Nanterre (France), July 26, 2021

Press release

HALF-YEAR 2021 RESULTS

STRONG OPERATING LEVERAGE AND CASH GENERATION WITH OPERATING MARGIN OF 6.6%, EBITDA MARGIN OF 14.2% AND NET CASH FLOW OF €290M

STRONG PERFORMANCE IN H1 2021

- **Sales of €7.8bn in H1, up 32% on an organic basis**
- **Sales outperformance of 760bps in Q2 and 170bps in H1**
- **Strong operating leverage and cash generation in H1: operating margin of 6.6%, EBITDA margin of 14.2% (above H1 2019) and net cash flow of €290m (above H1 2019)**
- **Significant deleveraging over H1 with net-debt-to-EBITDA at 1.5x as of June 30**
- **Solid order intake of €12bn in H1 2021, on track to reach the targeted €26bn in FY 2021**

in €m	H1 2020*	H1 2021	YoY change
Sales	6,084	**7,783**	**+27.9%**
At constant scope and currencies			**+31.8%**
EBITDA	513	**1,109**	**2.2x**
As % of sales	8.4%	**14.2%**	**+580bps**
Operating income	(100)	**510**	**n/m**
As % of sales	-1.6%	**6.6%**	**+820bps**
Net cash flow	(1,026)	**290**	**n/m**

**H1 2020 restated for IFRS 5 (see in appendix)*

UPGRADED FY 2021 GUIDANCE

- **Sales ≥ €16.5bn and strong organic sales outperformance > +600bps** *(confirmed)*
- **Operating margin of c. 7% of sales**, close to pre-Covid levels *(confirmed)*
- **Net cash flow > €500m** *(vs. c. €500m previously)* **and net-debt-to-EBITDA ratio < 1.5x at year-end**

This guidance assumes worldwide automotive production of at least 39 million vehicles in H2 and no major lockdown impacting production or retail sales in any automotive region during the period

FULLY ALIGNED WITH "NEW PERSPECTIVES" PRESENTED AT THE RECENT CAPITAL MARKETS DAY

- **New capital structure through successful spin-off and employee shareholding plan**
- **Focus on zero emissions hydrogen solutions, through the acquisition of CLD in China, and on ESG strategy, through ambitious CO_2 neutrality program and recent successful issuance of green bonds**
- **Fully on track to reach 2022 targets and 2025 ambition**

Patrick KOLLER, CEO of Faurecia, declared:

"We delivered a strong performance in H1, despite two main adverse effects: the shortage of semiconductors and raw material inflation. I would like to thank all Faurecia teams for this performance.

Our operations proved again very resilient with strong operating margin of 6.6% of sales, demonstrating our efficient leverage. We delivered strong net cash flow of 290 million euros and recorded a solid order intake of 12 billion euros, reflecting our potential for accelerating profitable growth.

We are convinced that automotive production has hit a low in Q2 and should gradually rebound in the coming quarters, despite shortage of semiconductors likely to last until the end of H1 2022. In this context, we will pay strict attention to cost flexibilization and cash generation, thus allowing deleveraging and profitable growth."

The 2021 half-year consolidated financial statements have been approved by the Board of Directors at its meeting held on July 23, 2021, under the chairmanship of Michel de ROSEN. These financial statements have been audited.

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 2021 (vehicles segment in line with CAAM for China).

IFRS 5 - Discontinued Operations

- *On February 18, Faurecia announced that it had signed a Memorandum of Understanding for the sale of its AST (Acoustics and Soft Trim) division and all conditions are met to qualify this activity as discontinued, in compliance with IFRS 5.*
- *Therefore, 2021 Group figures exclude AST and 2020 Group figures are restated and presented accordingly.*
- *This led to a restatement of H1 2020 sales to €6,084 million vs. €6,170 million released in July 2020 and to a restatement of H1 2020 operating income to €(100) million vs. €(114) million released in July 2020.*
- *A table in appendix presents 2020 restated figures; only Interiors, as regards Business Groups, and Europe, as regards regions, are impacted by this restatement.*

KEY ACHIEVEMENTS IN H1 2021

New shareholding structure through the successful distribution of the Faurecia shares previously held by PSA, then Stellantis, and recent non-dilutive Employee Shareholding Plan (faur'ESO)

