

## Press release

Nanterre (France), February 22, 2021

### FULL-YEAR 2020 RESULTS & 2021 GUIDANCE

- **Effective and appreciated Covid-19 employee protection protocol**
- **Record order intake of €26bn, leading to €72bn cumulated over last three years**
- **Net Cash Flow above €1bn in H2, fully offsetting H1**
- **Strong liquidity restored above pre-crisis level**

#### STRONG RECOVERY AND OVERACHIEVEMENT OF TARGETS IN H2, NOTABLY CASH GENERATION

in €m	H2 2020	YoY change	H2 targets*	FY 2020	YoY Change
<b>Sales</b>	<b>8,484</b>	<b>-3.5%</b>	<i>At least €8bn</i>	<b>14,654</b>	<b>-17.5%</b>
<i>At constant scope and currencies</i>		<i>-3.5%</i>			<i>-19.6%</i>
<b>Operating income</b>	<b>520</b>	<b>-18.5%</b>		<b>406</b>	<b>-68.3%</b>
<i>As % of sales</i>	<i>6.1%</i>	<i>-120bps</i>	<i>At least 5.5%</i>	<i>2.8%</i>	<i>-440bps</i>
<b>Net cash flow</b>	<b>1,051</b>	<b>n/s</b>	<i>At least €700m</i>	<b>6</b>	<b>n/s</b>

\* as upgraded along with the Q3 2020 sales announcement, released on October 23, 2020

#### 2021 GUIDANCE REFLECTS STRONG SALES OUTPERFORMANCE, SOLID OPERATING LEVERAGE AND CASH GENERATION IN A CONTEXT OF MARKET REBOUND

Based on the prudent assumption that worldwide automotive production should reach 76.6 million vehicles in 2021, up 8% year-on-year, Faurecia's full-year 2021 guidance is as follows:

- **Sales ≥ €16.5bn** (including a negative effect of c. €610m from scope and currencies) **and strong organic sales outperformance > +600bps**
- **Operating margin of c. 7% of sales**, close to pre-Covid levels
- **Net cash flow of c. €500m** (including c. €180m of cash outflow from restructurings) **and net-debt-to-EBITDA ratio < 1.5x at year-end**

**BACK TO DIVIDEND PAYMENT WITH €1 PER SHARE** (to be proposed at next shareholders' meeting)

#### CAPITAL MARKETS DAY TO BE HELD TODAY WILL PRESENT FAURECIA'S "NEW PERSPECTIVES", AHEAD OF THE UPCOMING CHANGE IN CAPITAL STRUCTURE (see separate Press Release issued today)

- **Reaffirming the Group's strategy and its key orientations, including investment in hydrogen mobility**
- **Confirming 2022 guidance**
- **Announcing 2025 ambition by Business Group and at Group level**

#### Patrick KOLLER, CEO of Faurecia, declared:

"In the second half of the year, thanks to excellent preparation for production restart as well as resilience actions implemented since the beginning of the crisis, Faurecia overachieved all its financial targets. This was particularly true for cash generation, which offset the consumption of the first half and contributed to significant debt reduction. We are proud, in such a difficult year, to have further strengthened the confidence of our customers as reflected in a new record order intake of 26 billion euros.

I would like to thank all the Faurecia teams, who have done an extraordinary job, for their contribution to this successful performance, whilst strictly respecting our Covid-19 protocol.

In 2021, we will resume strong sales outperformance, be back to profitability close to pre-crisis level and generate solid cash flow that will further contribute to our deleveraging.

Our confidence in Faurecia's future prospects, which will be presented today at our Capital Markets Day, allows us to resume dividend payment in 2021, offering a fair remuneration to our shareholders."

- *The 2020 consolidated financial statements have been approved by the Board of Directors at its meeting held on February 19, 2021, under the chairmanship of Michel de ROSEN. These financial statements have been audited.*
- *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 February 16, 2021 (vehicles segment in line with CAAM for China).*

## STRONG IMPACT OF COVID-19 IN H1 BUT GRADUAL RECOVERY IN H2

The first half of the year was strongly impacted by the globalization of Covid-19 that heavily impacted the automotive industry and all sectors of the economy.

Temporary shutdown of most of its customers' production sites forced Faurecia to stop production in a large number of its sites during the period.

In the first quarter of the year, worldwide automotive production fell by 22% to 17.2 million vehicles, mostly impacted by China, and in the second quarter it fell by 46% to 11.5 million vehicles, mostly impacted by Europe and North America, while China was restarting.

