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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 27, 2025.

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________.

Commission file number: 001-11311

LEAR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**13-3386776**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

21557 Telegraph Road, Southfield, MI 48033
(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01	**LEA**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer ☐
Non-accelerated filer	☐	Smaller reporting company ☐
		Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 28, 2025, the number of shares outstanding of the registrant's common stock was 51,870,171 shares.

LEAR CORPORATION AND SUBSIDIARIES

FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 27, 2025

INDEX

PART I — FINANCIAL INFORMATION

ITEM 1 — CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

We have prepared the unaudited condensed consolidated financial statements of Lear Corporation and subsidiaries pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted pursuant to such rules and regulations. We believe that the disclosures are adequate to make the information presented not misleading when read in conjunction with the financial statements and the notes thereto included in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, for the year ended December 31, 2024.

The financial information presented reflects all adjustments (consisting of normal recurring adjustments) which are, in our opinion, necessary for a fair presentation of the results of operations, cash flows and financial position for the interim periods presented. These results are not necessarily indicative of a full year's results of operations.

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	September 27, 2025 [1]	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,009.6	$ 1,052.9
Accounts receivable	4,222.4	3,589.3
Inventories	1,762.8	1,601.1
Other	1,038.3	940.8
Total current assets	8,033.1	7,184.1
LONG-TERM ASSETS:		
Property, plant and equipment, net	2,896.2	2,833.4
Goodwill	1,761.8	1,699.2
Other	2,466.6	2,310.8
Total long-term assets	7,124.6	6,843.4
Total assets	$ 15,157.7	$ 14,027.5
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	$ 27.3	$ 26.7
Accounts payable and drafts	3,619.1	3,250.5
Accrued liabilities	2,299.5	2,167.6
Current portion of long-term debt	3.7	2.2
Total current liabilities	5,949.6	5,447.0
LONG-TERM LIABILITIES:		
Long-term debt	2,759.7	2,733.3
Other	1,205.9	1,246.2
Total long-term liabilities	3,965.6	3,979.5
EQUITY:		
Preferred stock, 100,000,000 shares authorized (including 10,896,250 Series A convertible preferred stock); no shares outstanding	—	—
Common stock, $0.01 par value, 300,000,000 shares authorized; 64,571,405 shares issued as of September 27, 2025 and December 31, 2024	0.6	0.6
Additional paid-in capital	1,094.9	1,077.4
Common stock held in treasury, 12,300,073 and 10,993,851 shares as of September 27, 2025 and December 31, 2024, respectively, at cost	(1,545.5)	(1,423.6)
Retained earnings	6,147.2	5,931.0
Accumulated other comprehensive loss	(591.4)	(1,133.7)
Lear Corporation shareholders' equity	5,105.8	4,451.7
Noncontrolling interests	136.7	149.3
Equity	5,242.5	4,601.0
Total liabilities and equity	$ 15,157.7	$ 14,027.5

(1) Unaudited

The accompanying notes are an integral part of these condensed consolidated balance sheets.

Table of Contents

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; in millions, except share and per share data)

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net sales	$ 5,679.8	$ 5,584.4	$ 17,270.5	$ 17,591.4
Cost of sales	5,316.1	5,179.1	16,108.5	16,339.2
Selling, general and administrative expenses	166.4	174.1	525.1	535.9
Amortization of intangible assets	4.8	10.7	14.7	38.5
Interest expense, net	24.6	26.5	75.8	79.5
Other expense, net	8.5	3.4	34.1	24.3
Consolidated income before provision for income taxes and equity in net income of affiliates	159.4	190.6	512.3	574.0
Provision for income taxes	45.1	47.1	131.9	133.8
Equity in net income of affiliates	(12.1)	(12.5)	(40.4)	(37.1)
Consolidated net income	126.4	156.0	420.8	477.3
Less: Net income attributable to noncontrolling interests	18.2	20.2	66.7	58.8
Net income attributable to Lear	**$ 108.2**	**$ 135.8**	**$ 354.1**	**$ 418.5**
Basic net income per share attributable to Lear (Note 13)	**$ 2.03**	**$ 2.42**	**$ 6.60**	**$ 7.38**
Diluted net income per share attributable to Lear (Note 13)	**$ 2.02**	**$ 2.41**	**$ 6.56**	**$ 7.33**
Cash dividends declared per share	**$ 0.77**	**$ 0.77**	**$ 2.31**	**$ 2.31**
Average common shares outstanding	**53,222,383**	**56,038,579**	**53,631,217**	**56,737,212**
Average diluted shares outstanding	**53,653,263**	**56,373,835**	**53,976,161**	**57,057,468**
Consolidated comprehensive income (Condensed Consolidated Statements of Equity)	$ 174.8	$ 228.4	$ 965.4	$ 306.1
Less: Comprehensive income attributable to noncontrolling interests	18.4	24.8	69.0	60.4
Comprehensive income attributable to Lear	$ 156.4	$ 203.6	$ 896.4	$ 245.7

The accompanying notes are an integral part of these condensed consolidated statements.

Table of Contents

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited; in millions, except share and per share data)

	Three Months Ended September 27, 2025					
	Common Stock	Additional Paid-In Capital	Common Stock Held in Treasury	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Lear Corporation Shareholders' Equity
Balance at June 28, 2025	$ 0.6	$ 1,088.7	$ (1,449.3)	$ 6,081.6	$ (639.6)	$ 5,082.0
Comprehensive income:						
Net income	—	—	—	108.2	—	108.2
Other comprehensive income	—	—	—	—	48.2	48.2
Total comprehensive income	—	—	—	108.2	48.2	156.4
Stock-based compensation	—	11.8	—	—	—	11.8
Net issuance of 35,360 shares held in treasury in settlement of stock-based compensation	—	(5.6)	4.9	(1.1)	—	(1.8)
Repurchase of 968,884 shares of common stock at average price of $103.34 per share	—	—	(101.1)	—	—	(101.1)
Dividends declared to Lear Corporation shareholders	—	—	—	(41.5)	—	(41.5)
Dividends declared to noncontrolling interest holders	—	—	—	—	—	—
Contribution from noncontrolling interest holder	—	—	—	—	—	—
Balance at September 27, 2025	$ 0.6	$ 1,094.9	$ (1,545.5)	$ 6,147.2	$ (591.4)	$ 5,105.8

	Nine Months Ended September 27, 2025					
	Common Stock	Additional Paid-In Capital	Common Stock Held in Treasury	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Lear Corporation Stockholders' Equity
Balance at January 1, 2025	$ 0.6	$ 1,077.4	$ (1,423.6)	$ 5,931.0	$ (1,133.7)	$ 4,451.7
Comprehensive income:						
Net income	—	—	—	354.1	—	354.1
Other comprehensive income	—	—	—	—	542.3	542.3
Total comprehensive income	—	—	—	354.1	542.3	896.4
Stock-based compensation	—	48.7	—	—	—	48.7
Net issuance of 196,782 shares held in treasury in settlement of stock-based compensation	—	(31.2)	29.5	(10.3)	—	(12.0)
Repurchase of 1,503,004 shares of common stock at average price of $99.88 per share	—	—	(151.4)	—	—	(151.4)
Dividends declared to Lear Corporation shareholders	—	—	—	(127.6)	—	(127.6)
Dividends declared to noncontrolling interest holders	—	—	—	—	—	—
Contribution from noncontrolling interest holder	—	—	—	—	—	—
Balance at September 27, 2025	$ 0.6	$ 1,094.9	$ (1,545.5)	$ 6,147.2	$ (591.4)	$ 5,105.8

The accompanying notes are an integral part of these condensed consolidated statements.

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited; in millions, except share and per share data)

	Three Months Ended September 27, 2025		
	Lear Corporation Shareholders' Equity	Non-controlling Interests	Equity
Balance at June 28, 2025	$ 5,082.0	$ 128.7	$ 5,210.7
Comprehensive income:			
Net income	108.2	18.2	126.4
Other comprehensive income	48.2	0.2	48.4
Total comprehensive income	156.4	18.4	174.8
Stock-based compensation	11.8	—	11.8
Net issuance of 35,360 shares held in treasury in settlement of stock-based compensation	(1.8)	—	(1.8)
Repurchase of 968,884 shares of common stock at average price of $103.34 per share	(101.1)	—	(101.1)
Dividends declared to Lear Corporation shareholders	(41.5)	—	(41.5)
Dividends declared to noncontrolling interest holders	—	(11.5)	(11.5)
Contribution from noncontrolling interest holder	—	1.1	1.1
Balance at September 27, 2025	$ 5,105.8	$ 136.7	$ 5,242.5

	Nine Months Ended September 27, 2025		
	Lear Corporation Stockholders' Equity	Non-controlling Interests	Equity
Balance at January 1, 2025	$ 4,451.7	$ 149.3	$ 4,601.0
Comprehensive income:			
Net income	354.1	66.7	420.8
Other comprehensive income	542.3	2.3	544.6
Total comprehensive income	896.4	69.0	965.4
Stock-based compensation	48.7	—	48.7
Net issuance of 196,782 shares held in treasury in settlement of stock-based compensation	(12.0)	—	(12.0)
Repurchase of 1,503,004 shares of common stock at average price of $99.88 per share	(151.4)	—	(151.4)
Dividends declared to Lear Corporation shareholders	(127.6)	—	(127.6)
Dividends declared to noncontrolling interest holders	—	(83.7)	(83.7)
Contribution from noncontrolling interest holder	—	2.1	2.1
Balance at September 27, 2025	$ 5,105.8	$ 136.7	$ 5,242.5

The accompanying notes are an integral part of these condensed consolidated statements.

Table of Contents

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited; in millions, except share and per share data)

	Three Months Ended September 28, 2024					
	Common Stock	Additional Paid-In Capital	Common Stock Held in Treasury	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Lear Corporation Shareholders' Equity
Balance at June 29, 2024	$ 0.6	$ 1,052.6	$ (1,115.2)	$ 5,793.2	$ (929.4)	$ 4,801.8
Comprehensive income:						
Net income	—	—	—	135.8	—	135.8
Other comprehensive income	—	—	—	—	67.8	67.8
Total comprehensive income	—	—	—	135.8	67.8	203.6
Stock-based compensation	—	16.0	—	—	—	16.0
Net issuance of 23,695 shares held in treasury in settlement of stock-based compensation	—	(3.9)	3.5	(0.7)	—	(1.1)
Repurchase of 1,875,382 shares of common stock at average price of $111.48 per share	—	—	(211.2)	—	—	(211.2)
Dividends declared to Lear Corporation shareholders	—	—	—	(43.9)	—	(43.9)
Dividends declared to noncontrolling interest holders	—	—	—	—	—	—
Balance at September 28, 2024	$ 0.6	$ 1,064.7	$ (1,322.9)	$ 5,884.4	$ (861.6)	$ 4,765.2

	Nine Months Ended September 28, 2024					
	Common Stock	Additional Paid-In Capital	Common Stock Held in Treasury	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Lear Corporation Stockholders' Equity
Balance at January 1, 2024	$ 0.6	$ 1,050.5	$ (1,044.6)	$ 5,601.1	$ (688.8)	$ 4,918.8
Comprehensive income (loss):						
Net income	—	—	—	418.5	—	418.5
Other comprehensive income (loss)	—	—	—	—	(172.8)	(172.8)
Total comprehensive income (loss)	—	—	—	418.5	(172.8)	245.7
Stock-based compensation	—	50.6	—	—	—	50.6
Net issuance of 168,740 shares held in treasury in settlement of stock-based compensation	—	(36.4)	23.8	(1.7)	—	(14.3)
Repurchase of 2,569,088 shares of common stock at average price of $116.48 per share	—	—	(302.1)	—	—	(302.1)
Dividends declared to Lear Corporation shareholders	—	—	—	(133.5)	—	(133.5)
Dividends declared to noncontrolling interest holders	—	—	—	—	—	—
Balance at September 28, 2024	$ 0.6	$ 1,064.7	$ (1,322.9)	$ 5,884.4	$ (861.6)	$ 4,765.2

The accompanying notes are an integral part of these condensed consolidated statements.

Table of Contents

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited; in millions, except share and per share data)

	Three Months Ended September 28, 2024		
	Lear Corporation Shareholders' Equity	Non-controlling Interests	Equity
Balance at June 29, 2024	$ 4,801.8	$ 112.2	$ 4,914.0
Comprehensive income:			
Net income	135.8	20.2	156.0
Other comprehensive income	67.8	4.6	72.4
Total comprehensive income	203.6	24.8	228.4
Stock-based compensation	16.0	—	16.0
Net issuance of 23,695 shares held in treasury in settlement of stock-based compensation	(1.1)	—	(1.1)
Repurchase of 1,875,382 shares of common stock at average price of $111.48 per share	(211.2)	—	(211.2)
Dividends declared to Lear Corporation shareholders	(43.9)	—	(43.9)
Dividends declared to noncontrolling interest holders	—	(7.9)	(7.9)
Balance at September 28, 2024	$ 4,765.2	$ 129.1	$ 4,894.3

	Nine Months Ended September 28, 2024		
	Lear Corporation Stockholders' Equity	Non-controlling Interests	Equity
Balance at January 1, 2024	$ 4,918.8	$ 141.8	$ 5,060.6
Comprehensive income (loss):			
Net income	418.5	58.8	477.3
Other comprehensive income (loss)	(172.8)	1.6	(171.2)
Total comprehensive income (loss)	245.7	60.4	306.1
Stock-based compensation	50.6	—	50.6
Net issuance of 168,740 shares held in treasury in settlement of stock-based compensation	(14.3)	—	(14.3)
Repurchase of 2,569,088 shares of common stock at average price of $116.48 per share	(302.1)	—	(302.1)
Dividends declared to Lear Corporation shareholders	(133.5)	—	(133.5)
Dividends declared to noncontrolling interest holders	—	(73.1)	(73.1)
Balance at September 28, 2024	$ 4,765.2	$ 129.1	$ 4,894.3

The accompanying notes are an integral part of these condensed consolidated statements.

LEAR CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cash Flows from Operating Activities:		
Consolidated net income	$ 420.8	$ 477.3
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	448.2	461.6
Net change in recoverable customer engineering, development and tooling	31.7	(54.1)
Net change in working capital items (see below)	(355.3)	(506.1)
Other, net	67.5	60.6
Net cash provided by operating activities	612.9	439.3
Cash Flows from Investing Activities:		
Additions to property, plant and equipment	(366.8)	(366.6)
Other, net	41.2	(1.3)
Net cash used in investing activities	(325.6)	(367.9)
Cash Flows from Financing Activities:		
Repurchases of common stock	(150.1)	(310.8)
Dividends paid to Lear Corporation shareholders	(125.4)	(131.9)
Dividends paid to noncontrolling interests	(84.2)	(70.3)
Other, net	10.9	6.7
Net cash used in financing activities	(348.8)	(506.3)
Effect of foreign currency translation	20.5	4.1
Net Change in Cash, Cash Equivalents and Restricted Cash	(41.0)	(430.8)
Cash, Cash Equivalents and Restricted Cash as of Beginning of Period	1,055.4	1,198.5
Cash, Cash Equivalents and Restricted Cash as of End of Period	$ 1,014.4	$ 767.7
Changes in Working Capital Items:		
Accounts receivable	$ (427.9)	$ (582.5)
Inventories	(73.6)	(5.7)
Accounts payable	197.5	47.2
Accrued liabilities and other	(51.3)	34.9
Net change in working capital items	$ (355.3)	$ (506.1)
Supplementary Disclosure:		
Cash paid for interest	$ 81.4	$ 83.2
Cash paid for income taxes, net of refunds received	$ 212.9	$ 205.8

The accompanying notes are an integral part of these condensed consolidated statements.

LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

Lear Corporation ("Lear," and together with its consolidated subsidiaries, the "Company") and its affiliates design, develop, engineer and manufacture complete seat systems, key seat components, complete electrical distribution and connection systems, high-voltage power distribution products, including battery disconnect units ("BDUs"), low-voltage power distribution products and electronic controllers. The Company's main customers are automotive original equipment manufacturers. The Company operates facilities worldwide.

The accompanying condensed consolidated financial statements include the accounts of Lear, a Delaware corporation, and the wholly-owned and less than wholly-owned subsidiaries controlled by Lear. In addition, Lear consolidates all entities, including variable interest entities, in which it has a controlling financial interest. Investments in affiliates in which Lear does not have control, but does have the ability to exercise significant influence over operating and financial policies, are accounted for under the equity method.

The Company's annual financial results are reported on a calendar year basis, and quarterly interim results are reported using a thirteen week reporting calendar.

(2) Restructuring

Restructuring costs include employee termination benefits, asset impairment charges and contract termination costs, as well as other incremental net costs resulting from the restructuring actions. Employee termination benefits are recorded based on existing union and employee contracts, statutory requirements, completed negotiations and Company policy. Other incremental net costs principally include equipment and personnel relocation costs and gains and losses on the sales of facilities. In addition to restructuring costs, the Company also incurs incremental manufacturing inefficiency costs at the operating locations impacted by the restructuring actions during the related restructuring implementation period. Restructuring costs are recognized in the Company's condensed consolidated financial statements in accordance with GAAP. Generally, charges are recorded as restructuring actions are approved, communicated and/or implemented.

A summary of the changes in the Company's restructuring reserves is shown below (in millions):

Balance at January 1, 2025	$	100.0
Provision for employee termination benefits		137.0
Payments, utilizations and foreign currency		(160.6)
Balance at September 27, 2025	$	76.4

Charges recorded in connection with the Company's restructuring actions are shown below (in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Employee termination benefits	$ 137.0	$ 96.6
Asset impairments:		
Property, plant and equipment	11.2	1.6
Right-of-use assets	0.1	—
Contract termination costs	4.0	2.8
Other related costs	3.7	6.7
	$ 156.0	$ 107.7

Restructuring charges by income statement line item are shown below (in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cost of sales	$ 141.4	$ 97.1
Selling, general and administrative expenses	17.4	14.4
Other expense, net	(2.8)	(3.8)
	$ 156.0	$ 107.7

Restructuring charges by operating segment are shown below (in millions):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Seating	$ 21.7	$ 14.1	$ 98.0	$ 76.8
E-Systems	15.9	6.2	49.6	24.6
Other	0.6	3.7	8.4	6.3
	$ 38.2	$ 24.0	$ 156.0	$ 107.7

The Company expects to incur approximately $22 million and approximately $9 million of additional restructuring charges in its Seating and E-Systems segments, respectively, related to activities initiated as of September 27, 2025, and expects that the components of such costs will be consistent with its historical experience.

(3) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using standard costing, which approximates actual cost on a first-in, first-out method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs. The Company records reserves for inventory in excess of production and/or forecasted requirements and for obsolete inventory in production and service inventories.

A summary of inventories is shown below (in millions):

	September 27, 2025	December 31, 2024
Raw materials	$ 1,302.6	$ 1,206.7
Work-in-process	137.6	124.3
Finished goods	527.0	477.0
Reserves	(204.4)	(206.9)
Inventories	$ 1,762.8	$ 1,601.1

(4) Pre-Production Costs Related to Long-Term Supply Agreements

The Company incurs pre-production engineering and development ("E&D") and tooling costs related to the products produced for its customers under long-term supply agreements. The Company expenses all pre-production E&D costs for which reimbursement is not contractually guaranteed by the customer. In addition, the Company expenses all pre-production tooling costs related to customer-owned tools for which reimbursement is not contractually guaranteed by the customer or for which the Company does not have a non-cancelable right to use the tooling.

During the first nine months of 2025 and 2024, the Company capitalized $216.2 million and $225.4 million, respectively, of pre-production E&D costs for which reimbursement is contractually guaranteed by the customer. During the first nine months of 2025 and 2024, the Company also capitalized $79.4 million and $113.7 million, respectively, of pre-production tooling costs related to customer-owned tools for which reimbursement is contractually guaranteed by the customer or for which the Company has a non-cancelable right to use the tooling. These amounts are included in other current and long-term assets in the accompanying condensed consolidated balance sheets.

During the first nine months of 2025 and 2024, the Company collected $343.2 million and $287.5 million, respectively, of cash related to E&D and tooling costs.

The classification of recoverable customer E&D and tooling costs related to long-term supply agreements included in the accompanying condensed consolidated balance sheets is shown below (in millions):

	September 27, 2025	December 31, 2024
Current	$ 219.1	$ 248.3
Long-term	162.6	141.6
Recoverable customer E&D and tooling	$ 381.7	$ 389.9

(5) Long-Lived Assets

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Costs associated with the repair and maintenance of the Company's property, plant and equipment are expensed as incurred. Costs associated with improvements which extend the life, increase the capacity or improve the efficiency or safety of the Company's property, plant and equipment are capitalized and depreciated over the remaining useful life of the related asset. Depreciable property is depreciated over the estimated useful lives of the assets, using principally the straight-line method.

A summary of property, plant and equipment is shown below (in millions):

	September 27, 2025	December 31, 2024
Land	$ 102.7	$ 98.6
Buildings and improvements	962.6	898.3
Machinery and equipment	5,955.4	5,485.2
Construction in progress	339.2	335.8
Total property, plant and equipment	7,359.9	6,817.9
Less – accumulated depreciation	(4,463.7)	(3,984.5)
Property, plant and equipment, net	$ 2,896.2	$ 2,833.4

Depreciation expense was $147.5 million and $141.7 million in the three months ended September 27, 2025 and September 28, 2024, respectively, and $433.5 million and $423.1 million in the nine months ended September 27, 2025 and September 28, 2024, respectively.

The Company monitors its long-lived assets for impairment indicators on an ongoing basis in accordance with GAAP. If impairment indicators exist, the Company performs the required impairment analysis by comparing the undiscounted cash flows expected to be generated from the long-lived assets to the related net book values. If the net book value exceeds the undiscounted cash flows, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived asset. Fair value estimates of long-lived assets are based on independent appraisals or discounted cash flows, giving consideration to the highest and best use of the assets. Key assumptions used in the appraisals are based on a combination of market and cost approaches, as appropriate.

