PRESS RELEASE

FORVIA
Inspiring mobility

NANTERRE (FRANCE)
JULY 24, 2024

H1 2024 RESULTS

IMPROVED YEAR-ON-YEAR PERFORMANCE

CONFIRMED FY 2024 GUIDANCE, WITH SALES AND OPERATING MARGIN NOW EXPECTED IN THE LOWER END OF THE RANGE

CONFIRMED POWER25 DELEVERAGING TARGET

IMPROVED PERFORMANCE IN H1 2024 vs. H1 2023

→ **Organic sales growth of +2.7%**

- In a market that was broadly flat (-0.2%).
- Outperformance of +290bps, 460bps, excl. unfavorable geographic mix impact.

→ **Operating margin of 5.2%, up 20 basis points year-on-year, despite a 30 basis points one-off impact from Interiors North America**

→ **Solid net cash flow of €201m, up 16.3% vs. H1 2023**

→ **Active debt management contributed to extend maturity**

CONFIRMED FY 2024 GUIDANCE WITH SALES AND OPERATING MARGIN NOW EXPECTED IN THE LOWER END OF THE RANGE

- Net cash flow ≥ 2023 in value and Net debt/Adjusted EBITDA ≤ 1.9x at year-end are confirmed.

CONFIRMED POWER25 KEY TARGET OF NET DEBT/ADJUSTED EBITDA < 1.5x, SUPPORTED BY THE EXPECTED FINALIZATION OF THE SECOND DISPOSAL PROGRAM BY END-2025

In €m	H1 2023	H1 2024	Change
Worldwide automotive production (in m units)*	*43,661*	***43,582***	*-0.2%*
Sales	**13,621**	**13,534**	-0.6%
Organic growth (constant scope & currencies)			***+2.7%***
Adj. EBITDA	**1,607**	**1,635**	+1.7%
As % of sales	*11.8%*	***12.1%***	***+30bps***
Operating income	**675**	**700**	+3.8%
As % of sales	*5.0%*	***5.2%***	***+20bps***
Net cash flow	**172**	**201**	+16.3%
As % of sales	*1.3%*	***1.5%***	***+20bps***

** Source: S&P Global Mobility (ex-IHS Markit) dated July 2024*

Patrick KOLLER, Chief Executive Officer of FORVIA, declared:

"In the first half of the year, the automotive environment was characterized by broadly flat automotive production year-on-year and a slowdown of the pace of electrification in Europe. The general environment continued to be impacted by persistently high interest rates and unfavorable currency rates. In this context, and despite unfavorable geographic and customer mix, FORVIA posted an organic sales growth of 2.7%, outperforming the market by 290 basis points.

Operating margin rose year-on-year in most Business Groups with the exception of Interiors operations in North America that were hit during the period by one-off extra-costs. The Group's operating margin nevertheless grew by 20 basis points to 5.2% of sales.

Net cash flow of €201 million rose by 16% year-on-year, demonstrating efficiency of the Group's "Manage by Cash" program.

The Group recorded a high order intake of €15 billion in the semester, of which 40% in Asia. It strengthened its footprint in Asia with the creation of new joint ventures with Chinese manufacturers, opening of a new plant in Thailand for BYD, and in the field of sustainable mobility.

In the second half of the year, FORVIA is poised to benefit from the turnaround of Interiors North American operations and, more structurally, from the continuing benefits from the synergies program developed with FORVIA HELLA, and the EU-FORWARD project that was presented in February and is now on track. The latest S&P forecast of 2024 automotive production down 2% year-on-year, leads to expect full-year 2024 sales and operating margin to be in the lower end of the range announced in February.

FORVIA remains strongly focused on its top priority to deleverage the company. Continuous progress in net cash flow generation is the main driver of this priority, strengthened by the second €1 billion disposal program, of which around 25% was already cashed in at the end of the past semester. The ongoing progress of the rest of the program gives us confidence that it will be finalized by the end of next year, thus securing our POWER25 key target to reach a Net debt/Adjusted EBITDA ratio below 1.5 times at the end of 2025.

All the Group's employees, whom I thank for their commitment, are fully mobilized to achieve this goal."

- → ***The first-half 2024 consolidated financial statements have been approved by the Board of Directors at its meeting held on July 23, under the chairmanship of Michel de ROSEN.***
- → ***These financial statements have been subject to a limited review and the external auditors have issued their report.***
- → ***All financial terms used in this press release are explained at the end of this document, under the section "Definitions of terms used in this document".***
- → ***All figures related to worldwide or regional automotive production refer to the S&P Global Mobility forecast dated July 2024.***

H1 2024 KEY ACHIEVEMENTS: CONTINUED PROGRESS AND MAINTAINED STRONG FOCUS ON DELEVERAGING

- ### Robust order intake of €15 billion in H1 2024, with reduced upfront costs.

In H1 2024, FORVIA recorded order intake of €15 billion, a high level reflecting solid momentum of both Faurecia and FORVIA HELLA.

