



Third Quarter 2022 Financial Results

November 1, 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, 2021, its Quarterly Reports on Form 10-Q for the quarters ended April 2, 2022 and July 2, 2022, and its other Securities and Exchange Commission filings. Future operating results will be based on various factors, including actual industry production volumes, the impact of the ongoing COVID-19 pandemic and the Ukraine war on the Company’s business and the global economy, 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

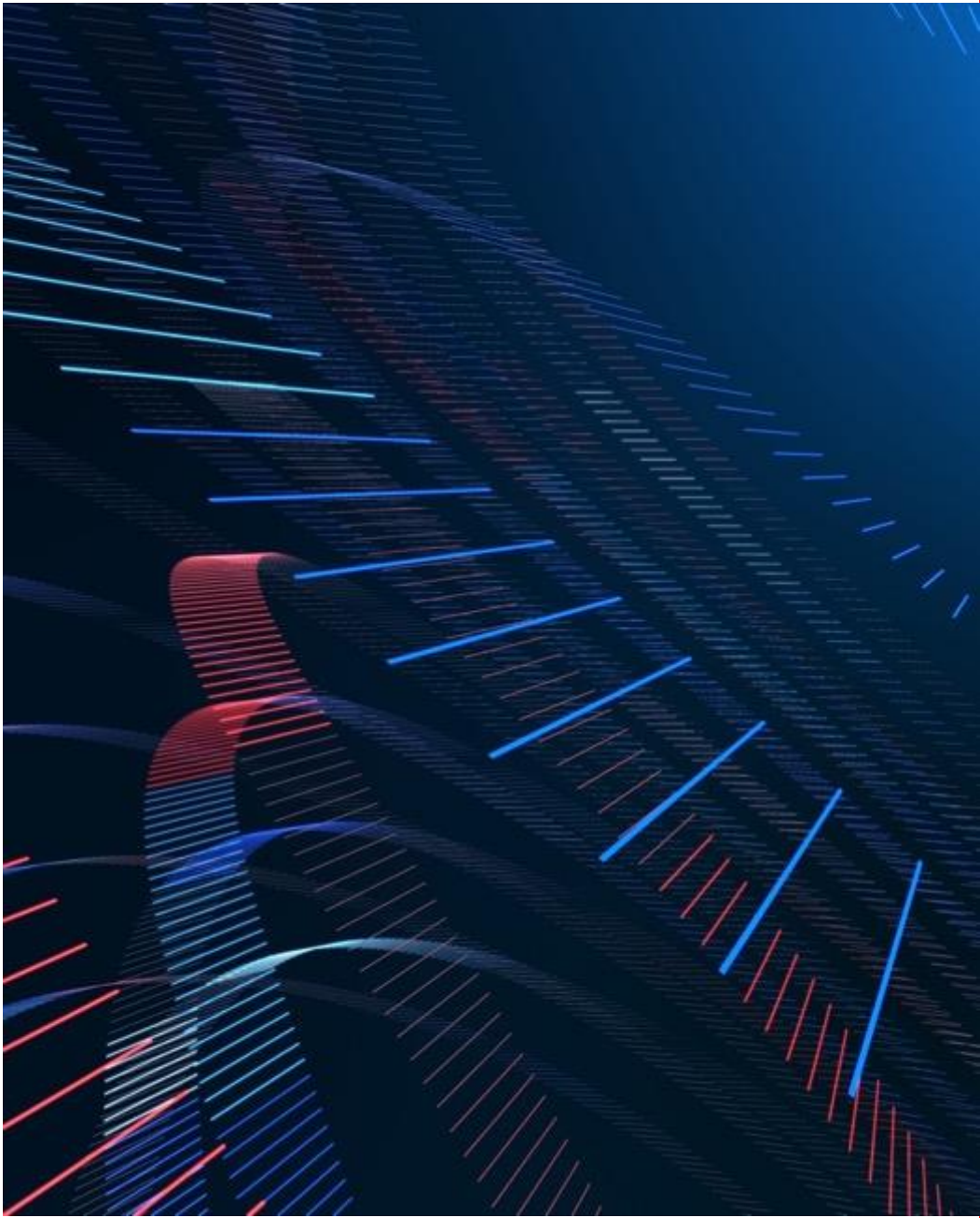
BUSINESS UPDATE
Ray Scott, President and CEO

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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 2022

