

Business Update and 2016 Outlook

Presented by:

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Investor Information

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 such forward-looking statements contained or incorporated in this presentation 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; and other risks described in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, 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.

Company Overview

- ✓ Leading global supplier of automotive Seating and Electrical systems
- ✓ Sales are well diversified and growing faster than industry production
- ✓ Delivering industry-leading financial performance
- ✓ 2016 financial outlook represents continued positive momentum
- ✓ Lear shares remain undervalued relative to peer group

**Well Positioned In Both Business Segments
To Capitalize On Industry Growth And Major Trends**

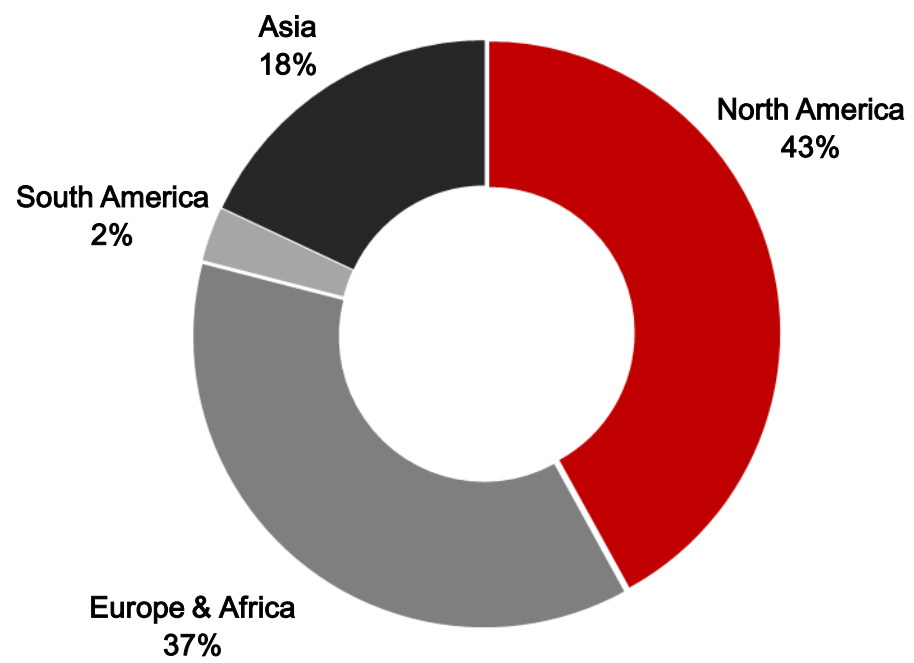


**Sales are Well
Diversified and Growing**

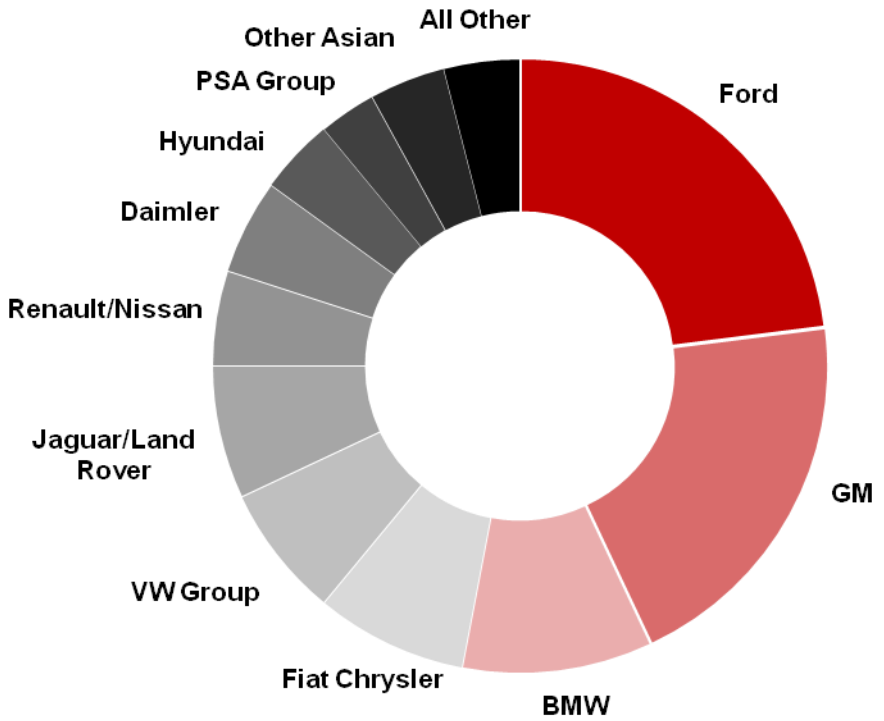
Sales Diversification by Region and by Customer

