# FY2023 RESULTS

FEBRUARY 19, 2024

*Horizon, CES 2024*

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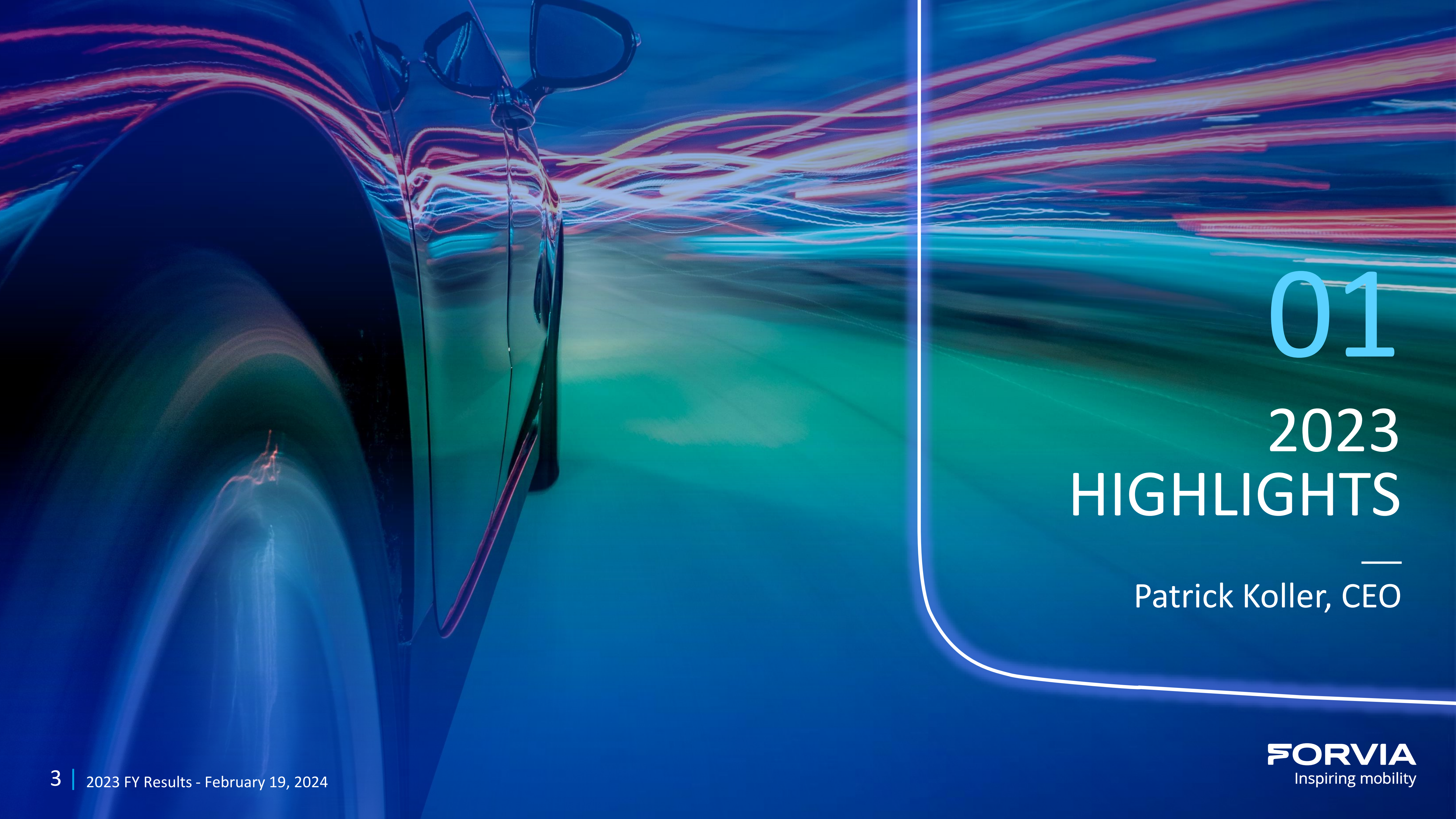
# Agenda



## 01

# 2023 HIGHLIGHTS

Patrick Koller, CEO

# KEY ACHIEVEMENTS IN 2023

POWER25
&
DELEVERAGING
ON TRACK

STRONG, SELECTIVE
& PROFITABLE
ORDER
INTAKE

INTEGRATION
& SYNERGIES
WITH HELLA
AHEAD OF
ROADMAP

EFFECTIVE
FOCUS ON
ESG
PERFORMANCES

# 2023 IN THREE KEY FIGURES

ORGANIC SALES GROWTH OF

**14%**

Outperforming by 430bps LVP growth (+9.7%)

