



Third Quarter 2023 Financial Results

October 26, 2023

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, 2022, 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 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

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BUSINESS UPDATE
Ray Scott, President and CEO

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FINANCIAL REVIEW
Jason Cardew, Senior Vice President and CFO

03

CONCLUDING REMARKS
Ray Scott, President and CEO



Business Update

Ray Scott
President and CEO

Financial Overview

Third Quarter 2023



	SALES	CORE OPERATING EARNINGS	ADJUSTED EARNINGS PER SHARE	OPERATING CASH FLOW
Q3 2023	\$5.8B UP 10% YOY	\$267M UP 14% YOY	\$2.87 UP 23% YOY	\$404M UP 60% YOY
Q3 2022	\$5.2B	\$235M	\$2.33	\$252M

Q3 2023 Highlights

- ✓ Fifth consecutive quarter of improved year-over-year results
- ✓ Launched complete seats for recent Stellantis conquest award for its Wagoneer and Grand Wagoneer premium SUVs
- ✓ Awarded first General Motors seat ventilation program
- ✓ Received more than twice as many J.D. Power 2023 U.S. Seat Quality and Satisfaction StudySM awards as any other seat supplier
- ✓ Named 2023 Automotive News PACE award finalist for ReNewKnitTM, Lear's sustainable suede alternative material that is fully recyclable at end of life
- ✓ Continuing to diversify our customer base with new E-Systems wiring awards from Renault and Geely
- ✓ Accelerated share repurchases, returning \$120 million of cash to shareholders through share repurchases and dividends

Seating Update

RECENT AND UPCOMING LAUNCHES

- Wagoneer and Grand Wagoneer (conquest award)
- BMW 5-Series in Europe (conquest award)
- BYD launches
 - JIT (non-consolidated)
 - Leather (consolidated)



Grand Wagoneer

OPERATIONAL EXCELLENCE

- Received more than twice as many 2023 J.D. Power¹ awards as any other seat supplier
 - Four best in segment and nine total awards
 - Luxury leadership with first place wins in both premium categories

#1 Luxury SUV
Land Rover Range Rover Sport
Lear Corporation

#1 Luxury Car
Porsche 718
Lear Corporation



INNOVATION

- Named Automotive News 2023 PACE award finalist for ReNewKnit™
 - Lear's sustainable suede alternative material
 - Fully recyclable at end of life
 - Launching with three OEMs in 2024

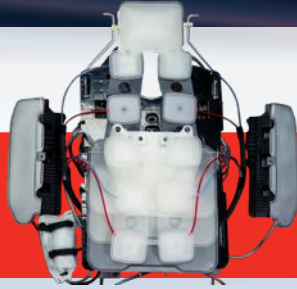


Thermal Comfort Systems Progress

PHASE 1

2023 - 2024

BUSINESS INTEGRATION



- Created Thermal Comfort Systems (TCS) organization with experienced leaders from Lear, Kongsberg and IGB
- Optimizing manufacturing footprint, including the launch of a new lower cost facility in North Africa
- Completed technical reviews with 14 global customers
- Awarded first General Motors seat ventilation program

PHASE 2

2023 - 2026+

COMPONENT MODULARITY



- Granted sourcing control for thermal comfort components by 9 OEMs, including 3 Chinese domestic customers
- 21 development contracts with global OEMs for component modularity and FlexAir™
- Launching FlexAir™ with an Asian OEM during the first quarter of 2024
- Developed a single module combining pneumatic lumbar, massage, heat and ventilation for a premium European OEM

PHASE 3

2026+ (previously 2027+)

COMPLETE SEAT MODULARITY



- 7 development projects with global OEMs for complete seat modularity solutions
- Improving performance with modularity solutions vs. legacy systems
 - Up to 55% improvement in ventilation airflow
 - Up to 85% improvement in heat temperature change after 1 minute
 - Up to 150% increase in massage system intensity
- 100% OEM validation pass rate for multiple FlexAir™ applications
- Reviews with high level executives at major OEMs creating significant interest