In this unprecedented context, Faurecia proved very agile and immediately implemented a strong action plan to react to the crisis with three priorities:

- The first priority was the health and safety of all employees as well as the creation of the right conditions for a safe restart of production, both managed through the very effective "Safer and Stronger Together" protocol and the in-house production of personal protective equipment,
- The second priority was the close management of the Group's liquidity and the protection of a sound financial structure, which helped facing the low point at June 30 and recover financial flexibility at year-end,
- The third priority was to deploy quick actions to further improve the Group's resilience, which allowed maintaining a strong operating leverage throughout the year and reduce breakeven of operations.

As from the third quarter, worldwide automotive production started to recover and worldwide automotive production in the quarter was only 3.7% down vs. the third quarter of 2019 (19.5 million vehicles), while in the fourth quarter it was even up 2.9% vs. the last quarter of 2019 (22.4 million vehicles).

The graph below shows Faurecia's organic sales evolution by quarter:



Faurecia's sales evolution reflected that of worldwide automotive production by quarter. It is worth mentioning that Group product sales (i.e. excluding tooling and prototype sales) were up 2% in Q4 2020 on an organic basis.

## NEW RECORD ORDER INTAKE OF €26bn DESPITE THE CONTEXT

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Despite the Covid-19 context, **Faurecia continued to increase customer satisfaction**, thanks to its Total Customer Satisfaction program.

**A new record intake of €26 billion in 2020 leads to a combined amount of €72 billion over the last three years (2018-2020)**, representing continued market share gains and securing future profitable growth prospects.

New business awards, with high profitability, including:

- **€2.5 billion for Clarion Electronics**, significantly higher than the €2.1bn initially targeted, thus demonstrating the strong potential for this Business Group,
- **20% for China**, reflecting continued strong growth potential of the Chinese market.

## OTHER KEY 2020 ACHIEVEMENTS

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In 2020, **Faurecia continued to deploy its strategy** and among its main achievements of the year were:

- **Successful integration of SAS Interior Modules:** SAS Interior Modules (now 100%-owned by Faurecia) has been integrated and consolidated since January 30, 2020 within the Interiors Business Group
- **Acquisition of IRYStec:** the Canadian start-up has developed the world's first software platform using perception and physiology to optimize the user experience of display systems while saving energy. It is already in serial production on several Daimler vehicles
- **New joint ventures with Xuyang and BAIC in China:** the JV with Xuyang marks another milestone in the production, assembly and sales of automotive display products, as well as relevant after-sales services for OEMs, while the JV with BAIC further strengthens Faurecia's Seating operations with Hyundai-Kia and Daimler globally as well as BAIC own brands in China (the joint venture employs 450 people and operates 4 plants in Beijing, Chongqing, Huanghua and Xiangtan)
- **Acceleration of hydrogen mobility solutions** with, in particular, the creation of a global center of expertise for Hydrogen Storage Systems in Bavans (France) and, in early 2021, the acquisition of CLD, one of China's largest high-pressure tank manufacturers

**Faurecia also accelerated its carbon neutrality program and sustainability initiatives:**

- Faurecia's Carbon Neutrality program received the approval of SBTi,
- A partnership was signed with Schneider Electric to support the Group's commitment to reach CO<sub>2</sub> neutrality on scopes 1 & 2 by 2025,
- Faurecia's sustainable purchasing strategy was recognized by EcoVadis,
- Faurecia ranked 42<sup>nd</sup> in the Wall Street Journal 100 World's Most Sustainably Managed Companies.

**Another priority for Faurecia is to enhance gender diversity**, targeting 30% female managers and professionals and 24% of females in the top 300 by 2025.

In addition, **Faurecia's commitment to employee engagement and talent development** was strengthened through an increasingly robust learning organization to support its transformation and the decision to maintain 1,000 young graduates/VIEs and apprentices in France, among other initiatives. The latest Employee Engagement Survey showed a significant improvement of 12 points in rating to reach 76%.

Lastly, the Group launched the **Faurecia Foundation** to support initiatives on education, mobility and environment.

## 2020 SALES AND PROFITABILITY AT GROUP LEVEL

The following table details sales and operating income in H1 2020, strongly impacted by the Covid-19 crisis and plant closures, and H2 2020, when volume started to recover.