OPERATING MARGIN IMPROVED BY

**100bps**

To 5.3% of sales vs. 4.3% in 2022

NET DEBT REDUCED BY CLOSE TO

**€1bn**

Strong NCF of €649m

Completion of the first €1bn disposal program

Net debt/Adj. EBITDA ratio of 2.1x improved by 100bps vs June 2022

ALL 2023 GUIDANCE TARGETS MET

ON TRACK WITH POWER25 PRIORITIES & TARGETS

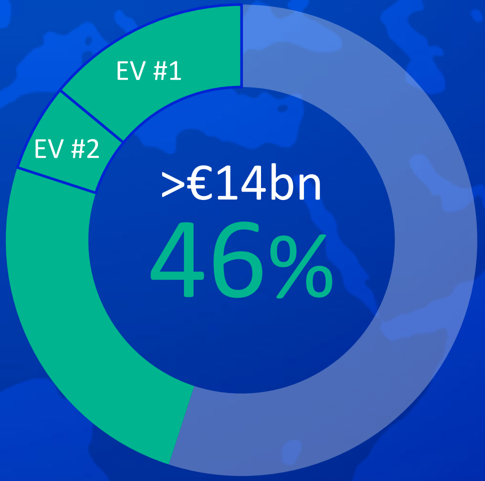
# BUILDING SUSTAINABLE GROWTH MOMENTUM

Strong and selective order intake of €31 billion in 2023

## Electronics

## Electric Vehicles

*BEVs & FCEVs*



## Asia

PROFITABILITY CONSISTENT WITH **POWER25** TARGETS
WITH REDUCED UPFRONT COSTS

# NUMEROUS CARS LAUNCHED IN 2023

## Selected examples with FORVIA content in Europe & Americas

Jeep Avenger

European Car of the Year 2023

Peugeot 5008

Porsche Cayenne

RAM 1500

Ford Transit

Mercedes E Class

# NUMEROUS CARS LAUNCHED IN 2023

Selected examples with FORVIA content in Asia


Electric SUV Nissan Ariya


Changan Avatr E12

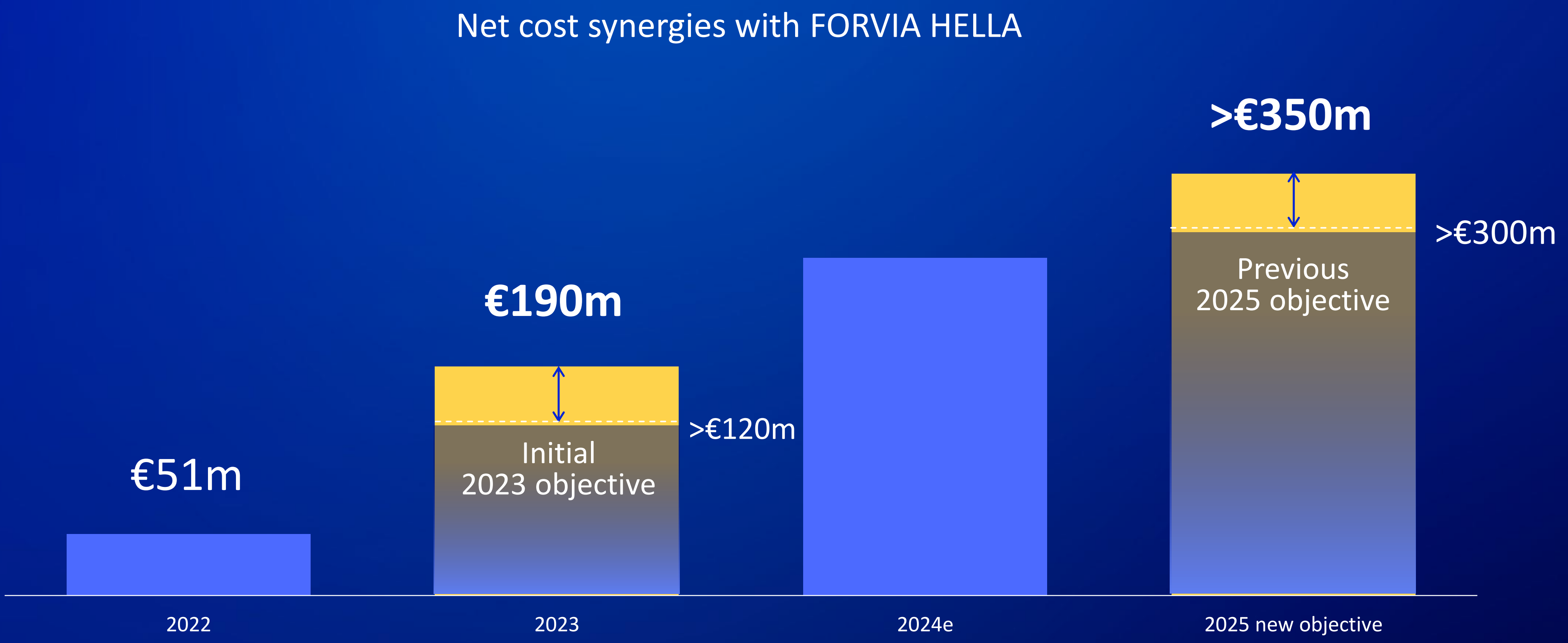

Lotus Eletre


BYD Tang


Li Auto X03

# SYNERGIES AHEAD OF ROADMAP

## 2025 Objective revised upwards from >€300m to >€350m



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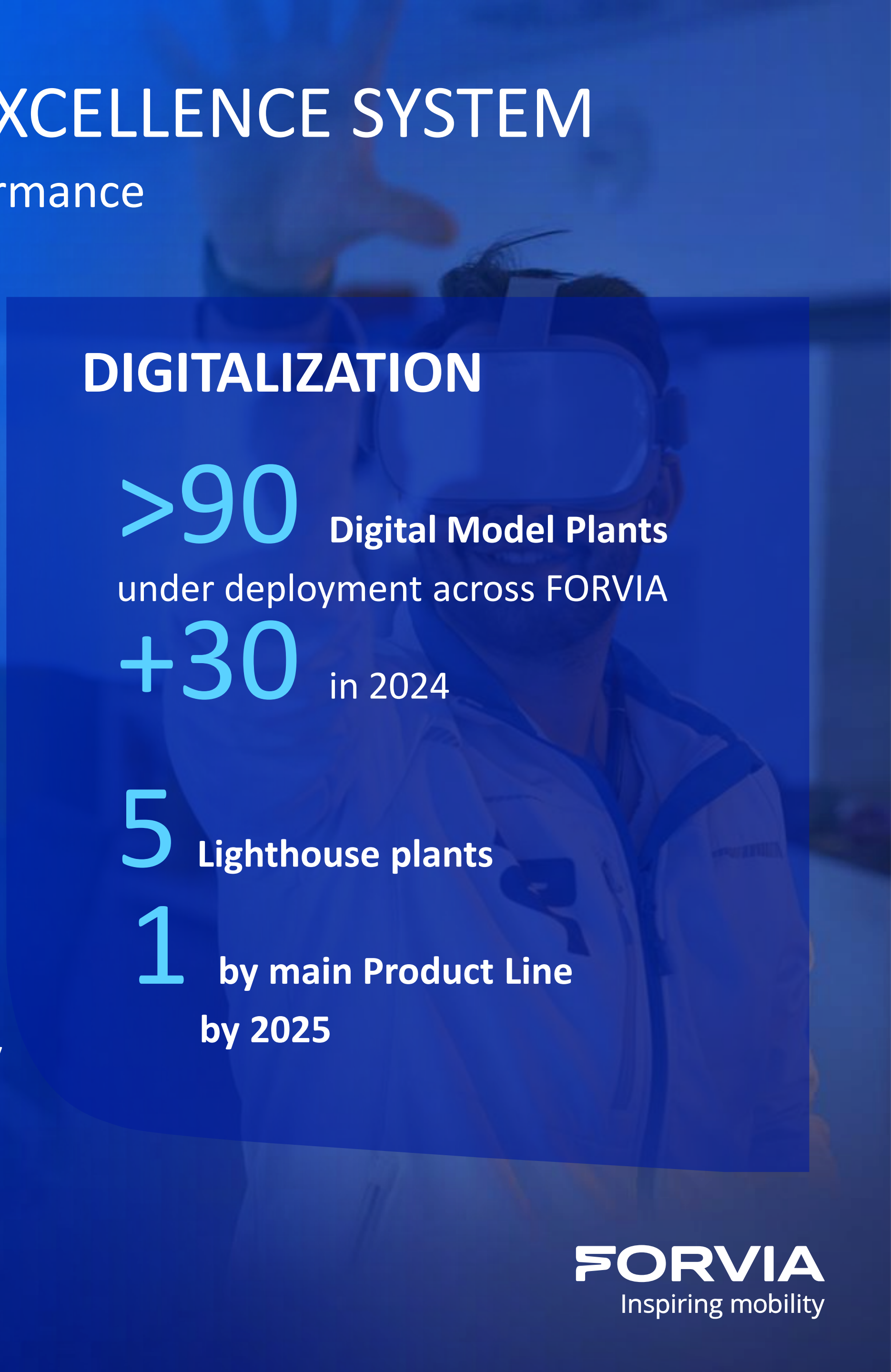
# SUCCESSFULL LAUNCH OF THE FORVIA EXCELLENCE SYSTEM

to deliver best-in-class industrial performance



## A 360° lean manufacturing approach

- combining the best industrial practices and processes of HELLA and Faurecia
- building on digital tools to develop state-of-the-art industrial assets
- embedding FORVIA's sustainability roadmap

Roll-out since mid-2023, implementation in all FORVIA sites by 2025

## Our foundation to

- ensure a safe working environment
- deliver total customer satisfaction
- achieve POWER25 objectives
- reach our Scope 1 & 2 carbon neutrality targets

## DIGITALIZATION

>90 **Digital Model Plants** under deployment across FORVIA

+30 in 2024

5 **Lighthouse plants**

1 **by main Product Line**

**by 2025**

# SPEEDING UP IN HYDROGEN ACTIVITIES

## Inauguration of Allenjoie hydrogen plant (France)

**100,000**

tanks by year by 2030

1st mass production plant of hydrogen storage tanks for mobility applications in Europe

