



First Quarter 2023 Financial Results

April 27, 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, 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

01

BUSINESS UPDATE
Ray Scott, President and CEO

02

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

First Quarter 2023



	SALES	CORE OPERATING EARNINGS	ADJUSTED EARNINGS PER SHARE	OPERATING CASH FLOW
Q1 2023	\$5.8B UP 12% YOY	\$263M UP 43% YOY	\$2.78 UP 54% YOY	\$(36)M
Q1 2022	\$5.2B	\$184M	\$1.80	\$221M

Q1 2023 Highlights

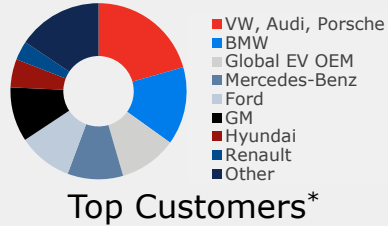
- ✓ Margin improvement in both Seating and E-Systems as compared to last year
- ✓ Sales outperformed global industry production by 6 percentage points with above market growth in both Seating and E-Systems
- ✓ Conquest award previously announced to supply complete seats for the Wagoneer and Grand Wagoneer launching in late 2023
- ✓ Key electrification awards, including a battery disconnect unit (BDU) for a new Stellantis electric vehicle, as well as additional volume for our intercell connect board (ICB) for General Motors' Ultium Battery platform
- ✓ Recognized as a GM Supplier of the Year for the 6th consecutive year and for the 22nd time overall
- ✓ Returned ≈\$72 million to shareholders through dividends and share repurchases
- ✓ Completed I.G. Bauerhin (IGB) acquisition which will further expand product capabilities in thermal comfort systems (TCS)

IGB Enhances Competitive Advantage in Seating

IGB PROFILE

≈\$250M

2022 Total Revenue*



9 manufacturing locations
in 7 countries



≈4,600 total employees,
including ≈240 engineers



114 Patents

IGB PRODUCT PORTFOLIO



Seat Heating



Seat Ventilation



Active Cooling

66% of
2022 Sales



Panel Heating



Occupant Detection
Sensors



Steering Wheel
Heating



ECUs

34% of
2022 Sales

OPPORTUNITIES

- Enhances our Seating portfolio and complements product capabilities acquired through Kongsberg
- Extends our leadership position in Seating and strengthens our margin and return profile
- Driving transformation of the TCS market
 - New component modular design improves performance, efficiency and comfort while reducing weight and cost
 - Adds scale and product technology to support development of a full modular solution
 - Ability to add incremental priceable content and diversify profit drivers

Thermal Comfort Systems Product Evolution

BUSINESS INTEGRATION

- Optimized portfolio through acquisitions of Kongsberg and IGB
- Identified cost synergies and implementing restructuring actions
- Improving efficiency and increasing long-term flexibility at manufacturing facilities

COMPONENT MODULARITY

- Developed a more efficient integrated ventilation and lumbar/massage module
- Innovative design reduces time to sensation
- Developed FlexAir™, a fully recyclable foam alternative
- Increased sourcing control as only supplier with complete seat and TCS capabilities

COMPLETE SEAT MODULARITY

- Modular design drives industry leading performance, efficiency and comfort*
 - ≈50% part complexity reduction
 - ≈20% mass savings
 - ≈40% improvement in time to sensation

* Statistics refer only to thermal comfort components

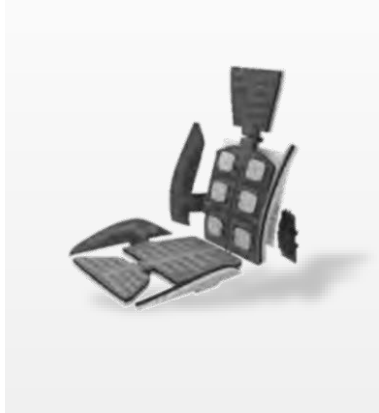
Comfort Components



Thermal and Cooling Components



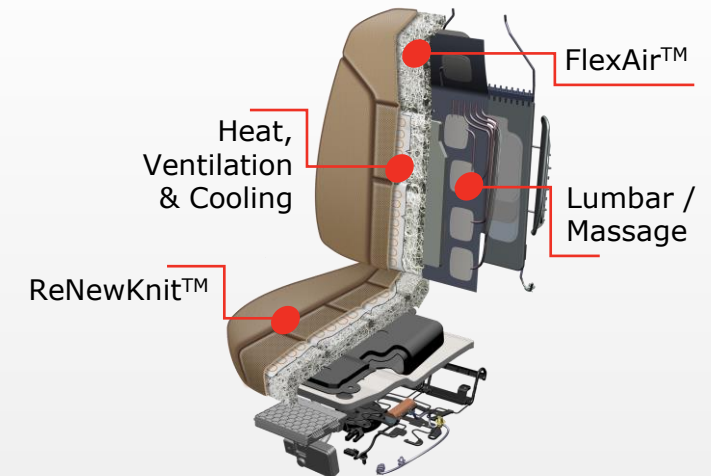
Ventilation with Lumbar / Massage Module