- In March, Stellantis distributed the shares held in Faurecia to its shareholders. This contributed to increase Faurecia's free float to 85% with an enlarged international shareholder base and an increased share liquidity.
  The four major historic shareholders of PSA and FCA now hold a combined stake of 13.2% of Faurecia: Exor with 5.5%, Peugeot 1810 with 3.1%, Bpifrance with 2.4% and Dongfeng with 2.2%. As a reminder, all four shareholders have undertaken a lockup agreement for a period of 180 days following the completion of the distribution by Stellantis.
- In addition, Faurecia launched its first Employee Shareholding Plan, named "faur'ESO", that had great success with a high subscription rate of 22%. The completion of the capital increase, for a global amount of €100 million, and the settlement-delivery of the shares to employees are scheduled for July 28. As it is a non-dilutive plan, the shares that were purchased in H1 through a share buyback program will be cancelled to neutralize the dilution.

Acquisitions of CLD and designLED, fully in line with Sustainable Mobility and Cockpit of the Future strategic priorities

- In April, in line with its strategic focus on hydrogen zero emissions solutions, Faurecia acquired a majority stake in CLD, one of the leading Chinese manufacturers of hydrogen tanks. Headquartered in ShenYang, CLD employs around 200 people and operates 2 plants in Liaoning with a capacity of 30,000 tanks per year. CLD, which has significant growth potential in the China market, has been recently certified by the Chinese central government as the sole domestic producer of Type IV hydrogen tanks.
- In June, to strengthen its offer for display technologies and enrich its immersive experiences for the Cockpit of the Future, Faurecia acquired designLed, a Scotland-based company, specialized in advanced backlighting technologies. Combined with the IRYSTec's strength in image experience and processing, designLED will enable Faurecia to develop new types of advanced backlighting for use cases that promote safety, personalization, and convenience.

Long-term partnerships with Palantir to boost digital transformation

- In March, Faurecia entered into a six-year strategic partnership with Palantir Technologies Inc. to accelerate its digital transformation and ambition to be CO2 neutral.

- Palantir Foundry was designed to help organizations integrate disparate data sources and make the best possible use of their data. Faurecia will use Palantir's Foundry software to gain further insight into its data across the company, from manufacturing to purchasing, from engineering to finances.
- Built on top of Faurecia's IT portfolio and contracted cloud services, Palantir Foundry will allow Faurecia to reduce raw material consumption, improve R&D competitiveness, secure purchasing excellence and track and measure overall CO2 neutrality efforts.

Partnerships with Schneider Electric and KPMG for renewable electric production to accelerate Faurecia's CO_2 neutral program

- In April, Faurecia signed an exclusive advisory contract with Schneider Electric to procure offsite renewable electricity as part of its CO2 neutral program. Under this agreement, Faurecia will benefit from Schneider Electric's support in the development and deployment of competitive processes for power purchase agreement sourcing to cover all Faurecia sites in Europe, North America, China and Brazil. Faurecia intends to procure 1,200 GWh/y of offsite renewable electricity through development partners, representing 90% of its global consumption, in compliance with the most stringent industry standards for CO_2 emissions calculation.
- In June, Faurecia selected KPMG as its partner for on-site power purchase agreements advisory services. Under this partnership, Faurecia will benefit from KPMG's expertise to prepare, execute and implement its solar panel equipment program across all facilities, worldwide. As Faurecia will delegate the installation and the operation of these renewable electricity production assets to third parties ("developers"), KPMG will advise and support Faurecia to identify and contract the right developers.

Financing operations to continuously strengthen financial structure and enhance financial flexibility

- In February, Faurecia issued additional bonds of €190 million, due in 2027 at 2.26%.
- In March, Faurecia issued green notes of €400 million, due in 2029 at 2.375%. It was the inaugural issuance of green bonds under Faurecia's Green Bond Framework established in March 2021. The net proceeds will be used to finance or refinance, in whole or in part, eligible green projects in accordance with its green bond framework. It is fully in line with Faurecia's commitment to sustainable mobility, and in particular with the Group's ambition to invest in hydrogen mobility which is gaining momentum around the world.
- In May, Faurecia amended and extended its long-term syndicated credit line, initially signed in December 2014 and already amended in June 2016 and June 2018. Through the new agreement, the line, which is undrawn, is increased from €1.2 billion to €1.5 billion and its maturity is extended from June 2023 to May 2026, with two one-year extension options until May 2028. The interest rate of the credit line will vary depending upon the reduction of Faurecia's CO_2 emissions between 2019 and 2025, when the Group aims at being CO2 neutral for scopes 1 & 2.