## Inauguration of SYMBIO’s gigafactory Symphon’hy (France)

**50,000**

fuel cells systems by year by 2026

Europe's largest integrated site producing fuel cells

## Several awards for H2 storage systems, including 2 contracts in North America

## Stellantis entry in Symbio

as equal shareholder with FORVIA and Michelin

# SCALING UP IN LOW-CARBON MATERIALS

AI-powered grades development and first auto businesses awarded in 2023

MATERI'ACT

## FEEDSTOCKS & PRODUCTS

3 product lines

Strategic collaborations:
APM joint venture, Veolia, Ananas Anam

Joint venture with PCR in North America for recycled-based compounds production

## MASTERING THE VALUE CHAIN

### FROM FORMULATION TO PRODUCTION

World-class R&D center inaugurated in Lyon, France

- In-house lab & pilot workshop
- Hosting start-ups

400+ material formulations tested with Artificial Intelligence

## CUSTOMERS

12 automotive programs already awarded

€2bn sales by 2030

# SBTI-APPROVED NET-ZERO TARGETS

FORVIA, a pioneer among the automotive players

NET-ZERO in
**2045**

2 intermediary steps
**Carbon Neutral**
on Scopes 1 & 2 by 2025

**-45%** on Scope 3 by 2030

designed for **SCOPE 3**

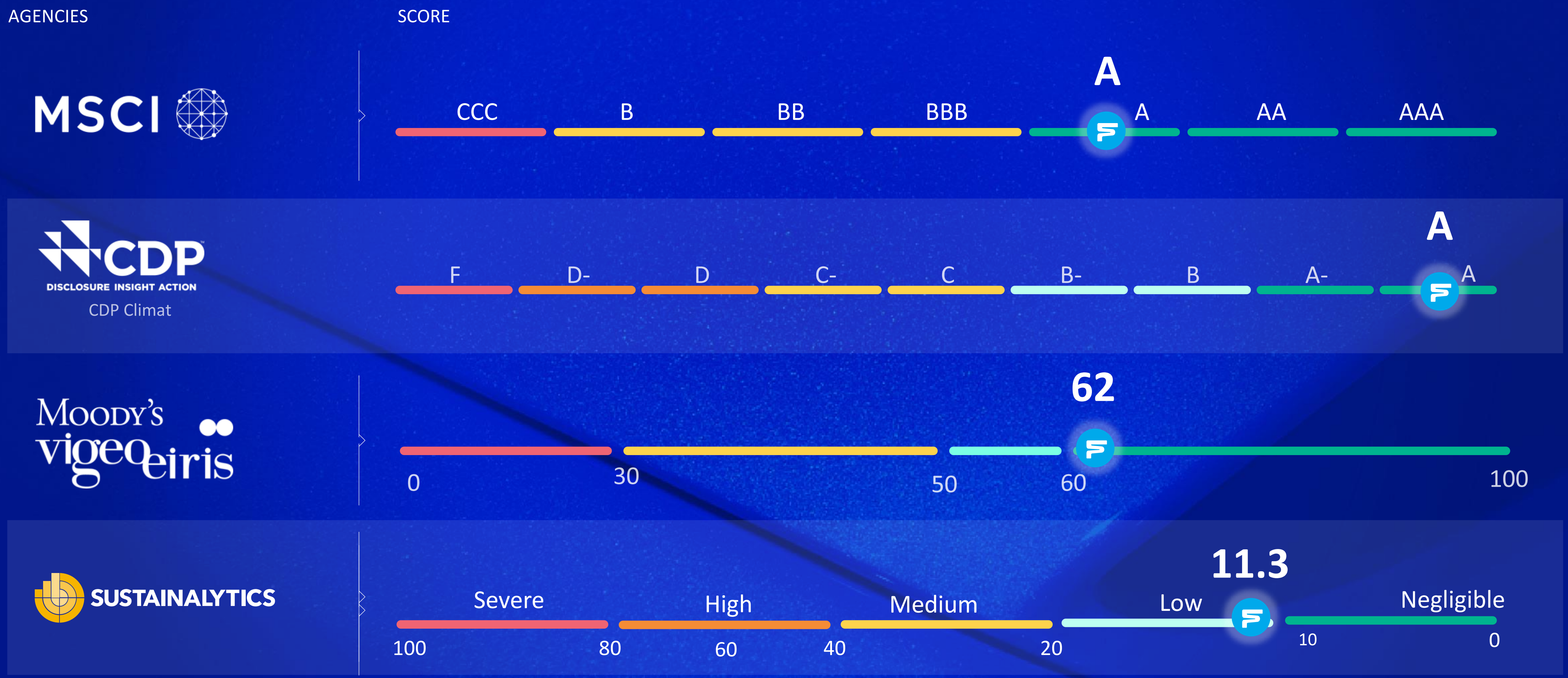
Scopes 1 & 2: 2023
**1 year ahead**
of schedule

Energy savings
**-26%** in 2023 vs 2019

FORVIA renewable (solar+wind)
**120GWh** in 2023

Up to **700 GWh** capacity in 2024

# CONTINUOUS IMPROVEMENTS ON ESG RATINGS



# 02

# 2023 RESULTS REVIEW

Olivier Durand, CFO

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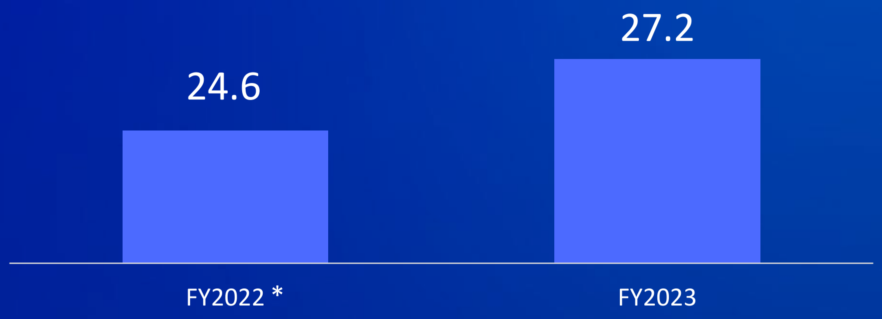
# PROGRESS ON ALL KEY FINANCIAL METRICS IN 2023

