
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 26, 2016

LEAR CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-11311
(Commission
File Number)

13-3386776
(IRS Employer
Identification Number)

21557 Telegraph Road, Southfield, Michigan
(Address of principal executive offices)

48033
(Zip Code)

(248) 447-1500
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 2 – Financial Information

Item 2.02 Results of Operations and Financial Condition.

On October 26, 2016, Lear Corporation issued a press release reporting financial results for the third quarter of 2016 and increasing its financial outlook for the full year of 2016. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

The information contained in Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release issued October 26, 2016, furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Lear Corporation

Date: October 26, 2016

By: /s/ Jeffrey H. Vanneste

Name: Jeffrey H. Vanneste

Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued October 26, 2016, furnished herewith.

FOR IMMEDIATE RELEASE**Investor / Media Contact:****Mel Stephens
(248) 447-1624****Investor Contact:****Joel Elsesser
(248) 447- 5512****Lear Reports Record Third Quarter 2016 Results and Increases Full Year Outlook**

SOUTHFIELD, Michigan, October 26, 2016 — Lear Corporation [NYSE: LEA], a leading global supplier of automotive seating and electrical systems, today reported record financial results for the third quarter of 2016. Highlights include:

- Record sales of \$4.5 billion, reflecting continued growth in both segments
- Record net income of \$214 million versus \$181 million in the prior year, an increase of 18%
- Record core operating earnings of \$364 million, an increase of 14% from the prior year, with a record margin of 8.0%, up from 7.4% a year ago
- Earnings per share of \$2.98 and adjusted earnings per share of \$3.19, up 27% and 25%, respectively, from the prior year
- Entered into a strategic partnership with Tempronics for thermoelectric seat heating and cooling technology
- Lear credit rating upgraded to investment grade by Moody's
- Repurchased 1.3 million shares, approximately 2% of shares outstanding
- Increasing full year outlook for earnings and cash flow

“Our sales and earnings growth, which continue to outpace the industry, reflect the investments that we have made to strengthen our product capabilities and improve our cost structure. In Seating, our unique capabilities continue to drive market share gains. In E-Systems, we are extremely well positioned to capitalize on the rapidly growing vehicle communication and connectivity mega-trend. In addition, we offer hybrid and high-power electrical systems, including 48-volt architectures, as well as industry-leading vehicle battery charging capabilities. Combined with our low-cost footprint and strong capital structure, these product capabilities provide Lear with a competitive advantage and will continue to drive sales and earnings growth well into the future,” said Matt Simoncini, Lear’s president and chief executive officer.

(more)

Third Quarter Financial Results

(in millions, except per share amounts)

	2016	2015
Reported –		
Sales	\$4,526.4	\$4,330.3
Net income	\$ 214.4	\$ 181.0
Earnings per share	\$ 2.98	\$ 2.34
Adjusted (1) –		
Core operating earnings	\$ 363.9	\$ 320.3
Adjusted earnings per share	\$ 3.19	\$ 2.56

In the Seating segment, sales were up 5% to \$3.5 billion. Excluding the impact of foreign exchange and commodity prices, sales increased 7%, reflecting the addition of new business. Segment earnings were \$270 million or 7.7% of sales. Adjusted segment earnings were \$278 million or 7.9% of sales. Adjusted margins improved 70 basis points from a year ago, reflecting the increase in sales and favorable operating performance.

In the E-Systems segment, sales were up 4% to \$1.0 billion. Excluding the impact of foreign exchange and commodity prices, sales increased 7%, reflecting the addition of new business and increased production volumes on key platforms. Segment earnings were \$140 million or 13.8% of sales. Adjusted segment earnings were \$150 million or 14.8% of sales. Adjusted margins improved 80 basis points from a year ago, reflecting the increase in sales and favorable operating performance.

In the third quarter of 2016, net cash provided by operating activities was \$276 million, and free cash flow was \$158 million.

(1) For more information regarding our non-GAAP financial measures, see “Non-GAAP Financial Information” below.

Lear Enters into a Strategic Partnership with Tempronics

On September 8, 2016, Lear entered into a strategic partnership with Tempronics, pursuant to which Lear obtained a minority equity interest in Tempronics and also secured exclusive rights to its thermoelectric seat heating and cooling technology for automotive applications. This technology will provide Lear with the ability to heat and cool seats faster while utilizing less energy than systems available today.

Moody’s Upgrades Lear’s Senior Unsecured Rating

In recognition of Lear’s operating performance and strong financial position, Moody’s upgraded Lear’s corporate rating to investment grade on September 22, 2016. Moody’s indicated that Lear’s Baa3 rating reflects “Lear’s demonstrated ability to improve profit margins in both its seating and electronic units through new business, higher volumes, and ongoing cost reductions.”