The Group continued to reinforce its momentum in fast-growing segments, as reflected in the following figures:

- **Around €6 billion in Asia,** representing c. 40% of the Group's total order intake, a majority of which being signed with Chinese OEMs such as BYD, Li Auto and Chery,
- **More than €4 billion in Electronics,** representing close to 30% of the Group's total order intake and including the first award with Chery,
- **Around €4 billion in Innovative products and solutions** (including hydrogen for c. €700 million), representing more than 25% of the Group's total order intake,
- **Around €3.5 billion in Premium vehicles**, representing more than 20% of the Group's total order intake.

It is worth mentioning:

- An award to take over an OEM in-house Business of LVE Gasoline Hot End in Germany,
- An award of Virtual Key for GM North America,
- A first award with Chery for Cockpit Electronics.
- BYD and FORVIA have recently agreed to raise their established strategic cooperation with a first step in Europe where FORVIA will lead the launch by BYD of its new plant in Hungary, its first foot in the region.

- ### Combination with FORVIA HELLA continuing to gain momentum and delivering additional synergies.

At the end of H1 2024, cost synergies generated with FORVIA HELLA represented a cumulated net amount of €219 million vs. €190 million at the end of 2023.

This means that incremental synergies of €29 million were generated during the first half of the year, confirming that the Group is fully on track to achieve the target that was revised upward last February of more than €350 million on an annual basis at the end of 2025.

- **Effective start of the EU-FORWARD project**

Last February, FORVIA announced the launch of “EU-FORWARD”, a five-year project aiming at reinforcing the competitiveness and agility of the Group’s operations in Europe.

This project intends to adapt the Group’s European manufacturing and R&D set-up to the fast-changing regional environment and will allow FORVIA to achieve a significantly higher profitability in EMEA, exceeding 7% of sales in 2028 (versus 2.5% in 2023), with EMEA representing c. 40% of sales in 2028 (versus 46% in 2023) and c. 35% of operating income (versus 22% in 2023).

The effective start of this project showed good progress in H1 2024, even if it was not rolled-out over the full semester.

- In terms of headcount management, first operations announced on a case-by-case basis, are in line with EU-FORWARD target and are implemented locally in the most socially responsible way.

- In terms of restructurings, EU-FORWARD’s effective roll-out is reflected in the increase of P&L restructuring expenses: in H1 2024, Group restructuring expenses amounted to €222 million, of which €186 million in Europe.

In terms of savings, the impact is limited in H1 2024, but will accelerate in 2025.

- **Second disposal program with finalization expected by the end of 2025 secures the POWER25 key target of Net debt/Adjusted EBITDA ratio < 1.5x at the end of 2025, reflecting the Group’s top priority to deleveraging**

Since the start of the year, FORVIA made good progress in the execution of its second €1 billion disposal program with the closing of the disposal by FORVIA HELLA of its stake in BHTC to AUO Corporation and with the sale of Hug Engineering, its Clean Mobility business specialized in depollution systems for high horsepower engines, to Ogepar.

These two transactions together represent c. €250 million, i.e. c. 25% of the second disposal program of €1 billion that was announced by FORVIA in October 2023, designed to accelerate the Group’s deleveraging and further simplifying the Group’s portfolio. Out of these c. €250 million, €227 million were already cashed in at the end of H1 2024.

Ongoing progress of the rest of the program gives to the Group confidence that it should be able to finalize the second €1 billion disposal program by the end of 2025.

This contributes to secure the Groups’ target to reach a Net debt/Adjusted EBITDA ratio of below 1.5x at the end of 2025, a key objective of the POWER25 plan that was presented at the Capital Markets Day in November 2022 and demonstrates the Group’s focus on its top priority of deleveraging the company since the acquisition of a majority stake in HELLA.

- ## Extended Group average maturity through active debt management since the start of 2024

Since the start of the year and to date, the Group has successfully issued cumulated amount of €1.9 billion of new debt instruments essentially maturing in 2029 and 2031, at an average interest rate of 5.15% (average interest rate on Group debt is 4.6%).

The proceeds were used to buy back 2025 and 2026 maturities, as well as refinance a 2024 bond, thus extending the Group average debt maturity.

As regards the €1.9 billion of new debt instruments, they consisted of:

- **€1.2 billion from a dual tranche senior bond consisting of:**
    - €500 million 5.125% senior notes due 2029,
    - €700 million 5.50% senior notes due 2031.

    Taking into consideration the interest rate pre-hedging arrangement executed in December 2023 and January 2024, the economic yield of the new notes amounts to 4.96% for the notes due 2029 and 5.37% for the notes due 2031.

- **€0.7 billion from Schuldschein private placements:**
    - €0.2 billion placed by FORVIA HELLA with terms of 3, 5 and 7 years,
    - €0.5 billion placed by FORVIA with terms of 2, 4, 5 and 7 years.