In €m	H1	H2	FY
<b>2019 sales</b>	<b>8,972</b>	<b>8,796</b>	<b>17,768</b>
Currency effect	(43)	(330)	(373)
<i>% of sales</i>	<i>(0.5%)</i>	<i>(3.7%)</i>	<i>(2.1%)</i>
Organic	(3,176)	(307)	(3,483)
<i>% of sales</i>	<i>(35.4%)</i>	<i>(3.5%)</i>	<i>(19.6%)</i>
Scope effect	417	324	741
<i>% of sales</i>	<i>4.6%</i>	<i>3.7%</i>	<i>4.2%</i>
<b>2020 sales</b>	<b>6,170</b>	<b>8,484</b>	<b>14,654</b>
<i>Reported change in %</i>	<i>(31.2%)</i>	<i>(3.5%)</i>	<i>(17.5%)</i>
Reported change in value	(2,802)	(312)	(3,115)
<b>Operating income 2019</b>	<b>645</b>	<b>638</b>	<b>1,283</b>
<i>% of sales</i>	<i>7.2%</i>	<i>7.3%</i>	<i>7.2%</i>
<b>Operating income 2020</b>	<b>(114)</b>	<b>520</b>	<b>406</b>
<i>% of sales</i>	<i>(1.8%)</i>	<i>6.1%</i>	<i>2.8%</i>

### In H2:

- Sales amounted to €8,484 million, down 3.5% on a reported basis and on an organic basis, as positive scope effect of €324 million (+3.7%) offset negative currency effect of €307 million (-3.7%)**
  - Currency negative effect in H2 increased vs. H1, mostly reflecting unfavorable impacts from the US dollar, the Brazilian real, the Turkish lira and the Chinese yuan.
  - Net positive scope effect reflected a positive contribution of 6 months from SAS (€367 million) and a negative of 1 month of Clarion (€43 million), which was consolidated for 7 months in H2 2019 due to June catch-up.
  - On an organic basis, sales were down 3.5% in H2 vs. a drop of 0.3% in worldwide automotive production growth. Restated for the unfavorable geographic mix impact of c. -90bps, sales underperformed the market by 230bps, mostly reflecting lower performance of Interiors in Europe and Clean Mobility for commercial vehicles in Europe and North America.
- Operating income amounted to €520 million or 6.1% of sales, a dramatic recovery after a loss of €(114) million in H1**
  - It included a net charge of €(45) million due to one-offs, of which €(16) million due to Covid-19 related extra-costs and €(29) million due to Chinese OEMs.
  - Excluding these one-offs, operating margin represented 6.7% of sales.

### In FY:

- Sales amounted to €14,654 million, down 17.5% on a reported basis and down 19.6% on an organic basis**
  - Currency negative effect amounted to €373 million or -2.1% of sales.
  - Positive scope effect amounted to €741 million or +4.2% and reflected a contribution of 11 months from SAS (€574 million) and a contribution of 3 months from Clarion (€167 million).
  - On an organic basis, sales were down 19.6% vs. a drop of 17.2% in worldwide automotive production growth. Adjusted for the unfavorable geographic mix impact of c. -250bps, Faurecia outperformed the market by 10bps (Europe and North America, regions the most impacted by the Covid crisis during the year, represented 74% of last year's Faurecia sales while they accounted for only 44% of worldwide automotive production).

- **Operating income amounted to €406 million or 2.8% of sales, as the net effect of an operating loss in H1, strongly impacted by the Covid-19 crisis and plant closures, and a strong recovery in H2**
  - It included a net charge of €(65) million due to one-offs, of which €(30) million due to Covid-19 related extra-costs and €(35) million due to Chinese OEMs.
  - Excluding these one-offs, operating margin represented 3.2% of sales.
  - **Operating leverage, calculated as the drop in operating income (excl. one-offs and scope effect & other) over the drop in sales at constant scope, was contained to 21%** (see calculation in appendix).

## 2020 SALES AND PROFITABILITY BY BUSINESS GROUP

### Seating (38% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>6,973</b>	<b>Sales (€m)</b>	<b>2,270</b>	<b>3,289</b>	<b>5,560</b>
	<i>YoY reported</i>	-37.6%	-1.3%	-20.3%
	<i>YoY organic</i>	-37.2%	1.2%	-18.9%
<b>453</b>	<b>Operating income (€m)</b>	<b>-23</b>	<b>213</b>	<b>191</b>
6.5%	<i>% of sales</i>	-1.0%	6.5%	3.4%

#### Sales

- Outperformance of 150bps in H2 2020, driven by all three of our major regions, with sequential improvement between Q3 and Q4 2020
- Strong outperformance above 700bps expected in 2021, thanks to significant start of production as from Q2 2021 (mainly Daimler C-class, BMW X1 & X2, Jeep Grand Wagoneer and Peugeot 308)

