

Q1 2020 SALES

Q1 sales impacted by Covid-19 disruption but outperforming market by 390bps

Focus on people health, financial liquidity & resilience and safe restart

April 20, 2020

Agenda

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KEY MESSAGES AND UPDATE ON CURRENT SITUATION

2

REVIEW OF Q1 2020 SALES

Key messages

- > **An unprecedented situation**
 - > Worldwide automotive production* down 23.6% in Q1, expected to be down 45% in Q2 and 34% in H1
 - > To date, most production sites temporarily shut down in Europe and Americas
 - > All sites have efficiently and safely restarted in China
- > **Q1 2020 sales at €3,739m, strongly impacted by Covid-19 but outperforming market by 390bps**
 - > Reported sales down 13.5% including a positive scope effect of €268m from Clarion and SAS consolidation
 - > Sales at constant scope and currencies down 19.7%, outperforming worldwide automotive production by 390bps
- > **Drastic measures to face the crisis with three priorities**
 - > Priority #1: Protect health and safety of all employees
 - > Priority #2: Secure liquidity, recently enhanced through an €800m club deal loan
 - > Priority #3: Be ready for a safe restart of production through Faurecia's program "SAFER TOGETHER"
- > **In solidarity with employees, the Chairman, the CEO and the Executive Committee decided to reduce salary**
- > **Decision to postpone the Annual Shareholders' Meeting to June 26, 2020**

Drastic resilience measures taken to protect margin and cash

P&L

- > **Ensure the highest cost flexibility over production**
 - > Partial unemployment for c. 90% of direct headcount in Europe and North America
- > **R&D cost flexibilization**
 - > Partial unemployment on R&D centres
 - > Cancellation of external support and subcontractors
- > **SG&A drastic cut**
 - > Suppress all consultancy, external support and travels
 - > Additional vacation days (8 days for 90% of eligible people) on top of partial unemployment
 - > Hiring freeze

CASH

- > **30% reduction in Capex in 2020 (vs. €685m in 2019)**
- > **Strict management of R&D programs**
- > **WCR management**
 - > Inventory adjustments while securing the supply chain
 - > Tight and daily management of customer receivables and overdues
 - > Business awards selectivity according to cash criteria while maintaining strong order book

Priority #1: Protect health and safety of all employees

> Immediate reaction to protect employees and prevent propagation of the virus

- > Best health practices recommendations widely spread all over the Group
- > Travel ban introduced
- > Home office applied when possible
- > IT capabilities strengthened to ensure increased needs for connectivity

> Daily follow-up set up to better evaluate

- > The pandemic's evolution
- > The state of current production
- > The restart dates per customer/plant
- > The conditions for a safe restart of production

Priority #2: Secure liquidity, enhanced through an €800m club deal loan

> Cash management

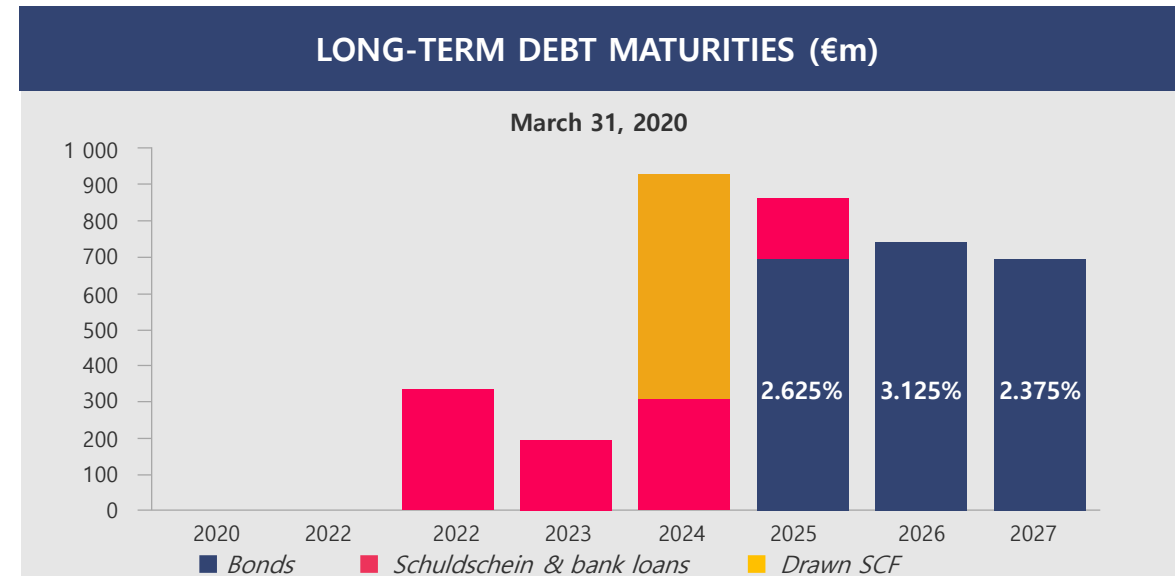
- > Daily monitoring of cash position to efficiently manage cash consumption in H1 2020
- > Cash position at March 31, 2020 : c. €2.2bn, including the €600m recently drawn down from the €1.2bn syndicated credit line