\$5.2B

SALES

Q3 2021 \$4.3B

\$235M

**CORE OPERATING
EARNINGS**

Q3 2021 \$98M

\$2.33

**ADJUSTED
EARNINGS PER SHARE**

Q3 2021 \$0.53

\$252M

**OPERATING
CASH FLOW**

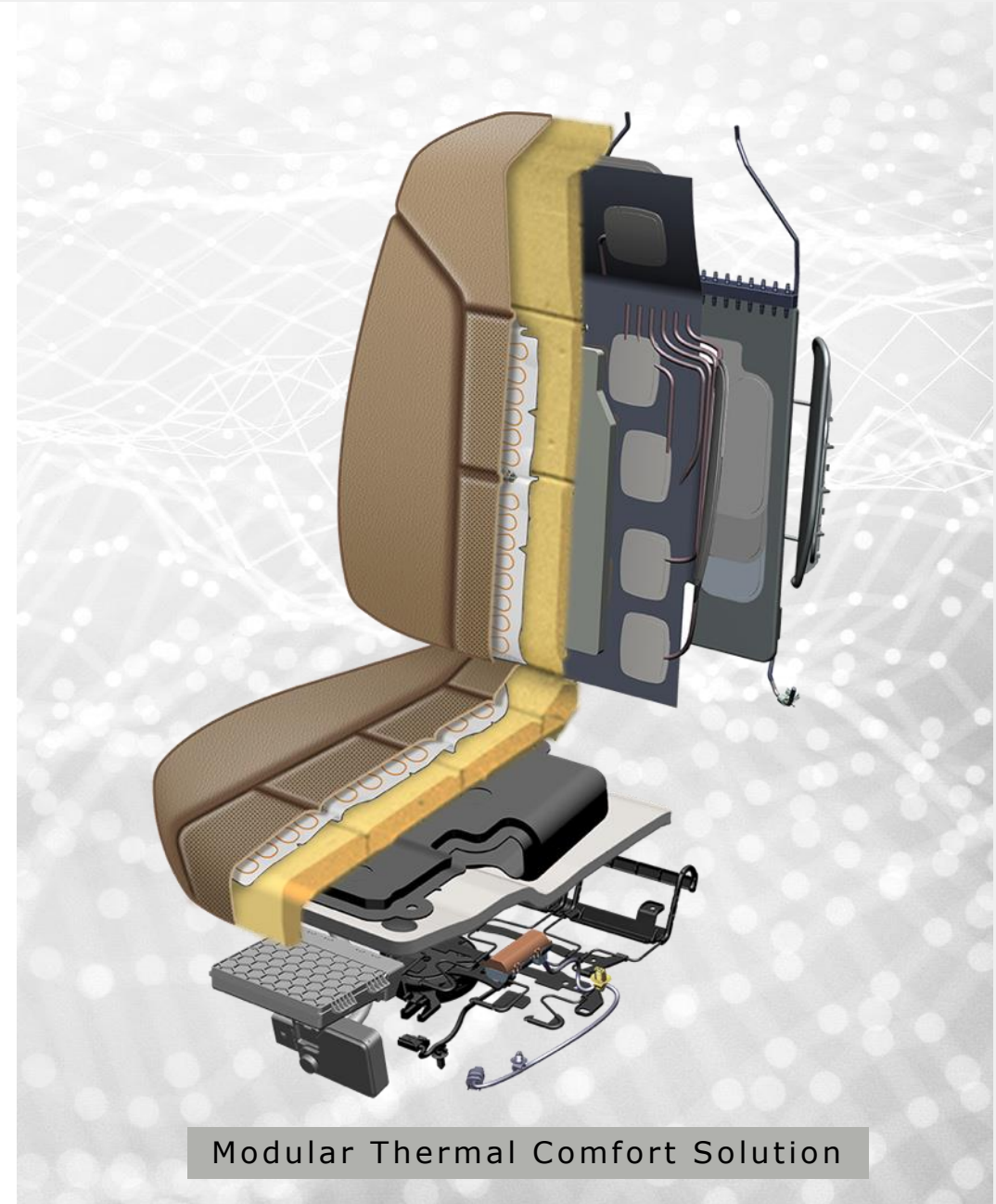
Q3 2021 \$(4)M

Third Quarter and Year-to-Date 2022 Business Highlights

- ✔ Year-to-date sales have outperformed global industry production by 4 percentage points with above market growth in both Seating and E-Systems
- ✔ Selected by General Motors to exclusively supply the Battery Disconnect Unit (BDU) on all full-size SUVs and trucks built on the automaker's Ultium EV Platform through 2030
- ✔ Received more than twice as many J.D. Power 2022 U.S. Seat Quality and Satisfaction StudySM awards than any other seat supplier, with two best in segment and seven total awards
- ✔ Awarded a 2022 Automotive News PACEpilot award for ConfigurE+ with zonal safety technology, the first wireless and electronics-based system that identifies seat location and occupant status to activate safety features
- ✔ Joined the Climate Group's RE100 initiative, committing to source 100% of the electricity used across global operations from renewable sources by 2030
- ✔ Returned \$71 million to shareholders through dividends and share repurchases

Seating Update

- Launched production at new just-in-time seating plant in Detroit to support electric vehicle production at GM Factory Zero
- Developed alternative materials to drive sustainability
 - Awarded two development contracts with separate OEMs for Lear's proprietary foam alternative
 - Announced production contract for ReNewKnit™ suede alternative
- Lear's modular thermal comfort solution reduces complexity and weight while improving time to sensation
 - Multiple OEMs have awarded JIT contracts to Lear that include design and sourcing responsibility for the thermal comfort system
 - Expected to generate ≈\$500 million¹ of thermal comfort revenue upon closing the IGB acquisition
 - Projected to be margin accretive by 2024



Modular Thermal Comfort Solution

Lear Developed Electrification Products Driving Growth

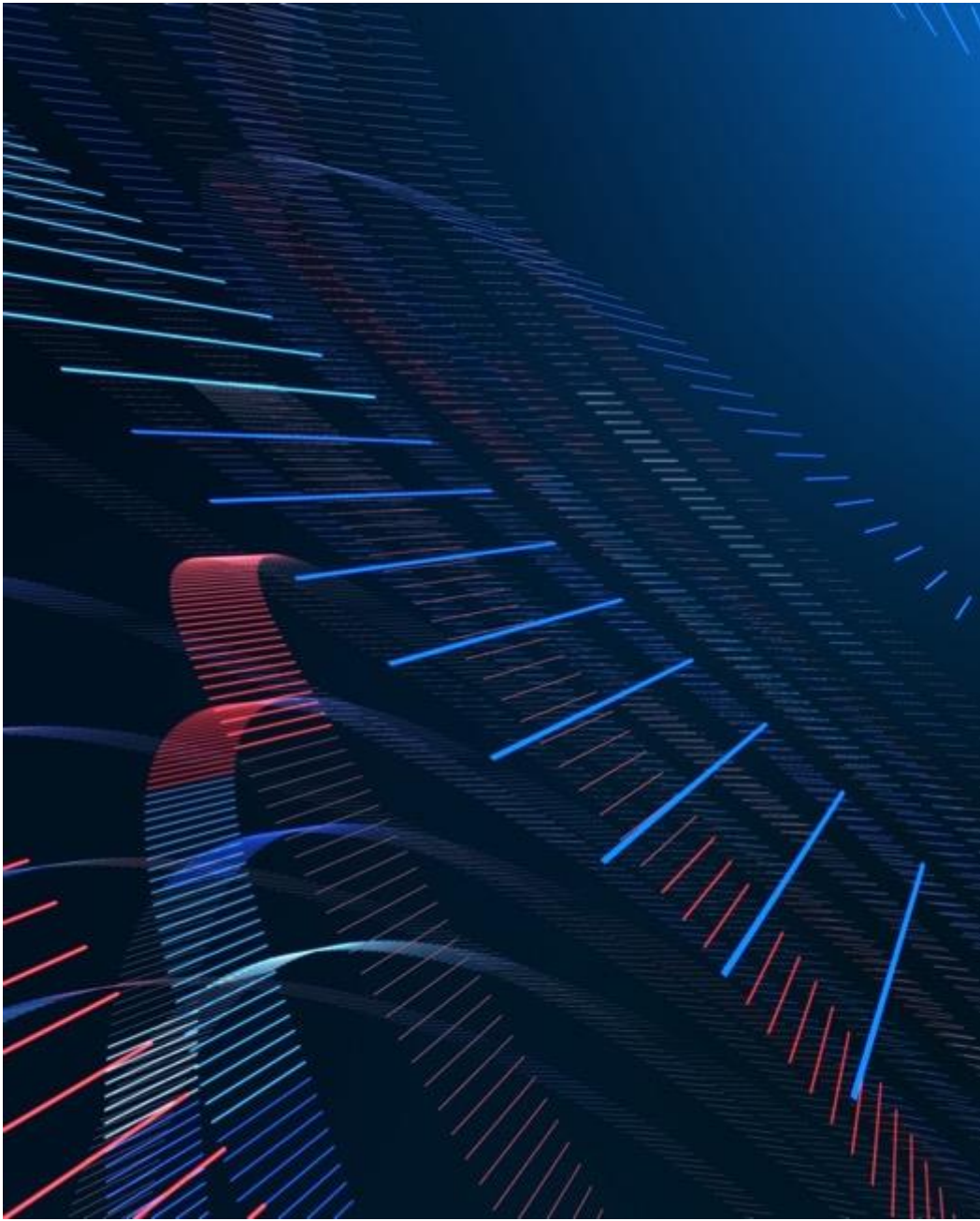
BATTERY DISCONNECT UNITS (BDU)