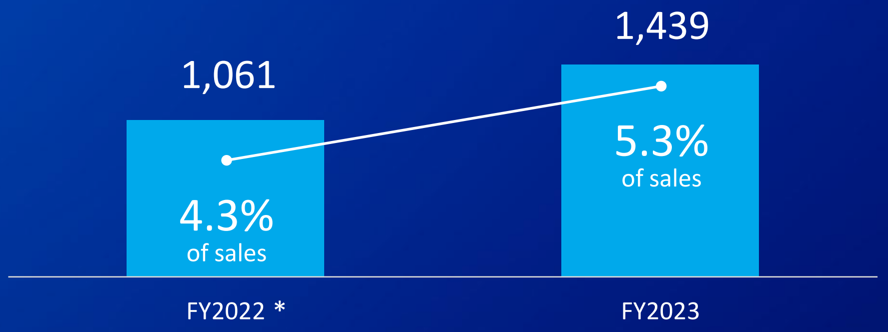
In €bn

## Revenue up +14% organically



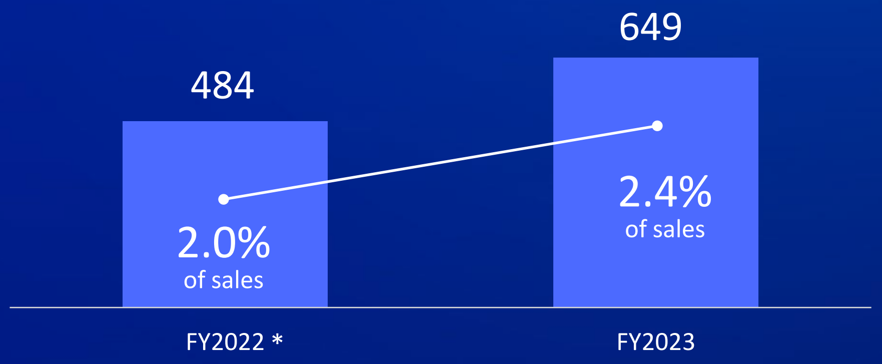
In €m

## Operating margin: +100bps



In €m

## Net cash flow up +34.3%



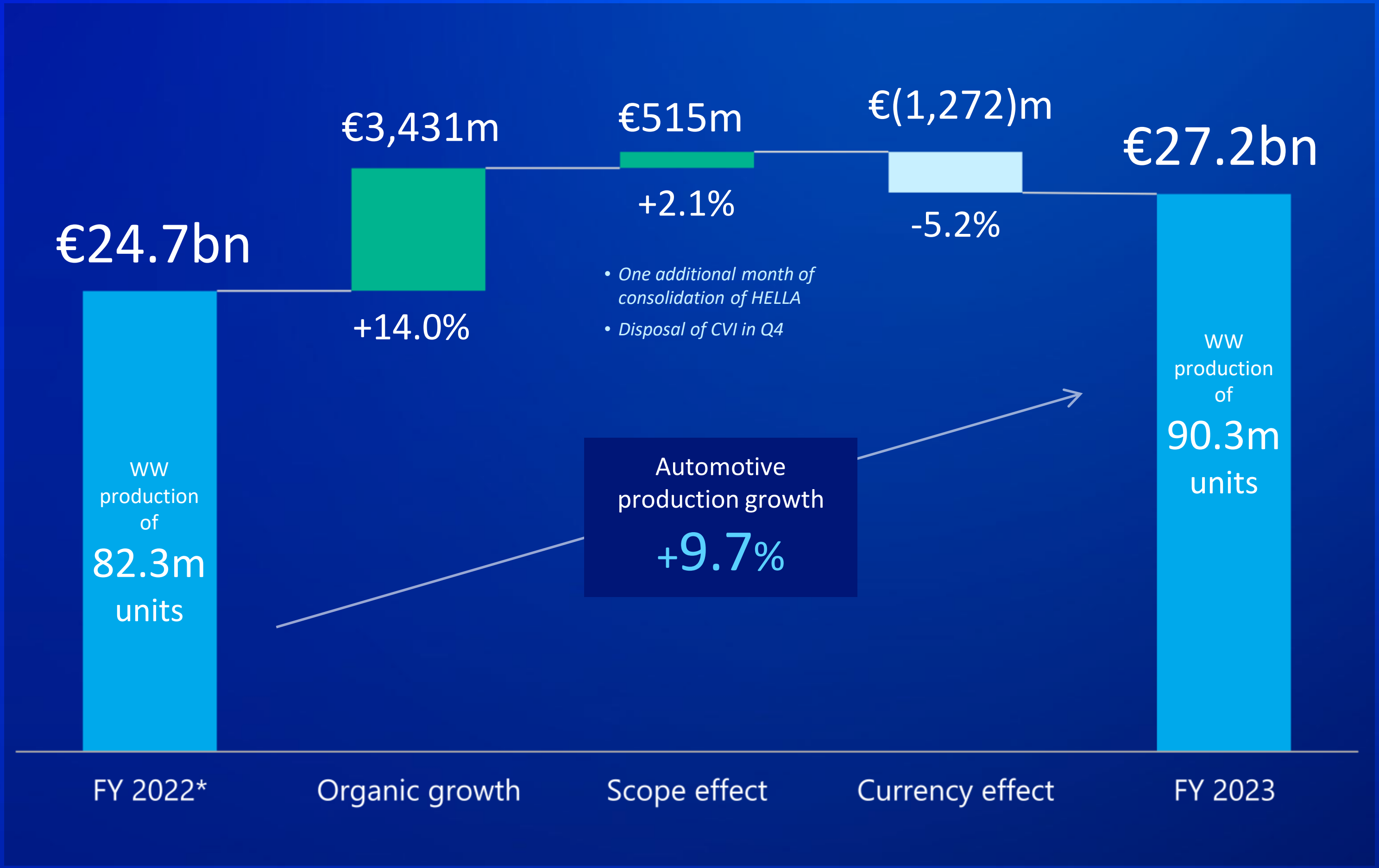
In €bn

## Net debt reduced by close to €1billion in 2023

* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

# SALES OF €27.2 BILLION, UP 14% ON AN ORGANIC BASIS

## Outperformance of 430bps



- *One additional month of consolidation of HELLA*
- *Disposal of CVI in Q4*

Automotive production growth
+9.7%

* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

Reported sales growth of +10.9%

Organic growth of 14% with all Business Groups in the double digits

Significant adverse currency impact of -5.2% essentially related to CNY, ARS, TRY and USD

Outperformance of 430 bps

- c. 250 bps from volumes/mix
- c. 100bps from favorable geographic mix
- c. 80 bps from inflation pass-through

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# OPERATING MARGIN UP 100bps YEAR ON YEAR

## Mainly through volume/mix and synergies

* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

***includes notably the impact of UAW strike, the consolidations of 1 month of HELLA (January) and the impact of CVI disposal impact in Q4*

# IMPROVED PERFORMANCE BUT MARGIN BELOW POTENTIAL

31% of Group consolidated sales in the period

| | 2022 | 2023 |
|---|---|---|
| Sales (€m) | 7,704 | 8,551 |
| *YoY reported* | | +11.0% |
| *YoY organic* | | +16.2% |
| *Currency effect* | | -5.2% |
| Operating income (€m) | 197 | 315 |
| % of sales | 2.6% | 3.7% |

Strong outperformance in China
driven by Li Auto, BYD,
US EV Car maker and BMW

c.14% organic growth in Europe
supported by BMW, VW and Daimler

+110bps margin expansion was driven by:

- a strong improvement in North America (Highland Park)
- an accretive impact from robust growth in China

And penalized by:

- inflation headwinds in JIT operations
- structural overcapacities in Europe

68%
$CO_2$ savings

Modular seat

# PROFITABILITY PENALIZED BY EUROPEAN OPERATIONS

18% of Group consolidated sales in the period

| | 2022* | 2023 |
|---|---|---|
| Sales (€m) | 4,645 | 4,922 |
| *YoY reported* | | +6.0% |
| *YoY organic* | | +11.5% |
| *Currency effect* | | -5.6% |
| Operating income (€m) | 191 | 201 |
| % of sales | 4.1% | 4.1% |

Double digit growth mainly driven by Europe (Ford, RNM and JLR) and China (Chang’an and Li Auto)

Operating margin was stable yoy: operating leverage gain was offset by dilutive impact from inflation pass-through, currencies, and structural overcapacities in Europe

Sustainable advanced and modular Interiors

86%
$CO_2$ savings

* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

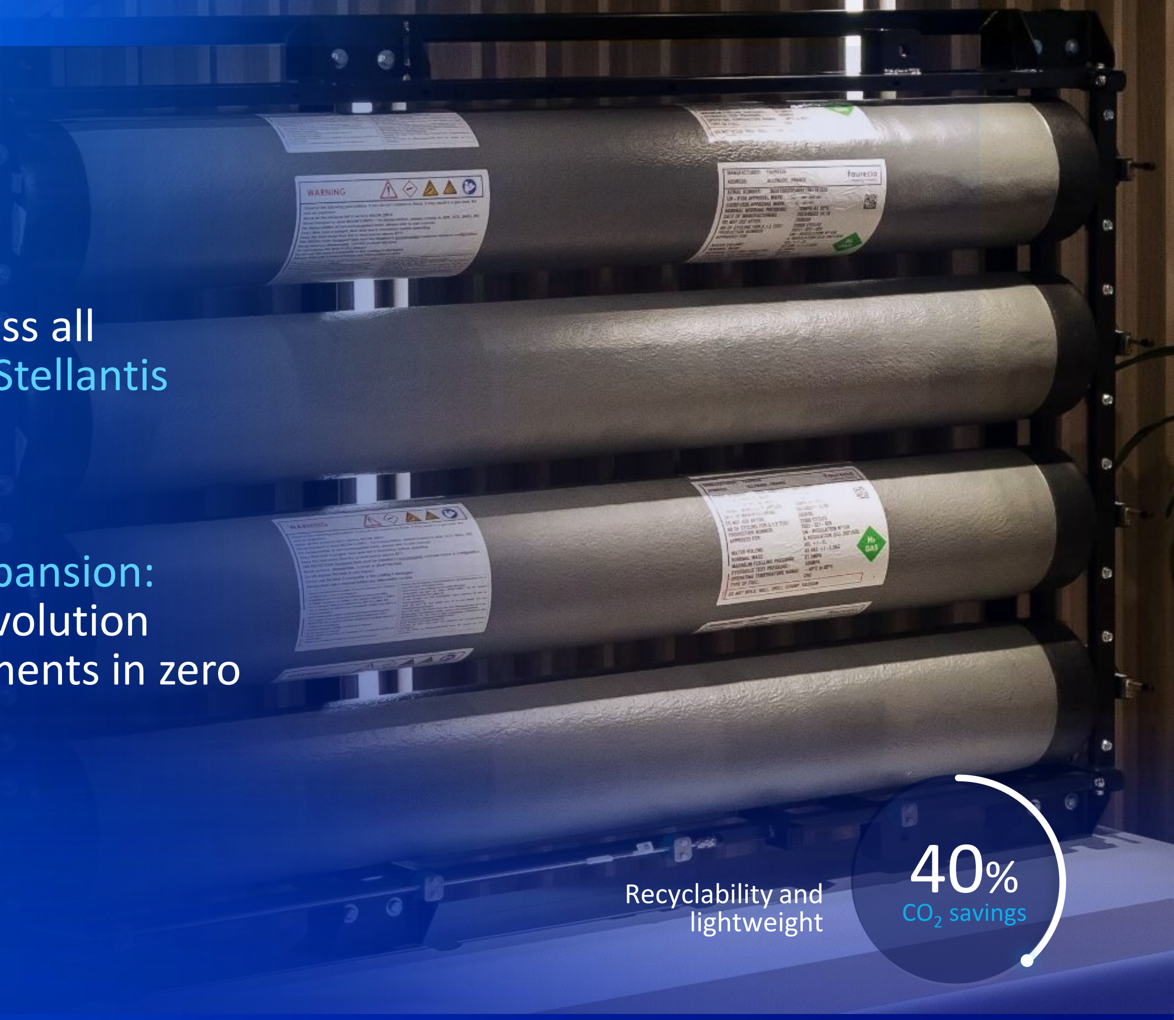
# ROBUST RESULTS, INVESTMENT IN ZERO EMISSION

18% of Group consolidated sales in the period

| | 2022 | 2023 |
|---|---|---|
| Sales (€m) | 4,736 | 4,832 |
| *YoY reported* | | +2.0% |
| *YoY organic* | | +11.4% |
| *Currency effect* | | -7.2% |
| Operating income (€m) | 336 | 384 |
| % of sales | 7.1% | 7.9% |
| % of sales ex. hydrogen activities | 7.8% | 9.0% |