In the first nine months of 2025 and 2024, the Company recognized property, plant and equipment impairment charges of $11.2 million and $1.6 million, respectively, in conjunction with its restructuring actions (Note 2, "Restructuring"). In the first nine months of 2025 and 2024, the Company recognized additional property, plant and equipment impairment charges of $0.4 million and $3.9 million, respectively. The impairment charges are included in cost of sales in the accompanying condensed consolidated statements of comprehensive income.

Assets Held for Sale

As of September 27, 2025 and December 31, 2024, the Company has assets classified as held for sale of $5.9 million and $47.4 million, respectively. The criteria for classification as held for sale have been met, as management is committed to a plan to sell the assets, the assets are available for immediate sale in their present condition, an active program to locate a buyer has been initiated, the sale is probable and expected to be completed within one year, and the assets are being marketed at a price that is reasonable in relation to their current fair value.

As of December 31, 2024, $42.0 million of the assets held for sale were in connection with the then-pending disposal of a non-core business in the Company's Seating segment. The sale was completed in the first quarter of 2025. Accordingly, the assets classified as held from sale have been removed from the balance sheet as of September 27, 2025.

In the nine months ended September 27, 2025, an incremental loss of $2.7 million on the disposal of the non-core business was recognized to reflect adjustments to the carrying values of the assets and transaction expenses. The loss is included in other expense, net in the accompanying condensed consolidated statement of comprehensive income for the nine months ended September 27, 2025. Proceeds from the sale of $36.5 million are included in cash flows from investing activities in the accompanying condensed consolidated statement of cash flows for the nine months ended September 27, 2025.

The remaining assets held for sale as of September 27, 2025 and December 31, 2024, are primarily buildings and improvements.

The classification of assets held for sale is shown below (in millions):

	September 27, 2025	December 31, 2024
Other current assets	$ 5.9	$ 59.3
Accrued liabilities	—	(11.9)
Net assets held for sale	$ 5.9	$ 47.4

(6) Goodwill

A summary of the changes in the carrying amount of goodwill, by operating segment, in the nine months ended September 27, 2025, is shown below (in millions):

	Seating	E-Systems	Total
Balance at January 1, 2025	$ 1,305.9	$ 393.3	$ 1,699.2
Foreign currency translation and other	55.5	7.1	62.6
Balance at September 27, 2025	$ 1,361.4	$ 400.4	$ 1,761.8

Goodwill is not amortized but is tested for impairment on at least an annual basis. Impairment testing is required more often than annually if an event or circumstance indicates that an impairment is more likely than not to have occurred. In conducting its annual impairment testing, the Company may first perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. If not, no further goodwill impairment testing is required. If it is more likely than not that a reporting unit's fair value is less than its carrying amount, or if the Company elects not to perform a qualitative assessment of a reporting unit, the Company then compares the fair value of the reporting unit to the related net book value. If the net book value of a reporting unit exceeds its fair value, an impairment loss is measured and recognized. The annual goodwill impairment assessment is completed as of the first day of the Company's fourth quarter.

There was no impairment of goodwill in the first nine months of 2025 and 2024. The Company will, however, continue to assess the impact of significant industry and other events on its recorded goodwill.

(7) Debt

Short-Term Borrowings

The Company utilizes uncommitted lines of credit as needed for its short-term working capital fluctuations. As of September 27, 2025 and December 31, 2024, the Company had lines of credit from banks totaling $380.1 million and $342.5 million, respectively. As of September 27, 2025 and December 31, 2024, the Company had short-term debt balances outstanding related to draws on its lines of credit of $27.3 million and $26.7 million, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Long-Term Debt

A summary of long-term debt, net of unamortized debt issuance costs and unamortized original issue premium (discount), and the related weighted average interest rates is shown below (in millions):

	September 27, 2025				
Debt Instrument	**Long-Term Debt**	**Unamortized Debt Issuance Costs**	**Unamortized Original Issue Premium (Discount)**	**Long-Term Debt, Net**	**Weighted Average Interest Rate**
Delayed-Draw Term Loan Facility (the "Term Loan")	$ 100.0	$ (0.1)	$ —	$ 99.9	5.223%
3.8% Senior Notes due 2027 (the "2027 Notes")	550.0	(0.9)	(0.7)	548.4	3.885%
4.25% Senior Notes due 2029 (the "2029 Notes")	375.0	(1.1)	(0.4)	373.5	4.288%
3.5% Senior Notes due 2030 (the "2030 Notes")	350.0	(1.3)	(0.4)	348.3	3.525%
2.6% Senior Notes due 2032 (the "2032 Notes")	350.0	(2.0)	(0.5)	347.5	2.624%
5.25% Senior Notes due 2049 (the "2049 Notes")	625.0	(5.2)	11.8	631.6	5.103%
3.55% Senior Notes due 2052 (the "2052 Notes")	350.0	(3.4)	(0.5)	346.1	3.558%
Other	68.1	—	—	68.1	N/A
	$ 2,768.1	$ (14.0)	$ 9.3	2,763.4	
Less — Current portion				(3.7)	
Long-term debt				$ 2,759.7	

	December 31, 2024				
Debt Instrument	**Long-Term Debt**	**Unamortized Debt Issuance Costs**	**Unamortized Original Issue Premium (Discount)**	**Long-Term Debt, Net**	**Weighted Average Interest Rate**
Term Loan	$ 100.0	$ (0.3)	$ —	$ 99.7	5.835%
2027 Notes	550.0	(1.2)	(1.1)	547.7	3.885%
2029 Notes	375.0	(1.4)	(0.5)	373.1	4.288%
2030 Notes	350.0	(1.5)	(0.4)	348.1	3.525%
2032 Notes	350.0	(2.2)	(0.6)	347.2	2.624%
2049 Notes	625.0	(5.4)	12.2	631.8	5.103%
2052 Notes	350.0	(3.5)	(0.5)	346.0	3.558%
Other	41.9	—	—	41.9	N/A
	$ 2,741.9	$ (15.5)	$ 9.1	2,735.5	
Less — Current portion				(2.2)	
Long-term debt				$ 2,733.3	

Senior Notes

The issuance, maturity and interest payment dates of the Company's senior unsecured 2027 Notes, 2029 Notes, 2030 Notes, 2032 Notes, 2049 Notes and 2052 Notes (collectively, the "Notes") are shown below:

Note	Issuance Date(s)	Maturity Date	Interest Payment Dates
2027 Notes	August 2017	September 15, 2027	March 15 and September 15
2029 Notes	May 2019	May 15, 2029	May 15 and November 15
2030 Notes	February 2020	May 30, 2030	May 30 and November 30
2032 Notes	November 2021	January 15, 2032	January 15 and July 15
2049 Notes	May 2019 and February 2020	May 15, 2049	May 15 and November 15
2052 Notes	November 2021	January 15, 2052	January 15 and July 15

Subject to certain exceptions, the indentures governing the Notes contain restrictive covenants that, among other things, limit the ability of the Company to: (i) create or permit certain liens and (ii) consolidate, merge or sell all or substantially all of the Company's assets. The indentures governing the Notes also provide for customary events of default.

As of September 27, 2025, the Company was in compliance with all covenants under the indentures governing the Notes.

Credit Agreement

On July 24, 2025, the Company amended and restated its $2.0 billion unsecured revolving credit agreement (the "Credit Agreement") to extend the maturity date to July 24, 2030. In connection with this transaction, the Company recognized a loss on the extinguishment of debt of $0.3 million, which is included in other expense, net in the accompanying condensed consolidated statements of comprehensive income for the three and nine months ended September 27, 2025, and incurred related issuance costs of $3.2 million, which are included in other financing activities in the accompanying condensed consolidated statement of cash flows for the nine months ended September 27, 2025.

As of September 27, 2025 and December 31, 2024, there were no borrowings outstanding under the Credit Agreement.

Advances under the Credit Agreement generally bear interest based on (i) Term Benchmark, Central Bank Rate and Risk Free Rate ("RFR") (in each case, as defined in the Credit Agreement) or (ii) Alternate Base Rate ("ABR") and Canadian Prime Rate (in each case, as defined in the Credit Agreement). As of September 27, 2025, the ranges and rates are as follows:

	Term Benchmark, Central Bank Rate and RFR Loans			ABR and Canadian Prime Rate Loans		
	Minimum	Maximum	Rate as of September 27, 2025	Minimum	Maximum	Rate as of September 27, 2025
Credit Agreement	0.925 %	1.450 %	1.125 %	0.000 %	0.450 %	0.125 %

A facility fee, which ranges from 0.075% to 0.20% of the total amount committed under the Credit Agreement, is payable quarterly.

The Credit Agreement contains various customary representations, warranties and covenants by the Company, including, without limitation, (i) covenants regarding maximum leverage, (ii) limitations on fundamental changes involving the Company or its subsidiaries and (iii) limitations on indebtedness and liens.

As of September 27, 2025, the Company was in compliance with all covenants under the Credit Agreement.

Term Loan

As of September 27, 2025, the Company had $100.0 million outstanding under its unsecured delayed-draw term loan facility (the "Term Loan"). On June 27, 2025, the Company amended the Term Loan to extend the maturity date to September 30, 2027, and reduce the pricing across the grid. In connection with this transaction, the Company recognized a loss on the extinguishment of debt and incurred related issuance costs totaling $0.5 million, which is reflected in other expense, net in the accompanying condensed consolidated statements of comprehensive income for the nine months ended September 27, 2025.

Advances under the Term Loan generally bear interest based on the Daily or Term SOFR (as defined in the Term Loan agreement) plus a margin determined in accordance with a pricing grid that ranges from 0.875% to 1.375%. As of September 27, 2025, the interest rate was 5.223%. The Term Loan contains the same covenants as the Credit Agreement.

As of September 27, 2025, the Company was in compliance with all covenants under the Term Loan.

Other

As of September 27, 2025 and December 31, 2024, other long-term debt, including the current portion, consisted of amounts outstanding under an unsecured working capital loan and finance lease agreements.

For further information related to the Company's debt, see Note 6, "Debt," to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

(8) Leases

The Company has operating leases for production, office and warehouse facilities, manufacturing and office equipment and vehicles. Operating lease assets and obligations included in the accompanying condensed consolidated balance sheets are shown below (in millions):

	September 27, 2025	December 31, 2024
Right-of-use assets under operating leases:		
Other long-term assets	$ 721.1	$ 699.8
Lease obligations under operating leases:		
Accrued liabilities	$ 166.8	$ 152.6
Other long-term liabilities	590.4	582.5
	$ 757.2	$ 735.1

Maturities of lease obligations are shown below (in millions):

	September 27, 2025
2025 [1]	$ 50.4
2026	187.2
2027	160.2
2028	128.2
2029	92.3
Thereafter	232.2
Total undiscounted cash flows	850.5
Less: Imputed interest	(93.3)
Lease obligations under operating leases	$ 757.2

(1) For the remaining three months

Cash flow information related to operating leases is shown below (in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Non-cash activity:		
Right-of-use assets obtained in exchange for operating lease obligations	$ 115.9	$ 132.8
Operating cash flows:		
Cash paid related to operating lease obligations	$ 149.1	$ 143.3

Lease expense included in the accompanying condensed consolidated statements of comprehensive income is shown below (in millions):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Operating lease expense	$ 50.1	$ 48.2	$ 145.8	$ 142.9
Short-term lease expense	5.3	4.5	15.8	15.4
Variable lease expense	2.7	2.3	6.0	6.4
Total lease expense	$ 58.1	$ 55.0	$ 167.6	$ 164.7

In the three and nine months ended September 27, 2025, the Company incurred $11.3 million and $32.3 million, respectively, related to usage-based employee transportation costs.

In the nine months ended September 27, 2025, the Company recognized impairment charges of $0.1 million related to its right-of-use assets in conjunction with its restructuring actions (Note 2, "Restructuring"). In the nine months ended September 28, 2024, the Company recognized impairment charges of $0.9 million related to its right-of-use assets. The impairment charges are included in cost of sales in the accompanying condensed consolidated statements of comprehensive income.

The weighted average lease term and discount rate for operating leases are shown below:

	September 27, 2025
Weighted average remaining lease term	Six years
Weighted average discount rate	3.9 %

The Company is party to finance lease agreements, which are not material to the accompanying condensed consolidated financial statements (Note 7, "Debt").

For further information related to the Company's leases, see Note 7, "Leases," to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

(9) Pension and Other Postretirement Benefit Plans

The Company sponsors defined benefit pension plans covering certain eligible employees in the United States and certain foreign countries. The Company also sponsors postretirement benefit plans (primarily for the continuation of medical benefits) covering certain eligible retirees in the United States and Canada.

Net Periodic Pension and Other Postretirement Benefit (Credit) Cost

The components of the Company's net periodic pension benefit (credit) cost are shown below (in millions):

	Three Months Ended				Nine Months Ended			
	September 27, 2025		September 28, 2024		September 27, 2025		September 28, 2024	
	U.S.	Foreign	U.S.	Foreign	U.S.	Foreign	U.S.	Foreign
Service cost	$ —	$ 1.0	$ —	$ 1.0	$ —	$ 2.9	$ —	$ 3.0
Interest cost	4.4	3.9	5.1	3.9	13.4	11.5	15.3	11.7
Expected return on plan assets	(4.0)	(3.9)	(5.4)	(3.7)	(12.2)	(11.5)	(16.1)	(11.1)
Amortization of actuarial loss	0.1	0.4	0.3	0.5	0.4	1.2	0.7	1.5
Settlement gain	—	—	—	—	(0.1)	—	(0.1)	—
Net periodic benefit (credit) cost	$ 0.5	$ 1.4	$ —	$ 1.7	$ 1.5	$ 4.1	$ (0.2)	$ 5.1

The components of the Company's net periodic other postretirement benefit (credit) cost are shown below (in millions):

	Three Months Ended				Nine Months Ended			
	September 27, 2025		September 28, 2024		September 27, 2025		September 28, 2024	
	U.S.	Foreign	U.S.	Foreign	U.S.	Foreign	U.S.	Foreign
Interest cost	$ 0.4	$ 0.2	$ 0.4	$ 0.1	$ 1.1	$ 0.5	$ 1.1	$ 0.5
Amortization of actuarial gain	(0.6)	(0.1)	(0.8)	—	(2.0)	(0.2)	(2.3)	(0.2)
Amortization of prior service credit	(0.1)	—	—	—	(0.1)	—	(0.1)	—
Net periodic benefit (credit) cost	$ (0.3)	$ 0.1	$ (0.4)	$ 0.1	$ (1.0)	$ 0.3	$ (1.3)	$ 0.3

For further information related to the Company's pension and other postretirement benefit plans, see Note 9, "Pension and Other Postretirement Benefit Plans," to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

(10) Revenue Recognition

The Company enters into contracts with its customers to provide production parts generally at the beginning of a vehicle's life cycle. Typically, these contracts do not provide for a specified quantity of products, but once entered into, the Company is often expected to fulfill its customers' purchasing requirements for the production life of the vehicle. Many of these contracts may be terminated by the Company's customers at any time. Historically, terminations of these contracts have been infrequent. The Company receives purchase orders from its customers, which provide the commercial terms for a particular production part, including price (but not quantities). Contracts may also provide for annual price reductions over the production life of the vehicle, and prices may be adjusted on an ongoing basis to reflect changes in product content/cost and other commercial factors.

Revenue is recognized at a point in time when control of the product is transferred to the customer under standard commercial terms, as the Company does not have an enforceable right to payment prior to such transfer. The amount of revenue recognized reflects the consideration that the Company expects to be entitled to in exchange for those products based on the current purchase orders, annual price reductions and ongoing price adjustments. In the first nine months of 2025 and 2024, revenue recognized related to prior years represented approximately 1% of consolidated net sales. The Company's customers pay for products received in accordance with payment terms that are customary within the industry. The Company's contracts with its customers do not have significant financing components.

The Company records a contract liability for advances received from its customers. As of September 27, 2025 and December 31, 2024, there were no significant contract liabilities recorded. Further, in the first nine months of 2025 and 2024, there were no significant contract liabilities recognized in revenue.

Amounts billed to customers related to shipping and handling costs are included in net sales in the condensed consolidated statements of comprehensive income. Shipping and handling costs are accounted for as fulfillment costs and are included in cost of sales in the condensed consolidated statements of comprehensive income.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction that are collected by the Company from a customer are excluded from revenue.

A summary of the Company's revenue by reportable operating segment and geography is shown below (in millions):

	Three Months Ended					
	September 27, 2025			September 28, 2024		
	Seating	E-Systems	Total	Seating	E-Systems	Total
North America	$ 2,032.4	$ 548.6	$ 2,581.0	$ 1,885.2	$ 518.2	$ 2,403.4
Europe and Africa	1,233.1	532.4	1,765.5	1,327.5	565.0	1,892.5
Asia	817.4	265.4	1,082.8	750.8	304.2	1,055.0
South America	166.7	83.8	250.5	148.3	85.2	233.5
	$ 4,249.6	$ 1,430.2	$ 5,679.8	$ 4,111.8	$ 1,472.6	$ 5,584.4

	Nine Months Ended					
	September 27, 2025			September 28, 2024		
	Seating	E-Systems	Total	Seating	E-Systems	Total
North America	$ 5,827.7	$ 1,521.4	$ 7,349.1	$ 5,918.3	$ 1,513.5	$ 7,431.8
Europe and Africa	4,195.1	1,795.7	5,990.8	4,493.2	1,824.7	6,317.9
Asia	2,428.4	870.6	3,299.0	2,196.6	992.5	3,189.1
South America	423.4	208.2	631.6	428.3	224.3	652.6
	$ 12,874.6	$ 4,395.9	$ 17,270.5	$ 13,036.4	$ 4,555.0	$ 17,591.4

(11) Other Expense, Net

Other expense, net includes non-income related taxes, foreign exchange gains and losses, gains and losses related to certain derivative instruments and hedging activities, gains and losses on certain disposals of assets, the non-service cost components of net periodic benefit cost and other miscellaneous income and expense.

A summary of other expense, net is shown below (in millions):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Other expense	$ 16.0	$ 10.9	$ 49.8	$ 42.2
Other income	(7.5)	(7.5)	(15.7)	(17.9)
Other expense, net	$ 8.5	$ 3.4	$ 34.1	$ 24.3

In the three and nine months ended September 27, 2025, other expense includes net foreign currency transaction losses of $8.9 million and $26.2 million, respectively, including losses of $4.0 million and $8.6 million, respectively, related to the hyper-inflationary environment in Argentina. In the nine months ended September 27, 2025, other expense also includes a loss of $2.7 million related to the disposal of a non-core business.

In the three and nine months ended September 28, 2024, other expense includes net foreign currency transaction losses of $5.7 million and $24.0 million, respectively, including losses of $4.1 million and $13.9 million, respectively, related to the hyper-inflationary environment in Argentina.

(12) Income Taxes

A summary of the provision for income taxes and the corresponding effective tax rate for the three and nine months ended September 27, 2025 and September 28, 2024, is shown below (in millions, except effective tax rates):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Provision for income taxes	$ 45.1	$ 47.1	$ 131.9	$ 133.8
Pretax income before equity in net income of affiliates	$ 159.4	$ 190.6	$ 512.3	$ 574.0
Effective tax rate	28.3 %	24.7 %	25.7 %	23.3 %

The Company's provision for income taxes is impacted by the level and mix of earnings among tax jurisdictions. In addition, the Company recognized discrete tax benefits (expense) on the significant items shown below (in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Restructuring charges and various other items	$ 25.3	$ 24.7
Tax reserves and audit settlements	3.4	3.3
Share-based compensation	(1.8)	(0.4)
Valuation allowances on deferred tax assets	(0.6)	—
	$ 26.3	$ 27.6

Excluding the items above, the effective tax rate for the first nine months of 2025 and 2024 approximated the U.S. federal statutory income tax rate of 21%, adjusted for income taxes on foreign earnings, losses and remittances, valuation allowances, tax credits, income tax incentives and other permanent items.

The Company's current and future provision for income taxes is impacted by the initial recognition of and changes in valuation allowances in certain countries. The Company intends to maintain these allowances until it is more likely than not that the deferred tax assets will be realized. The Company's future provision for income taxes will include no tax benefit with respect to losses incurred and, except for certain jurisdictions, no tax expense with respect to income generated in these countries until the respective valuation allowances are eliminated. Accordingly, income taxes are impacted by changes in valuation allowances and the mix of earnings among jurisdictions. The Company evaluates the realizability of its deferred tax assets on a quarterly basis. In completing this evaluation, the Company considers all available evidence in order to determine whether, based on the weight of the evidence, a valuation allowance for its deferred tax assets is necessary. Such evidence includes historical results, future reversals of existing taxable temporary differences and expectations for future taxable income (exclusive of the reversal of temporary differences and carryforwards), as well as the implementation of feasible and prudent tax planning strategies. If, based on the weight of the evidence, it is more likely than not that all or a portion of the Company's deferred tax assets will not be realized, a valuation allowance is recorded. If operating results improve or decline on a continual basis in a particular jurisdiction, the Company's decision regarding the need for a valuation allowance could change, resulting in either the initial recognition or reversal of a valuation allowance in that jurisdiction, which could have a significant impact on income tax expense in the period recognized and subsequent periods. In determining the provision for income taxes for financial statement purposes, the Company makes certain estimates and judgments, which affect its evaluation of the carrying value of its deferred tax assets, as well as its calculation of certain tax liabilities.

2025 Budget Reconciliation Bill

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (the "Act"). The Act includes a broad range of tax reform provisions, including extending and modifying various provisions of the Tax Cuts and Jobs Act and expanding certain incentives in the Inflation Reduction Act while accelerating the phase-out of other incentives. The legislation has multiple effective dates, with certain provisions effective in 2025 and other provisions effective in 2026 and subsequent years. The Company is evaluating the potential impacts of the Act and has determined that the Act will not have a significant impact on its 2025 consolidated financial statements. Further, the Act is not expected to have a significant impact on the Company's 2026 consolidated financial statements, based on the guidance issued to date.