On track to achieve over \$1 billion in revenue and 10% adjusted margins by 2027

E-Systems Update



Fifth consecutive quarter of year-over-year margin improvement

- Highest margin since the first quarter of 2021



Drivers of margin improvement

Industry volume and margin accretive backlog

Efficiency improvements at North American facilities

Long-term resolutions for key commercial issues

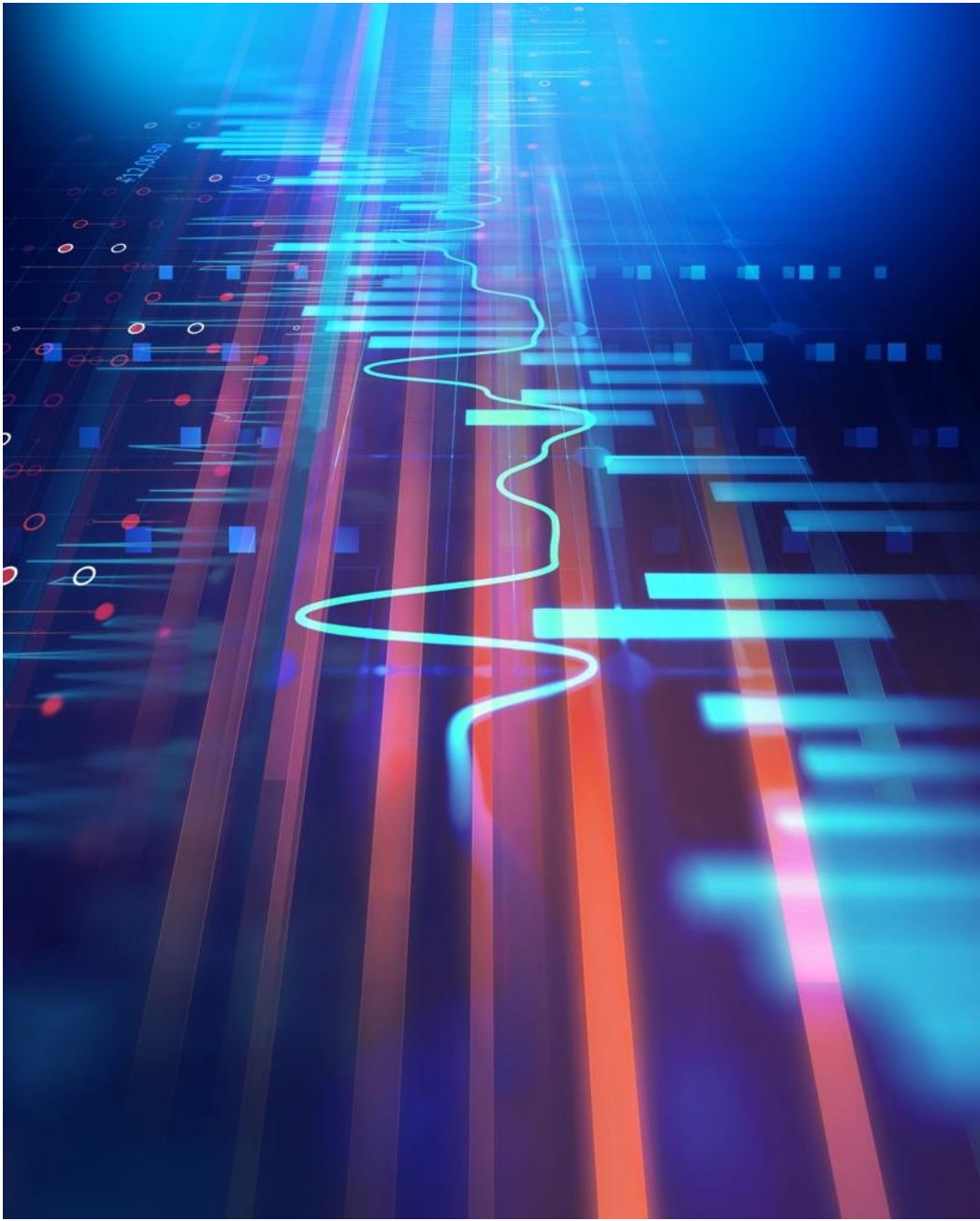
Restructuring savings



Opened a new connection systems plant in North Africa to expand our engineered component capabilities in Europe



E-Systems on-track for third consecutive year with 3-year backlog over \$1 billion



Financial Review

Jason Cardew
Senior Vice President and CFO

Third Quarter 2023

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

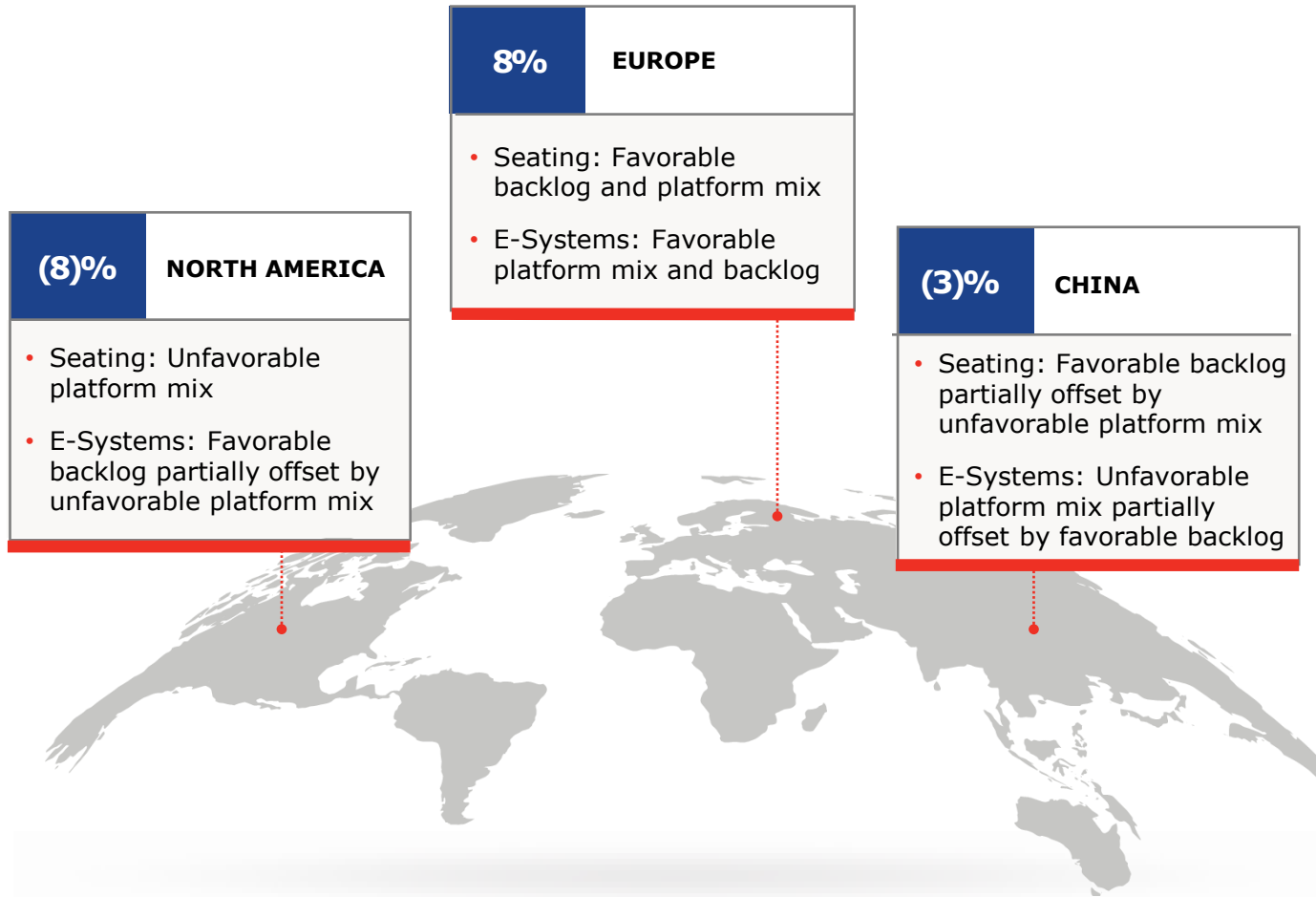
GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
Q3 2022	21.2	Q3 2022	3.6	Q3 2022	3.7	Q3 2022	7.1
Q3 2023	22.0	Q3 2023	4.0	Q3 2023	4.0	Q3 2023	7.1
UP 4% YOY		UP 9% YOY		UP 6% YOY		DOWN 1% YOY	

