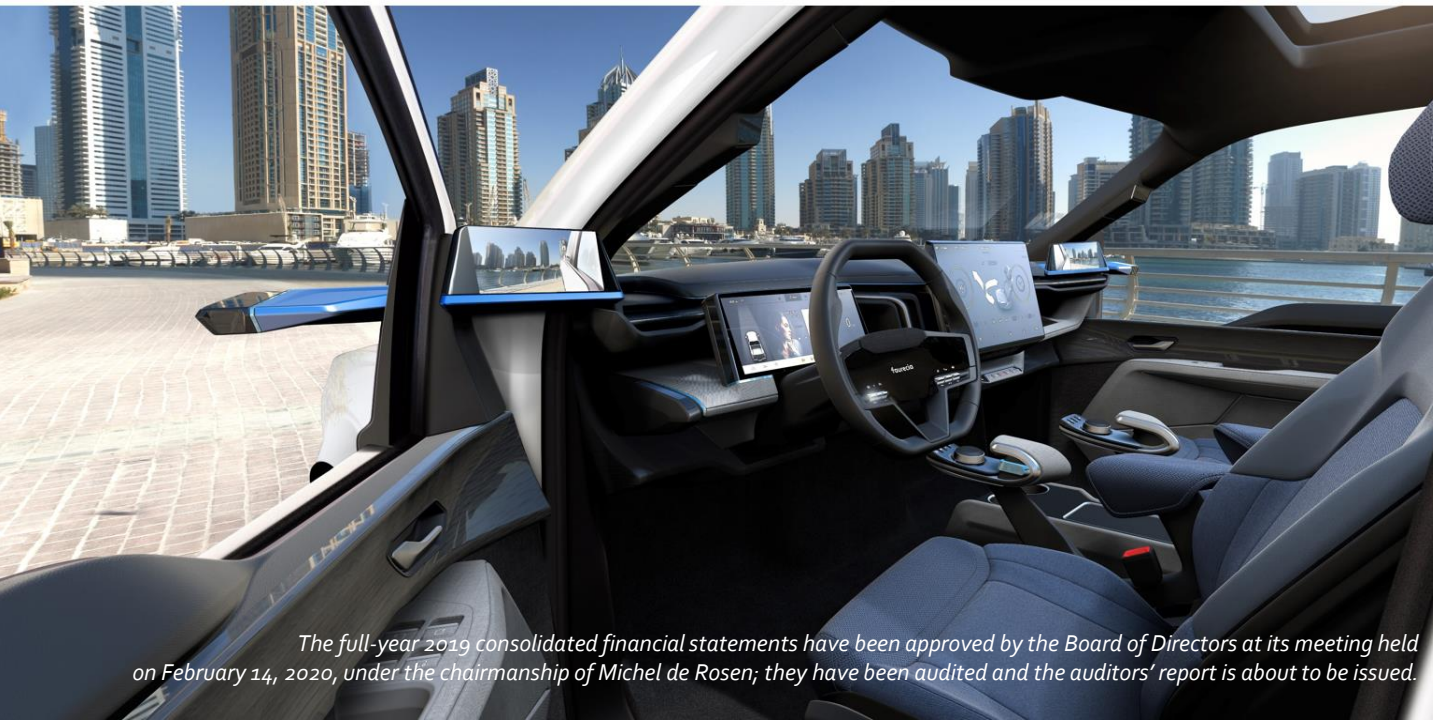




FY 2019 RESULTS

All targets achieved
despite tough environment
Record order intake



February 17, 2020

faurecia
inspiring mobility

The full-year 2019 consolidated financial statements have been approved by the Board of Directors at its meeting held on February 14, 2020, under the chairmanship of Michel de Rosen; they have been audited and the auditors' report is about to be issued.

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Chief Executive Officer

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2020 OUTLOOK

Patrick Koller
Chief Executive Officer

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2019 Highlights

> **Strong and resilient performance in 2019**

- All financial targets achieved in a tough environment
- Strong cash generation
- Record order intake in 2019 resulting in €68bn over the last three years

> **Accelerated transformation for Cockpit of the Future and Sustainable Mobility**

- Creation of Faurecia Clarion Electronics
- Acquisition of the 50% remaining stake in SAS
- Creation of Symbio, a 50/50 JV with Michelin

> **Focus on Total Customer Satisfaction and Sustainable Development**

- Customer recognition through 48 awards and 221 launches on target
- Values and Convictions defined and transversal initiatives deployed with KPIs
- Launch of a program to become CO₂ neutral by 2030 and creation of Faurecia Foundation

All targets achieved in a challenging environment

- > 2019 financial targets maintained throughout the year despite worsening worldwide automotive production from an estimated -1% in February 2019 to a final figure of -5.8%* (miss of 4.3m vehicles, of which 1.6m in China)

SALES	PROFITABILITY	NET CASH FLOW
<p>FY 2019 sales at constant currencies should outperform worldwide automotive production between 150 and 350bps</p> <p><i>(excluding Clarion consolidation)</i></p>	<p>FY 2019 operating income should increase in value and operating margin should be at least 7% of sales</p> <p><i>(including Clarion consolidation as from April 1)</i></p>	<p>FY 2019 net cash flow should be at least €500m</p> <p><i>(including Clarion consolidation as from April 1)</i></p>
<p>€17,768m</p> <p>✓</p> <p>Outperformance of 280bps vs. worldwide automotive production</p>	<p>€1,283m (vs. €1,274m in 2018)</p> <p>✓</p> <p>7.2% of sales (7.4% excl. Clarion consolidation)</p>	<p>Strong cash generation of €587m</p> <p>✓</p> <p>(vs. €528m in 2018)</p>

Robust profitable growth roadmap for Faurecia Clarion Electronics



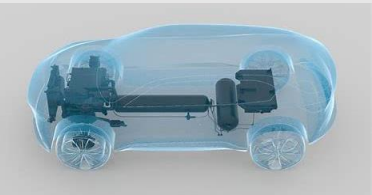



- > **Creation of our fourth Business Group with the successful integration of Clarion, Parrot and Coagent**
- > **Accelerated cost competitiveness program to generate at least €80m annual savings by end 2020**
 - Reduction of 14% of headcount at end 2019 (19% targeted at end 2020)
 - 4 plant closures, of which 3 in China
 - €22m savings generated in 2019
 - Clarion operating margin reached 3% of sales in 2019
- > **Strong order intake for FCE at €1.9bn in 2019**



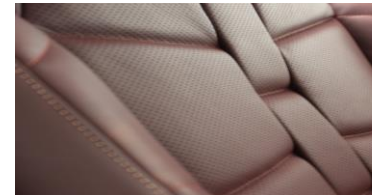




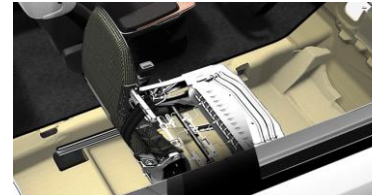
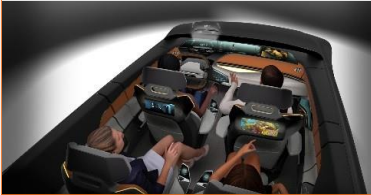



Target to reach €2.5 billion of sales and 8% profitability in 2025

Faurecia now offers an extended range of product lines for Sustainable Mobility and Cockpit of the Future

SUSTAINABLE MOBILITY

COCKPIT OF THE FUTURE

<p>PASSENGER VEHICLES</p> 	<p>DUAL POWER ELECTRIC VEHICLES</p> 
<p>FUEL CELL ELECTRIC VEHICLES</p> 	<p>COMMERCIAL VEHICLES & HIGH HORSEPOWER</p> 
<p>SMART MATERIALS</p> 	<p>ADAS</p> 

<p>COMPLETE SEATS</p> 	<p>SEAT STRUCTURE SYSTEMS</p> 	<p>COVERS & FOAM SOLUTIONS</p> 	<p>COMFORT & WELLNESS SOLUTIONS</p> 
<p>INTERIOR MODULES</p> 	<p>INSTRUMENT PANELS</p> 	<p>DOOR PANELS & CENTER CONSOLES</p> 	<p>ACOUSTIC SYSTEMS</p> 
<p>COCKPIT DOMAIN CONTROLLER</p> 	<p>IMMERSIVE EXPERIENCES</p> 	<p>DISPLAY TECHNOLOGIES</p> 	<p>DECORATION & INTERIOR LIGHTING</p> 

Record order intake securing future profitable growth

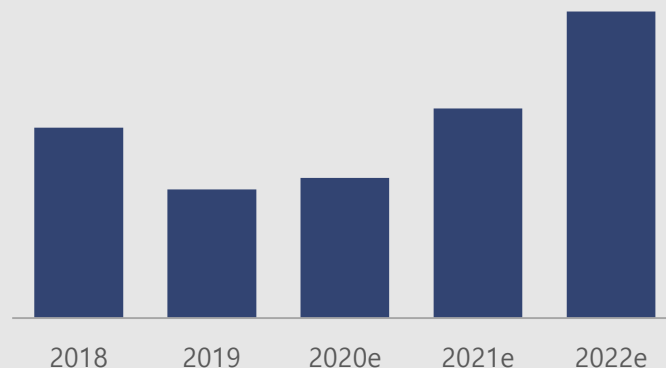
3-YEAR ROLLING ORDER INTAKE

(lifetime sales)
































- > **Record order intake in 2019 resulting in €68bn over the last three years:**
 - Reflecting continuous market share gains
 - With high profitability
- > **New Value Spaces* represented 17% of 2019 order intake (vs. 12% in 2018) and included:**
 - Commercial Vehicles and HHP at €1.6bn
 - FCE at €1.9bn
 - Two orders for Fuel cell tanks and systems
- > **Secured order intake, including ramp-up of Seating new programs, will fuel acceleration in sales outperformance as from 2021**

SEATING - SALES GROWTH PROFILE



Sustained investment in innovation and development of a broad ecosystem

	Sustainable Mobility	Cockpit of the Future	Group
Acquisitions	 	     	
Partnerships	 	     	  
Start-ups	  	      	

> Sustainable Mobility

- Partnership with **Michelin** for fuel cell systems
- Acquisition of **Ullit** for high-pressure tanks

> Cockpit of the Future

- Acquisitions of **Clarion**, **Creo Dynamics** and **Covatech**
- Acquisition of the remaining stake in **SAS**
- Partnerships with **Microsoft**, **Aptoide**, **Devialet** and **Allwinner**

