

# Q1 2018 SALES

*Strong outperformance in all regions*

April 20, 2018



# Q1 2018 Sales - Key Facts

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## ■ Impact from IFRS15 implementation

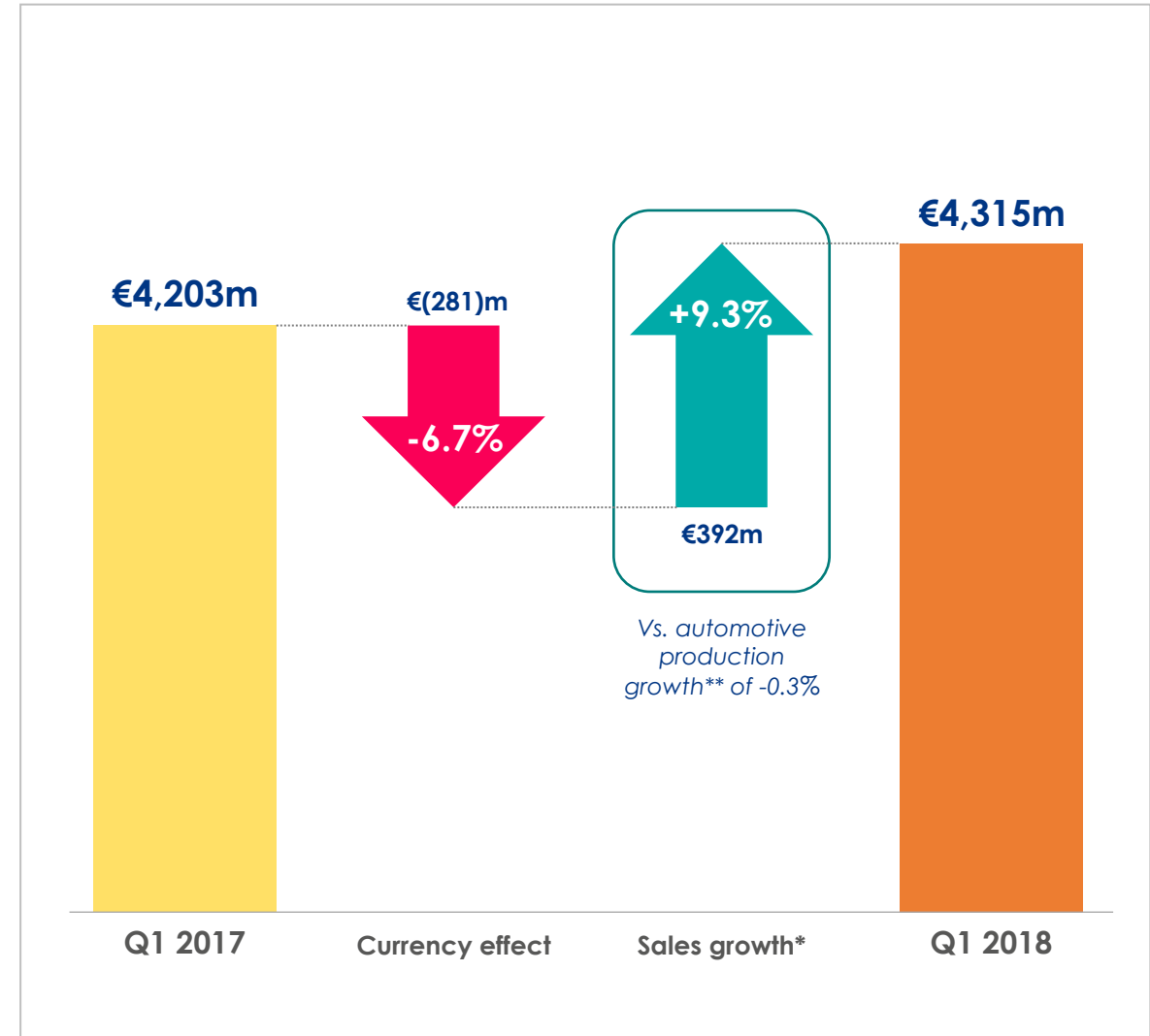
- In 2017, Faurecia had already partly anticipated IFRS15 through the presentation of sales as "Value-added sales", i.e. "Total sales" minus "Monoliths", for which Faurecia operates as an agent
- In addition, as from January 1, 2018, with the implementation of IFRS15:
  - Revenue from Tooling is recognized at the transfer of control to the customer (PPAP = Production Part Approval Process), shortly before serial production
  - Development costs are recognized as set-up costs for the serial parts production and the corresponding revenue is included in product sales
- A table in appendix indicates 2017 sales figures by quarter/region/business group restated for the IFRS15 implementation
- The impact on 2017 sales excluding Monoliths is not material

## ■ Impact from recent investments

- In Q1 2018, sales contribution from bolt-ons amounted to €57m or 1.4% of Q1 2017 sales (Coagent since Jan. 1, 2018 for €34m in Interiors and Wuling since Feb. 1, 2018 for €23m in Seating)

# Q1 2018 Sales - Key Messages

- **Strong sales growth\* of +9.3%, outperforming worldwide automotive production growth\*\* by 960bps**
  - Excluding a significant negative currency impact of -6.7%
  - Including €57m (or +1.4%) from bolt-ons
- **All three Business Groups posted solid growth\***
  - **Seating: +7.5%**
  - **Interiors: +14.0%**
  - **Clean Mobility: +6.8%**
- **Sales growth\* outperformed automotive production in all regions**
  - **Europe: +9.1%** vs. IHS@ -0.1% → **+920bps**
  - **North America: +4.2%** vs. IHS@ -2.7% → **+690bps**
  - **Asia: +15.2%** vs. IHS@ -0.5% → **+1,570bps**
  - **South America: +23.3%** vs. IHS@ +11.8% → **+1,150bps**
- **Strengthened confidence in FY 2018 guidance**