- The primary interface between an electric vehicle's battery pack and the electrical system
- Offers industry-leading thermal management innovations that enable electric vehicles to charge faster and drive farther
- Lear-developed BDU will be used on all GM Battery Electric Truck derivatives on its Ultium battery platform through 2030
- Investing in new Michigan production facility, which will manufacture BDUs and other electrification components
- New production facility expected to generate \$500 million in annual revenue at full production
- Supplying additional BDUs to multiple OEMs

INTERCELL CONNECT BOARDS (ICB)

- Electrical and mechanical frames connect multiple battery cells to form an integrated battery module
- Leveraged Lear's expertise in metal stampings, connection systems and electrical architecture along with overmolding capabilities from M&N
- GM award expected to generate annual revenue of more than \$100 million, supporting our connection systems growth plan
- Compatible with any Ultium battery pack, including non-automotive applications
- Have identified additional opportunities with GM and other OEMs to grow the ICB business

Awards support \$1.3 billion Electrification 2025 revenue target and future growth



Financial Review

Jason Cardew
Senior Vice President and CFO

Third Quarter 2022

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

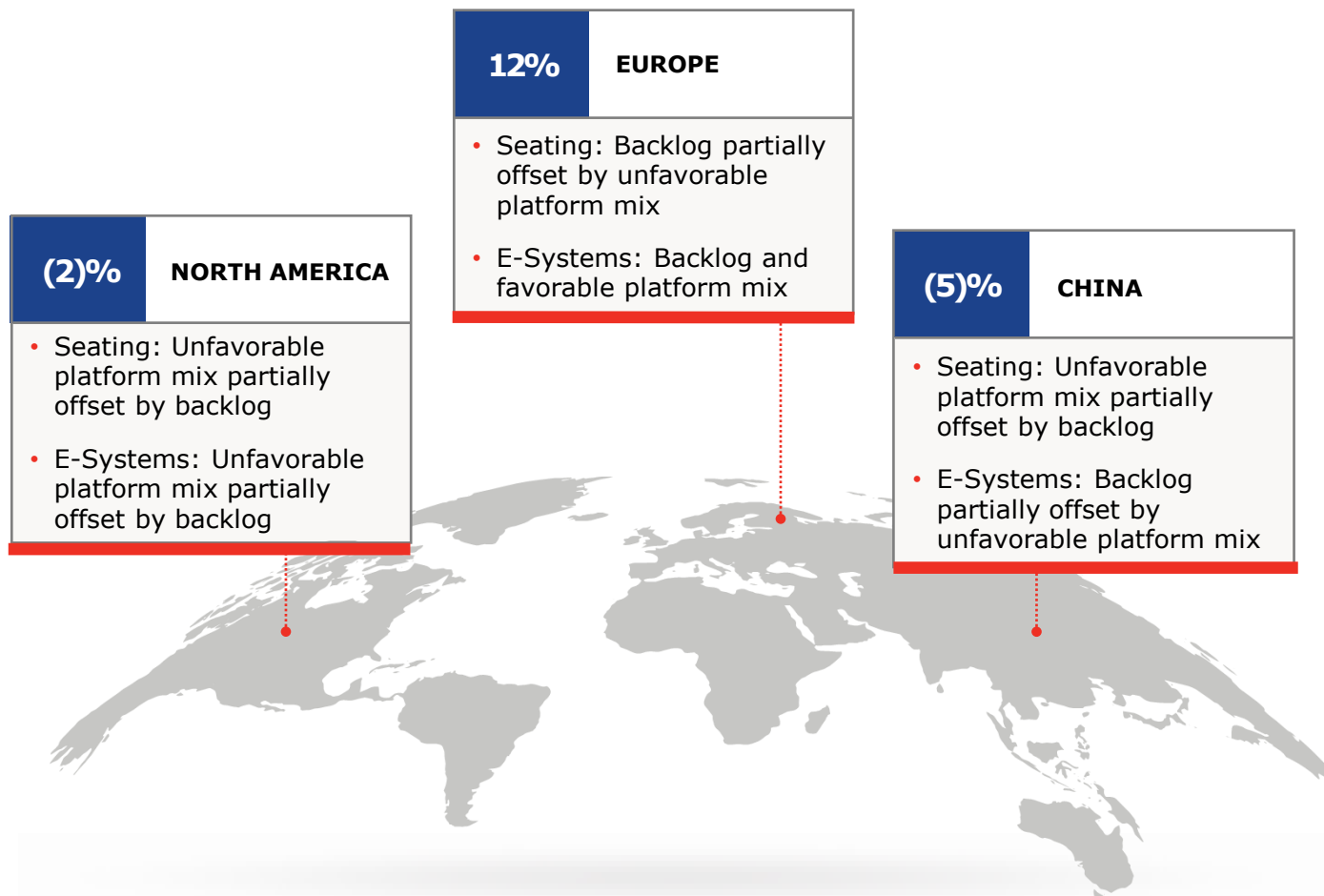
GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
Q3 2021	16.2	Q3 2021	3.0	Q3 2021	3.1	Q3 2021	5.1
Q3 2022	20.8	Q3 2022	3.7	Q3 2022	3.7	Q3 2022	6.9
UP 29% YOY		UP 24% YOY		UP 20% YOY		UP 35% YOY	