> Additional liquidity of €1.4bn

- > €800m Club Deal, signed on April 10th
 - 18 months maturity
 - 100% drawn on April 17th
- > €600m undrawn from the €1.2bn syndicated credit line (maturity June 2024)

> Sound financial structure

- > No significant debt repayment before 2022
- > Average debt maturity profile* is > 5 years
- > Average cost of LT debt < 2.5%
- > Covenant limit (net debt 2.8x LTM EBITDA) offering significant headroom



Priority #3: Be ready for a safe restart of production

- > **Implementing a comprehensive set of procedures and behaviors for all sites, SAFER TOGETHER, based on recommendations from expert organizations, governments and lessons learned in China:**
 - > Mandatory personal protective equipment, including masks, gloves, glasses and disinfectant
 - > Required personal protection practices
 - > Considerations regarding daily life and social behaviors
- > **Securing protective equipment:**
 - > Regarding masks, for which our requirement is estimated at 2 to 3 million per month at full capacity for Europe and North America:
 - Procurement & in-house production to cover the demand of the next 3 months
 - Full autonomy as regards production as from May
- > **Suppliers' readiness and supply chain continuity are essential for a safe restart**
 - > Close collaboration with suppliers including sharing of all internal practices, guidelines and procedures
 - > Web conferences held for over 1,000 suppliers to share the Group's priorities and underline this collaborative approach
 - > This crisis highlights the necessity for the whole supply chain to work together with transparency and mutual support

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Group

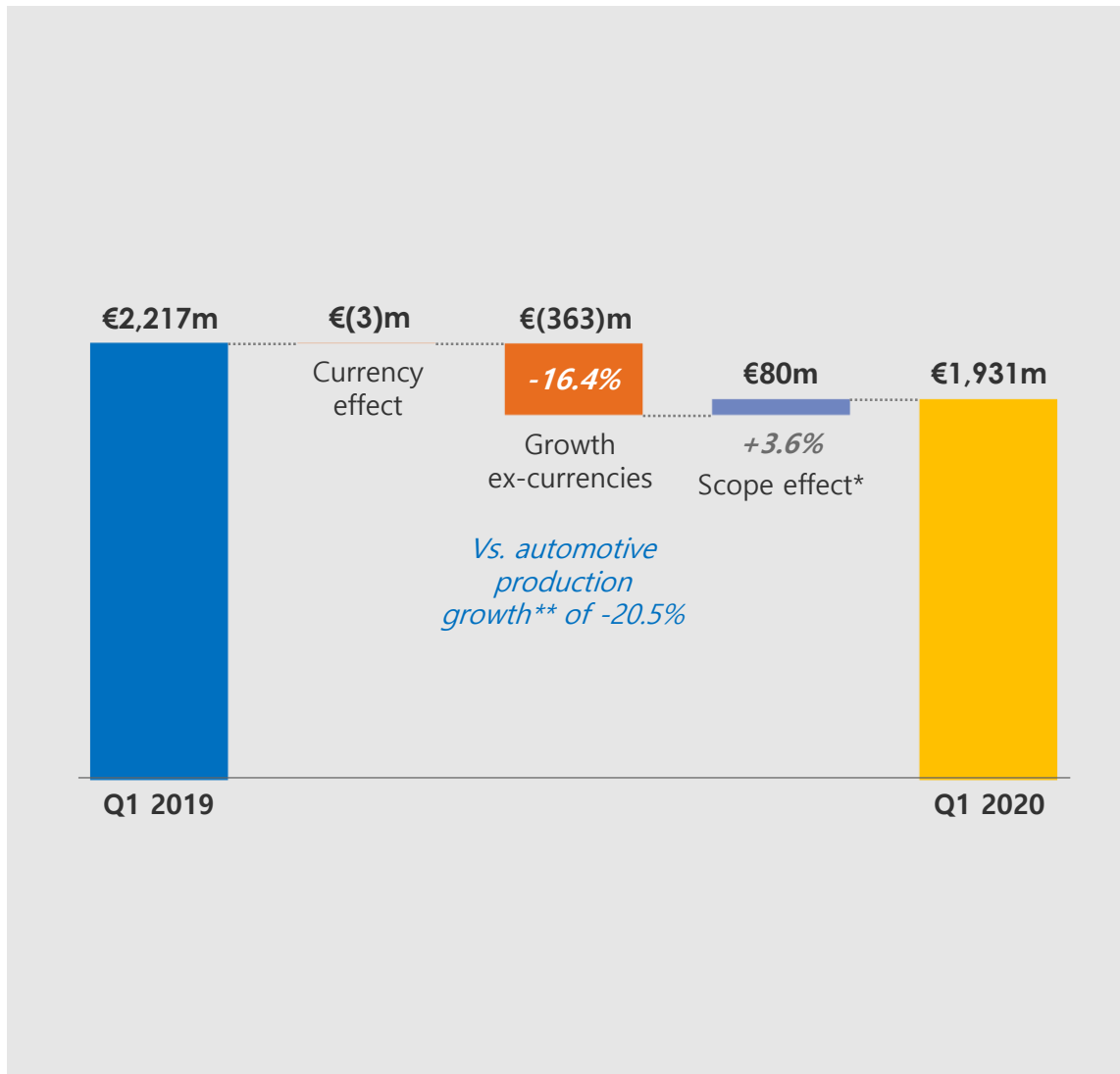
Sales impacted by Covid-19 disruption but outperformance of 390bps