2015 Consolidated Sales

BY REGION

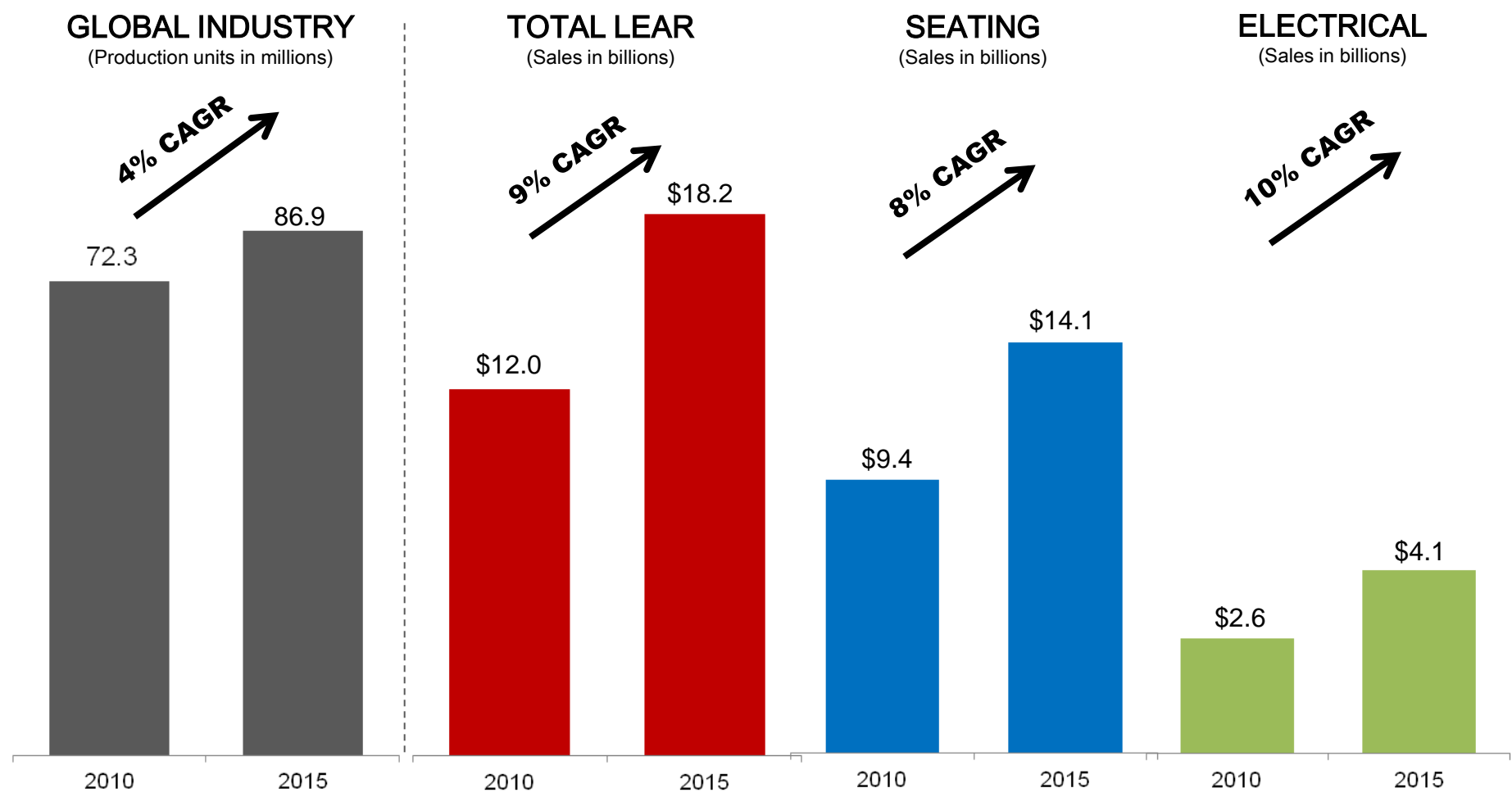


BY CUSTOMER



Lear Content On More Than 350 Vehicle Nameplates Worldwide

Sales Growing Faster than Industry Production



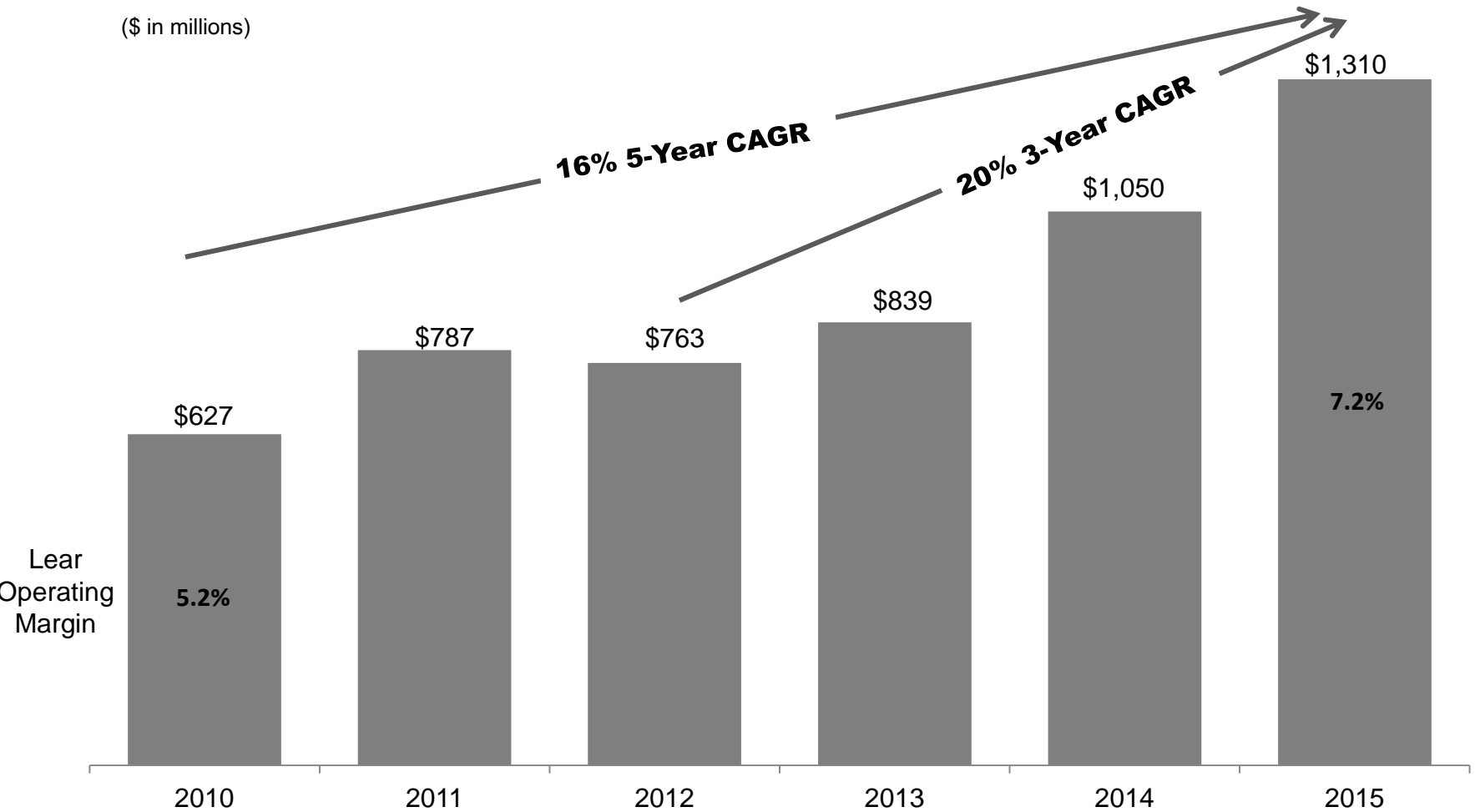
Lear Sales Growing Twice As Fast As Industry Vehicle Production

