



Fourth Quarter and Full Year 2021 Financial Results

February 8, 2022

Ray Scott, President and CEO
Jason Cardew, Senior Vice President and CFO

Making every drive better™

Safe Harbor Statement

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated financial results and liquidity. The words “will,” “may,” “designed to,” “outlook,” “believes,” “should,” “anticipates,” “plans,” “expects,” “intends,” “estimates,” “forecasts” and similar expressions identify certain of these forward-looking statements. The Company also may provide forward-looking statements in oral statements or other written materials released to the public. All statements contained or incorporated in this presentation or in any other public statements that address operating performance, events or developments that the Company expects or anticipates may occur in the future are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, its Quarterly Report on Form 10-Q for the quarter ended April 3, 2021, and its other Securities and Exchange Commission filings. Future operating results will be based on various factors, including the impact of the ongoing COVID-19 pandemic on the Company’s business and the global economy, supply chain disruptions, actual industry production volumes, commodity prices, the impact of strategic transactions and restructuring actions and the Company’s success in implementing its operating strategy.

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

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

Non-GAAP Financial Information

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



Agenda



BUSINESS UPDATE

Ray Scott, President and CEO



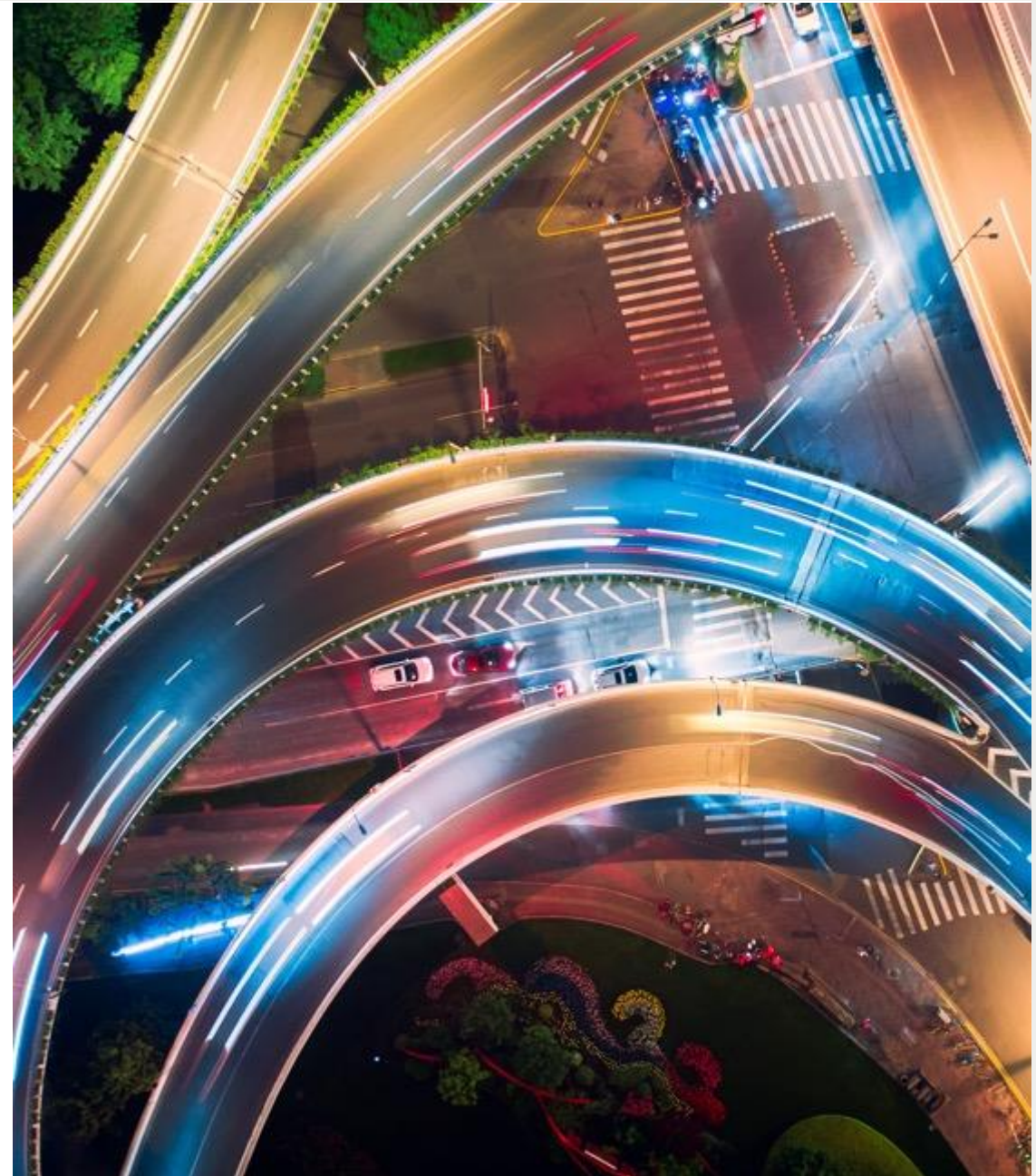
FINANCIAL REVIEW

Jason Cardew, Senior Vice President and CFO



CONCLUDING REMARKS

Ray Scott, President and CEO





Business Update

Ray Scott, President and CEO

Financial Overview

Full Year 2021

\$19.3B

SALES

UP 13% YOY

\$826M

CORE OPERATING
EARNINGS

UP 35% YOY

\$7.94

ADJUSTED EARNINGS
PER SHARE

UP 49% YOY

4.3%

ADJUSTED OPERATING
MARGIN

UP 70 BPS YOY



2021 Business Highlights



Above market sales growth and strong new business wins in both business segments; Seating market share increased from 23% to 25%



Expanding capabilities in Seating thermal comfort systems through pending Kongsberg Interior Comfort acquisition



Accelerating growth in connection systems through the acquisition of M&N Plastics, formation of Hu Lane joint venture and establishment of a partnership with IMS Connector Systems



Ranked #4 in Automotive/Components and #93 overall in Newsweek's America's Most Responsible Companies 2022 list



Recognized for quality and innovation by J.D. Power and Automotive News



Improved financial flexibility by increasing revolver and extending debt maturities



Increased quarterly cash dividend to pre-pandemic level of \$0.77 per share




Returned \$207 million of cash to shareholders through dividends and share repurchases



Seating Key 2022 Product Launches

 = Electric Vehicle

 = Luxury

KEY JIT AND COMPONENT LAUNCHES

Mercedes EQE



JIT, Leather,
Seat Covers, Structures
EUROPE AND ASIA

BMW X5
CONQUEST



JIT, Rear Structure,
Foam, Fabric
ASIA

Mercedes EQS (SUV)



