tax:** net charge of €67 million vs. a net charge of €93 million in H12019; it included a charge due to changes in deferred tax assets for €21 million (mainly France and Germany).
- **Share of net income of associates:** charge of €12 million vs. a profit of €25 million in H1 2019; H1 2019 included a positive contribution of €13 million from SAS, while H1 2020 included a negative contribution of €7 million from Symbio.

Net income before minority interests was a loss of €420 million vs. a profit of €378 million in H1 2019.

Minority interests amounted to €13 million vs. €33 million in H1 2019.

Net income (Group share) was a loss of €433 million vs. a profit of €346 million in H1 2019.

NET CASH FLOW OF €(1,045) MILLION, MOSTLY REFLECTING THE DROP IN OPERATING INCOME AND THE STRONG TEMPORARY IMPACT OF LOWER ACTIVITY ON WORKING CAPITAL

EBITDA stood at €509 million, vs. €1,171 million in H1 2019 reflected the drop of €759 million in operating income, mitigated by higher depreciation and amortization including scope effect.

- **Capital expenditure** was an outflow of €235 million vs. an outflow of €286 million in H1 2019.
- **Capitalized R&D** was an outflow of €305 million vs. an outflow of €322 million in H1 2019.
  Capex reduced by 17.9% and capitalized R&D reduced by 5.3% reflected lower activity and flexibilization actions.
- **Change in working capital requirement** was an outflow of €647 million vs. an outflow of €17 million in H1 2019; it mainly reflected the timing impact of the sharp drop in sales due to the crisis, an impact that should be largely reversed in the second half of the year.
- In addition to change in working capital requirement, **factoring of receivables** was reduced by €96 million vs. the end of 2019; this net effect included €115 million from the program extension to SAS.
- **Restructuring** represented an outflow of €54 million vs. an outflow of €61 million in H1 2019.
- **Net financial expense** was an outflow of €94 million vs. an outflow of €85 million in H1 2019; it reflected the debt increase and one-offs related to actions taken during the crisis to protect liquidity.
- **Income tax** was an outflow of €109 million vs. an outflow of €152 million in H1 2019.
- **Other operational items** represented an outflow of €14 million vs. an outflow of €11 million in H1 2019.

Net cash flow stood at €(1,045) million, vs. €257 million in H1 2019.

- **Net financial investments and other cash elements** was an outflow of €369 million vs. an outflow of €1,276 million in H1 2019; it mainly included the investment (50%) in SAS, while H1 2019 included the acquisition of Clarion.

After a negative impact of €91 million related to IFRS16, the Group's net financial debt stood at €4,034 million at June 30 (vs. €2,524 million at December 31, 2019).

Net-debt-to-EBITDA ratio stood at 2.3x EBITDA at June 30 and should stand at c. 2.5x EBITDA at year-end.

H2 2020 TURNAROUND ACTIONS AND GUIDANCE

In the second half of the year, Faurecia will continue to deploy measures to further strengthen resilience, enhance cash generation and maintain a sound financial structure.

As regards **resilience,** Faurecia will continue to:

- Optimize its industrial footprint with increased restructuring budget of around €230 million in the full year (vs. €132 million in 2019, excluding Clarion),
- Maintain flexibilization of labor, manufacturing and R&D costs and strict control of SG&A,
- Accelerate global cost-optimization programs.

As regards **cash**, Faurecia targets to:

- Reduce capex by c. 40% in the full year (vs. €685 million in 2019),
- Reduce R&D gross cost by 10% to 15% in the full year (vs. €1,330 million in 2019),
- Generate strong positive flow from working capital, with both inventories and overdues below pre-Covid levels at year-end,
- Restore factoring level (including SAS) to c. €1 billion by year-end.

As regards **financial structure,** Faurecia signed a new bilateral 12-month line of €100 million (undrawn) in July and targets to refinance through long-term bonds the €800 million Club Deal signed during the first half.

Thanks to these measures and based on the assumption that worldwide automotive production in H2 will be down around 15% vs. H2 2019 (vs. IHS Markit dated July 16, 2020 of -11%), including:

- Europe around -15% vs. H2 2019,
- North America between -10% and -15% vs. H2 2019,
- Asia between -5% and -10% vs. H2 2019,

Faurecia is now targeting for the second half of the year:

- **Sales of around €7.6 billion**
- **Operating margin of around 4.5% of sales**
- **Net cash flow of around €600 million**

The assumptions of worldwide automotive production underlying these targets assume no major new lockdown in any automotive region during the period (main average currency rates for the period estimated at 1.10 for USD/€ and 7.80 for CNY/€).

MEDIUM-TERM 2022 AMBITION FOR PROFITABILITY AND CASH GENERATION CONFIRMED THANKS TO STRUCTURAL INITIATIVES AND CONTINUOUS IMPROVEMENT IN RESILIENCE

As a consequence of the Covid-19 crisis, Faurecia's new worldwide automotive production assumptions for the medium-term are as follows:

- 2020: around 64 million vehicles (around -25% vs. 85 million vehicles produced in 2019)
- 2022: between 76 and 85 million vehicles (vs. 87 million vehicles estimated before the Covid-19 crisis)
- 2024: between 85 and 91 million vehicles

These assumptions assume a return of worldwide automotive production to the pre-Covid level of 85 million vehicles produced in 2019 between 2022 and 2024.