Since the start of the year and to date, the Group has repaid €2.27 billion of 2024 to 2026 maturities, through:

- Tender offers on two bounds for a combined amount of €1.05 billion, including a tranche of €580 million out of the 2.625% senior notes due 2025 and a tranche of €470 million out of the 7.250% sustainability-linked notes due 2026,
- Call of €420 million on the residual 2.625% senior notes due 2025,
- Repayments of €800 million, including €300 million bond maturing in May 2024 and €500 million of Schuldschein and other bank loans.

This almost entirely cleared 2024 and 2025 maturities.

These transactions allowed FORVIA to significantly extend its average debt maturity, now of 3.6 years.

H1 2024 KEY FIGURES

- **The automotive market was broadly stable (-0.2%) in H1 2024**

The worldwide automotive production stood at 43.6 million LVs in H1 2024, broadly stable (-0.2%) vs. H1 2023, with contrasted situation by geography:

- **Europe excl. Russia** (47% of Group sales): **production was down 5.0% at 8.4 million LVs,** representing c. 19% of worldwide production,
- **North America** (24% of Group sales): **production was up 1.8% at 8.1million LVs,** representing c. 19% of worldwide production,
- **Asia** (25% of Group sales): **production was up 0.7% at 24 million LVs,** representing c. 55% of worldwide production,
    - **China** (19% of Group sales): **production was up 5.2% at 13.2 million LVs,** representing c. 30% of worldwide production,
    - **Rest of Asia** (6% of Group sales): **production was down 4.2% at 10.8 million LVs,** representing c. 25% of worldwide production,

The geographic mix of FORVIA's sales vs. the geographic mix of worldwide automotive production represented an unfavorable effect estimated at 170bps in H1 2024.

In H1 2024, the pace of electrification slowed down in Europe and North America, with EV production respectively down 12% and up only 4% year-on-year, while in China EV production continued to grow in the double-digits (+12% year-on-year).

- **H1 2024 Group consolidated sales and operating income**

GROUP (in €m)	H1 2023	Currency effect	Organic growth	Scope effect	H1 2024	Reported change
Worldwide auto. Production (m units)	*43,661*				*43,582*	*-0.2%*
Sales	**13,621**	-359	373	-101	**13,534**	**-0.6%**
% of last year's sales		*-2.6%*	***2.7%***	*-0.7%*		
outperformance (bps)			***+290bps***			
Operating income	**675**				**700**	**3.7%**
% of sales	*5.0%*				*5.2%*	*+20bps*

H1 2024 consolidated sales of €13,534 million, slightly down (-0.6%) on a reported basis and +2.7% on an organic basis, representing an outperformance of 460bps excluding the unfavorable geographic mix effect of 170bps.

- Organic growth stood at €373 million or +2.7% of last year's sales, representing an outperformance of +290bps compared to worldwide automotive production that was broadly stable (-0.2%) during the period. Excluding the unfavorable geographic mix effect of 170bps, outperformance stood at 460bps.
  Organic growth was impacted by an unfavorable customer mix, notably as activity of Stellantis (FORVIA's number 2 customer) was poor in H1 2024, impacting sales in Europe and North America.
- Negative scope effect of €(101) million or -0.7% of last year's sales included:
  - A negative impact of €(227) million related to the disposal of CVI activities in North America and Europe that was closed on October 2, 2023,
  - A positive impact of €126 million related to the consolidation as of January 1st, 2024, of HBBL, a joint venture in Lighting held by FORVIA HELLA in China (previously consolidated by the equity method).
- Negative currency effect of €(359) million or -2.6% of last year's sales, mainly due to the depreciation of the Chinese yuan, Argentinian peso and Turkish lira vs. the euro, mitigated by the appreciation of the US dollar vs. the euro.

Seating, Interiors, Clean Mobility and Electronics (representing combined 81% of Group sales) contributed to the Group's sales outperformance.

H1 2024 consolidated operating income of €700 million, up 20bps at 5.2% of sales, despite one-off impact from Interiors North American operations.

Almost all Business Groups recorded significant improvement in operating margin with the exception of Interiors, whose North American operations recorded an operating loss in H1 2024, penalized by one-off costs of €47 million.

This one-off impact in H1 2024 is explained in detail below, in the paragraph related to the Interiors Business Group (see page 9).

Excluding this one-off impact, operating margin would have reached 5.5% in H1 2024.

The €25 million year-on-year increase in operating income, from €675 million in H1 2023 to €700 million in H1 2024, mainly reflected:

- Volume/mix and inflation effect for an estimated positive impact of €52 million,
- A negative currency impact and scope effect of €(34) million,
- Year-on-year positive impact from cost synergies related to the integration of HELLA for €29 million (€219 million cumulated synergies at the end of H1 2024 vs. €190 million cumulated synergies at the end of 2023),
- Year-on-year positive impact of the termination at the end of September 2023 of the loss-making Seating program in Michigan for €25 million,
- Year-on-year negative impact of Interiors North American operations for €(47) million.