FlexAir™



Lear's Thermal Comfort Module



Thermal Comfort Systems Portfolio

TCS PROFILE

Pro-Forma Total Revenue*

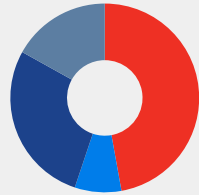
≈\$550M

2022

≈\$800M

2027 Target

2022 Pro-Forma
Total Revenue by Product*



■ Heat
■ Vent & Active Cool
■ Lumbar & Massage
■ Other



13 manufacturing
locations in 8 countries

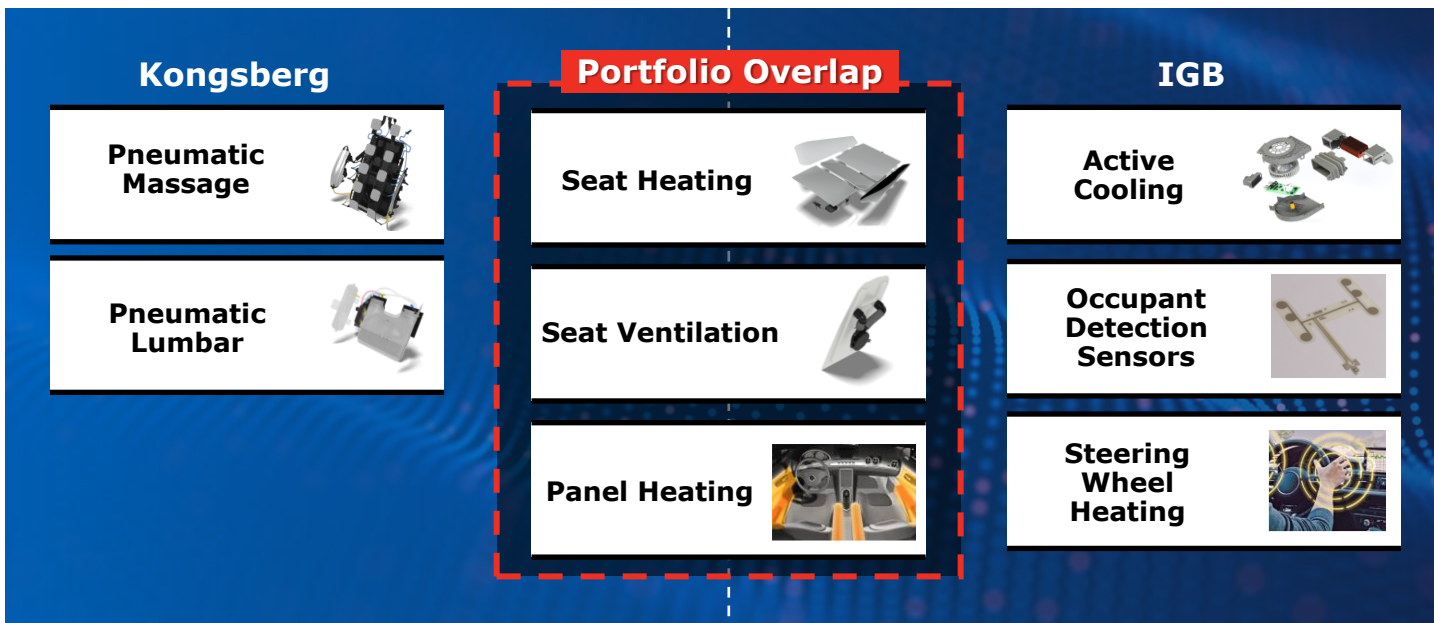


≈9,000 total employees,
including ≈500 engineers



395 Patents

COMBINED TCS PORTFOLIO



MARKET OPPORTUNITY

- Total Addressable Market (TAM) of ≈\$2.5B to \$3.0B
- TAM expected to grow over 2 percentage points faster than vehicle production
- TCS growing in all vehicle segments and expanding into rear seats
- Seven major customers have shifted sourcing control to Lear
- 30 new business awards on 22 platforms
- Catalyst to increase JIT market share
- Higher structural margins than Seating average

Winning Business in Both Segments

RECENT SEATING AWARDS

- Complete seats for the Wagoneer and Grand Wagoneer through 2030
 - Includes Lear-supplied Thermal Comfort Systems (heat, ventilation and massage)
- Complete seats for a second program launching in late 2024
- Significant revenue driver
 - ≈\$420 million in the 3-year Seating backlog of ≈\$1.8 billion
 - Peak revenue of ≈\$600 million at full volume in 2027 (based on current production assumptions)