Balanced growth accross all regions driven by VW, Stellantis and Ford

+80 bps net margin expansion: positive volume/mix evolution partly offset by investments in zero emission



Recyclability and lightweight

40% $CO_2$ savings

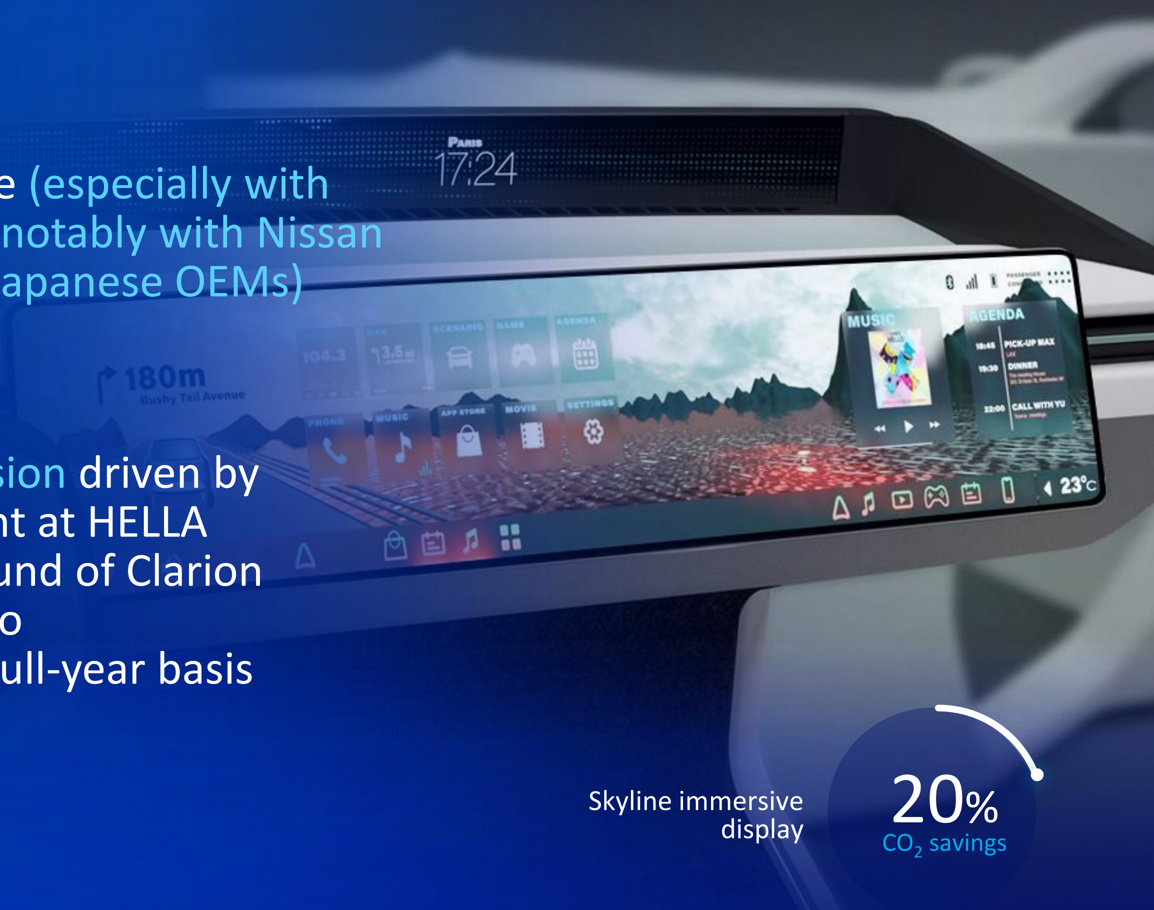
# SOLID OUTPERFORMANCE AND MARGIN EXPANSION

15% of Group consolidated sales in the period

| | 2022 | 2023 |
|---|---|---|
| Sales (€m) | 3,522 | 4,138 |
| *YoY reported* | | +17.5% |
| *YoY organic* | | +14.8% |
| *Scope effect* | | +7.0% |
| *Currency effect* | | -4.4% |
| Operating income (€m) | 141 | 219 |
| % of sales | 4.0% | 5.3% |

Robust growth in Europe (especially with VW), in North America (notably with Nissan and GM) and in Japan (Japanese OEMs)

+130 bps margin expansion driven by continuous improvement at HELLA Electronics and turnaround of Clarion Electronics in H2, back to operational profit on a full-year basis



Skyline immersive display

20% $CO_2$ savings

LIGHTING

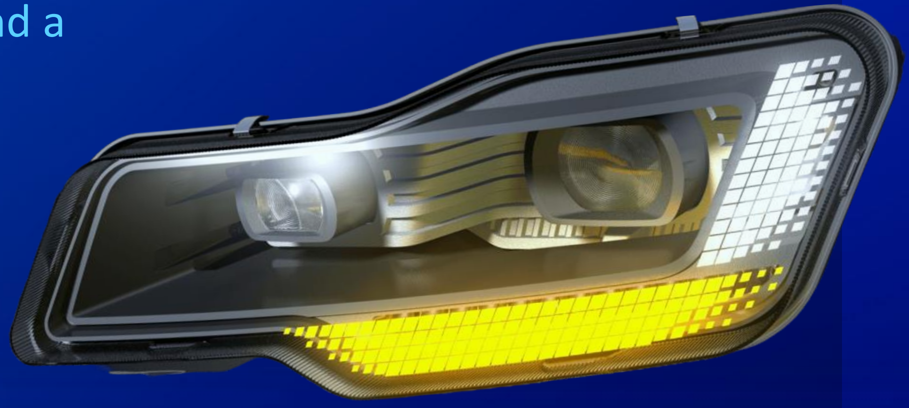
# TRACKING AHEAD OF POWER25 AMBITION

14% of Group consolidated sales in the period

| | 2022 | 2023 |
|---|---|---|
| Sales (€m) | 3,074 | 3,746 |
| *YoY reported* | | +21.9% |
| *YoY organic* | | +15.2% |
| *Scope effect* | | +9.2% |
| *Currency effect* | | -3.0% |
| Operating income (€m) | 107 | 193 |
| % of sales | 3.5% | 5.1% |

More than 20% organic growth in North America (driven by a US EV car maker) and China (BMW, Li Auto and a US EV car maker)

+160 bps margin expansion through solid operating leverage and synergies



Sustainlable headlamp

70% $CO_2$ savings

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# STRONG ACTIVITIES WITH HIGH PROFITABILITY

4% of Group consolidated sales in the period

| | 2022 | 2023 |
|---|---|---|
| Sales (€m) | 893 | 1,058 |
| *YoY reported* | | +18.5% |
| *YoY organic* | | +12.8% |
| *Scope effect* | | +9.2% |
| *Currency effect* | | -2.5% |
| Operating income (€m) | 89 | 128 |
| % of sales | 9.9% | 12.1% |

Strong growth was supported by healthy spare part business in various countries, further ramp-up of new workshop products and successful commercial vehicle activity

+220 bps margin expansion primarily achieved through operating leverage, positive mix effects and inflation pass-through

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# DOUBLE-DIGIT ORGANIC SALES GROWTH AND IMPROVED MARGIN IN ALL REGIONS

| In €m | EMEA | Americas | Asia | Group |
|---|---|---|---|---|
| *Regional auto. prod. YoY*[*]* | +11.5% | +8.6% | +9.4% | +9.7% |
| 2022 sales (€m) | 11,050 | 6,822 | 6,701 | 24,574 |
| *YoY organic* | +14.0% | +10.9% | +17.0% | +14.0% |
| Outperformance | +250bps | +230 bps | +760bps | +430bps |
| *YoY reported* | +14.5% | +5.6% | +10.3% | +10.9% |
| 2023 sales (€m) | 12,651 | 7,207 | 7,390 | 27,248 |
| 2022[*] operating income (€m) | 175 | 176 | 710 | 1,061 |
| *% of sales* | 1.6% | 2.6% | 10.6% | 4.3% |
| 2023 operating income (€m) | 316 | 308 | 815 | 1,439 |
| *% of sales* | 2.5% | 4.3% | 11.0% | 5.3% |
| *% of Group consolidated sales* | *46%* | *27%* | *27%* | *100%* |
| *% of Group consolidated operating income* | *22%* | *21%* | *57%* | *100%* |