Vehicle production based on IHS Automotive January forecast



Delivering Industry Leading Financial Performance

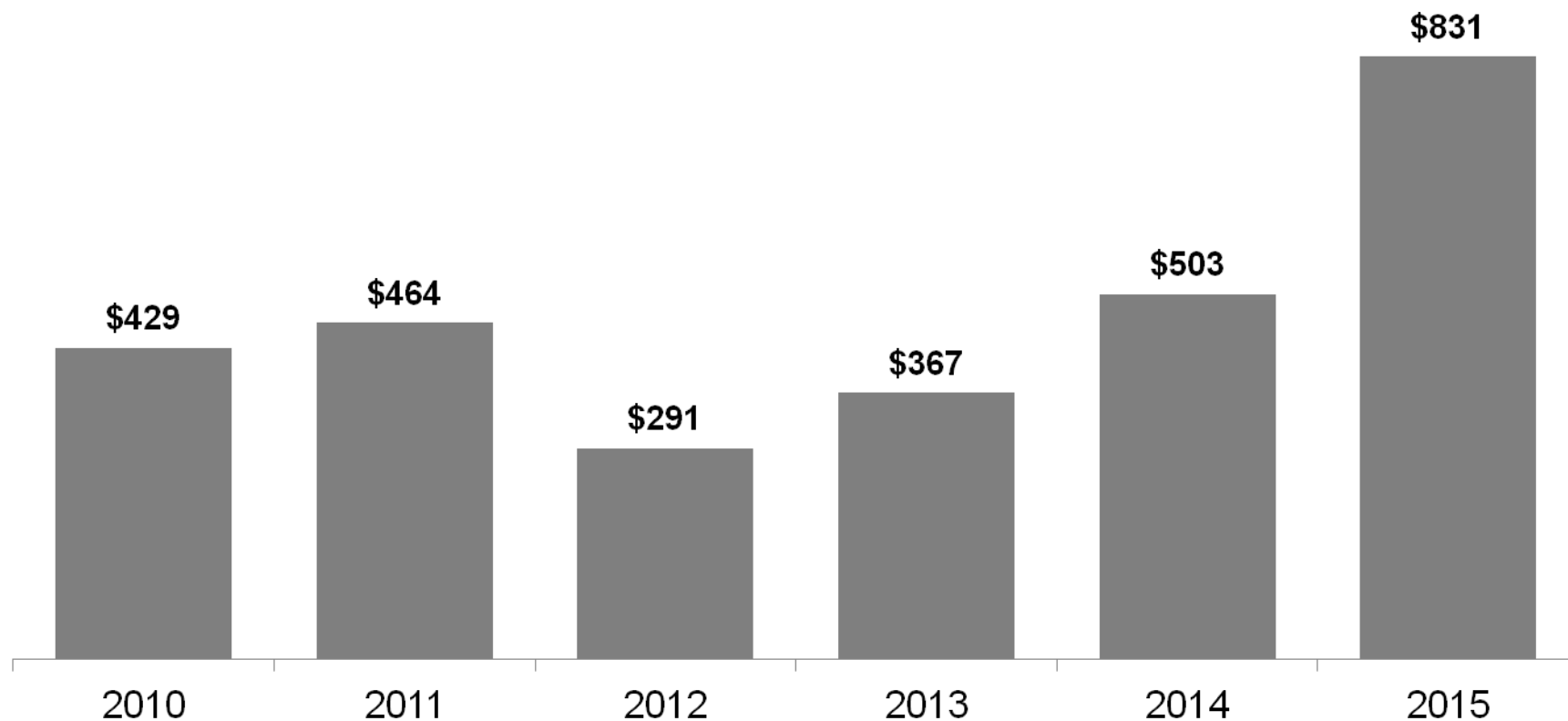
Improving Core Operating Earnings Trend



Core Operating Earnings Growing Faster Than The Automotive Peer Group Average

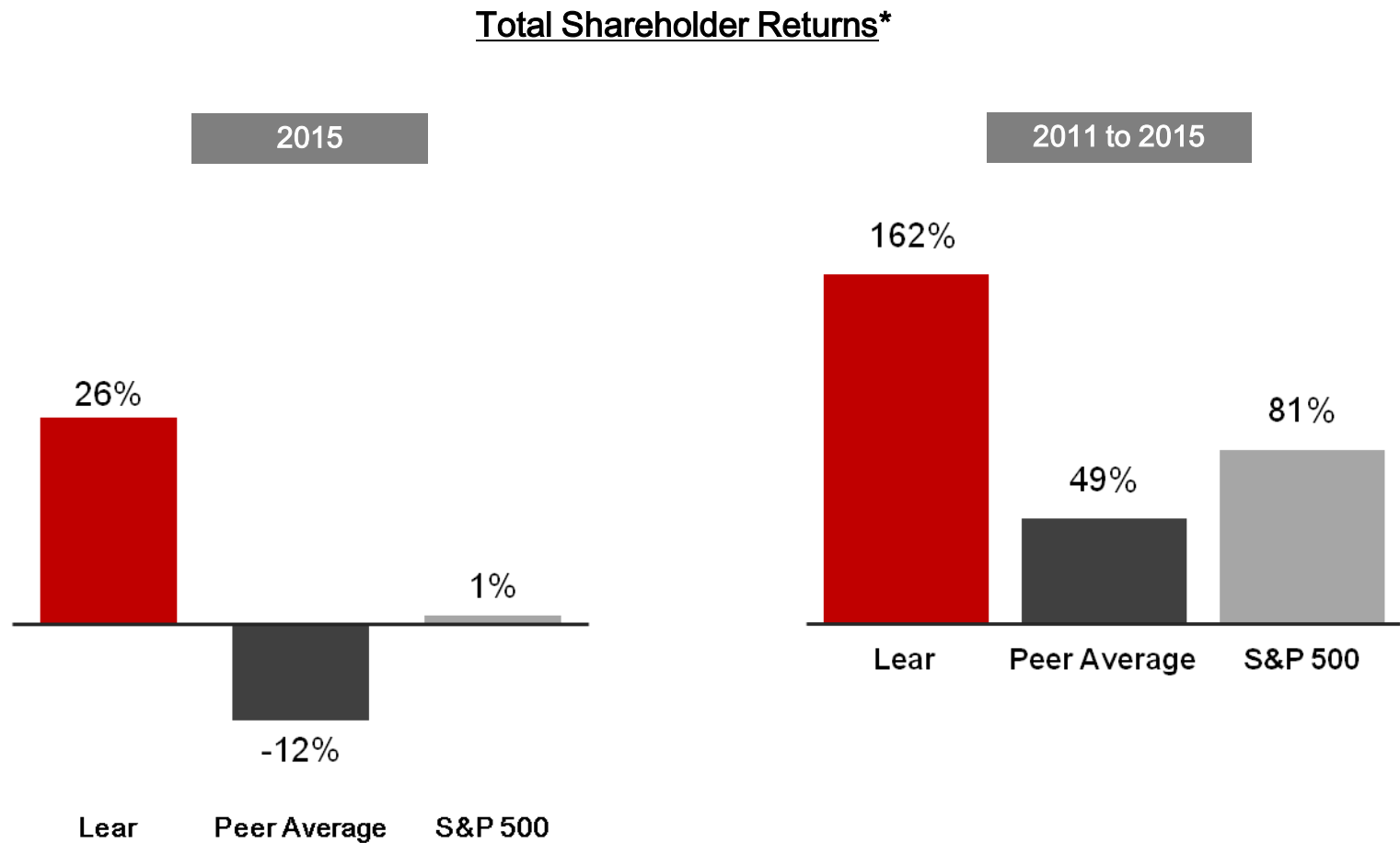
Generating Strong Free Cash Flow

(\$ in millions)



**Lear's Present Free Cash Flow Yield Of 11% Is
Among The Highest In The Automotive Sector**

Industry-Leading Total Shareholder Returns*



Lear's 2015 Total Shareholder Return Is Best In The Automotive Sector

* Includes reinvested dividends. Peers include American Axle, BorgWarner, Dana, Delphi, Federal-Mogul, Gentex, Johnson Controls, Magna International, Superior Industries, Tenneco and Visteon.



