Lear Corporation to Acquire Xevo, a Leader in Connected Car Software and Data-Driven User Experiences

April 2, 2019

- Expands Lear's connectivity offerings with leading-edge technology platform and recurring revenue stream
- Allows for global expansion of Xevo's in-vehicle data monetization platform

SOUTHFIELD, Mich., April 2, 2019 /PRNewswire/ -- Lear Corporation (NYSE: LEA), a global automotive technology leader in seating and electrical and electronic systems, today announced it has entered into a definitive agreement to acquire Seattle-based Xevo Inc., a leading automotive software supplier that develops solutions for cloud, car, and mobile devices.

Xevo's Journeyware suite of products combines a user-friendly interface with a cloud-based framework that allow drivers to seamlessly interact with in-car content and mobile applications utilizing real-time data. Xevo Market, an automotive commerce and services platform, connects consumers with popular food, fuel, parking, hotel, and retail brands through in-vehicle touchscreens and OEM-branded mobile applications.

"The acquisition of Xevo broadens Lear's connectivity portfolio, bringing together Xevo's leading e-commerce vehicle platform technology with Lear's expertise in electronic systems," said John Absmeier, Lear's Chief Technology Officer. "Xevo's user interface establishes a connected marketplace for consumers in their vehicles, unlocking previously unrealized value from vehicle data and opening up new revenue streams."

Xevo's technology is currently available in over 25 million vehicles located primarily in the U.S., with significant opportunity for expansion not only in North America, but also in Asia and Europe.

"Automakers have embraced the potential of Xevo's e-commerce platform, as well as the deeply customizable driver experiences made possible by Xevo's artificial intelligence technology," said Dan Gittleman, Xevo's Chief Executive Officer. "Today, with Lear's reach, we can scale Xevo's innovative technology and business model to a global customer base."

Lear will acquire all the outstanding shares of Xevo for $320 million. The transaction, which is subject to regulatory approvals and other customary closing conditions and adjustments, is expected to close in the second quarter of 2019. Lear intends to fund the transaction through a debt financing.

"With the acquisition of Xevo, Lear advances its leadership position in the global trends reshaping the automotive industry," said Ray Scott, Lear's Chief Executive Officer. "This transaction is consistent with our stated capital allocation strategy. It allows us to enhance our capabilities in software, services, and data analytics and strengthen our market position in connectivity. Xevo's world-class team will bring an invaluable pool of experience and expertise to our organization, and I am delighted to welcome them to the Lear family."

About Lear Corporation

Lear is a global automotive technology leader in seating and electrical and electronic systems. Lear serves every major automaker in the world, and Lear content can be found on more than 400 vehicle nameplates. Lear's world-class products are designed, engineered, and manufactured by a diverse team of approximately 169,000 employees located in 39 countries. Lear currently ranks #148 on the Fortune 500. Lear's headquarters are in Southfield, Michigan. Further information about Lear is available at lear.com, or follow us on Twitter @LearCorporation. Lear is ***where passion drives possibilities***.

About Xevo Inc.

Xevo Inc. is a trusted Tier-1 automotive software supplier deployed in millions of vehicles worldwide. Xevo solutions for cloud, car, and mobile devices leverage computer vision, machine learning, and data analytics to continuously create, test, and deploy new AI models that improve performance, safety, and driver experiences. Xevo's Journeyware suite of automotive products seamlessly connects drivers and their vehicles to mobile applications, content, and services. Xevo Market, its merchant-to-driver platform, connects customers with their favorite brands by delivering highly-contextual offers through the touchscreens of their vehicles and their vehicle-branded mobile apps. Xevo employs over 300 people primarily in Seattle and Tokyo, and Xevo technology is licensed in vehicle systems worldwide to several of the world's largest automotive manufacturers. For more information, visit www.xevo.com.

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 statements contained or incorporated in this press release 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, 2018, 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.

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