JIT, Seat Covers, Leather
NORTH AMERICA

Mercedes GLC



JIT, Leather,
Seat Covers, Structures
EUROPE

**Chevrolet Colorado
& GMC Canyon**

CONQUEST



JIT, Seat Covers, Structures
NORTH AMERICA

Arrival Van



JIT, Seat Covers, Structures
EUROPE

**Land Rover
Range Rover Sport**



JIT, Seat Covers, Leather
EUROPE

BMW 7-series

CONQUEST



JIT, Seat Covers, Leather
EUROPE



E-Systems Key 2022 Product Launches

 = Electric Vehicle

KEY WIRE LAUNCHES

**Land Rover
Range Rover Sport**



Low Voltage

**Ford
F250 / F350 SuperDuty**



Low Voltage

**Global
EV OEM** 



High and Low Voltage

**Autonomous
Vehicle** 



High and Low Voltage

KEY ELECTRONICS LAUNCHES

**GMC
Hummer Pickup** 



Battery Disconnect Unit

**Mazda
MX-30** 



Onboard Charger

**Great Wall
T6 SUV** 



Connectivity

**Volvo
XC90** 



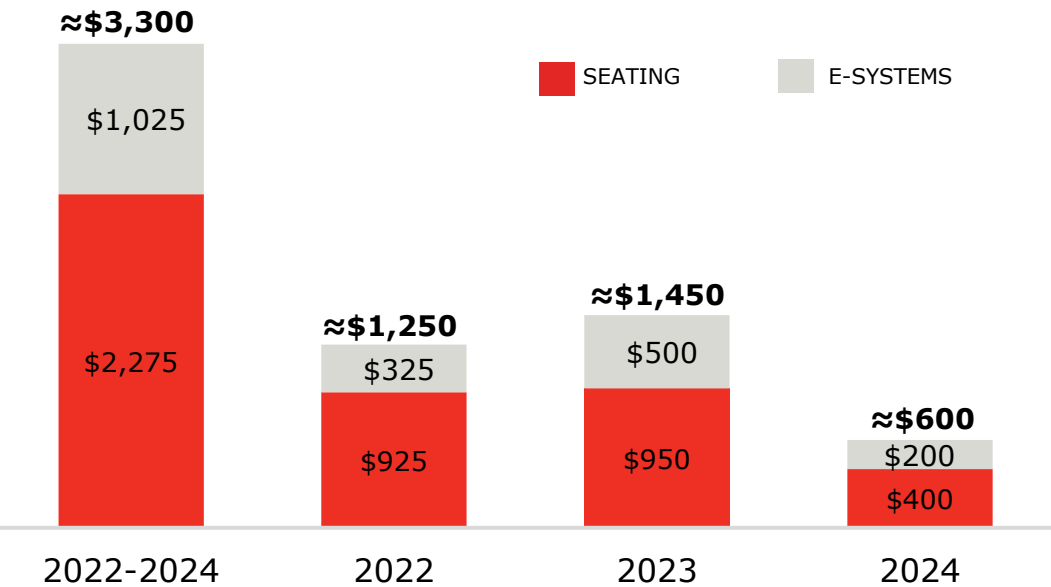
DC/DC & BMS



Sales Backlog (Net New Awarded Business)

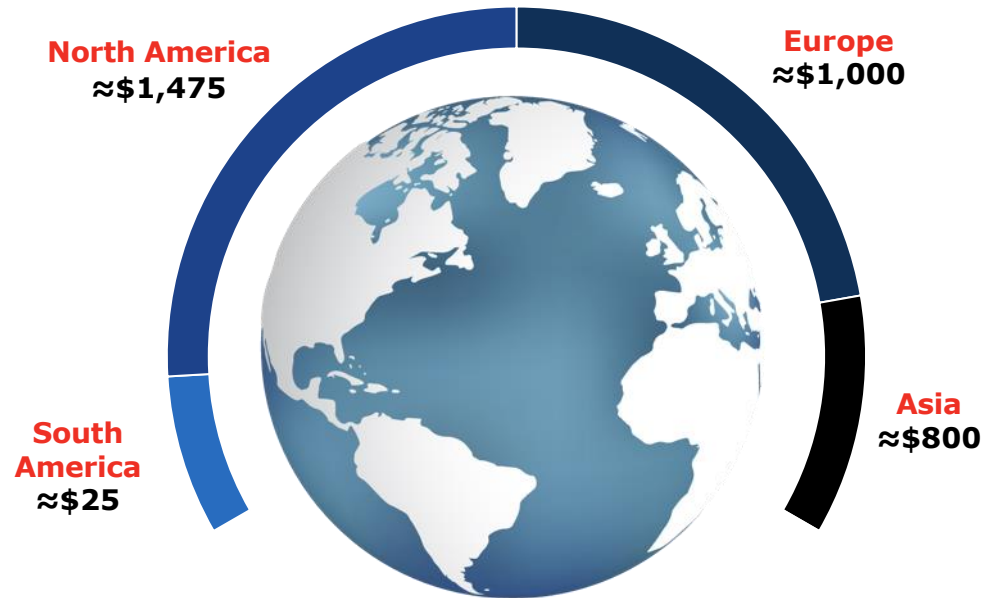
2022-2024 CONSOLIDATED SALES BACKLOG

(\$ in millions)



CONSOLIDATED BACKLOG BY REGION

(\$ in millions)



2022-2024 Sales Backlog of ≈\$3.3 Billion





Financial Review

Jason Cardew, Senior Vice President and CFO

Fourth Quarter 2021

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
Q4 2020	23.0	Q4 2020	3.9	Q4 2020	5.4	Q4 2020	7.3
Q4 2021	20.0	Q4 2021	3.3	Q4 2021	4.0	Q4 2021	7.0
DOWN 13% YOY		DOWN 15% YOY		DOWN 26% YOY		DOWN 4% YOY	