> Cybersecurity

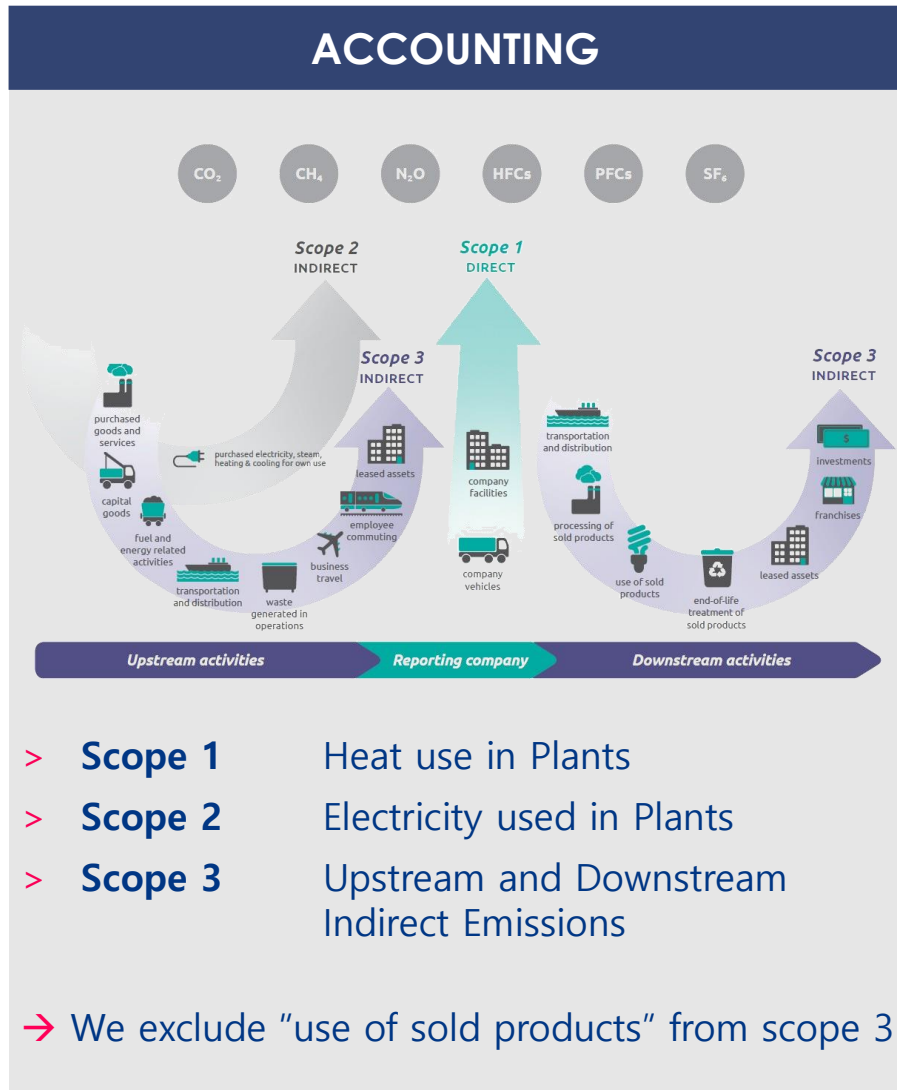
- Investment in **Guardknox** and technology platform in Tel Aviv

> Innovation

- **€584m** over the last three years (€235m in 2019)

> Patents

- **608 first patents**, of which 476 for Seating, Interiors and Clean Mobility (vs. 403 in 2018) + 132 for FCE



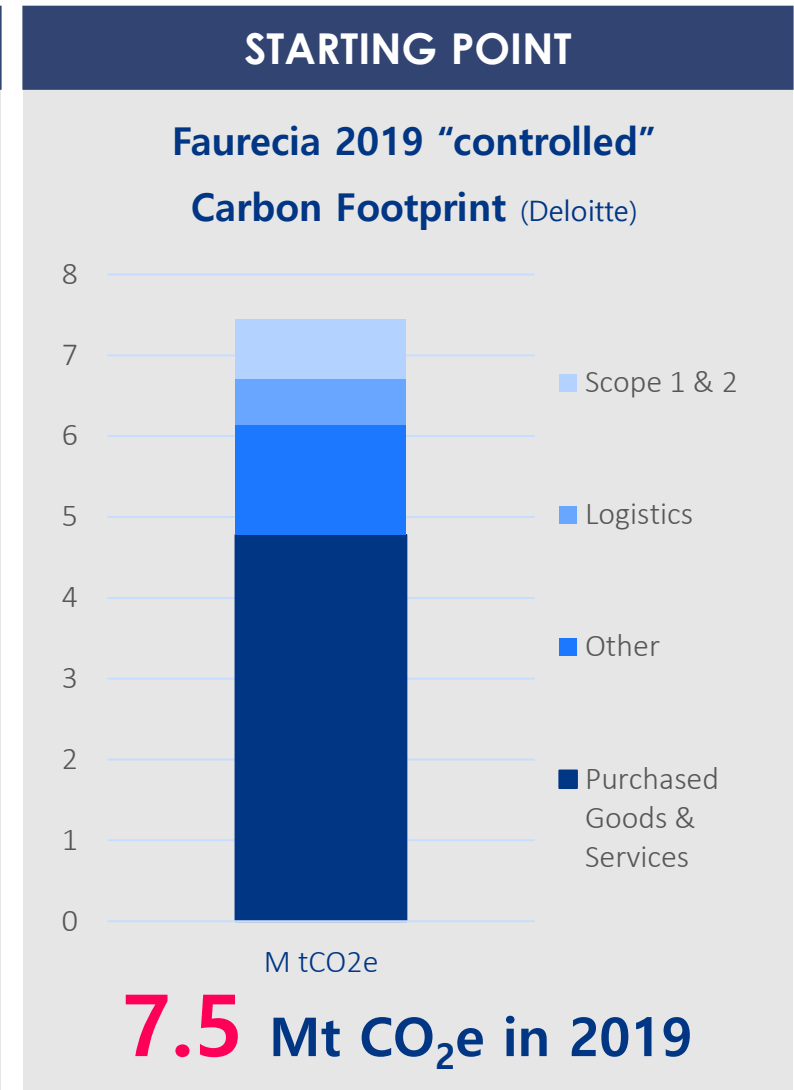
ACTIONS

USE
LESS

DESIGN
FOR PLANET

BUY
GREEN

MOVE
LESS



Faurecia is one of the four Tier-1 Suppliers already ranked A- by the CDP on climate

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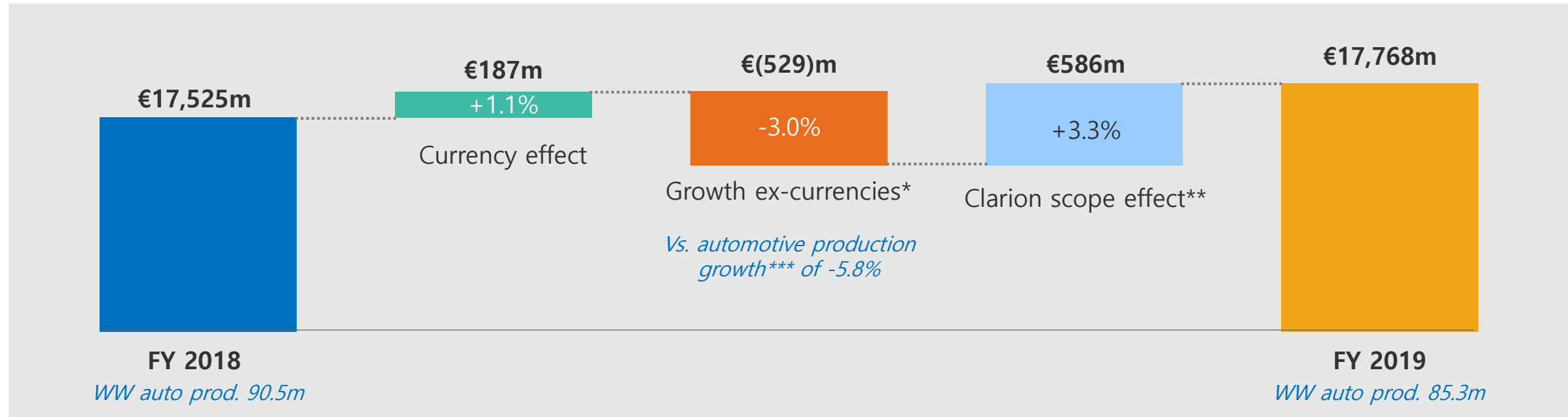
2020 OUTLOOK

Patrick Koller
Chief Executive Officer

Strong financial performance and increased proposed dividend

<p>Sales €17,768m vs. €17,525m in 2018</p>	<p>Up 1.4% on a reported basis and down 3.0% at constant currencies and excl. Clarion scope effect Outperformance of 280bps, in line with guidance of between 150bps and 350bps</p>
<p>Operating income €1,283m vs. €1,274m in 2018</p>	<p>In line with guidance of increase in value year-on-year</p>
<p>Operating margin 7.2% of sales vs. 7.3% of sales in 2018</p>	<p>In line with guidance of at least 7% Excluding Clarion, operating margin stood at 7.4%</p>
<p>Net income €590m vs. €701m in 2018</p>	<p>Mainly impacted by:</p> <ul style="list-style-type: none"> • Higher restructuring costs for Clarion and to adapt to tough environment • One-offs due to Clarion acquisition and integration costs
<p>Net Cash Flow €587m vs. €528m in 2018</p>	<p>Well above guidance of at least €500m, including:</p> <ul style="list-style-type: none"> • A positive impact from the disposal of Clarion's HQ in Saitama • A negative impact from higher restructuring and lower factoring of receivables
<p>Net debt at year-end €2.5bn vs. €0.5bn at Dec. 31, 2018</p>	<p>Including acquisitions for €1.4bn and a negative impact of €0.9bn from IFRS16 adoption Net debt-to-EBITDA ratio at 1.05x at Dec. 31, 2019</p>
<p>Proposed dividend* €1.30 per share vs. €1.25 paid in 2019</p>	<p>Increase in dividend reflects confidence in future profitable growth prospects</p>

Sales outperformance of 300bps despite significant impact from Seating EoPs



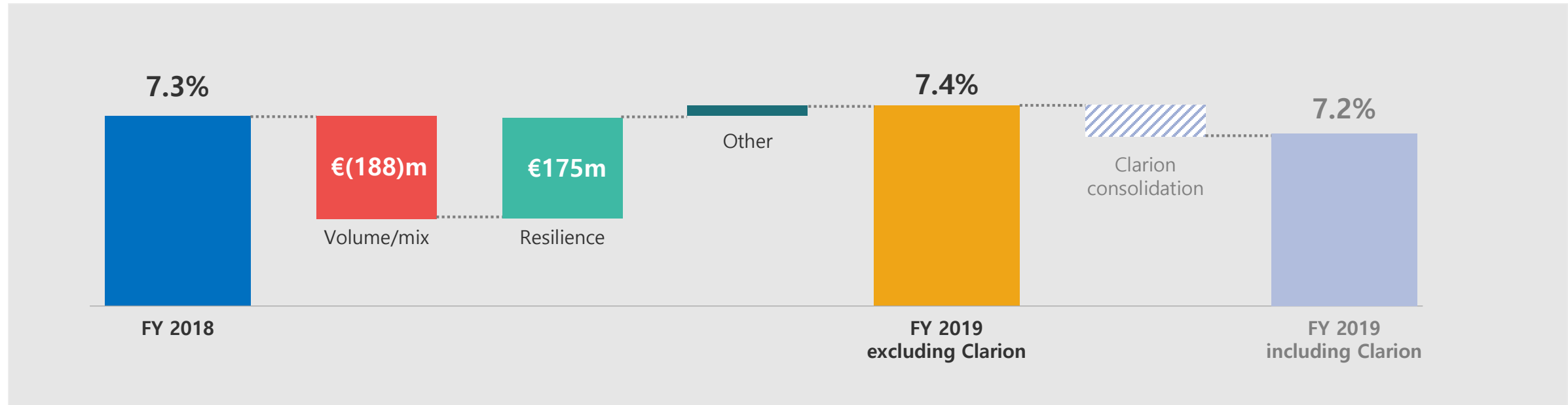
> **Solid outperformance throughout the year**

> **Seasonality with:**

- H1 favored by bolt-ons
- H2 more negatively impacted by Seating EoPs + GM strike

	H1 2019	H2 2019	FY 2019
Worldwide automotive production***	-7.2%	-4.3%	-5.8%
Faurecia growth ex-currencies & excl. Clarion	-2.8%	-3.3%	-3.0%
<i>o/w</i>			
<i>Bolt-ons</i>	+1.8%	+0.3%	+1.1%
<i>Seating EoPs</i>	-2.4%	-3.4%	-2.9%
<i>GM strike</i>		-0.9%	-0.4%
Excluding the 3 impacts	-2.2%	+0.7%	-0.8%
Outperformance	440bps	100bps	280bps
Outperformance excl. the 3 impacts	500bps	500bps	500bps

Confirmed resilient performance thanks to strong action plans



> **The negative impact from volume/mix was broadly offset by cost savings generated by:**

- Our three global cost optimization programs
- Resilience actions put in place as early as H2 2018 for cost flexibilization