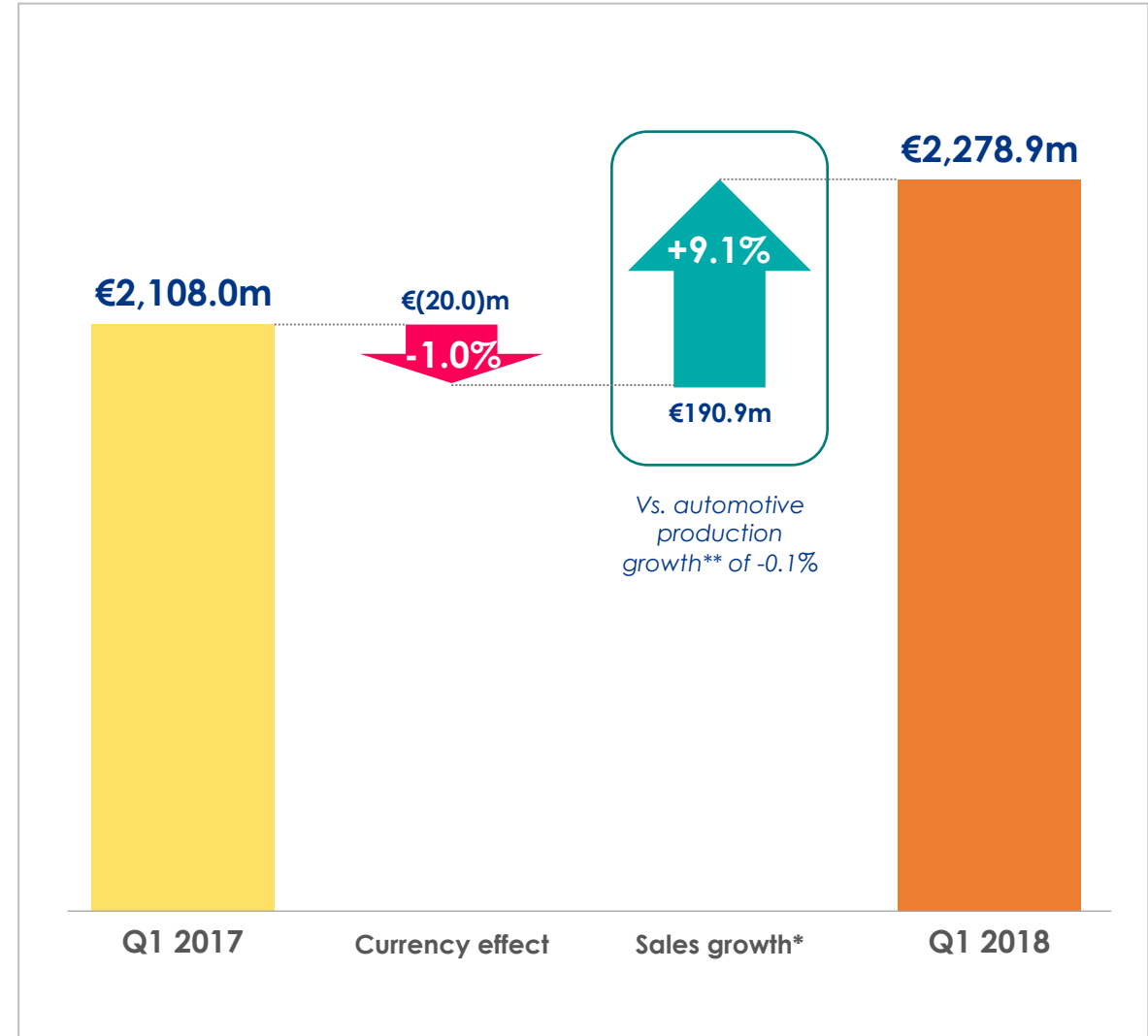
\* At constant currencies

\*\* Source: IHS forecast April 2018

# Europe (53% of Group sales)

## Europe generated almost half of Group sales growth\* in the quarter

- Q1 2018 sales amounted to €2,278.9m, up 9.1%\*:
  - Excluding a limited negative currency impact of 1.0% (mainly the GBP, RUB and TRY vs. the euro)
  - Outperformance of 920bps vs. European automotive production growth (-0.1%\*\*)
- Major contributor to European sales growth\* was Seating, notably with the ramp-up of production for the successful PSA 3008 and 5008
- Interiors and Clean Mobility also contributed to European growth, mostly with JLR, Volvo and PSA (Interiors), the ramp-up of the Jaguar E-PACE and commercial vehicles (Clean Mobility)



