



Investor Overview

May 2024

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, 2023, and its other Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, supply chain disruptions, labor disruptions, commodity prices, changes in foreign exchange rates, the impact of restructuring actions and the Company’s success in implementing its operating strategy.

Information in this presentation relies on assumptions in the Company’s core sales backlog. The Company’s core sales backlog reflects anticipated net sales from formally awarded new programs less lost and discontinued programs and excludes the impact of non-core products winding down in our E-Systems business. 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 core sales backlog does not reflect customer price reductions on existing or newly awarded programs. The core 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.

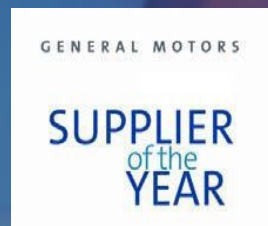
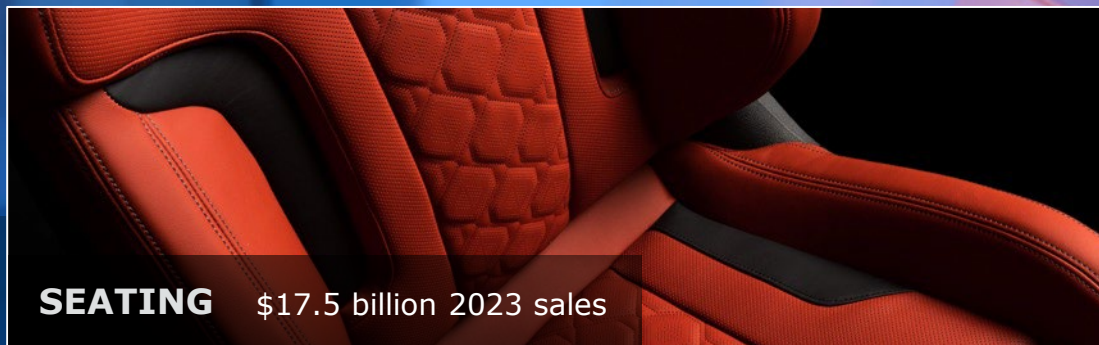
The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof.

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.

Lear At A Glance

A Global Automotive Supplier – Sales of \$23.5 Billion in 2023



U.S. News Best Companies to Work For | Time's World's Best Companies of 2023

Making every drive better™

~186,600 EMPLOYEES GLOBALLY

Industry leading talent and technical expertise

265 FACILITIES IN 38 COUNTRIES

Global engineering and manufacturing footprint

475 VEHICLE NAMEPLATES

Designing, engineering and manufacturing world-class products for every major automotive manufacturer in the world

100+ YEAR HERITAGE

As an automotive supplier

Global Footprint

North America

82,800
employees

81
facilities

5
countries

Global Headquarters
Southfield, Michigan

South America

8,900
employees

15
facilities

2
countries

South America Regional Headquarters
São Paulo, Brazil

Europe Seating Regional Headquarters
Munich, Germany

Europe E-Systems Regional Headquarters
Valls, Spain

Asia Regional Headquarters
Shanghai, China

Europe & Africa

68,400
employees

105
facilities

21
countries

Asia Pacific

26,500
employees

64
facilities

10
countries

**68% of Manufacturing Facilities and
86% of Employees Located in Low-Cost Countries**

ESG Highlights

ENVIRONMENTAL

9 on-site solar arrays in **6** countries

100% of electricity powering our plants in Germany, Poland, Spain and the United Kingdom is generated from renewable sources

8M metric tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

7 major product lines have completed reference Life Cycle Assessments (LCAs)

SOCIAL RESPONSIBILITY

Together We Grow

program launched to help future diverse leaders grow through proactive career management and leadership development

\$5.4B + **5M**

spent with certified minority-owned, women-owned and veteran-owned suppliers in the United States over the past decade

hours of employee training and development

68 facilities achieved 1 million hours with 0 lost time injury/illness cases

WE SUPPORT



UN Global Compact
participant

\$100,000

donated along with food and supplies to support relief efforts in Ukraine

GOVERNANCE

No Deforestation Policy

reinforces responsible sourcing and our commitment to conserving natural resources

14,000+

self-reported suspicious emails resulted in the prevention of nearly 400 email-based cyberattacks

2,800+

production supplier sites across the globe completed sustainability assessments

50%

of Lear's Board of Directors are women and/or minorities

* Estimate calculated based on Lear's internal methodology using industry accepted emission factors, formulas and reasonable assumptions, without fully conforming to any particular GHG emissions reporting standard. These estimates have not been verified by a third party.

Key Financials

Full Year 2023

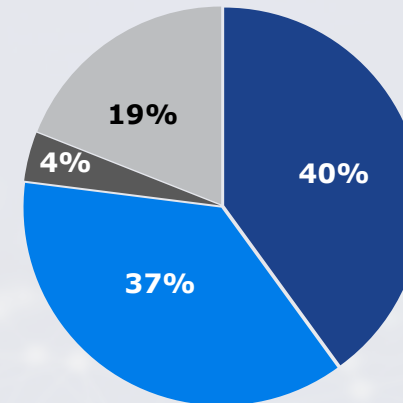
	2022	2023	2024 Outlook (Mid-Point)
Net Sales	\$20,892	\$23,467	\$24,300
Core Operating Earnings*	\$871	\$1,120	\$1,230
Operating Margin %	4.2%	4.8%	5.1%
Adjusted Earnings Per Share*	\$8.72	\$12.02	
Operating Cash Flow	\$1,021	\$1,249	\$1,350

*2024 Outlook for adjusted EPS not provided

Well-Diversified By Region and Customer

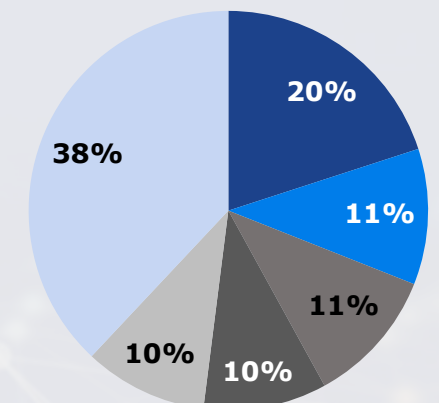
FY 2023 Percentage of Sales

By Region



■ North America ■ Europe & Africa
■ South America ■ Asia

By Customer



■ General Motors ■ Ford
■ Volkswagen ■ Mercedes-Benz
■ Stellantis ■ Other

Growth Over Market

First Quarter 2024

2% | NORTH AMERICA

- Seating: Unfavorable platform mix
- E-Systems: Favorable platform mix and backlog

1% | EUROPE

- Seating: Backlog partially offset by unfavorable platform mix
- E-Systems: Favorable platform mix and backlog

1% | CHINA

- Seating: Backlog partially offset by unfavorable platform mix
- E-Systems: Unfavorable platform mix