KEY CURRENCIES

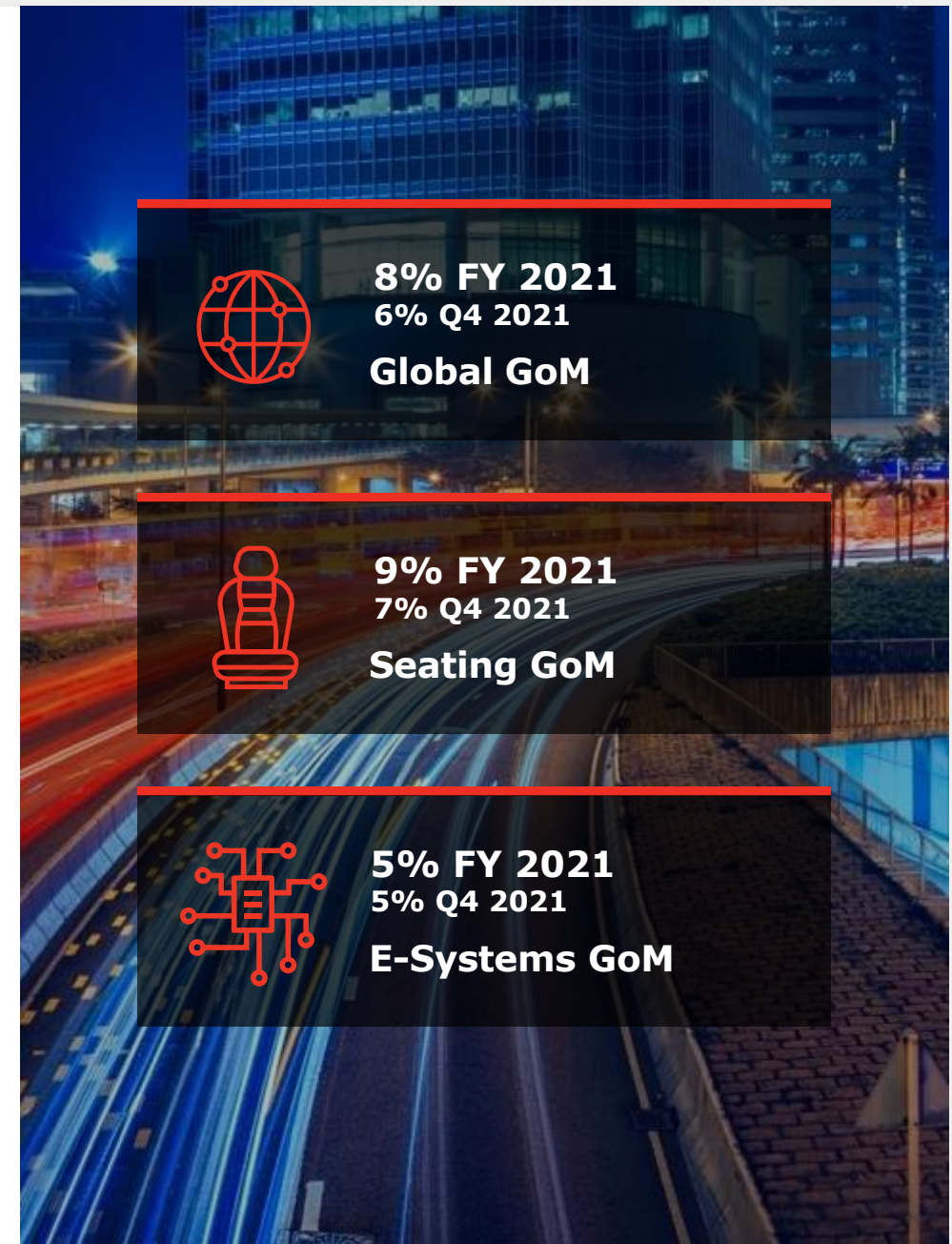
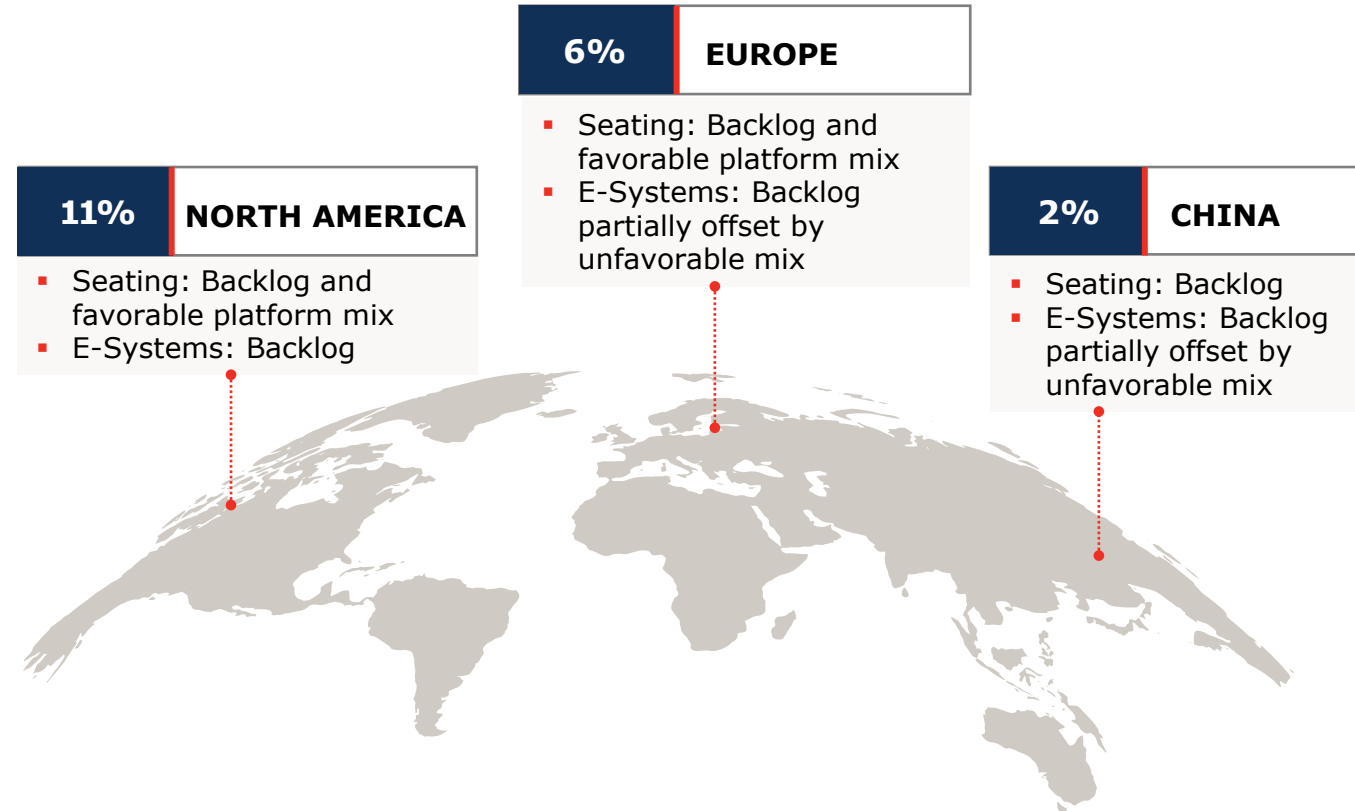
	2020	2021	
Euro	\$1.19 / €	\$1.15 / €	Down 4%
Chinese RMB	6.62 / \$	6.39 / \$	Up 4%



Source: IHS Markit as of January 17, 2022

Growth Over Market

Full Year 2021



Year-over-year sales growth over market (GoM) excludes the impact of FX, commodities and acquisitions. The year-over-year change in production on a Lear sales-weighted basis is calculated using Lear's prior year regional sales mix. IHS Markit production has been adjusted to match Lear's fiscal calendar.

Key Financials

Fourth Quarter 2021

(\$ in millions, except per share amounts)

	2020	2021	YEAR-OVER-YEAR DRIVERS
Net Sales	\$5,243	\$4,880	Lower volume and foreign exchange, partially offset by backlog and commodity passthrough
Core Operating Earnings Operating Margin %	\$330 6.3%	\$158 3.2%	Lower volume and higher commodity costs, partially offset by operating performance and backlog
Adjusted Earnings Per Share	\$3.66	\$1.22	Lower core earnings
Free Cash Flow	\$234	\$(13)	Lower earnings, increased working capital and increased capital expenditures



Key Financials

Full Year 2021

(\$ in millions, except per share amounts)

	2020	2021	YEAR-OVER-YEAR DRIVERS
Net Sales	\$17,046	\$19,263	Backlog, increased volume, foreign exchange and commodity passthrough
Core Operating Earnings Operating Margin %	\$614 3.6%	\$826 4.3%	Operating performance, backlog and increased volume, partially offset by higher commodity costs
Adjusted Earnings Per Share	\$5.33	\$7.94	Higher core earnings
Free Cash Flow	\$211	\$85	Increased working capital and increased capital expenditures, partially offset by higher earnings