H1 2024 SALES AND PROFITABILITY BY BUSINESS GROUP

- **SEATING** (31% of Group consolidated sales in the period): **on track for margin recovery**

SEATING (in €m)	H1 2023	Currency effect	Organic growth	H1 2024	Reported change
Worldwide auto. production (m units)	*43,661*			*43,582*	*-0.2%*
Sales	**4,248**	-113	62	**4,197**	**-1.2%**
% of last year's sales		*-2.7%*	***1.5%***		
outperformance (bps)			***+170bps***		
Operating income	**139**			**194**	**39.1%**
	3.3%			*4.6%*	*+130bps*

Sales

- **Organic growth of 1.5%, i.e. an outperformance of +170bps**
  - Organic growth was driven by North America (+8.7%, significantly outperforming the market), supported by strong increase in sales with Ford, but also VW, Nissan-Mitsubishi and GM.
  - In Europe, sales were resilient as SoPs (starts of production) broadly offset EoPs (ends of production) during the period. They also outperformed the European market, that was down 5.0% (excl. Russia) during the period.
  - In China, sales were down 3.5% on an organic basis, as sales drop with BYD and a major US EV carmaker, already flagged in Q1 2024, is not yet compensated by growing sales with new Chinese customers and German OEMs.

Operating income

- **Operating margin of 4.6%, up 130bps vs. H1 2023**
  - This improvement included the positive year-on-year impact of €25 million resulting from the end of the loss-making Michigan JIT program, from which FORVIA exited at the end of Q3 2023.
  - Even restating H1 2023 for the extra-costs related the Michigan JIT program, Seating recorded a year-on-year margin improvement of 70bps, driven by improved execution, inflation recovery and repricing opportunities.

- **INTERIORS** (19% of Group consolidated sales in the period): **strong sales growth but operating margin significantly penalized by North American operations in H1, whose profitability is expected to recover in H2**

INTERIORS (in €m)	H1 2023	Currency effect	Organic growth	H1 2024	Reported change
Worldwide auto. production (m units)	*43,661*			*43,582*	*-0.2%*
Sales	**2,438**	-41	160	**2,557**	**4.9%**
% of last year's sales		*-1.7%*	***6.6%***		
outperformance (bps)			***+680bps***		
Operating income	**94**			**37**	**-60.7%**
	3.8%			*1.4%*	*-240bps*

Sales

- **Organic growth of 6.6%, i.e. an outperformance of +680bps**
    - Solid organic growth in all three major regions, notably in North America with +8.7%.
    - In Europe, despite impact from Stellantis (down in double-digits year-on-year), sales grew organically by 6.5%, driven by VW, Renault, Ford and JLR.
    - In North America, sales were driven by GM (more than doubling year-on-year) and a high number of SOPs: in 2024, Interiors North America will start 30 new projects (of which 18 in H1 and 12 in H2), an historically high number compared to less than 10 on a traditional annual pace.
    - In China, sales grew organically by 2.3%, but nevertheless underperformed the Chinese market growth during the period.

Operating income

- **Operating margin of 1.4%, vs. 3.8% in H1 2023, a deterioration that is only attributable to the performance of Interiors North American operations.**
    - Early 2024, Interiors North America was hit by a supplier-driven issue in Mexico that resulted into major disruptions until mid-April. This situation also impacted launch preparation at a time of record new SOPs (18 in H1 2024 vs. 3 in H1 2023).
    - The combination of these circumstances resulted into significant extra-costs in H1 2024, including extraordinary freight costs.
    - Interiors North American operations recorded an operating loss in H1 2024, penalized by one-off costs of €47 million.
    - As regards H2 2024, even if the number of SOPs will remain high (nevertheless lower than in H1), plant readiness has been significantly improved, while the supplier-driven issue faced early 2024 is now terminated; this will contribute to Interiors North American operations returning to profit in H2 2024.

- **CLEAN MOBILITY** (16% of Group consolidated sales in the period): **robust sales and improved profitability, despite investment in zero emission**

CLEAN MOBILITY (in €m)	H1 2023	Currency effect	Organic growth	Scope effect	H1 2024	Reported change
Worldwide auto. production (m units)	*43,661*				*43,582*	**-0.2%**
Sales	**2,468**	-125	76	-227	**2,191**	**-11.2%**
% of last year's sales		*-5.1%*	***3.1%***	*-9.2%*		
outperformance (bps)			***+330bps***			
Operating income	**190**				**187**	**-1.6%**
	7.7%				*8.5%*	**+80bps**

Sales

- **Organic growth of 3.1%, i.e. an outperformance of +330bps**
  - Organic growth in North America broadly in line with market, driven by Ford and heavy trucks.
  - Sales in Europe were slightly down on an organic basis but outperformed the European (excl. Russia) market, mostly driven by Renault and VW.
  - In China, sales dropped by 9.2% due to the continued sustained pace of electrification in this country.

Operating income

- **Operating margin of 8.5%, up 80bps vs. H1 2023**
  - This improvement reflected efficient operating leverage on sales growth and reduced R&D expenses.
  - Profitability of the Ultra-Low Emissions operations recovered to 10% in H1 2024, while the development of hydrogen operations continues to weigh on the overall operating margin of the Business Group.