Share Repurchase Program

During the third quarter of 2016, Lear repurchased approximately 1.3 million shares of its common stock for a total of \$153 million. As of the end of the third quarter, Lear had a remaining share repurchase authorization of \$442 million, which expires on December 31, 2017, and reflects approximately 5% of Lear's total market capitalization at current market prices.

Since initiating the share repurchase program in early 2011, Lear has repurchased approximately 40.3 million shares of its common stock for a total of \$3.0 billion at an average price of \$73.48 per share. This represents a reduction of approximately 38% of the Company's shares outstanding at the time the program began.

Full Year 2016 Financial Outlook

Lear is increasing its full year 2016 financial guidance for earnings and cash flow based on our strong year-to-date performance and outlook for the remainder of the year.

The Company's 2016 financial outlook is based on industry vehicle production assumptions of 17.9 million units in North America, up 2% from the prior year, 22.2 million units in Europe and Africa, up 3% from the prior year, and 24.2 million units in China, up 8% from the prior year. Lear's financial outlook is based on an average full year exchange rate of \$1.11/Euro.

Sales in 2016 are expected to be \$18.6 billion, consistent with the Company's prior guidance. Core operating earnings are expected to be in the range of \$1.50 billion to \$1.525 billion, up from the prior range of \$1.45 to \$1.50 billion. Net cash provided by operating activities is expected to be \$1.525 billion and capital spending is expected to be \$525 million, resulting in free cash flow of approximately \$1.0 billion, an increase of \$100 million from the prior guidance.

The Company's effective tax rate is expected to be 27%, compared to 28% in the prior outlook. Adjusted net income is expected to be in the range of \$980 million to \$1.0 billion, up from the prior range of \$935 million to \$975 million.

Pretax operational restructuring costs are estimated to be \$70 million, and depreciation and amortization expense is estimated to be \$375 million, both unchanged from the prior outlook.

Certain of the forward-looking financial measures above are provided on a non-GAAP basis. The Company does not provide a reconciliation of such forward-looking measures to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP") because to do so would be potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items in any future period. The magnitude of these items, however, may be significant.

Non-GAAP Financial Information

In addition to the results reported in accordance with GAAP included throughout this press release, the Company has provided information regarding “pretax income before equity income, interest, other (income) expense, restructuring costs and other special items” (core operating earnings or adjusted segment earnings), “adjusted net income attributable to Lear” (adjusted net income), “adjusted diluted net income per share attributable to Lear” (adjusted earnings per share), “tax expense excluding the impact of restructuring costs and other special items” and “free cash flow” (each, a non-GAAP financial measure). Other (income) 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, gains and losses on the extinguishment of debt and gains and losses on the disposal of fixed assets. Adjusted net income and adjusted earnings per share represent net income attributable to Lear and diluted net income per share attributable to Lear, respectively, adjusted for restructuring costs and other special items, including the tax effect thereon. Free cash flow represents net cash provided by operating activities, excluding the settlement of accounts payable in conjunction with the acquisition of Eagle Ottawa, less capital expenditures.

Management believes the non-GAAP financial measures used in this press release 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 net income, adjusted earnings per share 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 net income, adjusted earnings per share, 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, diluted net income per share 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.

For reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, see the attached supplemental data pages which, together with this press release, have been posted on the Company’s website through the investor relations link at <http://www.lear.com>.

Webcast Information

Lear will webcast a conference call to review the Company's third quarter 2016 financial results and related matters on October 26, 2016, at 9:00 a.m. Eastern Time, through the investor relations link at <http://ir.lear.com/>. In addition, the conference call can be accessed by dialing 1-800-789-4751 (domestic) or 1-973-200-3975 (international). The audio replay will be available two hours following the call at 1-855-859-2056 (domestic) or 1-404-537-3406 (international) and will be available until November 9, 2016, with a Conference I.D. of 67642952.