For further information related to the Company's income taxes, see Note 8, "Income Taxes," to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

(13) Net Income Per Share Attributable to Lear

Basic net income per share attributable to Lear is computed by dividing net income attributable to Lear by the average number of common shares outstanding during the period. Common shares issuable upon the satisfaction of certain conditions pursuant to a contractual agreement are considered common shares outstanding and are included in the computation of basic net income per share attributable to Lear.

Diluted net income per share attributable to Lear is computed using the treasury stock method by dividing net income attributable to Lear by the average number of common shares outstanding, including the dilutive effect of common stock equivalents using the average share price during the period.

A summary of information used to compute basic and diluted net income per share attributable to Lear is shown below (in millions, except share and per share data):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income attributable to Lear	$ 108.2	$ 135.8	$ 354.1	$ 418.5
Average common shares outstanding	53,222,383	56,038,579	53,631,217	56,737,212
Dilutive effect of common stock equivalents	430,880	335,256	344,944	320,256
Average diluted shares outstanding	53,653,263	56,373,835	53,976,161	57,057,468
Basic net income per share attributable to Lear	$ 2.03	$ 2.42	$ 6.60	$ 7.38
Diluted net income per share attributable to Lear	$ 2.02	$ 2.41	$ 6.56	$ 7.33

(14) Comprehensive Income and Equity

Comprehensive Income

Comprehensive income is defined as all changes in the Company's net assets except changes resulting from transactions with shareholders. It differs from net income in that certain items recorded in equity are included in comprehensive income.

Accumulated Other Comprehensive Loss

A summary of changes, net of tax, in accumulated other comprehensive loss in the three and nine months ended September 27, 2025, is shown below (in millions):

	Three Months Ended September 27, 2025	Nine Months Ended September 27, 2025
Defined benefit plans:		
Balance at beginning of period	$ (93.5)	$ (91.1)
Reclassification adjustments (net of tax benefit (expense) of ($0.2) million and $0.9 million in the three and nine months ended September 27, 2025, respectively)	(0.5)	0.1
Other comprehensive income (loss) recognized during the period	1.0	(2.0)
Balance at end of period	$ (93.0)	$ (93.0)
Derivative instruments and hedging:		
Balance at beginning of period	$ 63.5	$ (133.7)
Reclassification adjustments (net of tax benefit of $3.1 million and $0.2 million in the three and nine months ended September 27, 2025, respectively)	(11.8)	(0.6)
Other comprehensive income recognized during the period (net of tax expense of $16.0 million and $65.1 million in the three and nine months ended September 27, 2025, respectively)	59.4	245.4
Balance at end of period	$ 111.1	$ 111.1
Foreign currency translation:		
Balance at beginning of period	$ (609.6)	$ (908.9)
Other comprehensive income recognized during the period (net of tax benefit (expense) of ($0.3) million and $4.8 million in the three and nine months ended September 27, 2025, respectively)	0.1	299.4
Balance at end of period	$ (609.5)	$ (609.5)
Total accumulated other comprehensive loss	$ (591.4)	$ (591.4)

In the three months ended September 27, 2025, foreign currency translation adjustments are primarily related to the strengthening of the Brazilian real and the Chinese renminbi relative to the U.S. dollar. In the nine months ended September 27, 2025, foreign currency translation adjustments are primarily related to the strengthening of the Euro and, to a lesser extent, the Brazilian real and the Chinese renminbi relative to the U.S. dollar. .

In the three and nine months ended September 27, 2025, foreign currency translation adjustments include pretax losses of $0.8 million related to intercompany transactions for which settlement is not planned or anticipated in the foreseeable future, as well as net investment hedge gains (losses) of $1.5 million and ($22.7) million, respectively.

A summary of changes, net of tax, in accumulated other comprehensive loss in the three and nine months ended September 28, 2024, is shown below (in millions):

	Three Months Ended September 28, 2024	Nine Months Ended September 28, 2024
Defined benefit plans:		
Balance at beginning of period	$ (106.7)	$ (107.3)
Reclassification adjustments (net of tax benefit of $0.1 million and $0.2 million in the three and nine months ended September 28, 2024, respectively)	—	(0.4)
Other comprehensive income (loss) recognized during the period (net of tax benefit of $0.1 million in the nine months ended September 28, 2024)	(0.7)	0.3
Balance at end of period	$ (107.4)	$ (107.4)
Derivative instruments and hedging:		
Balance at beginning of period	$ (7.5)	$ 107.9
Reclassification adjustments (net of tax benefit of $3.1 million and $20.4 million in the three and nine months ended September 28, 2024, respectively)	(8.9)	(77.2)
Other comprehensive loss recognized during the period (net of tax benefit of $17.3 million and $29.4 million in the three and nine months ended September 28, 2024, respectively)	(63.9)	(111.0)
Balance at end of period	$ (80.3)	$ (80.3)
Foreign currency translation:		
Balance at beginning of period	$ (815.2)	$ (689.4)
Other comprehensive income recognized during the period (net of tax benefit of $1.0 million and $0.2 million in the three and nine months ended September 28, 2024, respectively)	141.3	15.5
Balance at end of period	$ (673.9)	$ (673.9)
Total accumulated other comprehensive loss	$ (861.6)	$ (861.6)

In the three months ended September 28, 2024, foreign currency translation adjustments are primarily related to the strengthening of the Euro and the Chinese renminbi relative to the U.S. dollar. In the nine months ended September 28, 2024, foreign currency translation adjustments are primarily related to the strengthening of the Euro and the Chinese renminbi, partially offset by the weakening of the Brazilian real, relative to the U.S. dollar.

In the three and nine months ended September 28, 2024, foreign currency translation adjustments include pretax losses of $0.1 million and $0.2 million, respectively, related to intercompany transactions for which settlement is not planned or anticipated in the foreseeable future, as well as net investment hedge losses of $4.7 million and $1.0 million, respectively.

For further information regarding reclassification adjustments related to the Company's defined benefit plans, see Note 9, "Pension and Other Postretirement Benefit Plans." For further information regarding reclassification adjustments related to the Company's derivative and hedging activities, see Note 17, "Financial Instruments."

Lear Corporation Shareholders' Equity

Common Stock Share Repurchase Program

The Company may implement share repurchases through a variety of methods, including, but not limited to, open market purchases, accelerated stock repurchase programs and structured repurchase transactions. The extent to which the Company may repurchase its outstanding common stock and the timing of such repurchases will depend upon its financial condition, results of operations, capital requirements, prevailing market conditions, alternative uses of capital and other factors.

The Company has a common stock share repurchase program (the "Repurchase Program") which permits the discretionary repurchase of its common stock. Since the inception of the Repurchase Program in the first quarter of 2011, the Company's Board of Directors (the "Board") has authorized $6.7 billion in share repurchases. As of September 27, 2025, the Company has repurchased, in aggregate, $5.7 billion of its outstanding common stock, at an average price of $94.68 per share, excluding commissions and related fees, and has a remaining repurchase authorization of $0.9 billion, which expires on December 31, 2026.

Share repurchases in the first nine months of 2025 and the remaining repurchase authorization as of September 27, 2025, are shown below (in millions, except for share and per share amounts):

Nine Months Ended September 27, 2025				As of September 27, 2025
Aggregate Repurchases [1]	Cash Paid for Repurchases [1]	Number of Shares	Average Price per Share [1]	Remaining Purchase Authorization
$ 150.1	$ 150.1	1,503,004	$ 99.88	$ 949.8

[1] Excludes excise tax and commissions

In addition to shares repurchased under the Repurchase Program described above, the Company classifies shares withheld from the settlement of the Company's restricted stock unit and performance share awards to cover tax withholding requirements as common stock held in treasury in the condensed consolidated balance sheets.

Quarterly Dividend

The Board declared quarterly cash dividends of $0.77 per share of common stock in the first, second and third quarters of 2025 and 2024.

Dividends declared and paid are shown below (in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Dividends declared	$ 127.6	$ 133.5
Dividends paid	125.4	131.9

Dividends payable on shares of common stock to be distributed under the Company's stock-based compensation program will be paid when such shares are distributed.

(15) Legal and Other Contingencies

As of September 27, 2025 and December 31, 2024, the Company had recorded reserves for pending legal disputes, including commercial disputes, product liability claims and other legal matters of $14.3 million and $13.2 million, respectively. Such reserves reflect amounts recognized in accordance with GAAP and typically exclude the cost of legal representation. Reserves for warranty and recall matters are recorded separately from legal reserves, as described below.

Commercial Disputes

The Company is involved from time to time in legal proceedings and claims, including, without limitation, commercial or contractual disputes with its customers, suppliers and competitors. These disputes vary in nature and are usually resolved by negotiations between the parties.

Product Liability, Warranty and Recall Matters

In the event that use of the Company's products results in, or is alleged to result in, bodily injury and/or property damage or other losses, the Company may be subject to product liability lawsuits and other claims. Such lawsuits generally seek compensatory damages, punitive damages and attorneys' fees and costs. In addition, if any of the Company's products are, or are alleged to be, defective, the Company may be required or requested by its customers to support warranty costs or to participate in a recall or other corrective action involving such products. The Company is party to agreements with certain of its customers, whereby these customers may pursue claims against the Company for contribution of all or a portion of the amounts sought in connection with warranty and recall matters, and certain of the Company's customers have asserted such claims against the Company. The Company can provide no assurances that it will not experience material claims in the future or that it will not incur significant costs to defend such claims.

In certain instances, allegedly defective products may be supplied by the Company's suppliers. The Company may seek recovery from its suppliers of materials or services included within the Company's products that are associated with product liability claims or warranty and recall matters.

The Company carries insurance for certain legal matters, including product liability claims, but such coverage may be limited. The Company does not maintain insurance for warranty and recall matters.

The Company records reserves for warranty and recall matters when liability is probable and related amounts are reasonably estimable.

A summary of the changes in reserves for warranty and recall matters in the nine months ended September 27, 2025, is shown below (in millions):

Balance at January 1, 2025	$ 27.3
Expense, net (including changes in estimates)	14.1
Settlements	(9.4)
Foreign currency translation and other	2.2
Balance at September 27, 2025	$ 34.2

Environmental Matters

The Company is subject to local, state, federal and foreign laws, regulations and ordinances which govern activities or operations that may have or have had adverse environmental effects. These regulations impose liability for clean-up costs resulting from past spills, disposals or other releases of hazardous wastes and environmental compliance. The Company's policy is to comply with all applicable environmental laws and to maintain an environmental management program based on ISO 14001 to ensure compliance with this standard. However, the Company currently is, has been and in the future may become, the subject of formal or informal enforcement actions or procedures.

As of September 27, 2025 and December 31, 2024, the Company had recorded environmental reserves of $4.9 million. The Company does not believe that the environmental liabilities associated with its current and former properties will have a material adverse impact on its business, financial condition, results of operations or cash flows; however, no assurances can be given in this regard.

Other Matters

The Company is involved from time to time in various other legal proceedings and claims, including, without limitation, intellectual property matters, tax claims and employment matters. Although the outcome of any legal matter cannot be predicted with certainty, the Company does not believe that any of the other legal proceedings or claims in which the Company is currently involved, either individually or in the aggregate, will have a material adverse impact on its business, financial condition, results of operations or cash flows. However, no assurances can be given in this regard.

Although the Company records reserves for legal disputes, warranty and recall matters, and environmental and other matters in accordance with GAAP, the ultimate outcomes of these matters are inherently uncertain. Actual results may differ significantly from current estimates.

(16) Segment Reporting

The Company is organized under two reportable operating segments: Seating and E-Systems. Each of these segments has a varied product and technology portfolio across a number of component categories. Further, the Company continuously evaluates this portfolio, aligning it with industry trends while balancing risk-adjusted returns, which allows the Company to offer value-added solutions to its customers.

Our Seating segment consists of the design, development, engineering and manufacture of complete seat systems and key seat components. The Company's capabilities in operations and supply chain management enable synchronized assembly and just-in-time delivery of complex complete seat systems at high volumes to its customers. Key seat components include seat trim covers; surface materials such as leather and fabric; seat mechanisms; seat foam; headrests; and thermal comfort systems such as seat heating, ventilation, active cooling, pneumatic lumbar and massage products. All of these products are compatible with traditional internal combustion engine ("ICE") architectures and electrified powertrains, including the full range of hybrid, plug-in hybrid and battery electric architectures.

Our E-Systems segment consists of the design, development, engineering and manufacture of complete electrical distribution and connection systems; high-voltage power distribution products, including battery disconnect units ("BDUs"); and low-voltage power distribution products and electronic controllers.

- Electrical distribution and connection systems utilize low-voltage and high-voltage wire, high-speed data cables and flat wiring to connect networks and electrical signals and manage electrical power within the vehicle for all types of powertrains – from traditional ICE architectures to the full range of electrified powertrains that require management of higher voltage and power. Key components of the Company's electrical distribution and connection systems portfolio include wire harnesses, terminals and connectors, high-voltage battery connection systems and engineered components.
- High-voltage battery connection systems include intercell connect boards, bus bars and main battery connection systems. High-voltage power distribution products control the flow and distribution of high-voltage power throughout electrified vehicles and include BDUs which control all electrical energy flowing into and out of high-voltage batteries in electrified vehicles.
- Low-voltage power distribution products and electronic controllers facilitate signal, data and/or power management within the vehicle and include the associated software required to facilitate these functions. Key components of this portfolio include zonal controllers, body domain control modules and low-voltage and high-voltage power distribution modules. The Company's software offerings include embedded control, cybersecurity software and software to control hardware devices. The Company's customers traditionally have sourced the Company's electronic hardware together with the software that the Company integrates and embeds in it.

The other category includes unallocated costs related to corporate headquarters, regional headquarters and the elimination of intercompany activities, including intersegment revenues and cost of sales, none of which meets the requirements for being classified as an operating segment. Corporate and regional headquarters costs include various support functions, such as information technology, advanced research and development, corporate finance, legal, executive administration and human resources. Such costs are reflected in the operating segment results to the extent they are directly attributable to an operating segment.

The Company's chief operating decision maker ("CODM") is Raymond E. Scott, President and Chief Executive Officer. Each of the Company's operating segments reports its results from operations and makes its requests for capital expenditures directly to the CODM. The CODM assesses the operating performance of each segment based on segment earnings (as defined below), which is driven primarily by automotive production volumes in the geographic regions in which it operates, as well as by the success of the vehicle platforms for which it supplies products. Also, each operating segment operates in the competitive Tier 1 automotive supplier environment and is continually working with its customers to manage costs and improve quality. The Company's production processes generally make use of an hourly workforce, dedicated facilities, sequential manufacturing and assembly processes and commodity raw materials.

The CODM evaluates the performance of its operating segments based primarily on (i) revenues from external customers, (ii) pretax income before equity in net income of affiliates, interest expense, net and other expense, net ("segment earnings") and (iii) cash flows, being defined as segment earnings less capital expenditures plus depreciation and amortization.

The accounting policies of the Company's operating segments are the same as those described in this note to the consolidated financial statements.

LEAR CORPORATION AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

A reconciliation of segment earnings to consolidated income before provision for income taxes and equity in net income of affiliates is shown below (in millions):

	Three Months Ended September 27, 2025			
	Seating	E-Systems	Other	Consolidated
Revenues from external customers	$ 4,249.6	$ 1,430.2	$ —	$ 5,679.8
Intersegment revenues [(1)]	0.8	67.1	(67.9)	—
Less [(2)]:				
Cost of sales	3,926.7	1,416.3	(26.9)	5,316.1
Gross margin	323.7	81.0	(41.0)	363.7
Selling, general and administrative	80.7	35.6	50.1	166.4
Amortization of intangibles	3.0	1.8	—	4.8
Intersegment support activities	2.4	2.6	(5.0)	—
Segment earnings [(3)]	$ 237.6	$ 41.0	$ (86.1)	192.5
Reconciliation of segment earnings:				
Interest expense, net				24.6
Other expense, net				8.5
Consolidated income before provision for income taxes and equity in net income of affiliates				$ 159.4

	Three Months Ended September 28, 2024			
	Seating	E-Systems	Other	Consolidated
Revenues from external customers	$ 4,111.8	$ 1,472.6	$ —	$ 5,584.4
Intersegment revenues [(1)]	0.9	57.4	(58.3)	—
Less [(2)]:				
Cost of sales	3,771.2	1,424.2	(16.3)	5,179.1
Gross margin	341.5	105.8	(42.0)	405.3
Selling, general and administrative	88.7	36.6	48.8	174.1
Amortization of intangibles	8.9	1.8	—	10.7
Intersegment support activities	1.5	2.1	(3.6)	—
Segment earnings [(3)]	$ 242.4	$ 65.3	$ (87.2)	220.5
Reconciliation of segment earnings:				
Interest expense, net				26.5
Other expense, net				3.4
Consolidated income before provision for income taxes and equity in net income of affiliates				$ 190.6

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

	Nine Months Ended September 27, 2025			
	Seating	E-Systems	Other	Consolidated
Revenues from external customers	$ 12,874.6	$ 4,395.9	$ —	$ 17,270.5
Intersegment revenues [1]	4.9	199.2	(204.1)	—
Less [2]:				
Cost of sales	11,864.6	4,322.3	(78.4)	16,108.5
Gross margin	1,014.9	272.8	(125.7)	1,162.0
Selling, general and administrative	262.0	108.3	154.8	525.1
Amortization of intangibles	9.3	5.4	—	14.7
Intersegment support activities	5.8	7.4	(13.2)	—
Segment earnings [3]	$ 737.8	$ 151.7	$ (267.3)	622.2
Reconciliation of segment earnings:				
Interest expense, net				75.8
Other expense, net				34.1
Consolidated income before provision for income taxes and equity in net income of affiliates				$ 512.3

	Nine Months Ended September 28, 2024			
	Seating	E-Systems	Other	Consolidated
Revenues from external customers	$ 13,036.4	$ 4,555.0	$ —	$ 17,591.4
Intersegment revenues [1]	2.3	173.6	(175.9)	—
Less [2]:				
Cost of sales	11,983.0	4,406.0	(49.8)	16,339.2
Gross margin	1,055.7	322.6	(126.1)	1,252.2
Selling, general and administrative	262.9	117.5	155.5	535.9
Amortization of intangibles	28.4	10.1	—	38.5
Intersegment support activities	4.4	6.1	(10.5)	—
Segment earnings [3]	$ 760.0	$ 188.9	$ (271.1)	677.8
Reconciliation of segment earnings:				
Interest expense, net				79.5
Other expense, net				24.3
Consolidated income before provision for income taxes and equity in net income of affiliates				$ 574.0

(1) Intersegment transactions are accounted for at values comparable to unaffiliated third-party transactions
(2) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Intersegment expenses are included within the amounts shown
(3) See definition above

Other segment related disclosures are shown below (in millions):

	Three Months Ended September 27, 2025			
	Seating	E-Systems	Other	Consolidated
Depreciation	$ 95.5	$ 46.3	$ 5.7	$ 147.5
Capital expenditures	92.2	40.1	5.1	137.4

	Three Months Ended September 28, 2024			
	Seating	E-Systems	Other	Consolidated
Depreciation	$ 91.0	$ 45.5	$ 5.2	$ 141.7
Capital expenditures	91.6	38.1	2.5	132.2

	Nine Months Ended September 27, 2025			
	Seating	E-Systems	Other	Consolidated
Depreciation	$ 278.6	$ 138.4	$ 16.5	$ 433.5
Capital expenditures	249.0	104.1	13.7	366.8
Inventories	892.8	870.0	—	1,762.8
Total assets	8,872.5	4,091.2	2,194.0	15,157.7

	Nine Months Ended September 28, 2024			
	Seating	E-Systems	Other	Consolidated
Depreciation	$ 273.0	$ 134.7	$ 15.4	$ 423.1
Capital expenditures	237.5	118.5	10.6	366.6
Inventories	929.6	838.5	—	1,768.1
Total assets	8,745.0	4,183.4	1,889.7	14,818.1

(17) Financial Instruments

Debt Instruments

The carrying values of the Notes vary from their fair values. The fair values of the Notes were determined by reference to the quoted market prices of these securities (Level 2 input based on the GAAP fair value hierarchy). The carrying value of the Term Loan approximates its fair value (Level 3 input based on the GAAP fair value hierarchy). The estimated fair value, as well as the carrying value, of the Company's debt instruments are shown below (in millions):

	September 27, 2025	December 31, 2024
Estimated aggregate fair value [1]	$ 2,458.0	$ 2,373.2
Aggregate carrying value [1] [2]	2,700.0	2,700.0

(1) Excludes "other" debt
(2) Excludes the impact of unamortized debt issuance costs and unamortized original issue premium (discount)

Cash, Cash Equivalents and Restricted Cash

The Company has cash on deposit that is legally restricted as to use or withdrawal. A reconciliation of cash and cash equivalents reported on the accompanying condensed consolidated balance sheets to cash, cash equivalents and restricted cash reported on the accompanying condensed consolidated statements of cash flows is shown below (in millions):

	September 27, 2025	September 28, 2024
Balance sheet:		
Cash and cash equivalents	$ 1,009.6	$ 763.9
Restricted cash included in other current assets	3.2	2.1
Restricted cash included in other long-term assets	1.6	1.7
Statement of cash flows:		
Cash, cash equivalents and restricted cash	$ 1,014.4	$ 767.7

Accounts Receivable

The Company's allowance for credit losses on financial assets measured at amortized cost, primarily accounts receivable, reflects management's estimate of credit losses over the remaining expected life of such assets, measured primarily using historical experience, as well as current conditions and forecasts that affect the collectability of the reported amount. Expected credit losses for newly recognized financial assets, as well as changes to expected credit losses during the period, are recognized in earnings. The Company also considers geographic and segment specific risk factors in the development of expected credit losses. As of September 27, 2025 and December 31, 2024, accounts receivable are reflected net of reserves of $29.9 million and $27.3 million, respectively. Changes in expected credit losses were not significant in the first nine months of 2025.