WAGONEER



JIT, Thermal Comfort
NORTH AMERICA

GRAND WAGONEER

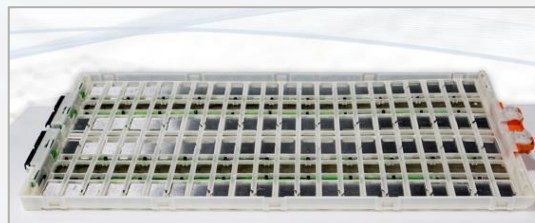


JIT, Thermal Comfort
NORTH AMERICA

RECENT E-SYSTEMS AWARDS

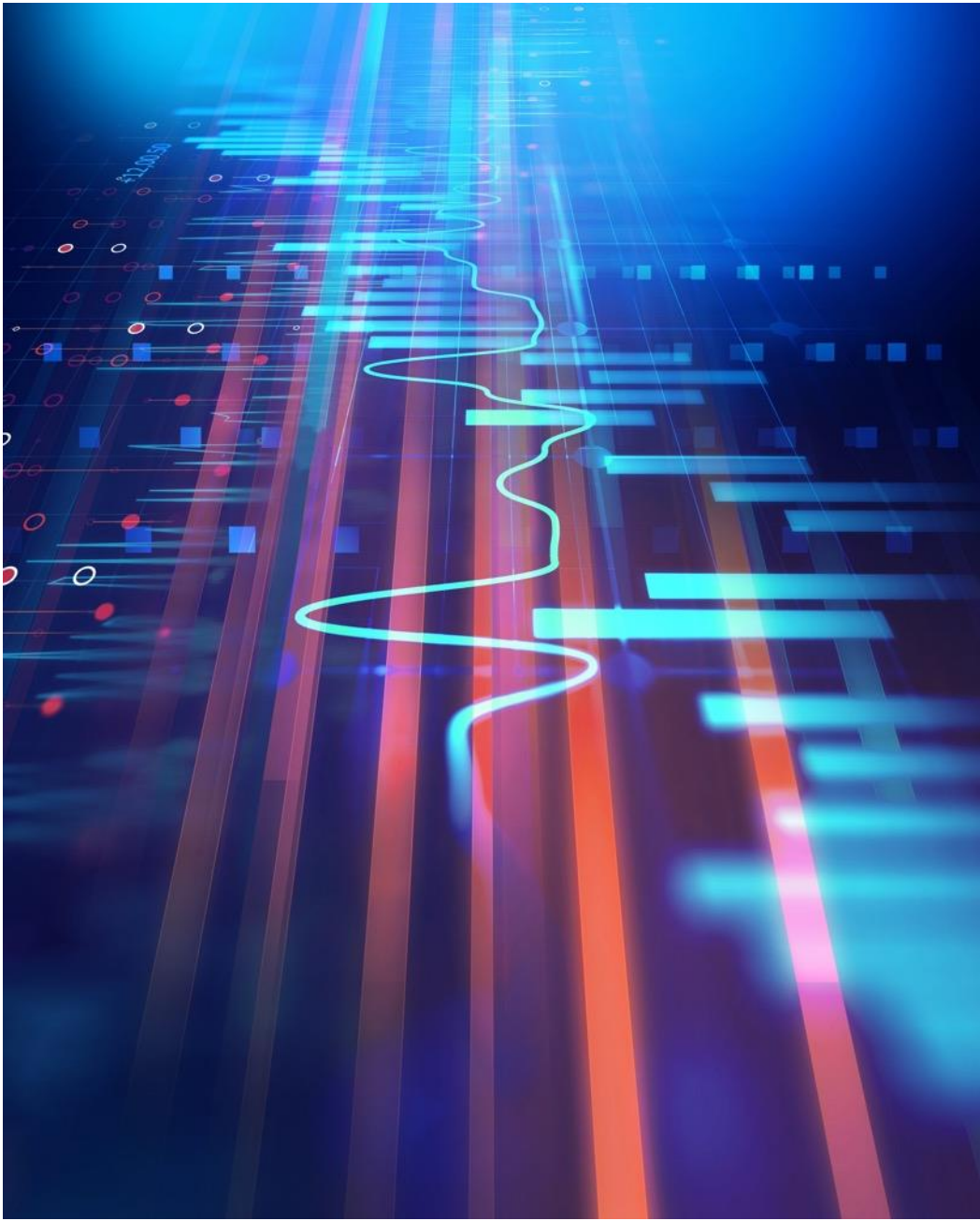
- BDU for a new Stellantis electric vehicle
- Additional volume for our ICB to support both the BEV and BET models on GM's Ultium battery platform
 - Increases 2025 backlog by ≈\$50 million
 - Increases annual revenue by ≈\$100 million (to ≈\$250 million) at full volume by the end of the decade
- High-voltage and low-voltage wire on EV platforms for multiple OEMs

INTERCELL CONNECT BOARD



HIGH VOLTAGE CONNECTORS





Financial Review

Jason Cardew

Senior Vice President and CFO

First Quarter 2023

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

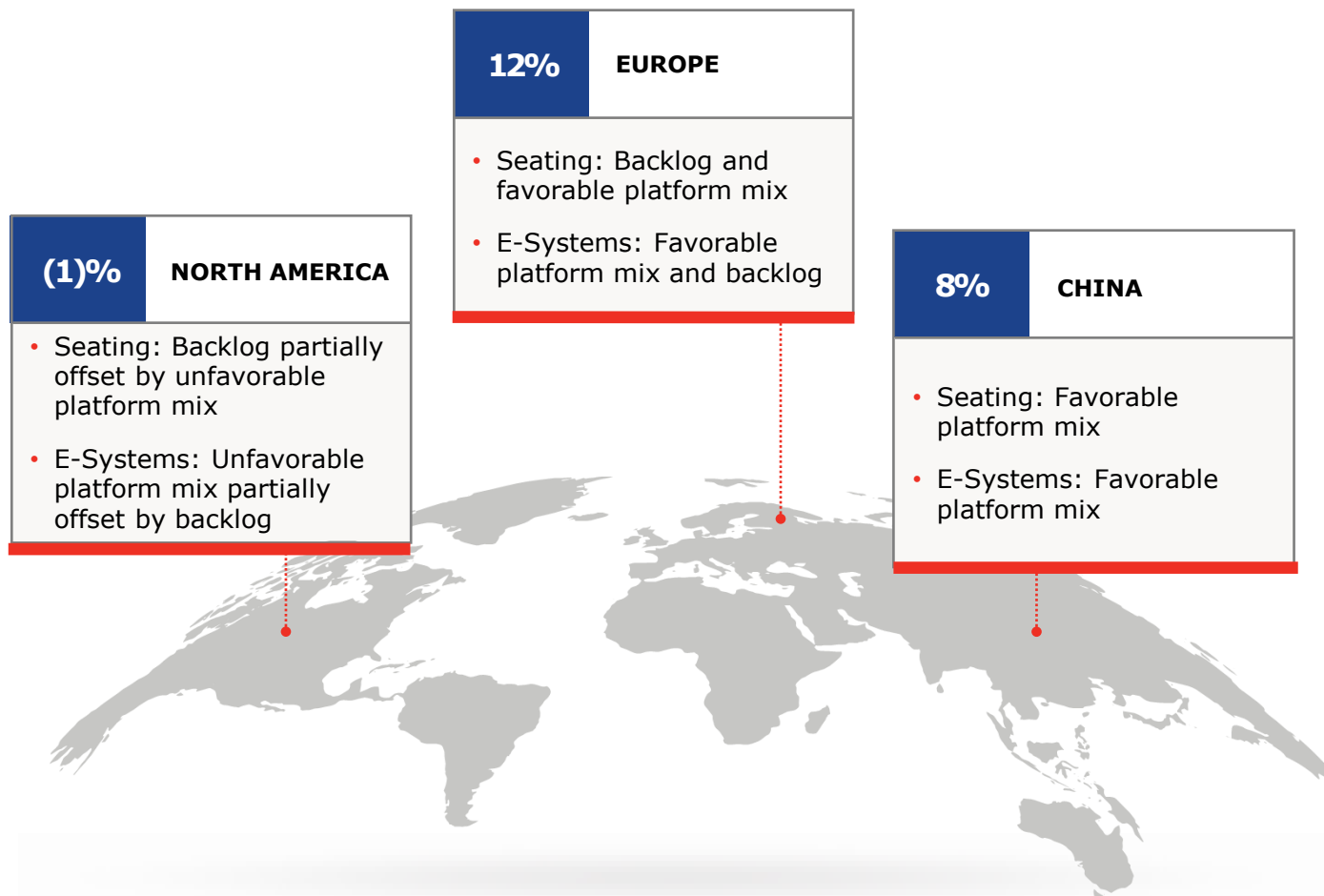
GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
Q1 2022	19.5	Q1 2022	3.6	Q1 2022	4.0	Q1 2022	5.8
Q1 2023	20.7	Q1 2023	3.9	Q1 2023	4.7	Q1 2023	5.4
UP 6% YOY		UP 10% YOY		UP 17% YOY		DOWN 8% YOY	

