

Deutsche Bank Global Auto Industry Conference

Investor Presentation

January 16, 2018



Safe Harbor Statement

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. The words “will,” “may,” “designed to,” “outlook,” “believes,” “should,” “anticipates,” “plans,” “expects,” “intends,” “estimates,” “forecasts” and similar expressions identify certain of these forward-looking statements. The Company also may provide forward-looking statements in oral statements or other written materials released to the public. All statements contained or incorporated in this presentation or in any other public statements that address operating performance, events or developments that the Company expects or anticipates may occur in the future are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 and its other Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, commodity prices and the Company’s success in implementing its operating strategy.

Information in this presentation relies on assumptions in the Company’s sales backlog. The Company’s sales backlog reflects anticipated net sales from formally awarded new programs less lost and discontinued programs. The calculation of the sales backlog does not reflect customer price reductions on existing or newly awarded programs. The sales backlog may be impacted by various assumptions embedded in the calculation, including vehicle production levels on new programs, foreign exchange rates and the timing of major program launches.

The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof.

Non-GAAP Financial Information

This presentation also contains non-GAAP financial information. For additional information regarding the Company’s use of non-GAAP financial information, as well as reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States (“GAAP”), please see slides titled “Non-GAAP Financial Information” at the end of this presentation.

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Overview



Proven
Track Record



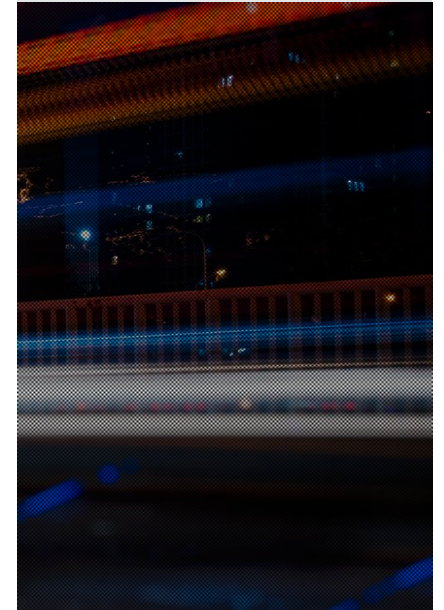
Unique Capabilities
in Both Segments



Aligned With
Industry Trends



Strong Financial
Profile: Outlook



A blurred image of a white sports car, possibly a Ferrari, driving on a road. The car is moving from left to right, and there are red light trails behind it, suggesting motion. The background is a dark, hazy landscape.

| Overview

Investment Profile



Leading global supplier of two critical automotive systems



Future sales growth powered by industry-leading position and differentiated product capabilities



Strong earnings growth, cash generation and overall financial profile



Track record of operational excellence, strong revenue growth and superior shareholder returns



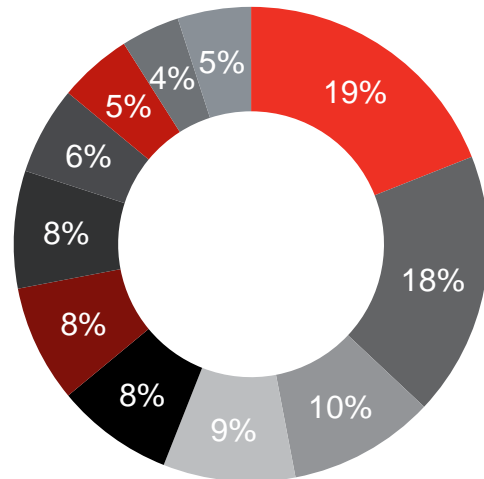
Strategically aligned to benefit from major market and industry trends



Positive outlook supported by record sales backlog

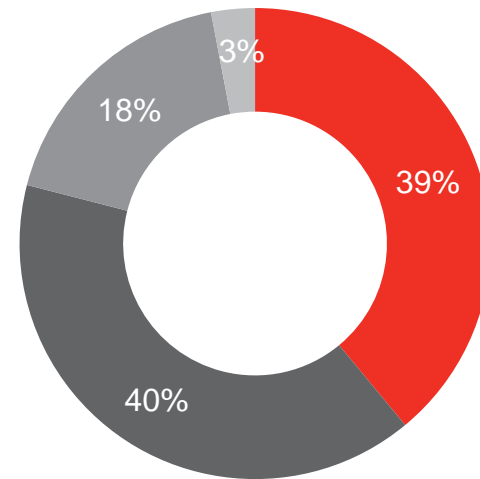
Well-Diversified \$20+ Billion Global Automotive Supplier

By Customer



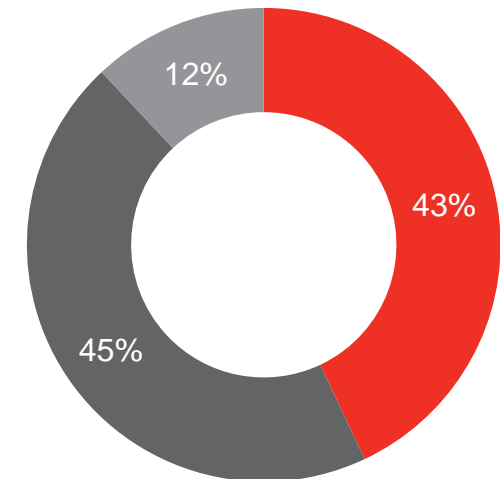
■ Ford
■ Daimler
■ Jaguar/Land Rover
■ Hyundai
■ GM
■ BMW
■ Renault-Nissan
■ Other
■ FCA
■ VW Group
■ PSA Group