Forward-Looking Statements

This press release 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 such forward-looking statements contained or incorporated in this press release or in any other public statements which address operating performance, events or developments that the Company expects or anticipates may occur in the future, including, without limitation, statements related to business opportunities, awarded sales contracts, sales backlog and ongoing commercial arrangements, or statements expressing views about future operating results, are forward-looking statements. Actual results may differ materially from any or all forward-looking statements made by the Company. Important factors, risks and uncertainties that may cause actual results to differ materially from anticipated results include, but are not limited to, general economic conditions in the markets in which the Company operates, including changes in interest rates or currency exchange rates; currency controls and the ability to economically hedge currencies; the financial condition and restructuring actions of the Company's customers and suppliers; changes in actual industry vehicle production levels from the Company's current estimates; fluctuations in the production of vehicles or the loss of business with respect to, or the lack of commercial success of, a vehicle model for which the Company is a significant supplier; disruptions in the relationships with the Company's suppliers; labor disputes involving the Company or its significant customers or suppliers or that otherwise affect the Company; the outcome of customer negotiations and the impact of customer-imposed price reductions; the impact and timing of program launch costs and the Company's management of new program launches; the costs, timing and success of restructuring actions; increases in the Company's warranty, product liability or recall costs; risks associated with conducting business in foreign countries; the impact of regulations on the Company's foreign operations; the operational and financial success of the Company's joint ventures; competitive conditions impacting the Company and its key customers and suppliers; disruptions to the Company's information technology systems, including those related to cybersecurity; the cost and availability of raw materials, energy, commodities and product components and the Company's ability to mitigate such costs; the outcome of legal or regulatory proceedings to which the Company is or may become a party; the impact of pending legislation and regulations or changes in existing federal, state, local or foreign laws or regulations; unanticipated changes in cash flow, including the Company's ability to align its vendor

payment terms with those of its customers; limitations imposed by the Company's existing indebtedness and the Company's ability to access capital markets on commercially reasonable terms; impairment charges initiated by adverse industry or market developments; the Company's ability to execute its strategic objectives; changes in discount rates and the actual return on pension assets; costs associated with compliance with environmental laws and regulations; developments or assertions by or against the Company relating to intellectual property rights; the Company's ability to utilize its net operating loss, capital loss and tax credit carryforwards; global sovereign fiscal matters and creditworthiness, including potential defaults and the related impacts on economic activity, including the possible effects on credit markets, currency values, monetary unions, international treaties and fiscal policies; the anticipated departure of the United Kingdom from the European Union; and other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as supplemented and updated by the Company's Quarterly Report on Form 10-Q for the quarter ended July 2, 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 press release 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 press release 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.

Lear Corporation (NYSE: LEA) is one of the world's leading suppliers of automotive seating and electrical distribution systems. Lear serves every major automaker in the world, and Lear content can be found on more than 350 vehicle nameplates. Lear's world-class products are designed, engineered and manufactured by a diverse team of approximately 140,000 employees located in 36 countries. Lear currently ranks #154 on the Fortune 500. Lear's headquarters are in Southfield, Michigan. Further information about Lear is available at <http://www.lear.com> or follow us on Twitter @LearCorporation.

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Lear Corporation and Subsidiaries
Condensed Consolidated Statements of Income

(Unaudited; in millions, except per share amounts)

	Three Month Period Ended	
	October 1, 2016	September 26, 2015
Net sales	\$4,526.4	\$ 4,330.3
Cost of sales	4,012.5	3,877.1
Selling, general and administrative expenses	153.6	137.6
Amortization of intangible assets	15.2	13.0
Interest expense	20.6	21.4
Other expense, net	14.2	21.7
Consolidated income before income taxes and equity in net income of affiliates	310.3	259.5
Income taxes	88.2	76.1
Equity in net income of affiliates	(12.9)	(9.9)
Consolidated net income	235.0	193.3
Net income attributable to noncontrolling interests	20.6	12.3
Net income attributable to Lear	\$ 214.4	\$ 181.0
Diluted net income per share attributable to Lear	\$ 2.98	\$ 2.34
Weighted average number of diluted shares outstanding	72.1	77.4

Lear Corporation and Subsidiaries
Condensed Consolidated Statements of Income

(Unaudited; in millions, except per share amounts)

	Nine Month Period Ended	
	October 1, 2016	September 26, 2015
Net sales	\$13,914.1	\$ 13,486.8
Cost of sales	12,324.1	12,157.7
Selling, general and administrative expenses	456.9	440.8
Amortization of intangible assets	41.7	39.5
Interest expense	62.0	66.3
Other (income) expense, net	(0.8)	60.4
Consolidated income before income taxes and equity in net income of affiliates	1,030.2	722.1
Income taxes	287.4	210.9
Equity in net income of affiliates	(49.2)	(31.7)
Consolidated net income	792.0	542.9
Net income attributable to noncontrolling interests	46.8	32.7
Net income attributable to Lear	<u>\$ 745.2</u>	<u>\$ 510.2</u>
Diluted net income per share attributable to Lear	<u>\$ 10.10</u>	<u>\$ 6.53</u>
Weighted average number of diluted shares outstanding	<u>73.8</u>	<u>78.2</u>