#### Operating income

- Operating margin at 6.5% in H2 2020, already at 2019 full-year profitability

### Interiors (31% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>5,370</b>	<b>Sales (€m)</b>	<b>1,922</b>	<b>2,622</b>	<b>4,544</b>
	<i>YoY reported</i>	-30.0%	-0.1%	-15.4%
	<i>YoY organic</i>	-36.9%	-9.3%	-23.4%
<b>294</b>	<b>Operating income (€m)</b>	<b>-93</b>	<b>112</b>	<b>19</b>
5.5%	<i>% of sales</i>	-4.8%	4.3%	0.4%

#### Sales

- Underperformance in H2 2020, impacted by:
  - Sharp drop of 11.4% in the Acoustics and Decoration activities
  - Sharp drop of 26.0% in tooling sales due to delayed programs
- 2021 sales should resume strong outperformance, supported by refocused portfolio and recovering tooling sales

#### Operating income

- Operating margin at 4.3% in H2 2020, strongly recovering from H1 2020
- Divestment of Acoustics (AST) and exit from Decoration will be accretive to 2021 performance

**Clean Mobility** (26% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>4,654</b>	<b>Sales (€m)</b>	<b>1,647</b>	<b>2,177</b>	<b>3,823</b>
	<i>YoY reported</i>	-30.0%	-5.4%	-17.8%
	<i>YoY organic</i>	-29.5%	-0.8%	-15.3%
<b>525</b>	<b>Operating income (€m)</b>	<b>10</b>	<b>191</b>	<b>201</b>
<i>11.3%</i>	<i>% of sales</i>	<i>0.6%</i>	<i>8.8%</i>	<i>5.3%</i>

**Sales**

- Performance broadly in line with the market (-50bps) in H2 2020
  - Double-digit sales growth in China
  - Drop in sales of commercial vehicles in Europe and North America, in line with regional trends for this market segment
- 2021 sales should resume strong outperformance, supported by rebound in commercial vehicles and increasing share of electrified vehicles

**Operating income**

- Operating margin at 8.8% in H2 2020, strongly recovering from H1 2020

**Clarion Electronics** (5% of Group sales)

FY 2019 (9 months)		H1 2020	H2 2020	FY 2020
<b>771</b>	<b>Sales (€m)</b>	<b>331</b>	<b>396</b>	<b>727</b>
	<i>YoY reported</i>	41.0%	-26.2%	-5.8%
	<i>YoY organic</i>	-49.4%	-15.7%	-26.0%
<b>12</b>	<b>Operating income (€m)</b>	<b>-9</b>	<b>4</b>	<b>-5</b>
<i>1.5%</i>	<i>% of sales</i>	<i>-2.7%</i>	<i>1.0%</i>	<i>-0.7%</i>

**Sales**

- Underperformance in H2 2020 similar with H1 2020, continuing to be strongly impacted by Nissan, Clarion's major customer
- Strong sales growth as from 2021, supported by:
  - Focused portfolio on three product lines
  - Commercial momentum reflected in 2020 order intake of €2.5bn

**Operating income**

- Back to profit in H2 2020, already benefiting from aggressive roadmap for cost competitiveness
- Excluding integration costs of €5 million, FY 2020 operating income was at breakeven

**2020 SALES AND PROFITABILITY BY REGION**

**Europe** (47% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>8,641</b>	<b>Sales (€m)</b>	<b>3,027</b>	<b>3,945</b>	<b>6,972</b>
	<i>YoY reported</i>	-33.2%	-4.0%	-19.3%
	<i>YoY organic</i>	-36.1%	-7.5%	-22.5%
<b>558</b>	<b>Operating income (€m)</b>	<b>-113</b>	<b>186</b>	<b>73</b>
<i>6.5%</i>	<i>% of sales</i>	<i>-3.7%</i>	<i>4.7%</i>	<i>1.0%</i>

**Sales**

- Sales underperformance in H2 2020 reflected:
  - Underperformance of Interiors, already commented
  - Double-digit drop in sales for Clean Mobility Commercial Vehicles

## Operating income

- Operating margin at 4.7% in H2 2020, still impacted by losses in Acoustics and Decoration activities (Interiors)

## North America (25% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>4,483</b>	<b>Sales (€m)</b>	<b>1,475</b>	<b>2,157</b>	<b>3,632</b>
	<i>YoY reported</i>	-35.6%	-1.7%	-19.0%
	<i>YoY organic</i>	-41.7%	-1.8%	-22.2%
<b>283</b>	<b>Operating income (€m)</b>	<b>-84</b>	<b>117</b>	<b>33</b>
6.3%	<i>% of sales</i>	-5.7%	5.4%	0.9%

## Sales

- Sales underperformance in H2 2020 (limited to 70bps in Q4) reflected:
  - Double-digit drop in sales for Clean Mobility Commercial Vehicles
  - Double-digit drop in sales for Clarion Electronics (Nissan)