2024 Guidance

3%
Seating

5%
E-Systems

4%
Total Company

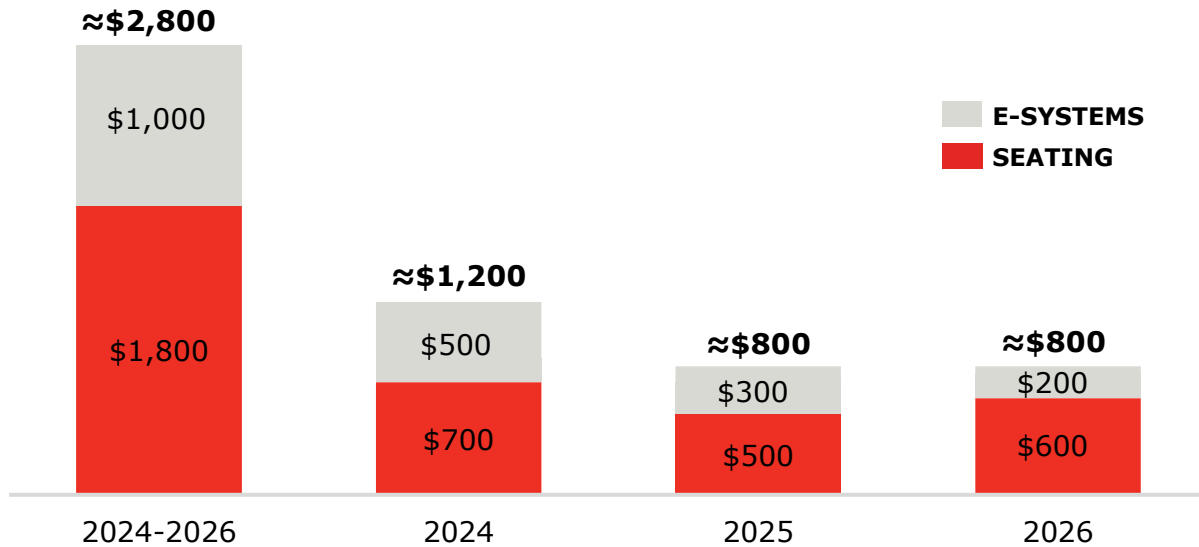


Core Sales Backlog

(Net New Awarded Business)

2024-2026 CONSOLIDATED ≈\$2.8B CORE SALES BACKLOG

(\$ in millions)



2024-2026 NON-CONSOLIDATED ≈\$650M SALES BACKLOG

- ✓ ≈70% higher than prior 3-year backlog of ≈\$380 million
- ✓ BYD comprises >50% of 3-year non-consolidated backlog

CONSOLIDATED SALES BACKLOG BY REGION

(\$ in millions)



Capital Allocation Driving Shareholder Value

Strong balance sheet supports growth and capital returns to shareholders

- BBB credit rating at S&P, Moody's and Fitch
- \$2.0B credit agreement matures in 2027
- Low cost of bonds averaging less than 4% with a weighted average life of ≈ 13.4 years*
- Total available liquidity of $\approx \$3.2$ billion*

Improving cash flow generation

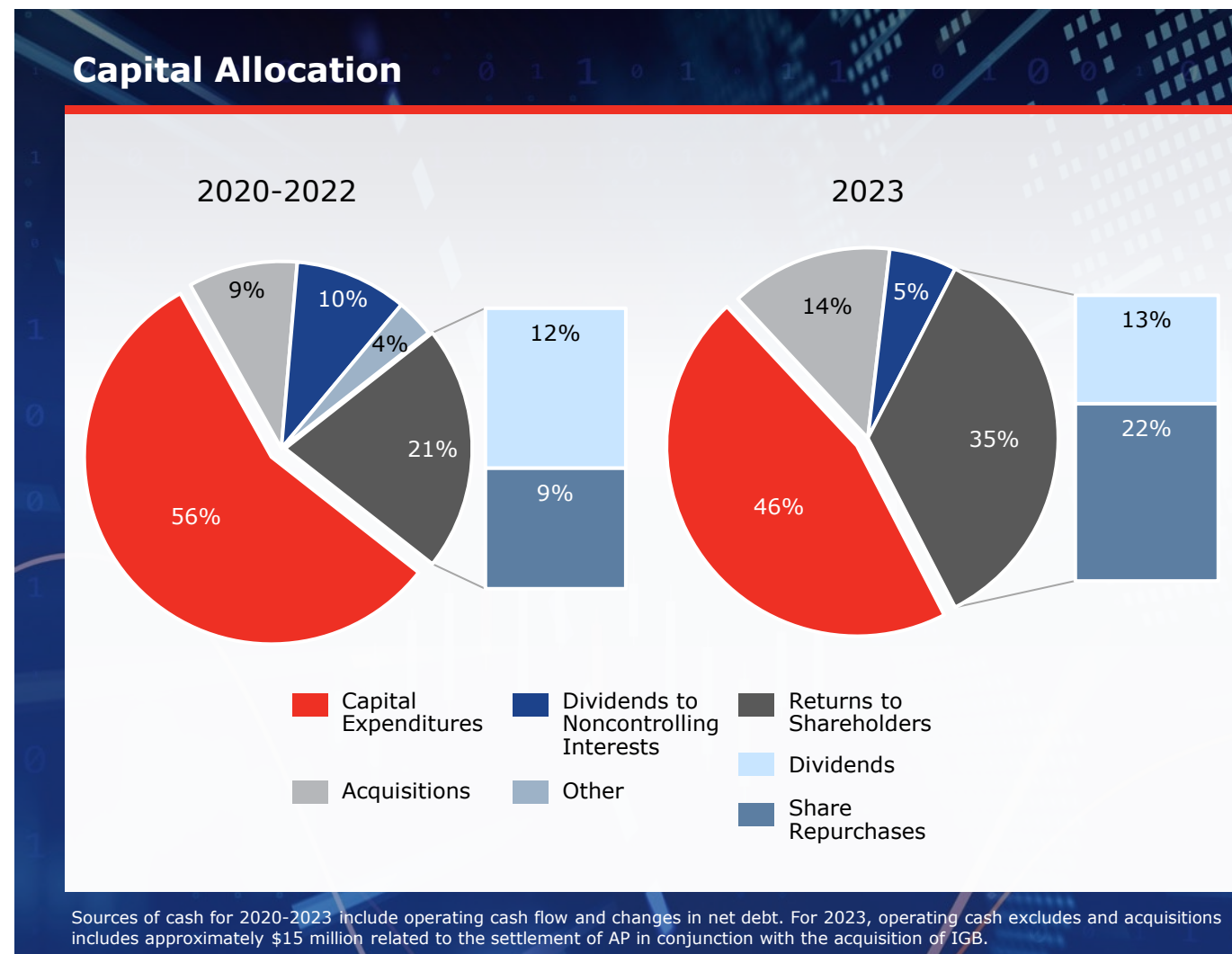
- Targeting $\approx 85\%$ free cash flow conversion in 2024

Investments support growth and vertical integration

- Majority of capital spending related to new business wins and product innovation
- Kongsberg, IGB and M&N acquisitions support market share gains and margin improvement
- ASI, InTouch, Thagora and WIP acquisitions driving automation

Consistently returning cash to shareholders

- Reduced shares outstanding by 4% in 2023
- Quarterly dividend of \$0.77 per share
- Increased share repurchase authorization to \$1.5 billion and extended the term until December 31, 2026



Continued Evolution of the Lear Strategy



SEATING

Extend Seating market leadership with new priceable content



E-SYSTEMS

Transform E-Systems through accelerated growth in connection systems and electrification



OPERATIONAL EXCELLENCE

Lead in Innovation, Digitalization, Engineering, Automation



SUSTAINABILITY

Prioritize people and planet



iDEEA

Innovative. Digital. Engineered. Automated.

by





Innovative. Digital. Engineered. Automated.

by



IDEA is the evolution of Lear's strategy to drive growth and improve profitability by developing innovative products and utilizing advanced technology to extend our leadership position in operational excellence

- Continuing competitive advantages in operational excellence, vertical integration and innovation have positioned Lear as a leading automotive supplier
- Automation and digital technologies are key enablers to driving margin expansion
- Innovative products and technologies are accelerating profitable growth in both Seating and E-Systems