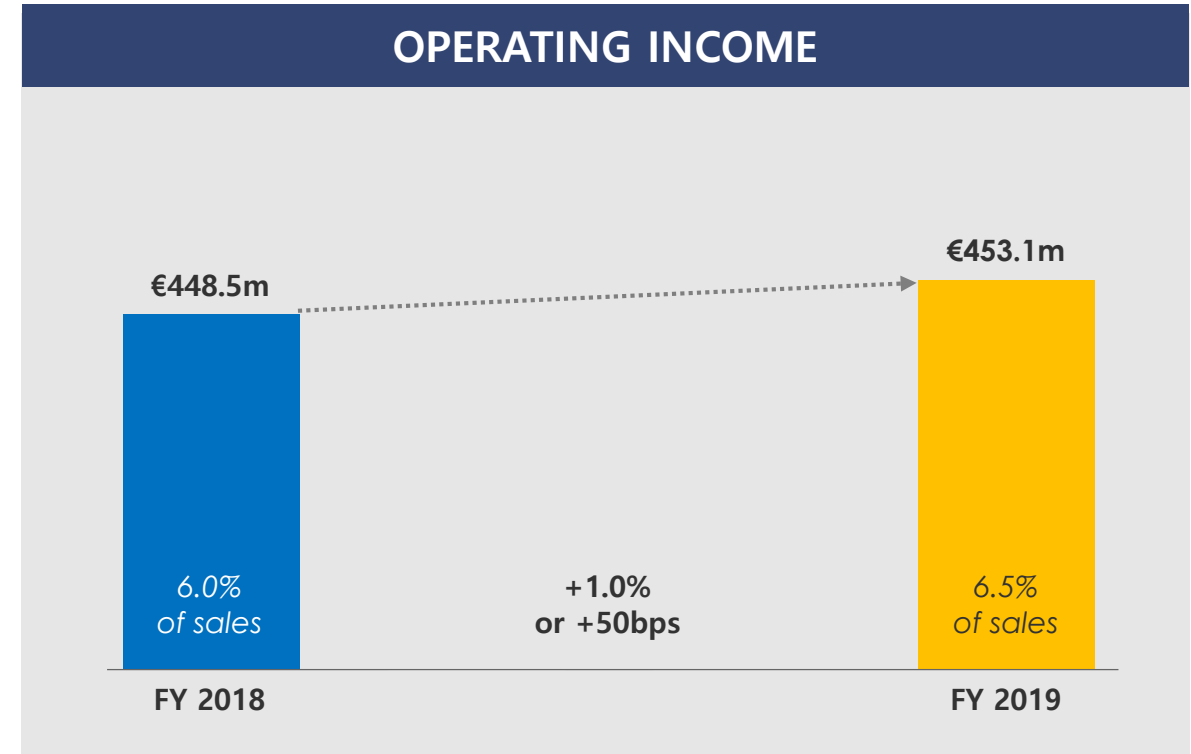
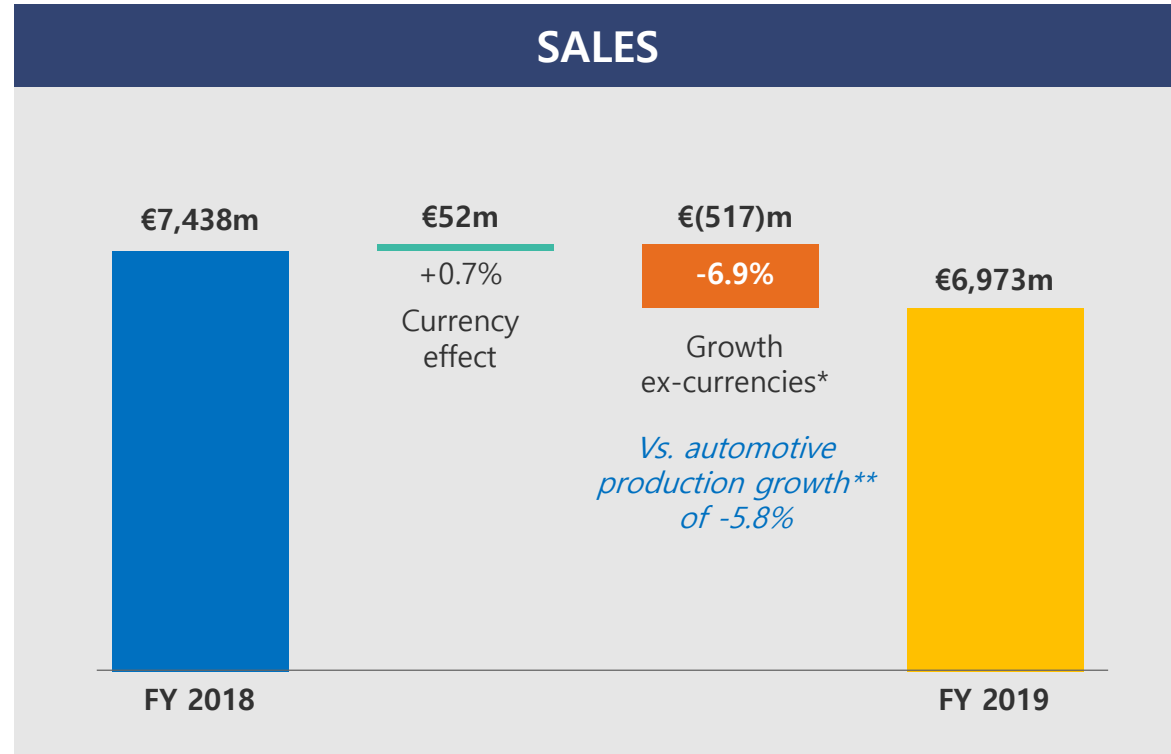
Successful resilience action plans

- > **Operational flexibility through direct and indirect headcount management**
 - Total headcount reduction of c. 6% year-on-year (at constant perimeter)
 - Additional flexibility through temporary headcount, still representing an estimated share of c.19% of total headcount (including FCE) at 2019 year-end
- > **Rationalization and optimization of industrial footprint**
 - 20 plants closed year-on-year, of which 4 for FCE + 11 non-industrial sites
- > **Tight management of manufacturing and SG&A fixed costs strengthened since July 2018**
 - Limited recruitment
 - Reduced use of sub-contractors
 - Strict control of travel, consultancies and other general expenses
- > **Continued benefits from the three global cost optimization programs**

Savings of €175m in 2019, representing over 5% of cost base

Seating 39% of Group sales

Improved profitability despite lower sales

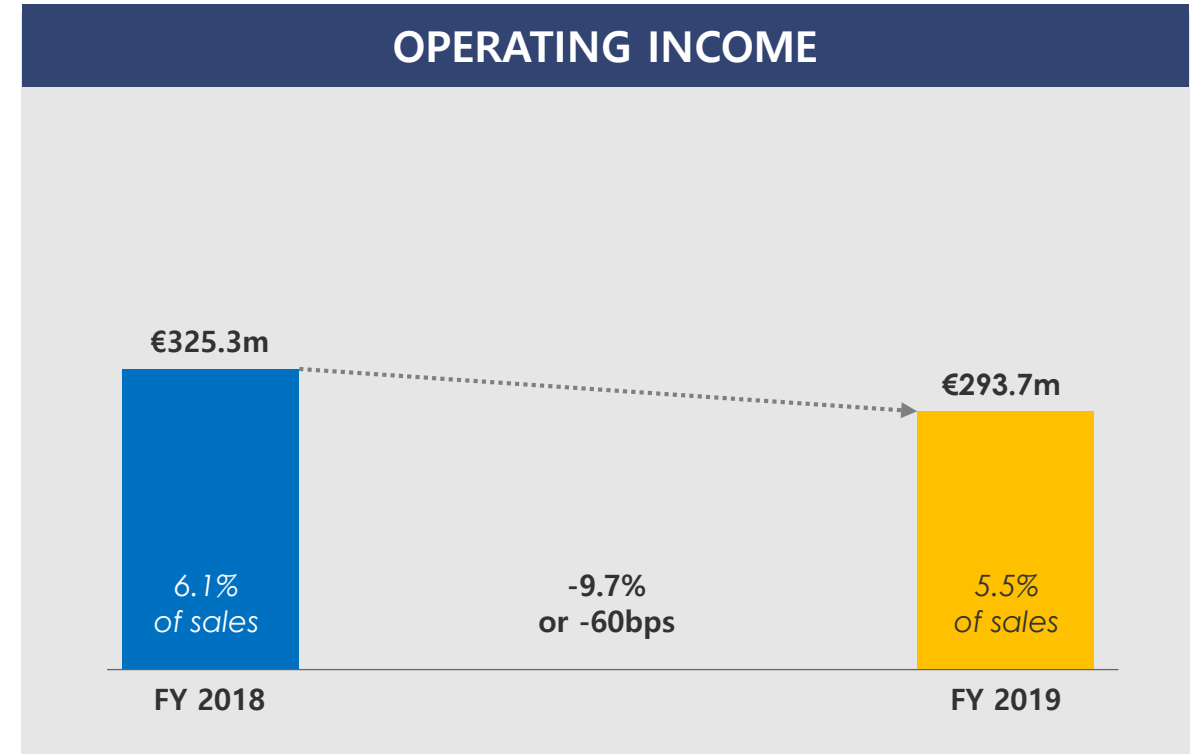
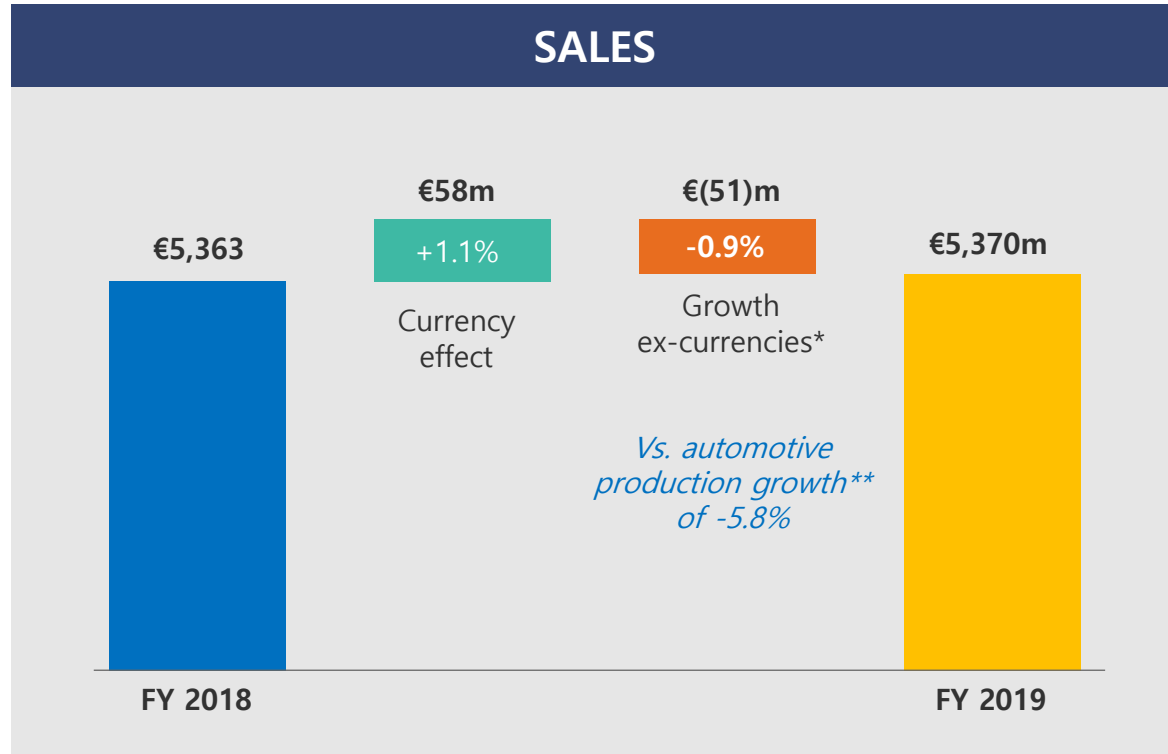