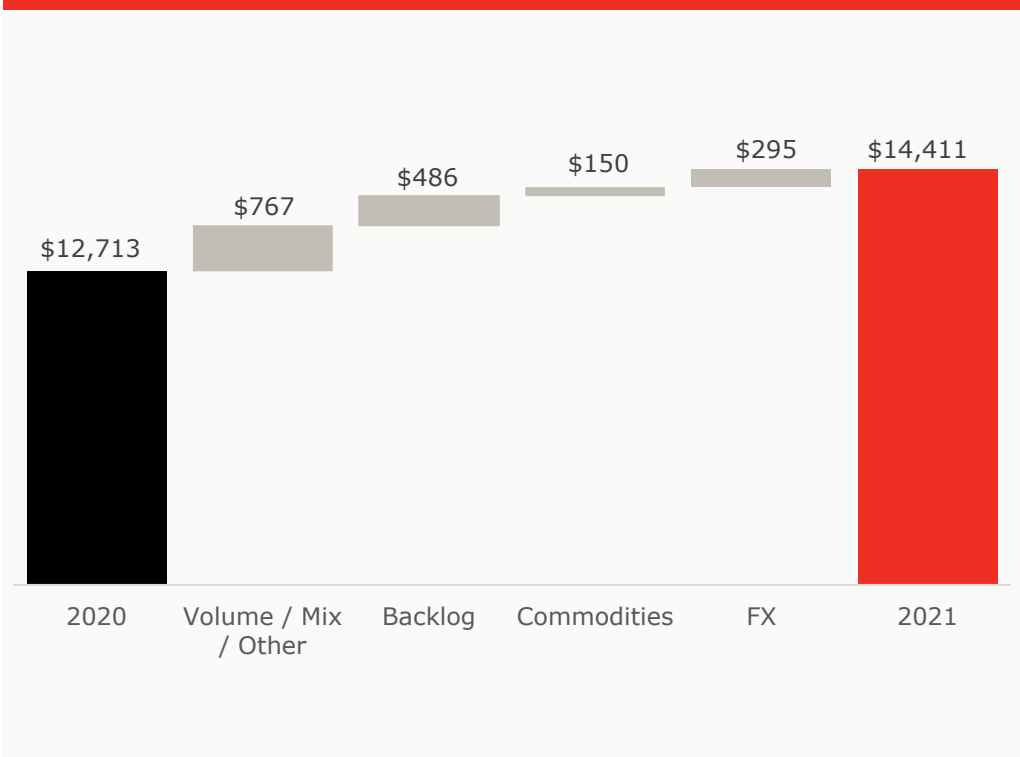


Seating Sales and Margin Drivers

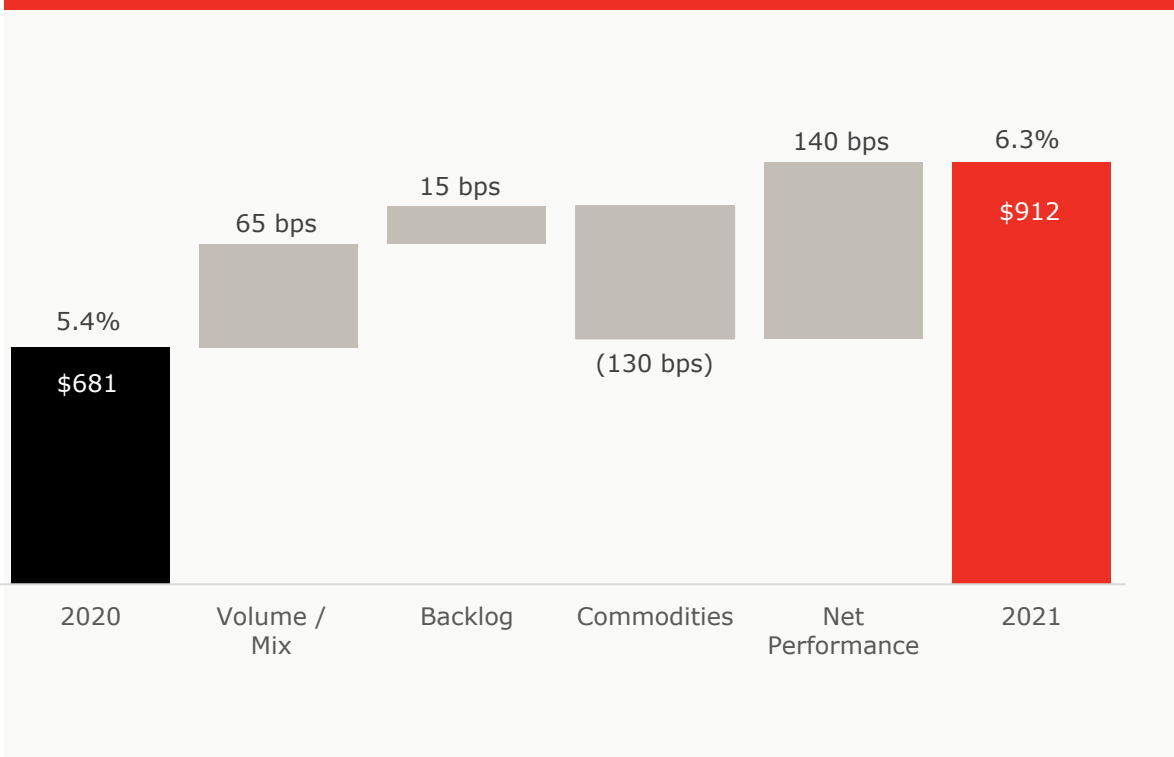
Full Year 2021

(\$ in millions)

SALES



ADJUSTED EARNINGS AND MARGIN



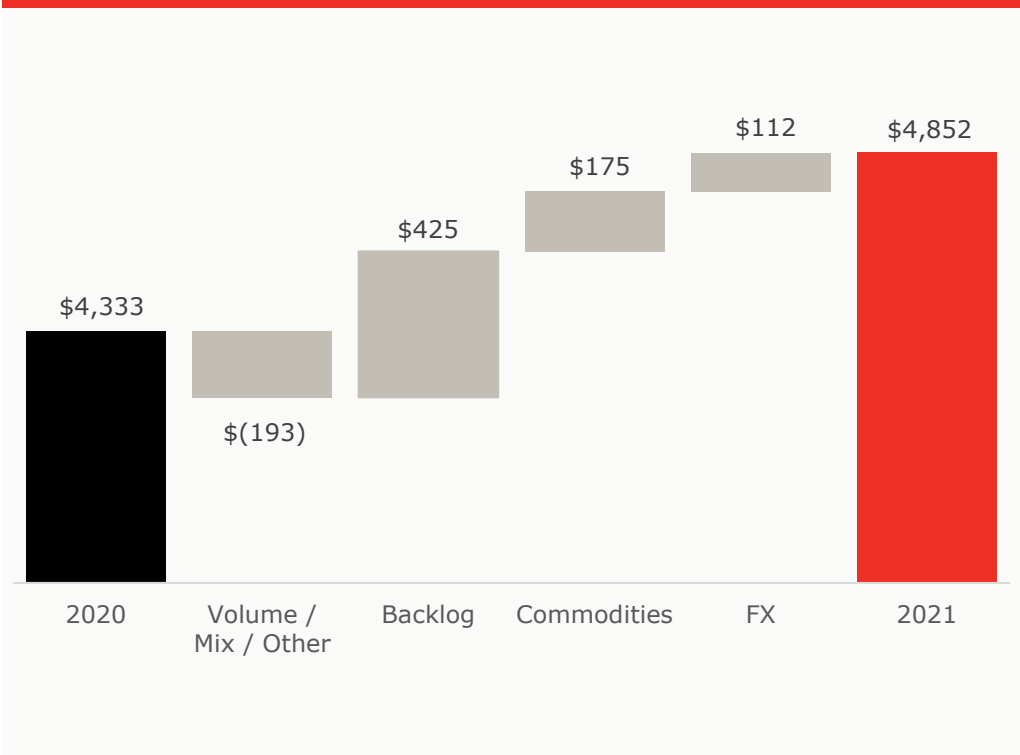
Please see appendix for discussion of non-GAAP financial measures, as well as reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP

