

PRESS RELEASE



NANTERRE (FRANCE)
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2023 RESULTS ON TRACK WITH DELEVERAGING AND POWER25 OBJECTIVES

- Sales up 14% on an organic basis, an outperformance of 430bps
- Operating margin improved by 100bps, to 5.3% of sales
- Strong net cash flow of €649m or 2.4% of sales, boosted by Manage by Cash program
- Net debt/Adjusted EBITDA ratio significantly reduced to 2.1x at year-end (vs. 3.1x at June 30, 2022, right after the acquisition of HELLA)

in €m	FY 2022*	FY 2023	Change
Worldwide automotive production**	82,344	90,321	+9.7%
Sales <i>At constant scope & currencies</i>	24,574	27,248	+10.9% <i>+14.0%</i>
Operating income <i>As % of sales</i>	1,061 4.3%	1,439 5.3%	+35.7% <i>+100bps</i>
Adjusted EBITDA <i>As % of sales</i>	2,907 11.8%	3,328 12.2%	+14.4% <i>+40bps</i>
Net cash flow <i>As % of sales</i>	483 2.0%	649 2.4%	+34.3% <i>+40bps</i>
Net debt/Adj. EBITDA at year-end	2.7x	2.1x	-0.6x
Net income, Group share	(382)	222	n/s

* 2022 restated for SAS, presented as Discontinued operations as from January 1, 2022; HELLA fully consolidated as from February 1, 2022

** in 000 units, source: S&P Global Mobility (ex-IHS Markit) dated February 2024

SYNERGIES WITH HELLA AHEAD OF ROADMAP

- Cumulated net cost synergies of €190m at end-2023
- Cumulated net cost synergies upgraded to > €350m at end-2025

INCREASED MOMENTUM ON DELEVERAGING, WITH CLOSE TO €1 BILLION NET DEBT REDUCTION IN 2023

- Supported by Manage by Cash program and successful completion of the first €1bn disposal program launched in Q2 2022
- Accelerating thanks to the second €1bn disposal program launched in Q4 2023

STRONG AND SELECTIVE 2023 ORDER INTAKE OF €31 BILLION

- Profitability consistent with POWER25 targets, with reduced upfront costs
- Significant awards in line with key market drivers

2024 GUIDANCE ON TRACK TO POWER 2025 AMBITION

- **2024 GUIDANCE**
 - **Sales of between €27.5bn and €28.5bn**
 - **Operating margin between 5.6% and 6.4% of sales**
 - **NCF ≥ 2023 in value**
 - **Net debt/Adjusted EBITDA ratio ≤ 1.9x at Dec. 31, 2024**
- **ON TRACK TO POWER 2025 AMBITION** (*as presented at Capital Markets Day in November 2022*)
 - **Sales of c. €30bn**
 - **Operating margin > 7% of sales**
 - **NCF of 4% sales**
 - **Net debt/Adjusted EBITDA ratio < 1.5x at Dec. 31, 2025**

FORVIA ANNOUNCES TODAY ITS INTENTION TO LAUNCH “EU-FORWARD”, A FIVE-YEAR PROJECT TO REINFORCE THE COMPETITIVENESS AND AGILITY OF THE GROUP’S OPERATIONS IN EUROPE

- This project intends to adapt the Group’s manufacturing and R&D set-up to the fast-changing European environment
- This project would allow FORVIA to:
 - Achieve significantly higher profitability, exceeding 7% of sales in EMEA in 2028 (versus 2.5% in 2023),
 - Rebalance the Group’s regional mix with EMEA representing c. 40% of sales in 2028 (versus 46% in 2023) and c. 35% of operating income (versus 22% in 2023), thus reducing the dependency to China, while continuing to grow in this region

Patrick KOLLER, Chief Executive Officer of FORVIA, declared:

"2023 has been a contrasted year with tailwinds, such as growing worldwide automotive production, driven by a robust demand and gradual improvement of the supply chain, and headwinds, such as strong inflation, but also high interest rates and adverse currency changes.

In this context, FORVIA's performance has been solid. We delivered on our priorities. We generated profitable growth through strong sales organic growth, outperforming the market by 430 basis points, notably driven by market share gains in China, and through an improvement of our operating margin by 100bps to 5.3% of sales. Synergies with HELLA, ahead of our roadmap, contributed to this performance, and we are confident that we can expect higher synergies than initially expected by 2025.

We delivered on our top priority: further deleveraging the company after the acquisition of HELLA. We reduced our net debt by close to one billion euros over the year, thanks to the combination of strong cash generation and successful completion of the first one-billion-euro disposal program that was launched mid-2022.

We also achieved key milestones in different domains. We significantly improved profitability in our Seating North America, Clarion Electronics and Lighting activities. We accelerated the development of our hydrogen business by welcoming Stellantis, a major OEM, as a new partner in Symbio and inaugurating new production units for tanks and fuel cells. Regarding sustainability, which is core to our strategy and innovation, we stand one year ahead of schedule on our targets for scopes 1 & 2. The creation of Materi'Act, a company dedicated to the development of sustainable materials, will help the Group reaching its scope 3 objective and CO₂ net-zero by 2045. Finally, we registered a strong and selective order intake of 31 billion euros, with profitability aligned with our Power25 targets and reduced upfront costs: this reflects the high attractiveness of our business, aligned with the industry megatrends.

Let me thank FORVIA's teams for all efforts they have deployed to achieve this 2023 solid performance.

2024 will be another step forward on our Power25 trajectory. We will maintain strong focus on sustainable and profitable growth and accelerate deleveraging, thanks to our Manage by Cash program, as well as the second one-billion-euro disposal program that is already underway. We will also make sure to stay agile and take the necessary measures in the face of anticipated medium-term market evolution.