SOLID ORDER INTAKE OF €12bn in H1 2021

Faurecia recorded a solid order intake of €12 billion in H1 and confirms its objective to reach €26 billion in 2021.

Order intake was particularly strong with the VW Group for €2.6 billion, including Complete Seats and Instrument Panel/Door Panel for the Passat/Superb.

China represented c.25% of total order intake in H1, of which 67% with Chinese OEMs.

BEVs represented more than 20% of total order intake.

Faurecia Clarion Electronics recorded €1.3 billion, confirming the full-year target of at least €2.5 billion.

Hydrogen represented €280 million (incl. 100% of Symbio), confirming full-year target of at least €500 million.

In H1 2021, Faurecia has successfully launched a record number of 120 projects.

H1 2021 SALES AND PROFITABILITY AT GROUP LEVEL

	H1 2020*	H1 2021	YoY change
Sales (€m)	6,084	**7,783**	+27.9%
At constant scope and currencies			*+31.8%*
Operating income (€m)	(100)	**510**	***n/m***
% of sales	*-1.6%*	***6.6%***	*+820bps*

**H1 2020 figures restated for IFRS 5 (see in appendix)*

Sales amounted to €7,783 million in H1 2021, up 27.9% on a reported basis, including:

- A negative currency effect of € (296) million euros or -4.9% of last year's sales, mostly reflecting unfavorable impacts from the US dollar, the Brazilian real and the Turkish lira.
- A positive scope effect of €60 million or +1.0% of last year's sales, due to one month of consolidation of SAS (January), whose consolidation started in February 2020.

At constant scope and currencies, sales were up 31.8% in H1 2021

- Product sales were up 34.5%, of which +11.4% in Q1 and +74.0% in Q2
- Tooling and other sales were up 2.1%, of which +29.9% in Q1 and -10.7% in Q2

All Business Groups recorded strong double-digit organic growth in H1: Seating was up 34.1%, Interiors up 31.9%, Clean Mobility up 29.4% and Clarion Electronics up 27.0%.

Sales outperformance of 760bps in Q2 and 170bps in H1

As expected, the significant unfavorable geographic mix effect that impacted organic sales in Q1 turned around in Q2, leading to a 760bps outperformance in Q2 (+61.7% for Faurecia vs. +54.1% for worldwide automotive production).

In H1, due to the relative weight of Q1 and Q2, outperformance was 170bps (+31.8% for Faurecia vs. +30.1% for worldwide automotive production), with outperformance in all geographies (Europe, North America, Asia and South America).

Reminder: Faurecia's exposure to Europe and North America (c. 70% of sales in H1 2021) is higher than worldwide automotive production (c. 40% of vehicles produced in H1 2021) while its exposure to Asia (c. 25% of sales in H1 2021) is lower than worldwide automotive production (c. 50% of vehicles produced in H1 2021). As in Q1 2021, most of the recovery in volume came from Asia, Faurecia was penalized by its sales geographic mix. Conversely, as in Q2 2021, most of the recovery in volume came from Europe and North America, Faurecia was favored by its sales geographic mix.

Operating income was a profit of €510 million in H1 2021 vs. a loss of €(100) million in H1 2021 and it included:

- A net charge of €25 million due to the impact the strong year-on-year increase in raw material prices and the time lag to benefit from hedging policy in place
- A profit of €13 million due to tax recovery (PIS-Cofins) in Brazil
- A charge of €14 million due to the Employee Shareholding Program, "faur'Eso"

Operating margin of 6.6% with sales of €7.8 billion in H1 2021 is to be compared with an operating margin of 6.2% and €8.4 billion of sales in H2 2020 and demonstrates Faurecia's strong operating leverage despite the negative impact of raw material prices in H1 2021.