KEY CURRENCIES

	2021	2022	
EURO	\$1.18 / €	\$1.01 / €	DOWN 14%
CHINESE RMB	6.47 / \$	6.83 / \$	DOWN 6%

Growth Over Market

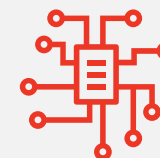
Third Quarter 2022



1% Q3 2022
4% YTD 2022
Global GoM



FLAT Q3 2022
4% YTD 2022
Seating GoM



2% Q3 2022
3% YTD 2022
E-Systems GoM

Key Financials

Third Quarter 2022

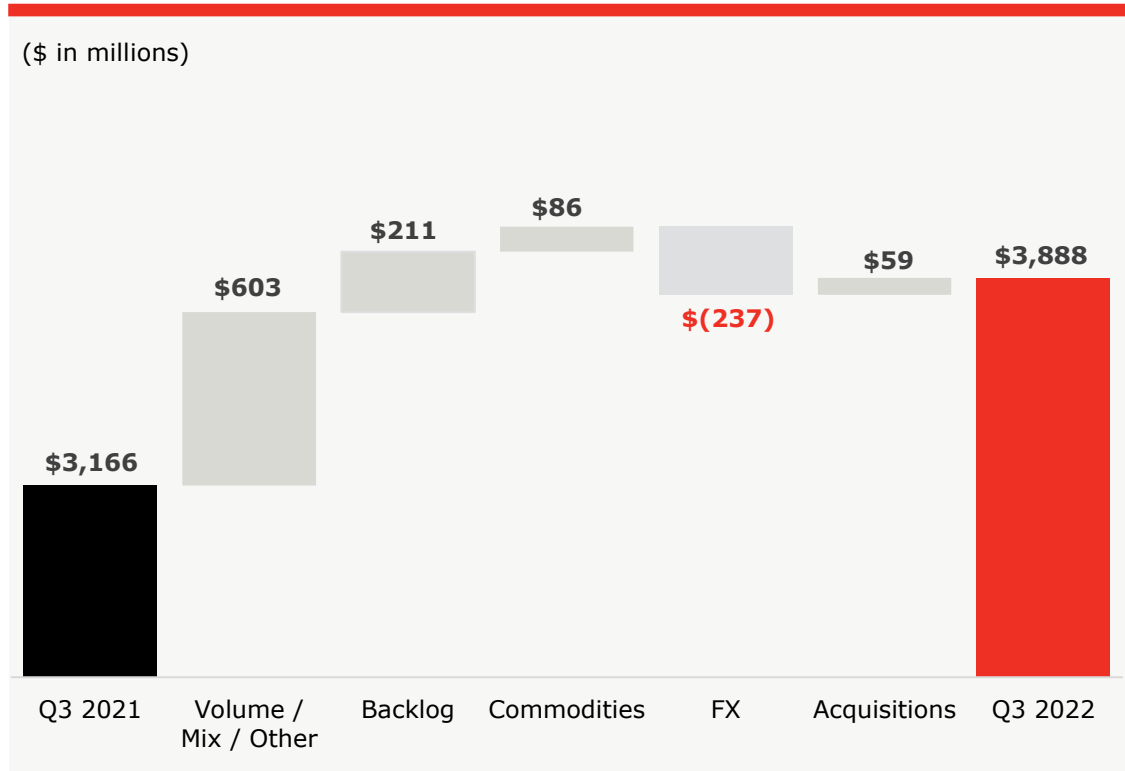
(\$ in millions, except per share amounts)

	2021	2022	YEAR-OVER-YEAR DRIVERS
Net Sales	\$4,268	\$5,241	Increased volume, strong backlog and commodity pass-through, partially offset by the impact from foreign exchange
Core Operating Earnings Operating Margin %	\$98 2.3%	\$235 4.5%	Increased sales and accretive backlog, partially offset by the impact from foreign exchange
Adjusted Earnings Per Share	\$0.53	\$2.33	Higher core earnings
Operating Cash Flow	\$(4)	\$252	Higher core earnings and smaller increase in working capital