By Geographic Region



■ North America
■ Europe and Africa
■ Asia
■ South America


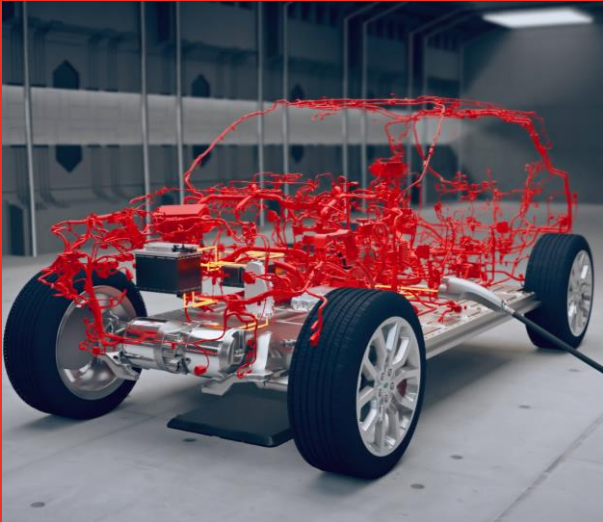
By Vehicle Segment



■ Passenger Cars
■ CUV/SUV
■ Trucks/Vans

Additional \$2+ billion in revenue from 12 non-consolidated joint ventures

Two High-Performing Business Segments

<p>SEATING ≈\$15.9 billion sales Fastest-growing and most profitable automotive seating supplier</p> 	✓	Quality leader	✓	<p>E-SYSTEMS ≈\$4.5 billion sales Global leader in electrical architecture including high-power with wireless connectivity expertise</p> 
	✓	Product and process innovation	✓	
	✓	Global capabilities and low-cost provider	✓	
	✓	Segment leading margins and strong cash generation	✓	
	✓	Return on invested capital well above cost of capital	✓	



Proven Track Record

Track Record of Operational Excellence Delivering Superior Shareholder Returns



Industry-leading capabilities and cost structure create significant competitive advantage



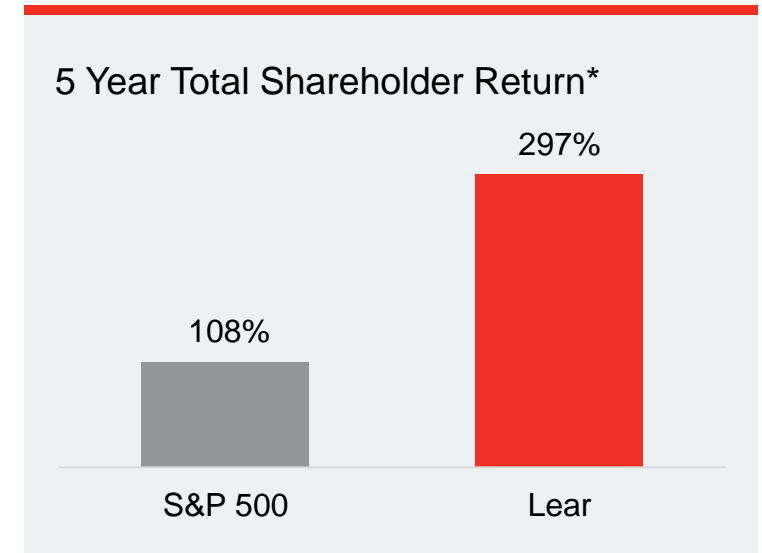
Superior financial performance with returns well in excess of our cost of capital



Increasing market share in two growing industry segments



Balanced capital allocation strategy



Industry-Leading Capabilities and Cost Structure Create Significant Competitive Advantage