Year-on-year, operating leverage (whose calculation is detailed in appendix) **stood at 36%.**

H1 2021 SALES AND PROFITABILITY BY BUSINESS GROUP

Seating (38% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	2,270	**2,967**	**30.7%**
At constant scope and currencies			**34.1%**
Operating income	(23)	**196**	
As % of sales	-1.0%	**6.6%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Strong outperformance of 400bps in H1 2021 (vs. worldwide automotive production growth of 30.1%, source: IHS Markit July 2021), driven by Europe and Asia (mostly China)
- Confirmed outperformance of 700bps expected in 2021, thanks to significant starts of production mostly impacting H2 (mainly Daimler C-class, BMW X1 & X2 and Jeep Grand Wagoneer)

Operating income

Operating margin at 6.6% in H1 2021 demonstrated strong operating leverage vs. H2 2020 (margin stood at 6.5% with sales of €3.3 billion)

Interiors (31% of Group sales)

	H1 2020*	H1 2021	YoY change
Sales	1,837	**2,376**	**29.4%**
At constant scope and currencies			**31.9%**
Operating income	(78)	**117**	
As % of sales	-4.2%	**4.9%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Outperformance of 180bps in H1 2021(vs. worldwide automotive production growth of 30.1%, source: IHS Markit July 2021), led by strong growth with Stellantis in all regions

Operating income

- Operating margin of 4.9% in H1 2021 improved by 50bps vs. the 4.4% recorded in H2 2020 (restated for IFRS 5)

Clean Mobility (26% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	1,646	**2,040**	**23.9%**
At constant scope and currencies			**29.4%**
Operating income	10	**198**	
As % of sales	0.6%	**9.7%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Slight underperformance in H1 2021 (vs. worldwide automotive production growth of 30.1%, source: IHS Markit July 2021), mostly due to lower volume with Ford in the US

Operating income

- Operating margin of 9.7% in H1 2021, a strong improvement of 100bps vs 8.7% recorded in H2 2020 (restated for IFRS 5)

Clarion Electronics (5% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	331	**400**	**20.9%**
At constant scope and currencies			**27.0%**
Operating income	(9)	**(1)**	
As % of sales	-2.7%	**-0.2%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Sales organic growth of 27.0% in H1 2021 (vs. worldwide automotive production growth of 30.1%, source: IHS Markit July 2021); this Business Group was the most impacted by the shortage of semiconductors and priority was given to serve OEMs at the expense of other more profitable sales channels

Operating income

- Strong year-on-year reduction in operating loss. Operating income should be back to profit in H2 2021, even if shortage of semiconductors remains a headwind

H1 2021 SALES AND PROFITABILITY BY REGION

Europe (49% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	2,942	**3,806**	**29.4%**
At constant scope and currencies			**29.6%**
Operating income	(99)	**206**	
As % of sales	-3.4%	**5.4%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Sales outperformance of 120bps in H1 2021 (vs. European automotive production growth of 28.4%, source: IHS Markit July 2021), mostly reflected outperformance of Seating and Interiors

Operating income

- Operating margin of 5.4% in H1 2021, an improvement of 50bps vs. 4.9% recorded in H2 2020 (restated for IFRS 5)

North America (23% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	1,475	**1,780**	**20.7%**
At constant scope and currencies			**30.8%**
Operating income	(84)	**61**	
As % of sales	-5.7%	**3.4%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Sales underperformance in H1 2021 of 120bps (vs. North American automotive production growth of 32.0%, source: IHS Markit July 2021), mostly impacted by lower sales volume with Ford

Operating income

- Operating margin of 3.4% in H1 2021 (vs. 5.4% in H2 2020, restated for IFRS 5) reflected the lack of compensation of downtimes at short notice

Asia (24% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	1,470	**1,857**	**26.3%**
At constant scope and currencies			**28.3%**
Operating income	101	**201**	
As % of sales	6.9%	**10.8%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Sales in China amounted €1.353 billion, up 32.3% on an organic basis, i.e. an outperformance of 450bps (vs. Chinese automotive production growth of 27.8%, source: IHS Markit July 2021), driven by Seating and Clarion Electronics that more than doubled sales year-on-year in the country
- Strengthened customer base with Top-10 including 5 Chinese and 2 EV OEMs (one Chinese and one US)