2024 Outlook – Global Vehicle Production and Currency

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
FY 2023	89.0	FY 2023	15.7	FY 2023	18.3	FY 2023	27.8
FY 2024	88.8	FY 2024	16.0	FY 2024	17.9	FY 2024	28.3
vs Prior Year FLAT		vs Prior Year UP 2%		vs Prior Year DOWN 2%		vs Prior Year UP 2%	
Lear Weighted Outlook FLAT							

KEY CURRENCIES

	2023	2024	
EURO	\$1.08 / €	\$1.09 / €	UP 1%
CHINESE RMB	7.08 / \$	7.15 / \$	DOWN 1%

2024 Full Year Outlook

Net Sales

\$24,000 - \$24,600 million

Core Operating Earnings

\$1,155 - \$1,305 million

Adjusted EBITDA

\$1,795 - \$1,945 million

Interest Expense

≈\$110 million

Effective Tax Rate

21% - 22%

Adjusted Net Income

\$730 - \$840 million

Restructuring Costs

≈\$125 million

Operating Cash Flow

\$1,275 - \$1,425 million

Capital Expenditures

≈\$675 million

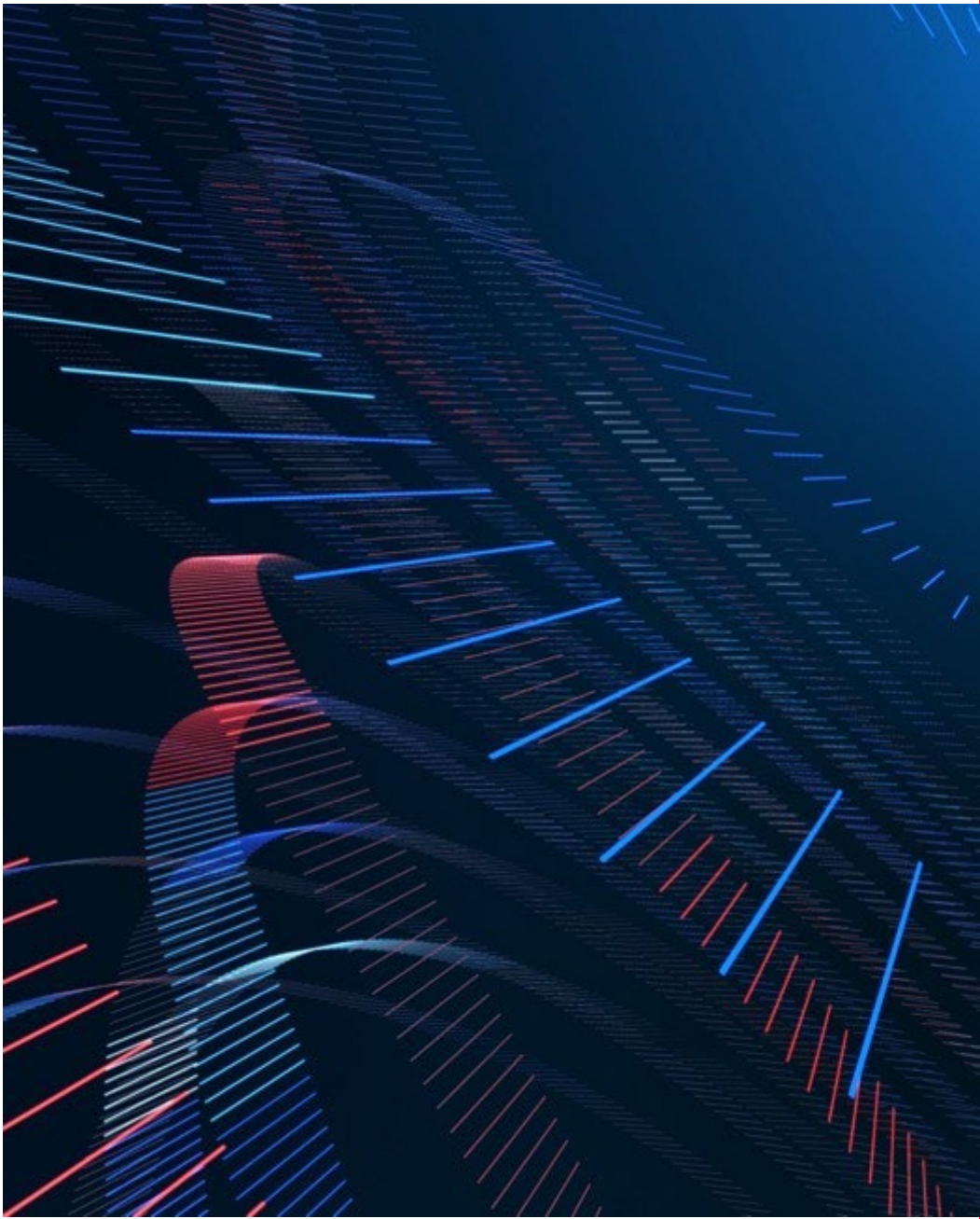
Free Cash Flow

\$600 - \$750 million

2024 Full Year Outlook assumes an average Euro of \$1.09, an average Chinese RMB of 7.15 / \$, S&P Global Mobility production forecast as of April 16, 2024, and Company estimates

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.





Seating

Seating at a Glance

Leader in world-class automotive seating systems with 25% global market share and largest provider of luxury solutions

Most vertically integrated supplier of complete automotive seat systems including Just-In-Time ("JIT") assembly and components, providing advanced craftsmanship, elegance in design, use of innovative materials and industry-leading technology

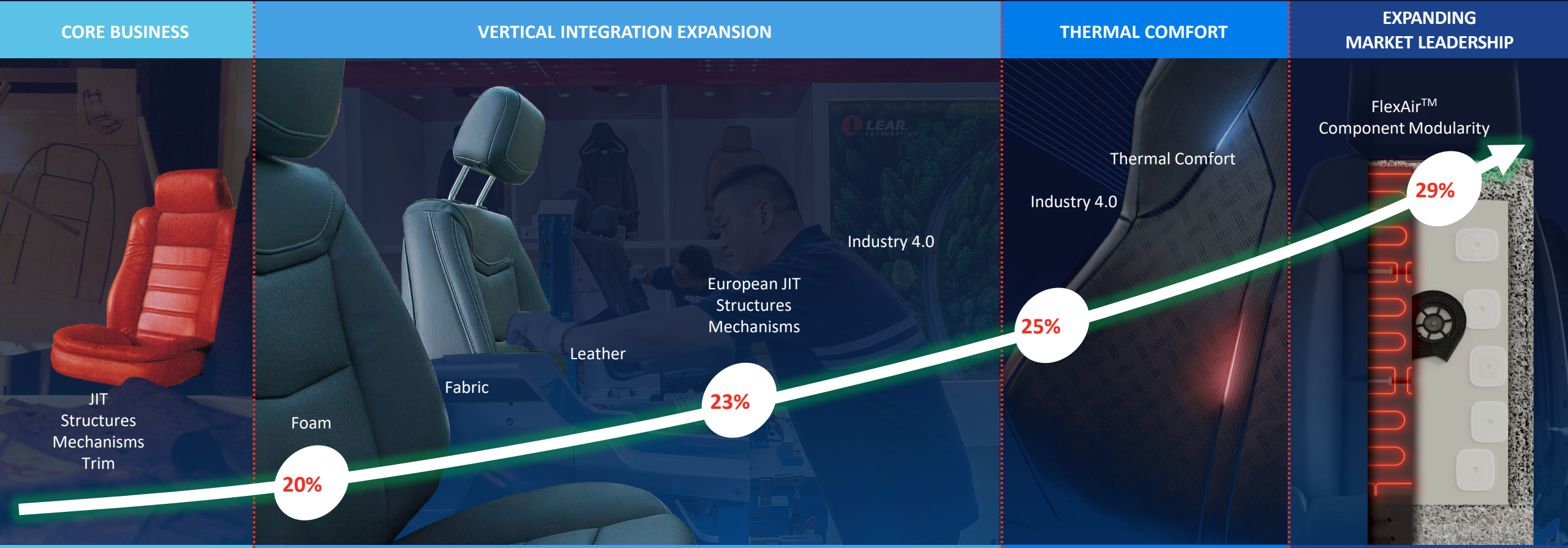
Award-winning technologies enabling efficient innovative solutions for thermal comfort, wellness and connected in-vehicle seating applications