- > Sales down 19.7% excluding currencies and scope effect → outperformance of 390bps
- > Activity slowdown related to the Covid-19 outbreak impacting:
 - China throughout the quarter, with a peak in February
 - All other regions as from March
- > Sales down 13.5% on a reported basis, including a positive scope effect from :
 - Clarion for 3 months (€167m / +3.9%)
 - SAS for 2 months (€101m / +2.3%)

Europe (52% of Group sales)

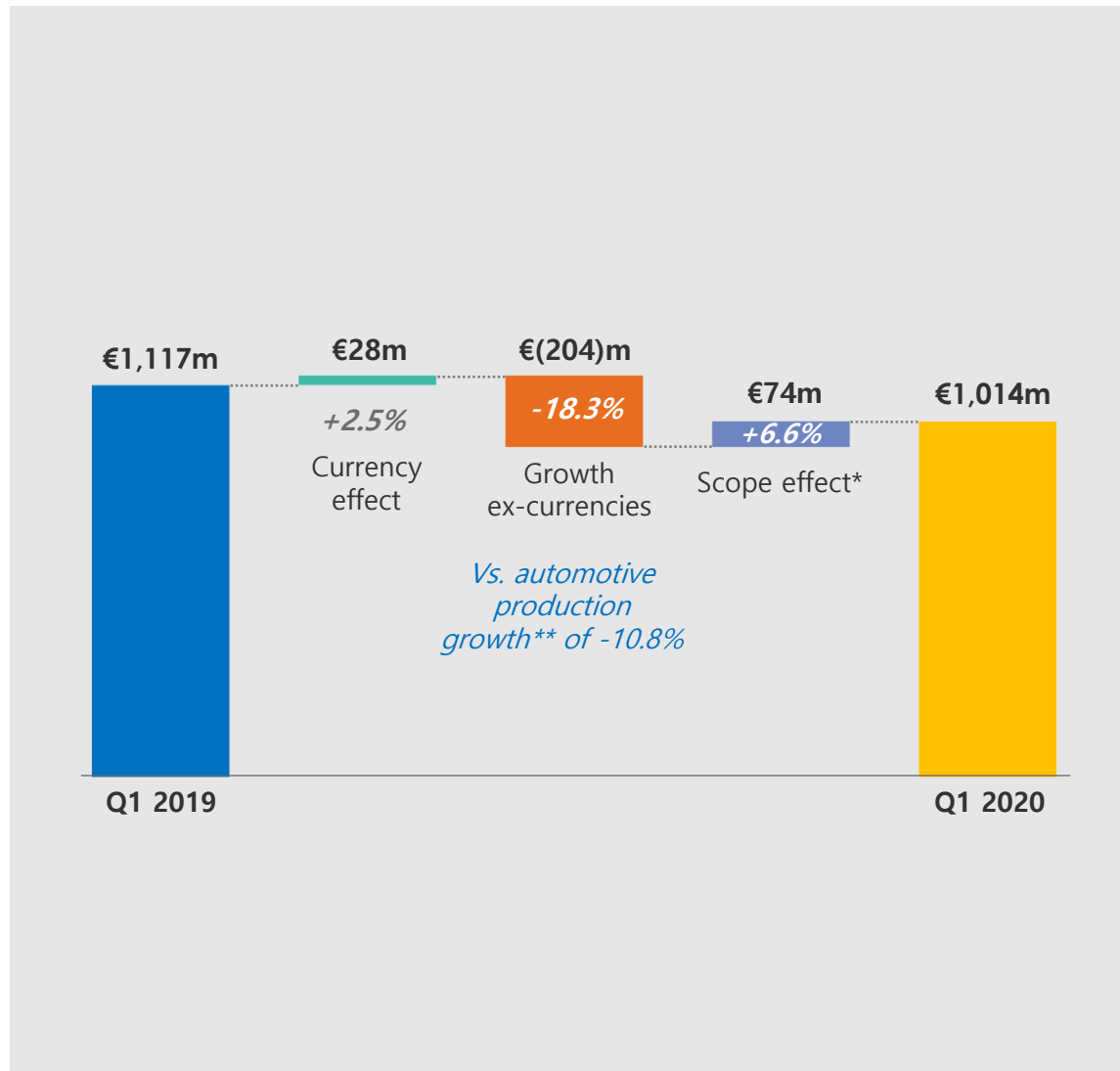
Outperformance in all three historical BGs