Today, we announced our intention to launch "EU-FORWARD", a project that is intended to be rolled out over the next five years to reinforce the competitiveness and agility of our operations in Europe and achieve significantly higher profitability. This objective is to be supported by FORVIA's acceleration on Artificial Intelligence across the Group, aiming at optimizing R&D investment and costs as well as Program Management, while maintaining high level of technology and innovation. We keep building a stronger Group, able to compete in a fast-changing environment."

- *The 2023 consolidated financial statements have been approved by the Board of Directors at its meeting held on February 16, 2024, under the chairmanship of Michel de ROSEN.*
- *These financial statements have been audited.*
- *All financial terms used in this press release are explained at the end of this document, under the section "Definitions of terms used in this document".*
- ***IFRS 5 – Discontinued operations***
Faurecia's SAS Cockpit Modules division (assembly and logistics services), that was part of the Interiors Business Group and whose contemplated disposal was announced on February 19, 2023, is presented as Discontinued Operations.
- ***All figures related to worldwide or regional automotive production refer to the S&P Global Mobility forecast dated February 2024.***

2023 KEY ACHIEVEMENTS

- **Successful completion of the first €1bn disposal program launched in Q2 2022** (proceeds of c. €320m in 2022 and c. €700m in 2023) **that contributed to close to €1bn net debt reduction in 2023**
- **Launch of a second €1bn disposal program to accelerate deleveraging**

At the end of Q3 2023, FORVIA had completed **the first €1 billion disposal program** launched in Q2 2022:

- ✓ c. €320 million were already cashed in 2022 mainly through the disposal by HELLA of its stake in the HBPO joint venture,
- ✓ the remaining c. €700 million was cashed in 2023 through: (i) the sale of a 16.66% stake in Symbio to Stellantis, (ii) the sale of SAS Cockpit Modules division to the Motherson Group, and (iii) the sale of part of commercial vehicle exhaust gas aftertreatment business in Europe and in the United-States to Cummins.

Thus, in less than 15 months, FORVIA has successfully achieved its target to fulfil its disposal program. All operations carried out under this program have strengthened the Group's focus on its strategic priorities and were executed with good valuations.

In October 2023, FORVIA announced the launch of **a second €1 billion disposal program** that will further simplify the Group's portfolio, as well as accelerate deleveraging beyond the initial POWER25 objective.

The first step of this second program is the disposal by HELLA of its 50% stake in BHTC, co-owned with MAHLE, which was already announced along with the launch of the second €1bn disposal program and represents a total enterprise value of c. €600m and cash proceeds to come estimated at c. €200 million for each of the two partners in the joint venture.

- **Synergies with HELLA ahead of roadmap, with €190m of cumulated net cost synergies achieved at the end of 2023, and cumulated net cost synergies to be achieved at the end of 2025 upgraded to more than €350 million on an annual basis** (from more than €300 million previously)

In 2023, the pace of the combination with HELLA accelerated and cumulated cost synergies generated at the end of 2023 amounted to €190 million, ahead of roadmap. This figure is to be compared with €51 million at the end of 2022.

This result was achieved through numerous projects in key areas, including procurements, freight, and SG&A. In July 2023, was created FH Services S.A.S., a joint venture co-owned and co-managed by HELLA and FORVIA and designed to leverage the combined strengths of a shared organization, that will serve as the global provider of leading IT and Indirect Purchasing solutions to FORVIA's collective 150,000 internal business users worldwide.

Good progress since the start of the synergies program allows FORVIA to upgrade its previous target of reaching more than €300 million of cost synergies by 2025 to more than €350 million within the same timeframe.

In 2023, as regards commercial synergies, FORVIA and HELLA made joint presentations for the first time at the CES in Las Vegas, then at the Shanghai Auto Show and at the IAA Mobility fair in Munich. That was again the case at the CES in Las Vegas that took place early January 2024.

- **Strong and selective order intake of €31bn, with profitability aligned with POWER25 targets and reduced upfront**

In 2023, FORVIA recorded an order intake of €31 billion, a high level reflecting strong momentum of all its Business Groups.

The order intake recorded in 2023 has an average operating margin aligned with the Group's POWER25 objectives and will generate c. €300m savings versus initial upfront cost estimate.

- **Accelerating transformation of the Group's operations through the development of sustainable and innovative solutions**

In 2023, FORVIA improved its Sustainability ratings with MSCI to an A-rating and, early 2024, with CDP, also to an A-rating. The Group is also rated 11.3 by Sustainalytics (i.e. "low risk").

As regards its roadmap to net-zero, at the end of 2023, FORVIA stands one year ahead of schedule for scopes 1 & 2, with over 40% CO₂ reduction already achieved, a goal initially targeted for end-2024. FORVIA keeps committed to achieving CO₂ neutrality for

scopes 1 & 2 by end-2025 and to reduce scope 3 emissions by 45% by end-2030, before reaching net-zero all scopes by end-2045.

In November 2023, Materi'Act, FORVIA's company dedicated to the development, industrialization, and marketing of unique, cutting-edge materials with a low CO₂ footprint, inaugurated its headquarters and R&D center in Villeurbanne (France). This center brings together engineers, researchers, and data scientists, and is destined to become a world-class center of excellence, and one of Europe's leading centers in the field of materials with very low CO₂ footprint.

In January 2024, FORVIA's presence at the 2024 Consumer Electronics Show in Las Vegas reflected innovation focused on sustainable mobility.

Each of FORVIA's demonstrators at the 2024 CES was designed for Scope 3, in order to respond to the industry's technical and technological evolution while reducing greenhouse gas emissions. In addition, FORVIA received 4 "Accolades" at the CES 2024 Innovation Awards in the category "Vehicle Tech & Advanced Mobility".

- **New milestones in FORVIA's hydrogen strategy**

In July 2023, Stellantis acquired an equal stake with FORVIA and Michelin in Symbio, a leader in zero-emission hydrogen mobility. The entry of a major OEM, Stellantis, in the joint venture that was previously co-owned (50/50) by FORVIA and Michelin will not only increase Symbio's capabilities but will also accelerate and globalize Symbio's growth to the benefit of its customers.