KEY CURRENCIES

	2022	2023	
EURO	\$1.01 / €	\$1.09 / €	UP 8%
CHINESE RMB	6.83 / \$	7.24 / \$	DOWN 6%

Growth Over Market

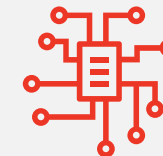
Third Quarter 2023



**(1)% Q3 2023
Global GoM**
2% YTD 2023



**(2)% Q3 2023
Seating GoM**
1% YTD 2023



**3% Q3 2023
E-Systems GoM**
5% YTD 2023

Key Financials

Third Quarter 2023

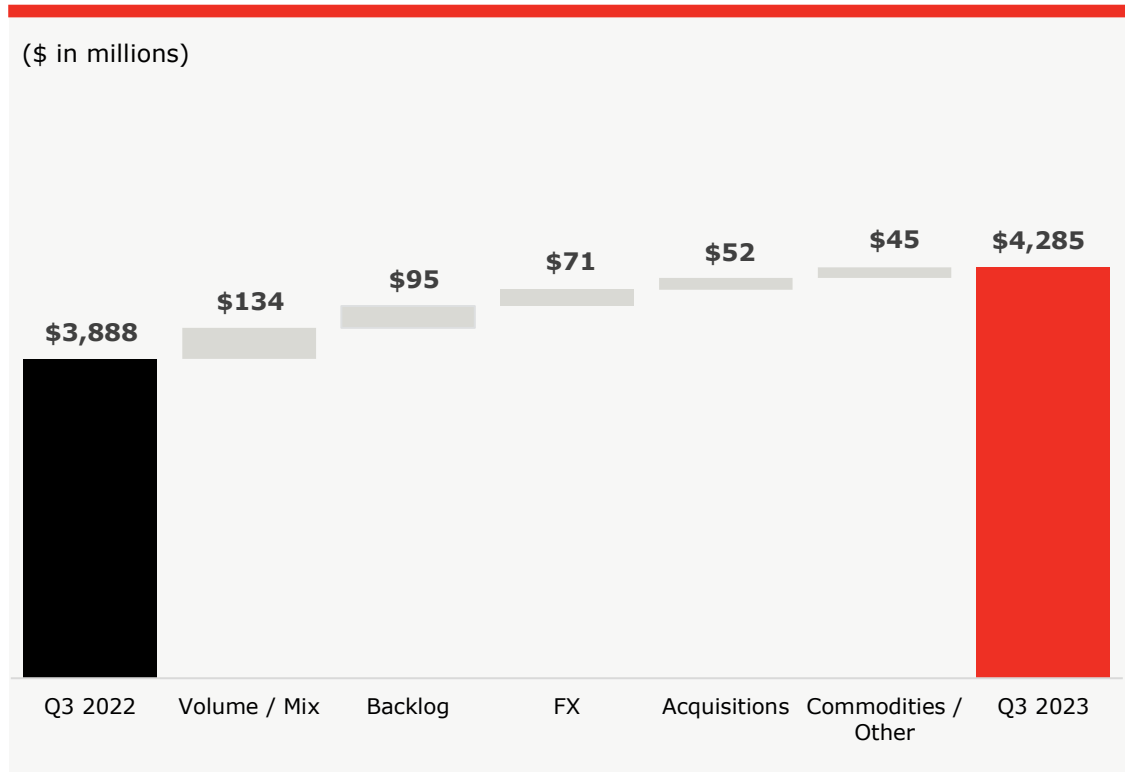
(\$ in millions, except per share amounts)

	2022	2023	YEAR-OVER-YEAR DRIVERS
Net Sales	\$5,241	\$5,781	Increased volume, strong backlog, the impact of foreign exchange, acquisitions and commodities
Core Operating Earnings Operating Margin %	\$235 4.5%	\$267 4.6%	Increased sales, including accretive backlog
Adjusted Earnings Per Share	\$2.33	\$2.87	Higher core operating earnings, higher equity earnings and lower share count
Operating Cash Flow	\$252	\$404	Improved working capital and higher earnings