Low-cost global manufacturing presence focused on operational excellence and process innovation with a culture of continuous improvement

ESG initiatives driven through development and utilization of integrated sustainable solutions, including recycled and/or renewable content, bio-based materials and light-weighting

Evolution of Lear's Seating Business

% - JIT Market Share



CORE BUSINESS

VERTICAL INTEGRATION EXPANSION

THERMAL COMFORT

EXPANDING MARKET LEADERSHIP

JIT Structures
Mechanisms
Trim

Foam
20%

Fabric

Leather

European JIT Structures
Mechanisms
23%

Industry 4.0

Industry 4.0
25%

Thermal Comfort

FlexAir™
Component Modularity

29%

1994 IPO

2008

2012

2015

2017

2018

2022

2023

2027 Target

KEY ACQUISITIONS:

RENOSOL

GUILFORD MILLS

EAGLE OTTAWA

GRUPO ANTOLIN*

ASI AUTOMATION

KONGSBERG AUTOMOTIVE*
INTOUCH AUTOMATION
THAGORA TECHNOLOGY

I.G. BAUERHIN

JIT Market Share based on S&P Global Mobility and Company estimates

*Lear acquired a portion of the business

Seating Core Product Portfolio

Unmatched product portfolio driving better in-vehicle experiences

+ COMPLETE SEAT SYSTEMS

Trusted world class JIT seating partner; experienced integrator of innovative materials and industry-leading technology providing customers with best-in-class thermal comfort, features and functions

+ SURFACE MATERIALS

Premium craftsmanship and elegance in design; vertically integrated, maximizing performance and quality

Providing the most advanced, environmentally friendly materials with cutting-edge designs and surface enhancements through our Guilford Performance Textiles and Eagle Ottawa Leather businesses

Launching ReNewKnit™, our sustainable sueded alternative material that is fully recyclable at its end of life



+ THERMAL COMFORT

Strategic vertical integration of lumbar, massage and thermal luxury comfort products complementing our suite of intuitive, intelligent seating system technologies (INTU™ Seating) enhancing our personalized comfort and wellness features

Customized and innovative comfort solutions internally developed with proprietary modelling technology to enrich the consumer in-vehicle experience

Leveraging our complete seat systems and seat component expertise and capabilities to develop a complete thermal comfort system that combines our thermal comfort module, FlexAir™, our 100% recyclable non-foam alternative, and the seat trim cover

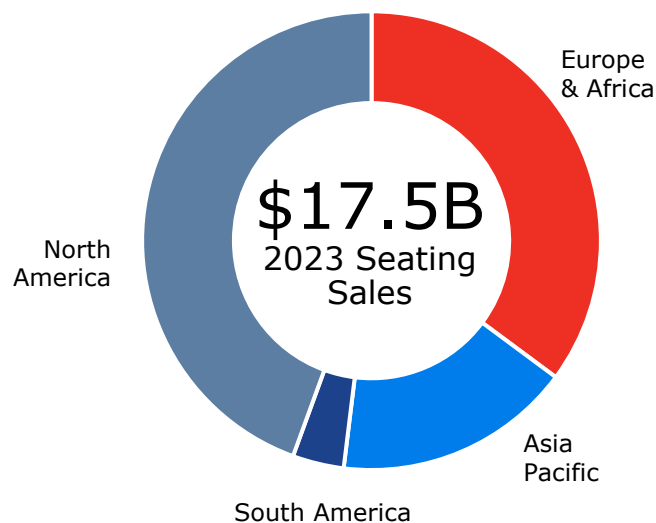
+ STRUCTURES

Seat structures (including recliners, tracks and latches) recognized for quality and performance that meet or exceed customers' needs globally

Recent innovations including our Automotive News PACE Award winning ConfigurE+™ reconfigurable track and cassette solution

Industry Leading Global Seating Supplier

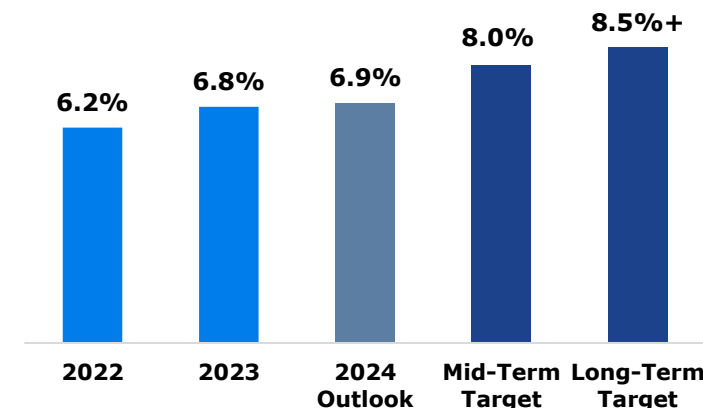
SALES BY REGION



TOP 5 CUSTOMERS



ADJUSTED OPERATING MARGIN




VALUE DRIVERS

- Poised for industry volume recovery (\approx 15-20% historical variable margins)
- Strong 2024-2026 \$1.8 billion backlog
- Targeting 4 points of Growth over Market
- Goal to increase JIT market share from 25% to 29% by 2027
- Growing thermal comfort products to deliver \approx \$1.0 billion in revenue and \approx 10% margins by 2027
- Innovative products such as FlexAir™, ReNewKnit™ and ConfigurE+™ in production
- Continued focus and investment in operational excellence and automation

Lear's Competitive Advantage in Seating

Most vertically integrated global supplier in the world

 Complete Capabilities Globally

CORE SEATING


	Complete Seat	Structures & Mechanisms	Foam	Cut & Sew	Fabric & Leather	Seating Electronics & Software
 LEAR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Adient	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Forvia	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Magna	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Yanfeng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gentherm						<input type="checkbox"/>

THERMAL COMFORT

Seat Heating	Seat Ventilation	Lumbar & Massage	Steering Wheel & Panel Heating
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		<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Seating Key 2024 Product Launches