- > Sales down 6.3% on a reported basis and down 7.0% → underperformance of 110bps due to the temporary impact of EoPs for €(511)m or (6.8)%
 - Expected impact in 2020 of c. €(100)m in Q1 and c. €(40)m in Q2
 - Positive impact from SoPs to start gradually from Q4 2020 and accelerate in 2021
- > Ex-currencies, sales included €106m or +1.4% of sales from bolt-ons

- > Increase in operating margin mostly driven by improved execution and accretive mix effect (seat structures vs. complete seats)

Interiors 30% of Group sales

Strong sales outperformance of 490bps; profitability temporarily impacted by the Decoration activity

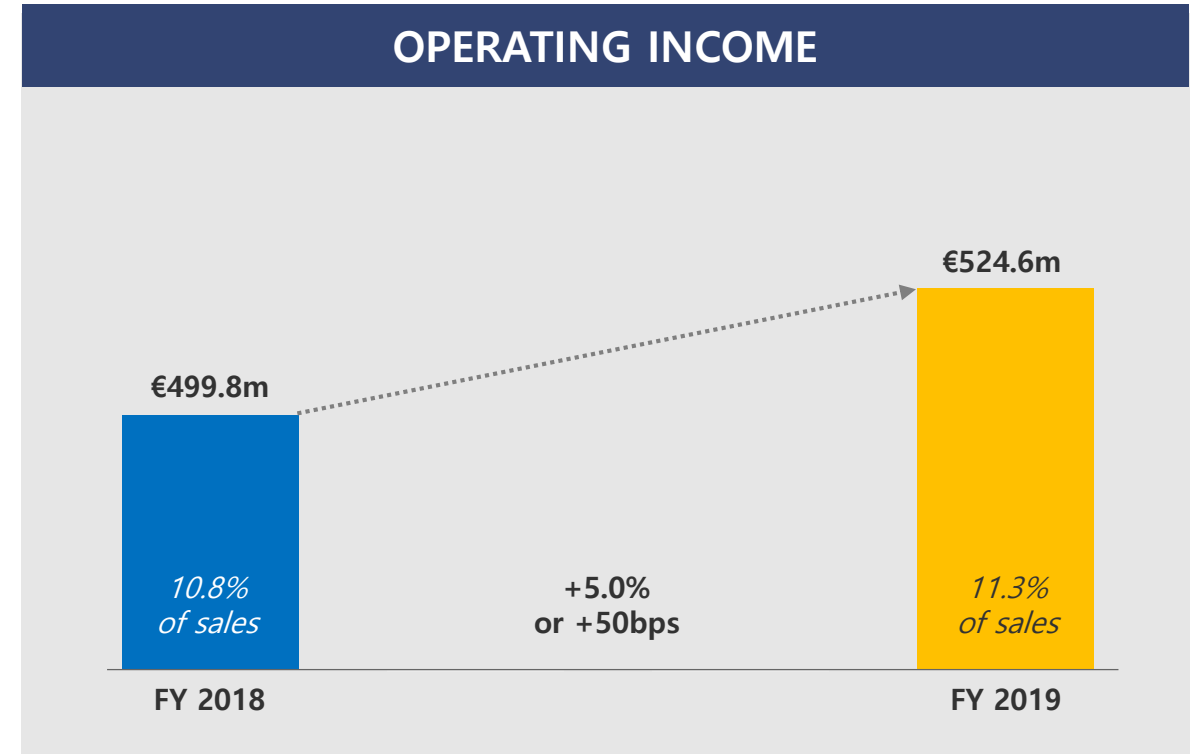
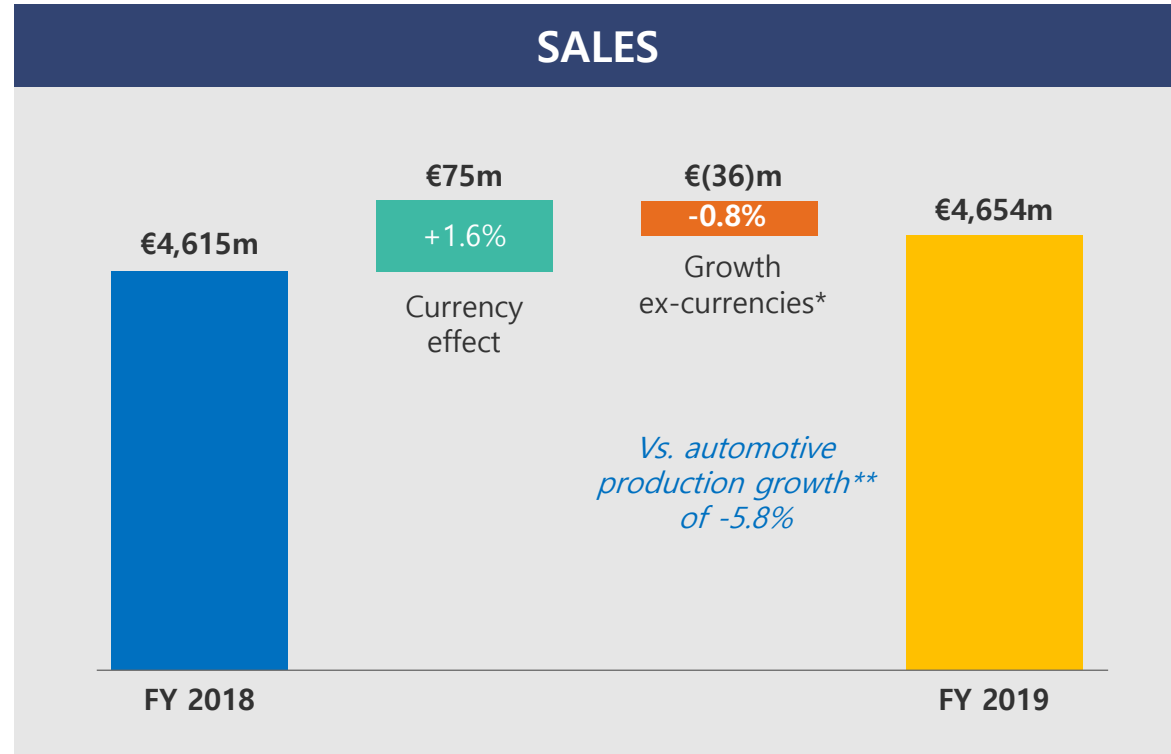


- > Sales broadly stable on a reported basis and down 0.9% ex-currencies → outperformance of 490bps
- > Sales growth with RNM in Europe, FCA and Tesla in North America, as well as Hyundai, Vinfast and Chinese OEMs in Asia did not offset challenging market conditions faced by other OEMs

- > Operating margin mostly impacted by losses in the Decoration activity in Europe for €37m (back to profit expected in H2 2020)

Clean Mobility 26% of Group sales

Strong sales outperformance of 500bps and improved profitability

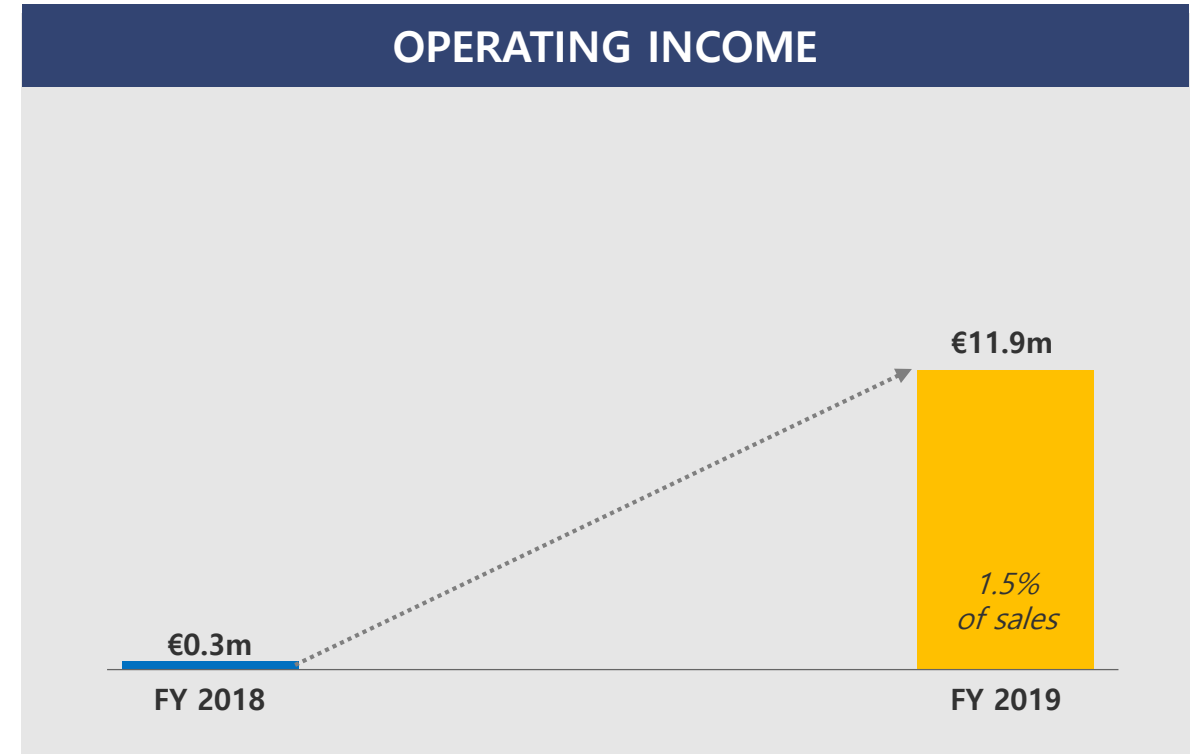
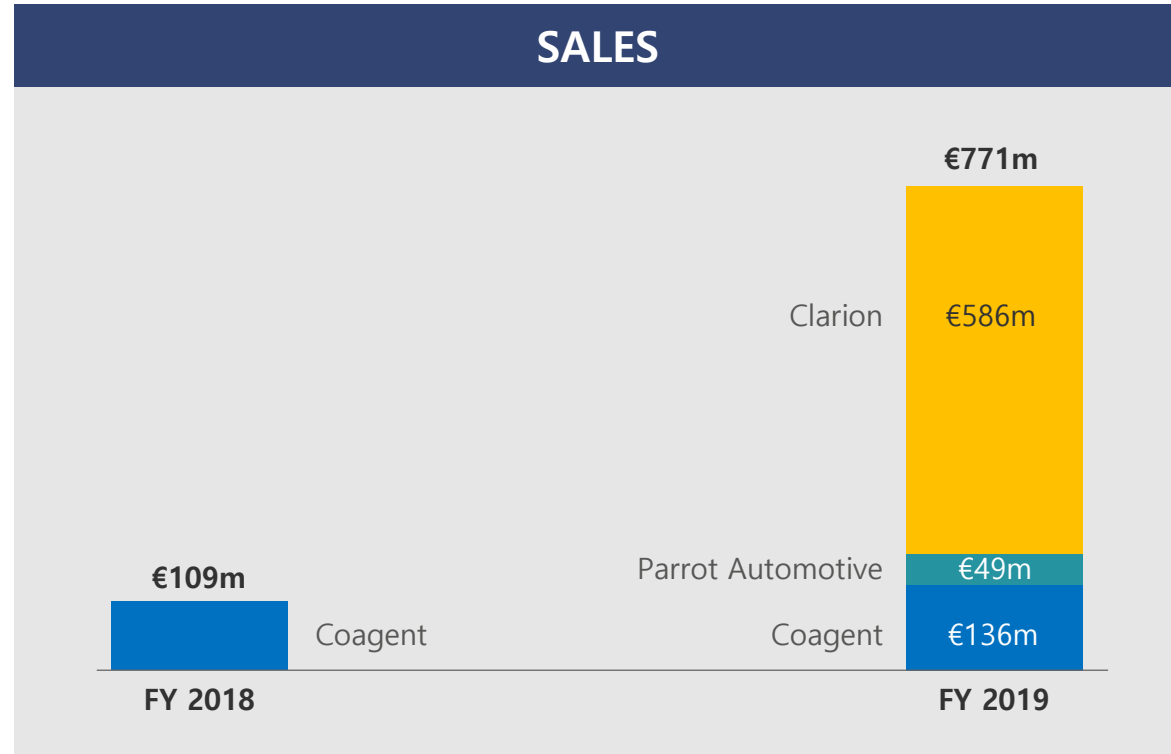