Marketable Equity Securities

Marketable equity securities, which the Company accounts for under the fair value option, are included in the accompanying condensed consolidated balance sheets as shown below (in millions):

	September 27, 2025	December 31, 2024
Other current assets	$ 10.2	$ 6.6
Other long-term assets	92.9	82.6
	$ 103.1	$ 89.2

Unrealized gains and losses arising from changes in the fair value of the marketable equity securities are recognized in other expense, net in the condensed consolidated statements of comprehensive income. The fair value of the marketable equity securities is determined by reference to quoted market prices in active markets (Level 1 input based on the GAAP fair value hierarchy).

Equity Securities Without Readily Determinable Fair Values

As of September 27, 2025 and December 31, 2024, investments in equity securities without readily determinable fair values of $11.2 million are included in other long-term assets in the accompanying condensed consolidated balance sheets. Such investments are valued at cost, less cumulative impairments of $17.0 million.

Derivative Instruments and Hedging Activities

The Company has used derivative financial instruments, including forwards, futures, options, swaps and other derivative contracts, to reduce the effects of fluctuations in foreign exchange rates and interest rates and the resulting variability of the Company's operating results. The Company is not a party to leveraged derivatives. The Company's derivative financial instruments are subject to master arrangements that provide for the net settlement of contracts, by counterparty, in the event of default or termination. On the date that a derivative contract for a hedge instrument is entered into, the Company designates the derivative as either (1) a hedge of the exposure to changes in the fair value of a recognized asset or liability or of an unrecognized firm commitment (a fair value hedge), (2) a hedge of the exposure of a forecasted transaction or of the variability in the cash flows of a recognized asset or liability (a cash flow hedge), (3) a hedge of a net investment in a foreign operation (a net investment hedge) or (4) a contract not designated as a hedge instrument.

For a fair value hedge, the change in the fair value of the derivative is recorded in earnings and reflected in the condensed consolidated statements of comprehensive income on the same line as the gain or loss on the hedged item attributable to the hedged risk. For a cash flow hedge, the change in the fair value of the derivative is recorded in accumulated other comprehensive loss in the condensed consolidated balance sheets. When the underlying hedged transaction is realized, the gain or loss included in accumulated other comprehensive loss is recorded in earnings and reflected in the condensed consolidated statements of comprehensive income on the same line as the gain or loss on the hedged item attributable to the hedged risk. For a net investment hedge, the change in the fair value of the derivative is recorded in cumulative translation adjustment, which is a component of accumulated other comprehensive loss in the condensed consolidated balance sheets. When the related currency translation adjustment is required to be reclassified, usually upon the sale or liquidation of the investment, the gain or loss included in accumulated other comprehensive loss is recorded in earnings and reflected in other expense, net in the condensed consolidated statements of comprehensive income. Changes in the fair value of contracts not designated as hedge instruments are recorded in earnings and reflected in other expense, net in the condensed consolidated statements of comprehensive income. Cash flows attributable to derivatives used to manage foreign currency risks are classified on the same line as the hedged item attributable to the hedged risk in the condensed consolidated statements of cash flows. Upon settlement, cash flows attributable to derivatives designated as net investment hedges are classified as investing activities in the condensed consolidated statements of cash flows. Cash flows attributable to forward starting interest rate swaps are classified as financing activities in the condensed consolidated statements of cash flows.

The Company formally documents its hedge relationships, including the identification of the hedge instruments and the related hedged items, as well as its risk management objectives and strategies for undertaking the hedge transaction. Derivatives are recorded at fair value in other current and long-term assets and other current and long-term liabilities in the condensed consolidated balance sheets. The Company also formally assesses whether a derivative used in a hedge transaction is highly effective in offsetting changes in either the fair value or the cash flows of the hedged item. When it is determined that a hedged transaction is no longer probable to occur, the Company discontinues hedge accounting.

Foreign Exchange

The Company uses forwards, swaps and other derivative contracts to reduce the effects of fluctuations in foreign exchange rates on known foreign currency exposures. Gains and losses on the derivative instruments are intended to offset gains and losses on the hedged transaction in an effort to reduce exposure to fluctuations in foreign exchange rates. The principal currencies hedged by the Company include the Mexican peso, various European currencies and the Moroccan dirham.

Foreign currency derivative contracts not designated as hedging instruments consist principally of hedges of cash transactions, intercompany loans and certain other balance sheet exposures.

Net Investment Hedges

The Company uses cross-currency interest rate swaps, which are designated as net investment hedges of the foreign currency rate exposure of its investment in certain Euro-denominated subsidiaries. In the nine months ended September 27, 2025 and September 28, 2024, contra interest expense on net investment hedges of $2.6 million and $1.7 million, respectively, is included in interest expense, net in the accompanying condensed consolidated statements of comprehensive income.

Balance Sheet Classification

The notional amount, estimated aggregate fair value and related balance sheet classification of the Company's foreign currency and net investment hedge contracts are shown below (in millions, except for maturities):

	September 27, 2025	December 31, 2024
Fair value of foreign currency contracts designated as cash flow hedges:		
Other current assets	$ 79.9	$ 16.1
Other long-term assets	80.1	0.5
Other current liabilities	(2.0)	(105.4)
Other long-term liabilities	(0.4)	(61.6)
	157.6	(150.4)
Notional amount	$ 2,562.6	$ 2,605.7
Outstanding maturities in months, not to exceed	36	36
Fair value of derivatives designated as net investment hedges:		
Other long-term assets	$ —	$ 7.1
Other current liabilities	(10.5)	—
Other long-term liabilities	$ (5.1)	$ —
	(15.6)	7.1
Notional amount	$ 300.0	$ 150.0
Outstanding maturities in months, not to exceed	44	15
Fair value of foreign currency contracts not designated as hedging instruments:		
Other current assets	$ 0.3	$ 2.3
Other current liabilities	(2.0)	(6.1)
	(1.7)	(3.8)
Notional amount	$ 305.2	$ 481.7
Outstanding maturities in months, not to exceed	1	1
Total fair value	$ 140.3	$ (147.1)
Total notional amount	$ 3,167.8	$ 3,237.4

Accumulated Other Comprehensive Loss — Derivative Instruments and Hedge Activities

Pretax amounts related to foreign currency and net investment hedge contracts that were recognized in and reclassified from accumulated other comprehensive loss are shown below (in millions):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Gains (losses) recognized in accumulated other comprehensive loss:				
Foreign currency contracts	$ 75.4	$ (81.2)	$ 310.5	$ (140.4)
Net investment hedge contracts	1.5	(4.7)	(22.7)	(1.0)
	76.9	(85.9)	287.8	(141.4)
(Gains) losses reclassified from accumulated other comprehensive loss to:				
Net sales	—	(0.8)	(0.5)	(3.3)
Cost of sales	(15.5)	(11.8)	(2.1)	(96.1)
Interest expense, net	0.6	0.6	1.8	1.8
	(14.9)	(12.0)	(0.8)	(97.6)
Comprehensive income (loss)	$ 62.0	$ (97.9)	$ 287.0	$ (239.0)

As of September 27, 2025 and December 31, 2024, pretax net gains (losses) of $148.8 million and ($138.2) million, respectively, related to the Company's derivative instruments and hedge activities were recorded in accumulated other comprehensive loss.

During the next twelve-month period, net gains (losses) expected to be reclassified into earnings are shown below (in millions):

Foreign currency contracts	$ 77.9
Interest rate swap contracts	(2.4)
Total	$ 75.5

Such gains (losses) will be reclassified at the time that the underlying hedged transactions are realized.

Fair Value Measurements

GAAP provides that fair value is an exit price, defined as a market-based measurement that represents the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurements are based on one or more of the following three valuation techniques:

Market: This approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income: This approach uses valuation techniques to convert future amounts to a single present value amount based on current market expectations.

Cost: This approach is based on the amount that would be required to replace the service capacity of an asset (replacement cost).

Further, GAAP prioritizes the inputs and assumptions used in the valuation techniques described above into a three-tier fair value hierarchy as follows:

Level 1: Observable inputs, such as quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly for the asset or liability.

Level 3: Unobservable inputs that reflect the entity's own assumptions about the exit price of the asset or liability. Unobservable inputs may be used if there is little or no market data for the asset or liability at the measurement date.

The Company discloses fair value measurements and the related valuation techniques and fair value hierarchy level for its assets and liabilities that are measured or disclosed at fair value.

Items Measured at Fair Value on a Recurring Basis

Fair value measurements and the related valuation techniques and fair value hierarchy level for the Company's assets and liabilities measured at fair value on a recurring basis as of September 27, 2025 and December 31, 2024, are shown below (in millions):

	September 27, 2025					
	Frequency	**Asset (Liability)**	**Valuation Technique**	**Level 1**	**Level 2**	**Level 3**
Foreign currency contracts, net	Recurring	$ 155.9	Market/ Income	$ —	$ 155.9	$ —
Net investment hedge contracts	Recurring	(15.6)	Market/ Income	—	(15.6)	—
Marketable equity securities	Recurring	103.1	Market	103.1	—	—

	December 31, 2024					
	Frequency	Asset (Liability)	Valuation Technique	Level 1	Level 2	Level 3
Foreign currency contracts, net	Recurring	$ (154.2)	Market/ Income	$ —	$ (154.2)	$ —
Net investment hedge contracts	Recurring	7.1	Market/ Income	—	7.1	—
Marketable equity securities	Recurring	89.2	Market	89.2	—	—

The Company determines the fair value of its derivative contracts using quoted market prices to calculate the forward values and then discounts such forward values to the present value. The discount rates used are based on quoted bank deposit or swap interest rates. If a derivative contract is in a net liability position, the Company adjusts these discount rates, if required, by an estimate of the credit spread that would be applied by market participants purchasing these contracts from the Company's counterparties. If an estimate of the credit spread is required, the Company uses significant assumptions and factors other than quoted market rates, which would result in the classification of its derivative liabilities within Level 3 of the fair value hierarchy. As of September 27, 2025 and December 31, 2024, there were no derivative contracts that were classified within Level 3 of the fair value hierarchy. In addition, there were no transfers in or out of Level 3 of the fair value hierarchy in the first nine months of 2025.

Items Measured at Fair Value on a Non-Recurring Basis

The Company measures certain assets and liabilities at fair value on a non-recurring basis, which are not included in the table above. As these non-recurring fair value measurements are generally determined using unobservable inputs, these fair value measurements are classified within Level 3 of the fair value hierarchy.

In the nine months ended September 27, 2025 and September 28, 2024, the Company completed impairment assessments and recorded related impairment charges of $11.6 million and $5.5 million, respectively, related to its property, plant and equipment and $0.1 million and $0.9 million, respectively, related to its right-of-use assets. The fair value estimates of the related assets were based on management's estimates using a discounted cash flow method.

As of September 27, 2025, there were no additional significant assets or liabilities measured at fair value on a non-recurring basis.

(18) Accounting Pronouncements

Accounting Standards Updates ("ASU") Issued But Not Yet Adopted:

ASU 2023-09 (issued December 2023), "Improvements to Income Tax Disclosures." The ASU requires disclosure of specific categories in the effective tax rate reconciliation, as well as additional information for reconciling items that meet a quantitative threshold. It also requires disclosure of income taxes paid, net of refunds, disaggregated by federal, state and foreign taxes, and further disaggregated by jurisdiction based on a quantitative threshold. The update is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The update is to be adopted prospectively; however, retrospective application is permitted. The ASU will modify the Company's financial statement disclosures but will not have a significant impact on its consolidated financial statements.

ASU 2024-03 (issued November 2024), "Disaggregation of Income Statement Expenses." The ASU requires the disaggregation of certain expenses presented on the face of the income statement in a tabular footnote disclosure. The expense categories include purchases of inventory, employee compensation, depreciation and amortization. It also requires the definition and disclosure of selling expense, a qualitative description of expense amounts not disaggregated and inclusion of existing expense disclosures within the same tabular footnote disclosure. The update is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The update is to be adopted prospectively; however, retrospective application is permitted. The ASU will modify the Company's financial statement disclosures but is not expected to have a significant impact on its consolidated financial statements.

ASU 2025-06 (issued September 2025), "Intangibles: Targeted Improvements to the Accounting for Internal-Use Software." The ASU removes all references to project development stages and provides new guidance on evaluating whether the recognition threshold to capitalize software costs has been met. The update is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The update may be adopted prospectively, retrospectively or using a modified transition approach. The ASU will not have a significant impact on the Company's consolidated financial statements.

The Company considers the applicability and impact of all ASUs issued by the Financial Accounting Standards Board. Other recently issued accounting pronouncements are not expected to have a significant impact or are not relevant to the Company's condensed consolidated financial statements.

ITEM 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE OVERVIEW

Lear Corporation is a global automotive technology leader in Seating and E-Systems, enabling superior in-vehicle experiences for consumers around the world. We supply complete seat systems, key seat components, complete electrical distribution and connection systems, high-voltage power distribution products, including battery disconnect units ("BDUs"), low-voltage power distribution products and electronic controllers to all of the world's major automotive manufacturers.

Lear is built on a foundation and strong culture of innovation, operational excellence, and engineering and program management capabilities. We use our product and process design and technological expertise, as well as our global reach and competitive manufacturing footprint, to achieve our financial goals and objectives. These include continuing to deliver profitable growth while balancing risks and returns, investing in product and process innovations to drive business growth and profitability, maintaining a strong balance sheet with investment grade credit metrics, and consistently returning capital to our shareholders. Further, we have aligned our strategy with key trends affecting our business. At Lear, we are *Making every drive better*™ by providing technology for safer, smarter and more comfortable journeys, while adhering to our values — *Be Inclusive. Be Inventive. Get Results the Right Way.*

Our business is organized under two reporting segments: Seating and E-Systems. Each of these segments has a varied product and technology portfolio across a number of component categories. Further, we continuously evaluate this portfolio, aligning it with industry trends while balancing risk-adjusted returns, which allows us to offer value-added solutions to our customers.

Our Seating business consists of the design, development, engineering and manufacture of complete seat systems and key seat components. Our capabilities in operations and supply chain management enable synchronized assembly and just-in-time delivery of complex complete seat systems at high volumes to our customers. As the most vertically integrated global seat supplier, our key seat component product offerings include seat trim covers; surface materials such as leather and fabric; seat mechanisms; seat foam; headrests; and thermal comfort systems such as seat heating, ventilation, active cooling, pneumatic lumbar and massage products. All of these products are compatible with traditional internal combustion engine ("ICE") architectures and electrified powertrains, including the full range of hybrid, plug-in hybrid and battery electric architectures. Our thermal comfort systems are facilitated by our seat system, component and integration capabilities, together with our competencies in electronics, sensors, software and algorithms.

Our E-Systems business consists of the design, development, engineering and manufacture of complete electrical distribution and connection systems; high-voltage power distribution products, including BDUs; and low-voltage power distribution products and electronic controllers. These capabilities enable us to provide our customers with customizable solutions with optimized designs at competitive costs for both low-voltage and high-voltage vehicle architectures.

- Electrical distribution and connection systems utilize low-voltage and high-voltage wire, high-speed data cables and flat wiring to connect networks and electrical signals and manage electrical power within the vehicle for all types of powertrains – from traditional ICE architectures to the full range of electrified powertrains that require management of higher voltage and power. Key components of our electrical distribution and connection systems portfolio include wire harnesses, terminals and connectors, high-voltage battery connection systems and engineered components.
- High-voltage battery connection systems include intercell connect boards, bus bars and main battery connection systems. High-voltage power distribution products control the flow and distribution of high-voltage power throughout electrified vehicles and include BDUs which control all electrical energy flowing into and out of high-voltage batteries in electrified vehicles.
- Low-voltage power distribution products and electronic controllers facilitate signal, data and/or power management within the vehicle and include the associated software required to facilitate these functions. Key components of this portfolio include zonal controllers, body domain control modules and low-voltage and high-voltage power distribution modules. Our software offerings include embedded control, cybersecurity software and software to control hardware devices. Our customers traditionally have sourced our electronic hardware together with the software that we integrate and embed in it.

We serve all of the world's major automotive manufacturers through both our Seating and E-Systems businesses, and we have automotive content on more than 480 vehicle nameplates worldwide. It is common for us to have both seating and electrical and/or electronic content on the same vehicle platform.

Our businesses benefit globally from leveraging common operating standards and disciplines, including world-class product development and manufacturing processes, as well as common customer support and regional infrastructures, all of which contribute to our reputation for operational excellence. Our core capabilities are shared across component categories and include high-precision manufacturing and assembly with short lead times, complex, global supply chain management, global engineering and program management, the agility to establish and/or transfer production between facilities quickly, and a unique, customer-focused culture. In select instances, we are able to manufacture both Seating and E-Systems components in the same facility. Our businesses also utilize proprietary, industry-specific processes and standards, leverage common low-cost engineering centers and share centralized operating support functions. These functions include health and safety, logistics, quality, supply chain management and all major administrative functions, such as corporate finance, executive administration, human resources, information technology and legal. We continue to build on our reputation for operational excellence through organic and inorganic investments in automation and other advanced manufacturing technologies and the digital transformation of both our operations and administrative functions. These investments and this transformation involve the integration of new technologies, such as Industrial Internet of Things (IIoT), cloud computing, artificial intelligence (AI), machine learning and advanced automation, into production facilities and business operations. These technologies enable smart and automated machines and smart factories to communicate, analyze and optimize products and processes, resulting in higher efficiency, quality and responsiveness to customers.

Through our products, processes, technology and strategic initiatives, we are well-positioned to capitalize on business growth opportunities. We are focused on profitably growing our businesses and have implemented a strategy designed to deliver industry-leading, long-term financial returns. This strategy is based on the following four pillars designed to drive growth and profitability in both of our business segments:

- Extend our market leadership position in Seating with priceable features, including modularity and thermal comfort systems;
- Transform our E-Systems business through accelerated growth in connection systems and vehicle architecture evolution and electrification;
- Build on our reputation for operational excellence through organic and inorganic investments in automation and digital technologies; and
- Prioritize people and the planet through our sustainability initiatives to drive business growth, cost reductions and improved employee retention.

IDEA by Lear - Innovative. Digital. Engineered. Automated. - supports our strategy to drive growth and improve profitability. IDEA reflects our commitment to continue to strengthen our competitive position in both of our business segments through the development of innovative products and the utilization of advanced technologies and process automation that improve our profitability through increased efficiency and extend our leadership position in operational excellence. Our investments in these technologies and the digital transformation of both our operations and administrative functions aim to improve profitability through process improvements and further efficiency gains.

For further information related to our strategy, see Item 1, "Business," in our Annual Report on Form 10-K for the year ended December 31, 2024.

Industry Overview

We supply all vehicle segments of the automotive light vehicle original equipment market in every major automotive producing region in the world. Our sales are driven by the number of vehicles produced by the automotive manufacturers and our content per vehicle. Due to the interconnectedness of the global economy, policy changes in one area of the world can have an immediate and material impact on markets around the world.

Since his inauguration in January 2025, U.S. President Donald J. Trump has announced various tariffs that impact industries around the world, including the automotive industry. As of the date of this Report, the tariffs announced or implemented by the current U.S. administration that could adversely impact our business include:

- 25% tariff on imports of automobiles and certain automobile parts into the United States from all countries (with respect to automotive parts, the "Automobile Parts Tariff"). Automobile parts that meet specific rules of origin under the United States-Mexico-Canada Agreement ("USMCA" and "USMCA-qualifying") are currently exempt from the Automobile Parts Tariff; however, this exemption could be modified in the future to include only the U.S. content of USMCA-qualifying automobile parts. The U.S. administration has been negotiating agreements with several countries. It has reached agreements with the United Kingdom, the European Union, Japan and South Korea that include reductions in the Automobile Parts Tariff to 10% (inclusive of existing duties) for the United Kingdom and 15% (inclusive of existing duties) for the European Union, Japan and South Korea.

- 50% tariff on all steel and aluminum imports into the United States from all countries (the "Steel/Aluminum Tariff"). The Steel/Aluminum Tariff does not apply to goods subject to the Automobile Parts Tariff. This tariff was increased from 25% to 50%, except for imports from the United Kingdom (which remained at 25%), effective June 4, 2025.
- 25% tariff on all imports into the United States from Mexico and Canada except for USMCA-qualifying goods (the "Mexico/Canada Tariff"). The Mexico/Canada Tariff does not apply to goods subject to the Automobile Parts Tariff or the Steel/Aluminum Tariff. On July 10, 2025, President Trump announced a 35% tariff on all imports into the United States from Canada effective August 1, 2025, and on July 12, 2025, announced a 30% tariff on all imports into the United States from Mexico effective August 1, 2025, implementation of which was suspended on July 31, 2025. Although the exception for USMCA-qualifying goods is expected to remain in place, this has not yet been confirmed by the current U.S. administration.
- Incremental 20% tariff on all imports into the United States from China (the "China Tariff"). On October 30, 2025, President Trump announced a 10% reduction in the China Tariff.
- 10% tariff on all imports into the United States from all countries that are not subject to the Automobile Parts, Mexico/Canada or Steel/Aluminum Tariffs. Certain country-specific tariffs replaced the 10% tariffs effective August 7, 2025 (the "Reciprocal Tariffs"). The China Reciprocal Tariff of 125% was reduced to 10% effective May 14, 2025 through November 10, 2025, and is additive to the China Tariff discussed above. In addition, various country-specific proposals and agreements have been or are being negotiated directly with the affected countries.
- 50% tariff on copper imports into the United States effective August 1, 2025 (the "Copper Tariff"). The scope of this tariff includes all imports of semi-finished copper and intensive copper derivative products. The tariff does not apply to raw forms of copper, anode or cathode material, or copper scrap.

Although U.S. tariffs did not have a material impact on our operating performance in the first nine months of 2025, the impact of the tariffs noted above could adversely affect our future financial condition and operating results absent recovery of such costs from our customers or the success of other mitigating actions.