Lear Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(In millions)

	October 1, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Current:		
Cash and cash equivalents	\$ 1,341.6	\$ 1,196.6
Accounts receivable	3,109.5	2,590.0
Inventories	1,063.0	947.6
Other	539.7	552.4
	<u>6,053.8</u>	<u>5,286.6</u>
Long-Term:		
PP&E, net	1,920.9	1,826.5
Goodwill	1,069.4	1,053.8
Other	1,233.3	1,238.9
	<u>4,223.6</u>	<u>4,119.2</u>
Total Assets	<u><u>\$10,277.4</u></u>	<u><u>\$ 9,405.8</u></u>
LIABILITIES AND EQUITY		
Current:		
Short-term borrowings	\$ 8.7	\$ —
Accounts payable and drafts	2,773.2	2,504.4
Accrued liabilities	1,668.8	1,312.1
Current portion of long-term debt	32.6	23.1
	<u>4,483.3</u>	<u>3,839.6</u>
Long-Term:		
Long-term debt	1,907.3	1,931.7
Other	643.8	616.8
	<u>2,551.1</u>	<u>2,548.5</u>
Equity	<u>3,243.0</u>	<u>3,017.7</u>
Total Liabilities and Equity	<u><u>\$10,277.4</u></u>	<u><u>\$ 9,405.8</u></u>

Lear Corporation and Subsidiaries
Supplemental Data

(Unaudited; in millions, except content per vehicle and per share amounts)

	Three Months Ended	
	October 1, 2016	September 26, 2015
<u>Net Sales</u>		
North America	\$ 1,859.0	\$ 1,896.6
Europe and Africa	1,624.6	1,568.8
Asia	888.2	746.3
South America	154.6	118.6
Total	<u>\$ 4,526.4</u>	<u>\$ 4,330.3</u>
<u>Content per Vehicle</u> ¹		
North America	\$ 424	\$ 442
Europe and Africa	\$ 338	\$ 321
<u>Free Cash Flow</u> ²		
Net cash provided by operating activities	\$ 276.3	\$ 278.0
Capital expenditures	(118.6)	(114.8)
Free cash flow	<u>\$ 157.7</u>	<u>\$ 163.2</u>
<u>Depreciation and Amortization</u>	<u>\$ 98.7</u>	<u>\$ 88.0</u>
<u>Core Operating Earnings</u> ²		
Net income attributable to Lear	\$ 214.4	\$ 181.0
Interest expense	20.6	21.4
Other expense, net	14.2	21.7
Income taxes	88.2	76.1
Equity in net income of affiliates	(12.9)	(9.9)
Net income attributable to noncontrolling interests	20.6	12.3
Pretax income before equity income, interest and other expense	345.1	302.6
Restructuring costs and other special items -		
Costs related to restructuring actions	16.8	15.5
Acquisition and other related costs	—	2.3
Other	2.0	(0.1)
Core operating earnings	<u>\$ 363.9</u>	<u>\$ 320.3</u>
<u>Adjusted Net Income Attributable to Lear</u> ²		
Net income attributable to Lear	\$ 214.4	\$ 181.0
Restructuring costs and other special items -		
Costs related to restructuring actions	16.8	17.4
Acquisition and other related costs	—	2.3
Other	0.9	(0.1)
Tax impact of special items and other net tax adjustments ³	(2.4)	(2.2)
Adjusted net income attributable to Lear	<u>\$ 229.7</u>	<u>\$ 198.4</u>
Weighted average number of diluted shares outstanding	<u>72.1</u>	<u>77.4</u>
Diluted net income per share attributable to Lear	<u>\$ 2.98</u>	<u>\$ 2.34</u>
Adjusted earnings per share	<u>\$ 3.19</u>	<u>\$ 2.56</u>

¹ Content per Vehicle for 2015 has been updated to reflect actual production levels.

² See “Non-GAAP Financial Information” included in this press release.

³ Represents the tax effect of restructuring costs and other special items, as well as several discrete tax items. The identification of these tax items is judgmental in nature, and their calculation is based on various assumptions and estimates.