Well Positioned for Growth in Both Business Segments

Major Industry Trends



Global platforms and direct component sourcing by customers



Consumer demand for additional comfort, convenience and safety features



Stricter fuel economy and emissions standards



China is the largest automotive market in the world



**Connectivity, adaptive safety
and autonomous vehicles**

Lear is Well Positioned in Both Business Segments



ELECTRICAL

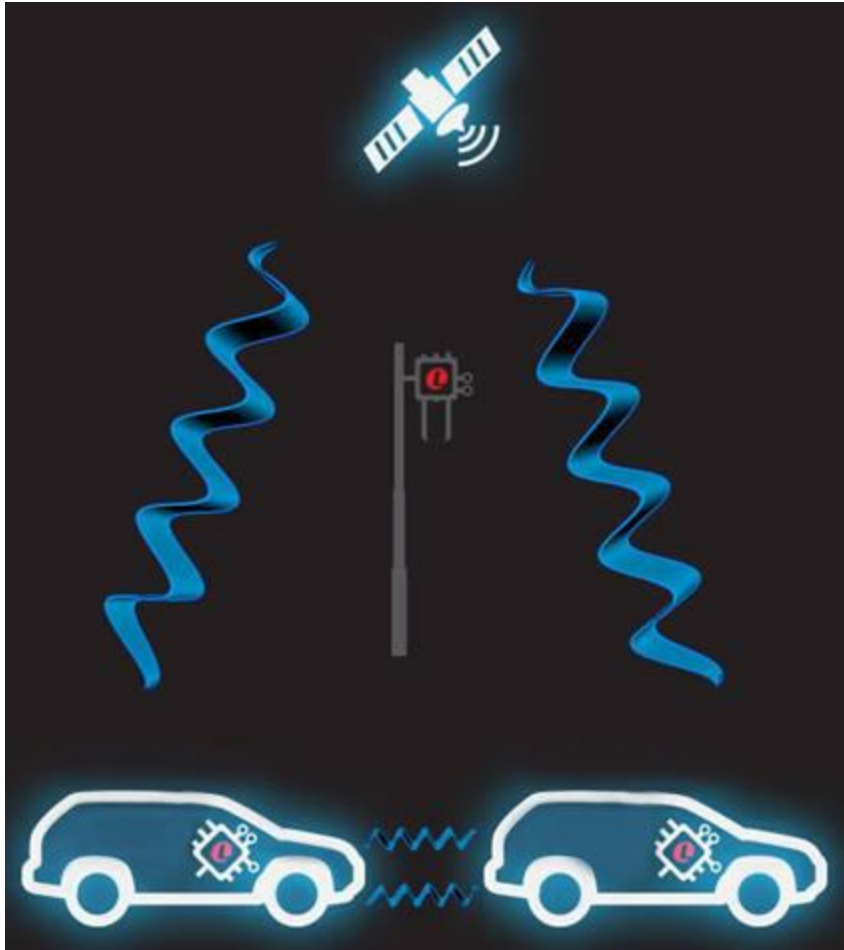
- Sales growing faster than industry
- Low-cost producer
- Developed 15 first-to-market innovations over the past 36 months
- Complete component capabilities
- Uniquely positioned to capitalize on vehicle **Connectivity** mega-trend



SEATING

- Sales growing faster than industry
- Low-cost producer
- World leader in luxury and performance automotive seating
- Most complete component capabilities
- Uniquely positioned with a competitive advantage in seat design and **Craftsmanship**





Electrical

Lear's Electrical Business Profile

Position and Strategy

- Global leader managing power and distributing signals within the vehicle
 - Traditional architectures
 - High power and hybrid systems
- Software and hardware capabilities to connect vehicle systems with external networks
 - Vehicle architecture and wireless communication know-how
 - Highly secure, high speed, large amounts of data
- Growth through acquisition, partnership and organic investment
 - Acquisition of Arada Systems and technology from Autonet Mobile

Growth Drivers

More signals and high speed data



Automotive data throughput growing from 15MB/second in 2013 to 350MB/second in 2020

More electronics and software



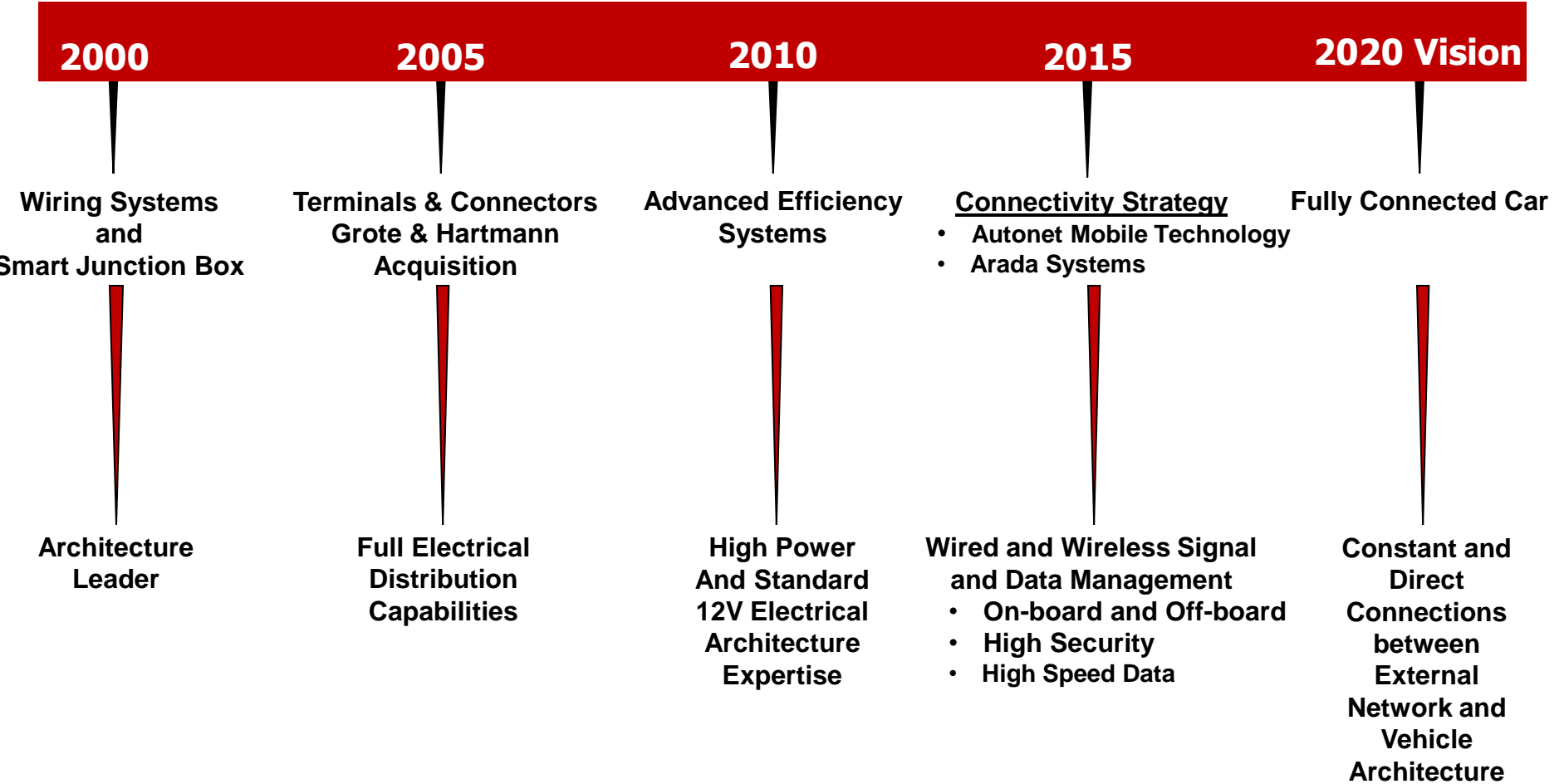
High-end cars to approach 100 million lines of software code

More circuits and cabling



Automotive connector market expected to grow by nearly 40% by 2020

Evolution of Lear Electrical



Building Capability To Become A Leader In Connected Vehicle Communication

Electrical Product Portfolio

Electronics – Sales: ~\$1.0B

Wire Harnesses

Est. Market Size: \$38B



- Low/high voltage wire harnesses
- Excellence in change management

Junction Boxes & Body Controls

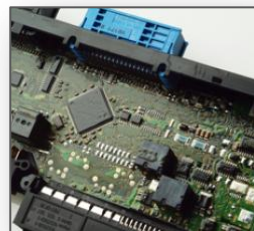
Est. Market Size: \$13B



- Smart junction boxes
- Passive junction boxes
- Stand alone & highly integrated electronic body control modules