- > Sales down 16.4% ex-currencies and excluding scope effect → **outperformance of 410bps**
- > Activity slowdown related to the Covid-19 outbreak as from March, with sales down by close to 40% vs. March 2019
- > Sales down 12.9% on a reported basis, including a positive scope effect from :
 - Clarion (€17m / +0.8%)
 - SAS (€63m / +2.8%)

North America (27% of Group sales)

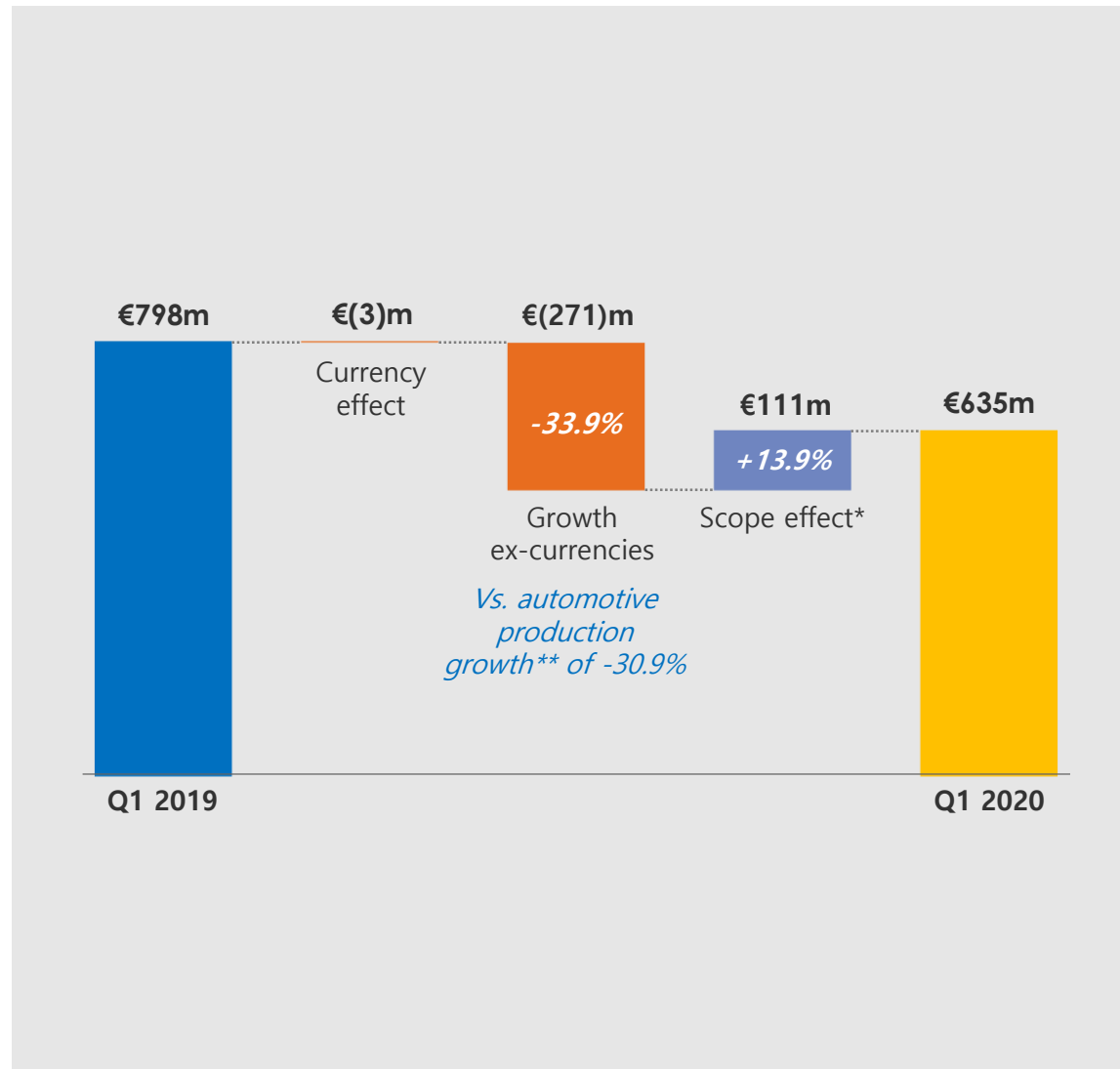
Underperformance mainly due to Seating EoP effect