Lear Corporation and Subsidiaries
Supplemental Data

(Unaudited; in millions, except content per vehicle and per share amounts)

	Nine Months Ended	
	October 1, 2016	September 26, 2015
<u>Net Sales</u>		
North America	\$ 5,725.9	\$ 5,785.6
Europe and Africa	5,375.4	5,027.3
Asia	2,442.6	2,314.2
South America	370.2	359.7
Total	<u>\$ 13,914.1</u>	<u>\$ 13,486.8</u>
<u>Content per Vehicle</u> ¹		
North America	\$ 423	\$ 447
Europe and Africa	\$ 321	\$ 316
<u>Free Cash Flow</u> ²		
Net cash provided by operating activities	\$ 1,093.9	\$ 686.0
Settlement of accounts payable in conjunction with acquisition of Eagle Ottawa	—	45.7
Capital expenditures	(300.3)	(327.7)
Free cash flow	<u>\$ 793.6</u>	<u>\$ 404.0</u>
<u>Depreciation and Amortization</u>	<u>\$ 283.4</u>	<u>\$ 257.4</u>
<u>Diluted Shares Outstanding at end of Quarter</u> ³	71,209,178	76,562,743
<u>Core Operating Earnings</u> ²		
Net income attributable to Lear	\$ 745.2	\$ 510.2
Interest expense	62.0	66.3
Other (income) expense, net	(0.8)	60.4
Income taxes	287.4	210.9
Equity in net income of affiliates	(49.2)	(31.7)
Net income attributable to noncontrolling interests	46.8	32.7
Pretax income before equity income, interest and other (income) expense	1,091.4	848.8
Restructuring costs and other special items -		
Costs related to restructuring actions	56.4	75.0
Acquisition and other related costs	—	10.9
Acquisition-related inventory fair value adjustment	—	15.8
Other	1.4	0.8
Core operating earnings	<u>\$ 1,149.2</u>	<u>\$ 951.3</u>
<u>Adjusted Net Income Attributable to Lear</u> ²		
Net income attributable to Lear	\$ 745.2	\$ 510.2
Restructuring costs and other special items -		
Costs related to restructuring actions	56.4	76.9
Acquisition and other related costs	—	10.9
Acquisition-related inventory fair value adjustment	—	15.8
Loss on redemption of bonds	—	14.3
(Gain) loss related to affiliate	(30.3)	1.8
Other	(0.6)	0.8
Tax impact of special items and other net tax adjustments ⁴	(14.5)	(32.0)
Adjusted net income attributable to Lear	<u>\$ 756.2</u>	<u>\$ 598.7</u>
Weighted average number of diluted shares outstanding	<u>73.8</u>	<u>78.2</u>
Diluted net income per share attributable to Lear	<u>\$ 10.10</u>	<u>\$ 6.53</u>
Adjusted earnings per share	<u>\$ 10.25</u>	<u>\$ 7.66</u>

¹ Content per Vehicle for 2015 has been updated to reflect actual production levels.

² See “Non-GAAP Financial Information” included in this press release.

³ Calculated using stock price at end of quarter.

⁴ Represents the tax effect of restructuring costs and other special items, as well as several discrete tax items. The identification of these tax items is judgmental in nature, and their calculation is based on various assumptions and estimates.

Lear Corporation and Subsidiaries
Supplemental Data

(Unaudited; in millions, except margins)

		Three Months Ended	
		October 1, 2016	September 26, 2015
Adjusted Segment Earnings			
Seating			
Net sales		\$ 3,513.3	\$ 3,357.1
Segment earnings		\$ 269.5	\$ 234.2
Costs related to restructuring actions		8.0	6.8
Acquisition and other related costs		—	2.3
Adjusted segment earnings		\$ 277.5	\$ 243.3
Adjusted segment margins		7.9%	7.2%
E-Systems			
Net sales		\$ 1,013.1	\$ 973.2
Segment earnings		\$ 140.3	\$ 132.6
Costs related to restructuring actions		8.6	3.7
Other		1.2	0.1
Adjusted segment earnings		\$ 150.1	\$ 136.4
Adjusted segment margins		14.8%	14.0%
		Nine Months Ended	
		October 1, 2016	September 26, 2015
Adjusted Segment Earnings			
Seating			
Net sales		\$10,755.7	\$ 10,419.8
Segment earnings		\$ 848.8	\$ 644.8
Costs related to restructuring actions		33.7	52.5
Acquisition and other related costs		—	2.3
Acquisition-related inventory fair value adjustment		—	15.8
Other		(4.0)	0.1
Adjusted segment earnings		\$ 878.5	\$ 715.5
Adjusted segment margins		8.2%	6.9%
E-Systems			
Net sales		\$ 3,158.4	\$ 3,067.0
Segment earnings		\$ 441.5	\$ 411.5
Costs related to restructuring actions		19.8	9.6
Other		3.6	0.1
Adjusted segment earnings		\$ 464.9	\$ 421.2
Adjusted segment margins		14.7%	13.7%