Gateway & Wireless

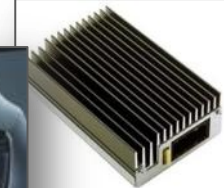
Est. Market Size: \$3B



- Gateway modules
- Passive entry systems
- Two-way remote keyless entry systems

Lighting & Audio

Est. Market Size: \$4B



- Exterior/interior lighting control
- LED signal & matrix control
- 2 – 22 channel audio amplifiers
- Sound system integration and tuning expertise

Terminals & Connectors

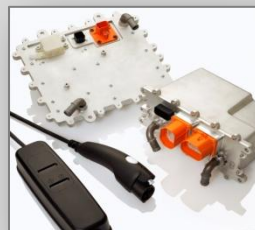
Est. Market Size: \$13B



- Low/high voltage & high power systems
- Fuse & pre-fuse boxes
- Pin headers & bus bars

Advanced Efficiency Systems

Est. Market Size: \$1B



- Charging systems
- High power distribution
- High power energy management

Connectivity

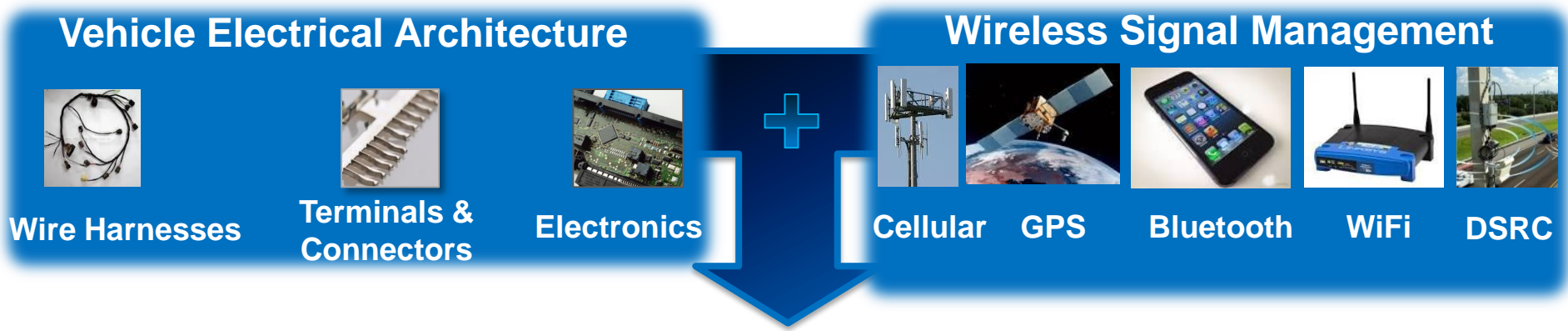
Market Size: \$1.5B

Market Growth: 15%+

- Connected gateways
- 3G/4G/5G communication
- DSRC
- GPS modules
- Stand alone & highly integrated modules

Electrical Distribution Systems – Sales: ~\$3.1B

Lear Connectivity Strategy



Lear Connectivity Technologies

Data & Signal Distribution



- High Speed Data
- Ethernet
- Co-Axial
- USB Cables
- Increased Signal Circuits
- Shielding

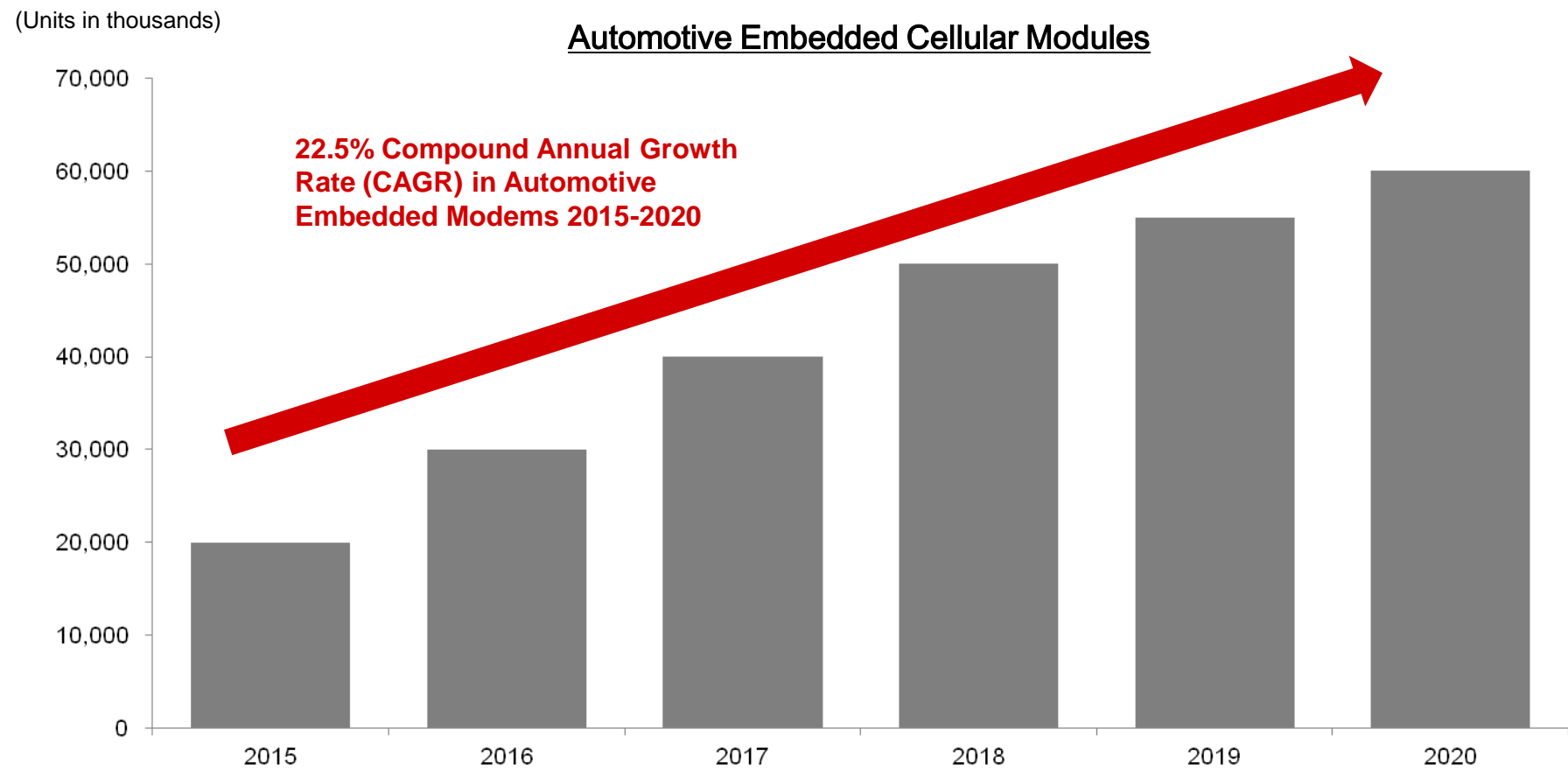
Communication Modules



- Connected Gateways
- V2X Communication Modules
- eCall Modules
- Encryption / Security Software
- Cellular/GPS/DSRC/Bluetooth

Industry Leading Wireless And Gateway Technology Coupled With Newly Acquired Software Capabilities Create A Strong Platform For Growth In Vehicle Connectivity

