PRESS RELEASE

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FORVIA ADJUSTS ITS FULL-YEAR 2024 GUIDANCE TO REFLECT LOWER PRODUCTION OUTLOOK AND UNCERTAIN ENVIRONMENT

- Sales guidance revised to between €26.8bn and €27.2bn at updated estimated 2024 average exchange rates.
- Operating margin guidance revised to between 5.0% and 5.3% of sales.
- Net Cash Flow (NCF) guidance revised to ≥ €550m.
- Net debt/Adjusted EBITDA ratio guidance revised to ≤ 2.0x at year-end.

ACCELERATION OF INITIATIVES TO IMPROVE PERFORMANCE IN 2025 IN A CHALLENGING ENVIRONMENT

DELEVERAGING KEY TARGET OF NET DEBT/ADJ. EBITDA RATIO < 1.5x AT END-2025 REMAINS UNCHANGED, SUPPORTED BY DISPOSAL PROGRAM UNDERWAY

ADJUSTED 2024 GUIDANCE

2024 Sales

Recent unfavorable news commands greater caution on the sales forecast for the remainder of the year. This news notably includes:

- Uncertainty on European market, largely attributable to continued slowdown of electrification and concerns related to CAFE (“Corporate Average Fuel Economy”) regulation implementation,
- High level of car inventories in North America, driving announcements of plant shutdowns by OEMs and reduction of production forecast for the second half of the year,
- Increasing risks of labor disruptions at OEMs.

The deterioration in market conditions is reflected in the latest S&P forecast of September, with potential further downward revision in the coming months.
Group sales will be penalized by unfavorable customer mix and foreign exchange evolution:

- Significant number of Starts of Production (SOPs) have been delayed by OEMs considering current market conditions and launch readiness issues,
- Outperformance initially expected for China in the second part of the year will only materialize in 2025 due to delayed H2 2024 SOPs,
- Updated 2024 average exchange rates assumptions lead to c. €150m of additional negative currency impact on sales in H2 2024 (vs. assumptions taken last July).

FORVIA now expects sales of between €26.8bn and €27.2bn in FY 2024 at updated estimated 2024 average exchange rates[1] (vs. July indication of "in the lower end of the €27.5bn to €28.5bn initial February guidance")**, implying an organic growth outperformance estimated at around 300bps.**

2024 Operating margin

FORVIA now expects operating margin of between 5.0% and 5.3% of sales (vs. July indication of "in the lower end of the 5.6% to 6.4% initial February guidance"), reflecting:

- Operating margin leverage of 15% to 20%,
- Effective recovery of Interiors, but slower than expected.

This operating margin range includes caution about potential risk of write-offs due to volume adjustment of some customer programs.

2024 Net Cash Flow (NCF) & Net debt/Adjusted EBITDA ratio at December 31, 2024

The impact of revised operating margin on EBITDA leads to revise NCF expected for FY 2024 to ≥ €550m (vs. ≥ 2023 in value, i.e. ≥ €649m, previously).
Consequently, Net debt/Adjusted EBITDA ratio is now expected ≤ 2.0x at December 31, 2024 (vs. ≤ 1.9x previously).

Figures above-mentioned fully reflect yesterday's announcement of FORVIA HELLA.

ACCELERATION OF INITIATIVES TO IMPROVE PERFORMANCE IN 2025 IN A CHALLENGING ENVIRONMENT

FORVIA expects the environment in 2025 to remain challenging, notably as automotive production in **Europe** (representing c. 45% of Group sales) remaining under pressure, impacted by overall economic environment and uncertainties related to powertrain mix evolution. In this region, automotive production in 2025 may be lower than in 2024. Despite this context, FORVIA's European operations are expected to improve their overall operating margin in 2025, primarily through the EU-FORWARD program initiated in 2024 and whose first significant benefits are expected in 2025.

Conversely to Europe, **China** (representing c. 20% of Group sales) should offer growth potential for FORVIA in 2025 through start of customer projects that were delayed in 2024 and ramp-up of sales with new Chinese customers, fueling significant outperformance. China is accretive to the Group's operating margin and is expected to maintain double-digit margin going forward.

[1] 1.09 for €/USD, 7.84 for €/CNY, 1,171 for €/ARS and 41.6 for €/TRY

To be prepared to this volatile environment and support improvement in its 2025 performance vs. 2024, FORVIA accelerates its key initiatives and actions:

- **WEST TO EAST to enhance privileged relationships with Chinese OEMs**

This initiative aims at leveraging FORVIA's strong presence in Asia, notably in China, where FORVIA is the 5th largest Tier-1 supplier, holding a strong market share with Chinese OEMs. This region offers the highest automotive production growth potential, reflected in the recent order intake, and FORVIA intends to achieve over 35% of its global sales and maintain an operating margin above 10% by 2028.

In China, as an example, FORVIA should benefit in 2025 from the rapid ramp up of its recently formed joint venture with Chery in the domain of smart and sustainable cockpits, and the Group should resume outperforming automotive production in the country by at least 300bps.
FORVIA also continues to strengthen its relationship with Chinese customers outside of the Asian market, notably with BYD, through a new cooperation in Hungary, and with Chery to support its next developments in Spain. This will allow FORVIA to consolidate its market share in Europe, irrespective of the OEM mix evolution in this region.