≈160K

Employees

5,500

Total engineers globally with
40% in low-cost countries

≈\$1.0 B

Invested to restructure global
operations over last 10 years



250+

Facilities

600+

Software engineers

≈\$1.2 B

Capital invested in low-cost country
component facilities over last 5 years



38

Countries

20

Engineering centers globally, including
8 advanced product technical centers

80% of component
facilities

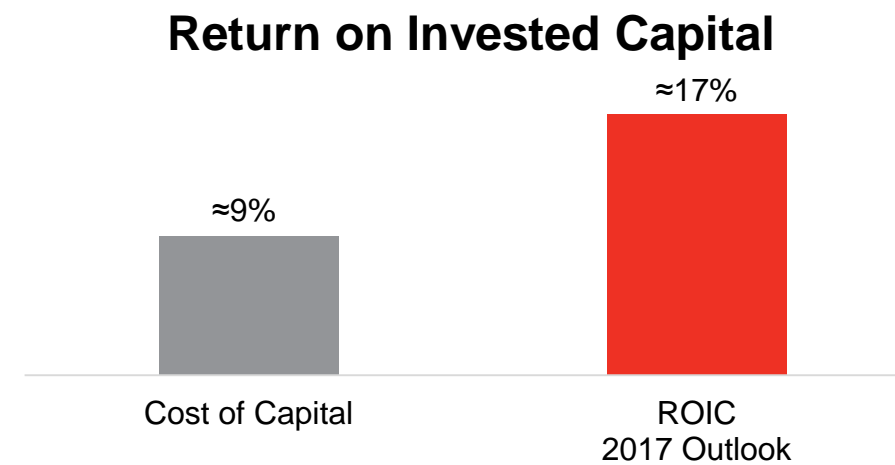
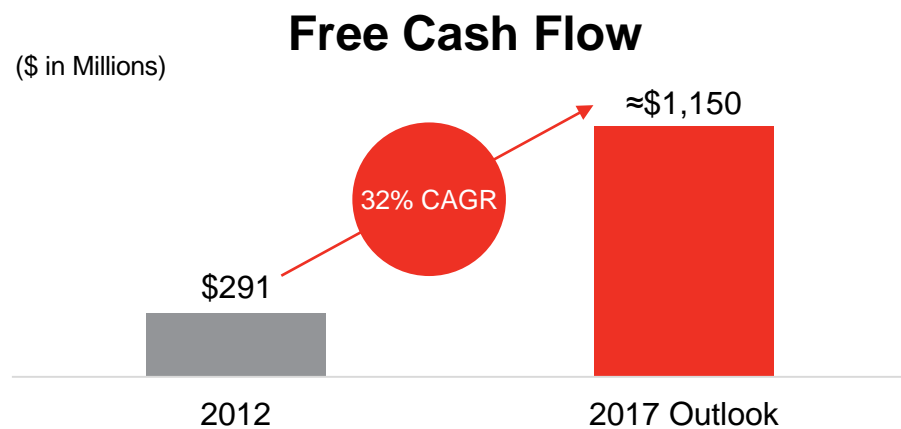
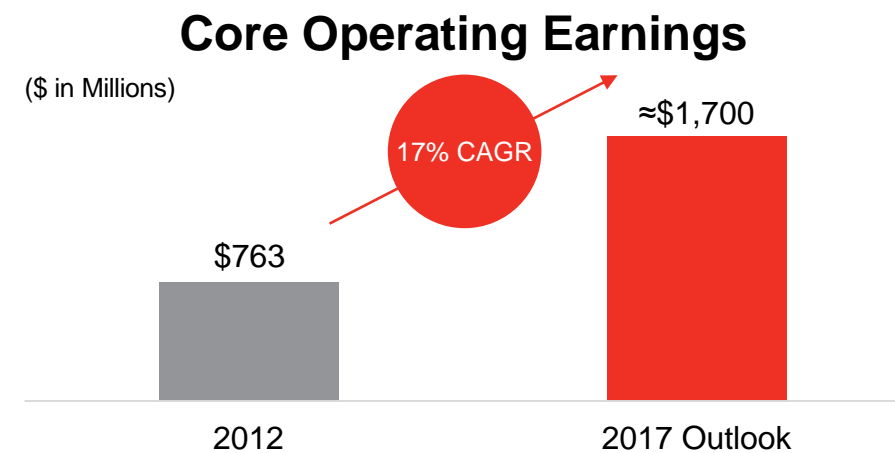
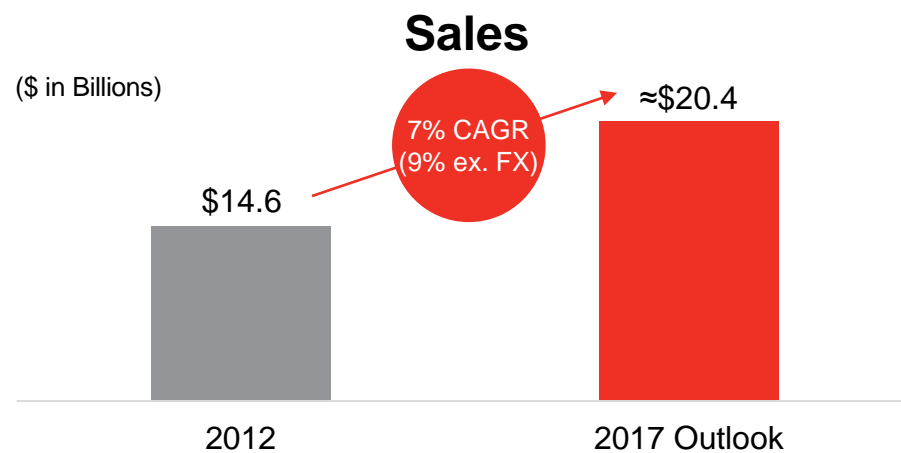
95% of related
employees

based in
low-cost
countries

Increasing Market Share in Two Growing Industry Segments



Superior Financial Performance With Returns Well in Excess of our Cost of Capital

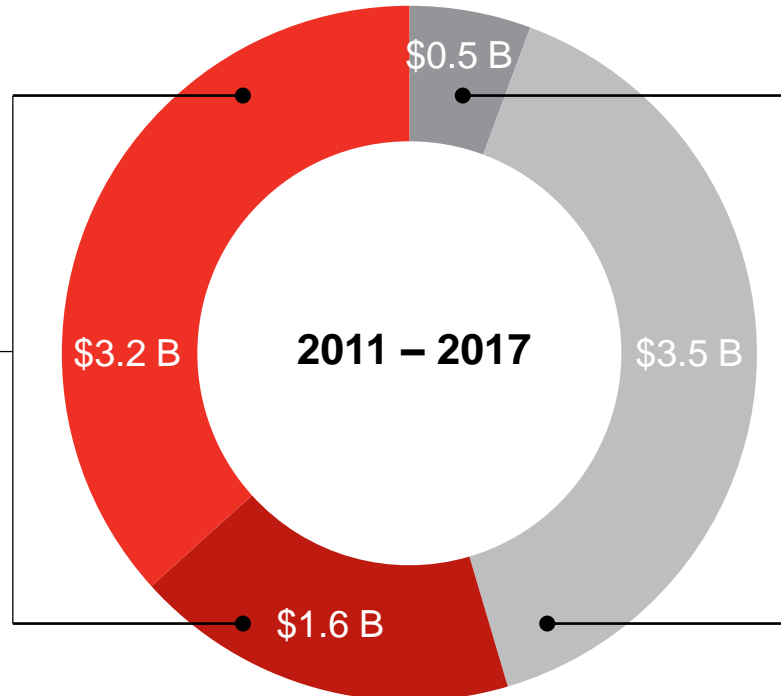


Balanced Capital Allocation Strategy

\$4.8 B

invested in the business
including seven
completed acquisitions

- Capital Investment
- Acquisitions



\$4.0 B

returned to
shareholders

- Dividends
- Share Repurchases

- Expanded product capabilities through capital investments and acquisitions
- Repurchased 42% of shares outstanding
- Increased dividend each year
- 68.1 million diluted shares outstanding at 12/31/2017