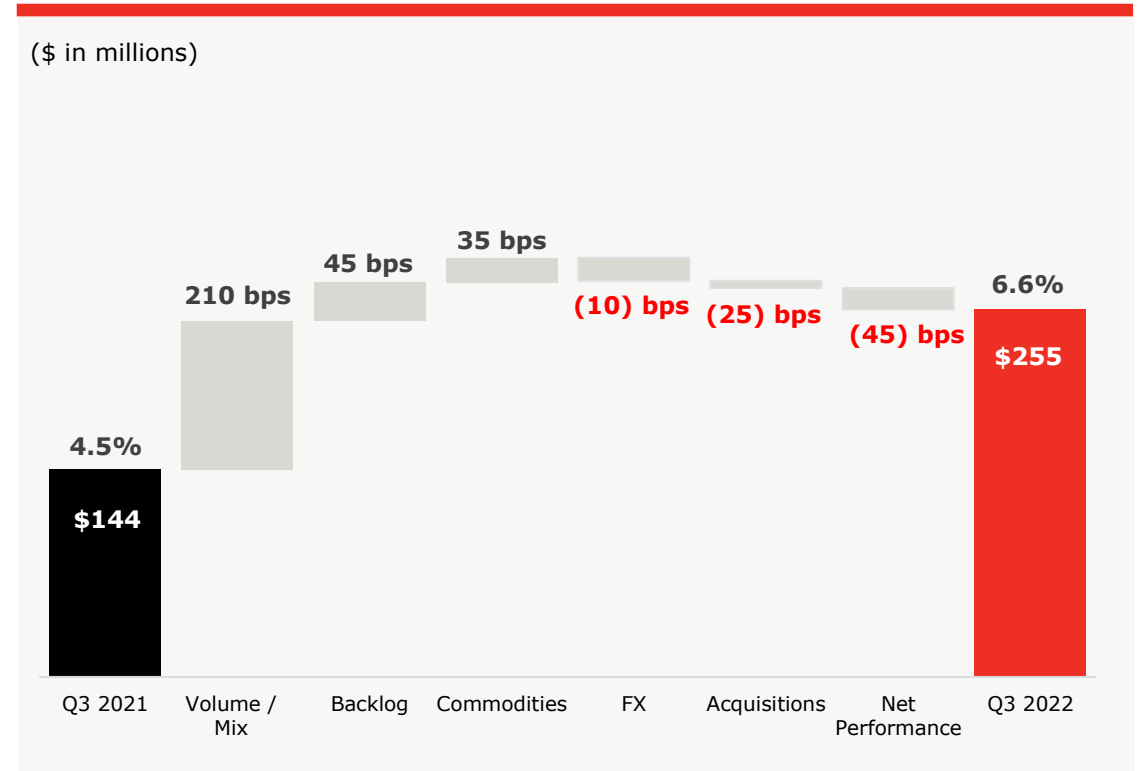
Seating Sales and Margin Drivers

Third Quarter 2022

SALES



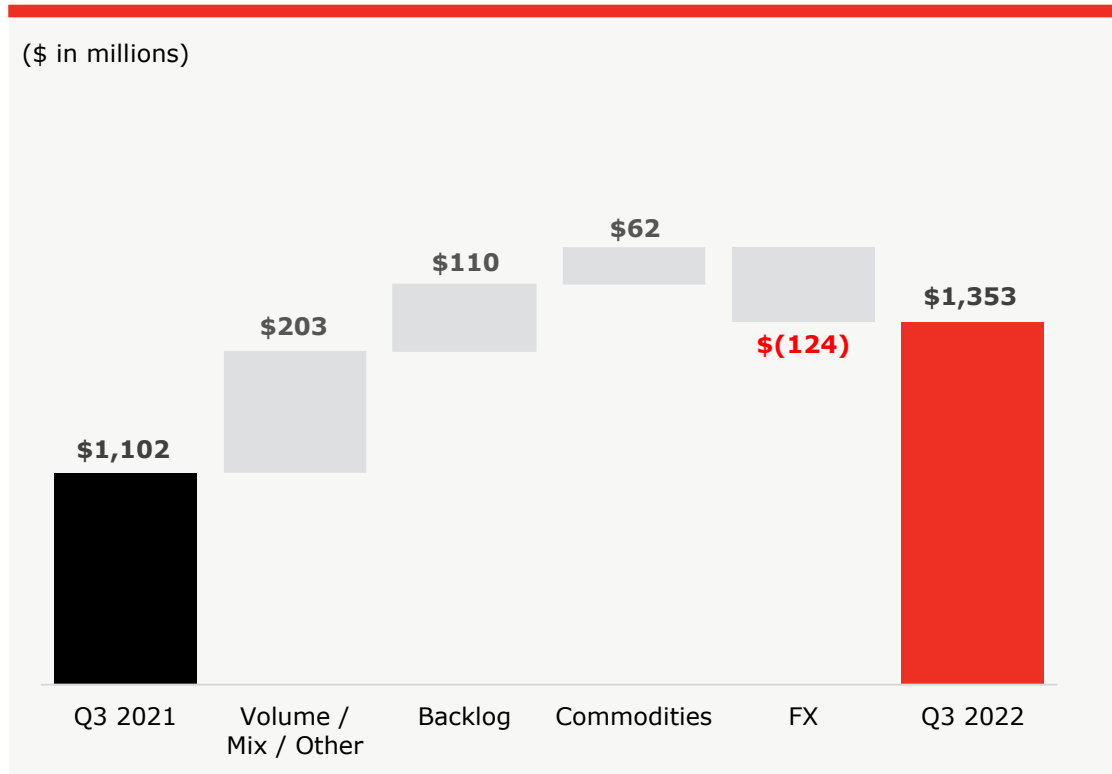
ADJUSTED EARNINGS AND MARGIN



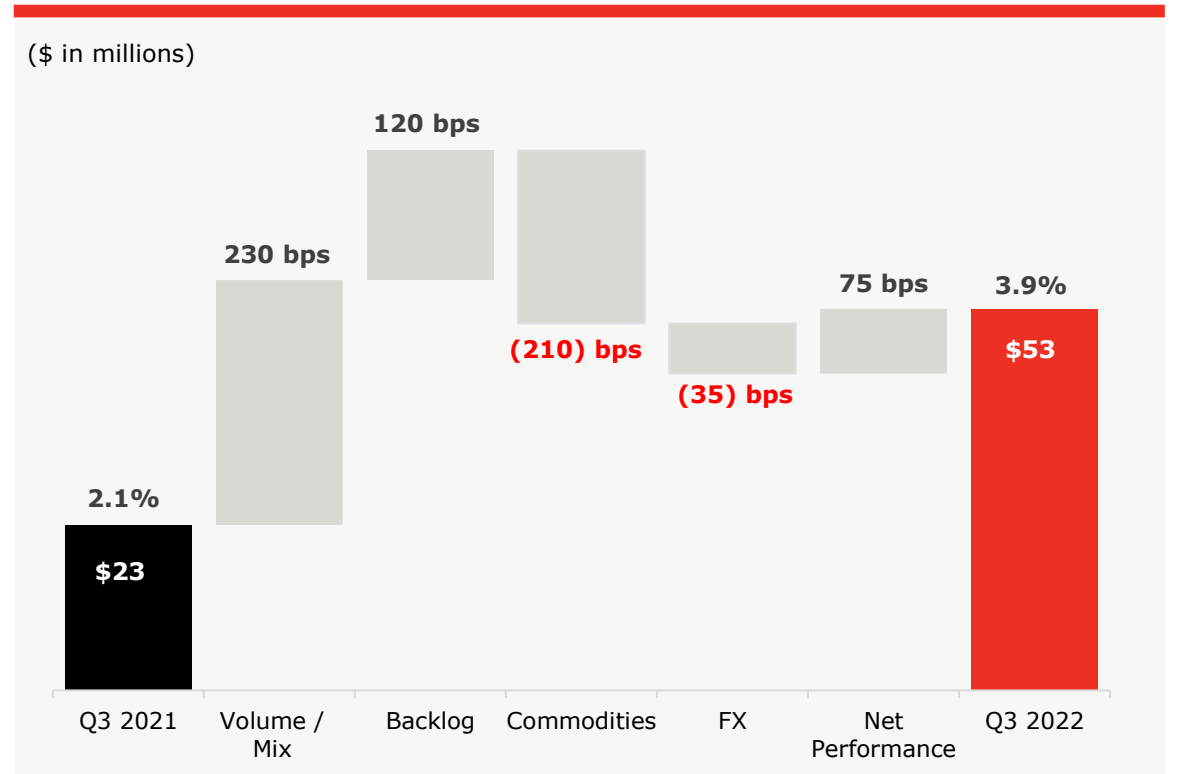
E-Systems Sales and Margin Drivers

Third Quarter 2022

SALES



ADJUSTED EARNINGS AND MARGIN



2022 Outlook – Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
FY 2021	75.3	FY 2021	13.0	FY 2021	16.3	FY 2021	23.0
FY 2022	79.9	FY 2022	14.4	FY 2022	15.9	FY 2022	25.0
vs Prior Year UP 6% <i>August Outlook Up 3%</i>		vs Prior Year UP 10% <i>August Outlook Up 12%</i>		vs Prior Year DOWN 3% <i>August Outlook Flat</i>		vs Prior Year UP 9% <i>August Outlook Up 1%</i>	
Lear Weighted Outlook UP 5% <i>August Outlook Up 5%</i>							