Early October 2023, FORVIA inaugurated in Allenjoie (France) its first mass production plant of hydrogen storage tanks for mobility applications in Europe. This new site is sized to produce 100,000 tanks a year by 2030 and will reduce by five times its production costs between 2023 and 2025. The complete hydrogen storage systems produced at Allenjoie already equip commercial fleets of Stellantis (Opel Vivaro-e, Citroën e-Jumpy, Peugeot e-Expert) and Hyvia (Renault Master Van H2 Tech).

Early December 2023, Symbio inaugurated in Saint-Fons (France) its first gigafactory SymphonHy, Europe's largest integrated site producing hydrogen fuel cells with a target to produce 50,000 fuel cell systems by 2026. This gigafactory is part of HyMotive, a strategic €1 billion project to develop disruptive technology, supported by the European Union and the French government as part of the IPCEI (Important Project of Scientific Interest) program.

As regards significant hydrogen awards, it is worth mentioning two new contracts signed late 2023 in North America, whose production will start in 2025:

- A first one with a major automotive manufacturer to supply Type IV hydrogen storage systems for medium-duty commercial trucks,
- A second one with a major clean energy technology company to supply Type IV hydrogen storage systems for heavy-duty commercial vehicles.

Effective end of the loss-making Michigan JIT Seating program in North America, successful turnaround of Clarion Electronics, within the Electronics Business Group, and significant improvement in profitability of the Lighting Business Group

As already mentioned in previous communications, FORVIA closed its Michigan Seating JIT (Just-In-Time) operations for the Jeep Grand Wagoneer at the end of September 2023 (the remaining part of this program having been transferred to FORVIA's Seating plant in Monterrey, Mexico). The extra-costs generated by this program in the first nine months of 2023 still amounted to €30 million, an improvement of €50 million over the €80 million incurred in 2022. The movement of the program will contribute to further improve profitability of the Group's North American Seating operations in 2024.

In 2023, Clarion Electronics, the former Electronics activity of Faurecia before the acquisition of HELLA now combined within the Electronics Business Group of FORVIA, has successfully managed the turnaround of its operations. In H1 2023, these operations, representing about 25% of FORVIA's Electronics Business Group, recorded an operating loss that mainly reflected high increase in freight costs to maintain supply of semiconductors and an unfavorable geographic mix. In H2 2023, thanks to gradual improvement of the supply chain and strong organic growth, Clarion Electronics was back to significant profit, more than compensating the loss recorded in H1.

In 2023, the Lighting Business Group confirmed its recovery in operating margin to 5.1% of sales in 2023 (vs. 3.5% of sales in 2022), tracking ahead of its POWER25 objective.

2023 KEY FIGURES

- **Light vehicle production reached 90 million in 2023, up 9.7% vs. 2022**

Worldwide automotive production showed strong dynamics in 2023, with a global production of 90.3 million light vehicles, corresponding to a 9.7% growth year on year.

The market was supported by a robust global demand and gradual improvement of semiconductor's supply.

The 2023 level exceeded the c. 89 million LV production reached in 2019 (pre-Covid level), but with a different regional mix:

- In Europe excl. Russia (45% of Group sales): **production was up 12.7% at 16.7 million LVs**, but it was **c. 13% below the 2019 level** of 19.2 million LVs,
- North America (24% of Group sales): **production was up 9.7% at 15.7 million LVs**, 4% below the 2019 level of 16.3 million LVs,
- China (21% of Group sales): **production was up 10.0% at 28.8 million LVs**, **18% above the 2019 level** of 24.4 million LVs.

In 2023, China represented 32% of worldwide LVP (vs. 27% in 2019) and Europe represented 20% (vs. 24% in 2019).

- **2023 Group consolidated sales and operating income**

GROUP (in €m)	2022*	Currency effect	Organic growth	Scope effect	2023	Reported change
Worldwide auto. production (m units)	82,344				90,321	9.7%
Sales % of last year's sales outperformance (bps)	24,574	-1,272 -5.2%	3,431 14.0%	515 2.1%	27,248	10.9% +430bps
Operating income	1,061 4.3%				1,439 5.3%	35.6% +100bps

* 2022 restated for SAS, presented as Discontinued operations as from Jan. 1, 2022; HELLA fully consolidated as from Feb. 1, 2022

2023 consolidated sales of €27,248 million: +10.9% on a reported basis and +14.0% on an organic basis, representing an outperformance of +430bps

- Organic growth of €3,431 million or +14.0% of last year's sales, represented a solid outperformance of +430bps compared to worldwide automotive production that was up 9.4% during the period.
Out of the +430bps, +250bps came from volumes, +80bps from inflation pass-through and +100bps from a favorable regional mix.

The end of the JIT part of the Michigan program at the end of Q3 2023 represented lost sales of c. €55 million in Q4 2023 vs. Q4 2022 and the UAW strike in the US represented lost sales of c. €90 million, mostly in Q4 2023 vs. Q4 2022.

- Positive scope effect of €515 million or +2.1% of last year's sales, corresponded to the combined effect of:
 - ✓ One additional month of consolidation of HELLA (consolidation started on February 1, 2022) for €617 million,
 - ✓ A quarter of deconsolidation of the CVI business sold to Cummins (end of consolidation as from September 30, 2023) for €(102) million.
- Negative currency effect of €1,272 million or -5.2% of last year's sales, was mainly due to the depreciation of the US dollar, the Chinese yuan, the Turkish lira, and the Argentinean peso vs. the euro.

All Business Groups recorded an organic growth in the double-digits.

2023 consolidated operating income of €1,439 million, up 100bps to 5.3% of sales

The year-on-year net increase mainly reflected on the positive side...