- **ELECTRONICS** (15% of Group consolidated sales in the period): **strong sales outperformance and improved profitability**

ELECTRONICS (in €m)	H1 2023	Currency effect	Organic growth	H1 2024	Reported change
Worldwide auto. production (m units)	*43,661*			*43,582*	*-0.2%*
Sales	**2,047**	-48	92	**2,091**	**2.1%**
% of last year's sales		*-2.3%*	***4.5%***		
outperformance (bps)			***+470bps***		
Operating income	**88**			**122**	**37.7%**
	4.3%			*5.8%*	*+150bps*

Sales

- **Organic growth of 4.5%, i.e. an outperformance of +470bps**
  - Organic growth was mainly driven by double-digit organic growth at Clarion Electronics operations.
  - European sales grew by 1.1% on an organic basis, outperforming the market, driven by VW and despite the slowdown of the pace of electrification that impacted demand for high voltage battery management systems.
  - North America posted an organic growth of 8.0%, driven by VW, Ford and GM and supported by SOPs in the radar activity.
  - In Asia, growth with Japanese OEMs did not fully offset drop in China, impacted by unfavorable customer mix.

Operating income

- **Operating margin of 5.8%, up 150bps vs. H1 2023**
  - Year-on-year improved contribution from Clarion Electronics that posted an operating loss in H1 2023 (Clarion Electronics already returned to profit in H2 2023).
  - Gross margin benefited from reduced material costs.
  - R&D expenses were also reduced, with less external services and SG&A cost savings.

- **LIGHTING** (15% of Group consolidated sales in the period): **sales growth thanks to the scope effect and slight improvement in profitability**

LIGHTING (in €m)	H1 2023	Currency effect	Organic growth	Scope effect	H1 2024	Reported change
Worldwide auto. production (m units)	*43,661*				*43,582*	*-0.2%*
Sales	**1,874**	-27	-6	126	**1,968**	**5.0%**
% of last year's sales		*-1.4%*	***-0.3%***	*6.7%*		
outperformance (bps)			***-10bps***			
Operating income	**91**				**99**	**8.8%**
	4.9%				*5.0%*	*+10bps*

Sales

- **Sales up 5.0% thanks to scope effect and broadly flat (-0.3%) on an organic basis**
  - Positive scope effect of €126 million related to the consolidation as of January 1st, 2024, of HBBL, a joint venture in Lighting held by FORVIA HELLA in China (previously consolidated by the equity method).
  - Organic growth of +6.2% in Europe, mainly driven by VW and Nissan-Mitsubishi.
  - In North America, sales were up 2.1% on an organic basis, as ramp-up of new programs compensated lower volumes with a customer.
  - In China, sales were down 6.1% on an organic basis, impacted by the end of high-volume series production at the end of 2023.

Operating income

- **Operating margin of 5.0%, up 10bps vs. H1 2023**
  - Positive operating leverage, including accretive effect from the consolidation of HBBL, offset higher R&D expenses related to inflation on personnel costs.

- **LIFECYCLE SOLUTIONS** (4% of Group consolidated sales in the period): **operating margin remains in the double-digits despite lower activity on commercial vehicles**

LIFECYCLE SOLUTIONS (in €m)	H1 2023	Currency effect	Organic growth	H1 2024	Reported change
Worldwide auto. production (m units)	*43,661*			*43,582*	*-0.2%*
Sales	**546**	-5	-11	**530**	**-2.9%**
% of last year's sales		*-0.9%*	***-2.0%***		
outperformance (bps)			***-180bps***		
Operating income	**72**			**62**	**-13.9%**
	13.2%			*11.7%*	*-150bps*

Sales

- **Organic drop of 2.0%, i.e. an underperformance of -180bps**
  - In Europe (c. 80% of the Business Group), sales were down 1.5% on an organic basis, but outperformed the market, as spare parts business continued to be sustained.
  - Lower sales with commercial vehicles such as Agriculture, Trailer and Construction.

Operating income

- **Operating margin of 11.7%, down 150bps vs. H1 2023**
  - Negative impact from lower sales volumes.
  - Increased R&D and SG&A (additional logistics and marketing costs) expenses more than offset improved gross margin.

H1 2024 SALES AND PROFITABILITY BY REGION

% of H1 2024 consolidated sales	**EMEA** **48%**	**Americas** **27%**	**Asia** **25%**	**TOTAL** **100%**
Regional auto. prod. YoY	*-2.7%*	*0.3%*	*0.7%*	*-0.2%*
H1 2023 sales (€m)	**6,529**	**3,625**	**3,466**	**13,621**
Currency effect	-0.9%	-4.2%	-4.4%	-2.6%
YoY organic	***2.0%***	***9.7%***	***-3.2%***	***2.7%***
Outperformance (bps)	*+470bps*	*+940bps*	*-390bps*	*+290bps*
Scope effect	-1.3%	-3.8%	3.6%	-0.7%
H1 2024 sales (€m)	**6,518**	**3,686**	**3,331**	**13,534**
YoY reported	-0.2%	1.7%	-3.9%	-0.6%
H1 2023 operating income (€m)	**171**	**144**	**360**	**675**
% of sales	2.6%	4.0%	10.4%	5.0%
H1 2024 operating income (€m)	**202**	**166**	**332**	**700**
% of sales	3.1%	4.5%	10.0%	5.2%
YoY change	+50bps	+50bps	-40bps	+20bps