E-Systems Sales and Margin Drivers

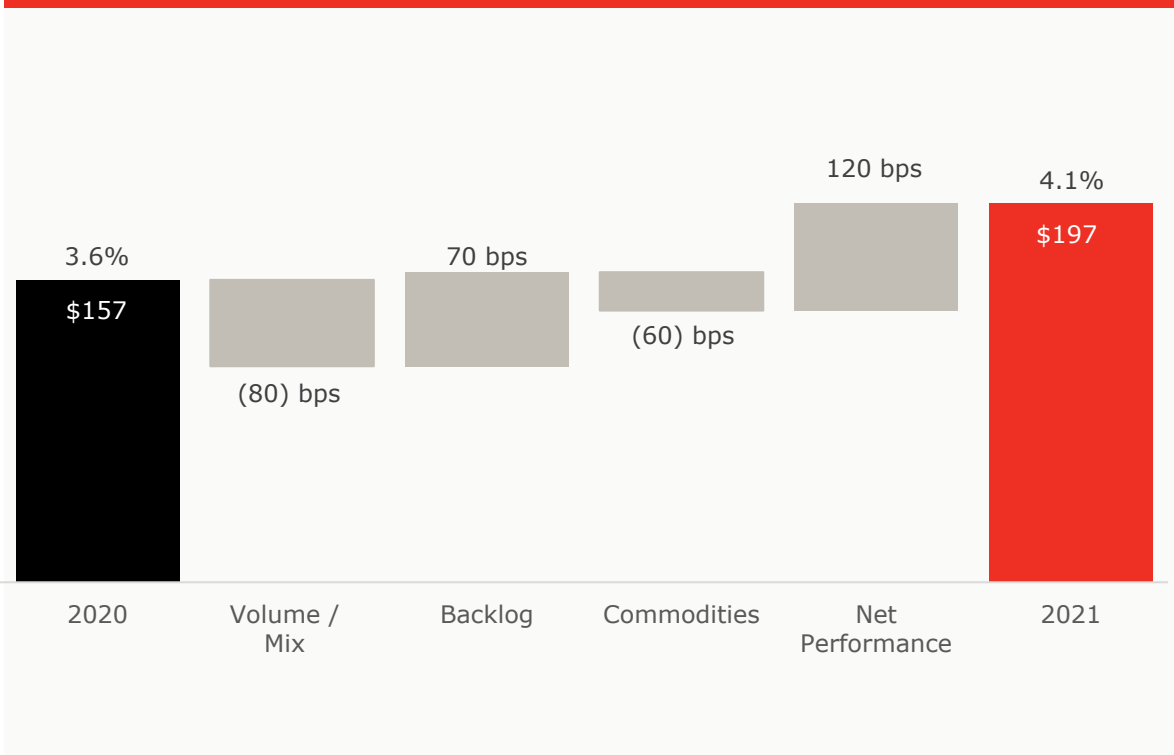
Full Year 2021

(\$ in millions)

SALES



ADJUSTED EARNINGS AND MARGIN



Please see appendix for discussion of non-GAAP financial measures, as well as reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP

Increased Financial Flexibility and Returned Capital to Shareholders

LIQUIDITY

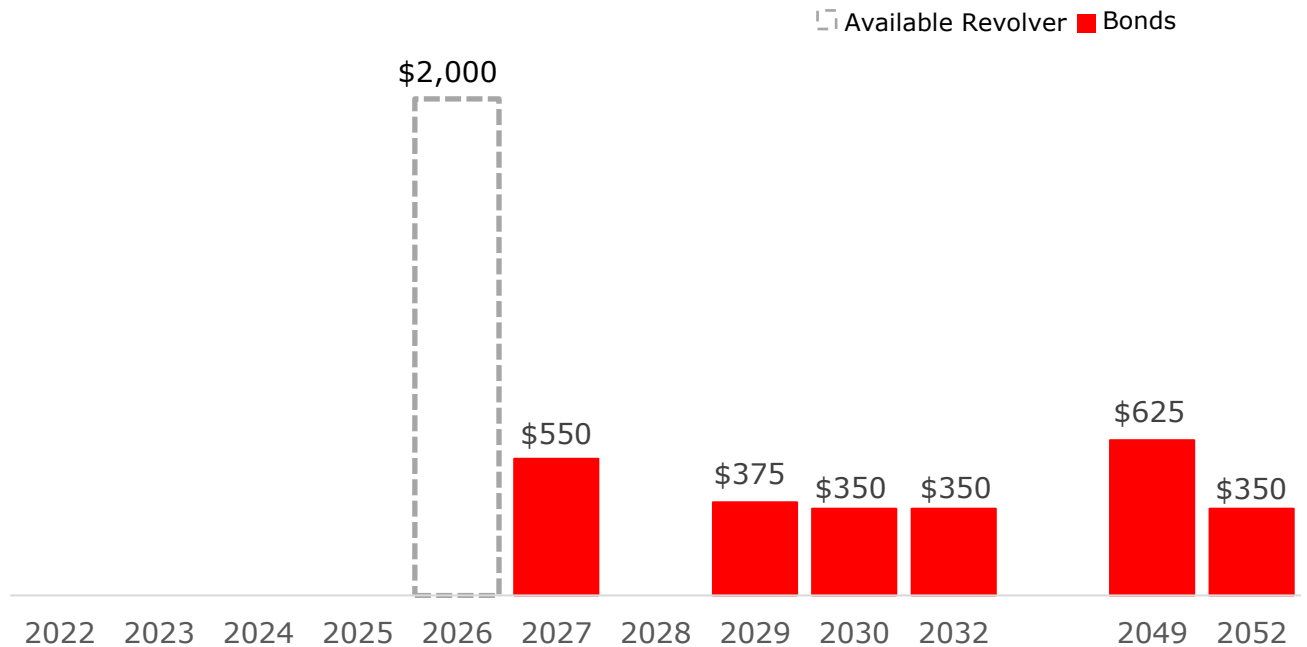
- \$3.3 billion in total liquidity, including \$2.0 billion of availability under revolving credit facility
- Further strengthened capital structure, enhanced liquidity and improved debt maturity profile
 - Increased revolving credit facility to \$2.0 billion and extended maturity by two years to 2026
 - Completed \$700 million bond financing to repurchase \$200 million of 2027 notes, repay term loan and fund Kongsberg acquisition
 - No outstanding debt maturities until 2027
- Investment grade across all ratings agencies

CAPITAL ALLOCATION

- Increased quarterly cash dividend to pre-pandemic level of \$0.77 per share
- Returned over \$200 million of cash to shareholders through dividends and share repurchases
- Actively targeting niche acquisitions to increase vertical integration capabilities in both businesses

DEBT MATURITIES

(\$ in millions)



As of December 31, 2021



2022 Outlook – Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
FY 2021	74.5	FY 2021	13.0	FY 2021	16.2	FY 2021	22.8
FY 2022	78.8	FY 2022	14.7	FY 2022	18.2	FY 2022	22.8
<i>High End</i>	<i>81.2</i>						
vs Prior Year UP 6% <i>High End Up 9%</i>		vs Prior Year UP 13%		vs Prior Year UP 12%		vs Prior Year FLAT	

KEY CURRENCIES

	2021	2022	
Euro	\$1.18 / €	\$1.12 / €	Down 5%
Chinese RMB	6.45 / \$	6.35 / \$	Up 2%

