

Press release

Nanterre (France), October 26, 2021

THIRD-QUARTER 2021 SALES

SOLID ORGANIC SALES OUTPERFORMANCE OF 780bps, IN A MARKET THAT CONTINUED TO BE SEVERELY IMPACTED BY SEMICONDUCTOR SHORTAGE

	Q3 2020*	Q3 2021	Change	9m 2020*	9m 2021	Change
Group sales (€m)	3,823	3,426	-10.4%	9,907	11,208	+13.1%
At constant scope and currencies			-11.4%			+15.1%
Worldwide automotive production** (000 vehicles)	19,510	15,762	-19.2%	48,283	53,203	+10.2%

* 2020 sales figures restated for IFRS 5 (see in Appendix)

** IHS Markit forecast dated October 2021, as usually restated i.e. vehicles segment in line with CAAM for China

Q3 SALES AT €3.4bn WITH STRONG OUTPERFORMANCE OF 780bps, IN A MARKET THAT CONTINUED TO BE SEVERELY IMPACTED BY SEMICONDUCTOR SHORTAGE AND CONSEQUENT STOP-AND-GOs

- All Business Groups and Regions posted significant outperformance
- Clarion Electronics and Asia posted organic growth of 7.3% and 6.5% respectively

CONFIRMED FY 2021 GUIDANCE, AS RECENTLY UPDATED

On September 23, Faurecia adjusted its FY 2021 guidance to reflect the strong reset released by IHS Markit of worldwide automotive production forecast from 77 million to 72 million units for the full-year 2021. Based on this forecast, Faurecia confirms its 2021 financial targets as recently adjusted:

- Sales of c. €15.5bn and strong organic sales outperformance > +600bps
- Operating margin of 6.0% to 6.2% of sales
- Net cash flow of c. €500m and net-debt-to-EBITDA ratio ≤ 1.5x at year-end

HELLA ACQUISITION PROCESS ON TRACK

- Takeover Offer launched on Sept. 27 to end on Nov. 11
- Antitrust clearances underway, expected closing early 2022 confirmed
- Faurecia and Hella launched the project "One" to be ready at closing

Patrick KOLLER, CEO of Faurecia, declared:

"Market conditions remained tough in the past quarter, impacted by adverse supply chain conditions, primarily semiconductors, that impacted automotive production and generated high volatility in OEM programs. In these challenging conditions, Faurecia nevertheless reached a solid sales outperformance and confirms its capability to achieve a strong operating leverage in 2021.

On top of tightly managing the short-term performance, we are also focusing on successfully closing the acquisition process of Hella and prepare our companies to combine their strengths and create strong value for all stakeholders."

- The Board of Directors, under the chairmanship of Michel de Rosen, met on October 25, 2021. During this meeting, the Board of Directors reviewed the present press release.
- 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 October 2021, as usually restated i.e. vehicles segment in line with CAAM for China

GROUP SALES

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, since the start of the year, Group financial statements for 2021 have excluded the AST figures and 2020 financial statements have been restated and presented accordingly.
- A table in appendix presents 2020 restated quarterly figures; only Interiors, as regards Business Groups, and Europe, as regards regions, are impacted by this restatement.

	Third quarter		9 months	
	Faurecia sales in €m	WW auto prod in 000 vehicles*	Faurecia sales in €m	WW auto prod in 000 vehicles*
2020 as released in 2020	3,874	19,510	10,044	48,283
2020 restated for IFRS 5	3,823		9,907	
Currency effect	39	↓	-257	↓
% of sales	1.0%		-2.6%	
Scope effect	0		60	
% of sales	0.0%		0.6%	
Organic growth	-436		1,499	
% of sales	-11.4%	-19.2%	15.1%	10.2%
2021	3,426	15,762	11,208	53,203
reported change	-10.4%		13.1%	

* IHS Markit dated October 2021 (vehicles segment in line with CAAM for China)

In the past quarter, sales continued to be severely impacted by semiconductor shortage. This was reflected in the drastic cut, released on September 16, by IHS Markit of its worldwide automotive production forecast for 2021 by 6% or 5 million units (of which c. 2 million impacting Q3 and c. 3 million impacting Q4)

Q3 2021 sales amounted to €3,426 million, down 10.4% on a reported basis

- They included a positive currency effect of €39 million or +1.0% of sales, mainly attributable to the Chinese yuan vs. the euro, and there was no scope effect during the period.