Sales

- **EMEA (of which Europe represented 98%) posted an organic growth of 2.0%, i.e. an outperformance of +470bps,** driven by Interiors and Lighting and impacted by lower business with Stellantis.
- **Americas (of which North America represented 90%) posted a compound organic growth of 9.7%:**
    - Sales in North America were up 5.1% on an organic basis, i.e. an outperformance of +330bps, also impacted by lower business with Stellantis.
    - Sales in South America were up 50.3%, boosted by hyperinflation effect.
- **Asia (of which China represented 78%) posted a compound organic drop of 3.2%:**
    - Sales in China were down 6.1% on an organic basis, i.e. an underperformance of 11.3 percentage points; they were mainly impacted by sales drops with BYD and a major US EV carmaker, already flagged in Q1 2024, and not yet compensated by growing sales with new Chinese customers and German OEMs.
    - Sales in other Asian countries were up 7.2% on an organic basis, i.e. an outperformance of 11.4 percentage points, driven by Japanese OEMs.

Operating income

- **Operating margin improved by 50bps in EMEA and Americas; it was down 40bps in Asia, while remaining at a high level of close to 10% of sales**
    - Operating margin in EMEA continued to recover, from 2.6% in H1 2023 to 3.1% in H1 2024,
    - Operating margin in Americas also improved from 4.0% in H1 2023 to 4.5% in H1 2024, including the positive impact of the exit of the loss-making Seating program in Highland Park on the one hand, and the negative impact of Interiors North American operations, on the other hand.
    - Operating margin in Asia stood at 10% in H1 2024 vs. 10.4% in H1 2023, demonstrating robustness of operating margin in China despite year-on-year sales drop over the period.

H1 2024 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in €m	H1 2023	H1 2024	Change
Sales	**13,621**	**13,534**	**-0.6%**
Organic growth			***+2.7%***
Operating income (before amort. of acquired intangible assets)	**675**	**700**	**+3.8%**
Amort. of int. assets acquired in business combinations	-98	-93	
Operating income (after amort. of acquired intangible assets)	**577**	**607**	**+5.1%**
Restructuring	-72	-222	
Other non-recurring operating income and expense	1	-43	
Finance costs	-280	-320	
Income from loans, cash investments and marketable sec.	41	70	
Other financial income and expense	-67	79	
Income before tax of fully consolidated companies	**200**	**171**	
Income taxes	-116	-59	
Net income of fully consolidated companies	**85**	**112**	
Share of net income of associates	0	-12	
Net income from continued operations	**84**	**100**	**+18.1%**
Net income from discontinued operations	**18**	**0**	
Consolidated net income before minority interest	**103**	**100**	
Minority interest	-74	-95	
Consolidated net income, Group share	**28**	**5**	

As detailed above by Business Groups and regions, operating income (before amortization of acquired intangible assets) **rose by 3.8% from €675 million in H1 2023 to €700 million in H1 2024, an improvement of 20bps as a percentage of sales, from 5.0% in H1 2023 to 5.2% in H1 2024.**

- **Amortization of intangibles assets acquired in business combinations:** net charge of €93 million, similar with the net charge of €98 million in H1 2023.
- **Restructuring expenses:** net charge of €222 million vs. a net charge of €72 million in H1 2023; the strong increase in H1 2024 reflected the effective start of the five-year EU-FORWARD project aimed at reinforcing the competitiveness and agility of the Group's operations in Europe. Restructuring expenses in Europe in H1 2024 amounted to €186 million vs. €38 million in H1 2023 (mainly Interiors, Clean Mobility and Lighting), while they remained broadly stable in the rest of the world.
- **Other non-recurring operating income and expense:** net charge of €43 million vs. a net income of €1 million; in H1 2024, the non-recurring net expense included costs related to different litigations, among which the litigation already mentioned related to the supplier issue in Mexico within Interiors North American operations.
- **Net financial result:** net charge of €171 million vs. a net charge of €306 million in H1 2023; out of these amounts, the total cost of financings represented €320 million in H1 2024 vs. €280 million in H1 2023. Most of the positive elements that contributed to a limited net financial result of €171 million in H1 2024 was the increase in net income from loans, cash investments and marketable securities for €70 million (vs. €41 million in H1 2023) and the other financial income and expense that represented a net income of €79 million in H1 2024 (vs. a net charge of €67 million in H1 2023), mainly due to the capital gain on the disposal by FORVIA HELLA of its stake in BHTC.

Income before tax of fully consolidated companies was a profit of €171 million vs. a profit of €200 million in H1 2023.