KEY CURRENCIES

	2022	2023	
EURO	\$1.12 / €	\$1.07 / €	DOWN 5%
CHINESE RMB	6.35 / \$	6.83 / \$	DOWN 7%

Growth Over Market

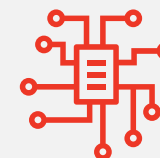
First Quarter 2023



**6% Q1 2023
Global GoM**



**6% Q1 2023
Seating GoM**



**4% Q1 2023
E-Systems GoM**

Key Financials

First Quarter 2023

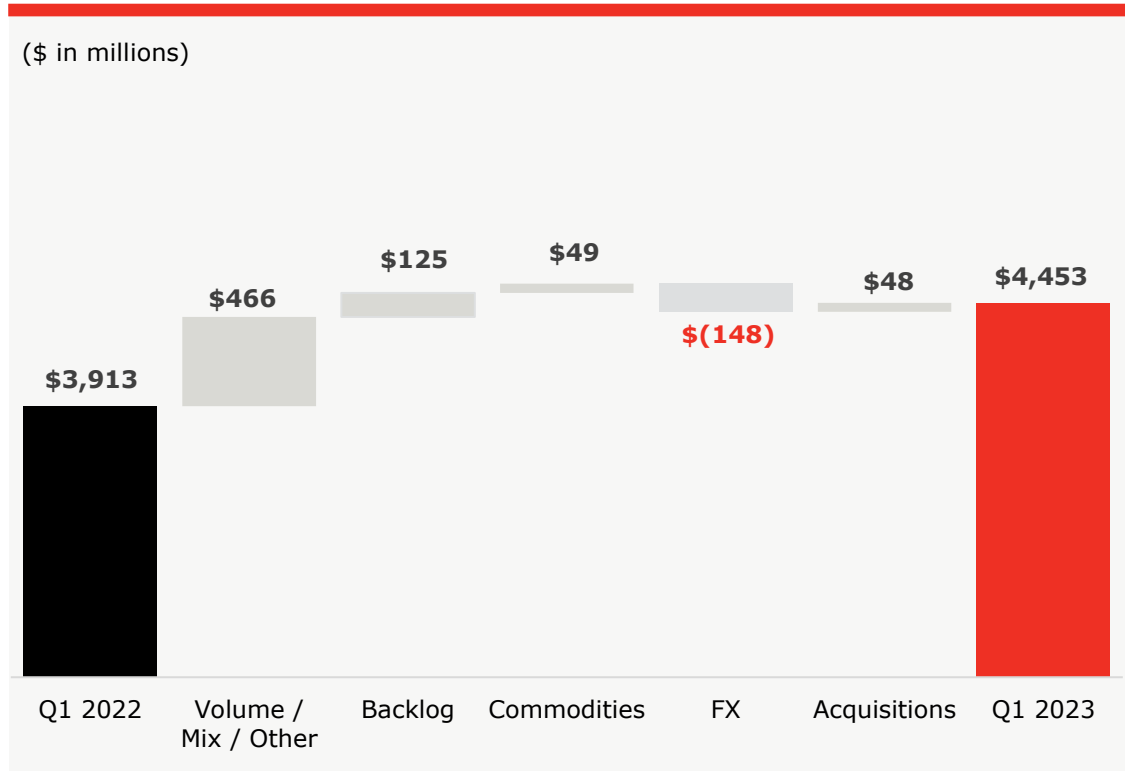
(\$ in millions, except per share amounts)

	2022	2023	YEAR-OVER-YEAR DRIVERS
Net Sales	\$5,208	\$5,846	Increased volume, strong backlog and commodity pass-through, partially offset by the impact of foreign exchange
Core Operating Earnings Operating Margin %	\$184 3.5%	\$263 4.5%	Increased sales, accretive backlog and positive commodity impact, partially offset by the impact of foreign exchange
Adjusted Earnings Per Share	\$1.80	\$2.78	Higher core operating earnings
Operating Cash Flow	\$221	\$(36)	Increased working capital, partially offset by higher earnings