- > Sales down 18.3% ex-currencies and excluding scope effect → underperformance of 750bps
- > Activity slowdown related to the Covid-19 outbreak as from March, with sales down by close to 35% vs. March 2019
- > Sales in the region were also negatively impacted by volumes with Nissan and Ford as well as the end of Seating EoP effect from Daimler (c. €35m)
- > Sales down 9.2% on a reported basis, including a positive scope effect from :
 - Clarion (€43m / +3.8%)
 - SAS (€31m / +2.8%)

Asia (17% of Group sales)

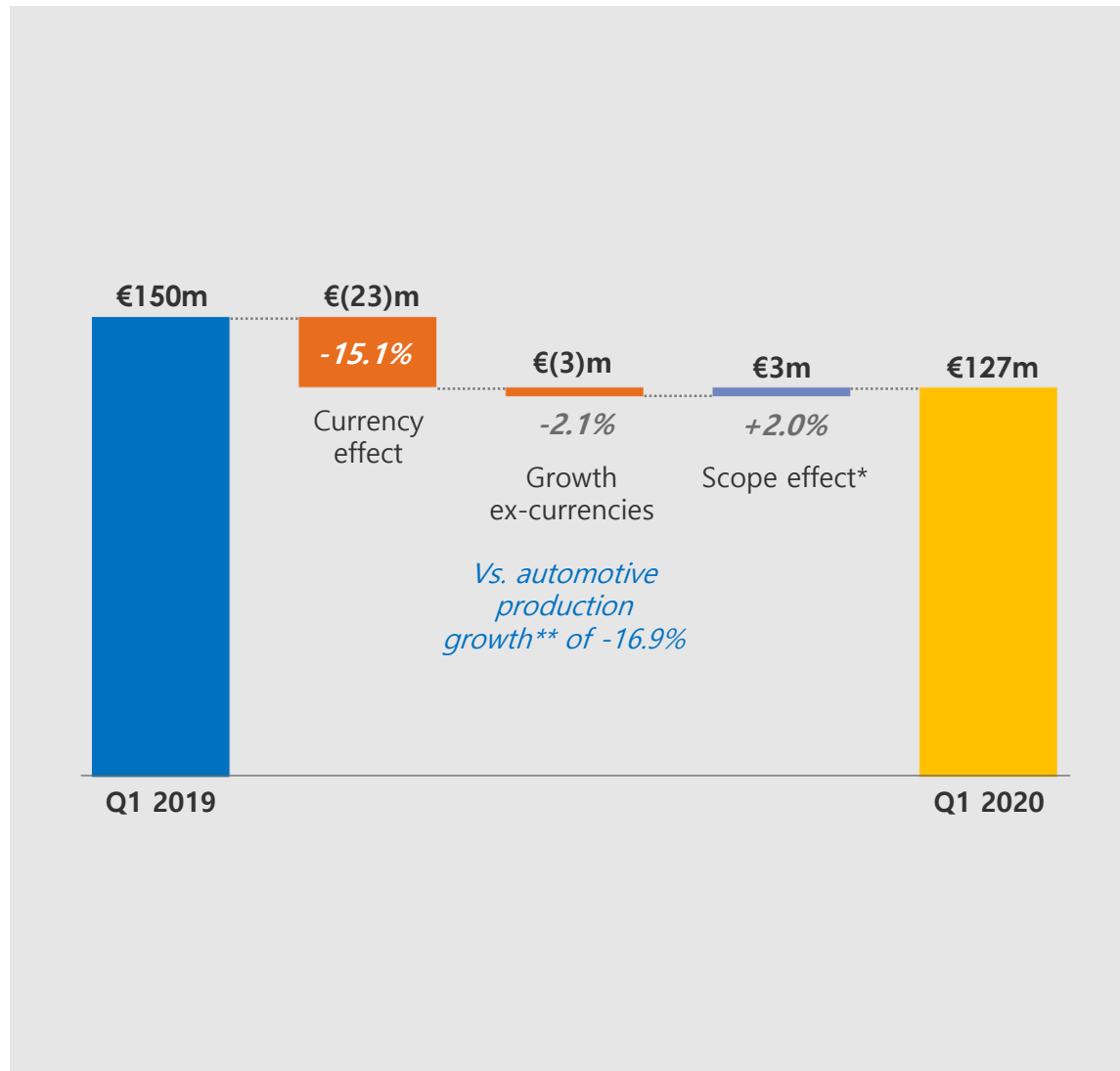
Strong outperformance in China where all plants have efficiently and safely restarted