- ✓ Volume/mix effect for an estimated impact of €390 million,
- ✓ Acceleration in cost synergies related to the integration of HELLA for a year-on-year positive impact of €139 million (€190 million of cumulated net synergies at the end of 2023 vs. €51 million at the end of 2022),
- ✓ Sequential year-on-year reduction of extra-costs from the Seating program in Michigan, leading to a net positive impact of €50 million (€30 million extra-costs in the first nine months of 2023 vs. €80 million in 2022),
- ✓ The contribution of one additional month of consolidation of HELLA for €38 million,

...and on the negative side:

- ✓ A currency impact of €138 million, close to half of which being related to the devaluation of the Argentinian peso and the Turkish lira,
- ✓ Net inflation cost for an estimated year-on-year impact of €75 million,
- ✓ The impact of the UAW strike in the US (mostly in Q4 2023) of €18 million.

2023 SALES AND PROFITABILITY BY BUSINESS GROUP

- **SEATING (31% of Group consolidated sales in the period): Improved performance but margin below potential**

SEATING (in €m)	2022	Currency effect	Organic growth	2023	Reported change
Worldwide auto. production (m units)	82,344			90,321	9.7%
Sales % of last year's sales outperformance (bps)	7,704 -5.2%	-404 16.2% +650bps	1,251	8,551	11.0%
Operating income	197 2.6%			315 3.7%	59.7% +110bps

Sales

- **Strong organic sales outperformance of 650bps was driven by:**
 - ✓ Strong organic sales growth of close to +30% in China, driven by buoyant activity with BYD, Li Auto, a major US EV car maker and BMW,
 - ✓ Solid organic sales growth of c. +14% in Europe, mainly related to major German OEMs.

Operating income

- **Operating margin of 3.7%, up 110bps vs. 2022, was mostly driven by the improvement of Seating North American operations and the positive regional mix effect related to strong sales growth in China**
 - ✓ It included the positive year-on-year impact from the reduction by €50 million of the extra-costs related to the Michigan program (€30 million extra-costs in the first nine months of 2023 vs. €80 million in 2022). As a reminder, after having reached an agreement with the OEM related to this project, FORVIA came out of the JIT part of this program, that was loss-making, at the end of Q3 2023.
 - ✓ It also included a positive regional mix impact, as activity in China grew strongly and is accretive to operating margin,
 - ✓ Conversely, operating margin was penalized by inflation headwinds in JIT operations and structural overcapacities in Europe.

- **INTERIORS (18% of Group consolidated sales in the period): Profitability penalized by European operations**

INTERIORS (in €m)	2022*	Currency effect	Organic growth	2023	Reported change
Worldwide auto. production (m units)	82,344			90,321	9.7%
Sales % of last year's sales outperformance (bps)	4,645	-258 -5.6%	536 11.5% +180bps	4,923	6.0%
Operating income	191 4.1%			201 4.1%	5.0% stable

* Restated for SAS (part of the "Interiors" Business Group), presented as Discontinued operations as from January 1, 2022

Sales

- **Solid organic sales outperformance of 180bps was mainly driven by:**
 - ✓ Organic sales growth in Europe of +22%, mainly Ford, JLR and RNM,
 - ✓ Organic sales growth in China of +20%, mainly Chang'an and Li Auto.

Operating income

- **Operating margin of 4.1%, stable vs. 2022. This is the net result of:**
 - ✓ Positive contribution from volume/mix evolution,
 - ✓ Negative impact from (i) the dilutive impact of inflation pass-through and currencies, (ii) high number of simultaneous starts of production and structural overcapacities in Europe, and (iii) investment in Materi'Act, the newly created division for sustainable materials.
- **CLEAN MOBILITY (18% of Group consolidated sales in the period): Robust results and investment in zero emissions**

CLEAN MOBILITY (in €m)	2022	Currency effect	Organic growth	Scope effect	2023	Reported change
Worldwide auto. production (m units)	82,344				90,321	9.7%
Sales % of last year's sales outperformance (bps)	4,736	-342 -7.2%	540 11.4% +170bps	-102 -2.1%	4,832	2.0%
Operating income	336 7.1%				384 7.9%	14.1% +80bps

Sales

- **Organic sales outperformance of 170bps was driven by:**
 - ✓ Double-digit organic sales growth in all three major regions, EMEA, Americas and Asia,
 - ✓ Strong organic sales growth with VW, Stellantis and Ford

Operating income

- **Operating margin of 7.9%, up 80bps vs. 2022. This improvement is the net result of:**
 - ✓ Positive contribution from volume/mix evolution,
 - ✓ Negative contribution from the development of zero-emission sales, which are not profitable yet, and the dilutive impact of inflation pass-through,
 - ✓ Excluding zero-emission operations, operating margin stood at 9.0% in 2023 vs. 7.8% in 2022.
- **ELECTRONICS (15% of Group consolidated sales in the period): Solid outperformance and margin expansion**

ELECTRONICS (in €m)	2022	Currency effect	Organic growth	Scope effect	2023	Reported change
Worldwide auto. production (m units)	82,344				90,321	9.7%
Sales % of last year's sales outperformance (bps)	3,522	-154 -4.4%	523 14.8%	247 7.0%	4,138	17.5% +510bps
Operating income	141 4.0%				219	55.8% 5.3% +130bps

Sales

- **Strong organic sales outperformance of 510bps**
 - ✓ Double-digit organic growth across the Group's Electronics activities,
 - ✓ HELLA Electronics (c. three quarters of total FORVIA's Electronics activities) was driven by high demand for automated driving and energy management products, such as high-voltage battery management systems, voltage converters, radar sensors and body electronics.