 = Electric Vehicle

 = Luxury

**Citroën C3 /
C3 Aircross**

CONQUEST



JIT, Foam,
Thermal Comfort
EUROPE

**Ram 1500 REV /
1500 Ramcharger**



JIT, Thermal Comfort
NORTH AMERICA



BMW X3



JIT, Trim, Thermal Comfort
NORTH AMERICA



**Chevrolet Equinox /
GMC Terrain**



JIT, Trim
NORTH AMERICA

Hyundai Santa Fe



JIT, Trim, Foam, FlexAir™,
Thermal Comfort
NORTH AMERICA

Porsche 911



Thermal Comfort
EUROPE



Xiaomi SU7



JIT, Foam, Thermal Comfort
ASIA



Volvo EX90



JIT, Thermal Comfort
NORTH AMERICA / ASIA



BYD Sea Lion



JIT
ASIA



Polestar 3



JIT, Trim, Thermal Comfort
ASIA / NORTH AMERICA



Cupra Terramar



JIT
EUROPE



Mercedes G Class



Thermal Comfort
EUROPE



Thermal Comfort Systems Product Evolution

PHASE 1 2023 - 2024

BUSINESS INTEGRATION

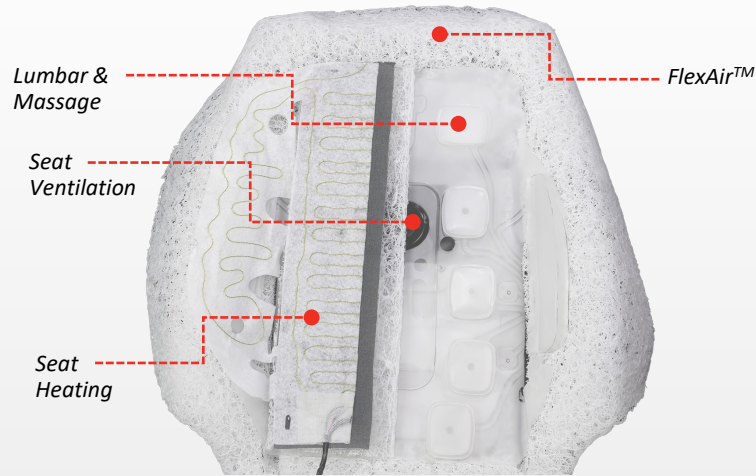
- Expanded portfolio through acquisitions
- Improving efficiency and flexibility at manufacturing facilities
- Implementing cost synergies and restructuring actions



PHASE 2 2023 - 2026+

COMPONENT MODULARITY

- Granted sourcing control for thermal comfort components by 12 OEMs for 18 different complete seat programs
- Launching three component modularity projects
 - Combining heat, ventilation and massage for Volvo in 2024
 - Combining ventilation, lumbar and massage for Lucid in 2024
 - Combining heat, ventilation, pneumatic lumbar and massage for a premium European OEM
- 15 development projects with 11 OEMs for modularity solutions
- Launched FlexAir™ on the new Hyundai Santa Fe in 2024
- 29 development projects with 13 OEMs for FlexAir™



PHASE 3 2026+

COMPLETE SEAT MODULARITY

- Modular design delivering industry-leading performance, efficiency and comfort*
 - Up to 20% mass savings
 - Up to 40% improvement in time to sensation
 - Up to 40% labor reduction for thermal comfort components in JIT plant
 - Up to 50% part complexity reduction
- 100% OEM validation pass rate for multiple FlexAir™ applications
- Initiated validation work for our first complete seat module scheduled to launch in North America in 2026



* Statistics refer only to thermal comfort components



Stellantis Ram 1500 Revolution BEV Concept



ConfigurE+™



Lear's award-winning reconfigurable interior technology

The leading market innovation for electrified and configurable seating systems

Proprietary long-rail technology supports a wide variety of seat configurations including:

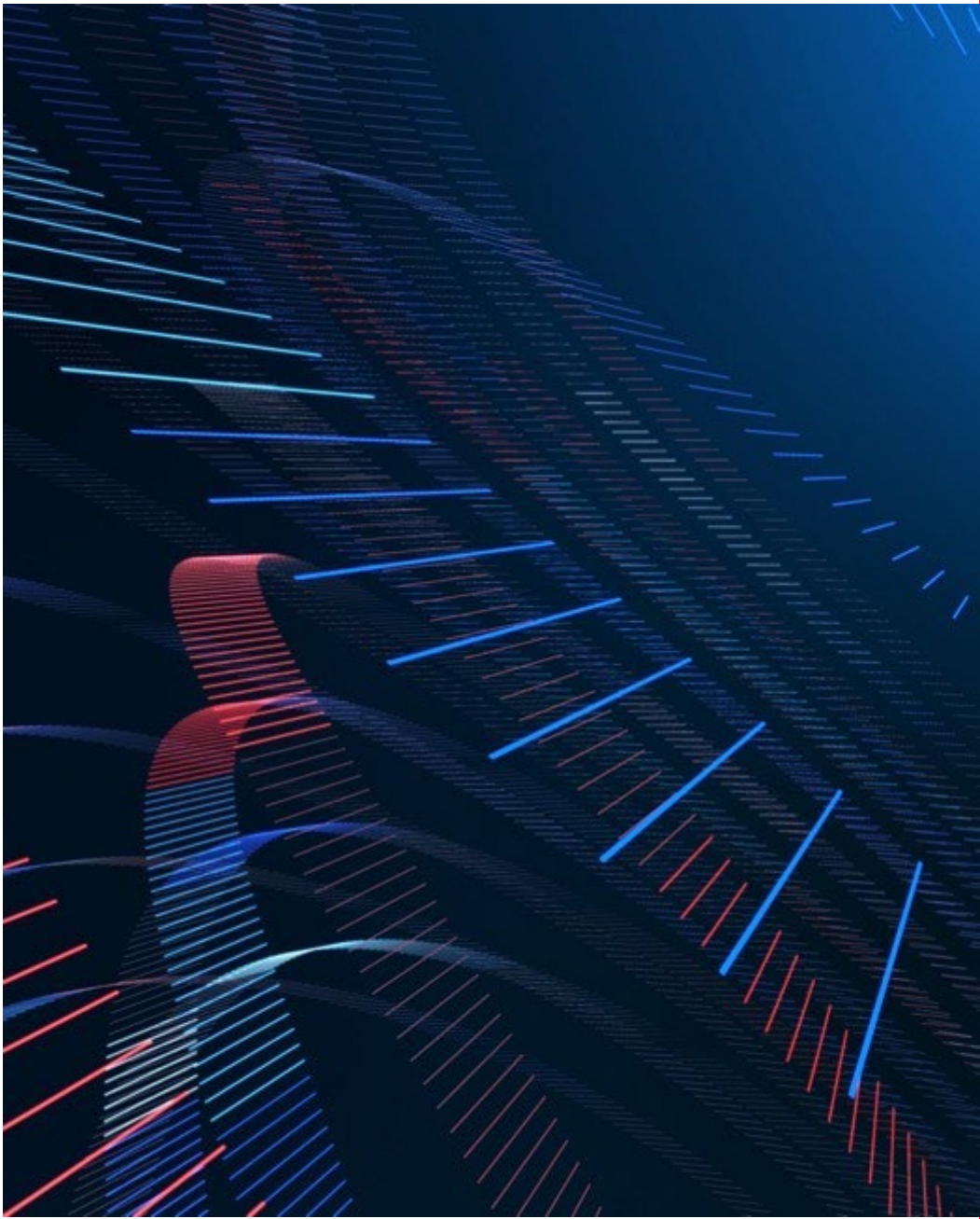
Standard seating, cargo, business and entertainment modes

Designed for everyday multi-use, autonomy and rideshare applications

≈\$100 million in projected annual revenue

Currently in production on the Volkswagen Bulli

Second program launched in 2023 with Ford



E-Systems

E-Systems at a Glance

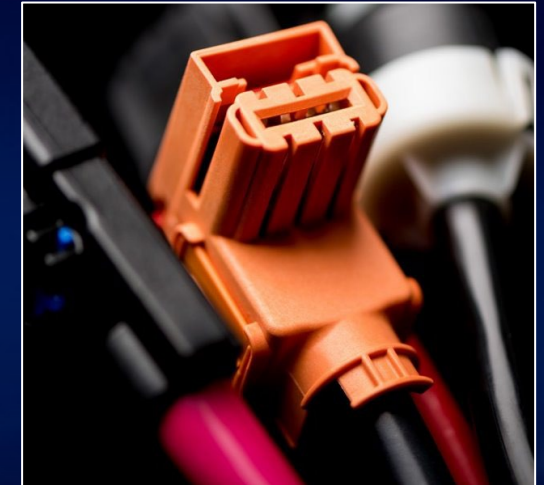
Leader in signal distribution and power management across all vehicle architectures