## Operating income

- Operating margin at 5.4% in H2 2020, close to H2 2019 profitability (5.9%)

## Asia (24% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>3,766</b>	<b>Sales (€m)</b>	<b>1,470</b>	<b>2,058</b>	<b>3,528</b>
	<i>YoY reported</i>	-14.3%	0.4%	-6.3%
	<i>YoY organic</i>	-23.2%	2.8%	-9.1%
<b>374</b>	<b>Operating income (€m)</b>	<b>101</b>	<b>208</b>	<b>308</b>
9.9%	<i>% of sales</i>	6.8%	10.1%	8.7%

## Sales

- Outperformance of 150bps in Asia and 470bps in China in H2 2020
- Sales of €1.5 billion in China in H2 2020, up 11.2% on an organic basis, driven by Seating and Clean Mobility with strong sales to international OEMs, new customers and commercial vehicles

## Operating income

- Operating margin already back to double-digit figure in H2 2020, at 10.1% of sales

## South America (3% of Group sales)

FY 2019		H1 2020	H2 2020	FY 2020
<b>696</b>	<b>Sales (€m)</b>	<b>157</b>	<b>242</b>	<b>398</b>
	<i>YoY reported</i>	-54.6%	-31.3%	-42.8%
	<i>YoY organic</i>	-42.1%	-6.8%	-24.2%
<b>47.9</b>	<b>Operating income (€m)</b>	<b>-14</b>	<b>8</b>	<b>-6</b>
6.9%	<i>% of sales</i>	-8.8%	3.4%	-1.4%

## Sales

- Outperformance of 460bps in H2 2020: Brazil (c. 90% of sales in the region) organic sales were down 7.4% while Argentina organic sales were down 1.5%

## Operating income

- Back to profit in H2 2020
- 2019 operating income included a €16 million profit from tax recovery in Brazil (PIS-Cofins)

**BACK TO PROFIT IN H2 AT €54 MILLION, DESPITE INCREASED RESTRUCTURING EXPENSE**

## FULL-YEAR NET INCOME (Group share) POSTED A LOSS OF €379 MILLION

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**Group operating income stood at €406 million, vs. €1,283 million in 2019.**

- **Amortization of intangible assets acquired in business combinations:** net charge of €92 million vs. a net charge of €56 million in 2019; the increase mainly reflected Clarion Electronics for €53 million and SAS (11 months) for €26 million.
- **Restructuring costs:** net charge of €286 million vs. a net charge of €194 million in 2019; the increase reflected the measures taken to face the crisis. Restructuring costs should gradually reduce to reach c. 120 million euros in 2021 and a normalized level of 80 to 100 million euros as from 2022.
- **Other non-recurring operating income and expenses:** net profit of €9 million vs. a net charge of €20 million in 2019; they included:
  - A profit of €178 million due to the reevaluation of the initial 50% stake held in SAS,
  - A charge of €150 million due to goodwill impairment of Clarion Electronics.
- **Net financial result:** net charge of €223 million vs. a net charge of €219 million in 2019.
- **Income tax:** net charge of €123 million vs. a net charge of €167 million in 2019; it included a charge of €55 million due to taxation of strong results in China.
- **Share of net income of associates:** charge of €13 million vs. a profit of €38 million in 2019; 2019 included a positive contribution of €19 million from SAS, while 2020 included a negative contribution of €17 million from Symbio.

**Net income before minority interests was a loss of €321 million vs. a profit of €665 million in 2019.**

Minority interests amounted to €57 million vs. €75 million in 2019.

**Net income (Group share) was a loss of €379 million vs. a profit of €590 million in 2019.**

## NET CASH FLOW OF €6 MILLION, WITH STRONG CASH GENERATION IN H2 OF €1.1 BILLION THAT OFFSET CASH CONSUMPTION IN H1

## SIGNIFICANT DEBT REDUCTION AT DECEMBER 31 VS. JUNE 30 AND DELEVERAGING REFLECTED IN NET-DEBT-TO-EBITDA RATIO IMPROVEMENT

## STRONG LIQUIDITY RESTORED ABOVE PRE-CRISIS LEVEL

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**EBITDA stood at €1,679 million, vs. €2,404 million in 2019** reflected the drop of €877 million in operating income, mitigated by higher depreciation and amortization. In H2 2020, EBITDA margin represented 13.8% of sales compared to an EBITDA margin of 13.5% in the full-year 2019.