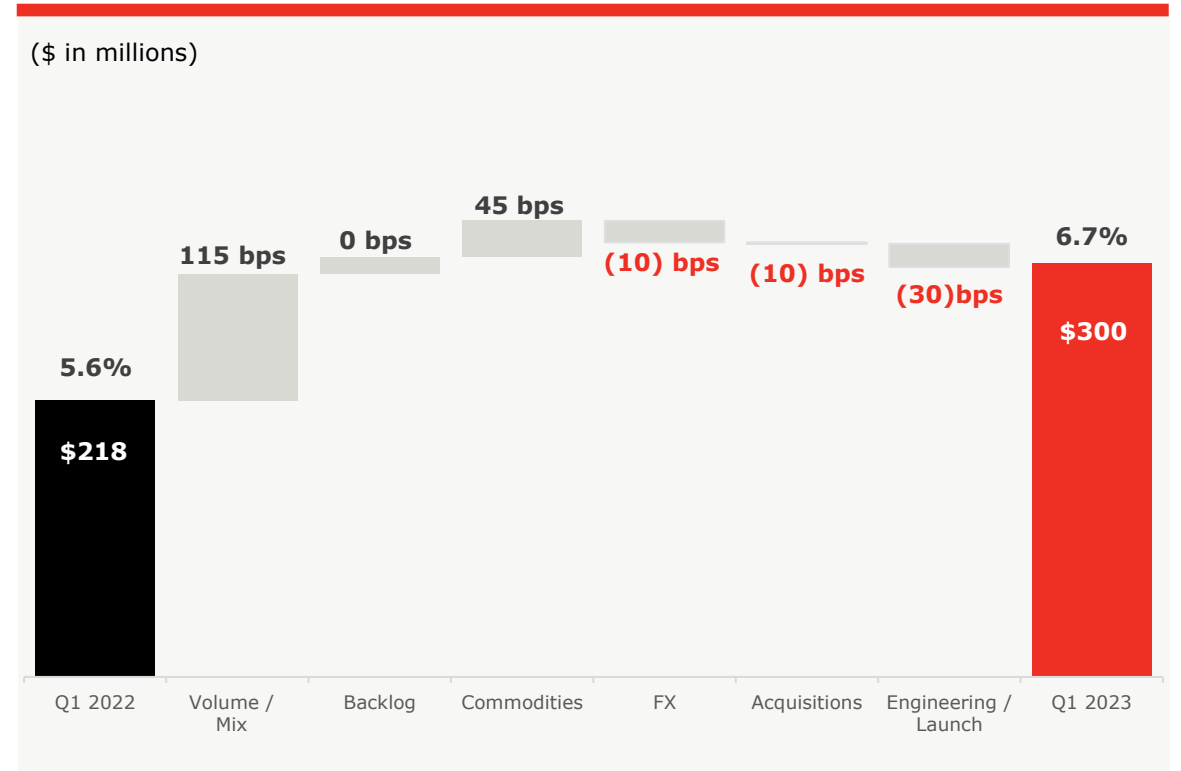
Seating Sales and Margin Drivers

First Quarter 2023

SALES



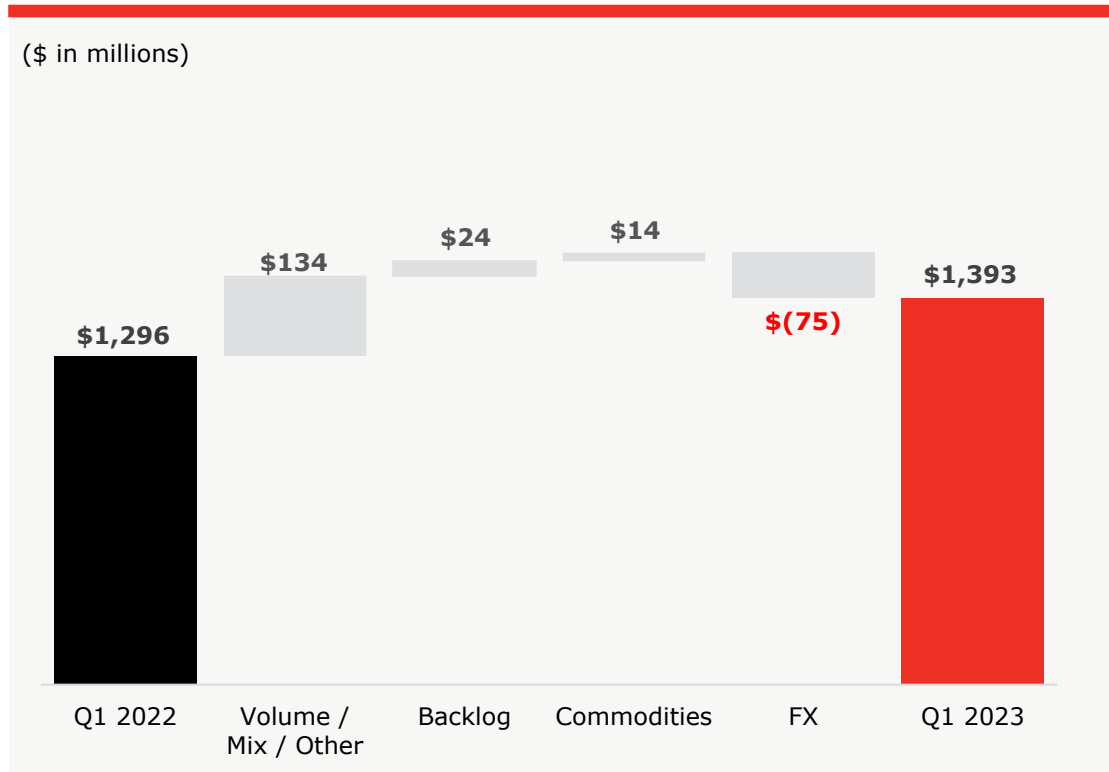
ADJUSTED EARNINGS AND MARGIN



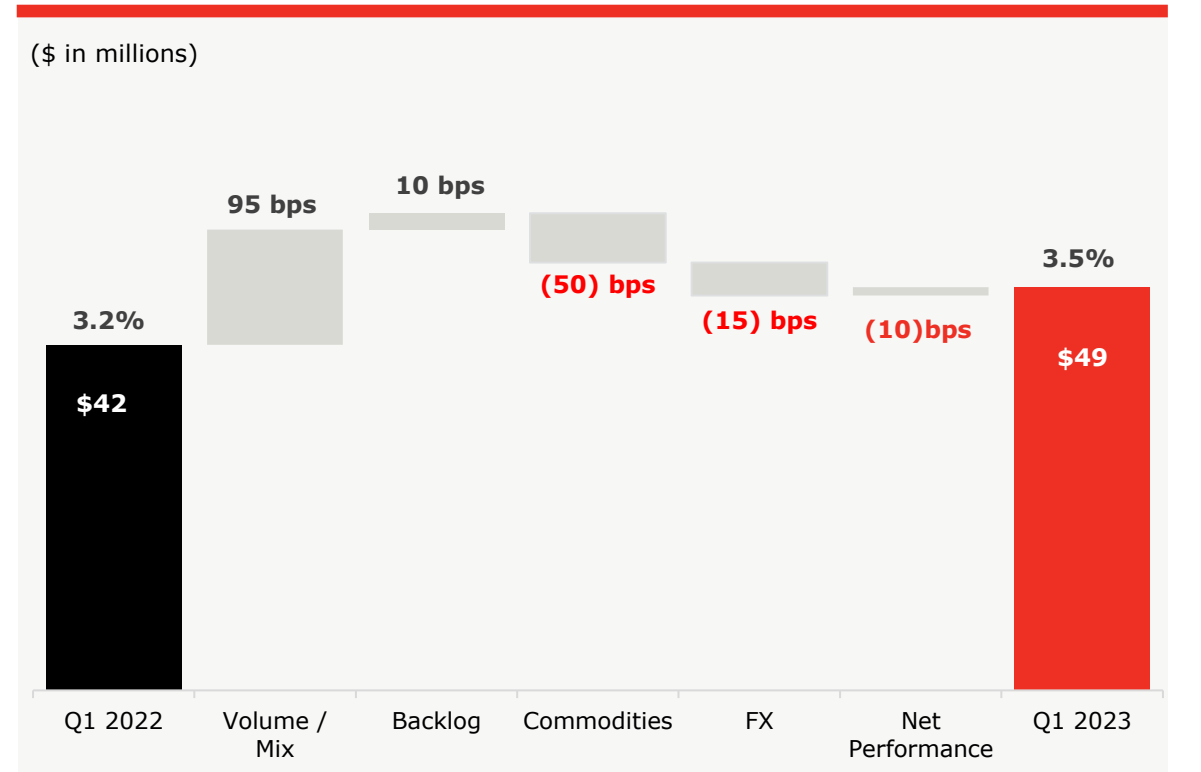
E-Systems Sales and Margin Drivers

First Quarter 2023

SALES



ADJUSTED EARNINGS AND MARGIN



Debt Structure and Capital Allocation

IGB Financing

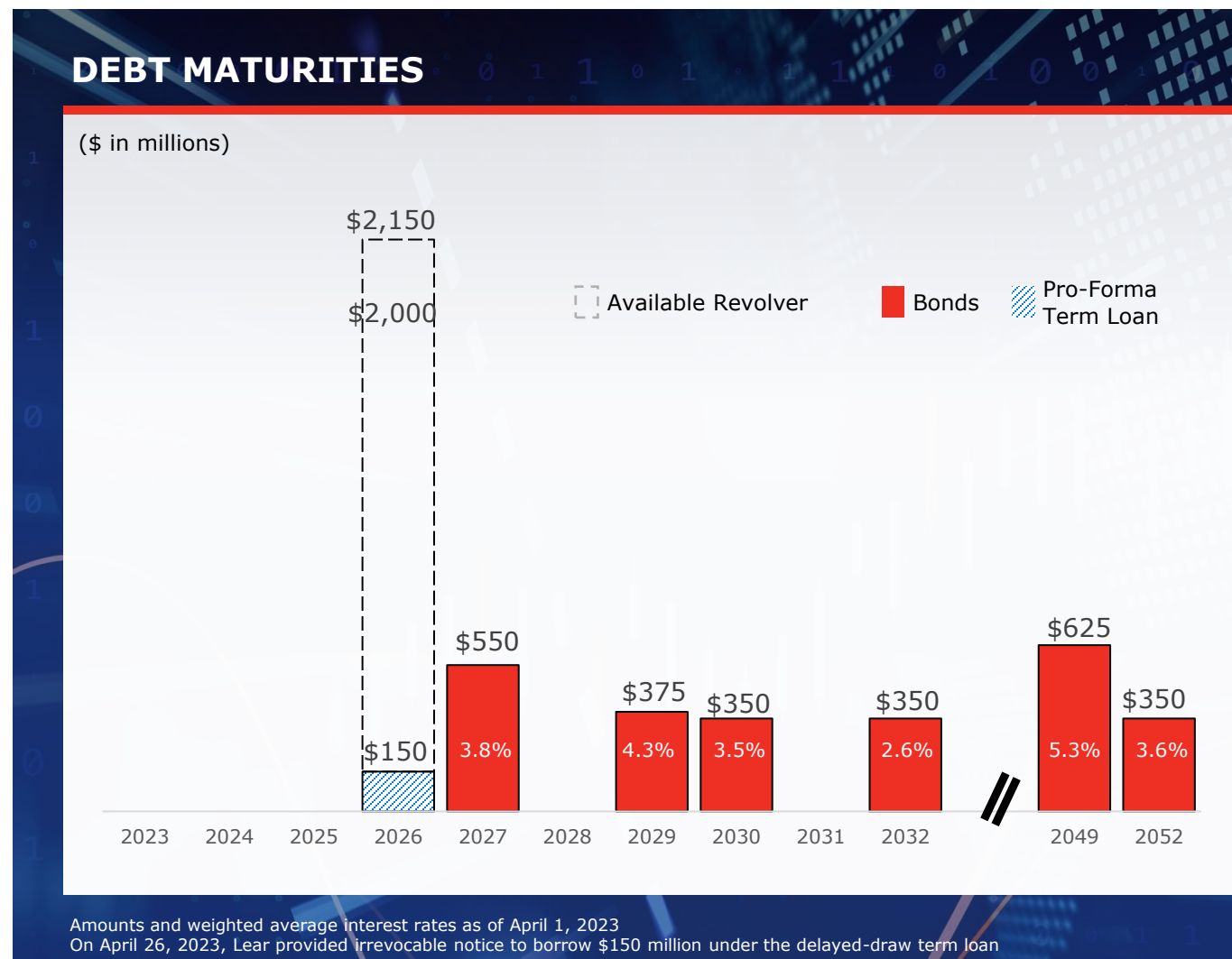
- To be funded with \$150 million delayed-draw term loan
- Three-year maturity; fully prepayable with no penalty
- Floating interest rate

Strong Balance Sheet

- No direct impact from the current banking crisis
- No meaningful outstanding debt maturities until 2027
- Low cost of bonds averaging less than 4% with a weighted average life of ≈ 14 years
- Total available liquidity of \$2.9 billion

Returning Excess Cash to Shareholders

- Quarterly dividend of \$0.77 per share
- Repurchased 182,902 shares (\approx \$25 million) in the first quarter