The vast majority of products in both our Seating and E-Systems businesses are USMCA-qualifying and therefore are currently exempt from the Mexico/Canada Tariff. Further, the vast majority of products in our Seating business are not currently subject to the Automobile Parts Tariff. However, the Automobile Parts Tariff does apply to the wire harnesses we assemble in our E-Systems business and import into the United States. While the wire harnesses we import from Mexico are USMCA-qualifying and currently exempt from the Automobile Parts Tariff, the wire harnesses we import from Honduras are subject to such tariff, which materially impacts cost of sales in our E-Systems business. Moreover, if the exemption under the Automobile Parts Tariff is modified to include only the U.S. content of USMCA-qualifying goods, this tariff also could materially impact cost of sales in our E-Systems business with respect to wire harnesses we import from Mexico. Although a less substantial impact than the Automobile Parts Tariff, the Mexico/Canada, Steel/Aluminum, China, Reciprocal and Copper Tariffs could impact our cost of sales relating to certain non-USMCA-qualifying goods imported from Mexico, small steel and aluminum parts imported globally, goods imported from China, goods subject to Reciprocal Tariffs and copper imports subject to the Copper Tariff. In addition to these impacts on our cost of sales, the aforementioned tariffs, separately or in the aggregate, could materially impact our net sales and other aspects of our financial performance, if they negatively impact vehicle production volumes or result in disruptions in the supply chain, including disruptions with respect to our customers or suppliers.

In addition to tariffs, the U.S. and foreign governments have implemented sanctions, export controls and other restrictions on trade that impact industries around the world, including the automotive industry. For example, China recently implemented restrictions on the export of rare earth materials originating in China (some of which have since been paused for one year), as well as restrictions on the export of certain semiconductors and other electronic components that are used by us and throughout the automotive industry. We are monitoring the potential disruption to automotive industry supply chains as a result of these actions.

The actual impacts of these tariffs and other trade restrictions on our business, financial condition and results of operations are subject to a number of factors that are not yet known or are subject to change, including the effect such tariffs and restrictions may have on consumer demand and global automotive production volumes, the effective dates and duration of such tariffs and restrictions, future changes in the amounts and scope of tariffs, the potential withdrawal of such tariffs and restrictions in whole or in part, the scope and effective date of any exemptions to such tariffs or restrictions, any modification to existing exemptions to the tariffs or restrictions, countermeasures that the target countries may take in response to such tariffs and restrictions, and the impact such tariffs and restrictions may have on our customers and our supply chain. We have entered into contractual agreements with our customers to recover substantially all tariff costs incurred to date and are implementing certain actions, and considering others, to counter the potential impact of such tariffs on our business, financial condition and results of operations, including, without limitation, participating in efforts to inform the U.S. and certain foreign administrations and legislatures of the impact of current trade and tariff policies on the automotive industry and evaluating our production footprint and alternatives in our supply chain. However, we can provide no assurance that we will continue to be successful in recovering such costs from our customers or that any of these mitigating actions will be successful or will not disrupt and deteriorate our business, operations and financial performance. We also can provide no assurance that, despite the success of our mitigation efforts, our customers' production will not be adversely impacted by these government actions, or that any decreases in our customers' production as a result of such actions will not in turn adversely impact our business, financial condition and results of operations.

For risks related to tariffs and other trade restrictions, see Part II — Item 1A, "Risk Factors," included in this Report and Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024.

Although industry production returned to pre-pandemic levels in 2023, industry production in 2024 remained approximately 5% below 2017 peak levels, and 2024 industry production levels in North America and Europe, our two largest markets, remained approximately 9% and 23%, respectively, below prior peak levels. In the third quarter of 2025, industry production was impacted by production disruptions at Jaguar Land Rover due to a cybersecurity incident (the "JLR production disruption"). Industry production in 2025 is expected to increase 2% as compared to 2024 (based on October 2025 S&P Global Mobility projections). On a Lear sales-weighted basis[(1)], industry production in 2025 is expected to be flat as compared to 2024. Since 2020, the global economy, as well as the automotive industry, have been influenced directly and indirectly by macroeconomic events resulting in unfavorable conditions, including increases in tariffs, shortages of semiconductor chips and other components, elevated inflation levels on commodities and labor, higher interest rates, and labor and energy shortages in certain markets. Certain of these factors, among others, continue to impact consumer demand. Our strategy to mitigate these impacts encompasses our comprehensive cost management process, including cost technology optimization, actions to further align our manufacturing capacity to the current industry production environment and investments in automation and other advanced manufacturing technologies, as well as commercial recovery mechanisms. This will allow us to enhance operational efficiencies, improve the utilization of existing facilities and equipment to reduce future expenditures, and streamline administrative functions.

(1) The production change on a Lear sales-weighted basis is calculated using Lear's prior year regional sales mix. Management believes this provides a more meaningful comparison of our global revenue growth relative to global vehicle production.

For a description of related risks, see Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024.

Global automotive industry production volumes in the first nine months of 2025, as compared to the first nine months of 2024, are shown below (in thousands of units):

	Nine Months Ended		
	September 27, 2025 [(2)]	**September 28, 2024** [(2) (3)]	**% Change**
North America	11,672.3	11,834.4	(1)%
Europe and Africa	12,910.1	13,185.2	(2)%
Asia	38,541.6	35,825.5	8 %
South America	2,214.2	2,115.2	5 %
Other	1,310.8	1,286.3	2 %
Global light vehicle production	66,649.0	64,246.6	4 %

(2) Production data based on S&P Global Mobility
(3) Production data for 2024 has been updated from our third quarter 2024 Quarterly Report on Form 10-Q to reflect actual production levels

Automotive sales and production can also be affected by the age of the vehicle fleet and related scrappage rates, labor relations issues, labor shortages, fuel prices, regulatory requirements, government initiatives and incentives, trade agreements, tariffs and other non-tariff trade barriers (including recent U.S. tariffs imposed or threatened to be imposed on Mexico, Canada and China, as well as other countries and any retaliatory actions taken by such countries), the availability and cost of credit, the availability and cost of raw materials and critical components, and logistics issues, as well as vehicle affordability and consumer preferences regarding vehicle powertrains (including preferences regarding hybrid and electric vehicles), size, configuration and features, among other factors. The impact of potential tariffs on our business and financial condition, if any, is subject to a number of factors that are not yet known, including the effective date and duration of such tariffs, the scope and nature of any tariffs, the amount of any tariffs, any countermeasures that the target countries may take in response to such tariffs. In light of these uncertainties, we can provide no assurance that any mitigating actions that may become available to us, such as our ability to pass along some or all of the costs of any tariffs to some or all of our customers, will continue to be successful. Our sales and production may be further affected by new entrants to the industry, including Chinese domestic automakers and non-traditional automakers in certain regions, and the restructuring actions, including facility closures, of our customers and suppliers. Our operating results are also significantly impacted by the overall commercial success of the vehicle platforms for which we supply particular products, as well as the profitability of the products that we supply for these platforms, which is determined, in part, by the level of vertical integration. The loss of business with respect to any vehicle model for which we are a significant supplier, or a decrease in the production levels of any such models, could adversely affect our operating results. In addition, larger cars and light trucks, as well as vehicle platforms that offer more features and functionality, such as luxury, sport utility and crossover vehicles, typically have more content and, therefore, tend to have a more significant impact on our operating results.

Our percentage of consolidated net sales by region in the first nine months of 2025 and 2024 is shown below:

	Nine Months Ended	
	September 27, 2025	September 28, 2024
North America	42 %	42 %
Europe and Africa	35 %	36 %
Asia	19 %	18 %
South America	4 %	4 %
Total	100 %	100 %

Our ability to reduce the risks inherent in certain concentrations of our business, and thereby maintain our financial performance in the future, will depend, in part, on our ability to continue to diversify our sales on a customer, product, platform and geographic basis to better reflect the market overall.

The automotive industry, and our business, continue to be shaped by the broad trend of electrification. The adoption of electrified vehicles has been slower than anticipated in certain regions. Demand for, and regulatory developments related to, improved energy efficiency and sustainability (e.g., government mandates related to fuel economy and carbon emissions) could also have a significant impact on this trend.

Our material cost as a percentage of net sales was 63.5% in the first nine months of 2025, as compared to 64.2% in the first nine months of 2024. Raw material, energy, commodity and product component costs can be volatile, reflecting, among other things, changes in supply and demand, logistics issues, global trade and tariff policies (including recent U.S. tariffs imposed or threatened to be imposed on Mexico, Canada and China, as well as other countries and any retaliatory actions taken by such countries), and geopolitical issues. Our primary commodity cost exposures relate to steel, copper and leather. We have developed and implemented strategies to mitigate the impact of increases in such costs through the selective in-sourcing of components, the continued consolidation of our supply base, longer-term purchase commitments, commercial recovery mechanisms and the selective expansion of low-cost country sourcing and engineering, as well as value engineering and product benchmarking. Further, our exposure to changes in steel prices is primarily indirect, through purchased components, and a significant portion of our copper, leather and direct steel purchases are subject to price index agreements with our customers and suppliers. Certain of these strategies also may limit our opportunities in a declining price environment. In the current environment of elevated raw material, energy, commodity and product component costs, these strategies, together with commercial negotiations with our customers and suppliers, have offset a significant portion of the adverse impact. In addition, the availability of raw materials, energy, commodities and product components fluctuates from time to time due to factors outside of our control. If these costs increase or availability is restricted, it could have an adverse impact on our operating results in the foreseeable future. See "— Forward-Looking Statements" below and Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024.

Our customers typically require us to reduce our prices over the life of a vehicle model and, at the same time, assume significant responsibility for the design, development and engineering of our products. Our financial performance is largely dependent on our ability to offset these price reductions with product cost reductions through product design enhancements, supply chain management, manufacturing efficiencies and restructuring actions. We also seek to enhance our financial performance by investing in product development, design capabilities and new product initiatives that respond to and anticipate the needs of our customers and consumers. We continually evaluate operational and strategic alternatives to improve our business structure and align our business with the changing needs of our customers and major industry trends affecting our business.

Financial Measures

In evaluating our financial condition and operating performance, we focus primarily on earnings, operating margins, cash flows and return on invested capital. Our strategy includes expanding our business with new and existing customers globally through new products.

Our success in generating cash flow will depend, in part, on our ability to manage working capital effectively. Working capital can be significantly impacted by the timing of cash flows from sales, purchases, and tariffs costs and recoveries. Historically, we generally have been successful in aligning our supplier payment terms with our customer payment terms. However, our ability to continue to do so may be impacted by adverse automotive industry conditions, including inconsistent production schedules due to supply shortages and lower consumer demand, changes to our customers' payment terms and the financial condition of our suppliers. In addition, our cash flow is impacted by our ability to manage our inventory and capital spending effectively. We utilize return on invested capital as a measure of the efficiency with which our assets generate earnings. Improvements in our return on invested capital will depend on our ability to maintain an appropriate asset base for our business and to increase productivity and operating efficiency.

Acquisition

In February 2025, we completed the acquisition of StoneShield Engineering ("StoneShield"), a privately held system integrator based in Castelo Branco, Portugal. StoneShield specializes in the design and development of automation technology for the wire harness industry with expertise in robotics, automated taping applications and high voltage harness assembly. Our acquisition of StoneShield will accelerate the automation of our production processes in our E-Systems business, further improving our efficiency and operational excellence.

Operational Restructuring

In the first nine months of 2025, we incurred pretax restructuring costs of $156 million and related manufacturing inefficiency charges of approximately $3 million, as compared to pretax restructuring costs of $108 million and related manufacturing inefficiency charges of approximately $4 million in the first nine months of 2024. None of the individual restructuring actions initiated in the first nine months of 2025 were material. Further, there have been no changes in previously initiated restructuring actions that have resulted (or will result) in a material change to our restructuring costs.

Our restructuring actions include plant closures and workforce reductions and are initiated to maintain our competitive footprint or are in response to customer initiatives or changes in global and regional automotive markets. Our restructuring actions are designed to maintain or improve our operating results and profitability throughout the automotive industry cycles. Restructuring actions are generally funded within twelve months of initiation and are funded by cash flows from operating activities and existing cash balances. We expect to incur approximately $31 million of additional restructuring costs related to activities initiated as of September 27, 2025, all of which are expected to be incurred in the next twelve months. We plan to implement additional restructuring actions in order to align our manufacturing capacity and other costs with prevailing regional automotive production levels. Such future restructuring actions are dependent on market conditions, customer actions and other factors.

For further information, see Note 2, "Restructuring," to the condensed consolidated financial statements included in this Report.

Financial Transaction

In June 2025, we amended our unsecured delayed-draw term loan facility (the "Term Loan") to extend the maturity date to September 30, 2027, and reduce the pricing across the grid. As of September 27, 2025, we had $100 million outstanding under the Term Loan.

In July 2025, we amended and restated our $2.0 billion unsecured revolving credit agreement ("the Credit Agreement") to extend the maturity date to July 24, 2030.

Common Stock Share Repurchase Program and Quarterly Cash Dividends

We may implement share repurchases through a variety of methods, including, but not limited to, open market purchases, accelerated stock repurchase programs and structured repurchase transactions. The extent to which we may repurchase our outstanding common stock and the timing of such repurchases will depend upon our financial condition, results of operations, capital requirements, prevailing market conditions, alternative uses of capital and other factors. See "— Forward-Looking Statements" below.

Since the first quarter of 2011, our Board of Directors (the "Board") has authorized $6.7 billion in share repurchases under our common stock share repurchase program (the "Repurchase Program"). As of September 27, 2025, we have repurchased, in aggregate, $5.7 billion of our outstanding common stock, at an average price of $94.68 per share, excluding commissions and related fees, and have a remaining repurchase authorization of $0.9 billion, which expires on December 31, 2026. In the first nine months of 2025, we repurchased $150 million of our outstanding common stock.

Our Board declared a quarterly cash dividend of $0.77 per share of common stock in the first, second and third quarters of 2025.

For further information related to our common stock share repurchase program and our quarterly cash dividends, see "— Liquidity and Capital Resources — Capitalization" below and Note 14, "Comprehensive Income and Equity," to the condensed consolidated financial statements included in this Report.

Other Matters

In the three and nine months ended September 27, 2025, we recognized net tax benefits of $2 million and $26 million, respectively, related to the release of tax reserves at foreign subsidiaries, restructuring charges and various other items.

In the three and nine months ended September 28, 2024, we recognized net tax benefits of $5 million and $28 million, respectively, related to the release of tax reserves and audit settlements at foreign subsidiaries, restructuring charges and various other items.

Our results for the three and nine months ended September 27, 2025 and September 28, 2024, reflect the following items (in millions):

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Costs related to restructuring actions, including manufacturing inefficiencies of $1 million and $3 million in the three and nine months ended September 27, 2025, respectively, and $2 million and $4 million in the three and nine months ended September 28, 2024, respectively	$ 39	$ 26	$ 159	$ 112
Acquisition costs	—	—	—	1
(Gain) loss related to disposal of a non-core business	(1)	—	3	—
Disposal costs	—	—	1	—
Debt refinancing	—	—	1	—
Costs related to CrowdStrike Holdings, Inc.	—	4	—	4
Impairments (recoveries) related to Fisker Inc. ("Fisker"), net	—	—	(1)	15
Recoveries related to Russian operations, net	—	(3)	(1)	(2)
Foreign exchange (gains) losses due to foreign exchange volatility related to Russia	(1)	(2)	2	(1)
Loss related to affiliate	—	—	—	2
Tax benefit, net	(2)	(5)	(26)	(28)

For further information regarding these items, see Note 2, "Restructuring," Note 5, "Long-Lived Assets," Note 7, "Debt," and Note 12, "Income Taxes," to the condensed consolidated financial statements included in this Report.

This Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," includes forward-looking statements that are subject to risks and uncertainties. For further information regarding these and other factors that have had, or may have in the future, a significant impact on our business, financial condition or results of operations, see "— Forward-Looking Statements" below, Part II — Item 1A, "Risk Factors," included in this Report and Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024.

RESULTS OF OPERATIONS

A summary of our operating results in millions of dollars and as a percentage of net sales is shown below:

	Three Months Ended				Nine Months Ended			
	September 27, 2025		September 28, 2024		September 27, 2025		September 28, 2024	
Net sales								
Seating	$ 4,249.6	74.8 %	$ 4,111.8	73.6 %	$ 12,874.6	74.5 %	$ 13,036.4	74.1 %
E-Systems	1,430.2	25.2	1,472.6	26.4	4,395.9	25.5	4,555.0	25.9
Net sales	5,679.8	100.0	5,584.4	100.0	17,270.5	100.0	17,591.4	100.0
Cost of sales	5,316.1	93.6	5,179.1	92.7	16,108.5	93.3	16,339.2	92.9
Gross profit	363.7	6.4	405.3	7.3	1,162.0	6.7	1,252.2	7.1
Selling, general and administrative expenses	166.4	2.9	174.1	3.1	525.1	3.0	535.9	3.0
Amortization of intangible assets	4.8	0.1	10.7	0.2	14.7	0.1	38.5	0.2
Interest expense, net	24.6	0.4	26.5	0.5	75.8	0.4	79.5	0.5
Other expense, net	8.5	0.2	3.4	0.1	34.1	0.2	24.3	0.1
Provision for income taxes	45.1	0.8	47.1	0.8	131.9	0.8	133.8	0.8
Equity in net income of affiliates	(12.1)	(0.2)	(12.5)	(0.2)	(40.4)	(0.3)	(37.1)	(0.2)
Net income attributable to noncontrolling interests	18.2	0.3	20.2	0.4	66.7	0.4	58.8	0.3
Net income attributable to Lear	$ 108.2	1.9 %	$ 135.8	2.4 %	$ 354.1	2.1 %	$ 418.5	2.4 %

Three Months Ended September 27, 2025 vs. Three Months Ended September 28, 2024

Net sales in the third quarter of 2025 were $5.7 billion, as compared to $5.6 billion in the third quarter of 2024, an increase of $95 million or 2%. The impact of foreign exchange rate fluctuations increased net sales by $101 million. Higher production volumes on Lear platforms in North America and new business in Asia and South America also increased net sales by $99 million and $93 million, respectively. These increases were offset by lower production volumes on Lear platforms in Europe/Africa and Asia (including the JLR production disruption) and the winddown and divestiture of certain businesses, which negatively impacted net sales by $234 million and $70 million, respectively. Commercial recoveries were partially offset by the impact of selling price reductions.

(in millions)	Cost of Sales
Third quarter 2024	$ 5,179.1
Material cost	99.0
Labor cost	4.1
Depreciation	6.0
Other	27.9
Third quarter 2025	$ 5,316.1

Cost of sales was $5.3 billion in the third quarter of 2025, as compared to $5.2 billion in the third quarter of 2024. The impact of foreign exchange rate fluctuations and new business increased cost of sales. These increases were partially offset by lower production volumes on Lear platforms (including the JLR production disruption) and the winddown and divestiture of certain businesses, which reduced cost of sales.

Gross profit and gross margin were $364 million and 6.4% of net sales, respectively, in the third quarter of 2025, as compared to $405 million and 7.3% of net sales, respectively, in the third quarter of 2024. Lower production volumes on Lear platforms (including the JLR production disruption), net of new business, reduced gross profit by $49 million. The impact of favorable operating performance, including the benefit of restructuring actions, was offset by selling price reductions, higher restructuring costs, and the winddown and divestiture of certain businesses. These factors had a corresponding impact on gross margin.

Selling, general and administrative expenses, including engineering and development expenses, were $166 million in the third quarter of 2025, as compared to $174 million in the third quarter of 2024, primarily reflecting lower program development costs. As a percentage of net sales, selling, general and administrative expenses were 2.9% in the third quarter of 2025, as compared to 3.1% in the third quarter of 2024.

Amortization of intangible assets was $5 million in the third quarter of 2025, as compared to $11 million in the third quarter of 2024, as certain of our intangible assets became fully amortized in 2024.

Interest expense, net was $25 million in the third quarter of 2025, as compared to $27 million in the third quarter of 2024.

Other expense, net, which includes non-income related taxes, foreign exchange gains and losses, gains and losses related to certain derivative instruments and hedging activities, gains and losses on certain disposals of assets, the non-service cost components of net periodic benefit cost and other miscellaneous income and expense, was $9 million in the third quarter of 2025, as compared to $3 million in the third quarter of 2024. In the third quarter of 2025 and 2024, we recognized foreign exchange losses of $9 million and $6 million, respectively, including losses of $4 million in each quarter related to the hyper-inflationary environment and significant currency devaluation in Argentina.

In the third quarter of 2025, the provision for income taxes was $45 million, representing an effective tax rate of 28.3% on pretax income before equity in net income of affiliates of $159 million. In the third quarter of 2024, the provision for income taxes was $47 million, representing an effective tax rate of 24.7% on pretax income before equity in net income of affiliates of $191 million, for the reasons described below. For further information, see Note 12, "Income Taxes," to the condensed consolidated financial statements included in this Report.

In the third quarters of 2025 and 2024, the provision for income taxes was primarily impacted by the level and mix of earnings among tax jurisdictions. In the third quarter of 2025 and 2024, we recognized net tax benefits of $2 million and $5 million, respectively, related to restructuring charges and various other items.

Excluding these items, the effective tax rate for the third quarters of 2025 and 2024 approximated the U.S. federal statutory income tax rate of 21%, adjusted for income taxes on foreign earnings, losses and remittances, valuation allowances, tax credits, income tax incentives and other permanent items.

Equity in net income of affiliates was $12 million in the third quarter of 2025, as compared to $13 million in the third quarter of 2024.

Net income attributable to Lear was $108 million, or $2.02 per diluted share, in the third quarter of 2025, as compared to $136 million, or $2.41 per diluted share, in the third quarter of 2024. Net income and diluted net income per share decreased for the reasons described above.

Reportable Operating Segments

We have two reportable operating segments: Seating and E-Systems. For a description of our reportable operating segments, see "Executive Overview" above.