- **Capital expenditure** was contained to an outflow of €479 million vs. an outflow of €685 million in 2019. In 2021, capital expenditure should be below €600 million.
- **Capitalized R&D** was an outflow of €619 million vs. an outflow of €681 million in 2019. Capex reduced by 30.1% and capitalized R&D reduced by 9.1% reflected lower activity and flexibilization actions.
- **Change in working capital requirement** was an outflow of €95 million vs. an inflow of €166 million in 2019; change in working capital requirement inflow of €552 million in H2 largely offset the €647 million outflow in H1.
- In addition to change in working capital requirement, **factoring of receivables** was increased by €38 million vs. the end of 2019; factoring of receivables was back to a normalized level of c. €1bn (€972 million) at year-end.
- **Restructuring** represented an outflow of €125 million vs. an outflow of €166 million in 2019. In 2021, the cash outflow from restructurings should amount to c. €180 million.
- **Net financial expense** was an outflow of €210 million vs. an outflow of €197 million in 2019; it reflected the debt increase and one-offs related to actions taken during the crisis to protect liquidity.
- **Income tax** was an outflow of €197 million vs. an outflow of €296 million in 2019.
- **Other operational items** represented an inflow of €15 million vs. an inflow of €99 million in 2019. In 2019, they included the sale of Clarion's HQ in Saitama for €110m (no P&L impact).

**Net cash flow stood at €6 million, vs. €587 million in 2019; strong net cash flow of €1,051 million in H2 offset the cash consumption of €1,045 million in H1.**

- **Dividend paid (incl. minorities)** was an outflow of €35 million vs. an outflow of €212 million in 2019. In 2020, this amount only represented dividend paid to minority interests, as no dividend to shareholders was paid due to the extraordinary context of the Covid-19 crisis.
- **Share purchase** was an inflow of €1 million vs. an outflow of €29 million in 2019.
- **Net financial investments and other cash elements** was an outflow of €364 million vs. an outflow of €1,486 million in 2019; it mainly included the investment (50%) in SAS, while 2019 included the acquisition of Clarion.

**After a negative impact of €211 million related to IFRS16, the Group's net financial debt stood at €3,128 million at June 30** (vs. €2,524 million at December 31, 2019).

**Net-debt-to-EBITDA ratio stood at 1.9x EBITDA at December 31, 2020 vs. 1.1x at December 31, 2019. The ratio at year-end 2020 reflected a strong deleveraging in the second half of the year: at June 30, 2020, it stood at 2.3x.**

**At year-end, liquidity amounted to €4.3 billion, of which available cash for €3.1 billion and undrawn Syndicated Credit Facility (SCF) for €1.2 billion.**

This compares to €3.5 billion at December 31, 2019 (€2.3 billion available cash and €1.2 billion SCF) and €3.1 billion at June 30, 2020 (€2.5 billion available cash and €0.6 billion SCF).

## **PROPOSED DIVIDEND OF €1 PER SHARE REFLECTS CONFIDENCE IN PROFITABLE GROWTH PROSPECTS**

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The Board of Directors will propose at the next Annual Shareholders' Meeting, to be held in Paris on May 31, the payment of a dividend of €1 per share. It will be paid in cash in June.

The decision to return to paying a dividend in 2021 reflects Faurecia's confidence in profitable growth and cash generation prospects, as they will be detailed during today's Capital Markets Day.

It also reflects Faurecia's strategy to resume a sustainable and progressive dividend path, consistent with historical practices, and offer a fair and attractive remuneration to shareholders.

## **2021 GUIDANCE REFLECTS STRONG OPERATING LEVERAGE AND SOLID CASH FLOW GENERATION**

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**Faurecia expects worldwide automotive production to rebound to 76.6 million vehicles in 2021, up 8% vs. 2020.**

This assumption is more conservative than IHS Markit forecast (dated February 2021) of 80.9 million vehicles, as there are uncertainties in H1 2021, mainly related to Covid variants as well as electronic components shortage, even if this could be caught up in H2 2021.

**Based on this assumption that worldwide automotive production should reach 76.6 million vehicles in 2021, Faurecia's financial targets for the year are:**

- **Sales of at least €16.5 billion and sales outperformance > +600bps;** the sales target includes c. €(610) million negative effect, of which c. €(130) million from scope (a positive effect of €60 million from one month of SAS and a negative effect of €190 million from the divestment of AST Acoustics) and c. €(480) million from currencies
- **Operating margin of c. 7% of sales,** close to pre-Covid levels
- **Net cash flow of c. €500 million and net-debt-to-EBITDA ratio < 1.5x at year-end;** this target takes into account a cash outflow of c. €180 million from restructurings

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

*All financial targets are based on 2021 average currency rates of 1.18 for USD/€ and 8.15 for CNY/€.*