Fully integrated supplier through design, development, engineering and manufacturing of complete electrical distribution and connection systems, battery disconnect units and other electronic products

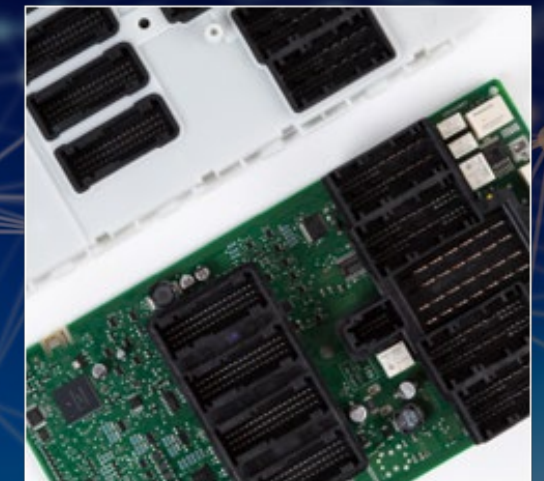
Innovative leader connecting networks and electrical signals and managing electrical power within the vehicle through our electrical distribution and connection systems portfolio of products such as low and high voltage wire, intercell connect boards and high-speed data cables

Technology leader facilitating signal, data and power management within the vehicle through our portfolio of products such as battery disconnect units and body domain and zone control modules

Our customizable solutions with optimized designs support future content growth as the industry trends toward electrification and vehicle architectures evolve



Connection Systems



Zone Control Module (Electronics)

E-Systems Product Portfolio

Delivering expertise across complete electrical architectures

+ ELECTRICAL DISTRIBUTION SYSTEMS

Proven partner with full-service capabilities across power and signal distribution for both low and high voltage vehicle solutions. Wire harness assemblies, together with connection systems, link all of the various electrical and electronic devices within the vehicle to each other and/or to a power source

+ CONNECTION SYSTEMS

Includes terminals and connectors, high-voltage battery connection systems and engineered components to support both low-voltage and high-voltage power distribution. Specific high-voltage products include intercell connect boards, bus bars and main battery connection systems. These products are produced using highly automated processes, including stamping, bending, molding and assembly

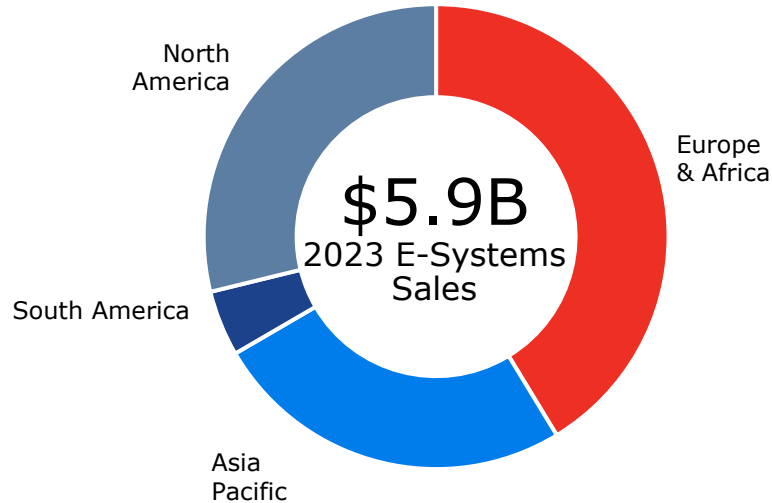


+ BATTERY DISCONNECT UNITS AND ELECTRONIC PRODUCTS

Experienced leader in power and thermal management and electrical architecture integration, as well as sophisticated body and core electronic products delivering innovation across battery disconnect units, body domain and zone control modules and low and high voltage power distribution units

Well-Diversified and Growing Global Electrical Distribution and Connection Systems & Electronics Supplier

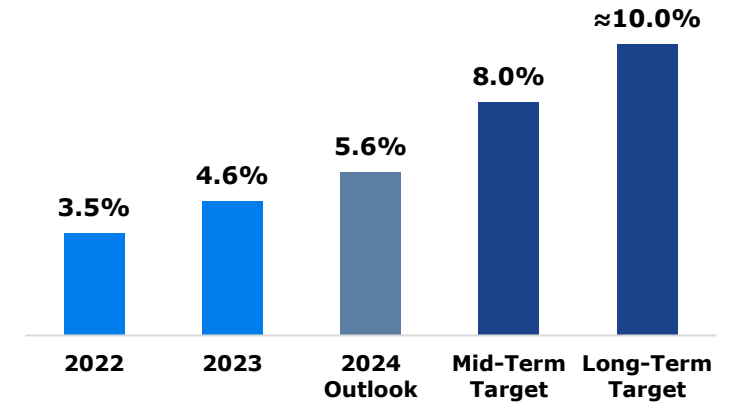
SALES BY REGION



TOP 5 CUSTOMERS




ADJUSTED OPERATING MARGIN



VALUE DRIVERS

- Poised for industry volume recovery (≈25-30% historical variable margins)
- Strong quote pipeline for low and high voltage wiring, connection systems and electronics
- Targeting 6 points of Growth over Market
- Secular tailwinds in electrification and electrical architecture evolution
- Growing mix of connection systems, engineered components and high-speed data solutions
- Continued focus and investment in operational excellence and automation