Operating income

- **Operating margin of 5.3%, up 150bps vs. 2022, reflected the combined effect of:**
 - ✓ An improved operating margin for HELLA Electronics reflecting the net effect of (i) successful cost management as well as improved inflation cost recovery, and (ii) increase in R&D expenses to mainly develop the order book and prepare for ongoing projects, on the other side,
 - ✓ The turnaround of Clarion Electronics operations that were loss making in 2022 and back to profit in 2023 (with H1 2023 still loss-making and H2 2023 in strong recovery).
- **LIGHTING (14% of Group consolidated sales in the period): Tracking ahead of POWER25 ambition**

LIGHTING (in €m)	2022	Currency effect	Organic growth	Scope effect	2023	Reported change
Worldwide auto. production (m units)	82,344				90,321	9.7%
Sales % of last year's sales outperformance (bps)	3,074	-78 -2.5%	468 15.2% +550bps	281 9.2%	3,746	21.9%
Operating income	107 3.5%				193 5.1%	80.9% +160bps

Sales

- **Strong organic sales outperformance of 550bps**
 - ✓ Organic sales growth reflected market leadership position and favorable customer mix with strong demand from manufacturers of electric vehicles for sophisticated lighting solutions.

Operating income

- **Strong improvement in operating margin to 5.1%, up 160bps vs. 2022, confirmed turnaround underway and reflected:**
 - ✓ Positive operating leverage with improved business development,
 - ✓ Synergies.

- **LIFECYCLE SOLUTIONS (4% of Group consolidated sales in the period): Strong activities with high profitability**

LIFECYCLE SOLUTIONS (in €m)	2022	Currency effect	Organic growth	Scope effect	2023	Reported change
Worldwide auto. production (m units)	82,344				90,321	9.7%
Sales % of last year's sales outperformance (bps)	893	-37 -4.2%	114 12.8% +310bps	88 10.0%	1,058	18.5%
Operating income	89 9.9%				128 12.1%	44.2% +220bps

Sales

- **Strong organic sales outperformance of 310bps, driven by:**
 - ✓ Strong spare parts business growing in various markets worldwide,
 - ✓ Further ramp-up of the new workshop product (for the detection of soot particles in the exhaust gas stream of diesel vehicles),
 - ✓ Successful commercial vehicle business with solid business with manufacturers for agricultural and construction machinery, as well as trucks and buses.

Operating income

- **Operating margin of 12.1%, up 220bps year-on-year, reflected:**
 - ✓ Increased gross profit margin, resulting from higher volumes and positive mix effects,
 - ✓ A good overall operating performance, with further costs savings.

2023 SALES AND PROFITABILITY BY REGION

% of 2023 consolidated sales	EMEA 46%	Americas 27%	Asia 27%	TOTAL 100%
Regional auto. prod. YoY	11.5%	8.6%	9.4%	9.7%
2022* sales (€m)	11,050	6,823	6,701	24,574
Currency effect	-2.5%	-6.3%	-8.5%	-5.2%
YoY organic	14.0%	10.9%	17.0%	14.0%
Outperformance	+250bps	+230bps	+760bps	+430bps
Scope effect	3.0%	1.0%	1.8%	2.1%
2023 sales (€m)	12,651	7,207	7,390	27,248
YoY reported	14.5%	5.6%	10.3%	10.9%
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%
YoY change	+90bps	+170bps	+40bps	+100bps

* 2022 restated for SAS, presented as Discontinued operations as from Jan. 1, 2022; HELLA fully consolidated as from Feb. 1, 2022

Sales

- Double-digit organic sales growth in all three main regions with the strongest outperformance in Asia
 - ✓ EMEA recorded organic growth of +14.0%, driven by strong performance in Seating and Interiors,
 - ✓ Americas recorded an organic growth of +10.9%, driven by strong performance in Electronics and Lighting; sales in Q4 2023 were impacted by the end of the JIT part of the Michigan program for c. €55 million and the UAW strike for c. €90 million,
 - ✓ Asia recorded organic growth of +17.0%, an outperformance of 760bps, sustained by Seating and Electronics.
- In China specifically, sales amounted to €5,850 million in 2023 and posted an organic growth of 17.7%, to which contributed both Chinese and international OEMs
 - ✓ Sales with Chinese OEMs represented 45% of total sales in China and were mostly boosted by strong growth with BYD and with Li Auto,
 - ✓ Sales with international OEMs represented the remaining 55% of total sales in China and were mostly boosted by a US EV carmaker as well as German carmakers (VW, Daimler and BMW) and GM.

Operating income

- Operating margin improved in all regions:
 - ✓ Despite the dilutive impact from inflation, operating margin in EMEA started to recover from 1.6% in 2022 to 2.5% in 2023 but remains far from

targeted level for the region. The pace of margin expansion was fostered by improved performances in Electronics and Lighting but penalized by Seating and Interiors,

- ✓ Operating margin in Americas also increased from 2.6% in 2022 to 4.3% in 2023, mainly driven by improved profitability of US operations, the reduction of extra-costs related to Highland Park Seating program and despite inflation and UAW strike headwinds,
- ✓ Operating margin in Asia improved from 10.6% in 2022 to 11.0% in 2023, demonstrating robustness of double-digit operating margin in China.

As regards FORVIA's future business developments with Chinese OEMs in China and outside China:

- **In 2023, FORVIA and BYD announced that will reinforce their partnership with the construction of new seat assembly plant in Thailand**
 - ✓ FORVIA and BYD will launch the construction of a new state-of-the-art seat-assembly plant in the Rayong province of Thailand that will produce complete seat sets.
 - ✓ This strengthens the partnership developed with BYD, already active through seven cutting-edge factories established in China, including four within the past 18 months.
- **Also in 2023, FORVIA and CHERY have decided to join forces for smart cockpit development**
 - ✓ FORVIA and CHERY will jointly develop a smart cockpit software and a hardware platform integrating FORVIA's products and technologies, to be integrated in CHERY vehicles and create an in-vehicle and out-vehicle systematic, integrative, and intelligent brand-new user experience.
 - ✓ Both companies will establish 'dual-carbon' and ESG goals, jointly promoting green and sustainable development.