- **Accelerated implementation of EU-FORWARD**

This five-year initiative, launched in 2024, aims at reinforcing the competitiveness and agility of the Group's operations in Europe, adapting its European manufacturing and R&D set-up to the fast-changing regional environment.

- ✓ By the end of 2024, more than 2,800 headcount reduction should be announced, representing P&L savings of c. €120m on an annualized basis.
- ✓ By the end of 2025, more than 5,800 cumulated headcount reduction should be announced, representing P&L cumulated savings of c. €270m on an annualized basis. At this time, around 5,500 people should have left the Group, including around 1,000 people due to attrition. The positive impact on 2025 P&L should represent more than €180m, with restructuring costs kept at the initial level announced in February 2024.

The EU-FORWARD initiative, planned to cover the 2024-2028 period, will be accelerated and headcount reduction announced by the end of 2027 could already reach over 90% of the total five-year headcount reduction planned.

- **Increased target of SYNERGIES WITH FORVIA HELLA to generate €400 million of cost efficiencies by the end of 2025**

The latest target to reach over €350 million of cumulated cost synergies by the end of 2025 is revised upward to €400 million, leveraging on additional initiatives, notably in the field of purchasing and operations.

DELEVERAGING KEY TARGET OF NET DEBT/ADJ. EBITDA RATIO < 1.5x AT END-2025 REMAINS UNCHANGED, SUPPORTED BY DISPOSAL PROGRAM UNDERWAY

As indicated in July, the detailed 2025 Guidance will be given on February 28, 2025, along with the release of FORVIA's FY 2024 results, in accordance with the Group's usual practices.

2025 sales

Assuming stable global automotive production in 2025 vs. 2024, with growth in Asia offsetting lower volumes in Europe, FORVIA confirms its ambition to continue to outperform worldwide automotive production in 2025, notably including outperformance in China.

FORVIA's FY 2025 sales expectation that was communicated in July of between €28bn and €28.5bn will be updated in February 2025, according to the most up-to-date vision of worldwide automotive production.

2025 operating margin and NCF

FORVIA confirms its ambition to significantly improve operating margin and NCF in 2025 vs. 2024, supported by:

- ✓ The above-mentioned acceleration of the EU-FORWARD and WEST TO EAST initiatives, as well as increased synergies with FORVIA HELLA,
- ✓ Decisive actions to ensure launch readiness, enhance operational execution efficiency and to mitigate risks with suppliers and customers,
- ✓ Continued reduction of inventories, driving a working capital inflow of c. €300 million in 2025,
- ✓ Significant reduction of capex and capitalized R&D, both in absolute value and in percentage of sales; combined amount to be contained below €2bn in 2025.

Net debt/Adjusted EBITDA ratio at December 31, 2025

FORVIA confirms its POWER25 key target of reaching Net debt/Adjusted EBITDA ratio < 1.5x at December 31, 2025 through continuous improvement in net cash flow generation and targeted asset disposals.

On top of continuous deleveraging, as 2024 and 2025 maturities have been almost fully cleared thanks to recent refinancings, FORVIA will continue, according to market opportunities, to actively manage its debt and should benefit in the coming years from the already engaged easing of monetary policies, especially in Europe and in the US.

FINANCIAL CALENDAR

- **Today, a webcast will be held at 8:00 am (CET).**

If you wish to follow the presentation using the webcast, please access the following link: https://edge.media-server.com/mmc/p/jwwhr6og
A replay will be available as soon as possible.

You may also follow the presentation via conference call:

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- **October 21, 2024 Q3 sales announcement (before market hours)**
- **February 28, 2025 FY 2024 results announcement (before market hours)**

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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 over 290 industrial sites and 76 R&D centers, 157,000 people, including more than 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 6 business groups and a strong IP portfolio of over 14,000 patents, FORVIA is focused on becoming the preferred innovation and integration partner for OEMS worldwide. In 2023, the Group achieved a consolidated revenue of 27.2 billion euros. FORVIA SE is listed on the Euronext Paris market under the FRVIA mnemonic code. FORVIA aims to be a change maker committed to foreseeing and making the mobility transformation happen. **www.forvia.com**

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DEFINITIONS OF TERMS USED IN THIS DOCUMENT

Sales growth

FORVIA's year-on-year sales evolution is made of three components:

- A "Currency effect", calculated by applying average currency rates for the period to the sales of the prior year,
- A "Scope effect" (acquisition/divestment),
- And "Growth at constant currencies".

As "Scope effect", FORVIA presents all acquisitions/divestments, whose sales on an annual basis amount to more than €250 million.

Other acquisitions below this threshold are considered as "bolt-on acquisitions" and are included in "Growth at constant currencies".

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 FORVIA group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

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

Adjusted EBITDA

Adjusted EBITDA is Operating income as defined above + depreciation and amortization of assets; to be fully compliant with the ESMA (European Securities and Markets Authority) regulation, this term of "Adjusted EBITDA" will be used by the Group as of January 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).