The financial information presented below is for our two reportable operating segments and our other category for the periods presented. The other category includes unallocated costs related to corporate headquarters, regional headquarters and the elimination of intercompany activities, none of which meets the requirements for being classified as an operating segment. Corporate and regional headquarters costs include various support functions, such as information technology, advanced research and development, corporate finance, legal, executive administration and human resources. Financial measures regarding each segment's pretax income before equity in net income of affiliates, interest expense, net and other expense, net ("segment earnings") and segment earnings divided by net sales ("margin") are not measures of performance under accounting principles generally accepted in the United States ("GAAP"). Segment earnings and the related margin are used by management to evaluate the performance of our reportable operating segments. Segment earnings should not be considered in isolation or as a substitute for net income attributable to Lear, net cash provided by operating activities or other income statement or cash flow statement data prepared in accordance with GAAP or as measures of profitability or liquidity. In addition, segment earnings, as we determine it, may not be comparable to related or similarly titled measures reported by other companies.

For a reconciliation of consolidated segment earnings to consolidated income before provision for income taxes and equity in net income of affiliates, see Note 16, "Segment Reporting," to the condensed consolidated financial statements included in this Report.

Seating

A summary of the financial measures for our Seating segment is shown below (dollar amounts in millions):

	Three Months Ended	
	September 27, 2025	September 28, 2024
Net sales	$ 4,249.6	$ 4,111.8
Segment earnings [1]	237.6	242.4
Margin	5.6 %	5.9 %

[1] See definition above

Seating net sales were $4.2 billion in the third quarter of 2025, as compared to $4.1 billion in the third quarter of 2024, an increase of $138 million or 3%. The impact of foreign exchange rate fluctuations and new business increased net sales by $70 million and $42 million, respectively. These increases were offset by lower production volumes on Lear platforms (including the JLR production disruption) and the divestiture of certain businesses, which negatively impacted net sales by $48 million and $23 million, respectively. Commercial recoveries were partially offset by the impact of selling price reductions.

Segment earnings, including restructuring costs, and the related margin on net sales were $238 million and 5.6% in the third quarter of 2025, as compared to $242 million and 5.9% in the third quarter of 2024. Lower production volumes on Lear platforms (including the JLR production disruption), net of new business, reduced segment earnings by $27 million. The impact of favorable operating performance, including the benefit of operational restructuring actions, was partially offset by selling price reductions and higher restructuring costs.

E-Systems

A summary of financial measures for our E-Systems segment is shown below (dollar amounts in millions):

	Three Months Ended	
	September 27, 2025	September 28, 2024
Net sales	$ 1,430.2	$ 1,472.6
Segment earnings [1]	41.0	65.3
Margin	2.9 %	4.4 %

[1] See definition above

E-Systems net sales were $1.4 billion in the third quarter of 2025, as compared to $1.5 billion in the third quarter of 2024, a decrease of $42 million or 3%. Lower production volumes on Lear platforms (including the JLR production disruption) and the winddown and divestiture of certain businesses reduced net sales by $88 million and $47 million, respectively. These decreases were partially offset by the impact of foreign exchange rate fluctuations and new business, which favorably impacted net sales by $31 million and $27 million, respectively. Commercial recoveries were partially offset by the impact of selling price reductions.

Segment earnings, including restructuring costs, and the related margin on net sales were $41 million and 2.9% in the third quarter of 2025, as compared to $65 million and 4.4% in the third quarter of 2024. Lower production volumes on Lear platforms (including the JLR production disruption), net of new business, reduced segment earnings by $22 million. The impact of favorable operating performance, including the benefit of operational restructuring actions, was offset by selling price reductions and higher restructuring costs.

A summary of financial measures for our other category, which is not an operating segment, is shown below (dollar amounts in millions):

	Three Months Ended	
	September 27, 2025	September 28, 2024
Net sales	$ —	$ —
Segment earnings [1]	(86.1)	(87.2)
Margin	N/A	N/A

[1] See definition above

Segment earnings related to our other category were ($86) million in the third quarter of 2025, as compared to ($87) million in the third quarter of 2024.

Nine Months Ended September 27, 2025 vs. Nine Months Ended September 28, 2024

Net sales for the nine months ended September 27, 2025 were $17.3 billion, as compared to $17.6 billion for the nine months ended September 28, 2024, a decrease of $321 million or 2%. Lower production volumes on Lear platforms in Europe/Africa, North America and Asia (including the JLR production disruption) reduced net sales by $773 million. The winddown and divestiture of certain businesses also reduced net sales by $270 million. These decreases were offset by new business in Asia and North and South Americas and the impact of foreign exchange rate fluctuations, which favorably impacted net sales by $335 million and $64 million, respectively. Commercial recoveries were partially offset by the impact of selling price reductions.

(in millions)	Cost of Sales
First nine months of 2024	$ 16,339.2
Material cost	(183.6)
Labor cost	(131.4)
Depreciation	10.2
Other	74.1
First nine months of 2025	$ 16,108.5

Cost of sales was $16.1 billion in the first nine months of 2025, as compared to $16.3 billion in the first nine months of 2024. Lower production volumes on Lear platforms (including the JLR production disruption) and the winddown and divestiture of certain businesses reduced cost of sales. These decreases were partially offset by new business and the impact of foreign exchange rate fluctuations, which increased cost of sales.

Gross profit and gross margin were $1,162 million and 6.7% of net sales, respectively, in the nine months ended September 27, 2025, as compared to $1,252 million and 7.1% of net sales, respectively, in the nine months ended September 28, 2024. Lower production volumes on Lear platforms (including the JLR production disruption), net of new business, reduced gross profit by $166 million. The impact of favorable operating performance, including the benefit of restructuring actions, was partially offset by selling price reductions, higher restructuring costs and the winddown and divestiture of certain businesses. These factors had a corresponding impact on gross margin.

Selling, general and administrative expenses, including engineering and development expenses, were $525 million in the first nine months of 2025, as compared to $536 million in the first nine months of 2024, reflecting lower program development costs. As a percentage of net sales, selling, general and administrative expenses were 3.0% in the first nine months of 2025 and 2024.

Amortization of intangible assets was $15 million in the first nine months of 2025, as compared to $39 million in the first nine months of 2024, as certain of our intangible assets became fully amortized in 2024.

Interest expense, net was $76 million in the first nine months of 2025, as compared to $80 million in the first nine months of 2024.

Other expense, net, which includes non-income related taxes, foreign exchange gains and losses, gains and losses related to certain derivative instruments and hedging activities, gains and losses on certain disposals of assets, the non-service cost components of net periodic benefit cost and other miscellaneous income and expense, was $34 million in the nine months ended September 27, 2025, as compared to $24 million in the nine months ended September 28, 2024. In the first nine months of 2025, we recognized a loss of $3 million on the disposal of a non-core business. In the first nine months of 2025 and 2024, we recognized foreign exchange losses of $26 million and $24 million, respectively, including losses of $9 million and $14 million, respectively, related to the hyper-inflationary environment and significant currency devaluation in Argentina.

For the nine months ended September 27, 2025, the provision for income taxes was $132 million, representing an effective tax rate of 25.7% on pretax income before equity in net income of affiliates of $512 million. For the nine months ended September 28, 2024, the provision for income taxes was $134 million, representing an effective tax rate of 23.3% on pretax income before equity in net income of affiliates of $574 million, for reasons described below. For further information, see Note 12, "Income Taxes," to the condensed consolidated financial statements included in this Report.

In the first nine months of 2025 and 2024, the provision for income taxes was primarily impacted by the level and mix of earnings among tax jurisdictions. In the first nine months of 2025, we recognized net tax benefits of $26 million related to the release of tax reserves at foreign subsidiaries, restructuring charges and various other items. In the first nine months of 2024, we recognized net tax benefits of $28 million related to the release of tax reserves and audit settlements at foreign subsidiaries, restructuring charges and various other items.

Excluding these items, the effective tax rate for the first nine months of 2025 and 2024 approximated the U.S. federal statutory income tax rate of 21%, adjusted for income taxes on foreign earnings, losses and remittances, valuation allowances, tax credits, income tax incentives and other permanent items.

Equity in net income of affiliates was $40 million in the first nine months of 2025, as compared to $37 million in the first nine months of 2024.

Net income attributable to Lear was $354 million, or $6.56 per diluted share, in the nine months ended September 27, 2025, as compared to $419 million, or $7.33 per diluted share, in the nine months ended September 28, 2024. Net income and diluted net income per share decreased for the reasons described above.

Reportable Operating Segments

We have two reportable operating segments: Seating and E-Systems. For a description of our reportable operating segments, see "Executive Overview" and "Three Months Ended September 27, 2025 vs. Three Months Ended September 28, 2024 — Reportable Operating Segments" above.

<u>Seating</u>

A summary of the financial measures for our Seating segment is shown below (dollar amounts in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Net sales	$ 12,874.6	$ 13,036.4
Segment earnings [1]	737.8	760.0
Margin	5.7 %	5.8 %

[1] See definition above

Seating net sales were $12.9 billion for the nine months ended September 27, 2025, as compared to $13.0 billion for the nine months ended September 28, 2024, a decrease of $162 million or 1%. Lower production volumes on Lear platforms (including the JLR production disruption) and the divestiture of certain businesses reduced net sales by $515 million and $84 million, respectively. These decreases were offset by new business and the impact of foreign exchange rate fluctuations, which favorably impacted net sales by $132 million and $47 million, respectively. Commercial recoveries were partially offset by the impact of selling price reductions.

Segment earnings, including restructuring costs, and the related margin on net sales were $738 million and 5.7% in the nine months ended September 27, 2025, as compared to $760 million and 5.8% in the nine months ended September 28, 2024. Lower production volumes on Lear platforms (including the JLR production disruption), net of new business, reduced segment earnings by $121 million. The impact of favorable operating performance, including the benefit of operational restructuring actions, was partially offset by selling price reductions and higher restructuring costs.

E-Systems

A summary of financial measures for our E-Systems segment is shown below (dollar amounts in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Net sales	$ 4,395.9	$ 4,555.0
Segment earnings [1]	151.7	188.9
Margin	3.5 %	4.1 %

[1] See definition above

E-Systems net sales were $4.4 billion in the nine months ended September 27, 2025, as compared to $4.6 billion in the nine months ended September 28, 2024, a decrease of $159 million or 3%. Lower production volumes on Lear platforms (including the JLR production disruption) and the winddown and divestiture of certain businesses reduced net sales by $228 million and $186 million, respectively. These decreases were partially offset by new business and the impact of foreign exchange rate fluctuations, which favorably impacted net sales by $106 million and $17 million, respectively. Commercial recoveries were partially offset by the impact of selling price reductions.

Segment earnings, including restructuring costs, and the related margin on net sales were $152 million and 3.5% in the nine months ended September 27, 2025, as compared to $189 million and 4.1% in the nine months ended September 28, 2024. Lower production volumes on Lear platforms (including the JLR production disruption), net of new business, reduced segment earnings by $45 million. The impact of favorable operating performance, including the benefit of operational restructuring actions, was offset by selling price reductions, the winddown and divestiture of certain businesses, and higher restructuring costs.

Other

A summary of financial measures for our other category, which is not an operating segment, is shown below (dollar amounts in millions):

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Net sales	$ —	$ —
Segment earnings [1]	(267.3)	(271.1)
Margin	N/A	N/A

[1] See definition above

Segment earnings related to our other category were ($267) million in the first nine months of 2025, as compared to ($271) million in the first nine months of 2024.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to fund general business requirements, including working capital requirements, capital expenditures, operational restructuring actions and debt service requirements. Our principal sources of liquidity are cash flows from operating activities, borrowings under available credit facilities and our existing cash balance.

Cash Provided by Subsidiaries

A substantial portion of our operating income is generated by our subsidiaries. As a result, we are dependent on the earnings and cash flows of and the combination of dividends, royalties, intercompany loan repayments and other distributions and advances from our subsidiaries to provide the funds necessary to meet our obligations.

As of September 27, 2025 and December 31, 2024, cash and cash equivalents of $593 million and $705 million, respectively, were held in foreign subsidiaries and can be repatriated, primarily through the repayment of intercompany loans and the payment of dividends. There are no restrictions on the ability of our subsidiaries to pay dividends or make other distributions to Lear that would have a material impact on Lear.

For further information related to potential dividends from our non-U.S. subsidiaries, see Note 8, "Income Taxes," to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Adequacy of Liquidity Sources

As of September 27, 2025, we had $1.0 billion of cash and cash equivalents on hand and $2.0 billion in available borrowing capacity under our Credit Agreement. Together with cash provided by operating activities, we believe that this will enable us to meet our liquidity needs for the foreseeable future and to satisfy ordinary course business obligations. In addition, we expect to continue to pay quarterly cash dividends and repurchase shares of our common stock pursuant to our authorized Repurchase Program, although such actions are at the discretion of our Board and will depend upon our financial condition, results of operations, capital requirements, prevailing market conditions, alternative uses of capital and other factors that our Board may consider at its discretion.

Our future financial results and our ability to continue to meet our liquidity needs are subject to, and will be affected by, cash flows from operations, as well as restructuring activities, automotive industry conditions, the financial condition of our customers and suppliers, supply chain disruptions and other related factors. Additionally, an economic downturn or further reduction in production levels could negatively impact our financial condition.

For further discussion of the risks and uncertainties affecting our cash flows from operations and our overall liquidity, see "— Executive Overview" above, "— Forward-Looking Statements" below and Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024.

Cash Flows

A summary of net cash used in operating activities is shown below (in millions):

	Nine Months Ended		
	September 27, 2025	September 28, 2024	Increase (Decrease) in Cash Flow
Consolidated net income and depreciation and amortization	$ 869	$ 939	$ (70)
Net change in working capital items:			
Accounts receivable	(428)	(582)	154
Inventories	(74)	(6)	(68)
Accounts payable	198	47	151
Accrued liabilities and other	(51)	35	(86)
Net change in working capital items	(355)	(506)	151
Other	99	6	93
Net cash provided by operating activities	$ 613	$ 439	$ 174
Net cash used in investing activities	$ (326)	$ (368)	$ 42
Net cash used in financing activities	$ (349)	$ (506)	$ 157

Operating Activities

Net cash provided by operating activities was $613 million in the first nine months of 2025, as compared to $439 million in the first nine months of 2024. The increase in operating cash flows reflects a decrease in working capital cash usage in the first nine months of 2025, as compared to the first nine months of 2024, partially offset by lower earnings in the first nine months of 2025, as compared to the first nine months of 2024.

Investing Activities

Net cash used in investing activities was $326 million in the first nine months of 2025, as compared to $368 million in the first nine months of 2024. In the first nine months of 2025, we received proceeds of $37 million related to the sale of a non-core business in the Company's Seating segment. Capital spending was $367 million in the first nine months of 2025 and 2024. Capital spending is estimated to be $560 million in 2025.

Financing Activities

Net cash used in financing activities was $349 million in the first nine months of 2025, as compared to $506 million in the first nine months of 2024. In the first nine months of 2025, we paid $150 million for repurchases of our common stock, $125 million in dividends to Lear shareholders and $84 million in dividends to noncontrolling interest holders. In the first nine months of 2024, we paid $311 million for repurchases of our common stock, $132 million in dividends to Lear shareholders and $70 million in dividends to noncontrolling interest holders.

Capitalization

Short-Term Borrowings

We utilize uncommitted lines of credit as needed for our short-term working capital fluctuations. As of September 27, 2025 and December 31, 2024, we had lines of credit from banks totaling $380 million and $343 million, respectively. As of September 27, 2025 and December 31, 2024, we had short-term debt balances outstanding related to draws on our lines of credit of $27 million.

Term Loan

In June 2025, we amended our Term Loan to extend the maturity date to September 30, 2027, and reduce the pricing across the grid. In connection with this transaction, we recognized a loss on the extinguishment of debt and incurred related issuance costs totaling $1 million. As of September 27, 2025, we had $100 million outstanding under our Term Loan.

Senior Notes and Credit Agreement

In July 2025, we amended and restated our $2.0 billion unsecured revolving credit agreement ("the Credit Agreement") to extend the maturity date to July 24, 2030. In connection with this transaction, we recognized a loss on the extinguishment of debt of less than $1 million and incurred related issuance costs of approximately $3 million.

For further information related to our senior notes and Credit Agreement, see Note 7, "Debt," to the condensed consolidated financial statements included in this Report and Note 6, "Debt," to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Common Stock Share Repurchase Program and Quarterly Cash Dividends

For information related to our common stock share repurchase program and dividends, see "— Executive Overview — Share Repurchase Program and Quarterly Cash Dividends" above, Note 14, "Comprehensive Income and Equity," to the condensed consolidated financial statements included in this Report and Note 11, "Capital Stock, Accumulated Other Comprehensive Loss and Equity," to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Commodity Prices

Raw material, energy and commodity costs can be volatile, reflecting, among other things, changes in supply and demand, logistics issues, global trade and tariff policies (including recent U.S. tariffs imposed or threatened to be imposed on Mexico, Canada and China, as well as other countries and any retaliatory actions taken by such countries), and geopolitical issues. We have commodity price risk with respect to purchases of certain raw materials, including steel, copper, diesel fuel, chemicals, resins and leather. Our primary commodity cost exposures relate to steel, copper and leather. We have developed and implemented strategies to mitigate the impact of increases in such costs through the selective in-sourcing of components, the continued consolidation of our supply base, longer-term purchase commitments, commercial recovery mechanisms and the selective expansion of low-cost country sourcing and engineering, as well as value engineering and product benchmarking. Further, the majority of the steel used in our products is comprised of fabricated components that are integrated into a seat system, such as seat frames, recliner mechanisms, seat tracks and other mechanical components. Therefore, our exposure to changes in steel prices is primarily indirect, through purchased components. Additionally, approximately 87% of our copper purchases and a significant portion of our leather and direct steel purchases are subject to price index agreements with our customers and suppliers. These agreements have historically mitigated this risk, but no assurance can be provided that the agreements will continue to do so in the future. Certain of these strategies also may limit our opportunities in a declining commodity price environment. In the current environment of elevated raw material, energy and commodity costs, these strategies, together with commercial negotiations with our customers and suppliers, have offset a significant portion of the adverse impact. If these costs increase, it could have an adverse impact on our operating results in the foreseeable future.

See "— Forward-Looking Statements" below and Item 1A, "Risk Factors — Increases in the costs and restrictions on the availability of raw materials, energy, commodities, product components and labor could adversely affect our financial performance," in our Annual Report on Form 10-K for the year ended December 31, 2024.

For further information related to the financial instruments described above, see Note 17, "Financial Instruments," to the condensed consolidated financial statements included in this Report.

OTHER MATTERS

Legal and Environmental Matters

We are involved from time to time in various legal proceedings and claims, including, without limitation, commercial and contractual disputes, product liability claims, and environmental and other matters. As of September 27, 2025, we had recorded reserves for pending legal disputes, including commercial and contractual disputes, product liability claims and other legal matters of $14 million. In addition, as of September 27, 2025, we had recorded reserves for warranty and recall matters of $34 million and environmental matters of $5 million. We carry insurance for certain legal matters, including product liability claims, but such coverage may be limited. We do not maintain insurance for warranty and recall matters. Although these reserves were determined in accordance with GAAP, the ultimate outcomes of these matters are inherently uncertain, and actual results may differ significantly from current estimates. For a description of risks related to various legal proceedings and claims, see Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024. For a more complete description of our outstanding material legal proceedings, see Note 15, "Legal and Other Contingencies," to the condensed consolidated financial statements included in this Report.

Critical Accounting Estimates

Certain of our accounting policies require management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on our historical experience, the terms of existing contracts, our evaluation of trends in the industry, information provided by our customers and suppliers and information available from other outside sources, as appropriate. However, these estimates and assumptions are subject to an inherent degree of uncertainty. Accordingly, actual results in these areas may differ significantly from our estimates.

For a discussion of our significant accounting policies and critical accounting estimates, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Other Matters — Critical Accounting Estimates," and Note 2, "Summary of Significant Accounting Policies," to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in our significant accounting policies or critical accounting estimates during the first nine months of 2025.

Recently Issued Accounting Pronouncements

For information on the impact of recently issued accounting pronouncements, see Note 18, "Accounting Pronouncements," to the condensed consolidated financial statements included in this Report.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. 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. We 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 Report or in any other public statements which address operating performance, events or developments that we expect or anticipate 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 us. 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 we operate, including changes in interest rates or currency exchange rates;
- the impact of administrative policy, including trade policies and tariffs, in the United States and related actions by

countries in which we do business;

- changes in actual industry vehicle production levels from our 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 we are a significant supplier;
- the outcome of customer negotiations and the impact of customer-imposed price reductions;
- increases in the costs and restrictions on the availability of raw materials, energy, commodities, product components and labor and our ability to mitigate such costs and insufficient availability;
- disruptions in relationships with our customers and suppliers;
- the financial condition of and adverse developments affecting our customers and suppliers;
- risks associated with conducting business in foreign countries, including the risk of war or other geopolitical conflicts;
- currency controls and the ability to economically hedge currencies;
- 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;
- competitive conditions impacting us and our key customers and suppliers;
- labor disputes, including disruptions, involving us or our significant customers or suppliers or that otherwise affect us or our significant customers or suppliers;
- the consequences of violations of law by our employees, agents or business partners, including violations related to anti-bribery, competition, export and import, trade sanctions, data privacy, environmental, human rights and other laws;
- the operational and financial success of our joint ventures;
- our ability to attract, develop, engage and retain qualified employees;
- our ability to respond to the evolution of the global transportation industry;
- the outcome of an increased emphasis on global climate change and other sustainability matters by stakeholders;
- the impact of global climate change;
- the impact of pandemics, epidemics, disease outbreaks and other public health crises on our business;
- the impact and timing of program launch costs and our management of new program launches;
- the impact of delayed program launches due to customer planning decisions;
- changes in discount rates and the actual return on pension assets;
- impairment charges initiated by adverse industry or market developments;
- our ability to execute our strategic objectives;
- limitations imposed by our existing indebtedness and our ability to access capital markets on commercially reasonable terms;
- disruptions to our information technology systems, or those of our customers or suppliers, including those related to cybersecurity;
- increases in our warranty, product liability or recall costs;
- the outcome of legal or regulatory proceedings to which we are or may become a party;
- the impact of pending legislation and regulations or changes in existing federal, state, local or foreign laws or regulations;
- the impact of regulations on our foreign operations;
- costs associated with compliance with environmental laws and regulations;
- developments or assertions by or against us relating to intellectual property rights;
- the impact of changes in our effective tax rate, the adoption of new tax legislation or exposure to additional income tax liabilities on our profitability; and

- other risks, described in Part II — Item 1A, "Risk Factors," included in this Report and Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024, and in our other Securities and Exchange Commission filings.