Unique Capabilities in Both Segments

Seating Core Product Portfolio

**Complete
Seats**



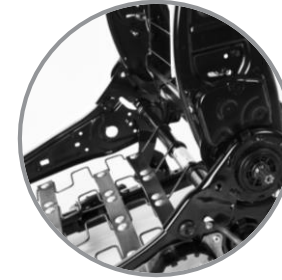
**Seat
Covers**



**Leather &
Fabric**



**Structures &
Mechanisms**



Foam



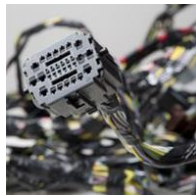
**Integrated
Features &
Technology**



2018 Range Rover Autobiography
Executive Class Rear Seating

E-Systems Core Product Portfolio

ELECTRICAL DISTRIBUTION



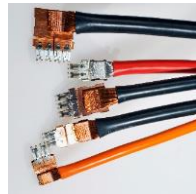
Wire
Harnesses



Terminals &
Connectors



48V & HV Wire
Harnesses



48V & HV
Terminals
& Connectors



Circuit
Protection



Power
Distribution
Boxes



Electrical
Centers



HV Power
Distribution

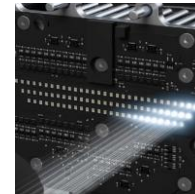
ELECTRONICS



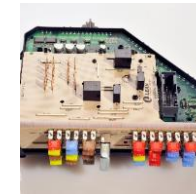
Body Domain
Controllers



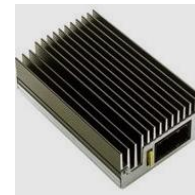
Wireless
Vehicle
Access



Exterior
Lighting
Control



Smart Junction
Boxes



Audio Domain
Controllers



Vehicle Network
Controllers



Connectivity
Modules



HV Power &
Control Modules

Aligned With Industry Trends

Emerging Trends Offer Significant E-Systems Value Creation

Electrification



2027 Addressable Market:

≈\$44 Billion

Feature	Incremental CPV
Plug-in Hybrid / Battery Electric HV EDS, T&Cs, traction inverter, DC/DC converter, battery monitoring system plus on-board charger, wireless charging systems	≈\$2,000
48V Mild Hybrid 48V electrical distribution, inverter, DC/DC converter, smart junction box	≈\$300

CPV opportunity of \$300 to \$2,000

Connectivity



2027 Addressable Market:

≈\$9 Billion

Feature	Incremental CPV
Communication Module with V2X V2X hardware / software, safety algorithms	≈\$200
Communication Module Cellular, WiFi, OTA, car sharing, eCall	≈\$125

CPV opportunity of \$125 to \$200

Autonomous



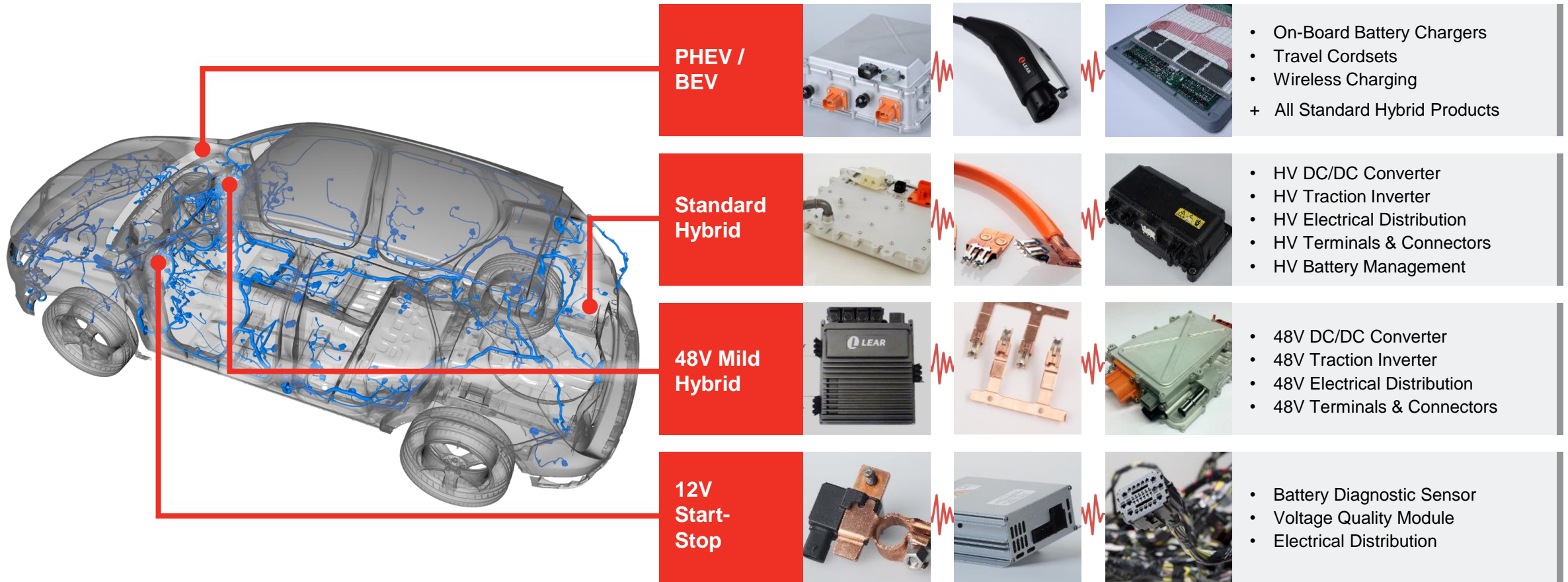
2035 Addressable Market:

≈\$50 Billion

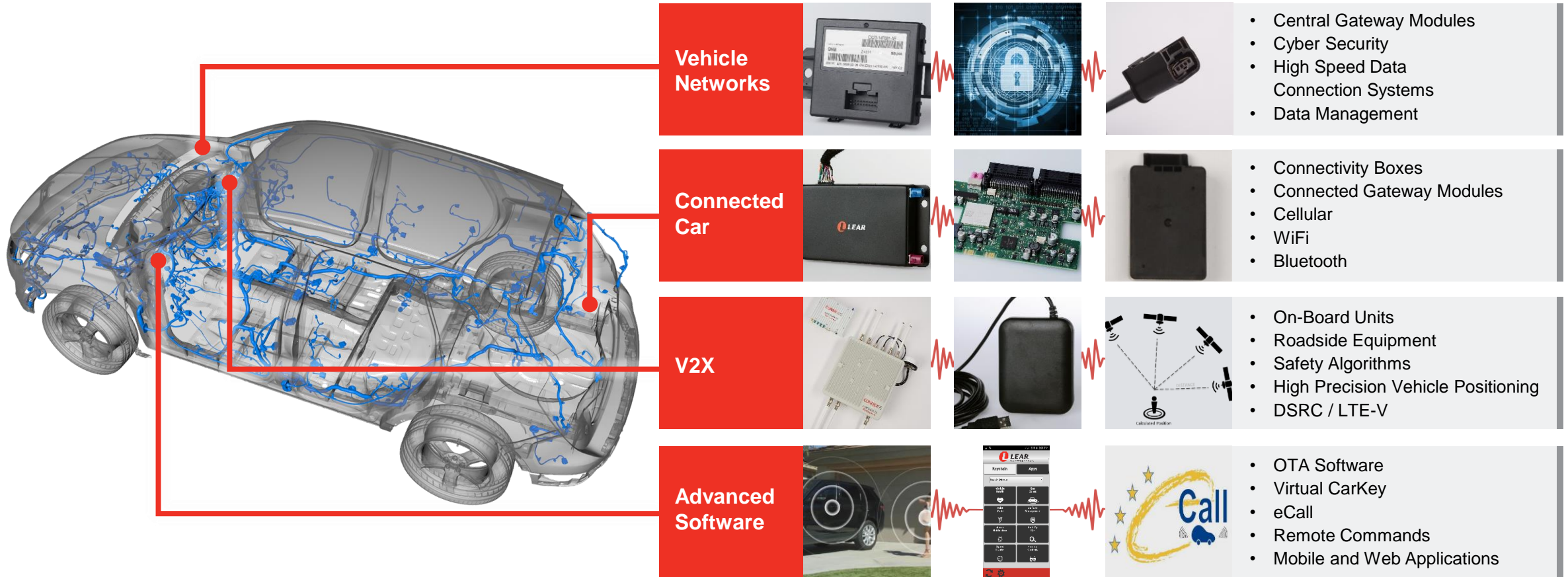
Feature	Incremental CPV
Connectivity / Autonomous Data management / analytics, high precision positioning, advanced cybersecurity, AI / neural network	≈\$500 - \$1,000
Seat Automation / Personalization Driver and passenger state monitoring	≈\$500 - \$1,000