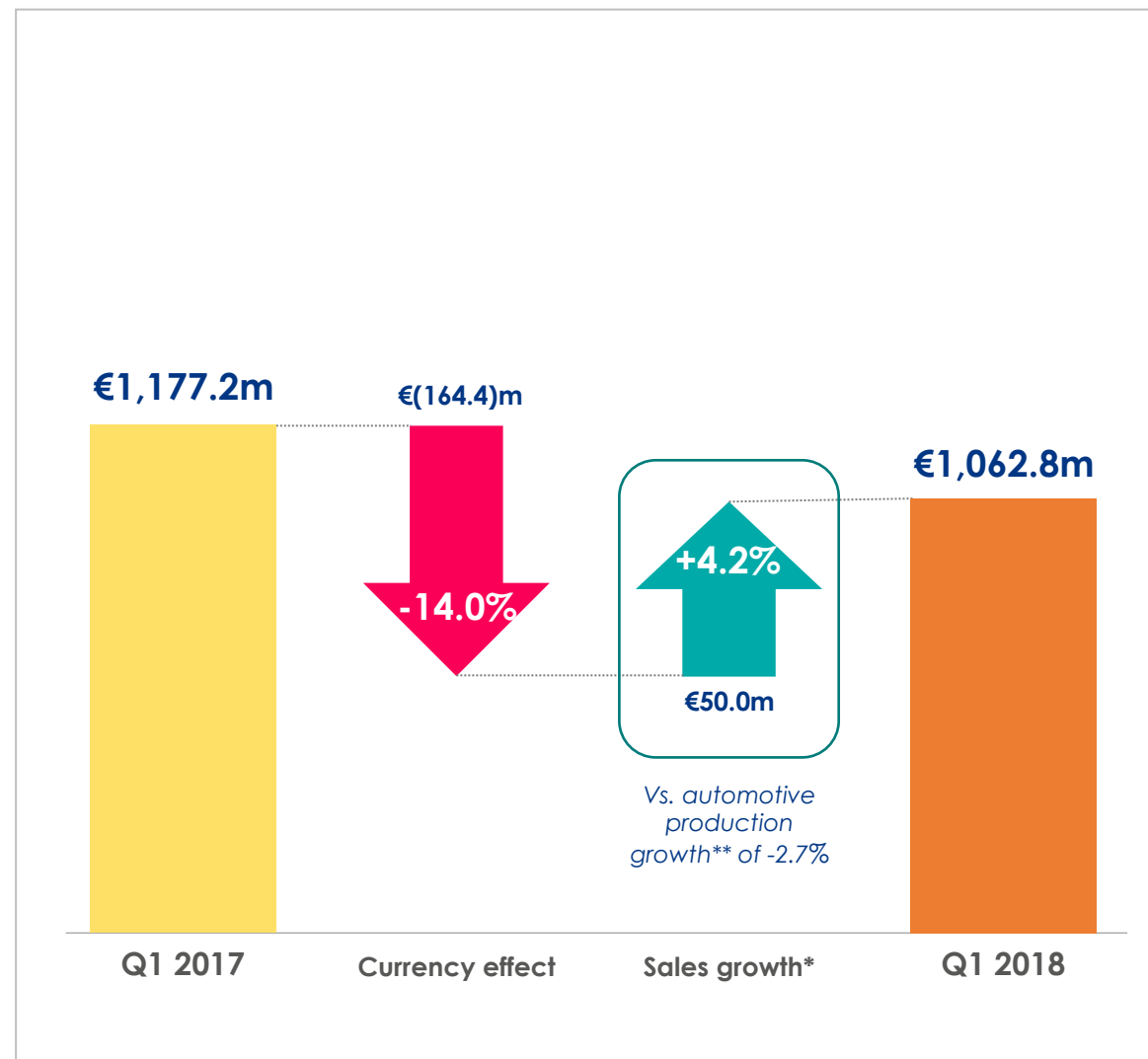
\* At constant currencies

\*\* Source: IHS forecast April 2018

# North America (25% of Group sales)

## Outperformance of 690bps in a market that declined by 2.7%

- Q1 2018 sales amounted to €1,062.8m, up 4.2%\*:
  - Excluding a strong negative currency impact of 14.0% (mainly the USD vs. the euro)
  - Outperformance of 690bps vs. North American automotive production growth (-2.7%\*\*)
- Sales growth\* mainly driven by Interiors (mainly Jeep Wrangler) and Clean Mobility (mainly Ram 1500 and Jeep Grand Wagoneer), partly offset by Seating