2023 CONSOLIDATED STATEMENT OF INCOME

in €m	2022*	2023	Change
Sales	24,574	27,248	+ 10.9%
<i>Organic growth</i>			+ 14.0%
Operating income	1,061	1,439	+ 35.7%
(before amort. of acquired intangible assets)			
Amort. of int. assets acquired in business combinations	(190)	(193)	
Operating income	871	1,246	+ 43.1%
(after amort. of acquired intangible assets)			
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	
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	

* 2022 restated for SAS, presented as Discontinued operations as from Jan. 1, 2022; HELLA fully consolidated as from Feb. 1

As detailed above by Business Groups and regions, operating income (before amortization of acquired intangible assets) rose by 35.7% from €1,061 million in 2022 to €1,439 million in 2023, an improvement of 100bps as a percentage of sales, from 4.3% in 2022 to 5.3% in 2023.

- **Amortization of intangibles assets acquired in business combinations:** net charge of €193 million vs. a net charge of €190 million in 2022, including the additional month of consolidation of HELLA, that started as from February 2022.
- **Restructuring expenses:** net charge of €171 million vs. a net charge of €349 million in 2022, that included €144 million of asset write-downs, of which €104 million related to Russia.
- **Other non-recurring operating income and expense:** net charge of €11 million vs. a net charge of €93 million in 2022, that included (i) €43 million of non-recurring costs related to the acquisition of HELLA and (ii) €27 million of non-recurring costs related to operations in Russia.
- **Net financial result:** net charge of €459 million vs. a net charge of €495 million in

2022 including:

- ✓ Finance costs of €586 million in 2023 (vs. €377 million in 2022), mainly reflected the completion of the refinancing of the HELLA acquisition as well as rising interest rates in 2023,
- ✓ Hyperinflation impact was a charge of €32 million in 2023 (vs. a charge of €30 million in 2023),
- ✓ Currencies impact was a charge of €44 million (vs. a charge of €34 million in 2022),
- ✓ Other lines represented a net profit of €203 million in 2023, including a profit of €158 million from disposals (vs. a net charge of €54 million in 2022 that included a charge of €34 million for costs related to the acquisition of HELLA).

Income before tax of fully consolidated companies was a profit of €606 million vs. a loss of €67 million in 2022.

- After a net charge of €232 million from income tax vs. a net charge of €177 million in 2022, net income from fully consolidated companies was a profit of €373 million vs. a loss of 244 million in 2022.

After deduction of:

- Share of net income of associates: loss of €2 million in 2023 vs. a profit of €11 million in 2022,
- Impact of discontinued operations: loss of €5 million in 2023 vs. a loss of €18 million in 2022,
- And deduction of minority interest: €143 million in 2023 vs. €131 million in 2022,

the consolidated net income, Group share was back to profit at €222 million in 2023 vs. a loss of €382 million in 2022.

2023 CONSOLIDATED CASH FLOW STATEMENT

in €m	2022*	2023	Change
Operating income	1,061	1,439	+35.7%
Depreciation and amortization, of which:	1,847	1,889	
- <i>Amortization of R&D intangible assets</i>	685	712	
- <i>Other depreciation and amortization</i>	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 (<i>excl. factoring</i>)	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
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 IFRS 5 restatement on debt at Dec. 31, 2022	(80)		
Net debt as published at the end of the period	(7,939)	(6,987)	
Net-debt-to-Adj. EBITDA ratio	2.7x	2.1x	

* 2022 restated for SAS, presented as Discontinued operations as from Jan. 1, 2022; HELLA fully consolidated as from Feb. 1

** Includes impacts of Discontinued operations for €(13)m in 2022 and €(108)m from January 1, 2023 to July 31, date of closing of the sale of SAS Cockpit Modules

Adjusted EBITDA increased by 14.5% to €3,328 million representing 12.2% of sales (vs. €2,907 million and 11.8% of sales in 2022).

- **Capex was stable in value at €1,137 million but decreased as a percentage of sales from 4.6% in 2022 to 4.2% of sales in 2023.**
- **Capitalized R&D increased in value at €1,046 million (vs. €954 million in 2022) but slightly decreased as a percentage of sales from 3.9% to 3.8%.**
- **Change in working capital was an inflow of €659 million (vs. an inflow of €405 million in 2022), through efficient deployment of the Manage by Cash program, including strict inventories management, collection from customers and synergies on payment terms.**

- **Change in factoring was an inflow of €111 million** (vs. an inflow of €183 million in 2022 that reflected the extension of factoring program to HELLA): this inflow mostly reflected the redistribution of SAS outstanding factoring to the rest of the Group, and at year-end 2023 total factoring amounted to €1,292 million, in line with the commitment to cap the use of factoring to c. €1.3 billion.
- **Restructuring cash-out amounted to €170 million** (vs. €182 million in 2022), **financial expenses cash-out amounted to €529 million** (vs. €362 million in 2022), mainly reflecting the increase in net debt related to the acquisition of HELLA, **and tax cash-out amounted to €515 million** (vs. €362 million in 2022) that included a withholding tax of €69 million related to the extraordinary dividend received from HELLA with respect to the sale of its stake in HBPO, which is expected to reverse in 2024.

Net cash flow increased by 34.3% to €649 million, representing 2.4% of sales (vs. €483 million in 2022).

- Dividends paid including to minorities amounted to €133 million (vs. €55 million in 2022) and included the extraordinary dividend paid to HELLA's minority shareholders.
- Net financial investment and other was an inflow of €567 million, reflecting:
 - Above €700m cash proceeds related to the completion of the first €1 billion disposal program
 - The termination of the SAS factoring program for €(108) million
 - Limited investments in small acquisitions.
- IFRS16 negative impact amounted to €131 million (vs. €310 million in 2022), reduced year-on-year for fewer new large projects and disposals (mainly SAS).

As a result, net financial debt at year-end 2023 stood at €6,987 million vs. €7,939 million at year-end 2022, a reduction of close to €1 billion.