CPV opportunity of \$500 to \$2,000

Electrification – Lear Product Capabilities



Connectivity – Lear Product Capabilities



Future of Seating – Market Trends and Lear Innovation

Craftsmanship and Design

Sustainability

Connectivity

Autonomy and Safety

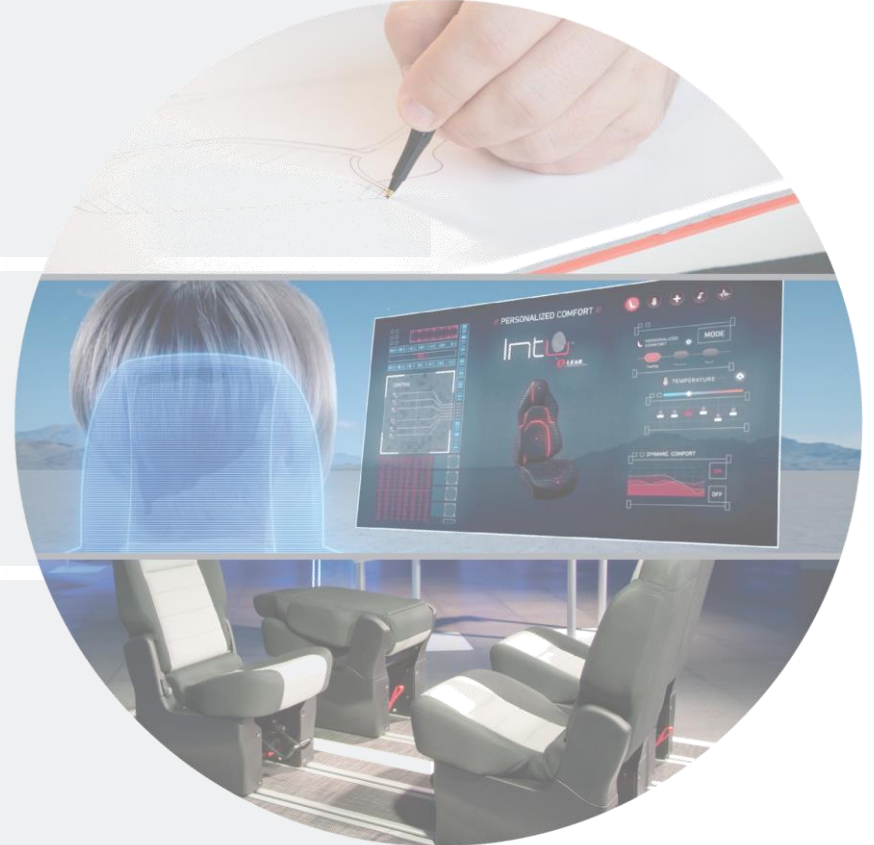
Mobility

Configurability

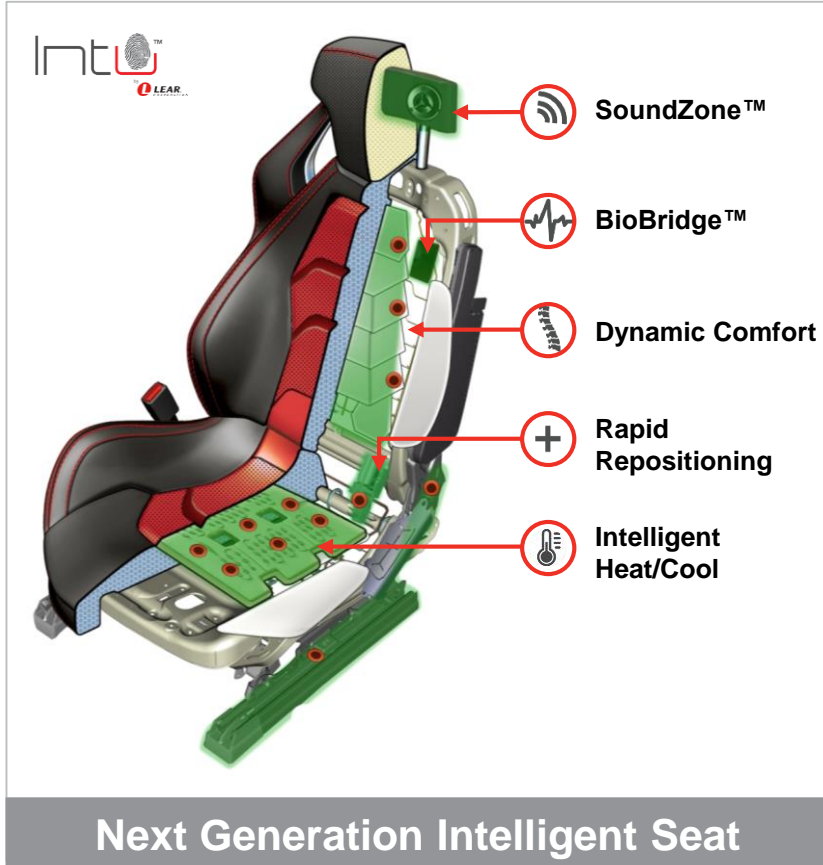
craftedTM
by **LEAR**
CORPORATION

IntUTM
by **LEAR**
CORPORATION

Drop & GoTM
by **LEAR**
CORPORATION



Intu™ Seat Delivers Increased Content Opportunities



SoundZone™

- Headrest with integrated speakers and microphone
- Haptic speaker in seat back
- Signal / electrical distribution system
- Proprietary SoundZone™ software
- Audio Domain Controller (ADC) with Bluetooth®

BioBridge™ – Heart Rate & Respiratory Monitoring

- Sensor unit
- Signal / electrical distribution system
- Biometric software with deterministic algorithms

Dynamic Comfort

- Pneumatic bladder array
- Pulse with Modulation (PWM) controlled pump
- Signal / electrical distribution system
- Proprietary ProActive™ algorithms and software
- Intelligent pneumatic control module

Rapid Repositioning

- Intelligent electromechanical mechanism
- High-precision recliner
- Signal / electrical distribution system
- Proprietary algorithms and software
- Smart signal control module

Intelligent Heat / Cool

- Climate ribbon with thermoelectric devices
- Surface sensors
- Signal / electrical distribution system
- Proprietary thermogenic algorithms and software

SEATING

E-SYSTEMS

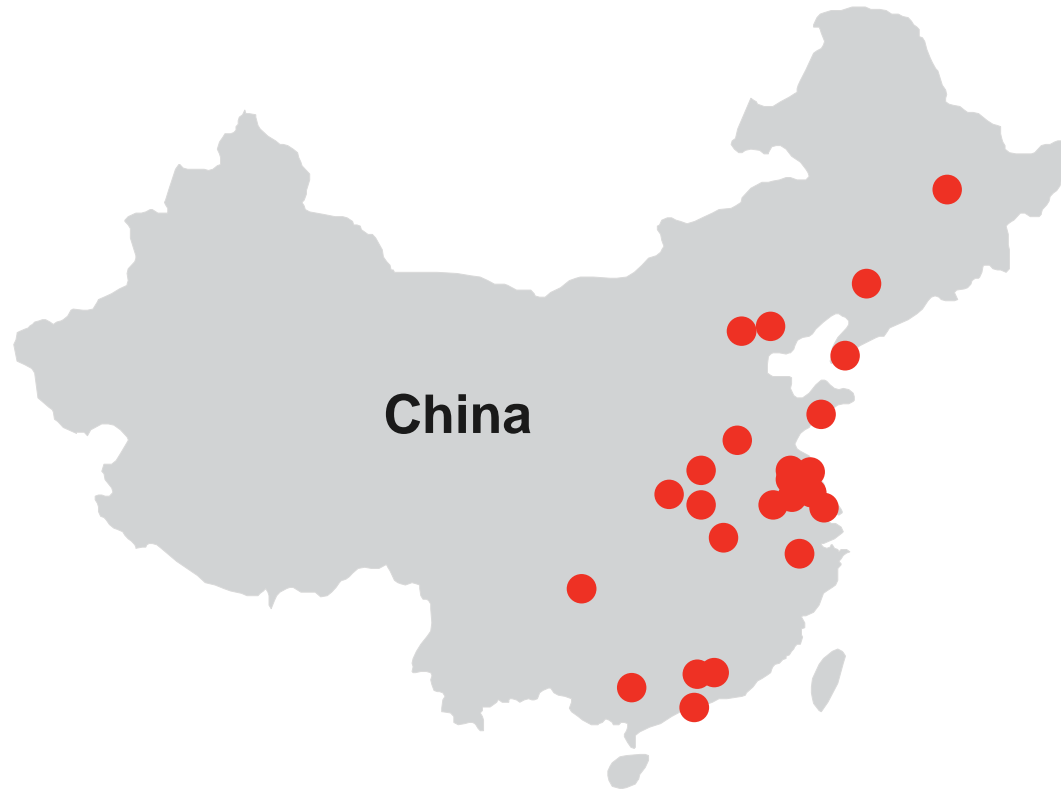
Potential CPV Opportunity ≈\$250 – \$750

Reconfigurable Seating

Drop & Go™



Lear Has Complete Seating and E-Systems Engineering and Manufacturing Capabilities in China