Operating income

- Strong double-digit operating margin in H1 2021, at 10.8% of sales, up 70bps compared to H2 2020 (restated for IFRS 5)

South America & Rest of the World (4% of Group sales)

in €m	H1 2020*	H1 2021	YoY change
Sales	198	**340**	**71.9%**
At constant scope and currencies			**98.5%**
Operating income	(18)	**42**	
As % of sales	-9.1%	**12.3%**	

**H1 2020 restated for IFRS 5 (see in appendix)*

Sales

- Sales in South America amounted to €247 million, up 94.0% on an organic basis, strongly outperforming the market (vs. South American automotive production growth of 61.5%, source: IHS Markit July 2021)
- Sales in the Rest of the World amounted to €92 million

Operating income

- Operating income stood at €42 million, of which €13 million came from PIS-Cofins tax recovery in Brazil

OPERATING INCOME OF €510 MILLION AND 6.6% OF SALES, UP 820bps YEAR-ON-YEAR
NET INCOME GROUP SHARE OF €146 MILLION VS. A LOSS OF €(433) MILLION IN H1 2020

Group operating income was a profit of €510 million vs. a loss of €(100) million in H1 2020 that was heavily impacted by the Covid crisis. It represented 6.6% of sales vs. -1.6% in H1 2020.

- **Amortization of intangible assets acquired in business combinations:** net charge of €45 million vs. a net charge of €46 million in H1 2020.
- **Restructuring costs:** net charge of €46 million vs. a net charge of €89 million in H1 2020; restructuring costs should not exceed 120 million euros in FY 2021 (vs. €285 million in FY 2020) and be back to a normalized level of €80 to €100 million as from 2022.
- **Other non-recurring operating income and expenses:** net loss of €6 million vs. a net profit of €16 million in H1 2020; mostly linked to spin off costs
- **Net financial result:** net charge of €106 million, stable vs. H1 2020.
- **Income tax:** net charge of €82million vs. a net charge of €67 million in H1 2020.
- **Share of net income of associates:** charge of €8 million vs. a charge of €12 million in H1 2020; it included a negative contribution from Symbio of €11 million (vs. €7 million in H1 2020).

Net income from continued operations was a profit of €219 million vs. a loss of €(403) million in H1 2020.

Net income from discontinued operations (AST Acoustics and Soft Trim) **was a loss of €(31) million vs. a loss of €(17) million in H1 2020.**

Consolidated net income was a profit of €188 million vs. a loss of €(420) million in H1 2020.

Minority interests amounted to €42 million vs. €13 million in H1 2020.

Net income (Group share) was a profit of €146 million vs. a loss of €(433) million in H1 2020.

EBITDA MARGIN OF 14.2%, ABOVE H1 2019 PRE-COVID LEVEL
STRONG NET CASH FLOW OF €290 MILLION VS. NEGATIVE CASH OF €1 BILLION IN H1 2020
SIGNIFICANT DELEVERAGING WITH NET-DEBT-TO-EBITDA RATIO AT 1.5x AS OF JUNE 30
INCREASED LIQUIDITY OF €4.5 BILLION AT JUNE 30

EBITDA stood at €1,109 million, vs. €513 million in H1 2020, mostly reflecting the upswing in operating income. EBITDA margin represented 14.2% of sales vs. 8.4% in H1 2020, above pre-Covid level of 13.1% in H1 2019.

- **Capital expenditure** was contained to an outflow of €214 million broadly stable vs. an outflow of €226 million in H1 2020. In FY 2021, capital expenditure should be below €600 million.
- **Capitalized R&D** was an outflow of €310 million vs. an outflow of €302 million in H1 2020.
- **Change in working capital requirement** was an inflow of €57 million vs. an outflow of €673 million in H1 2020.
- **Factoring of receivables** stood at €991 million at June 30, broadly stable vs. the end of 2020 and should remain at a capped level of c. €1 billion at year-end
- **Restructuring** represented an outflow of €74 million vs. an outflow of €54 million in H1 2020; this increased reflected the cash impact of decisions taken in H2 2020. In FY 2021, the cash outflow from restructurings should not exceed €170 million.
- **Net financial expense** was an outflow of €109 million vs. an outflow of €92 million in H1 2020.
- **Income tax** was an outflow of €149 million vs. an outflow of €109 million in H1 2020.
- **Other operational items** represented an outflow of €39 million vs. an outflow of €14 million in H1 2020.