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

ITEM 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISK SENSITIVITY

In the normal course of business, we are exposed to market risks associated with fluctuations in foreign exchange rates, interest rates and commodity prices. We manage a portion of these risks through the use of derivative financial instruments in accordance with our policies. We enter into all hedging transactions for periods consistent with the underlying exposures. We do not enter into derivative instruments for trading purposes.

Foreign Exchange

Operating results may be impacted by our buying, selling and financing in currencies other than the functional currency of our operating companies ("transactional exposure"). We may mitigate a portion of this risk by entering into forward foreign exchange, futures and option contracts. The foreign exchange contracts are executed with banks that we believe are creditworthy. Gains and losses related to foreign exchange contracts are deferred where appropriate and included in the measurement of the foreign currency transaction subject to the hedge. Gains and losses incurred related to foreign exchange contracts are generally offset by the direct effects of currency movements on the underlying transactions.

A summary of the notional amount and estimated aggregate fair value of our outstanding foreign exchange contracts is shown below (in millions):

	September 27, 2025	December 31, 2024
Notional amount (contract maturities < 36 months)	$ 2,868	$ 3,087
Fair value	156	(154)

Currently, our most significant foreign currency transactional exposures relate to the Mexican peso, various European currencies, the Moroccan dirham, the Honduran lempira and the Chinese renminbi.

A sensitivity analysis of our net transactional exposure is shown below (in millions):

		Potential Earnings Benefit (Adverse Earnings Impact)	
	Hypothetical Strengthening % [1]	September 27, 2025	December 31, 2024
U.S. dollar	10%	$ 39	$ 19
Euro	10%	42	38

[1] Relative to all other currencies to which it is exposed for a twelve-month period

A sensitivity analysis related to the aggregate fair value of our outstanding foreign exchange contracts is shown below (in millions):

		Estimated Change in Fair Value	
	Hypothetical Change % [2]	September 27, 2025	December 31, 2024
U.S. dollar	10%	$ 199	$ 187
Euro	10%	82	68

[2] Relative to all other currencies to which it is exposed for a twelve-month period

There are certain shortcomings inherent in the sensitivity analyses above. The analyses assume that all currencies would uniformly strengthen or weaken relative to the U.S. dollar or Euro. In reality, some currencies may strengthen while others may weaken, causing the earnings impact to increase or decrease depending on the currency and the direction of the rate movement.

In addition to the transactional exposure described above, our operating results are impacted by the translation of our foreign operating income into U.S. dollars ("translational exposure"). In 2024, net sales outside of the United States accounted for 78% of our consolidated net sales, although certain non-U.S. sales are U.S. dollar denominated. We do not enter into foreign exchange contracts to mitigate our translational exposure.

Interest Rates

Our variable rate obligations are sensitive to changes in interest rates. As of September 27, 2025, we had $100 million outstanding under our Term Loan. Advances under the Term Loan generally bear interest based on the Daily or Term SOFR (as defined in the Term Loan agreement) plus a margin, determined in accordance with a pricing grid, that ranges from 0.875% to 1.375%. As of September 27, 2025, the interest rate was 5.223%.

A hypothetical 100 basis point increase in the interest rate on our Term Loan would increase annual interest expense and related cash interest payments by approximately $1 million.

ITEM 4 — CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

The Company has evaluated, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer along with the Company's Senior Vice President and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Based on the evaluation described above, the Company's President and Chief Executive Officer along with the Company's Senior Vice President and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that the desired control objectives were achieved as of the end of the period covered by this Report.

(b) Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended September 27, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

We are involved from time to time in various legal proceedings and claims, including, without limitation, commercial or contractual disputes, product liability claims, and environmental and other matters. For a description of risks related to various legal proceedings and claims, see Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2024. For a description of our outstanding material legal proceedings, see Note 15, "Legal and Other Contingencies," to the condensed consolidated financial statements included in this Report.

ITEM 1A — RISK FACTORS

There have been no material changes from the risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, except for the update of the risk factor set forth below:

- ***International trade policies, such as tariffs and sanctions, could adversely affect our financial performance.***

  Due to the interconnectedness of the global economy, policy changes in one area of the world can have an immediate and material adverse impact on markets around the world. Changes in international trade policies, including: (i) changes to existing trade agreements; (ii) greater restrictions on free trade generally; and (iii) significant increases in customs duties and tariffs imposed by any country, including those already imposed by the United States and retaliatory and other actions by other countries, can adversely affect our financial condition and operating results.

  Since his inauguration in January 2025, U.S. President Donald J. Trump has announced various tariffs that impact industries around the world, including the automotive industry. As of the date of this Report, the tariffs announced or implemented by the current U.S. administration that could adversely impact our business include:

  - 25% tariff on imports of automobiles and certain automobile parts into the United States from all countries (with respect to automotive parts, the "Automobile Parts Tariff"). Automobile parts that meet specific rules of origin under the United States-Mexico-Canada Agreement ("USMCA" and "USMCA-qualifying") are currently exempt from the Automobile Parts Tariff; however, this exemption could be modified in the future to include only the U.S. content of USMCA-qualifying automobile parts. The U.S. administration has been negotiating agreements with several countries. It has reached agreements with the United Kingdom, the European Union, Japan and South Korea that include reductions in the Automobile Parts Tariff to 10% (inclusive of existing duties) for the United Kingdom and 15% (inclusive of existing duties) for the European Union, Japan and South Korea.
  - 50% tariff on all steel and aluminum imports into the United States from all countries (the "Steel/Aluminum Tariff"). The Steel/Aluminum Tariff does not apply to goods subject to the Automobile Parts Tariff. This tariff was increased from 25% to 50%, except for imports from the United Kingdom (which remained at 25%), effective June 4, 2025.
  - 25% tariff on all imports into the United States from Mexico and Canada except for USMCA-qualifying goods (the "Mexico/Canada Tariff"). The Mexico/Canada Tariff does not apply to goods subject to the Automobile Parts Tariff or the Steel/Aluminum Tariff. On July 10, 2025, President Trump announced a 35% tariff on all imports into the United States from Canada effective August 1, 2025, and on July 12, 2025, announced a 30% tariff on all imports into the United States from Mexico effective August 1, 2025, implementation of which was suspended on July 31, 2025. Although the exception for USMCA-qualifying goods is expected to remain in place, this has not yet been confirmed by the current U.S. administration.
  - Incremental 20% tariff on all imports into the United States from China (the "China Tariff"). On October 30, 2025, President Trump announced a 10% reduction in the China Tariff.
  - 10% tariff on all imports into the United States from all countries that are not subject to the Automobile Parts, Mexico/Canada or Steel/Aluminum Tariffs. Certain country-specific tariffs replaced the 10% tariffs effective August 7, 2025 (the "Reciprocal Tariffs"). The China Reciprocal Tariff of 125% was reduced to 10% effective May 14, 2025 through November 10, 2025, and is additive to the China Tariff discussed above. In addition,

various country-specific proposals and agreements have been or are being negotiated directly with the affected countries.

- 50% tariff on copper imports into the United States effective August 1, 2025 (the "Copper Tariff"). The scope of this tariff includes all imports of semi-finished copper and intensive copper derivative products. The tariff does not apply to raw forms of copper, anode or cathode material, or copper scrap.

In addition to tariffs, the U.S. and foreign governments have implemented sanctions, export controls and other restrictions on trade that impact industries around the world, including the automotive industry.

The actual impacts of these tariffs and other trade restrictions on our business, financial condition and results of operations are subject to a number of factors that are not yet known or are subject to change, including the effect such tariffs and restrictions may have on consumer demand and global automotive production volumes, the effective dates and duration of such tariffs and restrictions, future changes in the amounts and scope of tariffs, the potential withdrawal of such tariffs and restrictions in whole or in part, the scope and effective date of any exemptions to such tariffs or restrictions, any modification to existing exemptions to the tariffs or restrictions, countermeasures that the target countries may take in response to such tariffs and restrictions, and the impact such tariffs and restrictions may have on our customers and our supply chain. We have entered into contractual agreements with our customers to recover substantially all tariff costs incurred to date and are implementing certain actions, and considering others, to counter the potential impact of such tariffs on our business, financial condition and results of operations, including, without limitation, participating in efforts to inform the U.S. and certain foreign administrations and legislatures of the impact of current trade and tariff policies on the automotive industry and evaluating our production footprint and alternatives in our supply chain. However, we can provide no assurance that we will continue to be successful in recovering such costs from our customers or that any of these mitigating actions will be successful or will not disrupt and deteriorate our business, operations and financial performance. We also can provide no assurance that, despite the success of our mitigation efforts, our customers' production will not be adversely impacted by these government actions, or that any decreases in our customers' production as a result of such actions will not in turn adversely impact our business, financial condition and results of operations.

In addition to potential increases in customs duties and tariffs in the United States and other countries, the USMCA is subject to renewal in 2026. There can be no assurance that the USMCA will be renewed or, if renewed, any newly negotiated terms in the USMCA will not adversely affect our business. Also, China presents unique risks to U.S. automotive manufacturers due to the strain in U.S.-China relations and the level of integration with key components in our global supply chain. It remains unclear what additional actions the current U.S. administration may take with respect to trade issues involving China and other countries.

Further, the U.S. and other governments could impose additional sanctions or export controls or restrictions that could restrict us from doing business directly or indirectly in or with certain countries or parties, which could include affiliates (e.g., China has imposed tariffs and taken other retaliatory actions in recent months). The current trade environment could impact the status of other trade agreements between the United States and countries other than Canada and Mexico, including, without limitation, the Dominican Republic-Central America-United States Free Trade Agreement. Any of the above factors could impact our supply chain, as well as our operations, and adversely affect our financial condition and operating results.

ITEM 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

As discussed in Part I — Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Executive Overview — Share Repurchase Program and Quarterly Cash Dividends," and Note 14, "Comprehensive Income and Equity," to the condensed consolidated financial statements included in this Report, we have a remaining repurchase authorization of $949.8 million under our ongoing common stock share repurchase program.

A summary of the shares of our common stock repurchased during the quarter ended September 27, 2025, is shown below:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)
June 29, 2025 through July 26, 2025	15,726	$96.99	15,726	$ 1,048.4
July 27, 2025 through August 23, 2025	381,960	$98.08	381,960	$ 1,010.9
August 24, 2025 through September 27, 2025	571,198	$107.03	571,198	$ 949.8
Total	968,884	$103.34	968,884	$ 949.8

ITEM 5 — OTHER INFORMATION

RULE 10b5-1 TRADING PLAN

During the three months ended September 27, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6 — EXHIBITS

Exhibit Index

	Exhibit Number		Exhibit Name
	10.1		Second Amended and Restated Credit Agreement, dated July 24, 2025, among the Company, the foreign subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto, Bank of America, N.A., BNP Paribas, Citibank, N.A. and HSBC Bank USA, National Association, as syndication agents, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 2025).
**	10.2	*	Lear Corporation Salaried Retirement Restoration Program, amended and restated effective December 31, 2024.
**	31.1		Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer.
**	31.2		Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer.
**	32.1		Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2		Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
***	101.INS		XBRL Instance Document.
****	101.SCH		XBRL Taxonomy Extension Schema Document.
****	101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document.
****	101.LAB		XBRL Taxonomy Extension Label Linkbase Document.
****	101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document.
****	101.DEF		XBRL Taxonomy Extension Definition Linkbase Document.
***	104		Cover Page Interactive Data File.

*	Compensatory plan or arrangement.
**	Filed herewith.
***	The XBRL Instance Document and Cover Page Interactive Data File do not appear in the Interactive Data File because their XBRL tags are embedded within the Inline XBRL document.
****	Submitted electronically with the Report.

SIGNATURES

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

LEAR CORPORATION

Dated:	October 31, 2025	By:	/s/ Raymond E. Scott
			Raymond E. Scott President and Chief Executive Officer
		By:	/s/ Jason M. Cardew
			Jason M. Cardew Senior Vice President and Chief Financial Officer

Exhibit 10.2

Lear Corporation

Salaried Retirement Restoration Program

Effective Date
December 31, 2024

Lear Corporation Salaried Retirement Restoration Program

Article I

Establishment and Purpose

Lear Corporation (the "Company") hereby amends and restates the Lear Corporation Salaried Retirement Restoration Program (the "Program"), effective December 31, 2024 (the "Effective Date"). This amendment and restatement applies to any Compensation Deferral Agreement applicable to Compensation earned and deferred on or after January 1, 2025.

The purpose of the Program is to attract and retain key employees of the Employer by providing them with an opportunity to defer receipt of a portion of their annual base salary ("Salary") and/or annual cash incentive compensation that may be earned pursuant to the Lear Corporation Annual Incentive Plan or any successor plan ("Bonus"). The Program is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Program constitutes an unsecured promise by a Participating Employer to pay benefits in the future. Participants in the Program shall have the status of general unsecured creditors of the Participating Employer. Each Participating Employer shall be solely responsible for payment of the benefits attributable to services performed for it. The Program is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for Eligible Employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Participating Employer will remain the general assets of the Participating Employer and shall remain subject to the claims of the Participating Employer's creditors until such amounts are distributed to the Participants.

Article II

Definitions

2.1 Account. Account means a bookkeeping account maintained by the Committee to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Program. The Committee may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Unless the Committee provides otherwise for one (1) or more Participants, a Participant shall have a Retirement Account and may establish up to ten (10) additional Flex Accounts. Reference to an Account means any such Account established by the Committee, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

2.2 Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.

2.3 Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Sections 414(b) or (c).

2.4 Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant in accordance with Article XII hereof to receive payments to which a Beneficiary is entitled in accordance with provisions of the Program.

2.5 Business Day. Business Day means each day on which the New York Stock Exchange is open for business.

2.6 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XI of this Program.

2.7 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

2.8 Code Section 409A. Code Section 409A means Section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.

2.9 Committee. Committee means the Lear Corporation Employee Benefits Committee.

2.10 Company. Company means Lear Corporation and any successor thereto.

2.11 Company Contribution. Company Contribution means a credit by a Participating Employer to a Participant's Account(s) in accordance with the provisions of Article V of the Program. Unless the context clearly indicates otherwise, a reference to Company Contribution shall include Earnings attributable to such contributions.

2.12 Compensation. Compensation means a Participant's Salary or Bonus that may be deferred under Section 4.2 of this Program, excluding any compensation that has been previously deferred under this Program or any other arrangement subject to Code Section 409A and excluding any compensation that is not U.S. source income.

2.13 Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and a Participating Employer that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer to the Program in accordance with the provisions of Article IV, and (ii) the Payment Schedule applicable to one (1) or more Accounts.

2.14 Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Program in accordance with the provisions of Article IV. Unless the context of the Program clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.

2.15 Disability. Disability means a Participant is eligible to receive long-term disability benefits under the applicable long-term disability plan of the Company.

2.16 Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VII.

2.17 Eligible Employee. Eligible Employee means an Employee who receives U.S. source income, who is a member of a select group of management or highly compensated employees and who meets one or more of the following eligibility conditions: (i) the Employee has an annual base salary that meets or exceeds five-sixths (5/6) of the limit established under Code Section 401(a)(17) (determined based on his or her annual base salary as of the November 1 of the year preceding the applicable Plan Year; provided, that the compensation of a newly-hired Employee shall be determined, with respect to the calendar year in which such employee is hired, by annualizing such Employee's salary as of his or her commencement of employment); (ii) the Employee has a title that is at or above that of a Vice President of the Company; or (iii) the Employee met the following two (2) conditions with respect to the year preceding the applicable Plan Year: (1) satisfied the eligibility conditions set forth in this Section 2.17 and (2) earned compensation that meets or exceeds the limit established under Code Section 401(a)(17) (for this purpose, it will be assumed that such Employee continues to earn the same base salary from the date of determination through the end of the year preceding the applicable Plan Year). An Employee becomes an Eligible Employee on the date set forth in Section 3.1.

2.18 Employee. Employee means a common-law employee of an Employer.

2.19 Employer. Employer means the Company and each Affiliate.

2.20 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.21 Flex Account. Flex Account means a Specified Date Account or a Separation Account established by the Committee in accordance with a Participant's Compensation Deferral Agreement. Unless otherwise specified by the Committee, no more than ten (10) Flex Accounts shall be maintained for a Participant at any time.

2.22 Participant. Participant means an individual who has an Account Balance greater than zero.

2.23 Participating Employer. Participating Employer means each Employer that has adopted the Program with the consent of the Company. Each Participating Employer shall be identified on Schedule A attached hereto.

2.24 Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Program will commence and the form in which payment of such Account will be made.

2.25 Plan Year. Plan Year means January 1 through December 31.

2.26 Program. Program means the "Lear Corporation Salaried Retirement Restoration Program" as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Program may in the appropriate context also mean a portion of the Program that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Program or portion of the Program and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

2.27 Retirement Account. Retirement Account means an Account established by the Committee to record Company Contributions and any Deferrals allocated to such Account under a Participant's Compensation Deferral Agreement and which are payable upon a Participant's Separation from Service.

2.28 Savings Program. Savings Program means the Lear Corporation Salaried Retirement Program.

2.29 Separation Account. Separation Account means a Flex Account established by the Committee to record amounts payable to a Participant upon Separation from Service as specified in the Participant's Compensation Deferral Agreement.

2.30 Separation from Service. Separation from Service, Separated from Service and similar terms mean the termination of a Participant's continuous employment or service with a Participating Employer, which shall be interpreted in a manner consistent with a "separation from service" as defined for purposes of Code Section 409A and Treas. Reg. Section 1.409A-1(h).

2.31 Specified Date Account. Specified Date Account means a Flex Account established by the Committee to record the amounts payable in a future year as specified in the Participant's Compensation Deferral Agreement.

2.32 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture has the meaning specified in Treas. Reg. Section 1.409A-1(d).

2.33 Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code Section 152, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

2.34 Valuation Date. Valuation Date means each Business Day.

Article III

Eligibility and Participation

3.1 Eligibility and Participation. An Employee is eligible to participate in the Program on the same date on which he or she is initially eligible to participate in the Savings Program. Eligibility under this Program is not conditioned on a Participant making or not making a deferral election under the Savings Program.

Eligible Employees become Participants upon the first to occur of:

(a) submission of a Compensation Deferral Agreement in accordance with Article IV and the subsequent crediting of Deferrals to his or her Account; or

(b) upon the initial crediting of Company Contributions to his or her Account.

To receive Company Contributions under Section 5.2, an otherwise Eligible Employee must have Compensation that meets or exceeds the limit established by the Internal Revenue Service under Code Section 401(a)(17) in the year in which the Company Contribution is made.

3.2 Duration. A Participant shall be eligible to defer Compensation and receive allocations of Company Contributions, subject to the terms of the Program, for as long as such Participant remains an Eligible Employee. A Participant who is no longer an Eligible Employee but has not Separated from Service will not be allowed to submit future Compensation Deferral Agreements but may otherwise exercise all of the rights of a Participant under the Program with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0). All Participants, regardless of employment status, will continue to be credited with Earnings and may continue to make allocation elections as provided in Section 7.4. An individual shall cease being a Participant in the Program when his Account has been reduced to zero (0).

3.3 Rehires. An Eligible Employee who Separates from Service and who subsequently resumes performing services for the Employer in the same calendar year (regardless of eligibility) will have his or her Compensation Deferral Agreement for such year, if any, reinstated, but his or her eligibility to participate in the Program in years subsequent to the year of rehire shall be governed by the provisions of Section 3.1.

e IV

Deferrals

4.1 Deferral Elections, Generally.

(a) A Participant may make an initial election to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. Unless an earlier date is specified in the Compensation Deferral Agreement, deferral elections with respect to a Compensation source (i.e., Salary or Bonus) become irrevocable on the latest date applicable to such Compensation source under Section 4.2.

(b) A Compensation Deferral Agreement that is not timely filed with respect to the service period in which an item of Compensation is earned, or that is submitted by a Participant who Separates from Service prior to the latest date such agreement would become irrevocable under Code Section 409A, shall be considered null and void and shall not take effect with respect to such item of Compensation. Notwithstanding anything in this Program or any Compensation Deferral Agreement to the contrary, the Committee may modify or revoke any Compensation Deferral Agreement prior to the date the election becomes irrevocable under the rules of Section 4.2.

(c) The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, a Participant may defer up to seventy-five percent (75%) of his or her Salary and up to seventy-five percent (75%) of his or her Bonus earned during a Plan Year.

(d) Deferrals of Compensation shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings, but shall be reduced by the Committee as necessary so as not to exceed one-hundred percent (100%) of the Compensation of the Participant remaining after deduction of all required income and employment taxes, required employee benefit deductions, and other deductions required by law. Changes to payroll withholdings that affect the amount of Compensation being deferred to the Program shall be allowed only to the extent permissible under Code Section 409A.

(e) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals to the Retirement Account or to one (1) or more Flex Accounts. If no designation is made, Deferrals shall be allocated to the Retirement Account.

4.2 <u>Timing Requirements for Compensation Deferral Agreements.</u>

(a) *Initial Eligibility.* The Committee may permit an Employee who meets the criteria of an Eligible Employee on his or her date of hire (other than the entry date requirement under Section 3.1) to defer Compensation upon initial eligibility. The Compensation Deferral Agreement must be filed within thirty (30) days of attaining Eligible Employee status and becomes irrevocable not later than the thirtieth (30^{th}) day.

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned after the date that the Compensation Deferral Agreement becomes irrevocable.