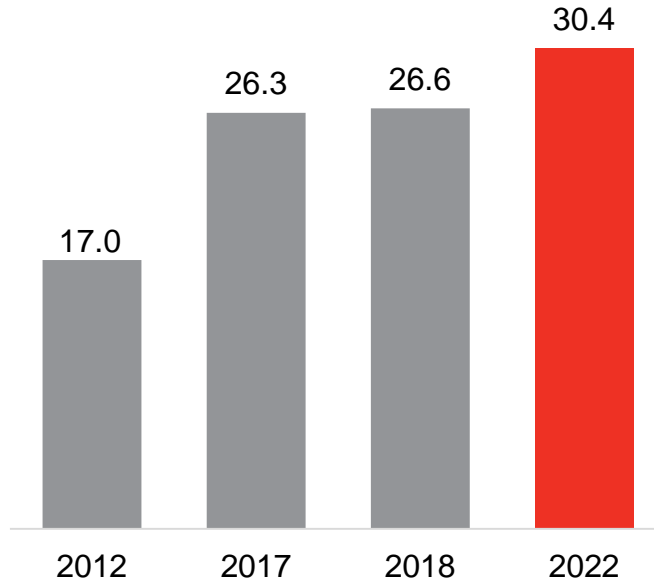


Lear Capabilities

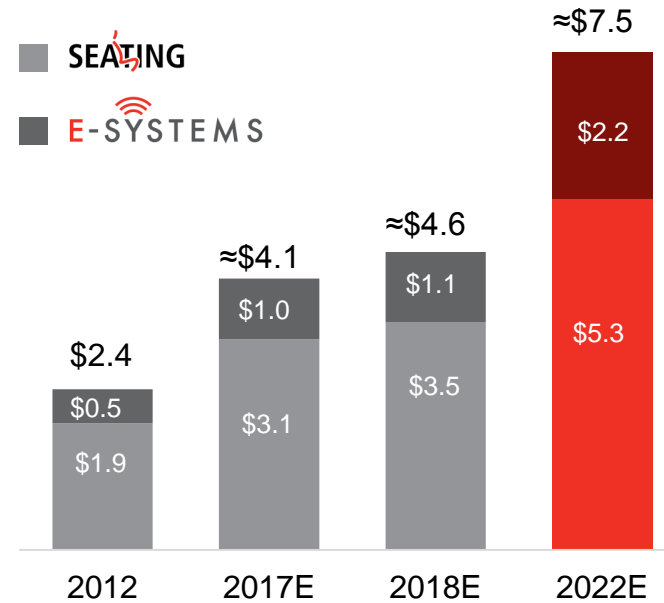
26K	Employees
45	Manufacturing facilities
5	Engineering and tech centers
13	Joint ventures (6 non-consolidated)
23	Cities

China Will Continue to Be a Significant Growth Opportunity For Both Segments

China Vehicle Production Forecast
(Units in millions)



Lear Revenue Forecast
(\$ in billions – includes non consolidated sales)



Growth Drivers

- World's largest automotive market
- Increasing population and vehicle density
- China OEMs seeking supplier expertise
- Increasing demand for luxury, crossovers and SUVs
- Consumer demand for added features
- Potential to become largest EV/Plug-in Hybrid market
- Continued Lear market share gains

The background of the slide features a close-up, low-angle view of a car's front wheel on the left side. The rest of the image is filled with dynamic, horizontal motion blur streaks in shades of blue and white, creating a sense of high speed and forward momentum.

Strong Financial Profile: Outlook

2018 Outlook – Global Vehicle Production and Currency

(Units in millions)

	2017 Outlook	2018 Outlook	YOY Change
China	26.3	26.6	Up 1%
Europe and Africa	23.0	23.5	Up 2%
North America	17.1	17.4	Up 2%
India	4.4	4.7	Up 8%
Brazil	2.6	3.0	Up 12%
Global	93.6	95.4	Up 2%

Key Currencies

Euro	\$1.12 / €	\$1.18 / €	Up 5%
Chinese RMB	6.78 / \$	6.60 / \$	Up 3%

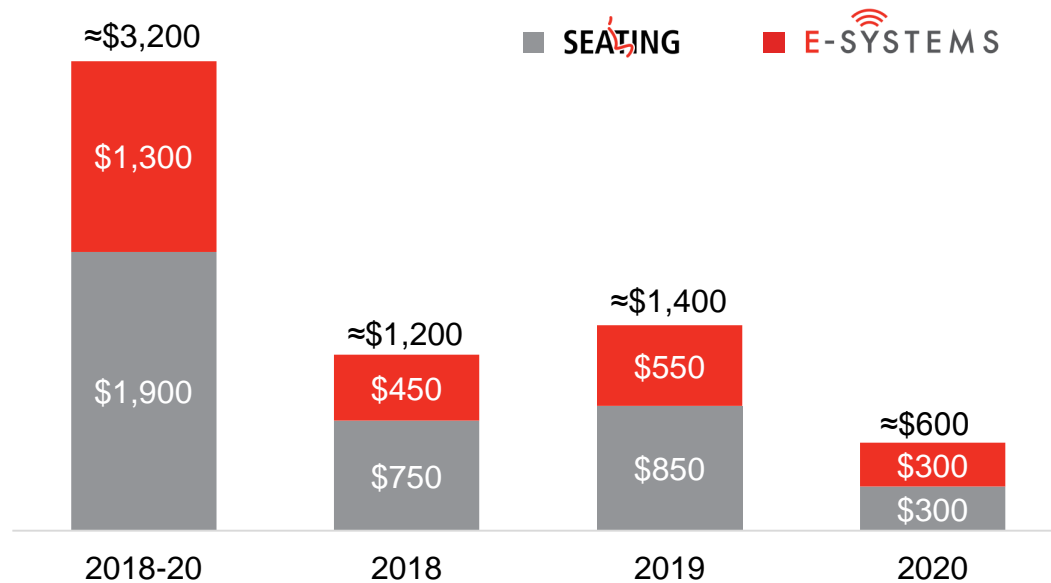
2018 Outlook – Financial Summary

Net Sales	\$21.4 - \$21.6 billion	Interest Expense	≈\$80 million	Restructuring Costs	≈\$65 million
Core Operating Earnings	\$1,750 - \$1,775 million	Effective Tax Rate	≈22%	Capital Spending	≈\$630 million
Adjusted EBITDA	\$2,230 - \$2,255 million	Adjusted Net Income	\$1,230 - \$1,250 million	Free Cash Flow	\$1,200+ million