KEY CURRENCIES

	2021	2022	
EURO	\$1.18 / €	\$1.05 / €	DOWN 11%
CHINESE RMB	6.45 / \$	6.69 / \$	DOWN 4%

2022 Full Year Outlook

Unchanged from prior outlook

Net Sales

\$20,550 - \$21,050 million

Interest Expense

≈\$105 million

Operating Cash Flow

\$950 - \$1,075 million

Core Operating Earnings

\$815 - \$915 million

Effective Tax Rate

≈21%

Capital Spending

\$675 - \$700 million

Adjusted Net Income

\$465 - \$545 million

Adjusted EBITDA

\$1,405 - \$1,505 million

Restructuring Costs

≈\$150 million

Free Cash Flow

\$275 - \$375 million

Note: 2022 Full Year Outlook assumes an average Euro of \$1.05 and an average Chinese RMB of 6.69 / \$

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.

Operating Cash Flow and Capital Allocation

CAPITAL ALLOCATION STRATEGY

Strong Balance Sheet

- No outstanding debt maturities until 2027
- Low cost of debt averaging less than 4% with a weighted average life of 14.6 years
- Total available liquidity of \$2.8 billion

Improving Cash Generation

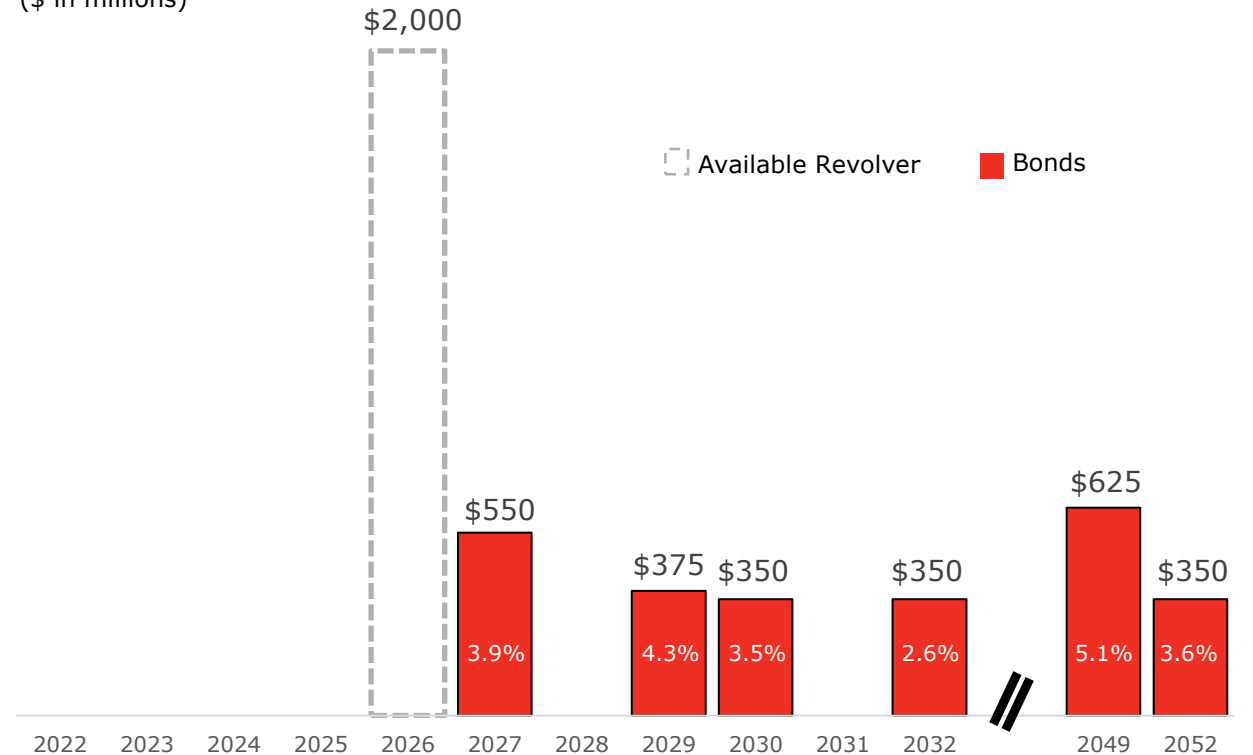
- Growing core product lines
- Identifying synergies and implementing restructuring actions
- Optimizing manufacturing footprint to remove excess capacity
- Aggressively managing working capital
- Targeting 80% cash conversion ratio

Returning Excess Cash to Shareholders

- Annualized dividend of \$3.08 per share
- ≈567,000 shares (≈\$75 million) repurchased YTD
- Continuing share repurchases in fourth quarter

DEBT MATURITIES

(\$ in millions)