Net debt/Adj. EBITDA ratio at year-end 2023 stood at 2.1x, significantly reduced vs. 2.7x a year ago, and 100bps below the 3.1x ratio recorded 18 months ago, as of June 30, 2022, right after the impact of the acquisition of HELLA.

Net financial debt reduction and net debt/Adj. EBITDA ratio improvement reflect that FORVIA is fully in line with its commitment to rapidly deleverage the company, after the acquisition of HELLA.

AVAILABLE LIQUIDITY OF €6.2 BILLION AT DECEMBER 31, 2023

As of December 31, 2023, Group liquidity amounted to €6.2 billion, of which €4.3 billion of available cash, €1.5 billion from the fully undrawn FORVIA Senior Credit Facility and €450 million from the fully undrawn HELLA Senior Credit Facility.

FORVIA's proactive debt management actions in 2023 included:

- Extension of the maturity of close to the entirety of the €1.5 billion Senior Credit Facility by one year to May 2027 (with options up to May 2028),
- Refinancing of the €500 million line now maturing June 2026 (with two possible extensions by one year each),
- Refinancing of a €150 million term loan till June 2025,
- Purchase back of €150 million out of a €950 million SLB Bonds due 2026 at 7.25%,
- Issuance of Samurai Bonds for JPY19.2 million (c. €120 million), allocated across three tranches (2.25 years, 3.25 years and 5 years).

Between August and November 2023, all three rating agencies have upgraded their outlook from negative to stable.

LAUNCH OF “EU-FORWARD”, A FIVE-YEAR PROJECT TO REINFORCE THE COMPETITIVENESS AND AGILITY OF THE GROUP’S OPERATIONS IN EUROPE

While the European automotive market does not offer volume dynamics in the coming years and remains significantly below its 2019 level, it still represents the largest market for the Group with EMEA at 46% of sales in 2023, but only 22% of operating income.

Between 2019 and 2023:

- European production fell by 16% from 21.2 million light vehicles (19.2 million, excluding Russia) to 17.9 million light vehicles (16.7 million, excluding Russia), while production in Asia grew by 12% from 46.2 million light vehicles (of which 24.4 million in China) to 51.6 million light vehicles (of which 28.8 million in China),
- Consequently, the share of Europe within worldwide automotive production fell from 24% to 20% and the share of Asia gained 5 percentage points from 52% in 2019 to 57% in 2023 (including China, whose share also gained 5 percentage points from 27% to 32%).

In addition, latest forecasts anticipate almost no growth between 2023 and 2030 in European automotive production, while they anticipate production in the rest of the world to grow by c. 9% during the same period.

During the same 2019-2023 period:

- The share of EMEA within FORVIA’s sales fell from 50% in 2019 (before the acquisition of HELLA) to 46% in 2023,
- The operating margin of FORVIA’s operations in the region fell from 6.6% (before the acquisition of HELLA and in a pre-Covid/non-inflationary environment) to 2.5% in 2023 (after the acquisition of HELLA and in a post-Covid/inflationary environment).

In front of this evolution, FORVIA needs to take appropriate measures to reinforce the competitiveness and agility of its European operations (including addressing structural overcapacities) and achieve significantly higher profitability. This would rebalance the contribution of the different regions to the Group’s operating income, thus reducing the Group’s dependency to China, while continuing to grow in this region.

FORVIA announces today its intention to launch a project, named "EU-FORWARD", of which the FORVIA European Committee bureau is informed today.

This project has the objectives to:

- Adapt the Group's operations to the fast-changing environment, including ICE-ban schedule in Europe that obliges the entire industry to adapt its structure and costs to the evolving regulation,
- Be ready for an evolution of the customer landscape, with the arrival of newcomers from Asia,
- Improve FORVIA's profitability in the region, thus rebalancing FORVIA's regional mix in terms of contribution to the Group's performance.

The project should be rolled-out across the Group's European operations and run over a period of five years, from 2024 to 2028.

Over this period, the Group intends to concentrate its efforts on the adaptation of the regional manufacturing and R&D set-up to the new European environment, through benefiting from generative AI adoption and addressing structural overcapacities.

This project could impact up to 10,000 jobs over the five-year period (to be compared with c. 75,500 at end-2023) and should need incremental restructuring costs:

- From a P&L standpoint, restructuring charge dedicated to Europe over the 2024-2028 period should be upgraded by c. 50% to c. €1 billion, broadly equally split between the 2024-2025 period and the 2026-2028 period,
- From a cash standpoint, restructuring outflow dedicated to Europe over the 2024-2028 period should be upgraded by c. 50% to c. €800 million, also broadly equally split between the 2024-2025 period and the 2026-2028 period.

Expected savings should reach c. €500 million on an annual basis in 2028.

At Group level:

- Total P&L restructuring charge should amount to close to 1.2 billion euros, broadly equally split between the 2024 period and the 2026-2028 period,
- Total cash restructurings for the Group should amount to close to 1 billion euros, also broadly equally split between the 2024 period and the 2026-2028 period.

To minimize as much as possible the impact of employment at the 2028 horizon, on top of natural attrition, FORVIA is targeting immediately and drastically reducing recruitment in Europe, adapting the level of non-permanent employment, and strongly reducing the usage of external R&D resources.

Through the implementation of this project, FORVIA would significantly enhance the sustainable competitiveness of its operations in EMEA and targets by 2028:

- **To achieve significantly higher profitability exceeding 7% of sales in the region (vs. 2.5% of sales in 2023),**
- **To rebalance the Group's regional mix with EMEA representing c. 40% of sales in 2028 (vs. 46% in 2023) and c. 35% of operating income (vs. 22% in 2023).**

This goal will be supported by the deployment of a global initiative named

"AI/GenAI TRANSFORMATION" aiming at optimizing R&D investment and costs as well as Program Management, while maintaining high level of technology and innovation

Leveraging on the huge potential offered by AI and GenAI, FORVIA will accelerate on innovation at lower cost and increased efficiency.