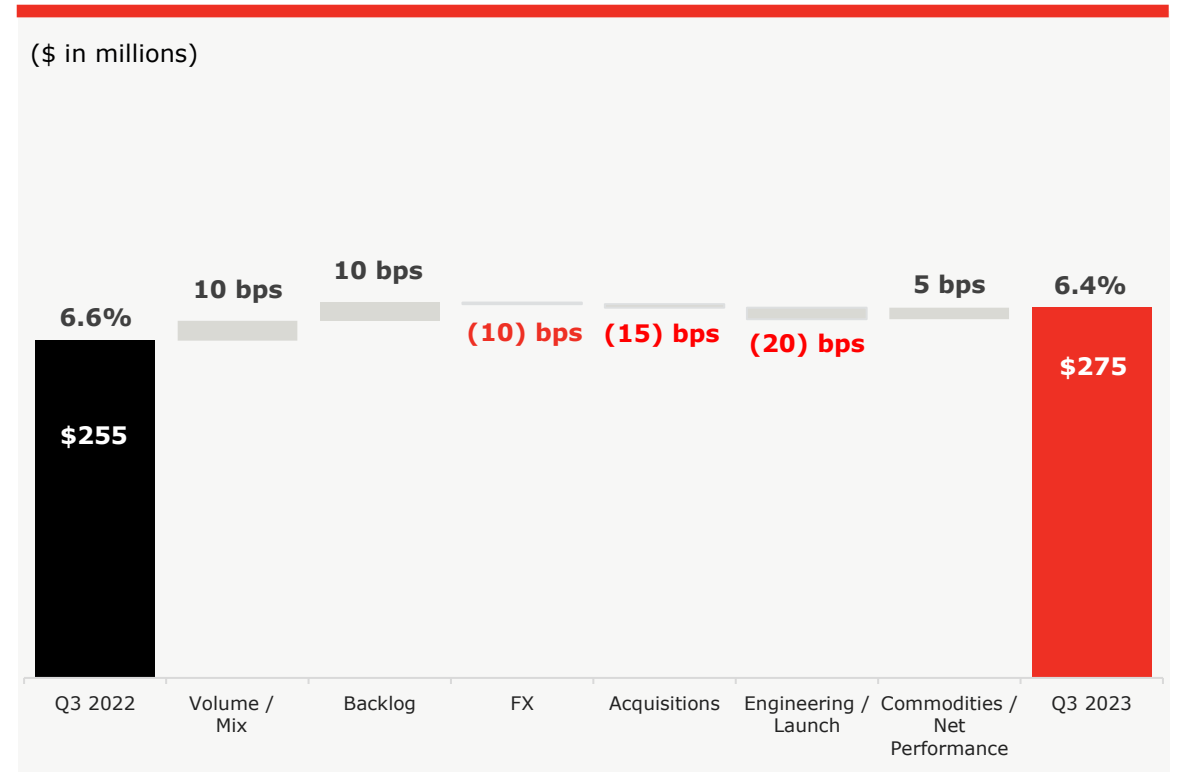
Seating Sales and Margin Drivers

Third Quarter 2023

SALES



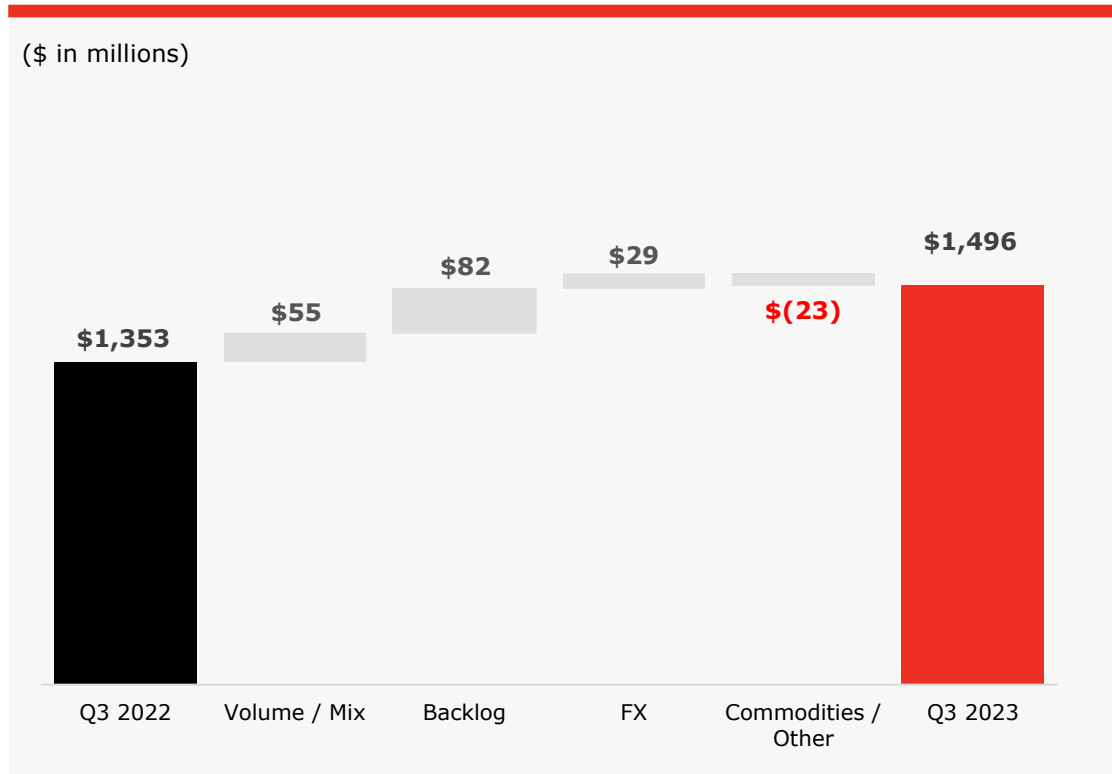
ADJUSTED EARNINGS AND MARGIN



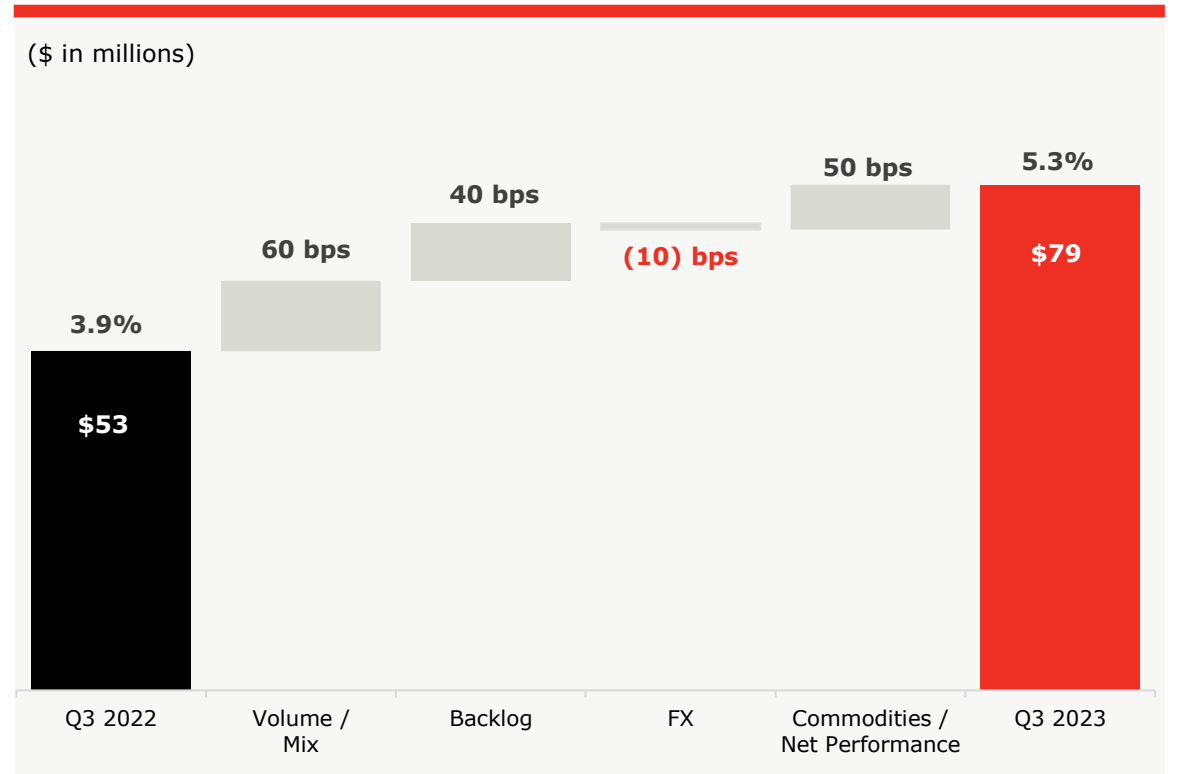
E-Systems Sales and Margin Drivers

Third Quarter 2023

SALES



ADJUSTED EARNINGS AND MARGIN



Debt Structure and Capital Allocation

Strong Balance Sheet

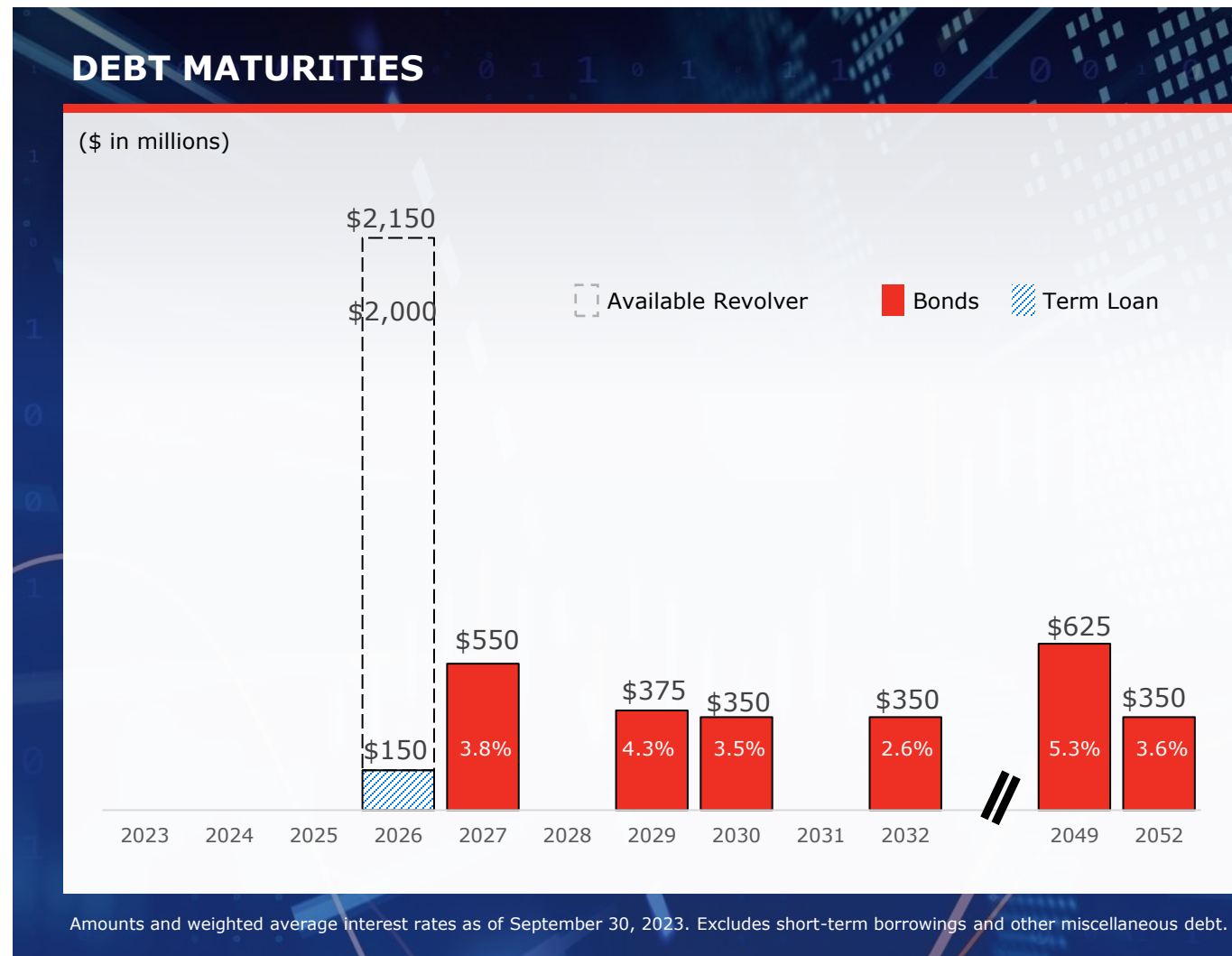
- No meaningful debt maturities until 2027
- Low cost of bonds averaging less than 4% with a weighted average life of ≈ 13.5 years
- Total available liquidity of $\approx \$3.0$ billion

Improving Cash Generation

- Executing Lear Forward Plan
- On track to meet 80% free cash flow conversion target

Returning Excess Cash to Shareholders

- Quarterly dividend of \$0.77 per share
- Repurchased 521,552 shares ($\approx \$75$ million) in the third quarter and 991,084 shares ($\approx \$138$ million) year-to-date



2023 Outlook – Global Vehicle Production and Currency

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
FY 2022	81.1	FY 2022	14.3	FY 2022	16.2	FY 2022	25.3
FY 2023	86.7	FY 2023	15.0	FY 2023	18.1	FY 2023	26.6
vs Prior Year UP 7%		vs Prior Year UP 5%		vs Prior Year UP 12%		vs Prior Year UP 5%	
<i>August Outlook Up 4%</i>		<i>August Outlook Up 5%</i>		<i>August Outlook Up 8%</i>		<i>August Outlook Down 1%</i>	