Amounts and weighted average interest rates as of October 1, 2022

Company Specific Drivers Improving Operating Performance

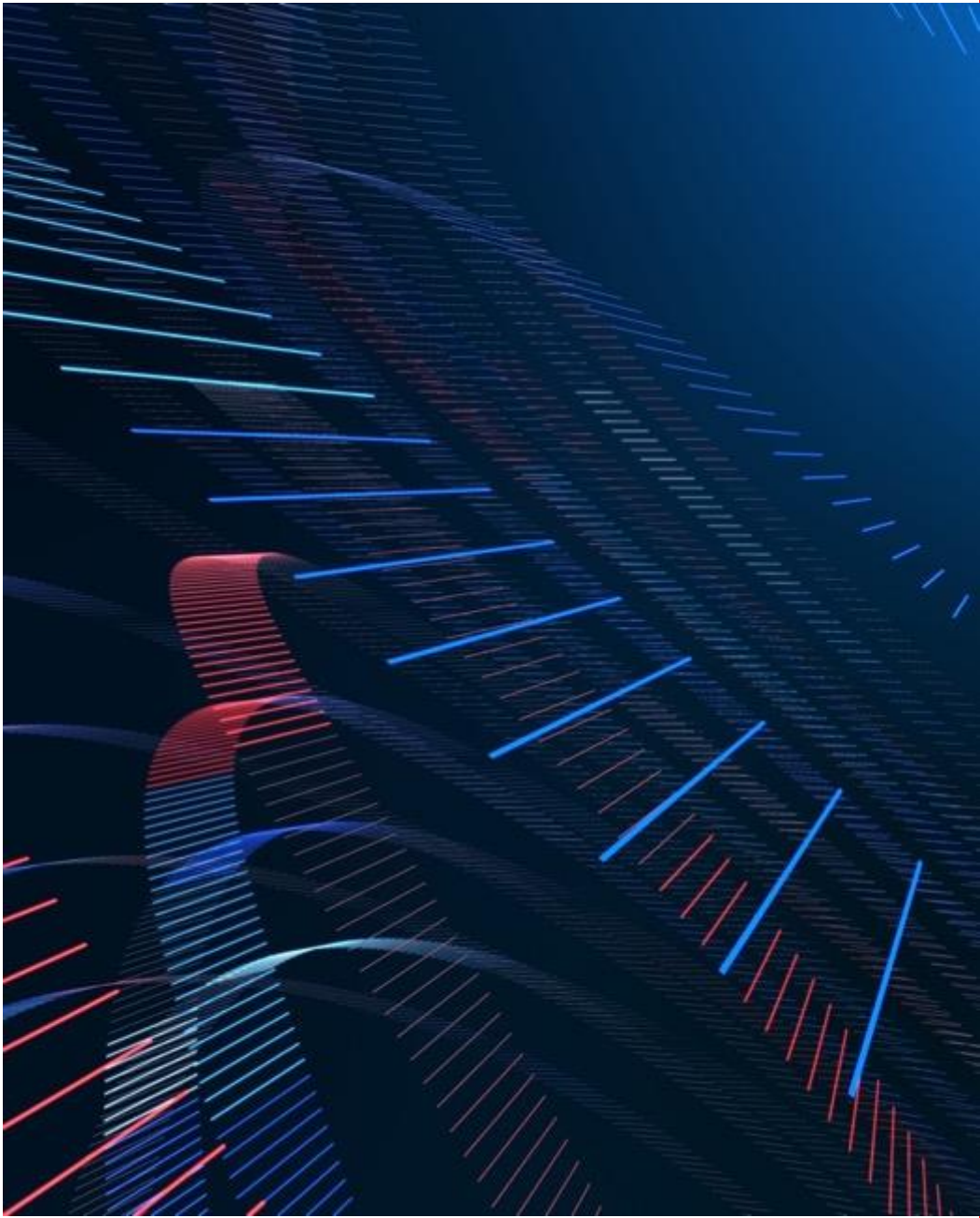
PRODUCT AND COMMERCIAL STRATEGY

- Growing Connection Systems and BDU opportunities
- Thermal Comfort execution and cost synergies
- Launch of accretive backlog
- Continuation of positive net performance and resolution of commercial passthrough negotiations

LEAR FORWARD PLAN

- Improve capacity utilization and flexibility in manufacturing plants
- Realize overhead and SG&A synergies between segments
- Optimize working capital and capital expenditures





Concluding Remarks

Ray Scott
President and CEO

Lear Strategically Positioned to Drive Value for Shareholders

Global Leader in Seating

- *Growing 25% global market share with 45% share in luxury*
- *Most vertically integrated seat manufacturer in the world*
- *Over \$1.2 billion in net conquest wins since the beginning of 2020*
- *Specialized thermal comfort solutions and award-winning ConfigurE+ technology*
- *Targeting 4 percentage points of Growth over Market*

Operational Excellence

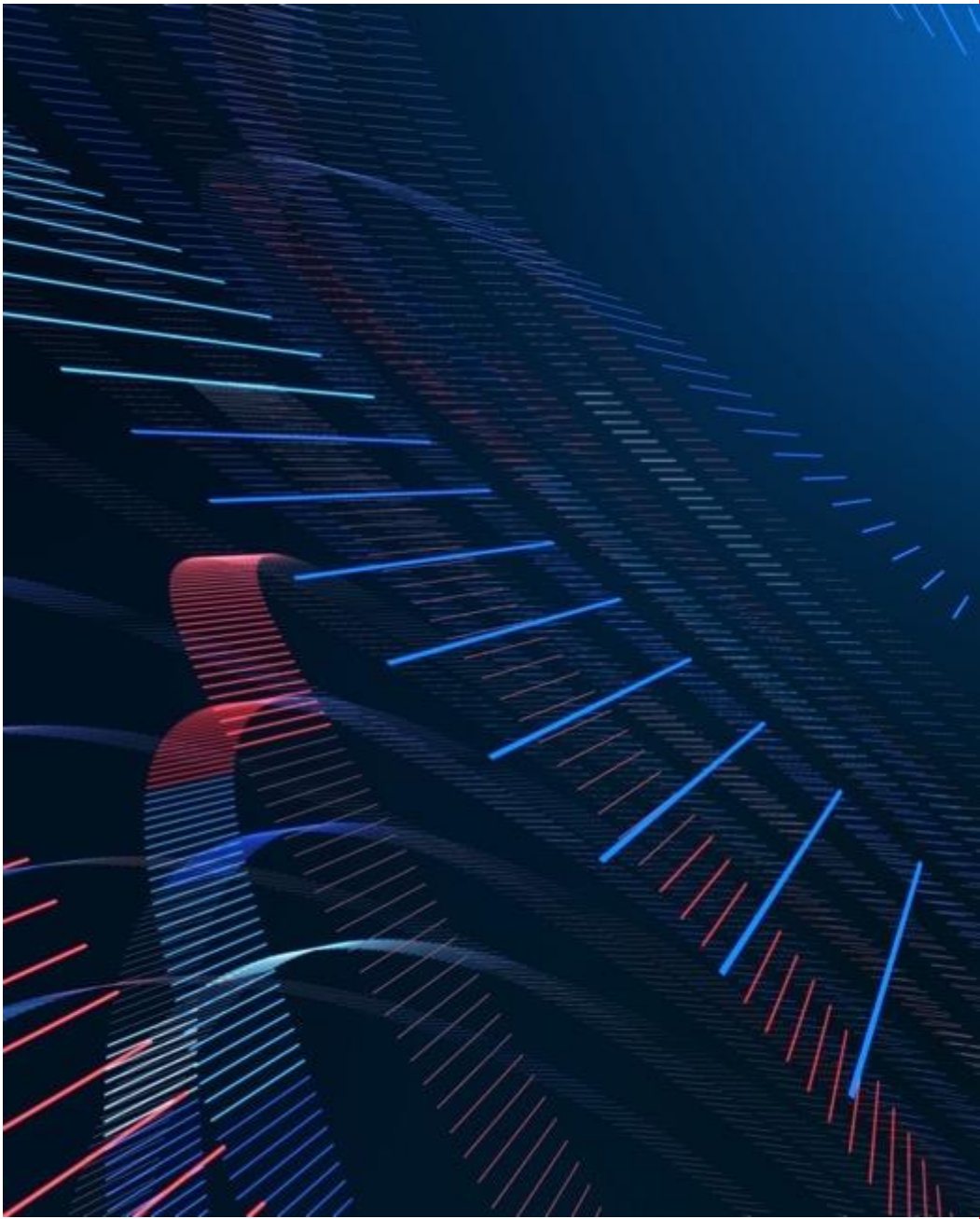
- *Industry 4.0 investments driving plant efficiencies*
- *Track record of positive net operating performance*
- *Improving manufacturing flexibility and efficiency*