Source: IHS Markit as of January 17, 2022, and company estimates for outlook



2022 Outlook – Key Considerations

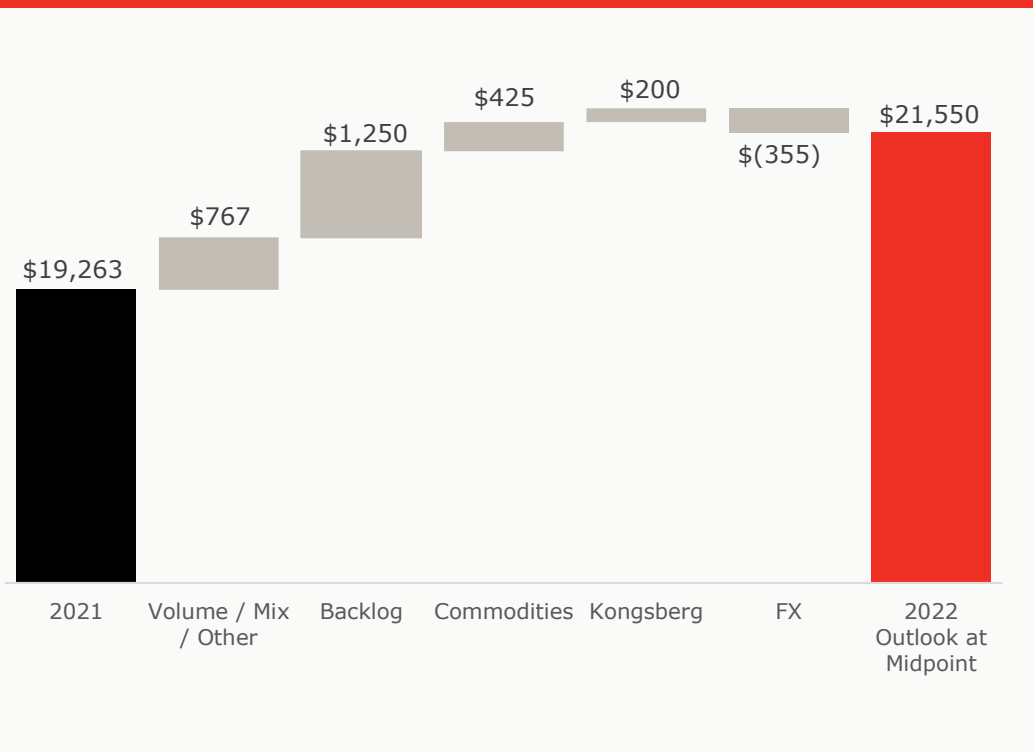
INDUSTRY / MACRO	CURRENT STATE	IMPACT VS. 2021	2023 AND BEYOND
<p>Global Industry Volumes</p> <p>Commodity Prices</p> <p>Inflation</p> <p>Electrification Trend</p>	<p>Constrained</p> <p>Stable but Elevated</p> <p>Costs Increasing</p> <p>Accelerating</p>	<p>+</p> <p>-</p> <p>-</p> <p>+</p>	<p>Continued Recovery Driven by Strong Demand and Low Inventory</p> <p>Steel Prices Softening; Generally Positive</p> <p>Expect Moderation</p> <p>CPV Opportunity</p>
<p>LEAR SPECIFIC</p> <p>New Business Backlog</p> <p>Key Platform Volumes</p> <p>Restructuring / Cost Reduction Efforts</p> <p>Customer Negotiations</p>	<p>Increasing</p> <p>Mixed</p> <p>Increasing Investment</p> <p>Ongoing</p>	<p>+</p> <p>-</p> <p>+</p> <p>+ / -</p>	<p>Significantly Better than 2022</p> <p>Increasing Customer Diversification</p> <p>Expect Efficiency Improvements</p> <p>Expect Resolution and Pass Through</p>



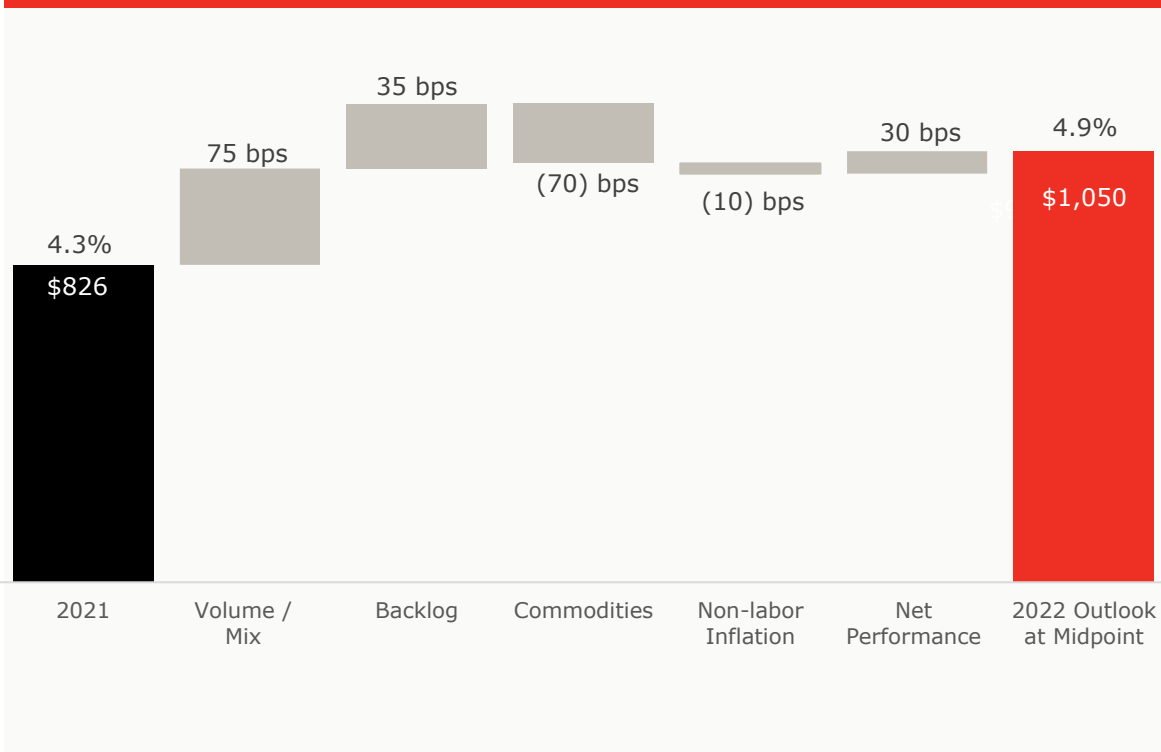
2021 Actual to 2022 Outlook – at Mid-Point

(\$ in millions)

SALES



ADJUSTED EARNINGS AND MARGIN



Certain of the forward-looking financial measures are provided on a non-GAAP basis. A reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items in any future period. The magnitude of these items, however, may be significant.

2022 Full Year Outlook

Net Sales

\$20,800 - \$22,300 million

Interest Expense

≈\$105 million

Restructuring Costs

≈\$125 million

Core Operating Earnings

\$900 - \$1,200 million

Effective Tax Rate

≈21%

Capital Spending

\$650 - \$700 million

Adjusted EBITDA

\$1,500 - \$1,800 million

Adjusted Net Income

\$525 - \$755 million

Free Cash Flow

\$300 - \$600 million

Note: 2022 Outlook assumes an average Euro of \$1.12 and an average Chinese RMB of 6.35/\$



Certain of the forward-looking financial measures are provided on a non-GAAP basis. A reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items in any future period. The magnitude of these items, however, may be significant.



Concluding Remarks

Ray Scott, President and CEO

2022: The Road Ahead



Implement thermal comfort solutions strategy to expand leadership in Seating



Grow connection systems by integrating acquisitions, JVs and partnerships and improve E-Systems margins



Aggressively manage capacity and cost structure to reflect volume environment and offset inflationary pressures