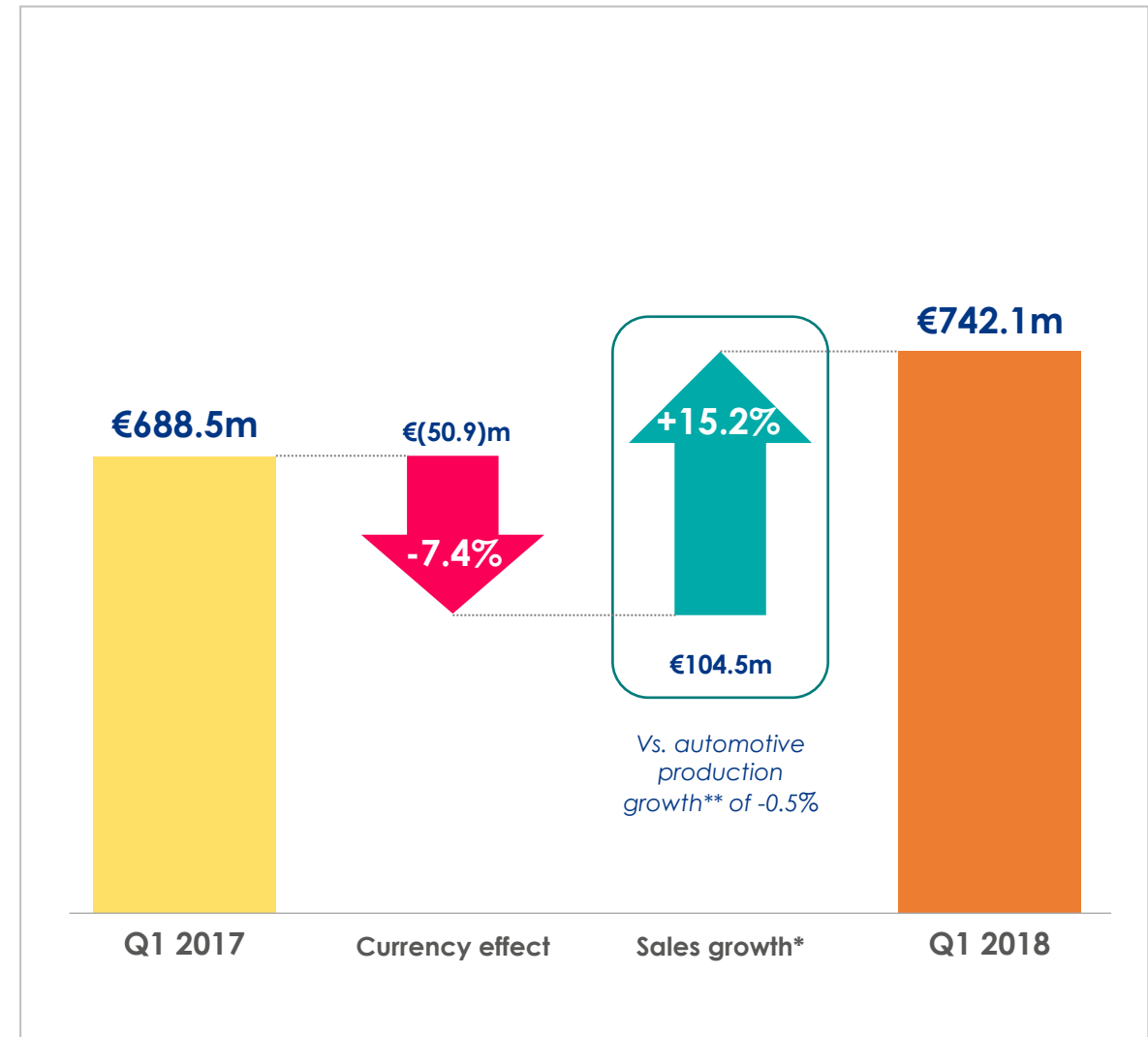
\* At constant currencies

\*\* Source: IHS forecast April 2018

# Asia (17% of sales)

## Strong outperformance supported by increased sales to Chinese OEMs

- Q1 2018 sales amounted to €742.1m, up 15.2%\*:
  - Excluding a negative currency impact of 7.4% (mainly the CNY vs. the euro)
  - Including €57m (8.3% of last year's sales) from the newly consolidated JVs **with Wuling** (Seating) **and Coagent** (Interiors)
  - Outperformance of 1,570bps vs. Asian automotive production growth (-0.5%\*\*)
- In China, sales amounted to €565.4m, up 12.0% at constant currencies:
  - They represented 76% of the region's sales and 13% of Group sales
  - Sales growth in China was primarily driven by sales to Chinese OEMs, which amounted to €153m, up 89% at constant currencies, and represented 27% of sales in China