(a) *Prior Year Election.* Except as otherwise provided in this Section 4.2, the Committee may permit an Eligible Employee to defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year prior to the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement filed under this paragraph shall become irrevocable with respect to such Compensation not later than the December 31 filing deadline.

(b) *Short-Term Deferrals.* The Committee may permit Compensation that meets the definition of a “short-term deferral” described in Treas. Reg. Section 1.409A-1(b)(4) to be deferred in accordance with the rules of Section 6.9, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence. A Compensation Deferral Agreement submitted in accordance with this paragraph becomes irrevocable not later than the latest date it could be submitted under Section 6.9.

4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate Deferrals to the Retirement Account or to one (1) or more Flex Accounts. The Committee may, in its discretion, establish in a written communication during enrollment a minimum deferral period for the establishment of a Specified Date Account (for example, the third Plan Year following the year Compensation is first allocated to such Accounts.). In the event a Participant's Compensation Deferral Agreement allocates Compensation to a Specified Date Account that does not satisfy the minimum deferral period established by the Committee (if any), the Compensation Deferral Agreement shall be deemed to establish a new Specified Date Account commencing payment in the earliest Plan Year that satisfies the minimum deferral requirement. If such Account cannot be established (for example, if the Participant has exhausted his or her allotment of Flex Accounts) the Committee will allocate such Deferrals to the Specified Date Account with a commencement date next following the minimum deferral period and if no such Account is available, to the Retirement Account.

4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant's Compensation.

4.5 Vesting. Participant Deferrals of Compensation shall be one-hundred percent (100%) vested at all times.

4.6 Cancellation of Deferrals. The Committee may cancel a Participant's Deferrals: (i) for the balance of the Plan Year in which an Unforeseeable Emergency occurs, (ii) if the Participant receives a hardship distribution under the Savings Program, through the end of the Plan Year containing the last day on which deferrals must be suspended in accordance with regulations issued under Code Section 401(k), and (iii) during periods in which the Participant incurs a Disability, provided cancellation occurs no later than by the end of the taxable year of the Participant or the fifteenth (15^{th}) day of the third (3^{rd}) month following the date the Participant incurs the Disability.

Article V

Company Contributions

5.1 Matching Contributions. Each Participating Employer may credit a Participant's Retirement Account with a matching Company Contribution. The amount of matching Company Contribution is the excess, if any, of (A) the amount of company matching contributions (including both basic matching contributions and discretionary matching contributions) that would have been made on behalf of the Participant had the Participant's Deferrals been contributed to the Savings Program (without regard to any refunds of participant contributions required under the Code, or the effects of Code Sections 401(a)(17), 402(g) or 415), over (B) the company matching contributions (including both basic matching contributions and discretionary matching contributions) that would have been made to the Participant's account under the Savings Program on the basis of an assumed six percent (6%) deferral election under the Savings Program.

Matching Company Contributions are credited at the same time that company matching contributions are contributed to Savings Program accounts. It is not necessary for a Participant to receive a matching contribution under the Savings Program as a condition to receiving a matching Company Contribution under this Program. For the avoidance of doubt, a Participant may receive a Company Contribution with respect to the Participant's Bonus only to the extent that the Participant elects to defer the Bonus.

5.2 Non-Elective Contributions. Each Participating Employer may credit a Participant's Retirement Account with the excess, if any, of (A) the amount of non-elective Savings Program contributions that would have been made on behalf of the Participant, but without regard to the compensation and contribution limits under the Savings Program, over (B) actual non-elective contributions made to the Participant's account under the Savings Program. The first time a Participant receives a non-elective credit pursuant to this Section 5.2, the Participant shall be permitted to elect a Payment Schedule for such contribution so long as (i) such election becomes irrevocable on or before January 3[0t]h of the year following the year for which the non-elective contribution was made and (ii) the Participant is not and has not previously been eligible to elect to defer Compensation under the Program. Such Payment Schedule will apply to any future credits the Participant receives under this Section 5.2.

5.3 Discretionary Company Contributions. A Participating Employer may, from time to time in its sole and absolute discretion, credit discretionary Company Contributions to any Participant's Retirement Account in any amount determined by the Participating Employer.

Discretionary Company Contributions are credited at the sole discretion of the Participating Employer and the fact that a discretionary Company Contribution is credited in one year shall not obligate the Participating Employer to continue to make such Company Contributions in subsequent years.

5.4 Vesting. Company Contributions described in Sections 5.1 and 5.2 vest after three (3) years of vesting service (as determined under the Savings Program), measured from a Participant's commencement of employment with the Company.

Company Contributions described in Section 5.3 vest according the schedule specified by the Participating Employer on or before the time the contributions are made.

All Accounts become one-hundred percent (100%) vested, if while employed by an Employer, a Participant dies, incurs a Disability or the Participant attains age 65.

Article VI

Payments from Accounts

6.1 General Rules. A Participant's Retirement Account and any Separation Accounts become payable upon the first to occur of the payment events applicable to each such Account under Sections 6.3 through 6.5. A Participant's Specified Date Accounts become payable upon the first to occur of the payment events applicable to each such Account under Sections 6.2 through 6.5.

Payment events and Payment Schedules elected by the Participant shall be set forth in a valid Compensation Deferral Agreement that establishes the Account to which such elections apply in accordance with Article IV or in a valid modification election applicable to such Account as described in Section 6.9.

Payment amounts are based on Account Balances as of the latest practicable Valuation Date preceding the date that the actual payment is made.

6.2 Specified Date Accounts.

(a) *Commencement.* Payment is made or begins in the calendar year designated by the Participant, not later than December 31 of the designated year.

(b) *Form of Payment.* Payment will be made in a lump sum, unless the Participant elected to receive annual installments up to five (5) years.

6.3 Separation from Service. Upon a Participant's Separation from Service other than death, a Participant's Retirement Account, Separation Accounts and Specified Date Accounts (regardless of whether payments have commenced) will be payable in accordance with this Section 6.3.

(a) *Payment Commencement.* Unless the Participant designates a later year, payment of the Retirement Account and Separation Accounts commences in the calendar year next following the Participant's Separation from Service, not later than December 31 of such year. Notwithstanding the foregoing, in no event will payment to a Participant who is a "specified employee" as defined in Code Section 409A(a)(2)(B) commence earlier than six (6) months following his or her Separation from Service.

(b) *Form of Payment-Retirement and Separation Accounts.* The Retirement Account and each Separation Account will pay in a single lump sum unless the Participant elected, for each such Account, to receive annual installments up to ten (10) years.

(c) *Form of Payment-Specified Date Accounts.* Payment is made in a lump sum only in the calendar year next following the Participant's Separation from Service, not later than December 31 of such year. The Payment Schedule under this Section 6.3(c) may not be modified under Section 6.9.

6.4 Death. Notwithstanding anything to the contrary in this Article VI, upon the death of the Participant (regardless of whether such Participant is an Employee at the time of death), all remaining vested Account Balances shall be paid to his or her Beneficiary in a single lump sum in the calendar year following the year of the Participant's death but no later than December 31 of such year.

(a) *Designation of Beneficiary in General*. The Participant shall designate a Beneficiary in the manner and on such terms and conditions as the Committee may prescribe. No such designation shall become effective unless filed with the Committee during the Participant's lifetime. Any designation shall remain in effect until a new designation is filed with the Committee; provided, however, that in the event a Participant designates his or her spouse as a Beneficiary, such designation shall be automatically revoked upon the dissolution of the marriage unless, following such dissolution, the Participant submits a new designation naming the former spouse as a Beneficiary. A Participant may from time to time change his or her designated Beneficiary without the consent of a previously-designated Beneficiary by filing a new designation with the Committee.

(b) *No Beneficiary*. If a designated Beneficiary does not survive the Participant amounts payable under the Program upon the death of the Participant shall be paid to the Participant's spouse, or if there is no surviving spouse, then to the duly appointed and currently acting personal representative of the Participant's estate. If there is no valid Beneficiary designated under the Program, the Participant's Beneficiary shall be such Participant's beneficiary under the Savings Program.

6.5 <u>Unforeseeable Emergency.</u> A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. If the emergency need cannot be relieved by cessation of Deferrals to the Program, the Committee may approve an emergency payment therefrom not to exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Program, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted first from the Account with the longest Payment Schedule, then the Account with the next longest Payment Schedule, continuing in this manner until the full amount of the distribution is made. Emergency payments shall be paid in a single lump sum within the ninety (90)-day period following the date the payment is approved by the Committee.

6.6 <u>Administrative Cash-Out of Small Balances.</u> Notwithstanding anything to the contrary in this Article VI, the Committee may at any time and without regard to whether a payment event has occurred, direct in writing an immediate lump sum payment of the Participant's Accounts if the balance of such Accounts, combined with any other amounts required to be treated as deferred under a single plan pursuant to Code Section 409A, does not exceed the applicable dollar amount under Code Section 402(g)(1)(B), provided any other such aggregated amounts are also distributed in a lump sum at the same time. Such lump sum payment shall automatically be made if the balance of such Accounts does not exceed the applicable dollar amount under Code Section 402(g)(1)(B) at the time the Participant Separates from Service.

6.7 Acceleration of or Delay in Payments. Notwithstanding anything to the contrary in this Article VI, the Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of an Account, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of an Account, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7).

6.8 Rules Applicable to Installment Payments. If a Payment Schedule specifies installment payments, payments will be made beginning as of the payment commencement date for such installments and shall continue to be made in each subsequent payment period until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the last Valuation Date immediately preceding the date of payment and (b) equals the remaining number of installment payments. For purposes of Section 6.9, installment payments will be treated as a single form of payment. If an Account is payable in installments, the Account will continue to be credited with Earnings in accordance with Article VII hereof until the Account is completely distributed.

6.9 Modifications to Payment Schedules. A Participant may modify the Payment Schedule elected by him or her with respect to an Account, consistent with the permissible Payment Schedules available under the Program for the applicable payment event, provided such modification complies with the requirements of this Section 6.9.

(a) *Time of Election*. The modification election must be submitted to the Committee not less than twelve (12) months prior to the date payments would have commenced under the Payment Schedule in effect prior to modification (the "Prior Election").

(b) *Date of Payment under Modified Payment Schedule*. The date payments are to commence under the modified Payment Schedule must be no earlier than five (5) years after the date payment would have commenced under the Prior Election. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A. If the Participant modifies only the form, and not the commencement date for payment, payments shall commence on the fifth (5^{th}) anniversary of the date payment would have commenced under the Prior Election.

(c) *Irrevocability; Effective Date*. A modification election is irrevocable when filed and becomes effective twelve (12) months after the filing date.

(d) *Effect on Accounts*. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules or payment events of any other Accounts.

Article VII
Valuation of Account Balances; Investments

7.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Company contributions shall be credited to the Retirement Account at the times determined by the Committee. Valuation of Accounts shall be performed under procedures approved by the Committee.

7.2 Earnings Credit. Each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Committee, in accordance with the provisions of this Article VII ("investment allocation").

7.3 Investment Options. Investment options will be determined by the Committee. The Committee, in its sole discretion, shall be permitted to add or remove investment options from the Program menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period prior to the effective date of such change.

7.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.

A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of one percent (1%). The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.

A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Program and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.

7.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, as determined by the Committee.

7.6 Valuations Final After 180 Days. The Participant shall have one-hundred and eighty (180) days following the Valuation Date on which the Participant failed to receive the full amount of Earnings and to file a claim under Article XI for the correction of such error.

Article VIII
Administration

8.1 Administration. This Program shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Program and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Program and its terms, as may arise in connection with the Program. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XI.

8.2 Withholding. The Participating Employer shall have the right to withhold from any payment due under the Program (or with respect to any amounts credited to the Program) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings with respect to amounts credited to the Program shall be deducted from Compensation that has not been deferred to the Program.

8.3 Indemnification. The Participating Employers shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Program or otherwise with respect to administration of the Program, including, without limitation, the Committee, its delegatees and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Program to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.

8.4 Delegation of Authority. In the administration of this Program, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.

8.5 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Program and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Program.

Article IX

Amendment and Termination

9.1 Amendment and Termination. The Company may at any time and from time to time amend the Program or may terminate the Program as provided in this Article IX. Each Participating Employer may also terminate its participation in the Program.

9.2 Amendments. The Company, by action taken by the People and Compensation Committee of its Board of Directors, may amend the Program at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date). No amendment is needed to revise the list of Participating Employers set forth on Schedule A attached hereto.

9.3 Termination. The Company, by action taken by its Board of Directors, may terminate the Program and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix).

9.4 Accounts Taxable Under Code Section 409A. The Program is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. The Committee, pursuant to its authority to interpret the Program, may sever from the Program or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

Article X

Informal Funding

10.1 General Assets. Obligations established under the terms of the Program may be satisfied from the general funds of the Participating Employers, or a trust described in this Article X. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Participating Employers. Nothing contained in this Program, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Participating Employers and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Participating Employer.

10.2 Rabbi Trust. A Participating Employer may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Program. Payments under the Program may be paid from the general assets of the Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Program.

Article XI
Claims

11.1 Filing a Claim. Any controversy or claim arising out of or relating to the Program shall be filed in writing with the Committee, which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Claimant. Notice of a claim for payments shall be delivered to the Committee within ninety (90) days of the latest date upon which the payment could have been timely made in accordance with the terms of the Program and Code Section 409A, and if not paid, the Claimant must file a claim under this Article XI not later than one-hundred and eighty (180) days after such latest date. If the Claimant fails to file a timely claim, the Claimant forfeits any amounts to which he or she may have been entitled to receive under the claim.

(a) *In General.* Notice of a denial of benefits (other than claims based on disability) will be provided within ninety (90) days of the Committee's receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial ninety (90)-day period. The extension will not be more than ninety (90) days from the end of the initial ninety (90)-day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.

(b) *Disability Benefits.* Notice of denial of claims based on disability will be provided within forty-five (45) days of the Committee's receipt of the Claimant's claim for disability benefits. If the Committee determines that it needs additional time to review the disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial forty-five (45)-day period. The first extension period will not be more than thirty (30) days from the end of the initial forty-five (45)-day period. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional thirty (30) days. If such an additional extension is necessary, the Committee shall notify the Claimant prior to the expiration of the initial thirty (30)-day extension.

Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of forty-five (45) days to submit any necessary additional information to the Committee. In the event that a thirty (30)-day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline.

(c) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation 29 CFR 2520.104b-1(c)(1)(i), (iii), and (iv). The notice of denial shall set forth the specific reasons for denial in plain language. The notice shall: (i) cite the pertinent provisions of the Program document, and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures, the time limits applicable to such procedures, including the right to appeal the decision, the deadline by which such appeal must be filed and a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on appeal, and the specific date by which such a civil action must commence under Section 11.3.

In the case of a complete or partial denial of a disability benefit claim, the notice shall provide such information and shall be communicated in the manner required under applicable Department of Labor regulations.

11.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relating to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information: (i) was relied upon in making the benefits determination, (ii) was submitted, considered or generated in the course of making the benefits decision, regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with the Program's administrative processes and safeguards established for making benefit decisions. The review shall take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

(a) *In General.* Appeal of a denied benefits claim (other than a disability benefits claim) must be filed in writing with the Appeals Committee no later than sixty (60) days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within sixty (60) days following receipt of the appeal (or within one-hundred and twenty (120) days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

(b) *Disability Benefits.* Appeal of a denied disability benefits claim must be filed in writing with the Appeals Committee no later than one-hundred and eighty (180) days after receipt of the written notification of such claim denial. The review shall be conducted in accordance with applicable Department of Labor regulations.

(c) The Appeals Committee shall make its decision regarding the merits of the denied claim within forty-five (45) days following receipt of the appeal (or within ninety (90) days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Appeals Committee shall render a decision on its review of the denied claim.

(d) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing. Any electronic notification shall comply with the standards imposed by Department of Labor Regulation 29 CFR 2520.104b-1(c)(1)(i), (iii), and (iv). Such notice shall set forth the reasons for denial in plain language.

The decision on review shall set forth: (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Program provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above)to the Claimant's claim, and (iv) a statement of the Claimant's right to bring an action under Section 502(a) of ERISA, following an adverse decision on review and the specific date by which such a civil action must commence under Section 11.3.

For the denial of a disability benefit, the notice will also include such additional information and be communicated in the manner required under applicable Department of Labor regulations.

11.3 Legal Action. A Claimant may not bring any legal action, including commencement of any arbitration, relating to a claim for benefits under the Program unless and until the Claimant has followed the claims procedures under the Program and has exhausted his or administrative remedies under Sections 11.1 and 11.2. No such legal action may be brought more than twelve (12) months following the notice of denial of benefits under Section 11.2, or if no appeal is filed by the applicable appeals deadline, twelve (12) months following the appeals deadline.

If a Claimant prevails in a legal proceeding brought under the Program to enforce the rights of such Claimant or any other similarly situated Participant or Beneficiary, in whole or in part, the Participating Employer shall reimburse such Claimant for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings.

11.4 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

11.5 Arbitration.

(a) If any claim or controversy between a Participating Employer and a Claimant is not resolved through the claims procedure set forth in Article XI, such claim shall be settled exclusively by arbitration in Southfield, Michigan, before one (1) arbitrator of exemplary qualifications and stature, who shall be selected jointly by an individual to be designated by the Participating Employer and an individual to be selected by the Claimant, or if such individuals cannot agree on the selection of the arbitrator, who shall be selected pursuant to the procedures of the American Arbitration Association, and such arbitration shall be conducted in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association then in effect.

(b) The Participating Employer and the Claimant agree to use their best efforts to cause (i) the two (2) individuals set forth in the preceding Section 11.5(a), or, if applicable, the American Arbitration Association, to appoint the arbitrator within thirty (30) days of the date that the Participating Employer or the Claimant notifies the other party that a dispute or controversy exists that necessitates the appointment of an arbitrator, and (ii) any arbitration hearing to be held within thirty (30) days of the date of selection of the arbitrator, and, as a condition to his or her selection, such arbitrator must consent to be available for a hearing, at such time.

(c) Judgment may be entered on the arbitrator's award in any court having jurisdiction. The arbitrator shall have no authority to add to or to modify this Program, shall apply all applicable law, and shall have no lesser and no greater remedial authority than would a court of law resolving the same claim or controversy. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that it would be entitled to summary judgment if the matter had been pursued in court litigation.

(d) The decision of the arbitrator shall be final, binding, and non-appealable, and may be enforced as a final judgment in any court of competent jurisdiction.

(e) This arbitration provision of the Program shall extend to claims against any parent, subsidiary, or affiliate of each party, and, when acting within such capacity, any officer, director, shareholder, Participant, Beneficiary, or agent of any party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law or under this Program.

(f) The parties do not agree to arbitrate any putative class action or any other representative action. The parties agree to arbitrate only the claim(s) of a single Claimant.

(g) In no event shall a demand for arbitration be made after the date when the applicable statute of limitations would bar the institution of a legal or equitable proceeding based on such claim, dispute or other matter in question.

Article XII

General Provisions

12.1 Assignment. No interest of any Participant, spouse or Beneficiary under this Program and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

The Company may assign any or all of its liabilities under this Program in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting a Participating Employer without the consent of the Participant.

12.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Program that are not expressly granted in this Program. Participation in this Program does not give any person any right to be retained in the service of the Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved. The Participating Employers make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Program.

12.3 No Employment Contract. Nothing contained herein shall be construed to constitute a contract of employment between an Employee and a Participating Employer.

12.4 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Program shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

Lear Corporation
Attn: VP, Total Rewards 21557 Telegraph Rd.
Southfield, MI 48033

Any notice or filing required or permitted to be given to a Participant under this Program shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

12.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Program, the text shall control.

12.6 Invalid or Unenforceable Provisions. If any provision of this Program shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.

12.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Program has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Program or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored.

12.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Company, and the Program from further liability on account thereof.

12.9 Governing Law. To the extent not preempted by ERISA, the laws of the State of Michigan shall govern the construction and administration of the Program.

12.10 Compliance with Code Section 409A; No Guarantee. This Program is intended to be administered in compliance with Code Section 409A and each provision of the Program shall be interpreted consistent with Code Section 409A. Although intended to comply with Code Section 409A, this Program shall not constitute a guarantee to any Participant or Beneficiary that the Program in form or in operation will result in the deferral of federal or state income tax liabilities or that the Participant or Beneficiary will not be subject to the additional taxes imposed under Code Section 409A. To the extent an amount deferred under this Program is included in the income of a Participant as a result of a failure to comply with Code Section 409A or change in applicable tax law or regulation, the Committee may distribute to the Participant in the year of inclusion an amount equal to the lesser of the amount included in his or her income and the amount of the Participant's vested Account Balance. Notwithstanding anything herein to the contrary, no Participating Employer shall have any legal obligation to a Participant with respect to a failure to comply with Code Section 409A or other applicable tax law or regulation.

12.11 Severability. If any provision of the Program is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Program, and the Program will be construed and enforced as if the illegal or invalid provision had not been included.

IN WITNESS WHEREOF, the undersigned executed this Program as of the 7th day of October, 2025, to be effective as of the Effective Date.

Lear Corporation

By: Joshua Mullin
Its: VP, Total Rewards

/s/ Joshua Mullin (Signature)

Schedule A

Participating Employers

Lear Corporation

Exhibit 31.1

CERTIFICATION

I, Raymond E. Scott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lear Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2025 By: /s/ Raymond E. Scott

Raymond E. Scott
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Jason M. Cardew, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lear Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2025 By: /s/ Jason M. Cardew

Jason M. Cardew
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lear Corporation (the "Company") on Form 10-Q for the period ended September 27, 2025, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	October 31, 2025	Signed:	/s/ Raymond E. Scott
			Raymond E. Scott
			Chief Executive Officer

This written statement accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Lear Corporation (the "Company") on Form 10-Q for the period ended September 27, 2025, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	October 31, 2025	Signed:	/s/ Jason M. Cardew
			Jason M. Cardew
			Chief Financial Officer

This written statement accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.