Q3 2021 sales were down 11.4% on an organic basis, but they posted significant outperformance in all Business Groups and Regions

- At Group level, the outperformance stood at 780bps; it included an unfavorable geographic mix effect estimated at c. 450bps, i.e. underlying outperformance before unfavorable geographic mix effect stood at c. 1,230bps.
- All Business Groups posted strong outperformance close to or exceeding 500bps, with Clarion Electronics posting an organic growth of 7.3% in the quarter.
- All Regions posted strong outperformance between 790bps and over 2,000bps, with Asia posting an organic growth of 6.5% in the quarter.

9 months sales 2021 sales amounted to €11,208 million, up 13.1% on a reported basis, including:

- A negative currency effect of €(257) million or -2.6% of sales, mainly attributable to the US dollar, the Brazilian real and the Turkish lira.
- A positive scope effect of €60 million or +0.6% of sales, due to one month of consolidation of SAS (January), whose consolidation started in February 2020.

On an organic basis, sales over the nine months were up 15.1%, representing an outperformance of 490bps.

SALES BY BUSINESS GROUP

in €m	Seating	Interiors	Clean Mobility	Clarion Electr.	Group
Q3 2020 as released in October 2020	1,500	1,117	1,023	181	185
Q3 2020 restated for IFRS 5	1,500	1,119	1,023	181	185
Currency effect	19	5	13	1	39
<i>% of sales</i>	1.3%	0.5%	1.3%	0.6%	1.0%
Organic growth	-214	-127	-108	13	-436
<i>% of sales</i>	-14.3%	-11.3%	-10.5%	7.3%	-11.4%
Q3 2021	1,305	997	928	195	3,426
<i>reported change</i>	<i>-13.0%</i>	<i>-10.9%</i>	<i>-9.2%</i>	<i>7.9%</i>	<i>-10.4%</i>

Seating (38% of Group sales)

- **Organic sales were down 14.3% in Q3, an outperformance of 490 bps vs. worldwide automotive production** (-19.2%, source: IHS Markit dated October 2021)
- Organic sales were down by double-digits in Europe and North America due to the tough market conditions driven by semiconductor shortage
- They were up 16.3% in Asia, driven by sales with Chinese and international OEMs, including new entrants in the Chinese market
- After €44m in H1, SOPs (Start of Production) contributed to sales for €57m in Q3 and should contribute to c. €140m in Q4, below initial expectations. This lower contribution to sales was attributable to the current disrupted environment and reduced customer volumes but also to operational challenges faced in the launching phase of a greenfield operation in Michigan. These operational difficulties, mainly due to headcount instability, will have an impact on Seating profitability in H2 (now expected below that of H1) and will be fixed before the end of the year

Interiors (29% of Group sales)

- **Organic sales were down 11.3% in Q3, a strong outperformance of 790bps vs. worldwide automotive production** (-19.2%, source: IHS Markit dated October 2021)
- As for Seating and for the same reason, organic sales were down by double-digits in Europe and North America
- They were up 10.2% in Asia, driven by sales to Ford, a major American EV carmaker and new entrants in the Chinese market

Clean Mobility (27% of Group sales)

- **Organic sales were down 10.5% in Q3, a strong outperformance of 870bps vs. worldwide automotive production** (-19.2%, source: IHS Markit dated October 2021)
- Organic sales were down by high single-digits in Europe and Asia, and in double-digits in North America
- Nevertheless, in all three regions, sales outperformed regional automotive production by at least 500bps

Faurecia Clarion Electronics (6% of Group sales)