## **CAPITAL MARKETS DAY TO BE HELD TODAY OUTLINING FAURECIA'S "NEW PERSPECTIVES", AHEAD OF THE UPCOMING CHANGE IN CAPITAL STRUCTURE**

(see separate Press Release issued today)

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**Today at 1:30pm (CET), Faurecia will hold a Capital Markets Day (CMD).**

This event will be webcasted and the Capital Markets Day can be followed through the following link: [https://channel.royalcast.com/faurecia-en/#!/faurecia-en/20210222\\_2](https://channel.royalcast.com/faurecia-en/#!/faurecia-en/20210222_2)

**A specific Press Release was issued this morning that details the main takeaways of the CMD.**

It will provide an overview of the strategy and mid-term perspectives for the Group and each of its Business Groups as well as demonstrate the Group's strong potential for value creation over the medium term.

**Financial targets for 2022 are confirmed** (based on an assumption of worldwide automotive production of 82.3 million vehicles and at constant 2021 scope and currencies):

- **Sales of at least €18.5 billion**
- **Operating margin of 8% of sales**
- **Net cash flow of 4% of sales**, representing c. €750 million

**Faurecia will also present its 2025 ambition** (based on an assumption of worldwide automotive production of 90.9 million vehicles and at constant 2021 scope and currencies):

- **Sales of at least €24.5 billion**
- **Operating margin above 8% of sales**
- **Net cash flow close to 4.5% of sales**, representing c. €1.1 billion

**Over the five-year period (2021 to 2025):**

- **Organic sales CAGR will be of c. 11% and sales average annual outperformance will exceed +500bps**
- **Cumulated net cash flow will exceed €4 billion driving continuous deleveraging**

## **UPDATE ON THE DISTRIBUTION OF FAURECIA SHARES BY STELLANTIS**

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The completion of the FCA and Groupe PSA merger, effective since 16 January 2021, has given rise to the new Stellantis group, which is now Faurecia's main shareholder.

As part of the merger process, Stellantis will distribute in kind to its shareholders its Faurecia shares representing c. 39% of the capital of the company.

Stellantis has announced that an extraordinary general meeting will take place on 8 March 2021 to approve the distribution.

This distribution opens a new chapter for Faurecia: it will increase its free float (up to c. 85%), improve its capital market profile and allow it to affirm its business strategy as an independent company.

Faurecia's financial presentation and financial report will be available at 8:30am today (Paris time) on the Faurecia website: [www.faurecia.com](http://www.faurecia.com)

A webcast will be held today at 9:00am (Paris time). If you wish to follow the presentation using the webcast, please access the following link: [https://channel.royalcast.com/faurecia-en/#!/faurecia-en/20210222\\_1](https://channel.royalcast.com/faurecia-en/#!/faurecia-en/20210222_1)

A replay will be available as soon as possible.

You may also follow the presentation via conference call:

- **France:** +33 (0)1 76 77 28 19
- **United Kingdom:** +44 (0)330 336 9411
- **United States:** +1 323-794-2093

**Confirmation code:** 8109503

## Financial calendar

February 22, 2021:	Capital Markets Day, at 1:30pm CET
April 19, 2021:	Q1 2021 Sales (before market hours)
May 31, 2021:	Annual Shareholders' Meeting
July 26, 2021:	H1 2021 Results (before market hours)
October 26, 2021:	Q3 2021 sales (before market hours)

## 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. For more information, please visit [www.faurecia.com](http://www.faurecia.com)

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## APPENDICES

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### Definitions of terms used in this document

#### 1. 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 2020, 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.*

#### 2. Operating income

Operating income is the Faurecia group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

- Amortization of intangible assets acquired in business combinations;
- Other non-recurring operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- Income on loans, cash investments and marketable securities; Finance costs;
- Other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IFRS 9, and gains and losses on sales of shares in subsidiaries;
- Taxes.