Growing E-Systems Business

- *Diverse product portfolio aligned with electrification, safety and autonomy trends*
- *Improving margins through growth in connection systems and power electronics*
- *Innovative products such as Battery Disconnect Unit and Intercell Connect Board*
- *Increasing vertical integration through key acquisitions and partnerships*
- *Targeting 6 percentage points of Growth over Market*

Capital Allocation

- *Strong balance sheet with no outstanding 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 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) loss, 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 (loss) attributable to Lear and diluted net income (loss) 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 (loss) attributable to Lear, diluted net income (loss) 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)

	Third Quarter	
	2021	2022
Net sales	\$ 4,268.2	\$ 5,241.2
Net income (loss) attributable to Lear	\$ (26.5)	\$ 92.3
Interest expense	22.6	24.8
Other expense, net	11.1	18.1
Income taxes	20.9	41.7
Equity in net (income) loss of affiliates	1.7	(6.0)
Net income attributable to noncontrolling interests	17.8	26.9
Restructuring costs and other special items -		
Costs related to restructuring actions	48.5	18.6
Acquisition costs	-	0.3
Impairments related to Russian operations	-	19.9
Insurance recoveries related to typhoon in the Philippines, net of costs	-	(0.6)
Other	2.1	(1.4)
Core operating earnings	\$ 98.2	\$ 234.6
Adjusted margins	2.3%	4.5%

Non-GAAP

Adjusted Earnings Per Share (In millions, except per share amounts)	Third Quarter	
	2021	2022
Net income (loss) attributable to Lear	\$ (26.5)	\$ 92.3
Restructuring costs and other special items -		
Costs related to restructuring actions	48.5	18.6
Acquisition costs	-	0.3
Other acquisition-related costs	-	10.6
Impairments related to Russian operations	-	19.9
Insurance recoveries related to typhoon in the Philippines, net of costs	-	(0.6)
Foreign exchange losses due to foreign exchange rate volatility related to Russia	-	0.8
Favorable indirect tax ruling in a foreign jurisdiction	1.0	-
Other	2.6	0.6
Tax impact of special items and other net tax adjustments ¹	6.4	(3.0)
Adjusted net income attributable to Lear	\$ 32.0	\$ 139.5
Weighted average number of diluted shares outstanding	59.9	59.8
Diluted net income (loss) per share available to Lear common stockholders	\$ (0.44)	\$ 1.54
Weighted average number of diluted shares outstanding	60.2	59.8
Adjusted earnings per share	\$ 0.53	\$ 2.33

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

Impairments related to Russian operations

Insurance recoveries related to typhoon in the Philippines, net of costs

Other

Adjusted segment earnings

Adjusted margins

	Third Quarter			
	Seating		E-System s	
	2021	2022	2021	2022
Net sales	\$3,166.2	\$3,887.8	\$1,102.0	\$1,353.4
Segment earnings	\$ 126.7	\$ 222.6	\$ (7.5)	\$ 46.8
Costs related to restructuring actions	17.1	12.0	30.1	6.5
Impairments related to Russian operations	-	19.9	-	-
Insurance recoveries related to typhoon in the Philippines, net of costs	-	-	-	(0.7)
Other	0.2	0.3	0.4	0.8
Adjusted segment earnings	\$ 144.0	\$ 254.8	\$ 23.0	\$ 53.4
Adjusted margins	4.5%	6.6%	2.1%	3.9%

Non-GAAP

(in millions, except per share amounts)

	Third Quarter 2022			
	<u>Reported</u>	<u>Restructuring Costs</u>	<u>Other Special Items</u>	<u>Adjusted</u>
Pretax Income Before Equity Income, Interest and Other Expense	\$ 197.8	\$ 18.6 *	\$ 18.2*	\$ 234.6
Equity Income	<u>(6.0)</u>			<u>(6.0)</u>
Pretax Income Before Interest and Other Expense	\$ 203.8			\$ 240.6
Interest Expense	24.8			24.8
Other Expense, Net	<u>18.1</u>	-	13.4	<u>4.7</u>
Income Before Taxes	\$ 160.9			\$ 211.1
Income Taxes	<u>41.7</u>	(3.8)	0.8	<u>44.7</u>
Net Income	\$ 119.2			\$ 166.4
Noncontrolling Interests	<u>26.9</u>			<u>26.9</u>
Net Income Attributable to Lear	<u>\$ 92.3</u>			<u>\$ 139.5</u>
Diluted Earnings per Share	<u>\$ 1.54</u>			<u>\$ 2.33</u>

* Restructuring costs include \$16.7 million in cost of sales and \$1.9 million in SG&A. Other special items include \$18.6 million in cost of sales and (\$0.4) million in SG&A.