- > Sales up 0.8% on a reported basis and slightly down 0.8% ex-currencies → outperformance of 500bps
- > Outperformance in all regions, mainly driven by RNM, GM, Hyundai and Honda

- > Increase in operating margin mostly driven by North America, Europe and South America (tax recovery in Brazil)

Clarion Electronics 5% of Group sales

Successful integration of Clarion and improved profitability in H2 thanks to accelerated cost-cutting plans

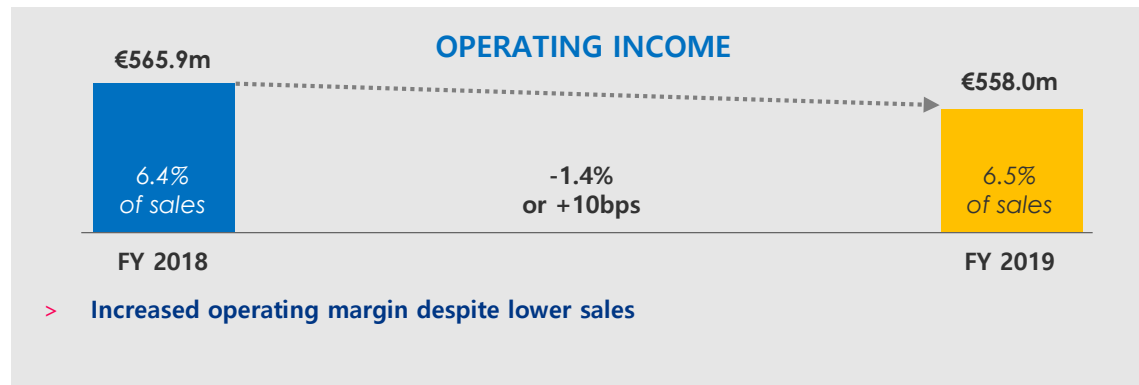
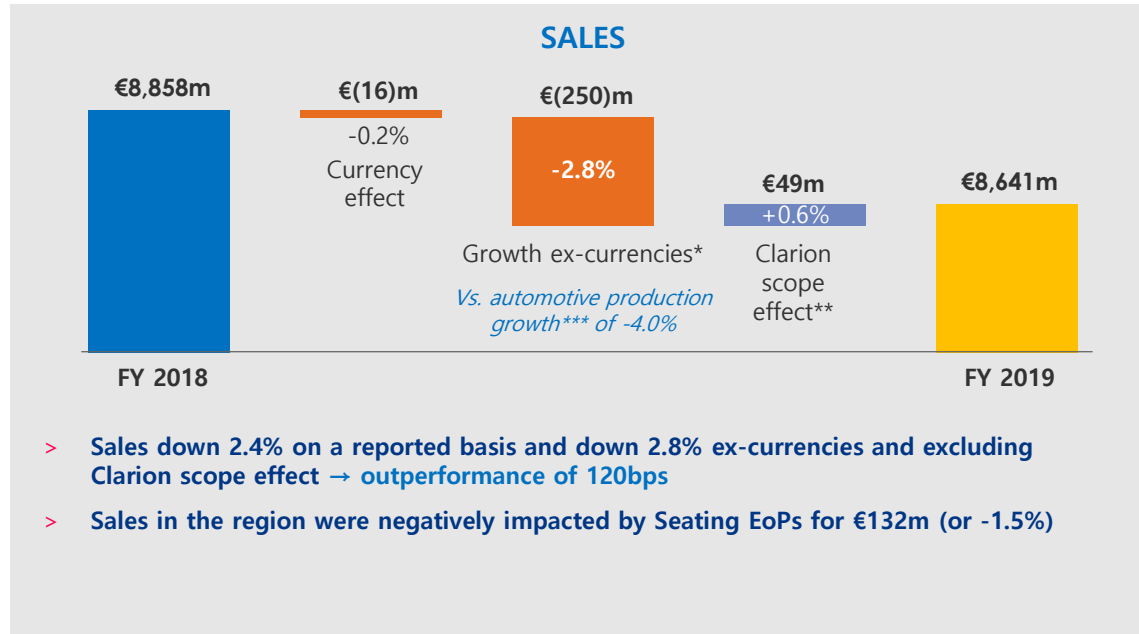


- > Sales included the first consolidation of Clarion (since April 1) and of Parrot Automotive (since January 1)
- > Coagent posted double-digit growth, driven by new launches

- > Significant improvement in H2, thanks to Clarion back to profit
- > 2019 included €(6)m from one-off integration costs (mainly SAP implementation); excluding this one-off, operating margin stood at 2.3%

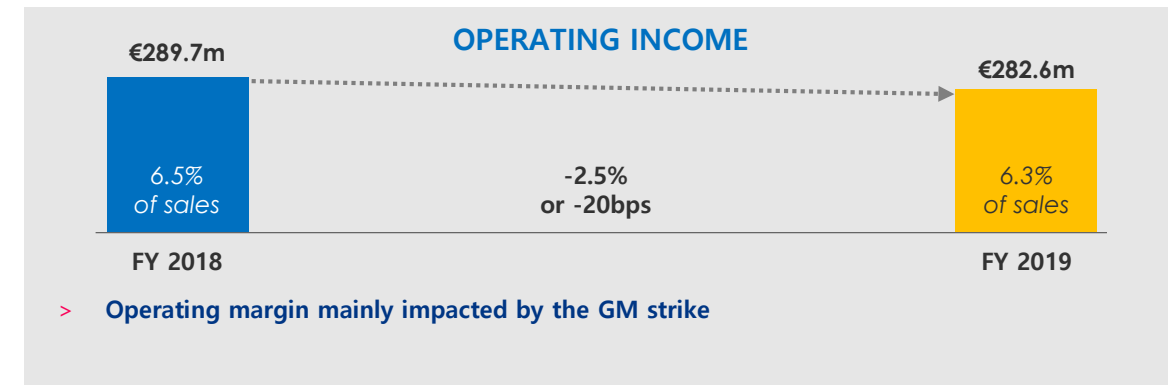
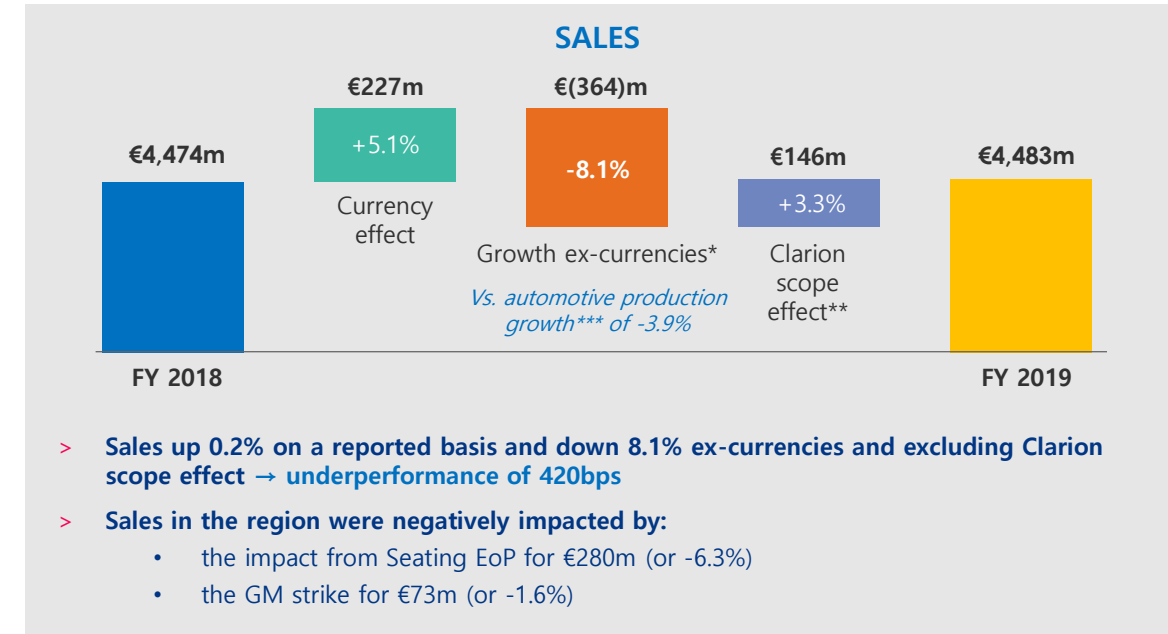
Europe 49% of Group sales

Sales outperformance in a challenging environment and improved profitability



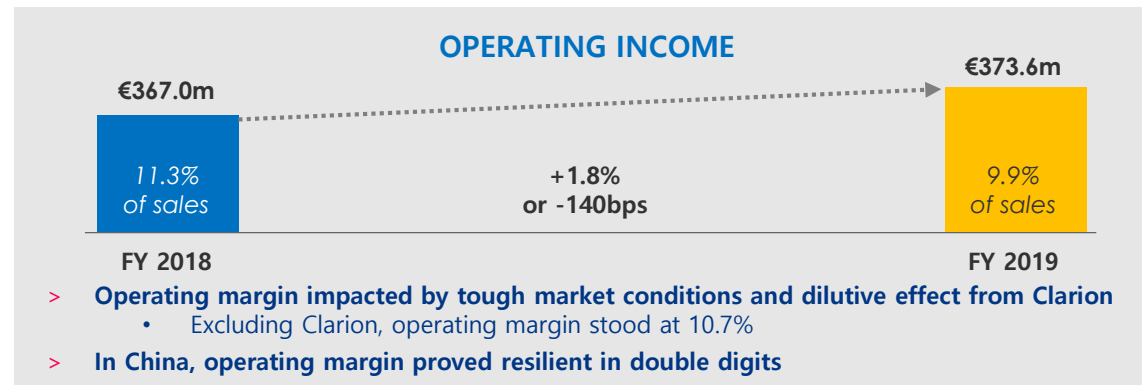
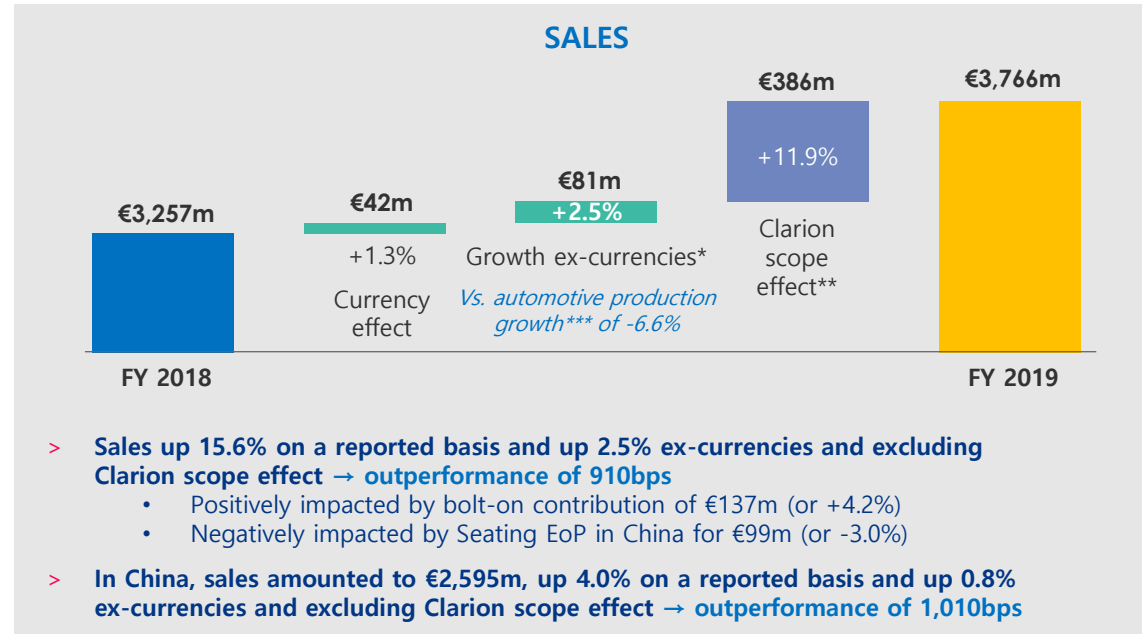
North America 25% of Group sales