Record Sales Backlog (Net New Awarded Business)

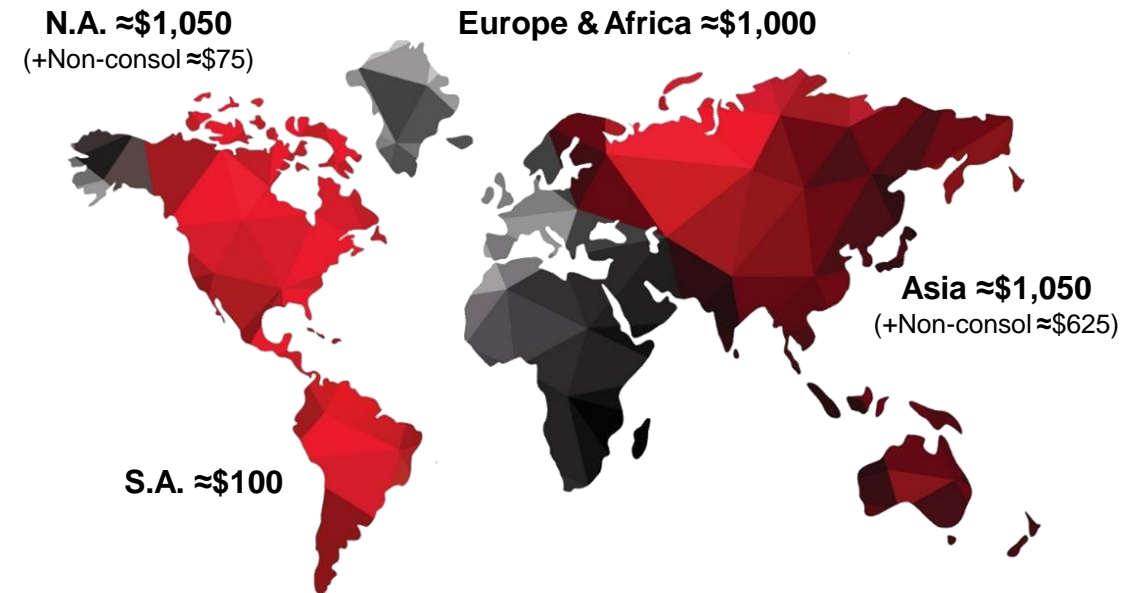
2018–2020: Consolidated Sales Backlog

(\$ in billions)



Consolidated Backlog By Region

(\$ in millions, Euro at \$1.18)



2018–2020 sales backlog of nearly \$4 billion including non-consolidated business

Summary



Leading global supplier of two critical automotive systems



Future sales growth powered by industry-leading position and differentiated product capabilities



Strong earnings growth, cash generation and overall financial profile



Track record of operational excellence, strong revenue growth and superior shareholder returns



Strategically aligned to benefit from major market and industry trends



Positive outlook supported by record sales backlog

Non-GAAP Information

In addition to the results reported in accordance with GAAP included throughout this presentation, the Company has provided information regarding “pretax income before equity income, interest, other expense, restructuring costs and other special items” (core operating earnings), “pretax income before equity income, interest, other expense, depreciation expense, amortization of intangible assets, restructuring costs and other special items” (adjusted EBITDA), “adjusted net income attributable to Lear” (adjusted net income), “tax expense excluding the impact of restructuring costs and other special items” and “free cash flow” (each, a non-GAAP financial measure). Other expense includes, among other things, non-income related taxes, foreign exchange gains and losses, gains and losses related to certain derivative instruments and hedging activities, losses on the extinguishment of debt and gains and losses on the disposal of fixed assets. Adjusted net income represents net income attributable to Lear adjusted for restructuring costs and other special items, including the tax effect thereon. Free cash flow represents net cash provided by operating activities, less capital expenditures.

Management believes the non-GAAP financial measures used in this presentation are useful to both management and investors in their analysis of the Company's financial position and results of operations. In particular, management believes that core operating earnings, adjusted EBITDA, adjusted net income and tax expense excluding the impact of restructuring costs and other special items are useful measures in assessing the Company's financial performance by excluding certain items that are not indicative of the Company's core operating performance or that may obscure trends useful in evaluating the Company's continuing operating activities. Management also believes that these measures are useful to both management and investors in their analysis of the Company's results of operations and provide improved comparability between fiscal periods. Management believes that free cash flow is useful to both management and investors in their analysis of the Company's ability to service and repay its debt. Further, management uses these non-GAAP financial measures for planning and forecasting future periods.

Core operating earnings, adjusted EBITDA, adjusted net income, tax expense excluding the impact of restructuring costs and other special items and free cash flow should not be considered in isolation or as a substitute for net income attributable to Lear, cash provided by operating activities or other income statement or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and, therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

Set forth on the following slides are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Non-GAAP Information

(\$ in Millions)

Core Operating Earnings

2012

Net income attributable to Lear	\$ 1,282.8
Interest expense	49.9
Other expense, net	6.4
Income taxes	(638.0)
Equity in net income of affiliates	(30.3)
Net income attributable to noncontrolling interests	34.4
Pretax income before equity income, interest and other expense	\$ 705.2
Costs related to restructuring actions	55.7
Acquisition and other related costs	6.2
Insurance recoveries, net related to the destruction of assets	(14.6)
Other	10.1
Core operating earnings	\$ 762.6

Non-GAAP Information

(\$ in Millions)

Free Cash Flow

2012

Net cash provided by operating activities

\$ 729.8

Adjusted capital expenditures*

(439.1)

Free cash flow

\$ 290.7