Connectivity Driving Market Growth



Source: IHS Automotive

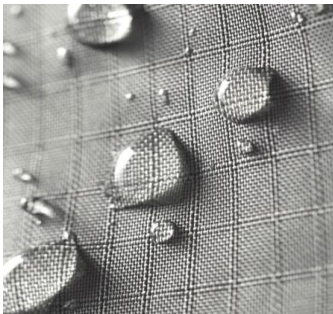
Connectivity Demand Driving Significant Growth In Communication Modules Embedded In The Vehicle And Integrated With The Vehicle Architecture



Seating

Lear's Unique Seating Capabilities

- Expertise in all seat components (structures, mechanisms, foam and covers)
- Eagle Ottawa Premium Leather
- Guilford Performance Textiles
- Unmatched cut-and-sew capabilities
- Early involvement in the design process and proven ability to differentiate seat covers provide Lear an opportunity to better integrate all components and add value for the end consumer



Craftsmanship Initiative

Consumer
Wants



Thoughtful
Design



Precisely
Engineered
Materials



Premium
Crafted Seat

Market Trends



Brand Identity



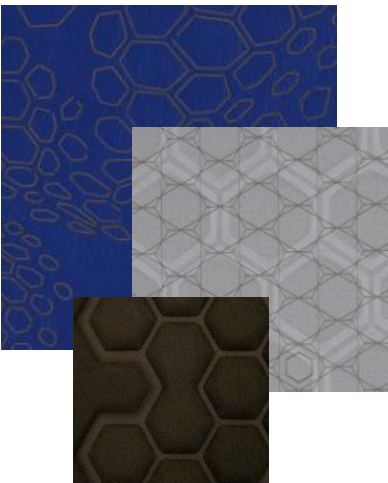
Demographics



Benchmarks



Differentiators



Designed-in-Quality

- Yarns
- Dies
- Laminates
- Textiles
- Crusts
- Finishing
- Plastics
- Structures
- Foam
- Fasteners



Interior Comfort And Quality Of Workmanship Are Increasingly Cited As Key Attributes In A Consumer's Vehicle Selection Process

Crafted by Lear – A Competitive Advantage

Expertise:

- 38,000 team members in surface materials
- Capability in every significant automotive region in the world
- Highly skilled designers, artisans & engineers
- State-of-the-art global training process

Technology & Innovation:

- Vertical Integration Technical Solutions: composite quilting, leather lamination and crafted foam
- Surface Material Innovation : Ansolé™, TeXstyle Defense, secondary processes – laser etching, quilting, embroidery and embossing

World Leader in Luxury & Performance Seating:

- Long standing customer partnerships
- Comprehensive Lear system design and engineering
- Global capabilities where our customers need us to design, develop and produce

Global Capabilities	Lear	JCI	Faurecia	Magna
Seat Complete	●	●	●	●
Structures	●	●	●	●
Cut & Sew	●	●	●	●
Seat Foam	●	●	●	●
Lamination	●	●	○	○
Fabric	●	●	○	○
Leather	●	○	○	○
Center for Craftsmanship	●	○	○	○

● Global Capability ● Partial Capability ○ Limited or No Capability



Intelligent Seating

- Lear's Intelligent Seat leverages expertise in Electrical and Seating
- Objective is for the seat to be the Center of Occupant-Based Information
 - To **collect**, **analyze** and **use** occupant-based information in ways that the consumer finds valuable
- In the automotive seating environment:
 - Use Occupant-Based information to create a seat that intuitively knows what to do and when to do it
 - Addresses posture, health and wellness, comfort and safety





Financial Outlook

2015 Financial Highlights

- Record sales of \$18.2 billion, up 11% excluding currency impact
- Record core operating earnings of \$1.310 billion, up 25%
- Core operating margin of 7.2%, with improved margins in both business segments
- Record adjusted earnings per share of \$10.85, up 33%
- Record free cash flow of \$831 million
- Returned \$566 million to shareholders through share repurchases and dividends

2016 Financial Highlights

- Sales in the range of \$18.5 billion to \$19.0 billion
- Core operating earnings in the range of \$1.35 billion to \$1.40 billion
- Free cash flow of approximately \$800 million
- Three-year consolidated sales backlog of \$2.0 billion
- 7th consecutive year of higher sales and adjusted EPS and strong free cash flow

2016 Vehicle Production and Currency

(Units in millions)

	2015 Actual	2016 Outlook	YOY Change
China	22.4	23.6	up 6%
Europe and Africa	21.5	21.8	up 2%
North America	17.5	18.2	up 4%
India	3.8	4.1	up 9%
Brazil	2.3	2.0	down 12%
Global	86.9	89.7	up 3%

Key Currency

Euro	\$ 1.11 / €	\$ 1.10 / €	down 1%
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Source: IHS Automotive January 2016