- > **Sales down 33.9% ex-currencies and excluding scope effect → underperformance of 300bps**
 - Unfavorable geographic mix with Faurecia's sales in China in Q1 2020 representing 56% of its sales in the region vs. only one third of automotive production
- > **Sales down 20.4% on a reported basis, including a positive scope effect from :**
 - Clarion (€107m / +13.4%)
 - SAS (€4m / +0.5%)
- > **In China, sales amounted to €357m, down 40.8% on a reported basis and down 42.1% ex-currencies and excluding scope effect → outperformance of 800bps**
 - Q1 sales strongly impacted by the slowdown in activity related to the Covid-19 outbreak, with a peak in February and a gradual recovery as from March
 - **All sites have now restarted production, with a current loading rate of c. 90% to rapidly reach 100%**

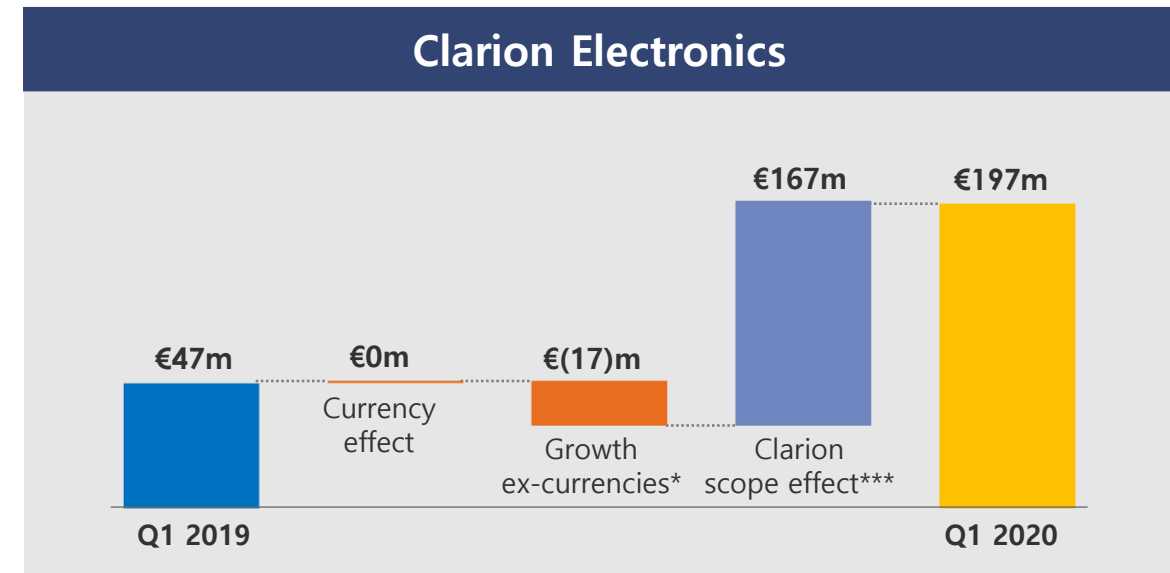
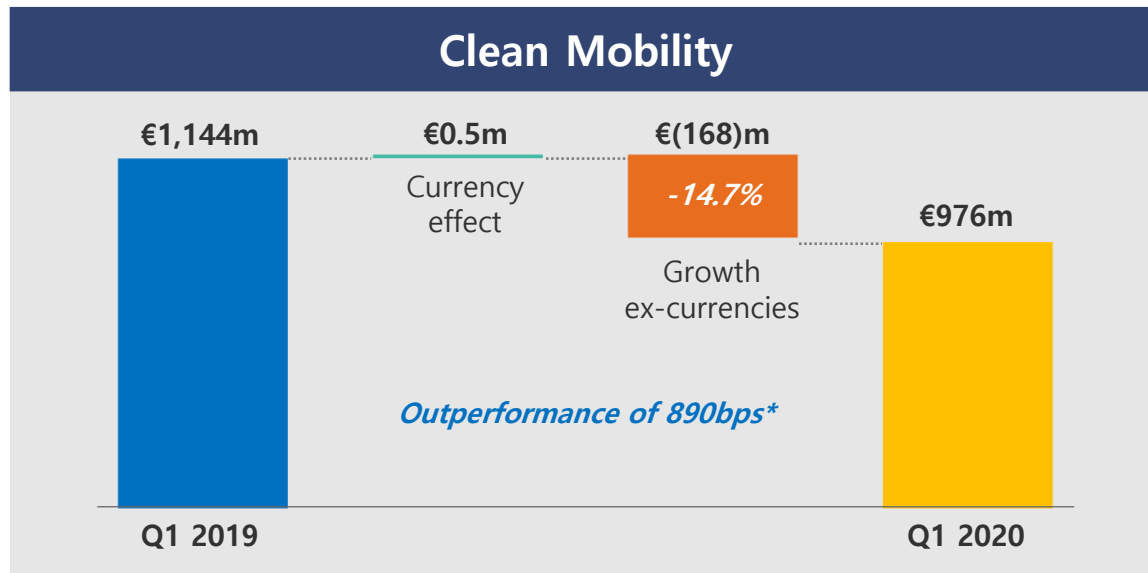
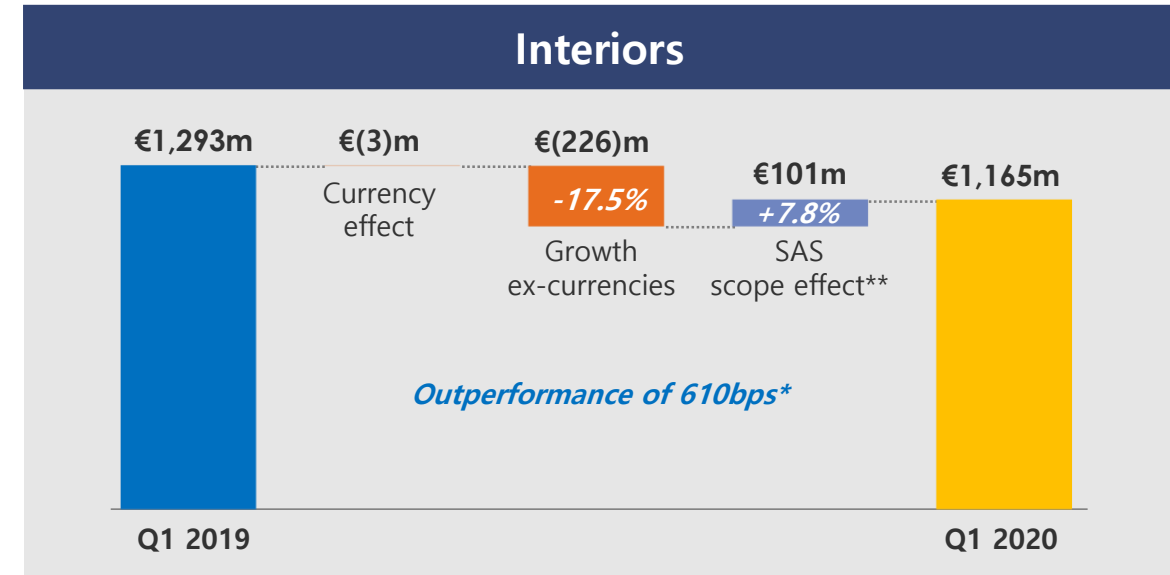
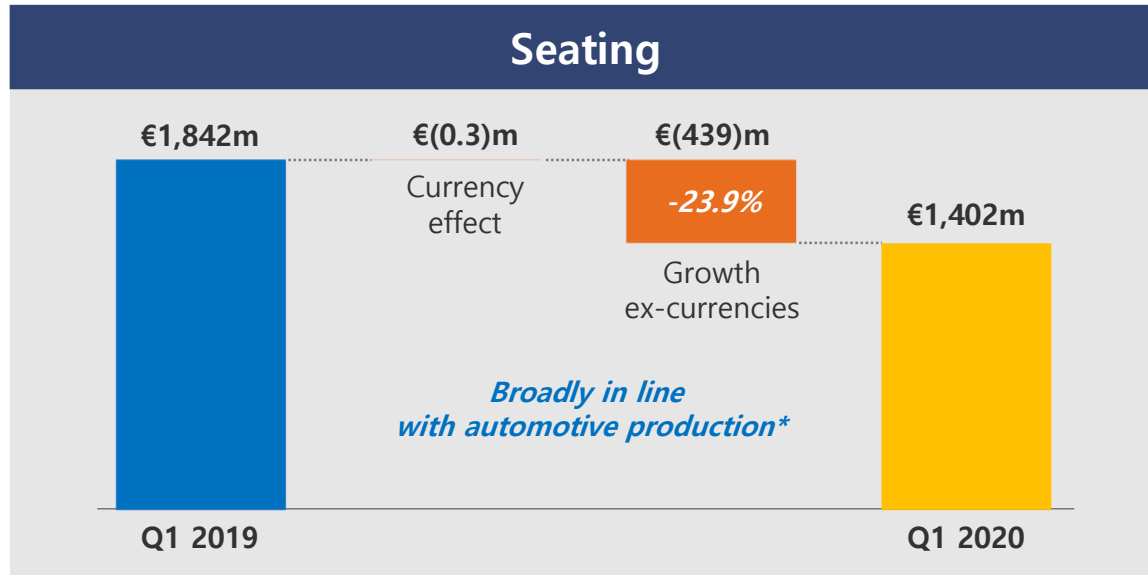
South America (3% of Group sales)