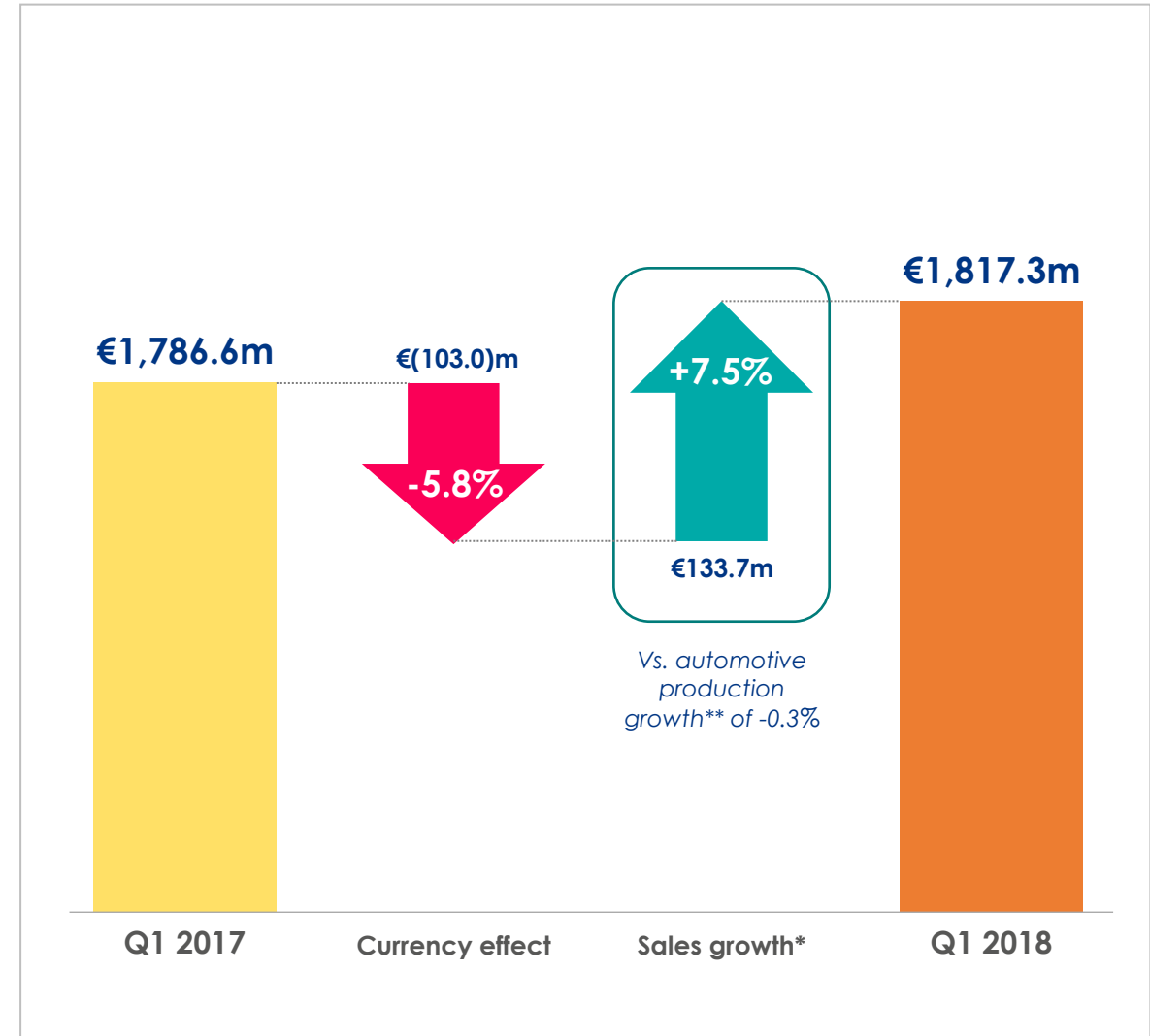
\* At constant currencies

\*\* Source: IHS forecast April 2018

# Seating (42% of Group sales)

## Solid sales performance with Europe contributing over 75% of growth\*

- Q1 2018 sales amounted to €1,817.3m, up 7.5%\*:
  - Excluding a negative currency impact of 5.8% (mainly the USD and the CNY vs. the euro)
  - Including €23m (or +1.3%) from the newly consolidated JV with Wuling
  - Outperformance of 780bps vs. worldwide automotive production growth (-0.3%\*\*)
- Europe (+10.8%\*) contributed over 75% of the BG's sales growth, supported by:
  - Increased volumes of successful PSA 3008 and 5008
  - Start of production of Porsche Cayenne
- Asia and South America grew by double-digits, respectively by 25.5%\* and 19.2%\*
- North America (-9.0%\*) reflected market decline combined with the ramp-down in production for the Nissan Altima model and Mercedes models (R-Class/ML/GL)



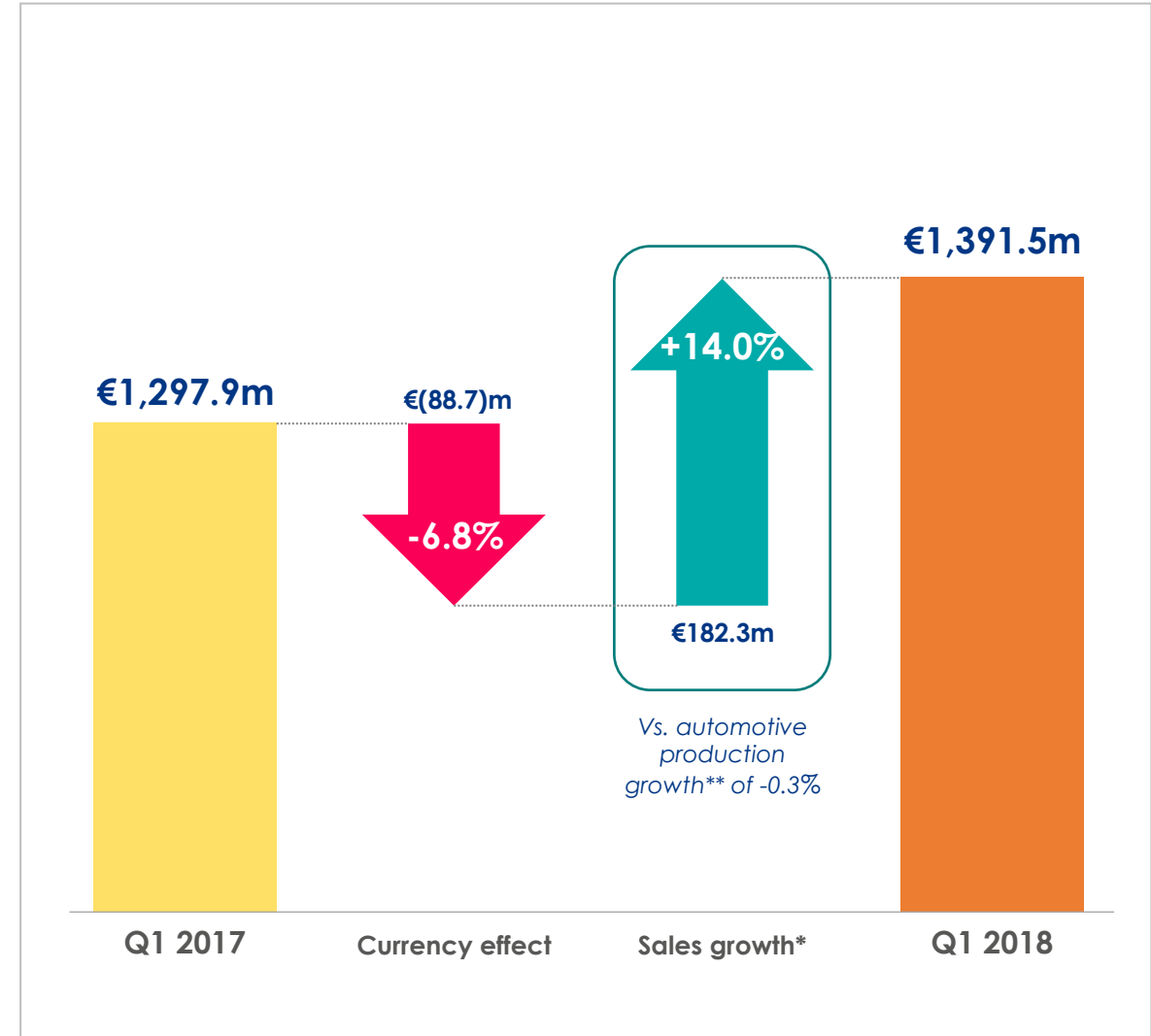
\* At constant currencies

\*\* Source: IHS forecast April 2018

# Interiors (32% of Group sales)

## Strong sales growth\* in all regions

- Q1 2018 sales amounted to €1,391.5m, up 14.0%\*:
  - Excluding a negative currency impact of 6.8% (mainly attributable to the USD vs. the euro)
  - Including €34m (or +2.6% ) from the newly consolidated JV with Coagent
  - Outperformance of 1,430bps vs. worldwide automotive production growth (-0.3%\*\*)
  