Net cash flow stood at €290 million, vs. €(1,026) million in H1 2020 that was heavily impacted by the Covid crisis.

- **Dividend paid (incl. minorities)** was an outflow of 160 million vs. a limited outflow of €5 million in H1 2020; in H1 2021, it included the resumption of dividend payment to Faurecia's shareholders with €1 per share paid in June, while in H1 2020 it only reflected dividend paid to minority interests as no dividend to shareholders was paid due to the extraordinary context of the Covid crisis.

- **Share purchase** was an outflow of €129 million vs. €1 million in H1 2020; it reflected share purchases in order to cover the employee shareholding plan "faur'Eso", whose share delivery is planned on July 28. As a consequence, the inflow of €100 million from employee contribution to the plan will contribute only to H2 2021 statements.
- **Net financial investments and other cash elements** was an outflow of €53 million vs. an outflow of €369 million in H1 2020, which included the investment (50%) in SAS.
- **Impact from discontinued operations** (AST Acoustics and Soft Trim) was an outflow of €26 million vs. an outflow of €19 million in H1 2020.

After a negative impact of €93 million related to IFRS16 (vs. a negative impact of €91 million in H1 2020)**, the Group's net financial debt stood at €3,300 million as of June 30, 2021** (vs. €4,034 million as of June 30, 2020).

Average cost of long-term debt is below 2.8% (excluding IFRS debt) and there is no major debt repayment before 2025.

Net-debt-to-EBITDA ratio stood was reduced to 1.5x EBITDA as of June 30, 2021 vs. 2.3x as of June 30, 2020 and 1.9x as of December 31, 2020.

As of June 30, 2021, liquidity was increased to €4.5 billion, of which available cash for €3.0 billion and undrawn Syndicated Credit Facility (SCF) for €1.5 billion.

This compares to €3.1 billion at June 30, 2020 (€2.5 billion available cash and €0.6 billion SCF) and €4.3 billion at December 31, 2020 (€3.1 billion available cash and €1.2 billion SCF).

UPGRADED FY 2021 GUIDANCE

Despite continuing uncertainty in H2 related to Covid-19 variant or shortage of semiconductors, Faurecia confirms its FY 2021 sales and operating margin targets and upgrades its FY 2021 net cash flow target to more than €500m (vs. "c. €500m" previously):

- **Sales of at least €16.5 billion and sales outperformance > +600bps**
- **Operating margin of c. 7% of sales,** close to pre-Covid levels
- **Net cash flow > €500 million** (vs. c.500m previously) **and net-debt-to-EBITDA ratio < 1.5x at year-end**

The 2021 guidance assumes worldwide automotive production of at least 39 million vehicles in H2 and no major lockdown impacting production or retail sales in any automotive region during the period.

All 2021 financial targets are based on full year average currency rates of 1.21 for USD/€ and 7.80 for CNY/€.

Even if shortage of semiconductors should continue to weigh on the first half of 2022, Faurecia remains confident that worldwide automotive production should rebound over the next years to meet unsatisfied demand for vehicles and return to pre-Covid production levels.

In this context, Faurecia confirms its 2022 financial targets and 2025 ambition as presented at its recent Capital Market Day in February 2021.

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

A webcast will be held today at 9:00am (Paris time). If you wish to follow the presentation using the webcast, please access the following link: https://www.sideup.fr/webcast-faurecia-h1-2021

A replay will be available as soon as possible.
You may also follow the presentation via conference call:

- **France**: +33 (0)1 76 77 25 07
- **United Kingdom**: +44 (0)330 336 9434
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Financial calendar
October 26, 2021: Q3 2021 sales (before market hours)

About Faurecia
Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With 266 industrial sites, 39 R&D centers and 114,500 employees in 35 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 2020, the Group posted sales of €14.7 billion. Faurecia is listed on the Euronext Paris stock exchange. 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 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).