2016 Financial Summary

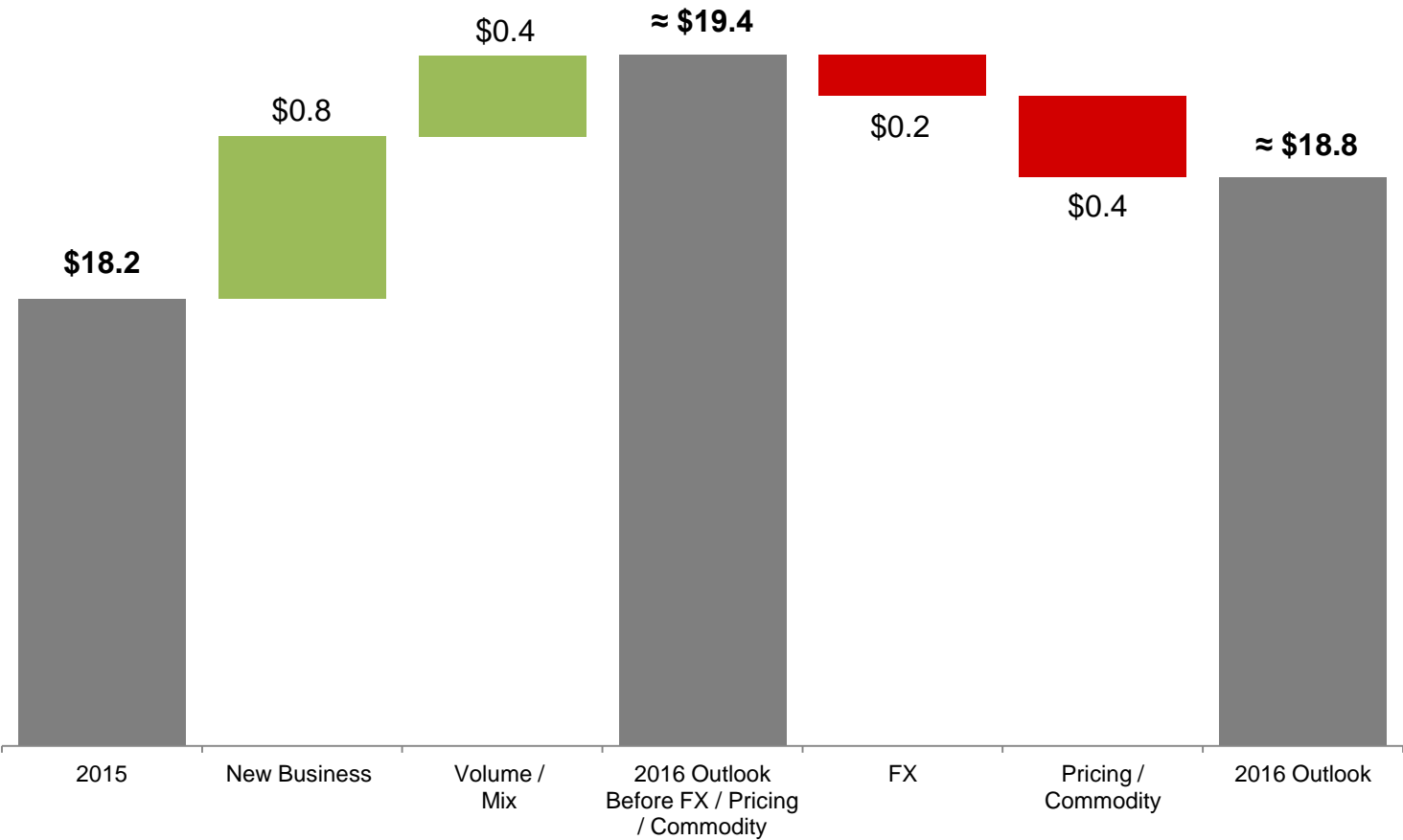
2016 Financial Outlook

\$18.5 to \$19.0 billion	Net Sales
\$1.35 to \$1.40 billion	Core Operating Earnings
≈ \$375 million	Depreciation and Amortization
≈ \$90 million	Interest Expense
≈ 28%	Effective Tax Rate excluding restructuring costs and other special items
\$855 to \$895 million	Adjusted Net Income Attributable to Lear
≈ \$70 million	Restructuring Costs
≈ \$525 million	Capital Spending
≈ \$800 million	Free Cash Flow

**2016 Outlook Represents 7th Consecutive
Year Of Higher Sales And Adjusted EPS**

2016 Revenue Walk

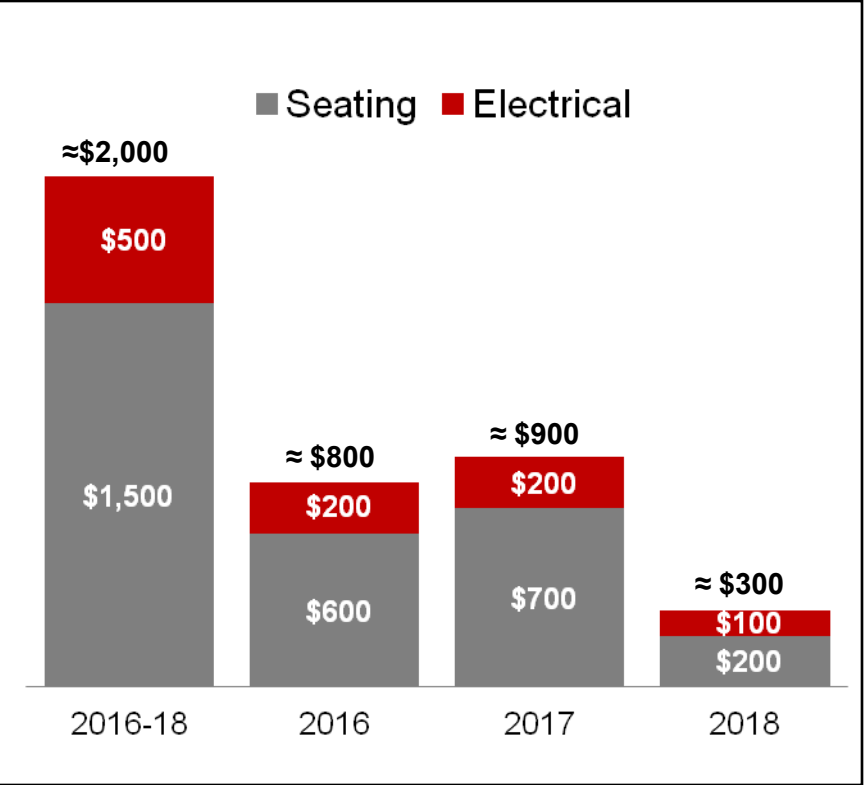
(\$ in billions)



Sales Backlog Supports Continued Sales Growth

(\$ in millions)

2016 – 2018
Consolidated Sales Backlog



Composition of
Consolidated Sales Backlog

By Product:

- Seating 75%
- Electrical 25%

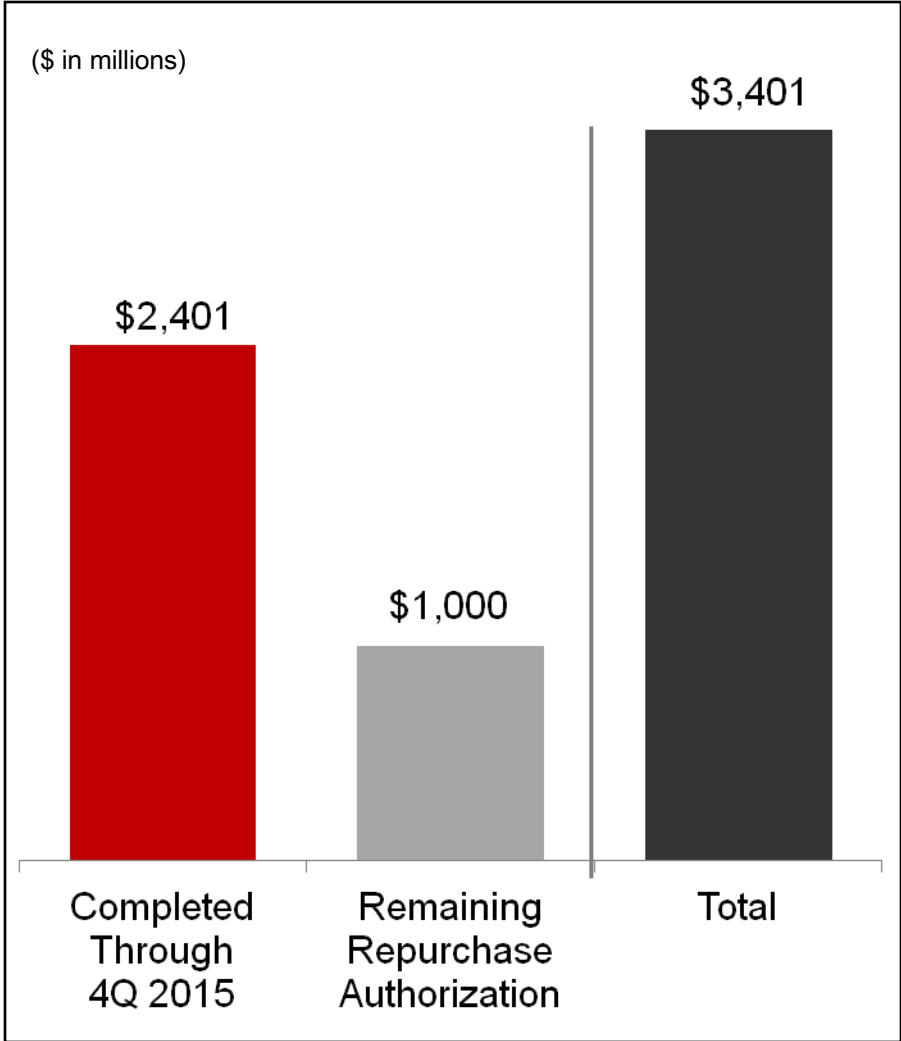
By Region:

- Europe ≈ \$ 800 M
- North America ≈ \$ 700 M
- Asia ≈ \$ 450 M
- South America ≈ \$ 50 M