KEY CURRENCIES

EURO	2022 \$1.05 / €	2023 \$1.08 / €	UP 2%
CHINESE RMB	6.73 / \$	7.02 / \$	DOWN 4%

2023 Full Year Outlook

Net Sales

\$23,100 - \$23,300 million

August Outlook \$22,350 - \$23,050 million

Core Operating Earnings

\$1,085 - \$1,125 million

August Outlook \$1,010 - \$1,140 million

Adjusted EBITDA

\$1,685 - \$1,725 million

August Outlook \$1,610 - \$1,740 million

Interest Expense

≈\$105 million

No Change

Effective Tax Rate

21% to 22%

No Change

Adjusted Net Income

\$680 - \$710 million

August Outlook \$620 - \$720 million

Restructuring Costs

≈\$125 million

August Outlook ≈\$100 million

Operating Cash Flow

\$1,230 - \$1,270 million

August Outlook \$1,180 - \$1,280 million

Capital Expenditures

≈\$675 million

August Outlook ≈\$700 million

Free Cash Flow

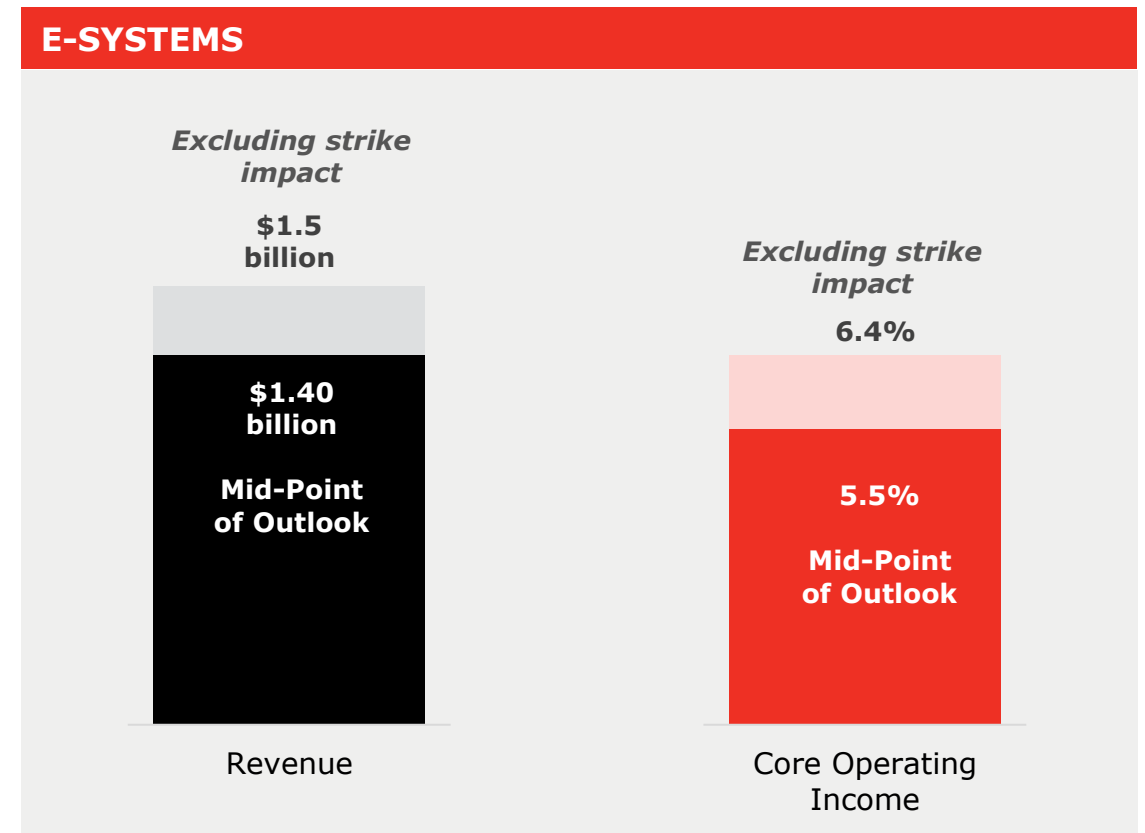
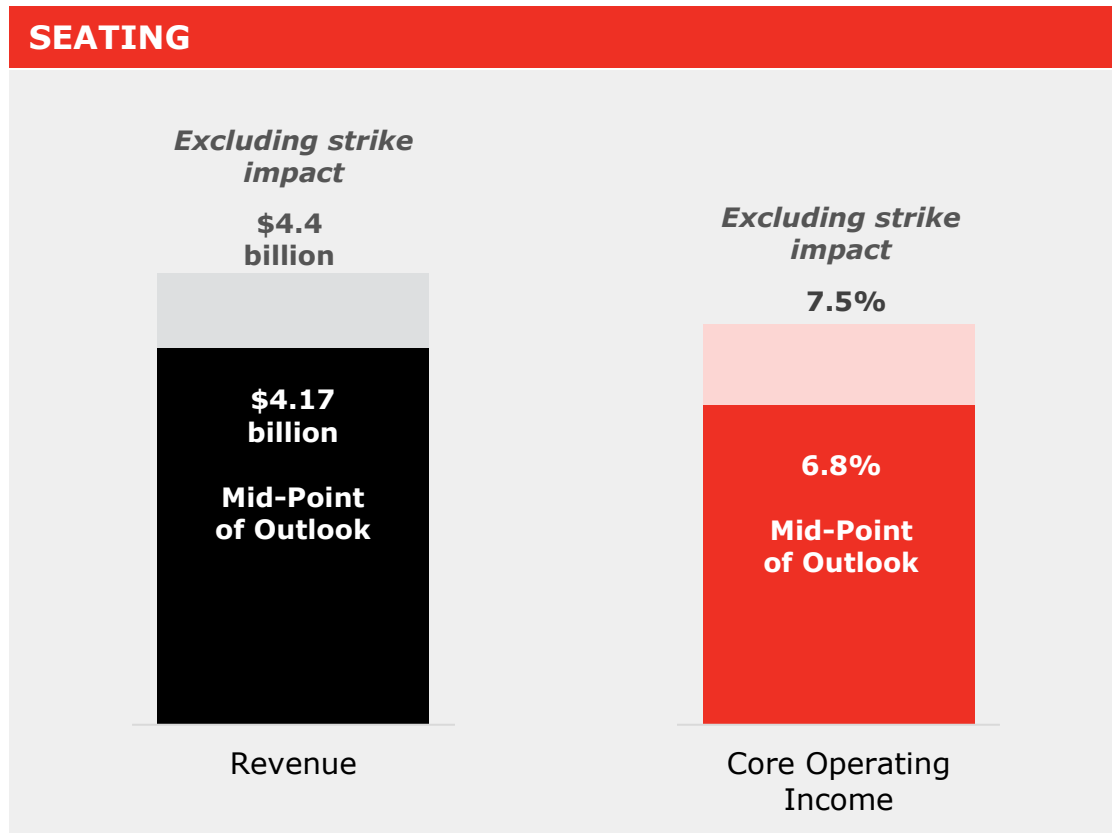
\$555 - \$595 million

August Outlook \$480 - \$580 million

2023 Full Year Outlook assumes an average Euro of \$1.08 and an average Chinese RMB of 7.02 / \$, S&P Global Mobility production forecast as of October 16, 2023 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.