Broadly stable sales excluding currency effect



- > Sales slightly down (-2.1%) ex-currencies and excluding scope effect → **outperformance of 1,480bps**
- > Activity slowdown related to the Covid-19 outbreak from late March, with March sales down by close to 20% vs. March 2019
- > Sales down 15.2% on a reported basis, mainly related to a negative currency effect of €(23)m

Performance in line or above market in the 3 historical BGs



Key takeaways

- > **Q1 sales impacted by Covid-19 disruption but outperformance of 390bps above expectations**
- > **Focus on three priorities:**
 - > Protect health and safety of all employees
 - > Secure liquidity, recently enhanced through an €800m club deal loan
 - > Be ready for a safe restart of production through Faurecia's program "**SAFER TOGETHER**"
- > **Drastic cost-cutting actions implemented and strong focus on cash protection**
- > **Board decision to postpone the Annual Shareholders' Meeting to June 26, 2020**
- > **New 2020 financial objectives to be presented when the situation is stabilized and offers more visibility**
- > **This crisis will lead to a new economic paradigm based on resilience and stronger collaboration and support across the whole supply chain**



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Appendices

Financial calendar

> **June 26, 2020**

Annual Shareholders' Meeting

> **July 27, 2020**

H1 2020 results announcement

> **October 23, 2020**

Q3 2020 sales announcement

Definitions of terms used in this document

> 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".

Q1 2020 sales by region

Sales (in €m)	Reported	Currency effect		Growth ex-currencies		Scope effect*		Reported	
	Q1 2019	value	%	value	%	value	%	Q1 2020	%
Europe	2,217	-3	-0.1%	-363	-16.4%	80	3.6%	1,931	-12.9%
North America	1,117	28	2.5%	-204	-18.3%	74	6.6%	1,014	-9.2%
Asia	798	-3	-0.3%	-271	-33.9%	111	13.9%	635	-20.4%
<i>of which China</i>	604	-1	-0.2%	-254	-42.1%	9	1.5%	357	-40.8%
South America	150	-23	-15.1%	-3	-2.1%	3	2.0%	127	-15.2%
RoW	43	-2	-4.7%	-9	-21.5%			32	-26.2%
Group	4,325	-3	-0.1%	-851	-19.7%	268	6.2%	3,739	-13.5%

* Scope effect included 3 months of Clarion (consolidated as from April 1st, 2019) and 2 months of SAS (consolidated as from February 1st, 2020)

Q1 2020 sales by Business Group

Sales	Reported	Currency effect		Growth ex-currencies		Scope effect*		Reported	
(in €m)	Q1 2019	value	%	value	%	value	%	Q1 2020	%
Seating	1,842	0	0.0%	-439	-23.9%			1,402	-23.9%
Interiors	1,293	-3	-0.2%	-226	-17.5%	101	7.8%	1,165	-9.9%
Clean Mobility	1,144	0	0.0%	-168	-14.7%			976	-14.7%
Faurecia Clarion Electronics	47	0	-0.1%	-17	-36.6%	167	359.2%	197	322.5%
Group	4,325	-3	-0.1%	-851	-19.7%	268	6.2%	3,739	-13.5%

* Scope effect included 3 months of Clarion (consolidated as from April 1st, 2019) and 2 months of SAS (consolidated as from February 1st, 2020)

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Share Data

Bloomberg Ticker: EO:FP

Reuters Ticker: EPED.PA

Datastream: F:BERT

ISIN Code: FR0000121147

Bonds ISIN Codes

2025 bonds: XS1785467751

2026 bonds: XS1963830002

2027 bonds: XS2081474046

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In addition to the foregoing, Faurecia is monitoring closely the current and potential effects of the COVID-19 pandemic outbreak. As the COVID-19 pandemic continues to rapidly spread across the world, it is likely to continue to have an impact globally and it is uncertain at this point for how long and how severely this crisis will impact our business activities and financial results.

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