Sales impacted by significant Seating EoP and resilient profitability



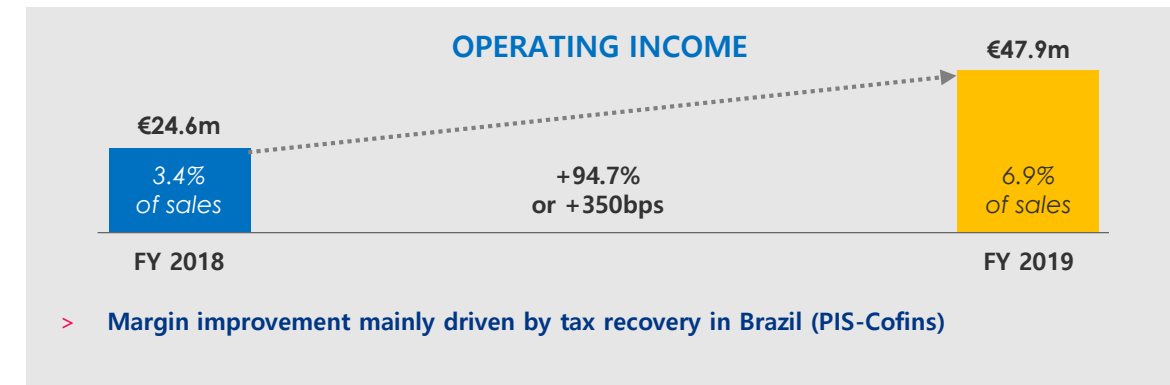
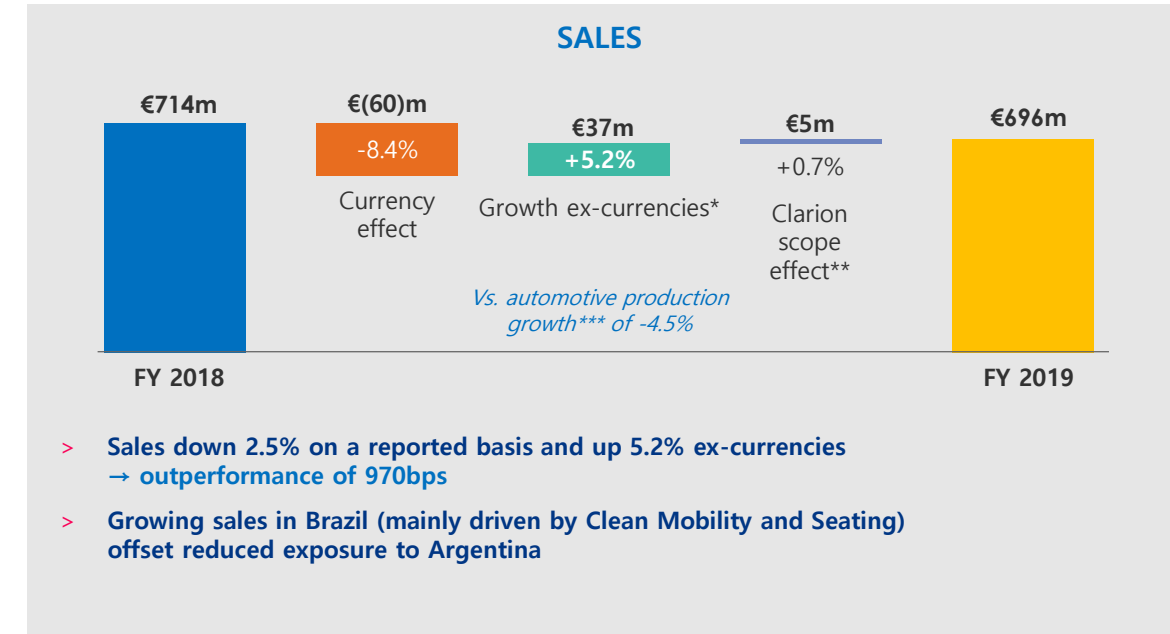
Asia 21% of Group sales

Sales outperformance of 910bps in a tough environment; resilient double-digit profitability in China



South America 4% of Group sales

Strong sales outperformance of 970bps and improved profitability driven by Brazil



Operating income up to €1,283m

Resilient operating margin and dilutive impact from Clarion

in €m	FY 2018	FY 2019	Change
Sales	17,525	17,768	+1.4%
<i>ex-currency growth*</i>			<i>-3.0%</i>
Cost of sales	(15,249)	(15,287)	+0.2%
<i>% of sales</i>	<i>(87.0%)</i>	<i>(86.0%)</i>	
Gross margin	2,276	2,482	+9.0%
<i>% of sales</i>	<i>13.0%</i>	<i>14.0%</i>	<i>+100bps</i>
R&D gross	(1,093)	(1,330)	
Capitalized development costs	794	910	
<i>as % of R&D gross</i>	<i>72.7%</i>	<i>68.4%</i>	
R&D costs, net	(299)	(420)	
<i>% of sales</i>	<i>(1.7%)</i>	<i>(2.4%)</i>	
Selling and administrative expenses	(703)	(779)	
<i>% of sales</i>	<i>(4.0%)</i>	<i>(4.4%)</i>	
Operating income (before amort. of acquired intangible assets)	1,274	1,283	+0.7%
<i>% of sales</i>	<i>7.3%</i>	<i>7.2%</i>	<i>-10bps</i>

- > **Gross margin improved by 100bps**, reflecting resilience actions
- > **Net R&D increased by 70bps**, reflecting increased innovation for €33m (CoF, Zero Emission, CVE&HHP) and FCE for €64m (Clarion and Parrot Automotive)
- > **Selling and administrative expenses increase** included €(107)m from FCE; excluding FCE, they were down 4.4%
- > **Resilient operating margin at 7.2% of sales**
 - Demonstrating solid operating leverage in a tough context
 - Including a dilutive impact from Clarion of 20bps

Net income impacted by higher restructuring and Clarion-related costs

in €m	FY 2018	FY 2019	Change
Operating income (before amort. of acquired intangible assets)	1,274	1,283	+0.7%
Amort. of intangible assets acquired in business combinations	(11)	(56)	
Operating income (after amort. of acquired intangible assets)	1,263	1,227	-2.9%
Restructuring	(101)	(194)	
Other non-recurring operating income and expense	(47)	(20)	
Net interest expense & Other financial income and expense	(164)	(219)	
Income before tax of fully consolidated companies	952	794	-16.6%
Income taxes	(190)	(167)	
<i>as % of pre-tax income</i>	<i>(20.0%)</i>	<i>(21.0%)</i>	
Net income of fully consolidated companies	762	627	-17.7%
Share of net income of associates	31	38	
Consolidated net income before minority interest	793	665	-16.2%
Minority interest	(93)	(75)	
Consolidated net income, Group share	701	590	-15.8%

- > **Amortization of intangible assets in 2019 mainly included €(50)m for FCE** (of which €33m for 9 months of Clarion)
- > **Restructuring expenses increase of €93m, of which:**
 - €(31)m to adapt to challenging environment
 - €(62)m related to FCE

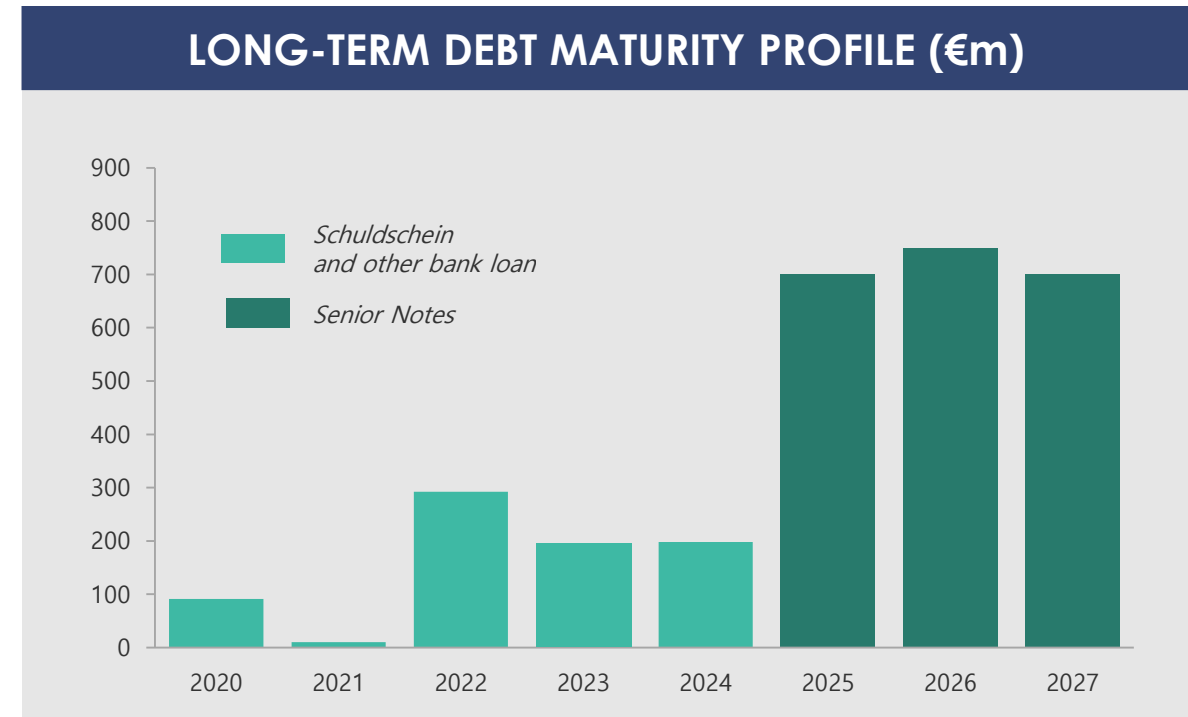
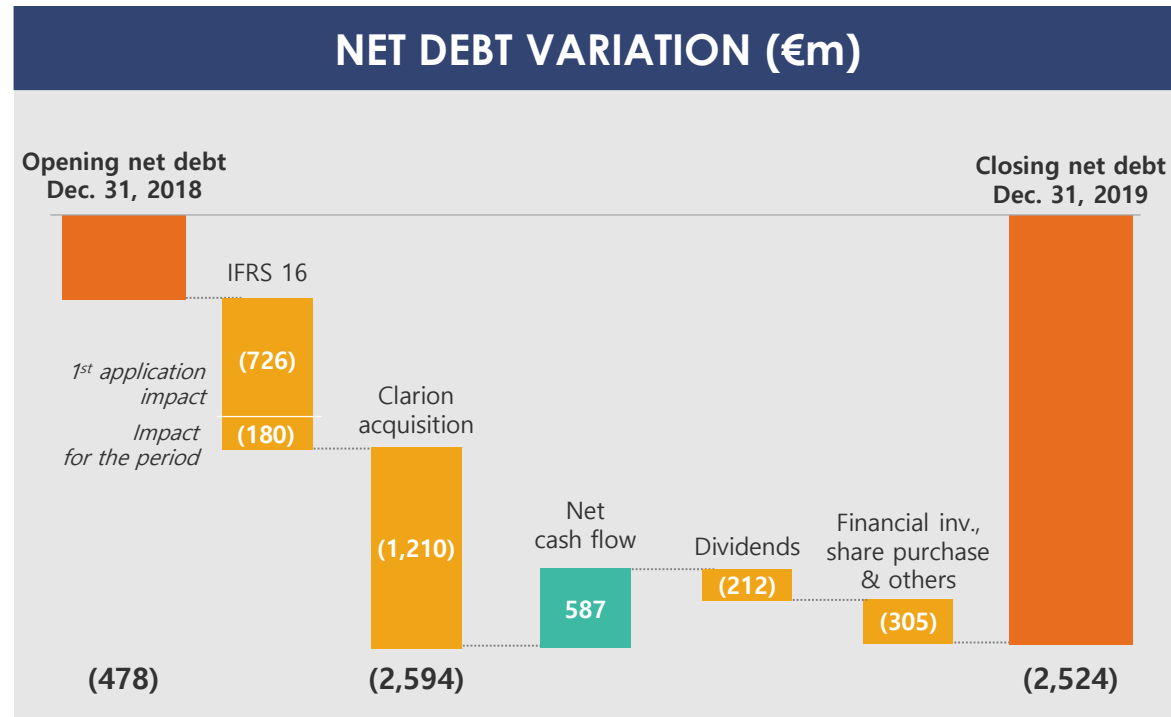
Restructuring expenses to be significantly reduced in 2020
- > **Other non-recurring operating income and expenses in 2019 included €(16)m of acquisition & integration costs related to Clarion**
- > **Net financial expenses 2019 included:**
 - Financing of Clarion for €(39)m (incl. hedging)
 - €(45)m related to IFRS16
- > **2019 tax rate of 21% benefited mainly from the recognition of deferred tax assets in Germany**
- > **Excluding Clarion, net income stood at €722m, up 3% year-on-year**