Q4 Segment Outlook – Excluding UAW Strike Impact





Concluding Remarks

Ray Scott
President and CEO

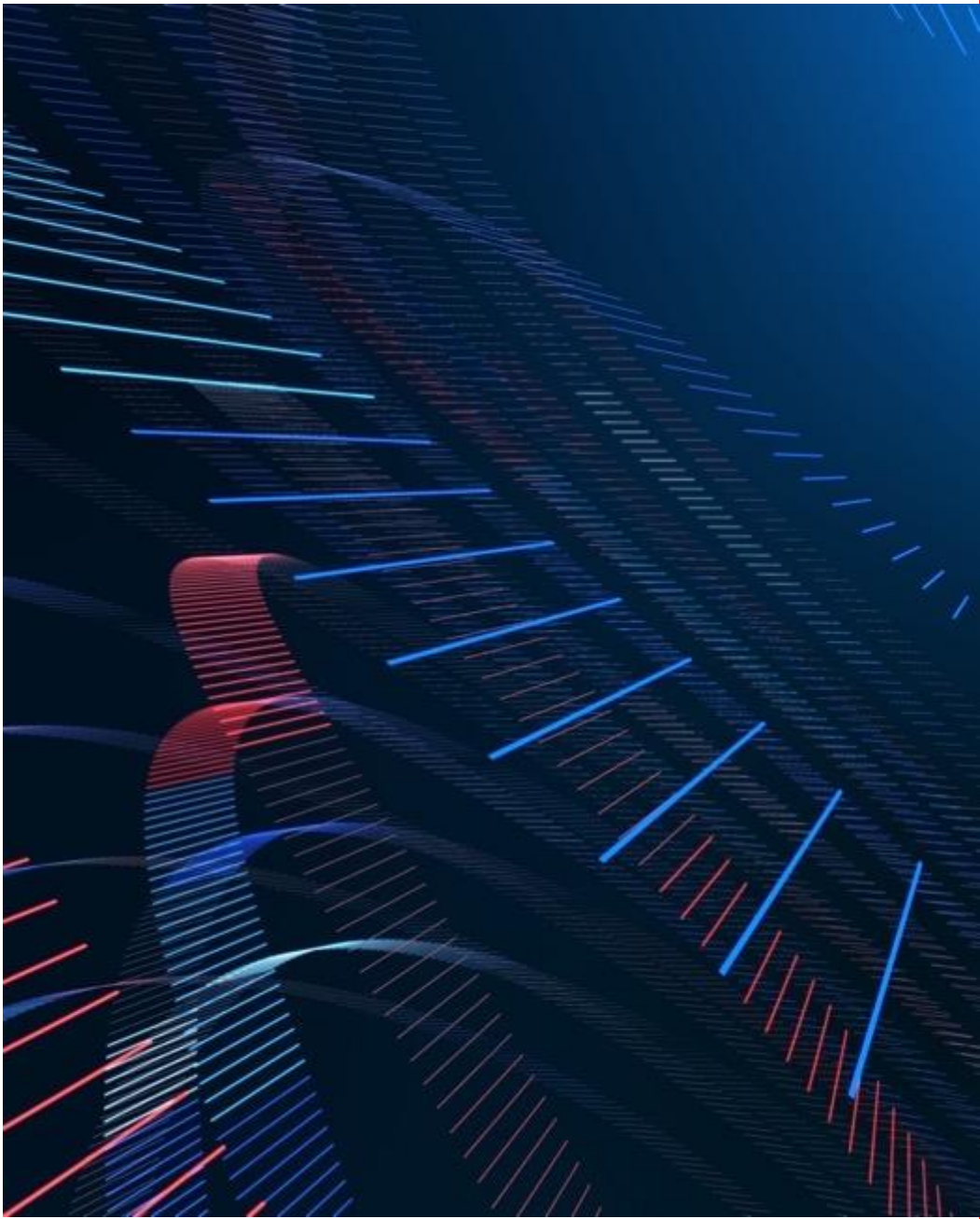
Strategically Positioned to Drive Growth and Profitability

Innovative Thermal Comfort
Capabilities Driving Seating Growth

Focused E-Systems Product
Portfolio Improving Margins

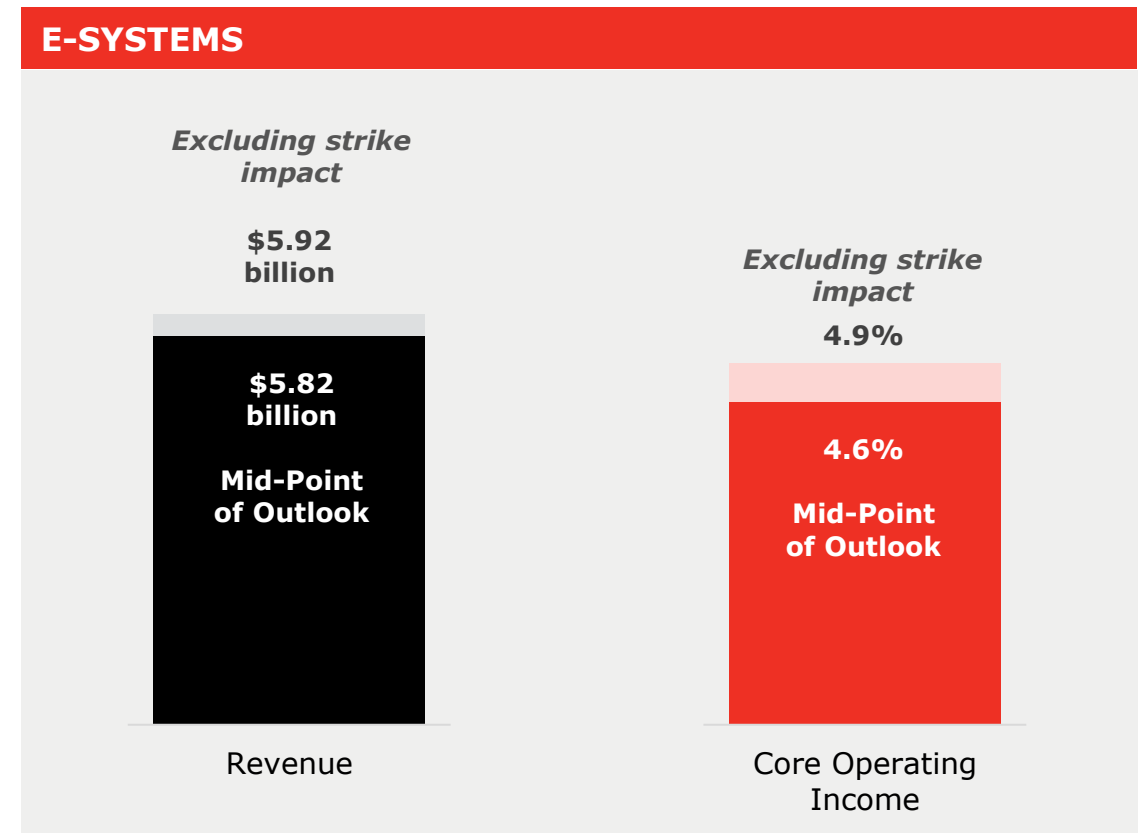
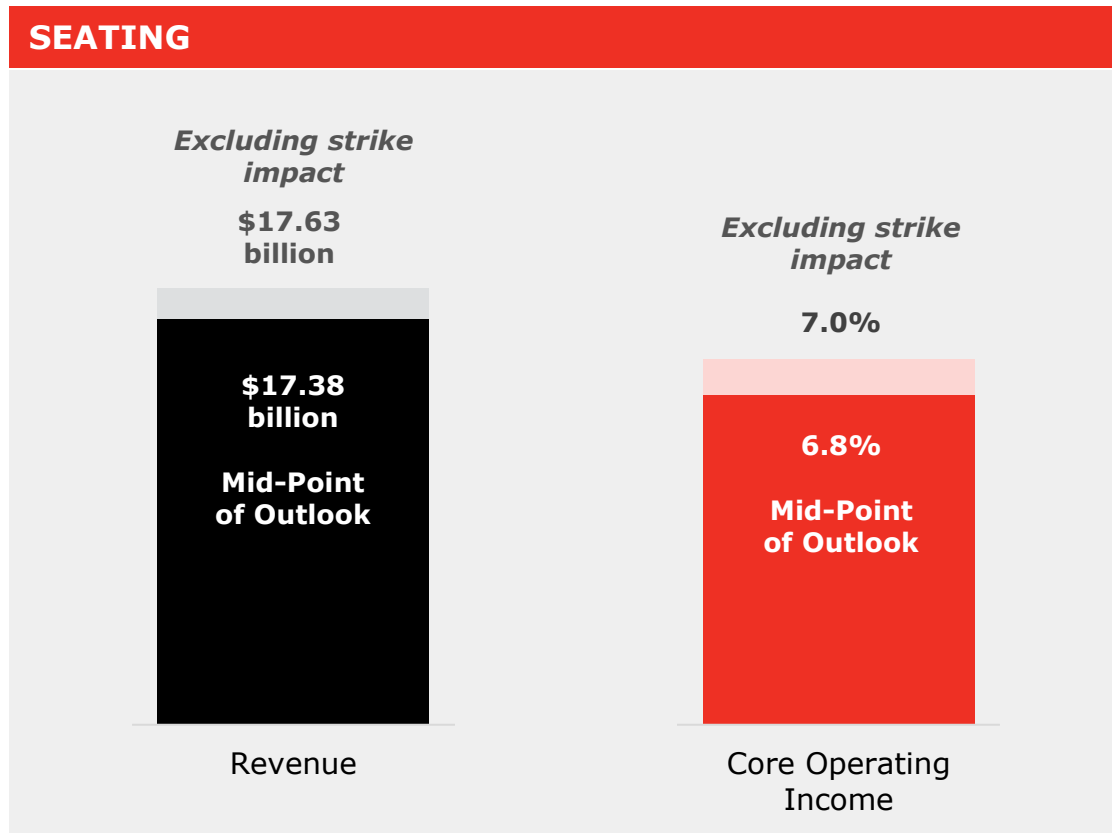
Lear Forward Plan Improving
Operational Excellence and
Offsetting Inflationary Costs