#### 3. 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.

#### 4. 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).

## Profit and Loss Statement

2019	in €m	H1 2020	H2 2020	2020	Change
<b>17,768</b>	<b>Sales</b>	<b>6,170</b>	<b>8,484</b>	<b>14,654</b>	<b>-3,114</b>
	<i>organic change</i>	-35.4%	-3.5%	-19.6%	
<b>1,283</b>	<b>Operating income (before amort. of acquired intangible assets)</b>	<b>(114)</b>	<b>520</b>	<b>406</b>	<b>-877</b>
(56)	Amort. of intangible assets acquired in business combinations	(46)	(46)	(92)	
<b>1,227</b>	<b>Operating income (after amort. of acquired intangible assets)</b>	<b>(160)</b>	<b>474</b>	<b>315</b>	<b>-912</b>
(194)	Restructuring	(89)	(197)	(286)	
(20)	Other non-recurring operating income and expense	16	(7)	9	
(219)	Net interest expense & Other financial income and expense	(108)	(115)	(223)	
<b>794</b>	<b>Income before tax of fully consolidated companies</b>	<b>(341)</b>	<b>155</b>	<b>(185)</b>	
(167)	Income taxes	(67)	(56)	(123)	
(21.0%)	<i>as % of pre-tax income</i>	n/a	(36.1%)	n/a	
<b>627</b>	<b>Net income of fully consolidated companies</b>	<b>(408)</b>	<b>99</b>	<b>(309)</b>	<b>-936</b>
38	Share of net income of associates	(12)	(1)	(13)	
<b>665</b>	<b>Consolidated net income before minority interest</b>	<b>(420)</b>	<b>99</b>	<b>(321)</b>	
(75)	Minority interest	(13)	(45)	(57)	
<b>590</b>	<b>Consolidated net income, Group share</b>	<b>(433)</b>	<b>54</b>	<b>(379)</b>	<b>-969</b>

## Cash Flow Statement

2019	in €m	H1 2020	H2 2020	2020	Change
<b>1,283</b>	<b>Operating income</b>	<b>(114)</b>	<b>520</b>	<b>406</b>	<b>-877</b>
1,121	Depreciation and amortization, of which:	623	650	1,273	
438	- Amortization of R&D intangible assets	243	267	509	
683	- Other depreciation and amortization	380	383	763	
<b>2,404</b>	<b>EBITDA</b>	<b>509</b>	<b>1,170</b>	<b>1,679</b>	<b>-725</b>
13.5%	<i>% of sales</i>	8.3%	13.8%	11.5%	
(685)	Capex	(235)	(244)	(479)	
(681)	Capitalized R&D	(305)	(315)	(619)	
166	Change in WCR	(647)	552	(95)	
(57)	Change in factoring	(96)	134	38	
(166)	Restructuring	(54)	(71)	(125)	
(197)	Financial expenses	(94)	(116)	(210)	
(296)	Taxes	(109)	(88)	(197)	
99	Other (operational)	(14)	29	15	
<b>587</b>	<b>Net cash flow</b>	<b>(1,045)</b>	<b>1,051</b>	<b>6</b>	<b>-581</b>
(212)	Dividends paid (incl. mino.)	(5)	(30)	(35)	
(29)	Share purchase	0	1	1	
(1,486)	Net financial investment & Other	(369)	5	(364)	
(906)	IFRS16 impact	(91)	(121)	(211)	
<b>(2,046)</b>	<b>Change in net debt</b>	<b>(1,510)</b>	<b>906</b>	<b>(604)</b>	
(478)	Net debt at the beginning of the period	(2,524)	(4,034)	(2,524)	
<b>(2,524)</b>	<b>Net debt at the end of the period</b>	<b>(4,034)</b>	<b>(3,128)</b>	<b>(3,128)</b>	
<b>1.1x</b>	<b>Net-debt-to-EBITDA ratio</b>	<b>2.3x</b>	<b>1.9x</b>	<b>1.9x</b>	

## Net Cash Flow reconciliation

FY 2019	in €m	H1 2020	H2 2020	2020	Change
<b>587</b>	<b>Net cash flow</b>	<b>(1,045)</b>	<b>1,051</b>	<b>6</b>	<b>-581</b>
(1,130)	Sales/Acquisitions of investments and businesses (net of cash)	(224)	(28)	(252)	
0	Proceeds from disposal of financial assets	0	0	0	
54	Other changes from continued operations	(3)	(9)	(12)	
<b>(490)</b>	<b>Cash provided (used) by operating and investing activities</b>	<b>(1,272)</b>	<b>1,015</b>	<b>(257)</b>	<b>233</b>

## Operating leverage calculation

Sales (in €m)		Operating income (in €m)	
<b>2019</b>	<b>17,768</b>	<b>2019</b>	<b>1,283</b>
Currency effect	-373 (a)	Volume impact	-1,476 (c)
Organic	-3,483 (b)	Resilience actions	661 (d)
Scope effect	741	Scope & other	3
		2020 before one-offs	471
		One-offs	-65
<b>2020</b>	<b>14,654</b>	<b>2020</b>	<b>406</b>
<b>Operating leverage in 2020 (c+d)/(a+b)</b>		<b>21%</b>	
Drop in operating income excl. Scope & other and one-offs		-815	
Drop in sales excluding Scope effect		-3,856	