E-Systems Key 2024 Product Launches

 = Electric Vehicle

Volvo ES90



High Voltage Wiring and
Smart Power Distribution Box
ASIA / EUROPE



Lynk & Co. Crossover



Low Voltage Wiring
ASIA / EUROPE



**Citroën C3 /
C3 Aircross**



Body Control Module
EUROPE

Volvo EX90



Low Voltage Wiring and
Converter Module
NORTH AMERICA



**Ford Expedition /
Navigator**



Low Voltage Wiring
NORTH AMERICA

Ford Kuga



Low Voltage Wiring
EUROPE

Honda Prologue



Low Voltage Wiring
NORTH AMERICA



Acura ZDX



Low Voltage Wiring
NORTH AMERICA



**Volvo XC40 /
XC40 Recharge**



Low Voltage Wiring
EUROPE



Peugeot E-3008



High Power Junction Box
EUROPE



Ram 1500 REV



Battery Disconnect Unit
NORTH AMERICA



Chevrolet S-10



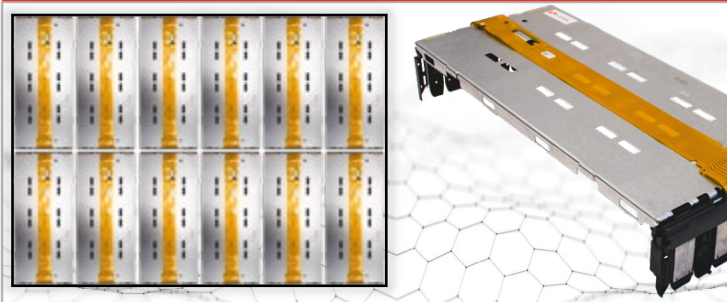
Low Voltage Wiring
SOUTH AMERICA

E-Systems – Electrification Key Products

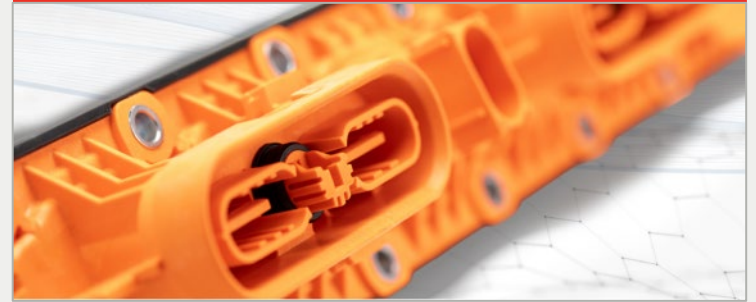
High Voltage Connectors



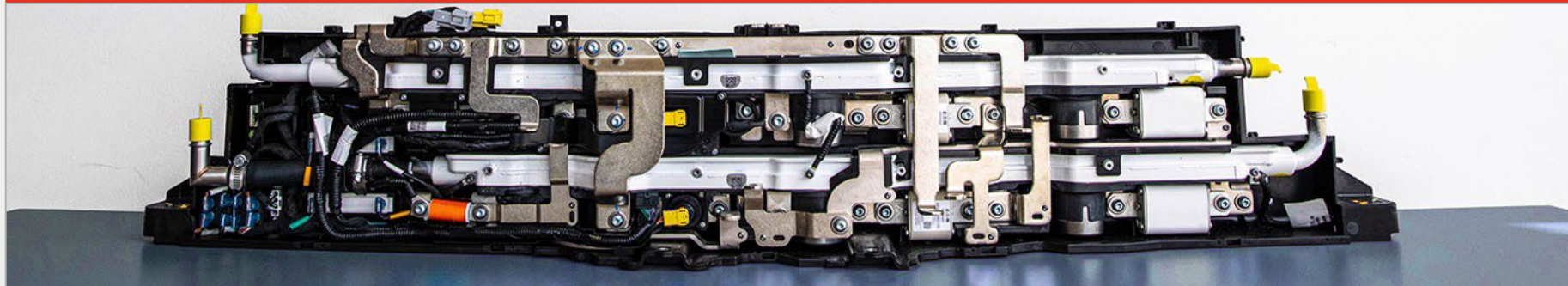
Intercell Connect Board

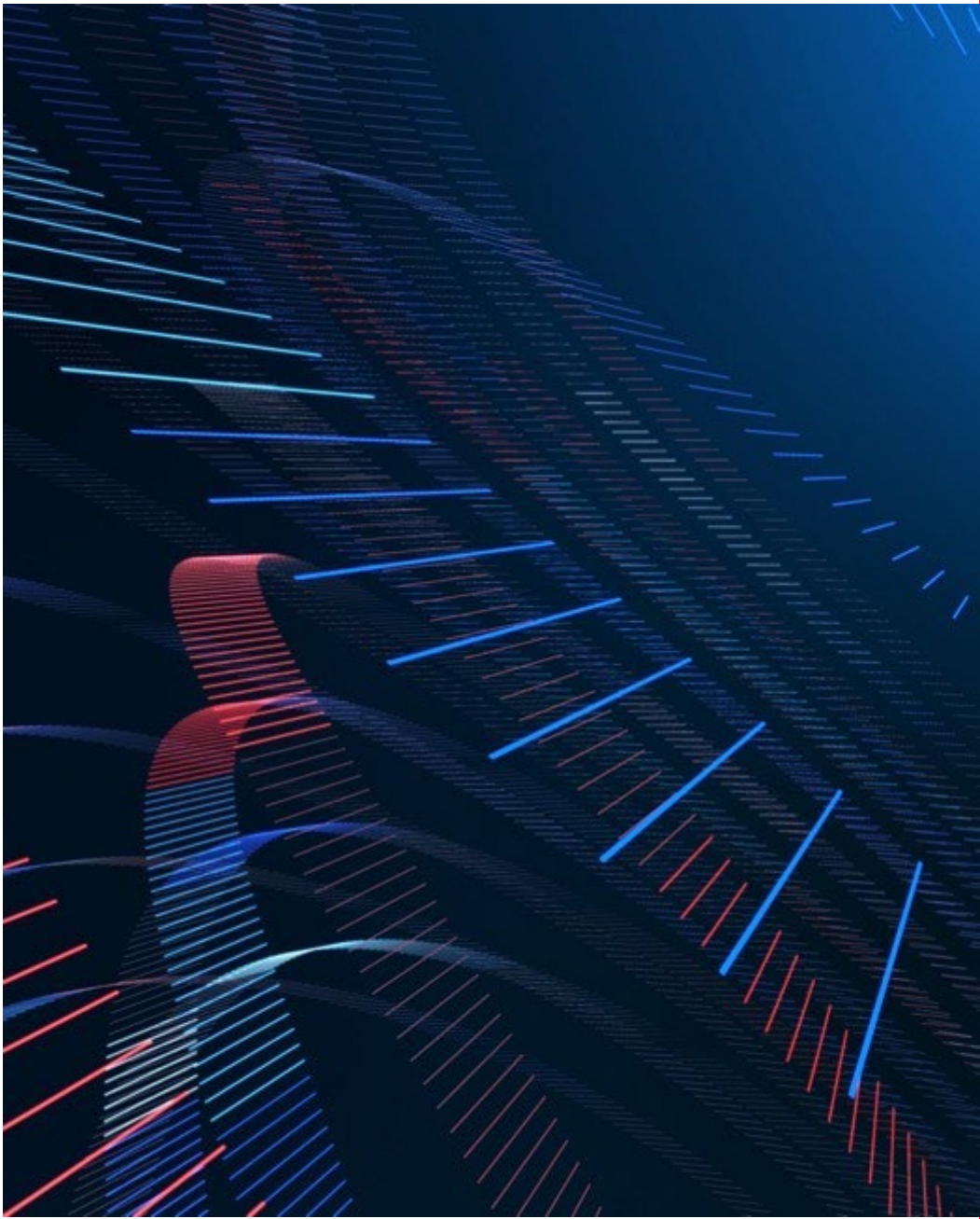


Battery Plugboard



Battery Disconnect Unit





Summary

Lear Strategically Positioned to Drive Value for Shareholders

Global Leader in Seating

- *Growing 25% global market share with 49% share in luxury*
- *Most vertically integrated seat manufacturer in the world*
- *Approximately \$2.0 billion in net conquest wins since 2019*
- *Specialized thermal comfort systems and innovative FlexAir™, ReNewKnit™ and ConfigurE+™ technology*
- *Targeting 4 percentage points of Growth over Market*