In the new post-Covid environment, three trends are emerging:

- Acceleration of electrification, driven by CO_2 emission regulation, incentives and increasing environment concerns, leads to increased focus on hydrogen solutions
- Strong momentum for CO_2 neutrality
- Reduction in investment for autonomous driving**,** focusing now on L2 / L2+ levels

Faurecia is well prepared to seize opportunities related to these trends through:

- **Focusing investment on 14 product lines** with strong profitable growth potential
- Building a leadership position in **fuel cell systems and high-pressure tanks,**
- Deploying its ambitious roadmap to achieve **CO_2 neutrality**

Faurecia's medium-term performance will continue to benefit from the actions undertaken to significantly reduce breakeven of operations as well as **profitable growth drivers in each Business Group:**

- **Seating** through the start of major new programs in 2021 that will contribute to strong market outperformance,
- **Interiors** through the strong potential from SAS and refocused product portfolio,
- **Clean Mobility** through increased content per vehicle on low-emission vehicles, leading position in fuel-cell systems and strong growth potential for Commercial Vehicles and Industry,
- **Clarion Electronics** turnaround through confirmed sales growth and continued cost optimization.

With the new above-mentioned assumptions for worldwide automotive production in the medium-term and thanks to structural and resilience initiatives, Faurecia confirms its 2022 ambition for profitability and cash generation (as announced at its Capital Markets Day held on November 26, 2019)**, despite lower sales prospects:**

- **Sales now expected at above €18.5 billion** (based on an assumption of worldwide automotive production of 82 million vehicles)
  vs. an initial forecast of "above €20.5 billion euros" based on an assumption of worldwide automotive production of 87 million vehicles in 2022
- **Operating margin ambition confirmed at 8% of sales**
- **Net cash flow ambition confirmed at 4% of sales**

Faurecia also targets to recover its BB+/Ba1 rating by the end of 2022.

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/20200727-28B7F903/en/form.php

A replay will be available as soon as possible.
You may also 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

Financial calendar

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 248 industrial sites, 37 R&D centers and 115,500 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

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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".

   In H1 2020, there was no effect from "bolt-on acquisitions"; as a result, "Growth at constant currencies" is equivalent to sales growth at constant scope and currencies also presented as organic growth.

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	H1 2019	H1 2020	Change
Sales	**8,972**	**6,170**	**-2,802**
Operating income (before amort. of acquired intangible assets)	**645**	**(114)**	**-759**
Amort. of intangible assets acquired in business combinations	(11)	(46)	
Operating income (after amort. of acquired intangible assets)	**634**	**(159)**	**-793**
Restructuring	(71)	(89)	
Other non-recurring operating income and expense	(22)	16	
Net interest expense & Other financial income and expense	(94)	(108)	
Income before tax of fully consolidated companies	**447**	**(341)**	
Income taxes	(93)	(67)	
as % of pre-tax income	*(20.8%)*	*n/a*	
Net income of fully consolidated companies	**353**	**(408)**	**-761**
Share of net income of associates	25	(12)	
Consolidated net income before minority interest	**378**	**(420)**	
Minority interest	(33)	(13)	
Consolidated net income, Group share	**346**	**(433)**	**-778**

Cash Flow Statement

in €m	H1 2019	H1 2020	Change
Operating income	**645**	**(114)**	**-759**
Depreciation and amortization, of which:	526	623	
- Amortization of R&D intangible assets	*207*	*243*	
- Other depreciation and amortization	*319*	*380*	
EBITDA	**1,171**	**509**	**-662**
% of sales	*13.1%*	*8.3%*	
Capex	(286)	(235)	
Capitalized R&D	(322)	(305)	
Change in WCR	(17)	(647)	-630
Change in factoring	20	(96)	-116
Restructuring	(61)	(54)	
Financial expenses	(85)	(94)	
Taxes	(152)	(109)	
Other (operational)	(11)	(14)	
Net cash flow	**257**	**(1,045)**	**-1,302**
Dividends paid (incl. mino.)	(190)	(5)	
Share purchase	(30)	0	
Net financial investment & Other	(1,276)	(369)	
IFRS16 impact	(748)	(91)	
Change in net debt	**(1,987)**	**(1,510)**	
Net debt at the beginning of the period	478	2,524	
Net debt at the end of the period	**2,465**	**4,034**	

Net Cash Flow Reconciliation

in €m	H1 2019	H1 2020	Change
Net cash flow	**257**	**(1,045)**	**-1,302**
Sales/Acquisitions of investments and businesses (net of cash)	(994)	(224)	
Proceeds from disposal of financial assets	0	0	
Other changes from continued operations	(50)	(3)	
Cash provided (used) by operating and investing activities	**(688)**	**(1,272)**	**-584**

Operating leverage calculation

Sales (in €m)		
H1 2019	**8,972**	
Currency effect	-43	(a)
Organic	-3,176	(b)
Scope effect	417	
H1 2020	**6,170**	

Operating income (in €m)		
H1 2019	**645**	
Volume impact	-1,284	(c)
Resilience actions	536	(d)
Scope & other	9	
H1 2020 before Covid-related one-offs	*-94*	
Covid-related one-offs	-20	
H1 2020	**-114**	

Operating leverage in H1 2020 (a+b)/(c+d)	**23%**
Drop in operating income excl. Scope & other and Covid-related one-offs	*-748*
Drop in sales excluding Scope effect	*-3,219*