- Strong sales growth\* in all regions: Europe +9.1%, North America +19.0%, Asia +25.9% and South America +23.4%
  
- Main contributors to the sales growth\* in Europe:
  - JLR: ramp-up of the new Range Rover Velar as well as the launch of the Jaguar E-PACE
  - Volvo: start of production for the new Volvo XC40 and increased volumes for the XC60
  - PSA: increased volumes of successful PSA 3008 and 5008
  
- Strong outperformance in North America mostly attributable to the ramp-up of production for the Jeep Wrangler



\* At constant currencies

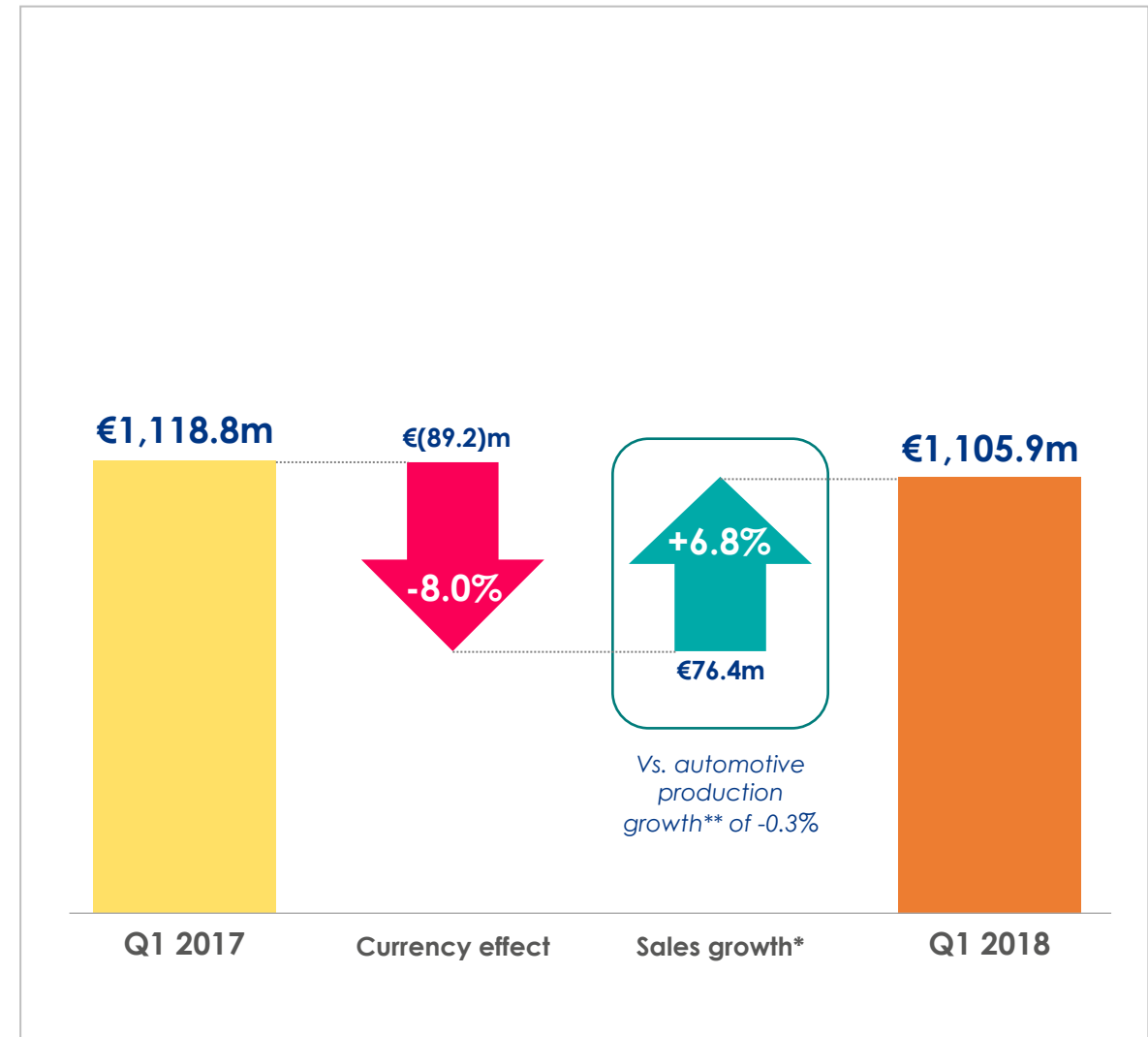
\*\* Source: IHS forecast April 2018



# Clean Mobility (26% of Group sales)

## Solid sales performance with North America contributing c. 45% of growth\*

- Q1 2018 sales amounted to €1,105.9m, up 6.8%\*:
  - Excluding a negative currency impact of 8.0% (mainly the USD and the CNY vs. the euro)
  - Outperformance of 710bps vs. worldwide automotive production growth (-0.3%\*\*)
- Solid growth\* in Europe +5.3%, North America +9.3% and South America +30.6%:
  - Europe: increased volumes of PSA 3008 and 5008 and ramp-up of Jaguar E-PACE + commercial vehicles (Deutz trucks)
  - North America: increased volumes with FCA (ramp-up of the Ram 1500 and the Jeep Grand Wagoneer)
  - South America: increased volumes for the Toyota Hilux pick-up and start of production for the VW Polo
- Sales growth\* in Asia stood at +0.8% as continued strong growth\* with Chinese OEMs (+14%) was partly offset by end of programs from two VW models (Jetta and Lavidia)