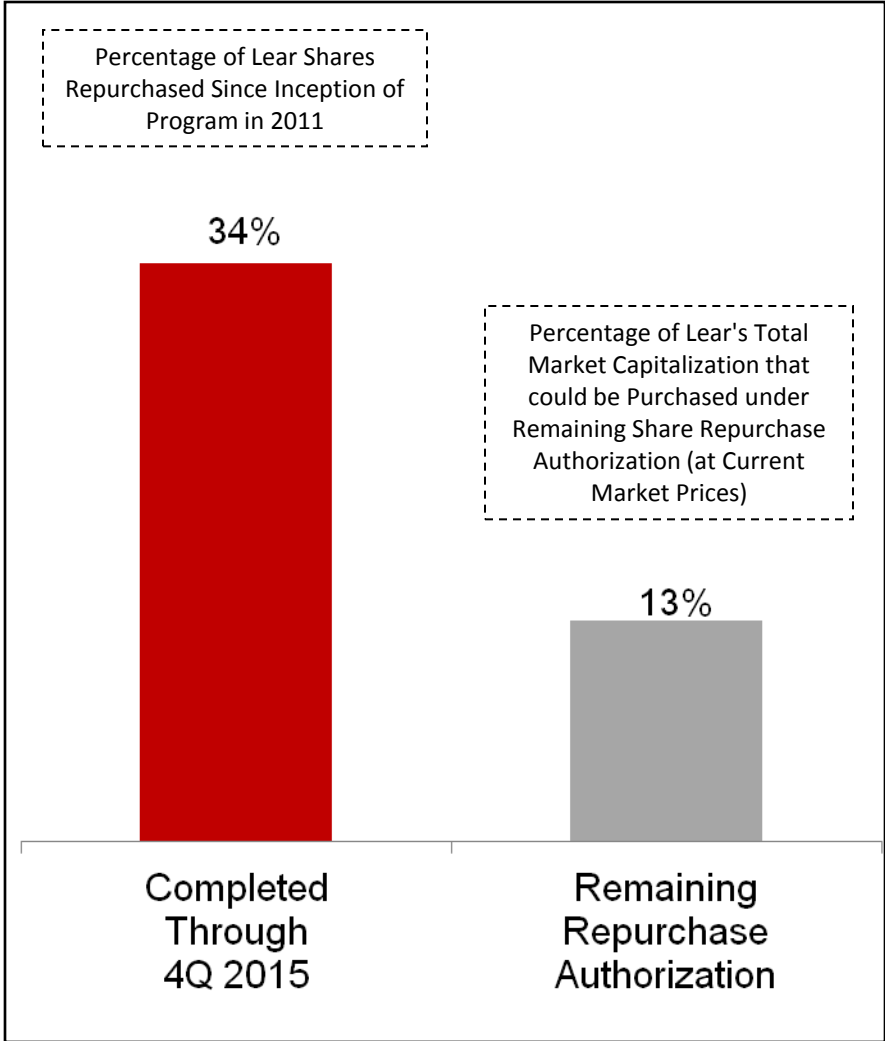
**Total Backlog Of \$2.7 Billion
Including Non-Consolidated Business**

Share Repurchase Summary

Share Repurchases



Percentage of Shares Repurchased





Summary Comments

Summary

- Record 2015 sales, core operating earnings and adjusted EPS
- Seating and Electrical are both growing faster than the industry with margins at sustainable levels
- Investments in the business have strengthened our competitiveness, which is driving market share gains and record financial results
- 2016 outlook reflects 7th consecutive year of higher sales and adjusted EPS and strong free cash flow
- Lear has outperformed the market but remains undervalued related to Peer Group
- Uniquely positioned to take advantage of major industry trends in Seating (with Craftsmanship Initiatives) and in Electrical (with Connectivity Capabilities)

**Balanced Strategy Is Delivering Superior Value
To Our Customers And Our Shareholders**

Non-GAAP Financial 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), “adjusted net income attributable to Lear,” “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 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 attributable to Lear 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 used in operating activities, excluding the settlement of accounts payable in conjunction with the acquisition of Eagle Ottawa, less adjusted capital expenditures. Adjusted capital expenditures represent capital expenditures, net of related insurance proceeds.

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 net income attributable to Lear, 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 attributable to Lear, 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 pretax income before equity income, 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.

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. Given the inherent uncertainty regarding special items and other expense in any future period, a reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not feasible. The magnitude of these items, however, may be significant.

Non-GAAP Financial Information

Core Operating Earnings

(\$ in millions)

	2010	2011	2012	2013	2014	2015
Pretax income before equity income	\$ 448.8	\$ 615.7	\$ 648.9	\$ 610.1	\$ 787.4	\$ 1,031.5
Interest expense	55.4	39.7	49.9	68.4	67.5	86.7
Other expense, net	34.2	24.2	6.4	58.1	74.3	68.6
Costs related to restructuring actions	69.0	71.5	55.7	83.8	114.3	95.2
Costs related to proxy contest	-	-	-	3.0	-	-
Acquisition and other related costs	-	-	6.2	-	5.3	10.9
Acquisition-related inventory fair value adjustment	-	-	-	-	-	15.8
Losses and incremental costs (insurance recoveries), net related to the destruction of assets	-	13.3	(14.6)	7.3	-	-
Labor-related litigation claims	-	-	-	7.3	-	-
Other	19.9	22.1	10.1	1.4	0.8	1.5
Pretax income before equity income, interest, other expense, restructuring costs and other special items (Core operating earnings)	<u>\$ 627.3</u>	<u>\$ 786.5</u>	<u>\$ 762.6</u>	<u>\$ 839.4</u>	<u>\$ 1,049.6</u>	<u>\$ 1,310.2</u>

Non-GAAP Financial Information

Free Cash Flow

(\$ in millions)	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net cash provided by operating activities	\$ 621.9	\$ 790.3	\$ 729.8	\$ 820.1	\$ 927.8	\$ 1,271.1
Settlement of accounts payable in conjunction with acquisition of Eagle Ottawa	-	-	-	-	-	45.7
Adjusted capital expenditures ¹	<u>(193.3)</u>	<u>(326.0)</u>	<u>(439.1)</u>	<u>(453.5)</u>	<u>(424.7)</u>	<u>(485.8)</u>
Free cash flow	<u>\$ 428.6</u>	<u>\$ 464.3</u>	<u>\$ 290.7</u>	<u>\$ 366.6</u>	<u>\$ 503.1</u>	<u>\$ 831.0</u>

¹ Adjusted capital expenditures represent capital expenditures of \$329.5 million, \$458.3 million and \$460.6 million in 2011, 2012 and 2013, respectively, net of related insurance proceeds of \$3.5 million, \$19.2 million and \$7.1 million in 2011, 2012 and 2013, respectively.

Non-GAAP Financial Information

Adjusted Net Income and Adjusted EPS

(\$ and shares in millions)

	<u>2015</u>
Net income attributable to Lear	\$ 745.5
Costs related to restructuring actions	97.2
Acquisition and other related costs	10.9
Acquisition-related inventory fair value adjustment	15.8
Loss on redemption of bonds	14.3
Loss related to affiliate, net	1.8
Other	1.5
Tax impact of special items and other net tax adjustments ¹	<u>(43.1)</u>
Adjusted net income attributable to Lear	<u>\$ 843.9</u>
Weighted average number of diluted shares outstanding	<u>77.8</u>
Adjusted earnings per share	<u>\$ 10.85</u>

¹ 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.