### EMEA: margin improved yoy but far from targeted level

- Operating margin up 90bps to 2.5% of sales, penalized by Interiors and Seating
- Accelerating on sustainable mobility

### Americas: +170bps margin expansion from operational improvements

- Organic sales boosted by above 20% sales growth in Lighting and Electronics
- Margin expansion primarily driven by Seating, penalized by UAW strike

### Asia: outperformance and continuous double-digit margin (+40bps yoy)

- Organic growth driven by outperformance of 770bps in China
- New promising partnerships with BYD in Thailand and with Chery

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[*] 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

# OPERATING MARGIN UP 100bps

## through improved gross margin and contained R&D and SG&A

| In €m | 2022* | 2023 | Change |
|---|---|---|---|
| Sales (€m) | 24,574 | 27,248 | +10.9% |
| *Gross margin* | 3,132 | 3,662 | +16.9% |
| % of sales | 12.7% | 13.4% | +70bps |
| *R&D costs, gross* | (2,068) | (2,198) | |
| *Capitalized development costs & depreciations* | 1,171 | 1,270 | |
| *R&D costs, net* | (896) | (953) | |
| % of sales | 3.6% | 3.5% | -20bps |
| *Selling and administrative expenses* | (1,175) | (1,270) | |
| % of sales | 4.8% | 4.7% | -10bps |
| *Operating income (before PPA)* | 1,061 | 1,439 | +35.6% |
| *% of sales* | 4.3% | 5.3% | +100bps |

**Gross margin improved by 70 bps to 13.4%** through higher volumes and despite inflation headwinds

**R&D and SG&A expenses contained**

- Net R&D amounting to 3.5% of sales vs. 3.6% in 2022, stable in value vs 2022 excluding the additional month of consolidation of HELLA, close to -20 bps vs. 2022 level
- Selling and administrative expenses reduced to 4.7% of sales

As a result, **operating income stood at €1,439m, up 35.6%** vs 2022 and **improved by 100 bps at 5.3% of sales**, consistently with above 7% 2025 objective

* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

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# BACK TO PROFIT IN 2023

## Net income, Group share, at €222 million

| in €m | 2022* | 2023 | Change |
|---|---|---|---|
| Sales | 24,574 | 27,248 | +10.9% |
| Operating income<br>before amort. of acquired intangible assets | 1,061 | 1,439 | +13.6% |
| *Amort. of int. assets acquired in business combinations* | (190) | (193) | |
| Operating income<br>after amort. of acquired intangible assets | 871 | 1,246 | +43.1% |
| *Restructuring* | (349) | (171) | |
| *Other non-recurring operating income and expense* | (93) | (11) | |
| *Net interest expense & Other financial income and expense* | (495) | (459) | |
| Income before tax of fully consolidated companies | (67) | 606 | |
| *Income taxes* | (177) | (232) | |
| Net income of fully consolidated companies | (244) | 373 | n.m. |
| *Share of net income of associates* | 11 | (2) | |
| Net income from continued operations | (233) | 371 | |
| Net income from discontinued operations | (18) | (5) | |
| Consolidated net income before minority interest | (250) | 366 | |
| *Minority interest* | (131) | (143) | |
| Consolidated net income, Group share | (382) | 222 | +€604m |

2023 net income inceased by €604m vs 2022, primarily owing to a **€378m improvement in operating margin**

**A few extraordinary items also contributed to the net income improvement**

**In 2022:**

- One-off charges of €143m related to disengagement from Russia
- One-off restructurings of €86m
- Costs related to the acquisition of HELLA for €51m

**In 2023:**

- €158m of capital gain mainly related to the sale of a stake in Symbio

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* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

# 2023 ADJUSTED EBITDA AT 12.2% OF SALES
# NET CASH FLOW OF €649M, AT 2.4% OF GROUP SALES

| In €m | 2022* | 2023 | Change |
|---|---|---|---|
| Operating income | 1,061 | 1,439 | +13.6% |
| *Depreciation and amortization, of which:* | 1,847 | 1,889 | |
| *Amortization of R&D intangible assets* | 685 | 712 | |
| *Other depreciation and amortization* | 1,162 | 1,177 | |
| Adj. EBITDA | 2,907 | 3,328 | +14.5% |
| % of sales | 11.8% | 12.2% | +40bps |
| *Capex* | (1,137) | (1,137) | |
| *Capitalized R&D* | (954) | (1,046) | |
| *Change in WCR* | 405 | 659 | |
| *Change in factoring* | 183 | 111 | |
| *Restructuring* | (182) | (170) | |
| *Financial expenses* | (362) | (529) | |
| *Taxes* | (362) | (515) | |
| *Other (operational)* | (15) | (51) | |
| Net Cash Flow | 483 | 649 | +34.3% |
| % of sales | 2.0% | 2.4% | +40bps |

Capex to sales decreased significantly from 4.6% to 4.2% while Capitalized R&D to sales slightly decreased from 3.9% to 3.8%

**Working Capital contribution increased by €254m through the deployment of Manage by Cash program**

- Inventories management
- Collections from customers and synergies on payment terms

**Contribution from factoring dropped from €183m to €111m**

- Increase mainly related to the redistribution of disposed SAS factoring to other Group entities
- Outstanding amount remained below the self assigned €1.3billion cap

Financial expenses increased by €167m because of higher interest rates and a favorable one-off in 2022

Tax expenses increased by €153m, o/w €68m related to the withholding tax on HELLA's special dividend (sale of HBPO)

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* 2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

# NET DEBT/ADJ. EBITDA RATIO OF 2.1X AT YEAR-END

## vs. 2.7x at end of 2022, and 3.1x at end of June 2022 after the acquisition of HELLA

| In €m | 2022* | 2023 |
|---|---|---|
| Net Cash Flow | 483 | 649 |
| *Dividends paid incl. minorities* | (55) | (133) |
| *Net financial investment & Other*** | (4,511) | 567 |
| *IFRS16 impact* | (310) | (131) |
| Change in net debt | (4,392) | 952 |
| *Net debt at the beginning of the period* | (3,467) | (7,939) |
| *Impact of IFRS5 restatement on debt at Dec. 31, 2022* | (80) | - |
| Net debt at the end of the period | (7,939) | (6,987) |
| Net-debt/Adj. EBITDA ratio* | 2.7x | 2.1x |

*2022 accounts were restated for the divestment of SAS Cockpit Modules in application of IFRS5

** Includes impacts of Discontinued operations for €(13)m in 2022 and €(108)m from January 1, 2023 to July 30, date of closing of the sale of SAS Cockpit Modules

**Fast deleveraging** supported by

- Robust Net Cash Flow of €649m
- **Net financial investment & other of €567m** included:
  - **Above €700m cash proceeds related to the completion of the €1 billion asset disposal program announced in 2022** (sale of a stake in Symbio to Stellantis, sale of SAS Cockpit Modules to Motherson and sale of part of CVI business to Cummins)
  - **SAS impact of €(108)m, mainly due to termination of factoring program**
  - Limited acquisitions
- Contained IFRS 16 impact related to reduction of new large projects and disposals (notably SAS)

**Net debt reduction by close to 1 billion euros in 2023**

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# GROSS DEBT REDUCED BY €894M IN 2023

## Available cash of €4.3bn at year-end

**Withdrawal of negative watch on FORVIA's long term rating by all 3 credit rating agencies**

- BB+ with Fitch (stable outlook)
- Ba2 and BB with Moody's and S&P (both with stable outlook)

**Interest debt on gross debt c. 75% fixed and c. 25% variable**

**Further diversification of funding sources**

- First issuance on the Japanese bond market (Samourai)
- Syndicated loan in Mexico

**Liability management in H2 for €150m**

**Actively managing 2025 and 2026 refinancing needs**

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# ACCELERATED DELEVERAGING THROUGH A SECOND €1BN DISPOSAL PROGRAM

## DELEVERAGING BEYOND THE POWER25 NET DEBT/ ADJ. EBITDA OBJECTIVE

- Further reduction of debt and financial expenses
- Will allow reduction of Net debt / Adj. EBITDA ratio at end-2025 beyond the target of <1.5x presented at FORVIA's Capital Market Day in November 2022

## FURTHER STRENGTHENING AND SIMPLIFICATION OF THE GROUP'S PORTFOLIO

- Candidates for disposals similar to the first program: equity in joint ventures, non-core consolidated assets, capital openings, …
- Impact on the Group's consolidated sales and EBITDA should be limited

