

NANTERRE (FRANCE)

FEBRUARY 22, 2024

CONFERENCE CALL OF FEBRUARY 21, 2024 TO ANSWER MAIN QUESTIONS RELATING TO

- **THE 2024 GUIDANCE AND POWER 25 AMBITION**
- **THE REVERSE FACTORING PROGRAM**
- **THE EU-FORWARD PROJECT**

On February 19, FORVIA presented robust 2023 annual results, in line with the Group's strategic priorities. The 2023 results and the guidance for 2024 confirm the Group's capability to sustainably generate strong net cash flow, contributing to deleveraging the Group. The Group also reiterated its POWER25 objectives, including the continuation of its deleveraging priority.

During a conference call held February 21 at 3pm (Paris time) by the Company's management, Patrick KOLLER (Chief Executive Officer) and Olivier DURAND (Chief Financial Officer) confirmed guidance for 2024 and POWER25 objectives, answered questions from analysts and investors and provided the following details, complementary to the announcement of the 2023 annual results made on February 19:

About FORVIA's 2024 guidance

- The objective to generate a net cash flow in value at least equal to 2023 level (649 million euros) will be supported by further contribution from working capital, notably from inventories, on top of EBITDA improvement,
- Additional restructuring costs related to the implementation of the EU-FORWARD project are included in the 2024 guidance.

About FORVIA's DPO (Days Payable Outstanding)

- The calculation of FORVIA's Days Payable Outstanding must be carried out adding the amount of agent flows (mainly monoliths) representing 7.4 billion euros in 2023 and not recognized in consolidated sales and purchases according to IFRS15 but included in trade payables and receivables (cf. Note 4.1 in the consolidated accounts),
- Consequently, at the end of 2023, the DPO stood at around 100 days.

About FORVIA's reverse factoring program

- FORVIA started a reverse factoring program in 2017, the use of which is at the initiative of its suppliers (cf. Note 27.1 in the consolidated accounts),
- FORVIA reminded that the amounts included in the program are fully booked as trade payables in the balance sheet,
- FORVIA indicated that at the end of 2023, the amount of the program used by the Group's suppliers represented approximately 10% of the total amount of trade payables,
- FORVIA specified that the amount of this program used by its suppliers at the end of 2023 was slightly lower than that at the end of 2022.

About FORVIA's EU-FORWARD project

- FORVIA reminded that the EU-FORWARD project aims at adapting the industrial and R&D set-up in Europe to strengthen the competitiveness of its regional operations,
- As the Group has almost no restructurings to achieve in Asia and very limited restructurings in North America, where most of the adaptation efforts were already carried out, the Group is able to finance an additional c. €350 million restructuring charges (additional c. €275m in cash) to finance the EU-FORWARD project over the 2024-2028 period,
- FORVIA specified that this project would be self-financed over the 2024-2025 period and that expected savings, and that savings should reach c. 500 million euros on an annual basis in 2028.

In detail:

- For the cumulative of 2024 and 2025 period, combined restructuring charges in Europe will be increased from c. €300m to c. €500m in the Income statement (c. €600m worldwide),
- For the cumulative 2026 to 2028 period, combined restructuring charges in Europe will also be increased from c. €300m to c. €500m in the Income statement (c. €600m worldwide),
- From a cash perspective, combined restructuring spending dedicated to Europe over the 2024-2028 period should be increased to around c. €800 million, broadly equally split between the 2024-2025 period and the 2026-2028 period.

FORVIA confirmed its priority on deleveraging

- FORVIA indicated that the cash proceeds from the second asset disposal program will help to further reduce the Net debt / Adj. EBITDA ratio, beyond the current POWER25 objective to reach a leverage < 1.5x at the end of 2025,
- The 2024 leverage ratio guidance $\leq 1.9x$ takes into account the sale of HELLA's stake in BHTC, already announced and whose closing is expected before the end of H1 2024. No other disposal from the second disposal program has been taken into account in this objective,
- Lastly, FORVIA's management formally ruled out any project of capital increase.

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)

PRESS

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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