\* At constant currencies

\*\* Source: IHS forecast April 2018

# Outlook

- We expect worldwide automotive production to grow by at least +2%
- Our expectation of a robust double-digit sales growth\* in Q2 further strengthens our confidence for 2018
- Reminder of the full-year 2018 guidance that was presented on February 16:

Sales	Operating margin	Net cash flow	Earnings per share
At least +7%* or at least 500bps above worldwide automotive production	Above 7% of sales	Above €500m	€5.00

- Our next event will be the Capital Markets Day to be held in Paris on May 15, which will focus on Smart Life on Board (Seating + Interiors) and present our latest innovations for the Cockpit of the Future; at this CMD, Faurecia will also present a quick update on Sustainable Mobility and its 2020 financial targets as well as 2025 ambition

\* At constant currencies

**May 15, 2018**

**Capital Markets Day in Paris  
Smart Life on Board**

**May 29, 2018**

**Annual Shareholders' Meeting  
(Paris)**

**July 20, 2018**

**H1 results announcement  
(before market hours)**

**October 4-14, 2018**

**Presence at the Paris  
Mondial de l'Auto 2018**

**October 11, 2018**

**Q3 sales announcement  
(before market hours)**

Q1 2018 SALES  
*Appendices*



# 2017 sales restated for IFRS15 implementation (1/2)

- In 2017, Faurecia had already partly anticipated IFRS15 through the presentation of sales as “Value-added sales”, i.e. “Total sales” minus “Monoliths”, for which Faurecia operates as an agent
- In addition, as from January 1, 2018, with the implementation of IFRS15:
  - Revenue from Tooling is recognized at the transfer of control to the customer (PPAP = Production Part Approval Process), shortly before serial production
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## 2017 SALES RESTATED FOR IFRS15 IMPLEMENTATION AT GROUP LEVEL

As reported during the fiscal year 2017 (in €m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Product sales	3,917.7	3,893.3	3,474.9	3,986.5	15,272.4
R&D and Tooling	308.1	465.5	315.4	600.8	1,689.9
Value-added sales	4,225.8	4,358.8	3,790.3	4,587.3	16,962.2
Monoliths	865.9	844.1	728.9	780.4	3,219.4
<b>Total sales</b>	<b>5,091.7</b>	<b>5,203.0</b>	<b>4,519.2</b>	<b>5,367.7</b>	<b>20,181.7</b>

IFRS15 proforma (in €m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Product sales	4,028.6	4,031.5	3,585.2	4,125.9	15,771.3
Tooling and Prototypes	174.6	310.5	203.7	502.1	1,190.9
<b>Sales</b>	<b>4,203.2</b>	<b>4,342.0</b>	<b>3,788.9</b>	<b>4,628.0</b>	<b>16,962.1</b>

Restatements by quarter (in €m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Sales	-22.7	-16.8	-1.4	40.7	-0.1

# 2017 sales restated for IFRS15 implementation (2/2)

## 2017 SALES RESTATED FOR IFRS15 IMPLEMENTATION BY REGION & BUSINESS GROUP

IFRS15 proforma (in €m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
<b>Seating</b>	1,786.6	1,850.1	1,611.5	1,881.0	7,129.2
<b>Interiors</b>	1,297.9	1,327.7	1,173.6	1,568.1	5,367.4
<b>Clean Mobility</b>	1,118.7	1,164.1	1,003.8	1,178.9	4,465.5
<b>Sales</b>	<b>4,203.2</b>	<b>4,342.0</b>	<b>3,788.9</b>	<b>4,628.0</b>	<b>16,962.1</b>
IFRS15 proforma (in €m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
<b>Europe</b>	2,108.0	2,202.3	1,833.9	2,358.6	8,502.8
<b>North America</b>	1,177.2	1,173.9	984.1	1,137.9	4,473.2
<b>Asia</b>	688.5	686.4	697.6	860.4	2,932.9
<i>of which China</i>	537.8	519.1	532.0	653.7	2,242.6
<b>South America</b>	169.1	219.0	201.7	203.9	793.7
<b>Rest of World</b>	60.3	60.4	71.7	67.2	259.6
<b>Sales</b>	<b>4,203.2</b>	<b>4,342.0</b>	<b>3,788.9</b>	<b>4,628.0</b>	<b>16,962.1</b>

# Q1 2018 sales by Business Group

Sales (in €m)	Reported	Currency effect		Growth ex-currencies		Reported	
	Q1 2017	Value	%	Value	%	Q1 2018	%
<b>Seating</b> <i>of which bolt-ons</i>	1,786.6	-103.0	-5.8%	133.7 23.1	7.5% 1.3%	1,817.3	1.7%
<b>Interiors</b> <i>of which bolt-ons</i>	1,297.9	-88.7	-6.8%	182.3 33.7	14.0% 2.6%	1,391.5	7.2%
<b>Clean Mobility</b> <i>of which bolt-ons</i>	1,118.7	-89.2	-8.0%	76.4 0.0	6.8% 0.0%	1,105.9	-1.1%
<b>Group</b> <i>of which bolt-ons</i>	<b>4,203.2</b>	<b>-280.9</b>	<b>-6.7%</b>	<b>392.3</b> 56.8	<b>9.3%</b> 1.4%	<b>4,314.6</b>	<b>2.7%</b>