- **Organic sales were up 7.3% in Q3, a strong outperformance of 2,650bps vs. worldwide automotive production** (-19.2%, source: IHS Markit dated October 2021)
- Despite the semiconductor shortage that impacted significantly Clarion Electronics vs. initial expectations for sales in the period, this organic growth reflected the sales momentum of Clarion Electronics; it is worth mentioning that Clarion Electronics succeeded in avoiding any stoppage of production at its customers' plants during the period
- All regions posted organic growth, in particular Asia thanks to strong sales growth with Chinese OEMs

SALES BY REGION

in €m	Europe	North Am.	Asia	o/w China	Rest of the World	Group
Q3 2020 as released in October 2020	1,728	1,097	903	679	147	3,874
Q3 2020 restated for IFRS 5	1,677	1,097	903	679	147	3,823
Currency effect	-4	-4	38	41	8	39
<i>% of sales</i>	<i>-0.2%</i>	<i>-0.3%</i>	<i>4.2%</i>	<i>6.1%</i>	<i>5.5%</i>	<i>1.0%</i>
Organic growth	-334	-190	59	34	29	-436
<i>% of sales</i>	<i>-19.9%</i>	<i>-17.3%</i>	<i>6.5%</i>	<i>5.0%</i>	<i>19.9%</i>	<i>11.4%</i>
Q3 2021	1,339	903	1,000	755	184	3,426
<i>reported change</i>	<i>-20.1%</i>	<i>-17.5%</i>	<i>10.7%</i>	<i>11.1%</i>	<i>25.5%</i>	<i>-10.4%</i>

Europe (39% of Group sales)

- **Organic sales were down 19.9% in Q3, a strong outperformance of 970bps vs. regional automotive production** (-29.6%, source: IHS Markit dated October 2021)
- This reflected the strong impact of semiconductor shortage on almost all OEMs, with the exception of Daimler and Commercial vehicles, that both grew year-on-year

North America (26% of Group sales)

- **Organic sales were down 17.3% in Q3, a strong outperformance of 790bps vs. regional automotive production** (-25.2%, source: IHS Markit dated October 2021)
- As in Europe, this reflected the strong impact of semiconductor shortage on almost all OEMs, with the exception of a major American EV carmaker and Commercial vehicles, that both grew year-on-year

Europe and North America were the two regions that were the most impacted by semiconductor shortage, as reflected in the combined reduction by 400k units of IHS Markit production estimate for Q3 2021, between September and October.

Asia (29% of Group sales)

- **Organic sales were up 6.5% in Q3, a very strong outperformance of 2,030bps vs. regional automotive production** (-13.8%, source: IHS Markit dated October 2021)
- This growth was driven by Seating, Interiors and Clarion Electronics and by most OEMs (Chinese and international), except the VW and GM groups
- In China, within Asia, sales were up 5.0% in Q3, also a very strong outperformance of 1,950bps vs. regional automotive production (-14.5%, source: IHS Markit dated October 2021)
- **Both in Asia and China, sales significantly exceeded pre-Covid sales of Q3 2019**

Rest of the World (6% of Group sales)

- **Organic sales were up 19.9% in Q3**
- In South America, which represented c. 2/3 of the total, organic sales were up 28.0% in Q3, a very strong outperformance of 3,900bps vs. regional automotive production (-11.0%, source: IHS Markit dated October 2021)
- This growth in South America was mostly driven by sales to the Stellantis group

HELLA ACQUISITION PROCESS ON TRACK

The **Takeover Offer** to all shareholders of Hella was launched, as planned, on September 27 and will end on November 11 (midnight CET). The final results of the takeover offer are to be released on November 16 at 10am (CET).

As a reminder, Faurecia has already secured the acquisition of 60% of Hella from the Family Pool. Faurecia will not be dependent on the final results of the Takeover Offer and intends to start implementation of synergies from Day 1.

The Offer Document and all other information about the Takeover Offer are published on the dedicated website: www.faurecia-offer.com

Regulatory clearances from relevant authorities are underway and the **closing** remains expected early 2022, as anticipated on August 14 when the deal was announced.

In September, Faurecia and Hella launched **project "One"** to be ready at closing. The two main objectives are:

1. **Ensure the combined Group is ready to operate efficiently from Day 1 post-closing:** Governance and organization post-closing are prepared in detail and agreed to ensure a quick start, supported by the right systems and processes,
2. **Prepare synergy plans in details to be ready to kick off implementation from Day 1:** Synergy objectives are converted into very specific action plans to ensure swift execution from Day 1 and quick P&L impact.