Net cash flow up 11%, to €587m

in €m	FY 2018	FY 2019	Change
Operating income	1,274	1,283	+0.7%
Depreciation and amortization, of which:	867	1,121	
. Amortization of R&D intangible assets	399	438	
. Other depreciation and amortization	468	683	
EBITDA	2,141	2,404	+12.3%
Capex	(673)	(685)	
Capitalized R&D	(593)	(681)	
Change in WCR	80	166	
Change in factoring	(61)	(57)	
Restructuring	(93)	(166)	
Financial expenses	(108)	(197)	
Taxes	(261)	(296)	
Other (operational)	97	99	
Net cash flow	528	587	+11.2%
Dividends paid (incl. mino.)	(211)	(212)	
Share purchase	(48)	(29)	
Net financial investment & Other	(296)	(1,486)	
IFRS16 impact		(906)	
Change in net debt	(26)	(2,046)	

- > **EBITDA up €263m or +12.3%**, mostly due to the application of IFRS16 as of January 1, 2019
- > **Strict control of capex**, broadly stable year-on-year
- > **Capitalized R&D** increase mainly reflected FCE
- > **Change in WCR** reflected further deployment of reverse factoring
- > **Net factoring reduction of €(57)m**
- > **Restructuring** included closure of 20 plants in 2019
- > **Financial expenses** reflected IFRS16 impact, Clarion acquisition and one-offs due to refinancing operations
- > **Other (operational)** included the sale of Clarion's HQ in Saitama for €110m (no P&L impact)
- > **Net financial investments** mainly included the acquisition of Clarion, the investment in Symbio and the stake increase in Coagent from 50.1% to 100%

Strong financial discipline and secured financing

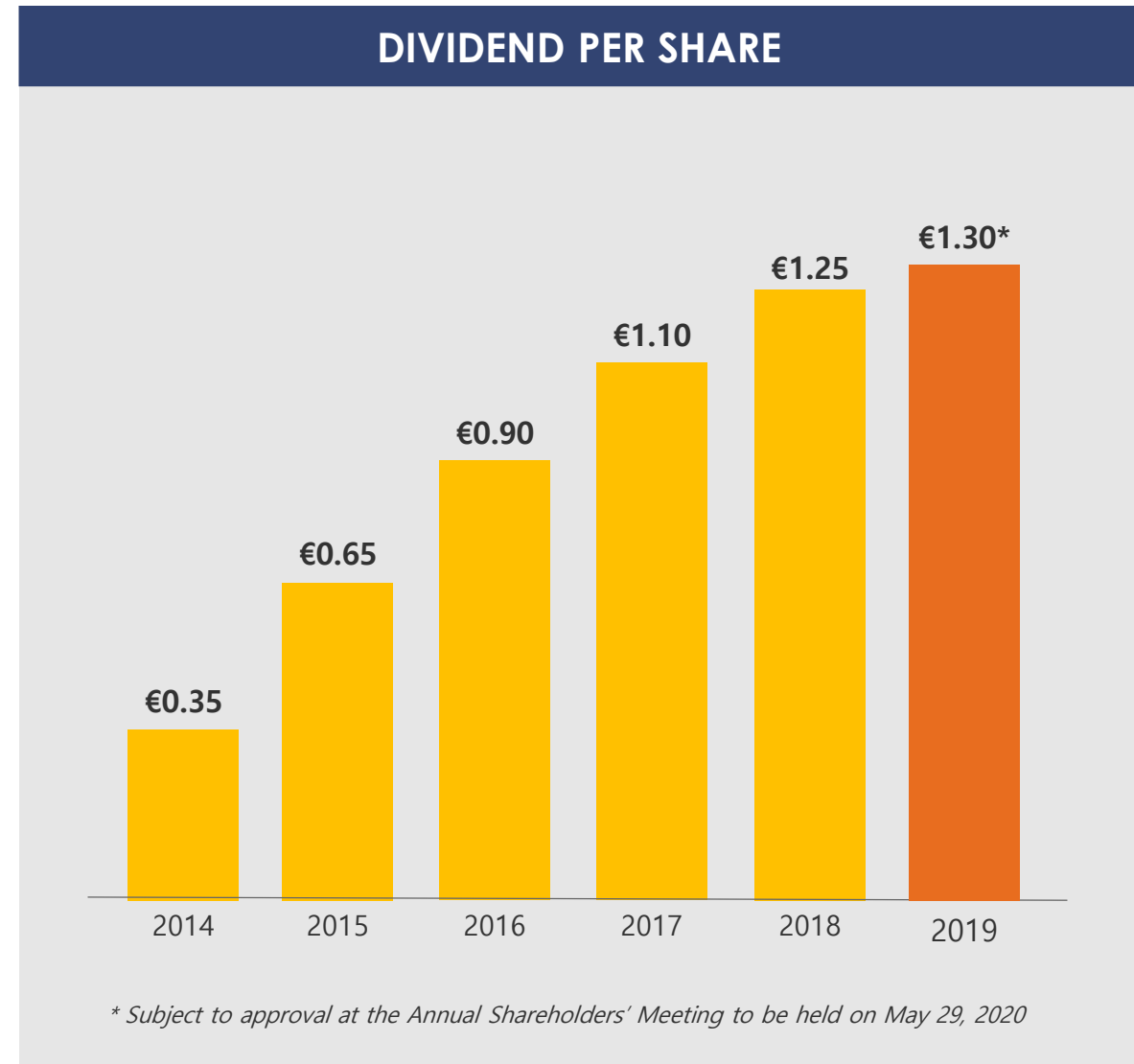


- > **Net debt-to-EBITDA ratio at 1.05x (incl. IFRS16 impact)**
 - Policy to maintain ratio below 1x
 - 2022 estimated at 0.7x
- > **Strong financial flexibility through €1.2bn undrawn credit facility**
 - Maturity in June 2024
- > **BB+/Ba1 rating (outlook Stable) affirmed by all 3 rating agencies**

- > **Successful financing of recent acquisitions:**
 - Clarion financing achieved @ 2.6% average cost
 - SAS financing achieved through €250 million additional Senior Notes due 2026, issued at a yield of 2.4%
- > **Successful pricing of €700m bonds due 2027 @ 2.375% and anticipated repayment of €700m 3.625% bonds due 2023**
- > **Average cost of LT debt < 2.5%**

Increase in proposed dividend to €1.30 per share

- > Faurecia will propose to shareholders a dividend of €1.30 per share
- > It will be payable in cash early June 2020, subject to approval at the Annual Shareholders' Meeting to be held on May 29, 2020
- > This increase in dividend reflects:
 - The Group's confidence in its profitable growth and enhanced cash flow roadmap
 - Its commitment to shareholder value



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2019 HIGHLIGHTS

Patrick Koller
Chief Executive Officer

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DETAILED REVIEW OF 2019 RESULTS

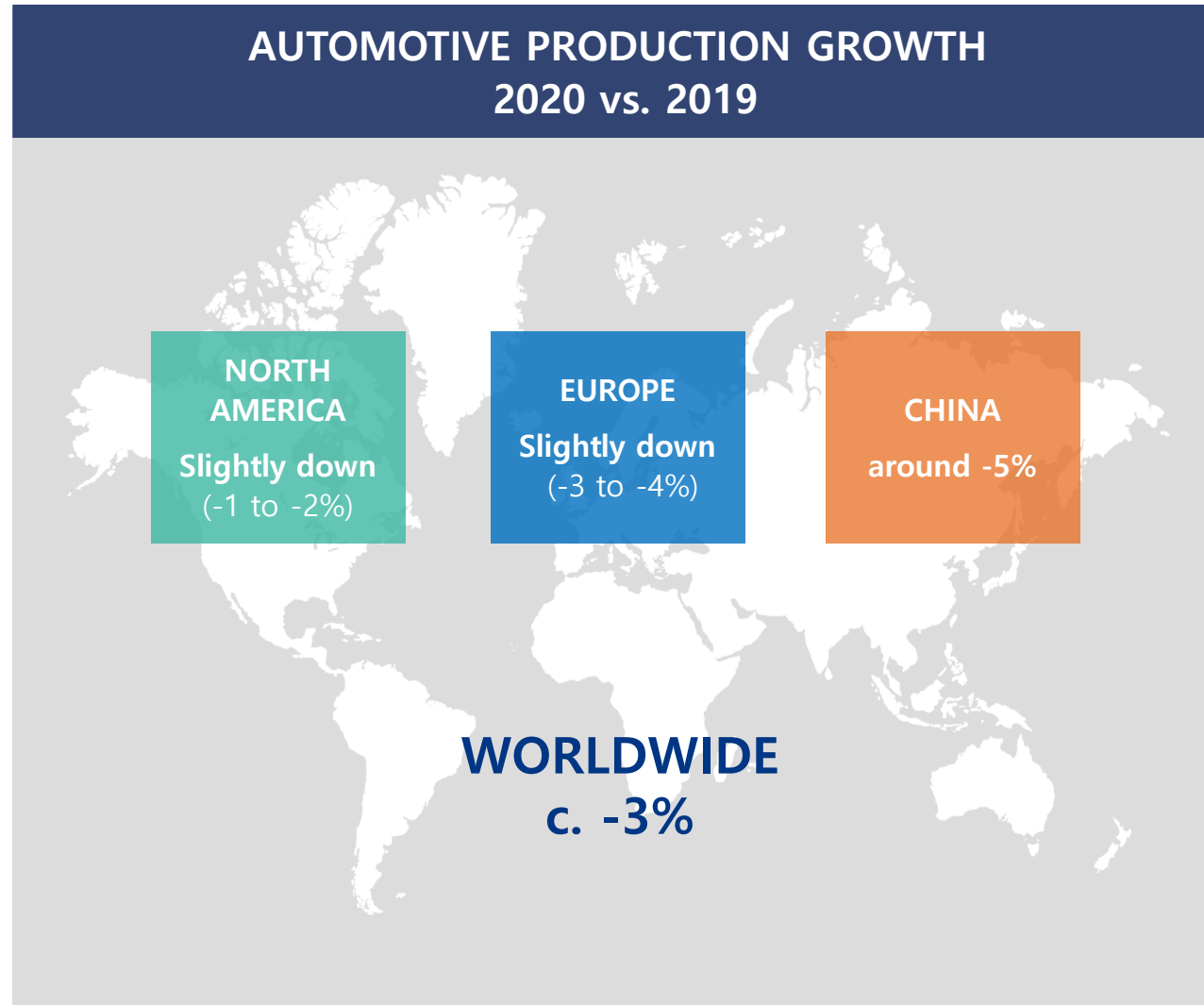
Michel Favre
Chief Financial Officer

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2020 OUTLOOK

Patrick Koller
Chief Executive Officer

2020 market assumptions in an environment with low visibility



- > **Europe, impacted by:**
 - New CO₂ rules
 - Economic challenges (Brexit, weakening macro in countries such as Italy and Spain)
 - Contraction in Russia
- > **North America, impacted by:**
 - Volatility risk in a Presidential election year
 - Slowdown of commercial vehicles
- > **China, impacted by:**
 - Short-term disruption due to Covid-19
 - Low visibility on domestic demand and final outcome of trade talks with the US
- > **Strong seasonality, with Q1 2020 being the weakest quarter of the year and expected to post a drop in double digits, mostly impacted by Asia and Europe**