# Q1 2018 sales by region

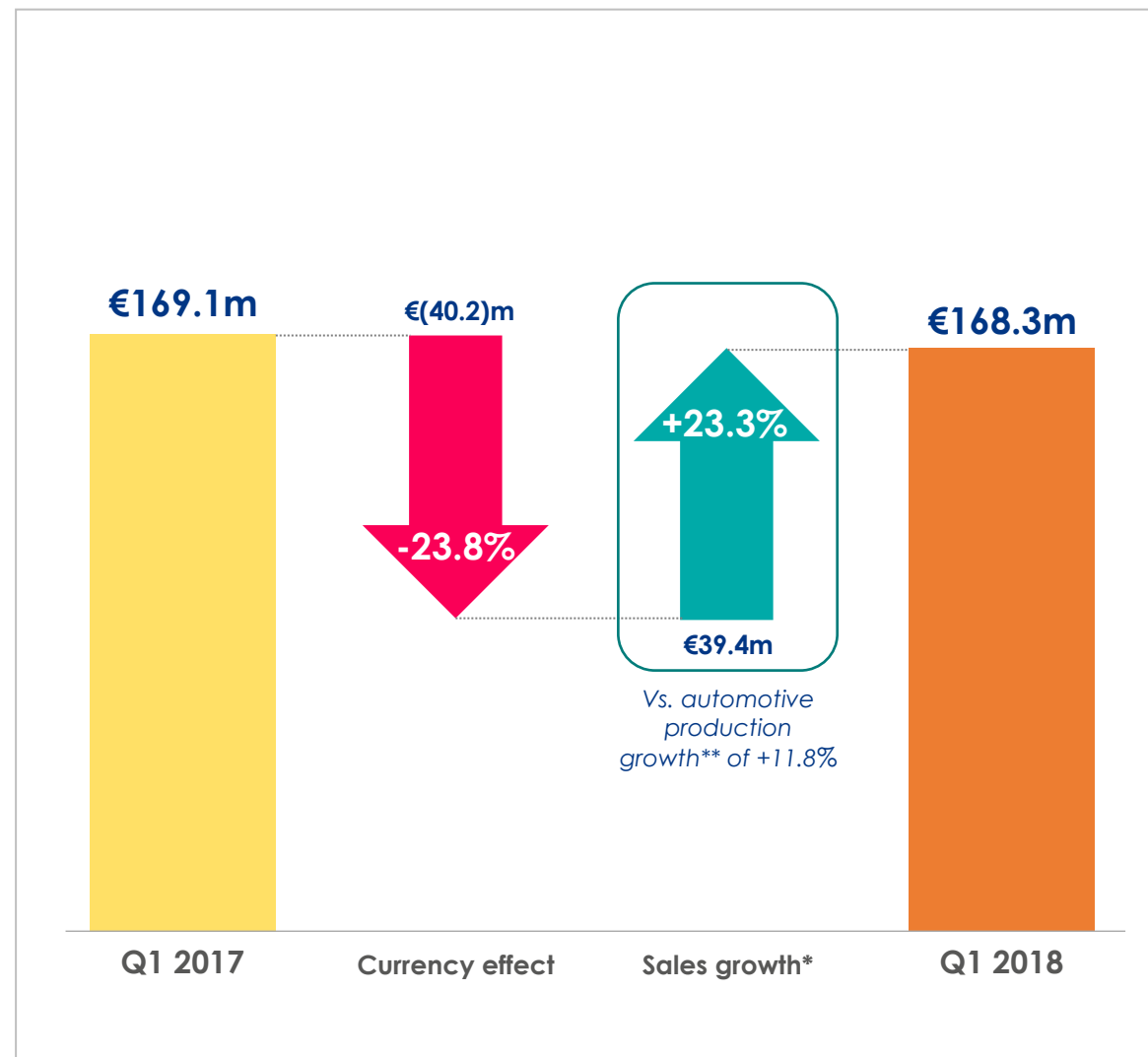
Sales (in €m)	Reported	Currency effect		Growth ex-currencies		Reported	
	Q1 2017	value	%	value	%	Q1 2018	%
<b>Europe</b>	2,108.0	-20.0	-1.0%	190.9	9.1%	2,278.9	8.1%
<b>North America</b>	1,177.2	-164.4	-14.0%	50.0	4.2%	1,062.8	-9.7%
<b>Asia</b>	688.5	-50.9	-7.4%	104.5	15.2%	742.1	7.8%
<i>of which China</i>	537.8	-37.1	-6.9%	64.7	12.0%	565.4	5.1%
<i>of which bolt-ons</i>				56.8	8.2%		
<b>South America</b>	169.1	-40.2	-23.8%	39.4	23.3%	168.3	-0.5%
<b>Rest of World</b>	60.3	-5.3	-8.8%	7.5	12.4%	62.5	3.6%
<b>Group</b>	<b>4,203.2</b>	<b>-280.9</b>	<b>-6.7%</b>	<b>392.3</b>	<b>9.3%</b>	<b>4,314.6</b>	<b>2.7%</b>
<i>of which bolt-ons</i>				56.8	1.4%		



# South America (4% of Group sales)

## Sales growing twice as fast as market growth

- Q1 2018 sales amounted to €168.3m, up 23.3%\*:
  - Excluding a strong negative currency impact of 23.8% (mainly the BRL and the ARS vs. the euro)
  - Outperformance of 1,150bps vs. South American automotive production growth (+11.8%\*\*)
- Continued sales growth\* momentum driven by market recovery and increased sales to major OEMs (mainly FCA, Ford, VW and Toyota)



\* At constant currencies

\*\* Source: IHS forecast April 2018

# Contact & share data

## Investor Relations Marc MAILLET

2, rue Hennape  
92735 Nanterre  
France

Tel: +33 1 72 36 75 70  
Fax: +33 1 72 36 70 30  
E-mail: [marc.maillet@faurecia.com](mailto:marc.maillet@faurecia.com)  
Web site: [www.faurecia.com](http://www.faurecia.com)

## Share Data

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

## Bonds ISIN Codes

2022 bonds : XS1204116088  
2023 bonds : XS1384278203

# Safe Harbor Statement

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

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

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

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

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