Strong Cash Flow Conversion
Supporting Return of Capital to
Shareholders



Appendix

Full-Year 2023 Segment Outlook – Excluding UAW Strike Impact



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)	Third Quarter	
	2022	2023
Net sales	\$ 5,241.2	\$ 5,781.0
Net income attributable to Lear	\$ 92.3	\$ 132.9
Interest expense	24.8	25.7
Other expense, net	18.1	5.8
Income taxes	41.7	47.0
Equity in net income of affiliates	(6.0)	(10.4)
Net income attributable to noncontrolling interests	26.9	19.2
Restructuring costs and other special items -		
Costs related to restructuring actions	18.6	48.0
Acquisition costs	0.3	0.4
Impairments related to Russian operations	19.9	0.4
Insurance recoveries related to typhoon in the Philippines, net of costs	(0.6)	(3.5)
Other	(1.4)	1.6
Core operating earnings	\$ 234.6	\$ 267.1
Adjusted margins	4.5%	4.6%

Non-GAAP

Adjusted Net Income and Earnings Per Share

(In millions, except per share amounts)

	Third Quarter	
	2022	2023
Net income attributable to Lear	\$ 92.3	\$ 132.9
Restructuring costs and other special items -		
Costs related to restructuring actions	18.6	48.0
Acquisition costs	0.3	0.4
Other acquisition-related costs	10.6	-
Impairments related to Russian operations	19.9	0.4
Insurance recoveries related to typhoon in the Philippines, net of costs	(0.6)	(7.5)
Foreign exchange (gains) losses due to foreign exchange rate volatility related to Russia	0.8	(0.7)
Other	0.6	3.5
Tax impact of special items and other net tax adjustments ¹	(3.0)	(7.4)
Adjusted net income attributable to Lear	\$ 139.5	\$ 169.6
Weighted average number of diluted shares outstanding	59.8	59.1
Diluted net income per share attributable to Lear	\$ 1.54	\$ 2.25
Adjusted earnings per share	\$ 2.33	\$ 2.87

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)	Seating		E-Systems	
	2022	2023	2022	2023
Net sales	\$ 3,887.8	\$ 4,284.9	\$ 1,353.4	\$ 1,496.1
Segment earnings	\$ 222.6	\$ 244.7	\$ 46.8	\$ 60.4
Restructuring costs and other special items -				
Costs related to restructuring actions	12.0	28.5	6.5	19.5
Impairments related to Russian operations	19.9	0.4	-	-
Insurance recoveries related to typhoon in the Philippines, net of costs	-	-	(0.7)	(3.5)
Other	0.3	1.3	0.8	2.5
Adjusted segment earnings	\$ 254.8	\$ 274.9	\$ 53.4	\$ 78.9
Segment margins	5.7%	5.7%	3.5%	4.0%
Adjusted segment margins	6.6%	6.4%	3.9%	5.3%

Non-GAAP

(in millions, except per share amounts)

	Third Quarter 2023			
	<u>Reported</u>	<u>Restructuring Costs</u>	<u>Other Special Items</u>	<u>Adjusted</u>
Pretax Income Before Equity Income, Interest and Other Expense	\$ 220.2	\$ 48.0*	\$ (1.1)*	\$ 267.1
Equity Income	<u>(10.4)</u>			<u>(10.4)</u>
Pretax Income Before Interest and Other Expense	\$ 230.6			\$ 277.5
Interest Expense	25.7			25.7
Other Expense, Net	<u>5.8</u>	-	(2.8)	<u>8.6</u>
Income Before Taxes	\$ 199.1			\$ 243.2
Income Taxes	<u>47.0</u>	(6.9)	(0.5)	<u>54.4</u>
Net Income	\$ 152.1			\$ 188.8
Noncontrolling Interests	<u>19.2</u>			<u>19.2</u>
Net Income Attributable to Lear	<u>\$ 132.9</u>			<u>\$ 169.6</u>
Diluted Earnings per Share	<u>\$ 2.25</u>			<u>\$ 2.87</u>

* Restructuring costs include \$44.5 million in cost of sales and \$3.5 million in SG&A. Other special items include (\$0.8) million in cost of sales and (\$0.3) million in SG&A.