## FIRST SIGNIFICANT TRANSACTION ALREADY ANNOUNCED

- Disposal by HELLA of its 50% stake in BHTC for a total EV of €600m (at 100%) and expected cash proceeds of €200m for FORVIA

## 03

# 2024 ONWARDS

Patrick Koller, CEO

# A FIVE-YEAR 2024-2028 PROJECT TO REINFORCE COMPETITIVENESS IN EUROPE

## Strategic goals

### Adapt to a fast-changing environment

Adapt to the structural volume drop (from >21m LVs in 2019 to <17m until 2030) and the accelerated electrification (ICE ban in 2035)

Prepare for an evolution of the OEM landscape and the arrival of newcomers from Asia

Secure our strong EU positions

Rebalance FORVIA's regional performance – reduce our Chinese dependency while growing profitable in Asia

## Key levers

### Address structural overcapacities in Europe

Adaptation of the manufacturing and R&D set-up

Supported by recruitment freeze, reduction of short term and temporary workers on top of natural attrition

Increase Global R&D and Program Management efficiencies, notably leveraging AI & GenAI

**EU-FORWARD project could impact up to 10,000 jobs over the period** (75,500 at end-2023)

## Financials

### P&L

**c. €1.0bn restructuring costs over 2024-2028 dedicated to Europe, broadly equally split between the 2024-2025 period and the 2026-2028 period**

### Cash

**c. €800m restructuring charge over 2024-2028 dedicated to Europe, broadly equally split between the 2024-2025 period and the 2026-2028 period**

**SAVINGS of c. €500m to achieve 2028 European operating margin above 7%**

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# LEVERAGE POTENTIAL OF AI AT SCALE

## ENSURE STRONG AI GOVERNANCE IS IN PLACE

Dedicated AI teams
in each Business Group
+ central platform

## PROMOTE AND PRIORITIZE THE MOST PROMISING AI USES CASES

>250
AI use cases

## ENSURE BEST-IN-CLASS DATA MANAGEMENT & IT ENVIRONMENT

>200+
Data Products

## DRIVE HIGH-BENEFIT USE-CASES AT SCALE

>20 PoCs
running across FORVIA

First solutions
already being rolled out globally

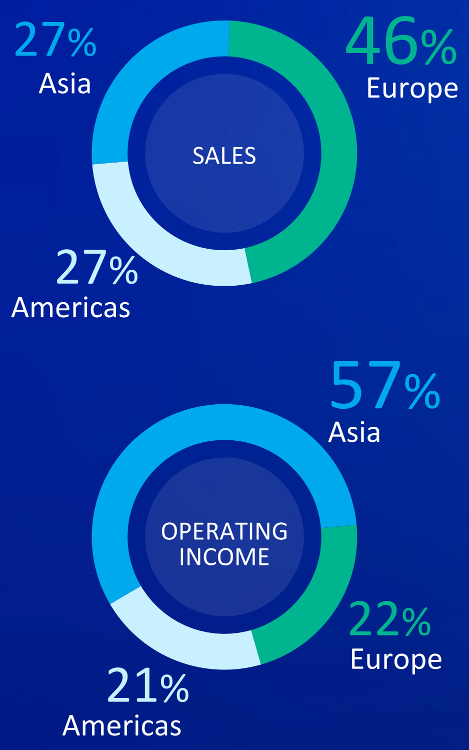
**AI/GenAI transformation**

50% efficiency gains
Expected on R&D and Program Teams

This global initiative will contribute to EU-FORWARD

# DIFFERENTIATED REGIONAL STRATEGY TO ADDRESS FAST-CHANGING ENVIRONMENT

2023
Group regional exposure



**Asia**

- Asia will soon produce 60% of the world vehicle volumes, o/w 35M in China
- Japanese OEM are producing 25M veh./year, o/w c. 70% for Asia
- India is currently producing 3M veh./year, objective is 7M in 2030, it might be conservative

**North America**

- Pursue commercial selectivity
- Finalize well-advanced footprint optimization
- Achieve structural industrial efficiency gains

**Europe** excl. Russia

- Address industrial overcapacities
- Reduce dependency on our Chinese profitability
- Reinforce competitiveness and agility

2028
Group regional exposure

## 04

# 2024 GUIDANCE AND POWER25 AMBITION

Patrick Koller, CEO

# 2024 GUIDANCE

**SALES**

BETWEEN

€27.5bn AND
€28.5bn

**OPERATING MARGIN**

BETWEEN

5.6% AND
6.4% OF SALES

**NET CASH FLOW**

≥2023
LEVEL IN VALUE

**NET DEBT/ADJ. EBITDA**

≤1.9x
at December 31, 2024

THIS GUIDANCE IS BASED ON THE FOLLOWING ASSUMPTIONS

Worldwide automotive production broadly stable vs. 2023

Full-year average currency rates of 1.10 for €/USD and 7.50 for €/CNY

No major disruption materially impacting production in major automotive region

# ON TRACK TO POWER25 AMBITION

The group reiterates its FY2025 objectives, as presented at the CMD held in November 2022

**SALES**

c. €30bn

**OPERATING MARGIN**

>7% OF SALES

**NET CASH FLOW**

4% OF SALES

**NET DEBT/ADJ. EBITDA**

<1.5x
at December 31, 2025

THESE OBJECTIVES:

Were based on average 2025 currency rates of 1.05 for €/USD and of 7.00 for €/CNY

Assumed no major disruption materially impacting production or retail sales in any major automotive region over the period

Did not take into consideration any impact from the second €1bn disposal program announced in October 2023

# FORVIA IN 2025

GLOBAL LEADER

HIGH-VALUE TECHNOLOGIES

STRONGER IN EUROPE

$CO_2$ NEUTRAL

in operations by 2025 and well advanced on our scope-3 objectives

HIGHLY DIGITAL AND EFFICIENT IN OPERATIONS AND R&D

DELEVERAGED FINANCIAL STRUCTURE

ATTRACTIVE FOR ALL OUR STAKEHOLDERS

POWER25

# APPENDICES

# TRADE PAYABLES: DPO AND REVERSE FACTORING

| In €m | 2022 (restated IFRS5) | 2023 |
|---|---|---|
| Sales | 24,574 | 27,248 |
| *Purchase consumed and external costs* *(Note 5.2 of financial statements)* | *17,596* | *19,629* |
| *Agent flows (Note 4.1 of financial statement)* | *8,325* | *7,385* |
| Purchases consumed & external costs, including agent flows (including one additional month for HELLA in 2022*) | 26,281 | 27,014 |
| Trade Payables* | 8,470 | 8,398 |
| DPO (in days)*** | 105 | 102 |

*HELLA was consolidated in February 2022. For better like-for-like comparison, the calculation of purchased consumed and ext. costs was made by adding one additional month of purchase of HELLA in 2022 for an amount of €360m

** 2022 Trade payables restated for SAS contribution

***Calculation of DPO made by taking the trade payables amount net of VAT

- **The Days Outstanding Payables (DPO) stood at around 100 days at the end of 2023**
  - The calculation of FORVIA's Days Payable Outstanding must be carried out adding the amount of agent flows (mainly monoliths) which are:
    - not recognized in consolidated sales, P&L and purchases according to IFRS15,
    - but included in the working capital as trade payables and receivables.