- **Income taxes:** net charge of €59 million vs. a net charge of €116 million in H1 2023; the average effective tax rate of H1 2024 stood at 34.7%.

Income after tax of fully consolidated companies was a profit of €112 million vs. a profit of €85 million in H1 2023.

After:

- Deduction of the share of net income of associates (-€12 million in H1 2024 vs. €0.1 million in H1 2023),
- And deduction of minority interest (€95 million in H1 2024 vs. €74 million in H1 2023),

the consolidated net income, Group share was a profit of €5 million in H1 2024 vs. a profit of €28 million in H1 2023.

H1 2024 CONSOLIDATED CASH FLOW STATEMENT

in €m	H1 2023	H1 2024	Change
Operating income	**675**	**700**	**+3.8%**
Depreciation and amortization, of which:	932	935	
- Amortization of R&D intangible assets	*360*	*342*	
- Other depreciation and amortization	*573*	*594*	
Adj. EBITDA	**1,607**	**1,635**	**+1.7%**
% of sales	***11.8%***	***12.1%***	***+30bps***
Capex	-454	-419	
Capitalized R&D	-500	-507	
Change in WCR *(excl. factoring)*	16	77	
Change in factoring	149	20	
Restructuring	-91	-90	
Financial expenses	-234	-289	
Taxes	-306	-175	
Other (operational)	-14	-52	
Net cash flow	**172**	**201**	**+16.3%**
% of sales	***1.3%***	***1.5%***	***+20bps***
Dividends paid incl. mino.	-75	-125	
Share purchase	0	-13	
Net financial investment & Other	-89	185	
Discontinued operations	-57	0	
IFRS16 impact	-76	-125	
Change in net debt	**-124**	**122**	
Net debt at the beginning of the period	-7,939	-6,987	
Net debt as published at the end of the period	-8,063	-6,865	
Net-debt-to-Adj. EBITDA ratio	**2.5x**	**2.0x**	

Adjusted EBITDA increased by 1.7% to €1,635 million, up 30bps as percentage of sales to 12.1% of sales (vs. €1,607 million and 11.8% of sales in H1 2023).

- **Capex amounted to €419 million or 3.1% of sales** (vs. €454 million in H1 2023 or 3.3% of sales).
- **Capitalized R&D amounted to €507 million or 3.8% of sales** (vs. €500 million in H1 2023 or 3.7% of sales).
- **Change in working capital was an inflow of €77 million** (vs. an inflow of €16 million in H1 2023), driven by accelerated reduction in inventories.
- **Change in factoring was a very limited inflow of €20 million** (vs. an inflow of €149 million in H1 2023 that reflected the extension of factoring program to FORVIA HELLA); at June 30, 2024 total factoring amounted to €1,324 million vs. €1,339 million at June 30, 2023.
- **Restructuring cash-out amounted to €90 million** (vs. €91 million in H1 2023).

- **Financial expenses cash-out amounted to €289 million** (vs. €234 million in H1 2023).
- **Cash-out from taxes amounted to €175 million** (vs. €306 million in H1 2023); H1 2024 included the reversal of the withholding tax of €68 million paid in H1 2023, related to the extraordinary dividend received from FORVIA HELLA with respect to the sale of its stake in HBPO.

Net cash flow increased by 16.3% to €201 million (vs. €172 million in H1 2023); excluding change in working capital and change in factoring, net cash flow stood at €104 million vs. €7 million in H1 2023.

- Dividends paid to minorities amounted to €27 million (vs. €75 million in H1 2023 that included the extraordinary dividend paid to FORVIA HELLA's minority shareholders)
- Dividends also included the dividend paid by FORVIA SE to its shareholders for €98 million (€0.50 per share paid in June 2024 vs. no dividend paid in 2023).
- Net financial investment and other was a net inflow of €185 million (vs. an outflow of €89 million in H1 2023); they included €227 million from the first two disposals related to the second €1 billion disposal program (disposal by FORVIA HELLA of its stake in BHTC and sale of Hug Engineering).
- IFRS16 impact amounted to €125 million (vs. €76 million in H1 2023).

As a result, net financial debt at June 30, 2024 stood at €6,9 billion, representing a Net debt/Adj. EBITDA ratio of 2.0x, vs. 2.5x one year ago and vs. 2.1x at December 31, 2023.

AVAILABLE LIQUIDITY OF €6.2 BILLION AT JUNE 30, 2024

As of June 30, 2024, Group liquidity amounted to €6.2 billion, of which €4.3 billion of available cash, €1.5 billion from the fully undrawn FORVIA Senior Credit Facility and €450 million from the fully undrawn FORVIA HELLA Senior Credit Facility.