Operational Excellence

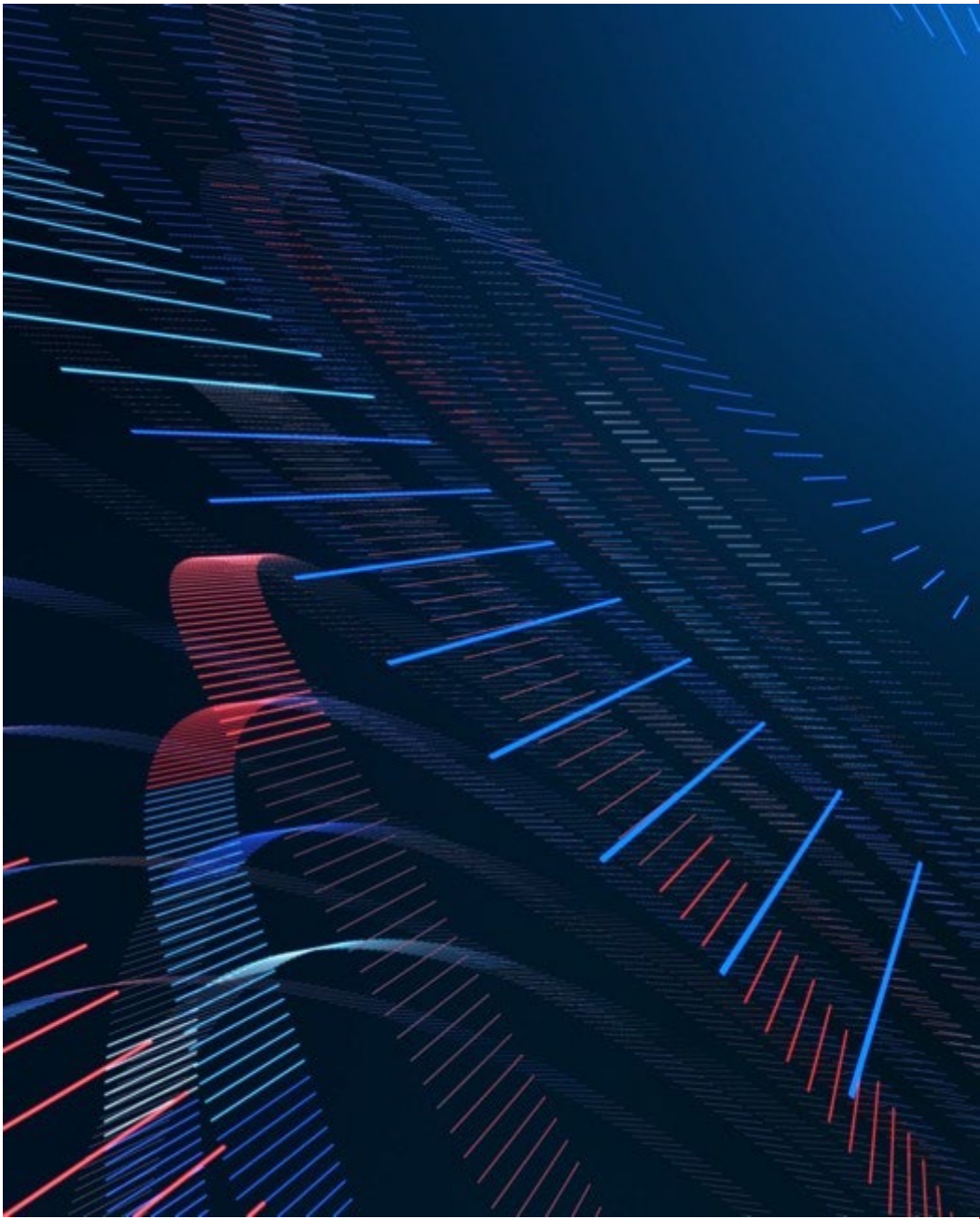
- *Accelerating the use of digital tools and automation to drive profitable growth through IDEA by Lear*
- *Organic and inorganic investments driving automation and plant efficiencies*
- *Track record of positive net operating performance*
- *Improving manufacturing flexibility*

Streamlined E-Systems Product Portfolio

- *Focused product portfolio is well positioned for long-term growth*
- *Innovative products such as Battery Disconnect Unit and Intercell Connect Board*
- *Improving margins through growth in connection systems and power distribution products*
- *Realigning resources due to near-term changes in electric vehicle volumes*
- *Targeting 6 percentage points of Growth over Market*

Capital Allocation

- *Strong balance sheet with no meaningful debt maturities until 2027*
- *Targeting 80%+ cash conversion on adjusted net income*
- *Returning excess cash to shareholders through quarterly dividends and share repurchases*



Appendix

Non-GAAP

In addition to the results reported in accordance with GAAP included throughout the 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 attributable Lear" (adjusted earnings per share), "tax expense excluding the impact of restructuring costs and other special items" and "free cash flow" (each, a non-GAAP financial measure). Other expense includes, among other things, non-income related taxes, foreign exchange gains and losses, gains and losses related to certain derivative instruments and hedging activities, gains and losses on the disposal of fixed assets 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 attributable to Lear, respectively, adjusted for restructuring costs and other special items, including the tax effect thereon. Free cash flow represents net cash provided by operating activities, excluding the settlement of accounts payable in conjunction with the acquisition of IGB, 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 attributable to Lear, cash provided by operating activities or other income statement or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and, therefore, does not reflect funds available for investment or other discretionary uses. Also, these non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

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

Non-GAAP

Core Operating Earnings and Adjusted Margins

(\$ in millions)

Net sales

Net income attributable to Lear

	Full Year	
	2022	2023
Net sales	\$ 20,891.5	\$ 23,466.9
Net income attributable to Lear	\$ 327.7	\$ 572.5
Interest expense	98.6	101.1
Other expense, net	46.4	54.9
Income taxes	133.7	180.8
Equity in net income of affiliates	(33.1)	(49.3)
Net income attributable to noncontrolling interests	81.0	73.2
Restructuring costs and other special items -		
Costs related to restructuring actions	158.9	152.4
Acquisition costs	10.0	0.8
Acquisition-related inventory fair value adjustment	1.1	1.8
Impairments related to Russian operations	19.4	2.4
Intangible asset impairment	8.9	1.9
Insurance recoveries related to typhoon in the Philippines, net of costs	-	(3.3)
Favorable tax ruling in a foreign jurisdiction	-	(0.2)
Other	17.9	31.0
Core operating earnings	\$ 870.5	\$ 1,120.0
Adjusted margins	4.2%	4.8%

Non-GAAP

Adjusted Net Income and Earnings Per Share

(In millions, except per share amounts)

	Full Year	
	2022	2023
Net income attributable to Lear	\$ 327.7	\$ 572.5
Costs related to restructuring actions	158.9	134.2
Acquisition costs	10.0	0.8
Acquisition-related inventory fair value adjustment	1.1	1.8
Gain on acquisition-related foreign exchange contract	(1.7)	-
Impairments related to Russian operations	19.4	2.4
Intangible asset impairment	8.9	1.9
Insurance recoveries related to typhoon in the Philippines, net of costs	(1.4)	(7.3)
Foreign exchange (gains) losses due to foreign exchange rate volatility related to Russia	9.6	(1.9)
Favorable tax ruling in a foreign jurisdiction	-	(0.7)
Loss related to affiliates	-	7.0
Other	23.6	34.3
Tax impact of special items and other net tax adjustments ¹	(33.6)	(34.7)
Adjusted net income attributable to Lear	\$ 522.5	\$ 710.3
Weighted average number of diluted shares outstanding	59.9	59.1
Diluted net income per share available to Lear common stockholders	\$ 5.47	\$ 9.68
Adjusted earnings per share	\$ 8.72	\$ 12.02

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

Adjusted Segment Earnings and Margins

(\$ in millions)

Net sales

Segment earnings

Restructuring costs and other special items -

Costs related to restructuring actions

Acquisition costs

Acquisition-related inventory fair value adjustment

Impairments related to Russian operations

Intangible asset impairment

Costs (insurance recoveries) related to

typhoon in the Philippines, net

Other

Adjusted segment earnings

Segment margins

Adjusted segment margins

	Full Year			
	Seating		E-Systems	
	2022	2023	2022	2023
Net sales	\$ 15,711.2	\$ 17,548.8	\$ 5,180.3	\$ 5,918.1
Segment earnings	\$ 893.0	\$ 1,066.9	\$ 74.4	\$ 228.9
Costs related to restructuring actions	65.7	111.4	87.1	37.7
Acquisition costs	0.1	-	-	-
Acquisition-related inventory fair value adjustment	1.1	1.8	-	-
Impairments related to Russian operations	19.4	2.4	-	-
Intangible asset impairment	-	-	8.9	1.9
Costs (insurance recoveries) related to typhoon in the Philippines, net	0.1	-	(0.8)	(3.6)
Other	1.6	8.7	13.9	10.2
Adjusted segment earnings	\$ 981.0	\$ 1,191.2	\$ 183.5	\$ 275.1
Segment margins	5.7%	6.1%	1.4%	3.9%
Adjusted segment margins	6.2%	6.8%	3.5%	4.6%