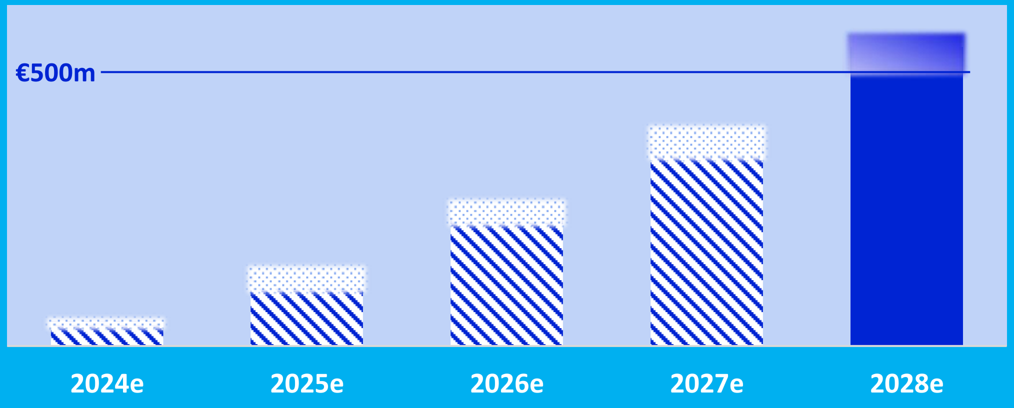
- **Group reverse factoring program represented c. 10% of the total amount of trade payables at the end of 2023**
  - Program started in 2017
  - Amounts included in the program are fully booked as trade payables in the balance sheet
  - **Amount of this program used by FORVIA's suppliers at the end of 2023 was slightly lower than that at the end of 2022**

# EU-FORWARD ESTIMATED RESTRUCTURING COSTS AND SAVINGS

**Estimated restructuring costs in the cash flow statement**

| *In €m (rounded figures)* | 2024-2025 combined | 2026-2028 combined | **2024-2028 combined** |
|---|---|---|---|
| GROUP (as initially planned) | 375 | 350 | **725** |
| EU-FORWARD incremental costs | 125 | 150 | **275** |
| GROUP (new amounts) | 500 | 500 | **1,000** |
| *o/w EMEA* | *400* | *400* | ***800*** |
| *o/w Americas and Asia* | *100* | *100* | ***200*** |

**EU-FORWARD savings ramp-up** (in €m)



## EU-FORWARD project would aim at increasing operating margin in Europe above 7% in 2028

- P&L: Combined worldwide restructuring charges would increase by c. €350m under the 2024-2028 period and reach c. €1.2 billion
- Additional restructuring costs and savings related to EU-FORWARD project are included in 2024 guidance and POWER25 targets
- **Savings should reach c. €500m on an annual basis in 2028**

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# 2024-2028 RESTRUCTURING COSTS (P&L AND CASH)

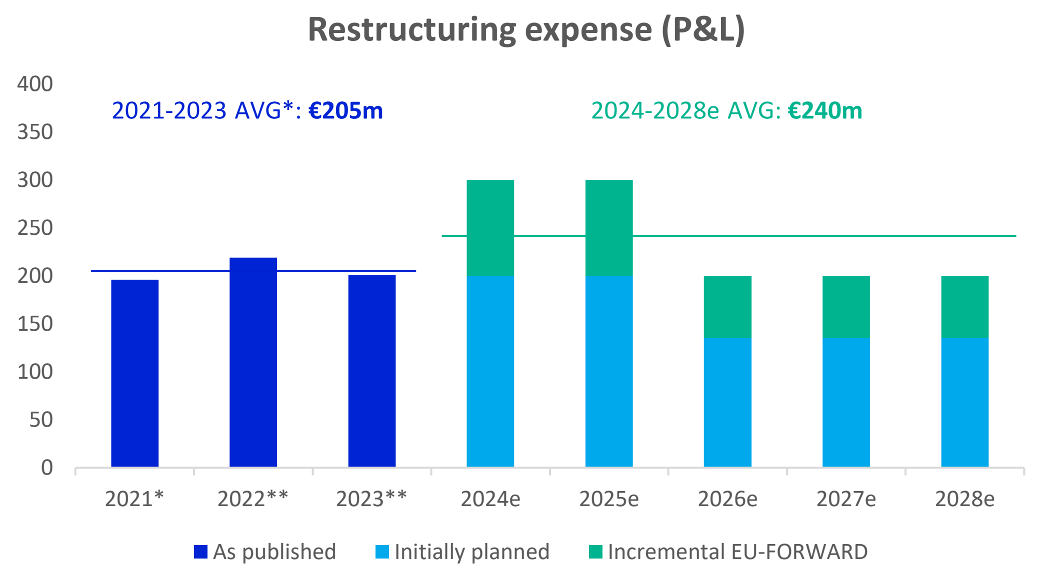
**Estimated restructuring costs in the income statement**

| *In €m (rounded figures)* | **2024-2025 combined** | **2026-2028 combined** | **2024-2028 combined** |
|---|---|---|---|
| GROUP (as initially planned) | 400 | 400 | 800 |
| EU-FORWARD incremental costs | **200** | **200** | **400** |
| GROUP (new amounts) | 600 | 600 | 1,200 |
| *o/w EMEA* | *500* | *500* | *1,000* |
| *o/w Americas and Asia* | *100* | *100* | *200* |

**Estimated restructuring costs in the cash flow statement**

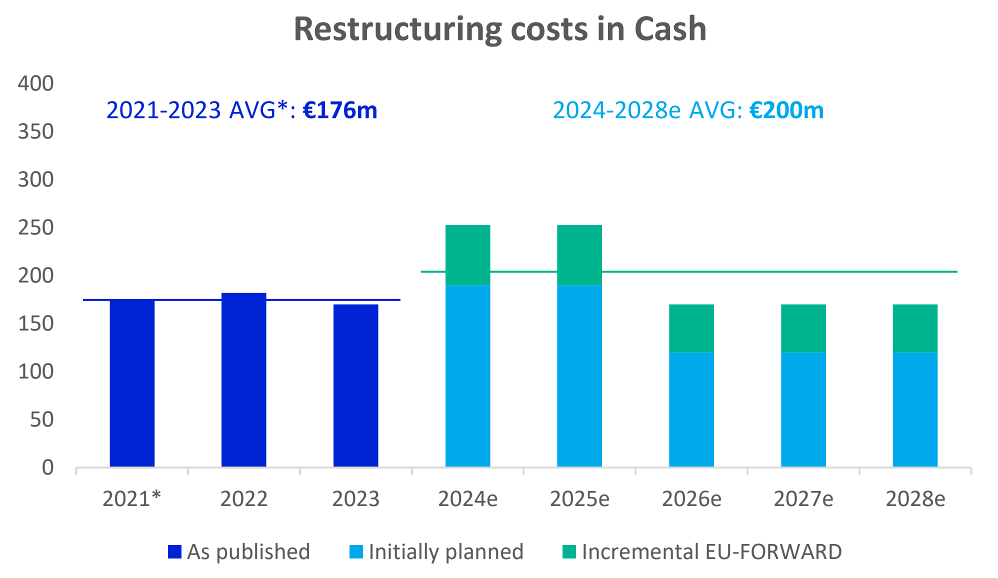
| *In €m (rounded figures)* | **2024-2025 combined** | **2026-2028 combined** | **2024-2028 combined** |
|---|---|---|---|
| GROUP (as initially planned) | 375 | 350 | 725 |
| EU-FORWARD incremental costs | **125** | **150** | **275** |
| GROUP (new amounts) | 500 | 500 | 1,000 |
| *o/w EMEA* | *400* | *400* | *800* |
| *o/w Americas and Asia* | *100* | *100* | *200* |

# COMPLEMENTARY EU-FORWARD COSTS TO FULLY ALIGN THE EUROPEAN ORGANIZATION REMAIN PROPORTIONATE TO PAST RESTRUCTURING TRENDS



*2021: Faurecia only

** 2022 and 2023 restated for impacts related to the exit from Russia



*2021: Faurecia only

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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 scope and currencies"** or **"Organic growth"**
- 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"

## 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 1st, 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)

## Debt covenant

- **Debt covenant** is the ratio Net financial debt at the end of the period vs. Adjusted EBITDA over the last 12 months; it is tested twice every year at June 30 and at December 31st

# FINANCIAL CALENDAR

March 21, 2024

Sustainability Day in Paris (France)

April 18, 2024

Q1 2024 Sales (before market hours)

**May 30, 2024**

Annual Shareholders’ Meetings in Nanterre (France)

**July 24, 2024**

H1 2024 Results (before market hours)

**October 21, 2024**

Q3 2024 Sales (before market hours)

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## SHARE TICKERS & ISIN CODE

Bloomberg Ticker: FRVIA.FP
Reuters Ticker: FRVIA.PA
ISIN: FR0000121147

## BONDS ISIN CODES

2024 bonds: XS1611167856
2025 bonds: XS1785467751
2026 bonds: XS2553825949
XS1963830002
2027 bonds: XS2047479469
XS2405483301
XS2081474046
2028 bonds: XS2209344543
2029 bonds: XS2312733871

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Forward looking statements in this document include, but are not limited to, financial projections and estimates and their underlying assumptions including, without limitation, assumptions regarding present and future business strategies (including the successful integration of HELLA within the FORVIA Group), expectations and statements regarding FORVIA's operation of its business, and the future operation, direction and success of FORVIA's business. Although FORVIA believes that these forward-looking statements are based on reasonable assumptions at the time of publication of this presentation/document, 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 FORVIA and could cause actual results to differ materially from those anticipated in these forward-looking statements.

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