

Press release

Nanterre (France), May 15, 2018

FAURECIA CAPITAL MARKETS DAY 2018

ACCELERATING TRANSFORMATION TO ENHANCE PROFITABLE GROWTH FOR SUSTAINABLE MOBILITY AND SMART LIFE ON BOARD

- **2020 financial targets:** sales growth of above 7% per year to exceed €20 billion, operating margin at 8% of sales and net cash flow at 4% of sales
- **2025 ambition:** €30 billion of sales, New Value Spaces representing almost €7 billion

At its Capital Markets Day held in Paris on 15 May, Faurecia detailed its 2020 financial targets and demonstrated how sales from its New Value Spaces for Sustainable Mobility and Smart Life on Board will accelerate from 2020 to reach €6.8 billion by 2025.

Patrick Koller, Chief Executive Officer said: *"Faurecia's strategy is perfectly aligned with the four automotive megatrends: Connectivity, Autonomous Driving, Ride-Sharing and Electrification. The Group has a first-mover position and has rapidly deployed a technology ecosystem which will enable accelerated growth in both Sustainable Mobility and Smart Life on Board. We have already received €3.5 billion of orders for these technologies and by 2025 sales in New Value Spaces will reach over 20% of the Group's targeted €30 billion of sales. Faurecia will improve its profitability to reach an operating margin of 8% of sales in 2020 and generate around €2 billion of cumulated net cash flow between 2018 and 2020 (reaching 4% of sales) whilst accelerating its investment in innovation."*

2020 Financial Targets

After three years of record order intake, Faurecia has secured growth of above 7% CAGR (including a 2% annual market growth assumption) between 2017 and 2020 to reach sales of over €20 billion. The Group will double its sales in China to reach €4.5 billion.

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An operating margin of 8% of sales in 2020 (a 110 basis point improvement vs. 2017) will be achieved through leverage on sales and major Group Initiatives, including digital transformation. Combined, these initiatives will provide around 125 bps of improved operating margin, a part of which will finance an acceleration in innovation.

The Group targets a Net Cash Flow of 4% of sales by 2020 driven by its "Convert2Cash" initiative.

Faurecia will continue its strategy aimed at de-risking the Group's profile and increasing its resilience.

Sustainable Mobility

As regulations continue to strengthen in all markets, especially for Commercial Vehicles, High Horsepower and Industry, Faurecia envisages a market growth of €32 billion by 2030. Faurecia is convinced that all different powertrains will co-exist depending on regulations, use cases and cost.

On ICE and hybrid powertrains, Faurecia will gain market share through its breakthrough technologies for fuel economy and emissions reduction. They will allow the Group to increase its content per vehicle by over 25%.

For Zero Emission Vehicles, the Group has developed a strong ecosystem and an innovative technology offer for both Battery and Fuel Cell Electric Vehicles which will give an average content of €850 per electric vehicle. Faurecia has already won its first orders for both Battery and Fuel Cell vehicles.

Commercial Vehicles and High Horsepower will further boost Faurecia sales and profitability in particular through the partnerships it has developed in the Commercial Vehicles market and the recent acquisition of Hug Engineering, the market leader for High Horsepower.

As a consequence, Faurecia confirms the financial targets of its Clean Mobility Business Group that it announced at its Capital Markets Day on 27 June 2017 : a CAGR above 8% between 2017 and 2025 and an operating margin above 12% in 2025.

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Smart Life on Board

As different use cases become a reality with increased connectivity and autonomous driving, the interior of the vehicle will become a key differentiator. It will be versatile, connected and predictive.

With its leading position in both Interiors and Seating, the acquisition of Parrot Automotive and Coagent and its partnerships with ZF, Mahle and Accenture, Faurecia is in a unique competitive position. It can offer OEMs a full range of solutions and systems integration enabling new and improved user experiences for intuitive HMI solutions, personalized comfort, immersive sound, advanced safety and enhanced health and wellness. Building on the expertise of Parrot Automotive and Accenture, Faurecia is developing a Cockpit Intelligence Platform: an open platform to manage all of the cockpit functions through data analytics, Artificial Intelligence, telematics and cloud services.

The Group will be able to increase its content per vehicle by over 40% by 2025 whilst creating value for OEMs and consumers alike.

Faurecia has already received €1.5 billion of orders from customers for its new Smart Life on Board technologies. By 2025, these sales will reach €4.2 billion euros showing an average annual growth between 2020 and 2025 of 33%.

2025 ambition

By 2025, the Group targets €30 billion of sales, representing a CAGR of above 8% vs. 2020. These sales include €6.8 billion from the New Value Spaces in Sustainable Mobility and Smart Life on Board.

The Capital Market Day presentation will be available on the Faurecia website www.faurecia.com at 11.00 AM Paris time. A replay will also be available at 7.00 PM Paris time.

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About Faurecia

Founded in 1997, Faurecia has grown to become a major player in the global automotive industry. With 290 sites including 30 R&D centers and 109,000 employees in 35 countries, Faurecia is now a global leader in its three areas of business: automotive seating, interior systems and clean mobility. Faurecia has focused its technology strategy on providing solutions for smart life on board and sustainable mobility. In 2017, the Group posted total sales of €20.2 billion and value-added sales of €17.0 billion. Faurecia is listed on the Euronext Paris stock exchange and is a component of the CAC Next 20 index. For more information, please visit www.faurecia.com