FY 2024 GUIDANCE CONFIRMED, WITH SALES AND OPERATING MARGIN NOW EXPECTED IN THE LOWER END OF THE RANGE; NET CASH FLOW AND NET DEBT/ADJUSTED EBITDA RATIO AT YEAR-END ARE UNCHANGED

Taking into consideration:

- The H1 2024 performance that was significantly impacted by the Interiors North American operations,
- The latest S&P forecast (dated July 2024) of 88.7 million light vehicles produced in 2024, now down 2% vs. 2023,
- And updated average 2024 currency rates of 1.08 for €/USD and of 7.80 for €/CNY, vs. previous assumption of 1.10 for €/USD and of 7.50 for €/CNY, while the Argentinean peso and the Turkish lira are assumed to have a depreciation in H2 2024 similar to that recorded in H1.

and confirming that operating margin in the second half of the year is expected to increase sequentially over the first half of the year, notably supported by:

- The ramp up of EU-FORWARD program and the additional synergies with FORVIA HELLA,
- And the turnaround of the operating margin of Interiors North America,

FORVIA now expects for the full-year 2024:

- **Sales to be in the lower end of its initial guidance, released last February, of between €27.5 billion and €28.5 billion,**
- **Operating margin to be in the lower end of its initial guidance, released last February, of between 5.6% and 6.4% of sales,**

and reiterates the following expectations:

- **NCF ≥ 2023 in value** (reminder: €649m)**,**
- **Net debt/Adjusted EBITDA ratio ≤ 1.9x at Dec. 31, 2024.**

This guidance assumes no major disruption materially impacting production or retail sales in any automotive region during the rest of the year.

CONFIRMED POWER25 KEY OBJECTIVE OF NET DEBT/ADJUSTED EBITDA RATIO BELOW 1.5x AT THE END OF 2025, SUPPORTED BY THE SECOND DISPOSAL PROGRAM

2025 SALES AMBITION IS REVISED MOSTLY FOR CHANGES IN CURRENCY RATES

Taking into consideration:

- Our latest expectation for 2024,
- The impact on sales and operating margin of new assumptions for average 2025 currency rates of 1.10 for €/USD and of 7.50 for €/CNY (vs. previous assumptions of 1.05 and 7.00 respectively), as well as the impact of hyperinflation in some countries (average 2025 currency rates of 50 for €/TRY and of 1,500 for €/ARS vs. average 2022 currency rates of 17.39 and 137.13, respectively),

FORVIA now expects:

- **Sales of between €28 billion and €28.5 billion in 2025** (vs. c.30 billion in 2025 as released at November 2022 Capital Markets Day); around €1.5 billion of the shortfall is attributable to currency rates and hyperinflation (with an operating margin leverage of c. 10%), and the rest is mainly attributable to currently estimated market conditions (with an operating margin leverage of between 15% and 20%).

In terms of 2025 operating margin and net cash flow, FORVIA confirms further significant improvement vs. 2024.

In accordance with its usual practices for full-year guidance disclosure, all detailed objectives for 2025 will be announced on February 28, 2025, along with the full-year 2024 results.

FORVIA confirms its POWER25 key target of Net debt/Adjusted EBITDA ratio <1.5x at December 31, 2025 through net cash flow generation and the expected finalization of the second disposal program by the end of 2025. This reflects the Group's top priority to deleveraging.

This ambition assumes no major disruption materially impacting production or retail sales in any automotive region during the 2024-2025 period.

FINANCIAL CALENDAR

- **October 21, 2024** **Q3 2024 sales announcement** (before market hours)
- **February 28, 2025** **FY 2024 results announcement** (before market hours)

A webcasted conference call will be held today at 10:00am (CET).

If you wish to follow the presentation using the webcast, please access the following link:
https://www.sideup.fr/webcast-forvia-2024-hy-results/signin/en

A replay will be available as soon as possible.

You may also follow the presentation via conference call:

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About FORVIA, whose mission is: "We pioneer technology for mobility experiences that matter to people".

FORVIA, 7th global automotive technology supplier, comprises the complementary technology and industrial strengths of Faurecia and HELLA. With over 290 industrial sites and 76 R&D centers, 157,000 people, including more than 15,000 R&D engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of 6 business groups and a strong IP portfolio of over 14,000 patents, FORVIA is focused on becoming the preferred innovation and integration partner for OEMS worldwide. In 2023, the Group achieved a consolidated revenue of 27.2 billion euros. FORVIA SE is listed on the Euronext Paris market under the FRVIA mnemonic code and is a component of the CAC Next 20 and CAC SBT 1.5° indices. FORVIA aims to be a change maker committed to foreseeing and making the mobility transformation happen. **www.forvia.com**

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DEFINITIONS OF TERMS USED IN THIS DOCUMENT

Sales growth

FORVIA'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", FORVIA 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 2021, 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.

Operating income

Operating income is the FORVIA 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.

Adjusted EBITDA

Adjusted EBITDA is Operating income as defined above + depreciation and amortization of assets; to be fully compliant with the ESMA (European Securities and Markets Authority) regulation, this term of "Adjusted EBITDA" will be used by the Group as of January 1, 2022 instead of the term "EBITDA" that was previously used (this means that "EBITDA" aggregates until 2021 are comparable with 'Adjusted EBITDA" aggregates as from 2022).

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).