CONFIRMED FULL-YEAR 2021 GUIDANCE, AS RECENTLY UPDATED

On September 23, Faurecia adjusted its FY 2021 guidance to reflect the strong reset released by IHS Markit of worldwide automotive production forecast from 77 million to 72 million units for the full-year 2021. This major revision by IHS Markit was primarily attributable to a higher than expected impact from semiconductor shortage that creates high volatility in OEM programs.

Based on this forecast, Faurecia confirms its 2021 financial targets as adjusted on September 23:

- **Sales of c. €15.5bn and strong organic sales outperformance > +600bps**
- **Operating margin of 6.0% to 6.2% of sales**
- **Net cash flow of c. €500m and net-debt-to-EBITDA ratio ≤ 1.5x at year-end**

This guidance confirms Faurecia's strong operating leverage and effectiveness of resilience actions.

Faurecia's assumption of 2021 worldwide automotive production assumes no major lockdown impacting production or retail sales in any automotive region in the last quarter of the year.

All financial targets are based on 2021 average currency rates of 1.20 for USD/€ and 7.73 for CNY/€.

A conference call for financial analysts and media will be held today at 8:00am (Paris time).

Dial-in numbers:

- France: +33 (0)1 76 70 07 94
- UK: +44 (0) 207 192 8000
- USA: +1 631 510 74 95

No access code needed.

The financial presentation accompanying the conference call will be available at 7:30 am today (Paris time) on the Faurecia website: www.faurecia.com and may also be viewed at the following link: <https://edge.media-server.com/mmc/p/x9kyi4u7>

A replay will be available as soon as possible after the call.

Calendar

February 21, 2022: FY 2021 results (before market hours)

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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 and included in the CAC® Next 20 Index. For more information, please visit www.faurecia.com

DISCLAIMER

This presentation contains certain forward-looking statements concerning Faurecia. Such forward-looking statements represent trends or objectives and cannot be construed as constituting forecasts regarding the future Faurecia's results or any other performance indicator. In some cases, you can identify these forward-looking statements by forward-looking words, such as "estimate," "expect," "anticipate," "project," "plan," "intend," "objective", "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "would," "will", "could," "predict," "continue," "convinced," and "confident," the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, financial projections and estimates and their underlying assumptions, expectations and statements regarding Faurecia's operation of its business, and the future operation, direction and success of Faurecia's business.

Although Faurecia believes its expectations are based on reasonable assumptions, investors are cautioned that these forward-looking statements are subject to numerous various risks, whether known or unknown, and uncertainties and other factors, all of which may be beyond the control of Faurecia and could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties and other factors, please refer to public filings made with the Autorité des Marchés Financiers ("AMF"), press releases, presentations and, in particular, to those described in the section 2." Risk factors and management" of Faurecia's 2020 Universal Registration Document filed by Faurecia with the AMF on March 11th, 2021 under number D. 21-0112 (a version of which is available on www.faurecia.com).

Subject to regulatory requirements, Faurecia does not undertake to publicly update or revise any of these forward-looking statements whether as a result of new information, future events, or otherwise. Any information relating to past performance contained herein is not a guarantee of future performance. Nothing herein should be construed as an investment recommendation or as legal, tax, investment or accounting advice.

This presentation does not constitute and should not be construed as an offer to sell or a solicitation of an offer to buy Faurecia securities.

APPENDICES

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".

In Q3 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".

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 sales in 2021 exclude the AST sales and previous periods are restated and presented accordingly.

This restatement impacts only Interiors, as regards Business Groups, and Europe, as regards regions.

Sales (in € millions)	Q1 2020	Q2 2020	H1 2020	Q3 2020	Q4 2020	H2 2020	FY 2020
as previously released	3,739	2,431	6,170	3,874	4,610	8,484	14,654
restated for IFRS 5	3,678	2,406	6,084	3,823	4,538	8,361	14,445