Update on China situation

> Faurecia in China

- €2.6bn of sales in 2019
- 58 plants (o/w 4 in Wuhan and 2 in XiangYang in Hubei province) and 19,700 people at Dec. 31, 2019

> **Health and safety of our people and families is Nr. 1 priority**

- No employee infected to date
- Start-up of production and offices respecting all health and safety measures

> **Progressive start up of production after the prolonged New Year shutdown: 52 plants, representing 81% of normalized activity, restarted by February 17**

> **Very limited impact on Faurecia's supply chain:**

- Natural hedge between imports and exports
- Exports represent c. 7% of China sales
- To date, exports have resumed without supply chain issues

> **Management process in place to permanently evaluate impact as situation evolves**

FY 2020 guidance

- > With the assumption of worldwide automotive production down c. 3% in 2020 vs. 2019, our FY 2020 guidance* is as follows:

**SOLID GROWTH
IN REPORTED SALES**

including:

Scope effect of c. 500bps
(3 months for Clarion + 11 months for SAS)

Outperformance of 100 to 200bps
vs. worldwide automotive production**

**IMPROVEMENT
IN PROFITABILITY**

**Operating margin
> 7.2%**

**STRONG
CASH GENERATION**

**Net cash flow
> €500m**

*(including negative contribution from FCE;
FCE contribution back to ≥ 0 as from 2022)*

This guidance does not include the risk of a possible impact of Covid-19 on the global supply chain

FY 2020 guidance puts us on track to achieve our mid-term targets

- > Faurecia is committed to generate profitable growth and create value for all stakeholders
- > Our mid-term financial targets presented at our Capital Markets Day on November 26, 2019 are as follows:

2022 FINANCIAL TARGETS

SALES
> €20.5bn

**OPERATING
MARGIN**
8% of sales

**NET
CASH FLOW**
4% of sales

Update on PSA/FCA merger process

- > **On December 18th, 2019, PSA and FCA signed an agreement to merge**
- > **PSA confirmed it will distribute to its shareholders its 46% stake in Faurecia before completion of the deal, which is expected to take place 12 to 15 months after the signature of the agreement**
- > **Faurecia's considerations about the merger:**
 - The combination of PSA and FCA would create the #1 customer for Faurecia, similar in size to VW Group, and provide new business opportunities through platforms, innovation and footprint
 - Faurecia would benefit from an enhanced market profile, based on a larger free float, increased liquidity and higher visibility
 - Faurecia continues to focus on deploying its strategy

Key takeaways

- > **2019 confirmed the Group's resilience and agility, with all financial targets achieved, and secured future profitable growth through record order intake**
- > **Despite tough environment, the Group continued its transformation with the creation of a fourth Business Group, Faurecia Clarion Electronics, and acquisitions/partnerships that contribute to enhance its Cockpit of the Future and Sustainable Mobility strategy**
- > **FY 2020 guidance of continued improvement in profitability and strong cash generation puts Faurecia on track to achieve its mid-term targets as presented at its last Capital Markets Day**
- > **Faurecia is committed to value creation for all stakeholders and make a positive contribution to society including CO₂ neutrality target by 2030**



FY 2019 RESULTS

Appendices



The full-year 2019 consolidated financial statements have been approved by the Board of Directors at its meeting held on February 14, 2020, under the chairmanship of Michel de Rosen. These financial statements have been audited.

February 17, 2020

faurecia
inspiring mobility

Financial calendar

- > **April 20, 2020** **Q1 2020 sales announcement**
- > **May, 29, 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".

> 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.

> 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.

> 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).

Impacts from IFRS 16 implementation

- > **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	FY 2019
Operating income	+28
<i>of which:</i>	
. Depreciation	(157)
. EBITDA	+186
Finance costs	(45)
Cash-flow statement	FY 2019
Cash flows provided by operating activities	+140
Cash flows provided by financing activities	-140
Balance sheet	Dec. 31, 2019
Assets:	
. Right of use	877
Liabilities (included in the net debt):	
. Non current lease liability (>1 year)	732
. Current lease liability (<1 year)	174

FY 2019 sales by Business Group

Sales (in €m)	Reported	Currency effect		Growth ex-currencies*		Clarion scope effect		Reported	
	FY 2018	value	%	value	%	value	%	FY 2019	%
Seating	7,438	52	0.7%	-517	-7.0%			6,973	-6.3%
<i>of which bolt-ons</i>				106	1.4%				
Interiors	5,363	58	1.1%	-51	-0.9%			5,370	0.1%
<i>of which bolt-ons</i>				21	0.4%				
Clean Mobility	4,615	75	1.6%	-36	-0.8%			4,654	0.8%
<i>of which bolt-ons</i>				14	0.3%				
Faurecia Clarion Electronics	109	2	1.5%	75		586		771	
<i>of which bolt-ons</i>				49					
Group	17,525	187	1.1%	-529	-3.0%	586	3.3%	17,768	1.4%
<i>of which bolt-ons</i>				190	1.1%				

* Consistent with previous quarters, growth ex-currencies included bolt-ons (detailed in Appendix)

FY 2019 sales by region

Sales (in €m)	Reported	Currency effect		Growth ex-currencies*		Clarion scope effect		Reported	
	FY 2018	value	%	value	%	value	%	FY 2019	%
Europe	8,858	-16	-0.2%	-250	-2.8%	49	0.6%	8,641	-2.4%
<i>of which bolt-ons</i>				<i>53</i>	<i>0.6%</i>				
North America	4,474	227	5.1%	-364	-8.1%	146	3.3%	4,483	0.2%
Asia	3,257	42	1.3%	81	2.5%	386	11.9%	3,766	15.6%
<i>of which China</i>	<i>2,495</i>	<i>24</i>	<i>1.0%</i>	<i>20</i>	<i>0.8%</i>	<i>56</i>	<i>2.3%</i>	<i>2,595</i>	<i>4.0%</i>
<i>of which bolt-ons</i>				<i>137</i>	<i>4.2%</i>				
South America	714	-60	-8.4%	37	5.2%	5	0.7%	696	-2.5%
RoW	221	-7	-2.9%	-33	-15.1%			181	-18.1%
Group	17,525	187	1.1%	-529	-3.0%	586	3.3%	17,768	1.4%
<i>of which bolt-ons</i>				<i>190</i>	<i>1.1%</i>				

* Consistent with previous quarters, growth ex-currencies included bolt-ons (detailed in Appendix)

FY 2019 operating income by Business Group

Operating income (in €m)	FY 2018	FY 2019	Change
Seating	448.5	453.1	+1.0%
<i>% of sales</i>	<i>6.0%</i>	<i>6.5%</i>	<i>+50bps</i>
Interiors	325.5	293.7	-9.7%
<i>% of sales</i>	<i>6.1%</i>	<i>5.5%</i>	<i>-60bps</i>
Clean Mobility	499.8	524.6	+5.0%
<i>% of sales</i>	<i>10.8%</i>	<i>11.3%</i>	<i>+50bps</i>
Faurecia Clarion Electronics	0.3	11.9	
<i>% of sales</i>	<i>0.3%</i>	<i>1.5%</i>	
Group	1,273.9	1,283.3	+0.7%
<i>% of sales</i>	<i>7.3%</i>	<i>7.2%</i>	<i>-10bps</i>

FY 2019 operating income by region

Operating income (in €m)	FY 2018	FY 2019	Change
Europe	565.9	558.0	-1.4%
<i>% of sales</i>	<i>6.4%</i>	<i>6.5%</i>	<i>+10bps</i>
North America	289.7	282.6	-2.5%
<i>% of sales</i>	<i>6.5%</i>	<i>6.3%</i>	<i>-20bps</i>
Asia	367.0	373.6	+1.8%
<i>% of sales</i>	<i>11.3%</i>	<i>9.9%</i>	<i>-140bps</i>
South America	24.6	47.9	+94.7%
<i>% of sales</i>	<i>3.4%</i>	<i>6.9%</i>	<i>+350bps</i>
RoW	26.7	21.2	-20.6%
Group	1,273.9	1,283.3	+0.7%
<i>% of sales</i>	<i>7.3%</i>	<i>7.2%</i>	<i>-10bps</i>

FY 2019 bolt-on contribution to sales

Sales (in €m)	Business Group	Region	Conso as from	Q1 2019	Q2 2019	H1 2019	Q3 2019	Q4 2019	H2 2019	FY 2019
Hug Engineering	Clean Mobility	Europe	Q2 2018	14	0	14	0	0	0	14
JV with Wuling	Interiors	Asia	Q2 2018	21	0	21	0	0	0	21
BYD	Seating	Asia	Q3 2018	59	48	106	0	0	0	106
Parrot Automotive	Clarion Electronics	Europe/Asia	Q1 2019	12	12	23	14	12	26	49
Total				105	60	164	14	12	26	190
Total Group sales 2018				4,315	4,677	8,991	4,014	4,520	8,533	17,525
% of 2019 ex-currency sales growth due to bolt-on contribution				2.4%	1.3%	1.8%	0.3%	0.3%	0.3%	1.1%

Research and development costs

CASH FLOW STATEMENT

in €m	FY 2018	FY 2019
Operating income	1,273.9	1,283.3
Depreciation and amortization	866.7	1,121.0
<i>o/w amortization of R&D intangible assets</i>	<i>398.6</i>	<i>437.8</i>
<i>o/w change in impairment of R&D assets</i>	<i>-3.8</i>	<i>4.1</i>
EBITDA	2,140.6	2,404.2
Capex	-673.3	-685.2
Capitalized R&D	-592.7	-681.2
Change in WCR	18.9	109.5
<i>o/w R&D stock decrease</i>	<i>224.7</i>	<i>216.3</i>
<i>o/w R&D stock increase</i>	<i>-201.6</i>	<i>-228.5</i>
Restructuring	-93.4	-166.3
Finance expenses	-107.8	-197.1
Taxes	-260.9	-295.8
Other (operational)	96.7	98.9
Net cash flow	528.1	587.0
Dividends paid (incl. mino.)	-210.6	-211.9
Share purchase	-47.8	-29.4
Net financial investments and Other	-295.8	-2,392.1
Change in net debt	-26.2	-2,046.2

	FY 2018	FY 2019 reported	FY 2019 excl. FCE
Cost of sales	-619.6	-658.2	-640.9
Capitalized costs	794.3	909.7	809.9
Capitalization net impact	174.7	251.5	168.9

P&L

in €m	FY 2018	FY 2019
R&D Sales	663.3	712.1
Inventory decrease	-224.7	-216.3
Amort. of capitalized development costs	-398.6	-437.8
Charges to and reversals of prov. for impairment	3.8	-4.1
R&D Costs of sales (A)	-619.6	-658.2
R&D Gross Margin	43.7	53.9
Research and development Gross costs	-1,093.2	-1,329.7
Capitalized development costs (B)	794.3	909.7
<i>o/w inventory increase</i>	<i>201.6</i>	<i>228.5</i>
<i>o/w capitalized in intangible assets</i>	<i>592.7</i>	<i>681.2</i>
Net R&D costs	-298.8	-420.0
Capitalization net impact (A + B)	174.7	251.5

> Excluding FCE, the net impact from R&D capitalization was reduced by €5.8m year-on-year

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Bloomberg Ticker: EO:FP

Reuters Ticker: EPED.PA

Datastream: F:BERT

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Bonds ISIN Codes

2025 bonds: XS1785467751

2026 bonds: XS1963830002

2027 bonds: XS2081474046

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