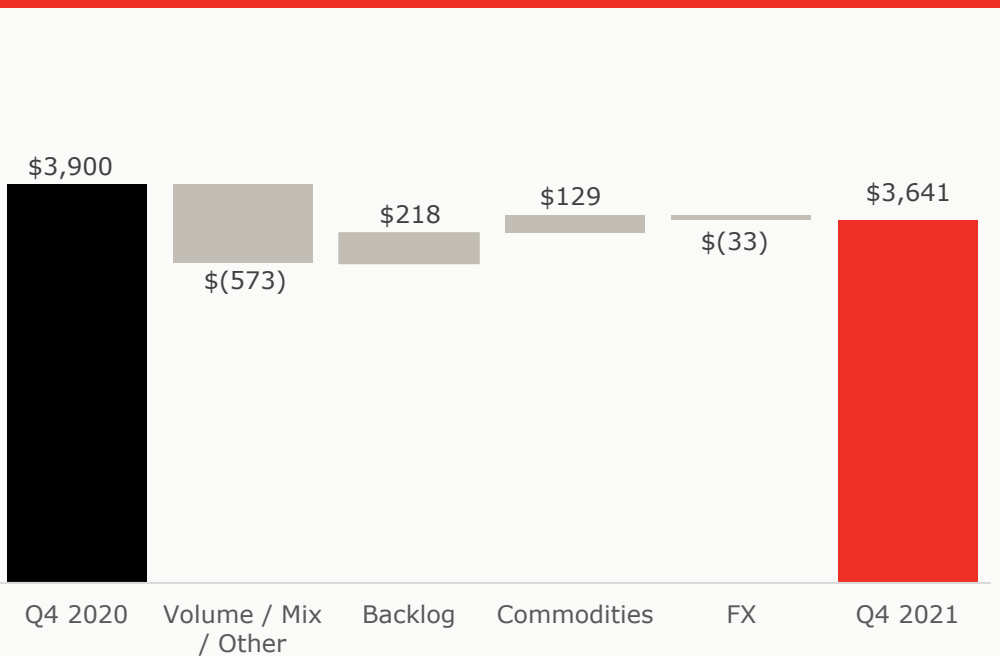
Appendix

Seating Sales and Margin Drivers

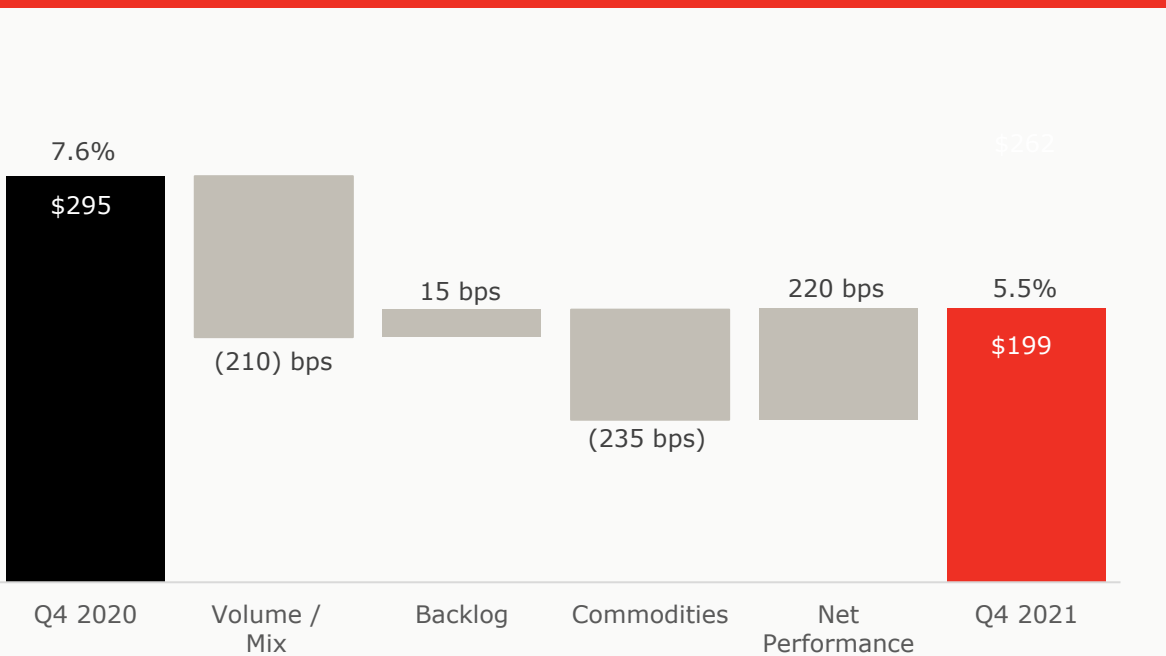
Fourth Quarter

(\$ in millions)

SALES



ADJUSTED EARNINGS AND MARGIN



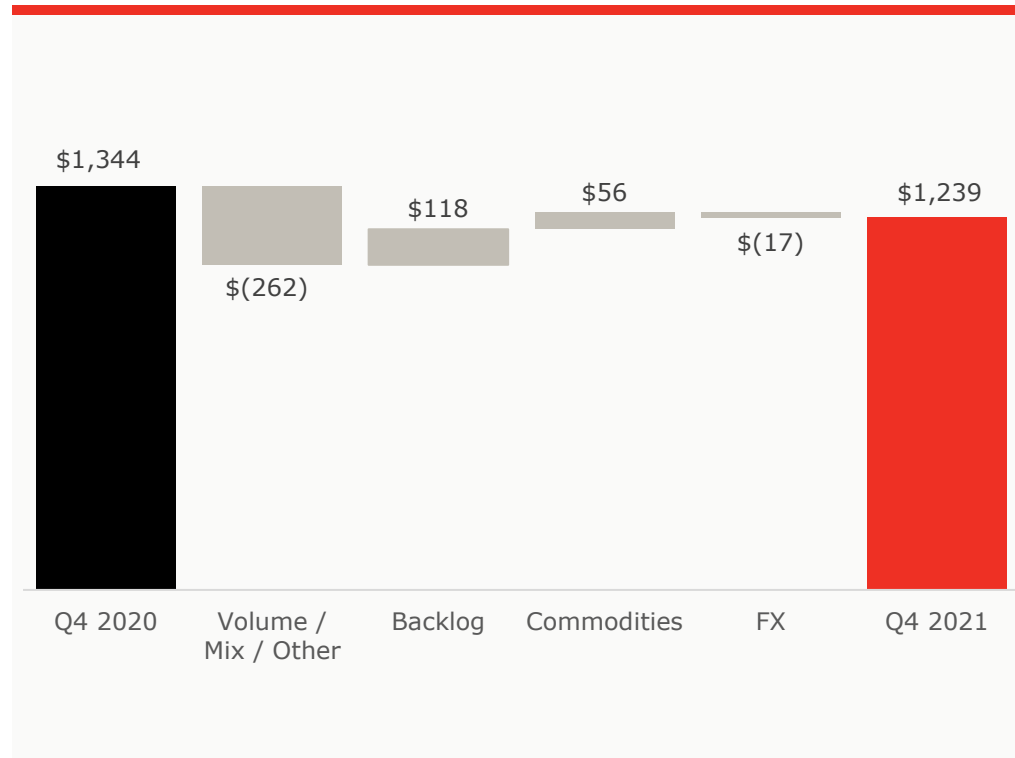
Please see the following slides for discussion of non-GAAP financial measures, as well as reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP

E-Systems Sales and Margin Drivers

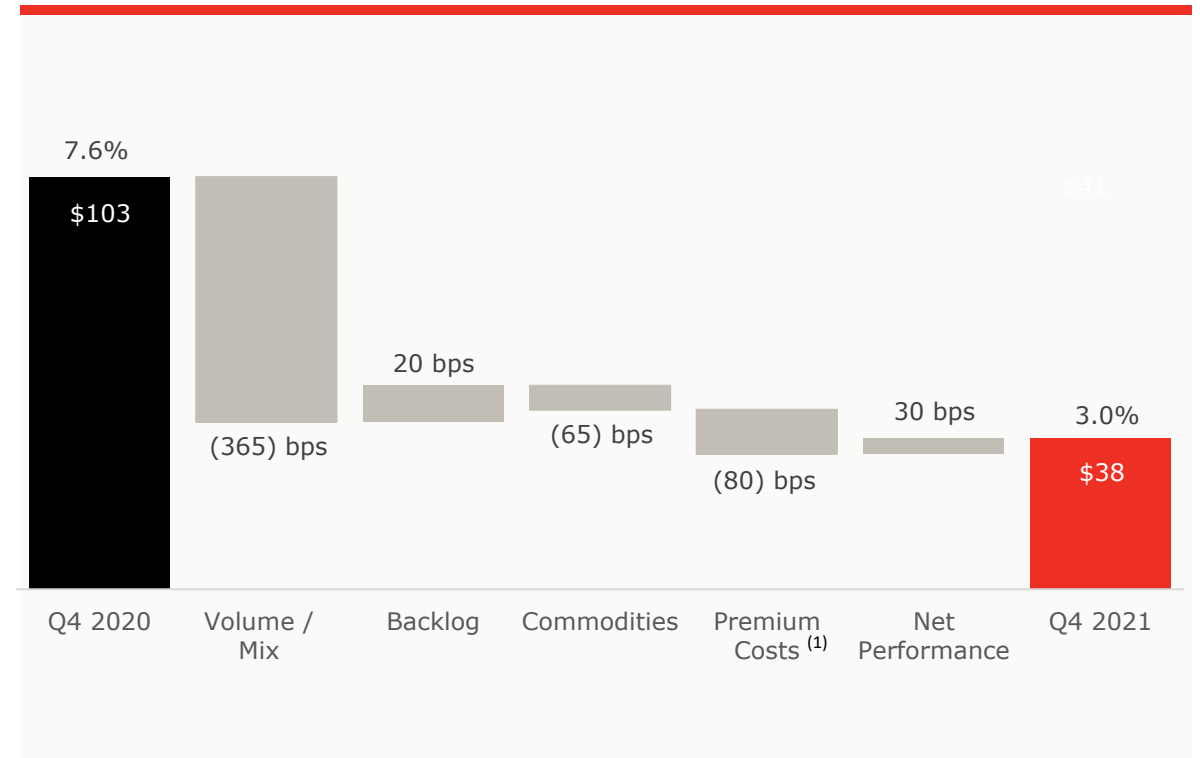
Fourth Quarter

(\$ in millions)