IFRS 5 – Discontinued Operations

On February 18, Faurecia announced that it had signed a Memorandum of Understanding for the sale of its AST (Acoustics and Soft Trim) division and all conditions are met to qualify this activity as discontinued, in compliance with IFRS 5.

Therefore, Group figures in 2021 exclude the AST sales and previous periods are restated and presented accordingly.

This restatement impacts only:

- Interiors, as regards Business Groups,
- Europe, as regards regions.

in €m	Q1 2020	Q2 2020	H1 2020	Q3 2020	Q4 2020	H2 2020	FY 2020
Sales							
as previously released	3,739	2,431	6,170	3,874	4,610	8,484	**14,654**
restated for IFRS5	3,678	2,406	6,084	3,823	4,538	8,361	**14,445**
Operating income							
as previously released			(114)			520	**406**
restated for IFRS5			(100)			518	**418**

Operating leverage calculation

YEAR-ON-YEAR OPERATING LEVERAGE (H1 2021 vs. H1 2020)

Sales €m		
H1 2020 restated IFRS 5	**6,084**	
Currency effect	(296)	(1)
Scope effect	60	
Organic	1,934	(2)
H1 2021	**7,783**	

Operating income €m		
H1 2020 before one-offs	*(80)*	(3)
One-offs	(20)	
H1 2020 restated IFRS 5	**(100)**	
Volume impact	456	
Raw materials impact	(25)	
Resilience actions	177	
Scope & other	3	(4)
H1 2021 before one-offs	*511*	(5)
Employee Shareholding Plan	(14)	
Tax recovery in Brazil	13	
H1 2021	**510**	

Operating leverage (5-3-4)/(1+2)	**36%**
Increase in operating income excluding Scope & other and one-offs	588
Increase in sales excluding scope effect	1,639

Profit and Loss Statement

in €m	H1 2020*	H1 2021	Change
Sales	**6,084**	**7,783**	**+27.9%**
Organic Growth (%)			**+31.8%**
Operating income (before amort. of acquired intangible assets)	**(100)**	**510**	**609**
Amort. of int. assets acquired in business combinations	(46)	(45)	
Operating income (after amort. of acquired intangible assets)	**(145)**	**465**	
Restructuring	(89)	(46)	

Other non-recurring operating income and expense	16	(6)	
Net interest expense & Other financial income and expense	(106)	(106)	
Income before tax of fully consolidated companies	**(324)**	**308**	
Income taxes	(67)	(82)	
as % of pre-tax income	*n/a*	*-27%*	
Net income of fully consolidated companies	**(391)**	**226**	**617**
Share of net income of associates	(12)	(8)	
Net income from continued operations	**(403)**	**219**	
Net income from discontinued operations	**(17)**	**(31)**	
Consolidated net income before minority interest	**(420)**	**188**	
Minority interest	(13)	(42)	
Consolidated net income, Group share	**(433)**	**146**	**578**

**H1 2020 restated for IFRS 5 (see in appendix)*

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Cash Flow Statement

in €m	H1 2020*	H1 2021	Change
Operating income	**(100)**	**510**	**610**
Depreciation and amortization, of which:	613	599	
- Amortization of R&D intangible assets	*247*	*228*	
- Other depreciation and amortization	*366*	*371*	
EBITDA	**513**	**1,109**	**596**
% of sales	*8.4%*	*14.2%*	
Capex	(226)	(214)	
Capitalized R&D	(302)	(310)	
Change in WCR	(673)	57	
Change in factoring	(69)	19	
Restructuring	(54)	(74)	
Financial expenses	(92)	(109)	
Taxes	(109)	(149)	
Other (operational)	(14)	(39)	
Net cash flow	**(1,026)**	**290**	**1,316**
Dividends paid (incl. mino.)	(5)	(160)	
Share purchase	0	(129)	
Net financial investment & Other	(369)	(53)	
Discontinued operations	(19)	(26)	
IFRS16 impact	(91)	(93)	
Change in net debt	**(1,510)**	**(172)**	
Net debt at the beginning of the period	(2,524)	(3,128)	
Net debt at the end of the period	(4,034)	(3,300)	
Net-debt-to-EBITDA ratio	**2.3x**	**1.5x**	

**H1 2020 restated for IFRS 5 (see in appendix)*