2023 Outlook

FULL YEAR OUTLOOK KEY FACTORS

- Global macro environment
- Production environment and stability
- Vehicle affordability and impact on demand
- Platform mix versus expectations
- Customer launch timing and execution
- Commodity cost volatility
- Foreign exchange rates
- Upcoming OEM labor negotiations

Full year outlook unchanged at this time



Concluding Remarks

Ray Scott
President and CEO

Growing our Core Products

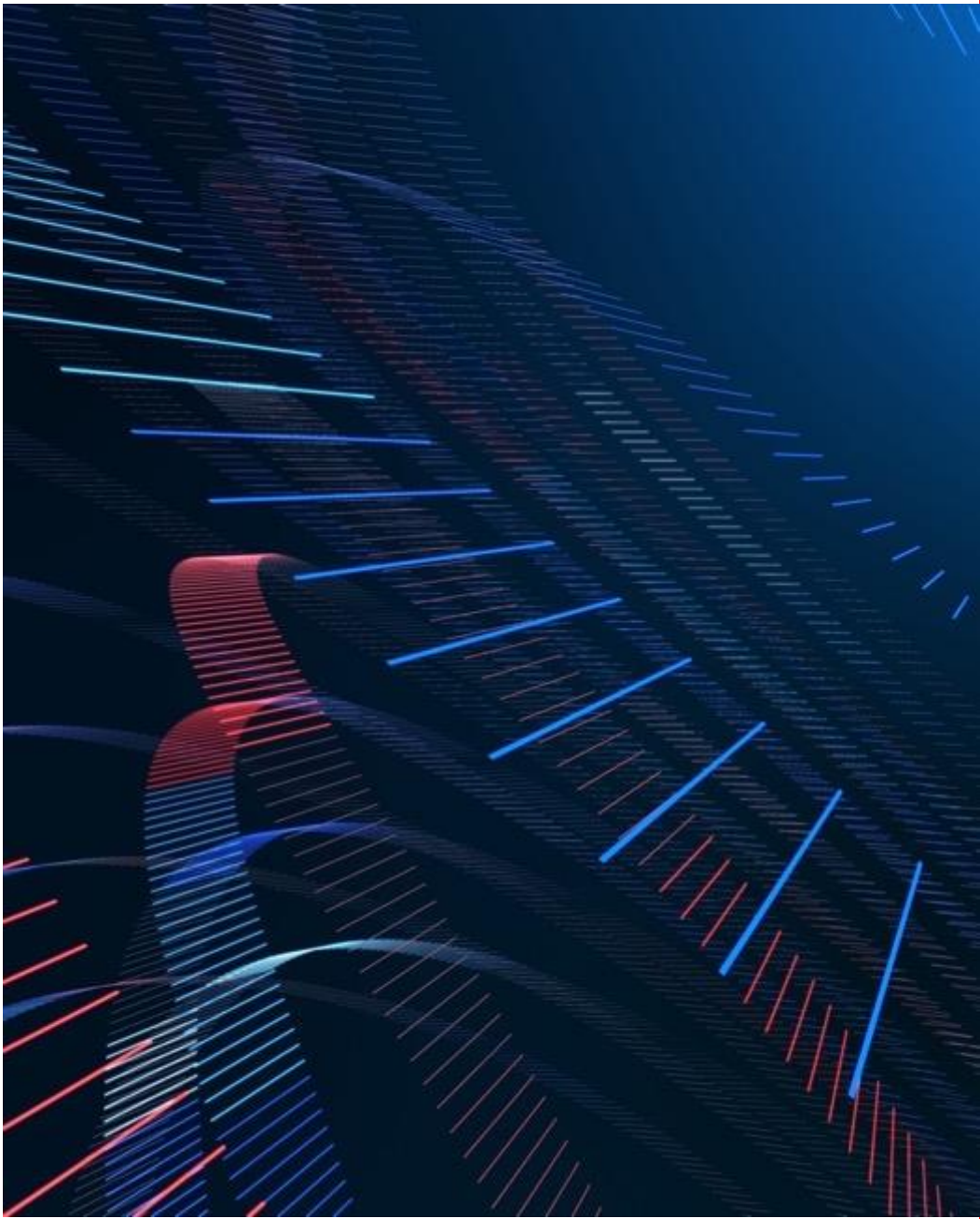
Leading in Operational Excellence

Optimizing Manufacturing Footprint and Cost Synergies

Maximizing Long-Term Shareholder Value

SAVE THE DATE:

Seating Product Day
June 27, 2023

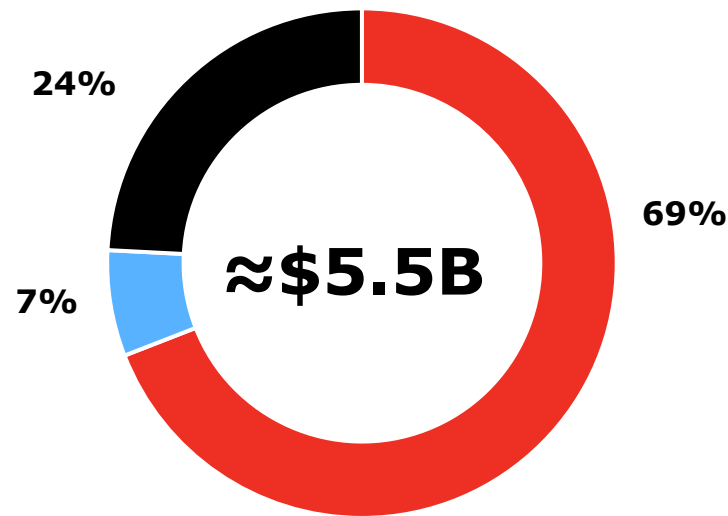


Appendix

E-Systems Revenue by Product

E-SYSTEMS REVENUE

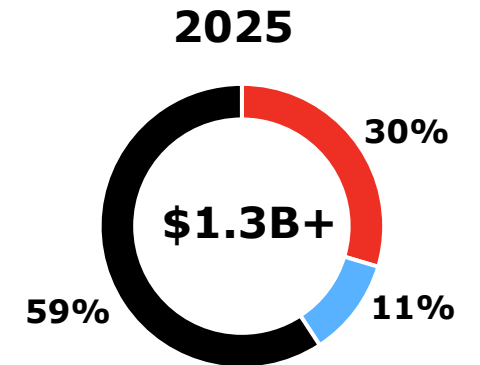
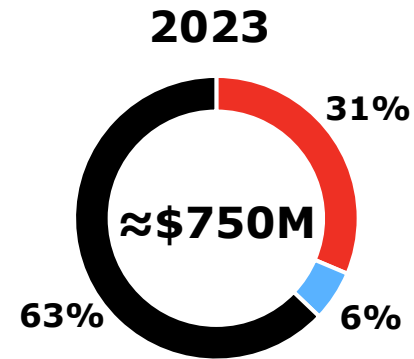
2023
OUTLOOK – AT MID-POINT