SALES



ADJUSTED EARNINGS AND MARGIN



(1) Premium Costs include semiconductor and COVID-19 impacts

Please see the following slides for discussion of non-GAAP financial measures, as well as reconciliations of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP



Non-GAAP Financial Information

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

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

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

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



Non-GAAP Financial Information

Core Operating Earnings and Adjusted Margins (\$ in millions)

Net sales

Net income attributable to Lear

Interest expense

Other expense, net

Income taxes

Equity in net income of affiliates

Net income attributable to noncontrolling interests

Restructuring costs and other special items -

Costs related to restructuring actions

Intangible asset impairment

Typhoon in the Philippines

Other

Core operating earnings

Adjusted margins

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
Net sales	\$5,243.2	\$5,243.2	\$ 17,045.5	\$ 19,263.1
Net income attributable to Lear	\$ 201.6	\$ 21.5	\$ 158.5	\$ 373.9
Interest expense	21.5	24.6	99.6	91.8
Other expense, net	0.8	28.8	55.2	0.1
Income taxes	63.8	18.6	93.9	137.7
Equity in net income of affiliates	(12.6)	(6.7)	(28.5)	(15.8)
Net income attributable to noncontrolling interests	21.1	28.1	75.4	87.7
Restructuring costs and other special items -				
Costs related to restructuring actions	33.4	31.6	143.7	119.3
Intangible asset impairment	-	-	-	8.5
Typhoon in the Philippines	-	13.2	-	13.2
Other	0.1	(1.3)	15.7	9.6
Core operating earnings	\$ 329.7	\$ 158.4	\$ 613.5	\$ 826.0
Adjusted margins	6.3%	3.0%	3.6%	4.3%



Non-GAAP Financial Information

Adjusted Earnings Per Share

(In millions, except per share amounts)

Net income attributable to Lear

Costs related to restructuring actions

Loss on extinguishment of debt

Intangible asset impairment

Typhoon in the Philippines

Favorable tax ruling in a foreign jurisdiction

Loss related to affiliate

Other

Tax impact of special items and other net tax adjustments ¹

Adjusted net income attributable to Lear

Weighted average number of diluted shares outstanding

Diluted net income per share available to Lear common stockholders

Adjusted earnings per share

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
Net income attributable to Lear	\$ 201.6	\$ 21.5	\$ 158.5	\$ 373.9
Costs related to restructuring actions	26.7	24.9	149.9	112.6
Loss on extinguishment of debt	-	24.6	21.1	24.6
Intangible asset impairment	-	-	-	8.5
Typhoon in the Philippines	-	13.2	-	13.2
Favorable tax ruling in a foreign jurisdiction	-	0.9	-	(45.1)
Loss related to affiliate	4.0	1.0	4.0	2.0
Other	(4.1)	(2.6)	8.9	4.2
Tax impact of special items and other net tax adjustments ¹	(6.9)	(9.9)	(20.4)	(14.1)
Adjusted net income attributable to Lear	\$ 221.3	\$ 73.6	\$ 322.0	\$ 479.8
Weighted average number of diluted shares outstanding	60.5	60.3	60.4	60.4
Diluted net income per share available to Lear common stockholders	\$ 3.33	\$ 0.36	\$ 2.62	\$ 6.19
Adjusted earnings per share	\$ 3.66	\$ 1.22	\$ 5.33	\$ 7.94

¹ Reflects the tax effect of restructuring costs and other special items, as well as several discrete tax items. The identification of these tax items is judgmental in nature, and their calculation is based on various assumptions and estimates.



Non-GAAP Financial Information

Adjusted Segment Earnings and Margins

(\$ in millions)

	Full Year			
	Seating		E-Systems	
	2020	2021	2020	2021
Net sales	\$ 12,712.7	\$ 14,411.4	\$ 4,332.8	\$ 4,851.7
Segment earnings	\$ 590.5	\$ 851.3	\$ 98.1	\$ 121.2
Restructuring costs and other special items -				
Costs related to restructuring actions	86.8	59.7	55.8	52.1
Intangible asset impairment	-	-	-	8.5
Typhoon in the Philippines	-	-	-	13.2
Other	3.4	1.0	3.5	1.5
Adjusted segment earnings	\$ 680.7	\$ 912.0	\$ 157.4	\$ 196.5
Adjusted margins	5.4%	6.3%	3.6%	4.1%



Non-GAAP Financial Information

Adjusted Segment Earnings and Margins

(\$ in millions)

	Fourth Quarter			
	Seating		E-Systems	
	2020	2021	2020	2021
Net sales	\$ 3,899.6	\$ 3,641.0	\$ 1,343.6	\$ 1,238.8
Segment earnings	\$ 270.1	\$ 180.4	\$ 93.1	\$ 12.8
Restructuring costs and other special items -				
Costs related to restructuring actions	24.2	18.2	9.0	11.4
Typhoon in the Philippines	-	-	-	13.2
Other	0.9	0.1	0.5	0.3
Adjusted segment earnings	\$ 295.2	\$ 198.7	\$ 102.6	\$ 37.7
Adjusted margins	7.6%	5.5%	7.6%	3.0%



Non-GAAP Financial Information

Free Cash Flow

(\$ in millions)

Net cash provided by operating activities

Capital expenditures

Free cash flow

	Fourth Quarter		Full Year	
	2020	2021	2020	2021
Net cash provided by operating activities	\$ 400.8	\$ 166.9	\$ 663.1	\$ 670.1
Capital expenditures	(167.0)	(179.6)	(452.3)	(585.1)
Free cash flow	\$ 233.8	\$ (12.7)	\$ 210.8	\$ 85.0



Non-GAAP Financial Information

(in millions, except per share amounts)

	Fourth Quarter 2021			
	<u>Reported</u>	<u>Restructuring Costs</u>	<u>Other Special Items</u>	<u>Adjusted</u>
Pretax Income Before Equity Income, Interest and Other Expense	\$ 114.9	\$ 31.6*	\$ 11.9*	\$ 158.4
Equity Income	<u>(6.7)</u>			<u>(6.7)</u>
Pretax Income Before Interest and Other Expense	\$ 121.6			\$ 165.1
Interest Expense	24.6			24.6
Other Expense, Net	<u>28.8</u>	(6.7)	25.2	<u>10.3</u>
Income Before Taxes	\$ 68.2			\$ 130.2
Income Taxes	<u>18.6</u>	(4.9)	(5.0)	<u>28.5</u>
Net Income	\$ 49.6			\$ 101.7
Noncontrolling Interests	<u>28.1</u>			<u>28.1</u>
Net Income Attributable to Lear	<u>\$ 21.5</u>			<u>\$ 73.6</u>
Diluted Earnings per Share	<u>\$ 0.36</u>			<u>\$ 1.22</u>

* Restructuring costs include \$25.3 million in cost of sales and \$6.3 million in SG&A. Other special items include \$15.2 million in cost of sales and (\$3.3) million in SG&A.