Actions will include:

- Dedicated AI teams in every Business Group and one central Group platform,
- Ensure best-in-class data management and IT environment to enable AI solutions.

More than 250 most promising AI uses cases will be promoted and prioritized across the Group, not only for R&D but also for Program Management, and high benefit use cases will be driven at scale.

The ambition of this project is to achieve up to 50% of efficiency gains on R&D and core teams.

PROPOSED DIVIDEND OF €0.50 PER SHARE

At its latest meeting held on February 16, 2024, the Board of Directors decided to propose at the next Annual Shareholders' Meeting to be held in Nanterre (France) on May 30, 2024, the payment of a dividend of €0.50 per share to be paid in cash.

This dividend:

- Is consistent with the POWER25 plan's commitment to reinstate dividend as from 2024, as deleveraging has significantly accelerated in 2023,
- Reflects the Group's confidence in its capability to generate sustainable profit growth and enhanced cash flow in the coming years.

The proposed amount, below the stated dividend policy, reconciles the Group's willingness to reward its shareholders, after two years of dividend payment suspension, with that of pursuing accelerated deleveraging and financing transformative projects to further enhance the Group's competitiveness.

2024 GUIDANCE

This guidance is based on:

- *Broadly stable worldwide automotive production in 2024 vs. 2023, in line with S&P's latest forecast dated February 2024 that estimates 90.0 million light vehicles produced in 2024 vs. 90.3 million in 2023 (-0.4%),*
- *Average 2024 currency rates of 1.10 for €/USD and of 7.50 for €/CNY,*

and assumes no major disruption materially impacting production or retail sales in any automotive region during the year.

It takes into consideration:

- *A limited negative scope effect on sales of c. €50 million as the net effect of the disposal of the CVI business to Cummins (deconsolidated as from Q4 2023) for €(300) million largely offset by the consolidation as from January 1, 2024 of HELLA's joint-venture in Lighting in China for c. €250 million,*
- *The impact of the first step, already announced, of the second €1 billion disposal program underway, i.e. the disposal by HELLA of its 50% stake in BHTC that should contribute cash proceeds estimated at c. €200 million.*

2024 guidance is on track to reach POWER25 ambition:

- **Sales of between €27.5 billion and 28.5 billion**
- **Operating margin between 5.6% and 6.4% of sales**
- **NCF ≥ 2023 in value**
- **Net debt/Adjusted EBITDA ratio ≤ 1.9x at Dec. 31, 2024**

ON TRACK TO POWER25 AMBITION

The Group reiterates its FY2025 objectives, as presented at the Capital Markets Day held in November 2022:

- **Sales of c. €30bn**
- **Operating margin > 7% of sales**
- **NCF of 4% sales**
- **Net debt/Adjusted EBITDA ratio of < 1.5x at Dec. 31, 2025**

These objectives were based on average 2025 currency rates of 1.05 for €/USD and of 7.00 for €/CNY and assumed no major disruption materially impacting production or retail sales in any major automotive region over the period.

These objectives, evidently, did not take into consideration any impact from the second €1 billion disposal program that was announced in October 2023.

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)

FORVIA's financial report will be available at 9:30am today (CET) and the financial presentation at 10:15am (Paris time) on the FORVIA's website: www.forvia.com

A webcasted meeting will be held today at 10:30am (CET) at FORVIA's HQ in Nanterre (France).

If you wish to follow the presentation using the webcast, please access the following link:
<https://www.sideup.fr/webcast-forvia-2023-fy-results/signin/en>

A replay will be available as soon as possible.

You may also follow the presentation via conference call:

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

FORVIA, 7th global automotive technology supplier, comprises the complementary technology and industrial strengths of Faurecia and HELLA. With close to 260 industrial sites and 78 R&D centers, 153,000 people, including 15,000 R&D engineers across 40+ countries, FORVIA provides a unique and comprehensive approach to the automotive challenges of today and tomorrow. Composed of six Business Groups and a strong IP portfolio of over 13,400 patents, FORVIA is focused on becoming the preferred innovation and integration partner for OEMS worldwide. In 2023, the Group recorded consolidated sales above 27 billion euros. FORVIA SE is listed on the Euronext Paris market under the FRVIA mnemonic code and is a component of the CAC Next 20 and CAC SBT 1.5[°] indices. FORVIA aims to be a change maker committed to foreseeing and making the mobility transformation happen. www.forvia.com

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This presentation/document contains certain forward-looking statements concerning FORVIA. Such forward-looking statements represent trends or objectives and cannot be construed as constituting forecasts regarding the future FORVIA'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", "guidance", "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 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. 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 & Risk management" of Faurecia's 2022 Universal Registration Document filed by Faurecia with the AMF on February 28, 2023 under number D. 23-0064 (a version of which is available on www.forvia.com). Subject to regulatory requirements, FORVIA 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. The historical figures related to HELLA included in this presentation/document have been provided to FORVIA by HELLA within the context of the acquisition process. These historical figures have not been audited or subject to a limited review by the auditors of FORVIA. HELLA remains a listed company. For more information on HELLA, more information is available on www.hella.com. This presentation/document does not constitute and should not be construed as an offer to sell or a solicitation of an offer to buy FORVIA securities in any jurisdiction.

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 2021, there was no effect from "bolt-on acquisitions"; as a result, "Growth at constant currencies" is equivalent to sales growth at constant scope and currencies also presented as organic growth.

Operating income

Operating income is the 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.

Adjusted EBITDA

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

Net cash-flow

Net cash-flow is defined as follow: Net cash from (used in) operating and investing activities less (acquisitions)/disposal of equity interests and businesses (net of cash and cash equivalents), other changes and proceeds from disposal of financial assets. Repayment of IFRS 16 debt is not included.

Net financial debt

Net financial debt is defined as follow: Gross financial debt less cash and cash equivalents and derivatives classified under non-current and current assets. It includes the lease liabilities (IFRS 16 debt).