2023 connection systems excludes \$180 million of intercompany sales

ELECTRIFICATION REVENUE

- Our electrification business consists of high voltage wiring and connection systems and key power electronics products
- These products are a subset of our overall wiring, connection systems and electronics portfolios
- A portion of our connection systems revenues are generated from intercompany transactions to the wiring business



■ WIRING
 ■ CONNECTION SYSTEMS
 ■ ELECTRONICS

2023 Outlook – Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
FY 2022	80.9	FY 2022	14.3	FY 2022	16.2	FY 2022	25.1
FY 2023	81.3	FY 2023	15.0	FY 2023	16.1	FY 2023	25.0
vs Prior Year UP 1%		vs Prior Year UP 5%		vs Prior Year DOWN 1%		vs Prior Year DOWN 1%	
Lear Weighted Outlook UP 2%							

KEY CURRENCIES

	2022	2023	
EURO	\$1.05 / €	\$1.05 / €	FLAT
CHINESE RMB	6.73 / \$	7.00 / \$	DOWN 4%

2023 Full Year Outlook

Net Sales

\$21,200 - \$22,200 million

Core Operating Earnings

\$875 - \$1,075 million

Adjusted EBITDA

\$1,475 - \$1,675 million

Interest Expense

≈\$105 million

Effective Tax Rate

21% to 22%

Adjusted Net Income

\$510 - \$670 million

Restructuring Costs

≈\$100 million

Operating Cash Flow

\$1,075 - \$1,225 million

Capital Expenditures

≈\$700 million

Free Cash Flow

\$375 - \$525 million

Note: 2023 Full Year Outlook assumes an average Euro of \$1.05 and an average Chinese RMB of 7.00 / \$

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.

Non-GAAP

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 attributable to 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 (used in) 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 attributable to Lear, cash provided by (used in) 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

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

Acquisition costs

Intangible asset impairment

Typhoon in the Philippines

Other

Core operating earnings

Adjusted margins

First Quarter

2022

2023

\$ 5,208.4

\$ 5,845.5

\$ 49.4

\$ 143.6

24.9

24.2

27.3

13.7

20.4

45.6

(10.7)

(9.6)

17.2

19.8

32.3

14.6

10.0

0.3

-

0.9

10.8

0.5

2.1

9.8

\$ 183.7

\$ 263.4

3.5%

4.5%

Non-GAAP

Adjusted Net Income and Adjusted Earnings Per Share (In millions, except per share amounts)	First Quarter	
	2022	2023
Net income attributable to Lear	\$ 49.4	\$ 143.6
Restructuring costs and other special items -		
Costs related to restructuring actions	32.3	14.6
Acquisition costs	10.0	0.3
Intangible asset impairment	-	0.9
Costs related to typhoon in the Philippines	10.8	0.5
Foreign exchange (gains) losses due to foreign exchange rate volatility in Russia	11.4	(1.0)
Loss related to affiliate	-	5.0
Other	6.2	5.0
Tax impact of special items and other net tax adjustments ¹	(12.0)	(3.1)
Adjusted net income	\$ 108.1	\$ 165.8
Weighted average number of diluted shares outstanding	60.2	59.6
Diluted net income per share attributable to Lear	\$ 0.82	\$ 2.41
Adjusted earnings per share	\$ 1.80	\$ 2.78

¹ Represents 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)

	First Quarter			
	Seating		E-Systems	
	2022	2023	2022	2023
Net sales	\$ 3,912.5	\$ 4,453.0	\$ 1,295.9	\$ 1,392.5
Segment earnings	\$ 200.1	\$ 285.8	\$ 15.9	\$ 42.3
Restructuring costs and other special items -				
Costs related to restructuring actions	17.3	12.0	15.0	2.3
Acquisition costs	0.1	-	-	-
Intangible asset impairment	-	-	-	0.9
Costs related to typhoon in the Philippines net of costs	0.1	-	10.5	0.4
Other	0.1	2.6	0.5	3.0
Adjusted segment earnings	\$ 217.7	\$ 300.4	\$ 41.9	\$ 48.9
Segment margins	5.1%	6.4%	1.2%	3.0%
Adjusted segment margins	5.6%	6.7%	3.2%	3.5%

Non-GAAP

(in millions, except per share amounts)

	First 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	\$ 237.3	\$ 14.6*	\$ 11.5*	\$ 263.4
Equity Income	<u>(9.6)</u>			<u>(9.6)</u>
Pretax Income Before Interest and Other Expense	\$ 246.9			\$ 273.0
Interest Expense	24.2			24.2
Other Expense, Net	<u>13.7</u>	-	(0.8)	<u>14.5</u>
Income Before Taxes	\$ 209.0			\$ 234.3
Income Taxes	<u>45.6</u>	(3.2)	0.1	<u>48.7</u>
Net Income	\$ 163.4			\$ 185.6
Noncontrolling Interests	<u>19.8</u>			<u>19.8</u>
Net Income Attributable to Lear	<u>\$ 143.6</u>			<u>\$ 165.8</u>
Diluted Earnings per Share	<u>\$ 2.41</u>			<u>\$ 2.78</u>

* Restructuring costs include \$12.9 million in cost of sales and \$1.7 million in SG&A. Other special items include \$7.8 million in cost of sales, \$2.8 million in SG&A and \$0.9 million in amortization of intangible assets.