



Investor Overview

August 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.

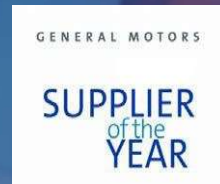
The forward-looking statements in this presentation are made as of the date hereof, and the Company does not assume any obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof.

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 & Africa

68,400
employees

105
facilities

21
countries

Europe E-Systems Regional Headquarters
Valls, Spain

Asia Regional Headquarters
Shanghai, China

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

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

27% of the electricity used at our plants globally, including 100% at our sites in the U.K., Germany, Spain and Portugal, is generated from renewable sources

11.7M tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

SOCIAL RESPONSIBILITY

JumpStart "returnship" program piloted in the United States (U.S.)

\$5.3B spent with certified minority-owned, women-owned and veteran-owned suppliers in the U.S. over the past decade

7.5M hours of developmental, compliance and corporate training in 2023

100%

of Lear's manufacturing sites have health and safety committees run jointly by management and employees

WE SUPPORT



UN Global Compact participant

\$200,000

in employee and company donations for survivors of the earthquake in Morocco

GOVERNANCE

No Deforestation Policy

reinforces responsible sourcing and our commitment to conserving natural resources

50% of Lear's Board of Directors are women and/or minorities



680+ employees volunteered as security awareness ambassadors in 35 countries

* Estimated avoided or saved CO2 emissions from product improvements were 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

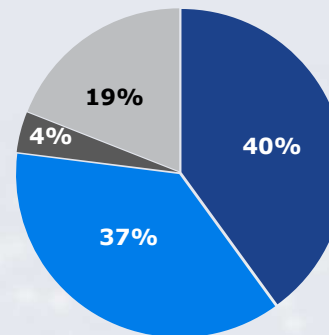
	2022	2023	2024 Outlook (Mid-Point)
Net Sales	\$20,892	\$23,467	\$23,450
Core Operating Earnings*	\$871	\$1,120	\$1,115
Operating Margin %	4.2%	4.8%	4.8%
Adjusted Earnings** Per Share	\$8.72	\$12.02	
Operating Cash Flow	\$1,021	\$1,249	\$1,210

**2024 Outlook for adjusted EPS not provided

Well-Diversified By Region and Customer

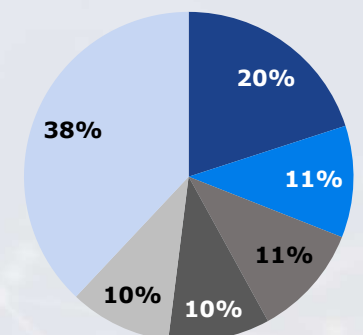
FY 2023 Percentage of Sales

By Region



- North America
- Europe & Africa
- South America
- Asia

By Customer



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

Note: 2024 Outlook as reported on July 25, 2024 (second quarter 2024 earnings release). Its usage here is not a reaffirmation of such prior guidance.



Lear Proprietary: The information contained herein is the property of Lear Corporation.

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

Growth Over Market

Second Quarter 2024

1% | NORTH AMERICA

Seating: Unfavorable platform mix partially offset by backlog

E-Systems: Backlog partially offset by unfavorable platform mix

7% | EUROPE

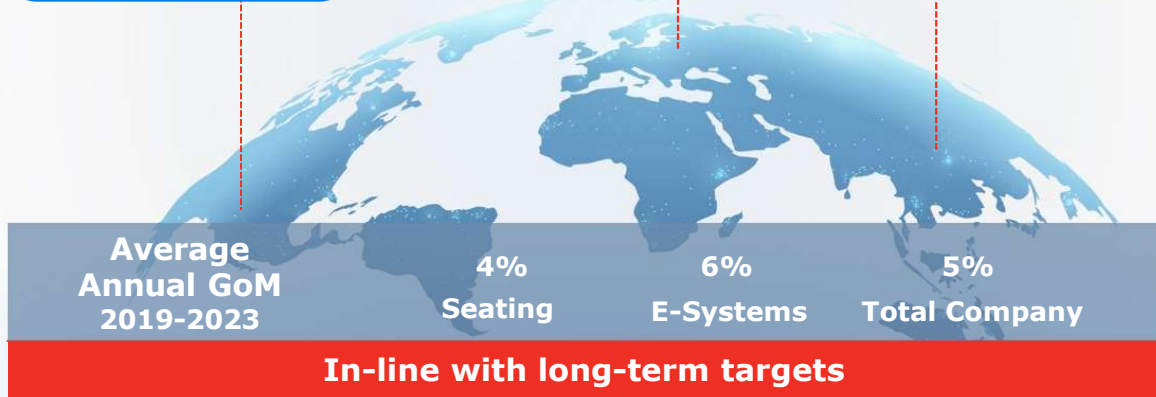
Seating: Backlog partially offset by unfavorable platform mix

E-Systems: Favorable platform mix and backlog

(5)% | CHINA

Seating: Backlog partially offset by unfavorable platform mix

E-Systems: Unfavorable platform mix partially offset by backlog



3% Q2 Global GoM

2% Seating GoM

7% E-Systems GoM



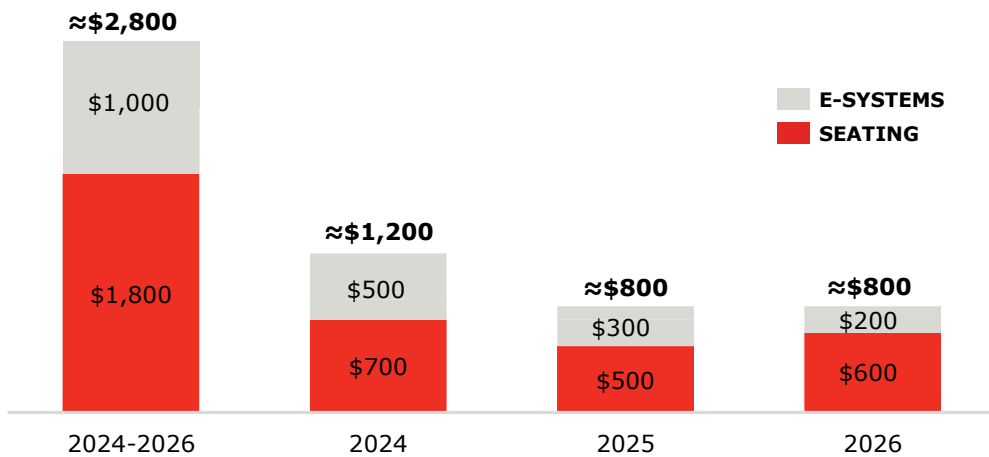
Lear Proprietary: The information contained herein is the property of Lear Corporation.

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

Core Sales Backlog as of February 2024 (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)



Lear Proprietary: The information contained herein is the property of Lear Corporation.

Note: As reported on February 6, 2024 (fourth quarter 2023 earnings release).
Core sales backlog assumes an average Euro of \$1.09 and an average Chinese RMB of 7.15/\$ and excludes the winddown of non-core product lines in E-Systems. Sales backlog by region not to scale.

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%
- Total available liquidity of ≈\$3.0 billion*

Improving cash flow generation

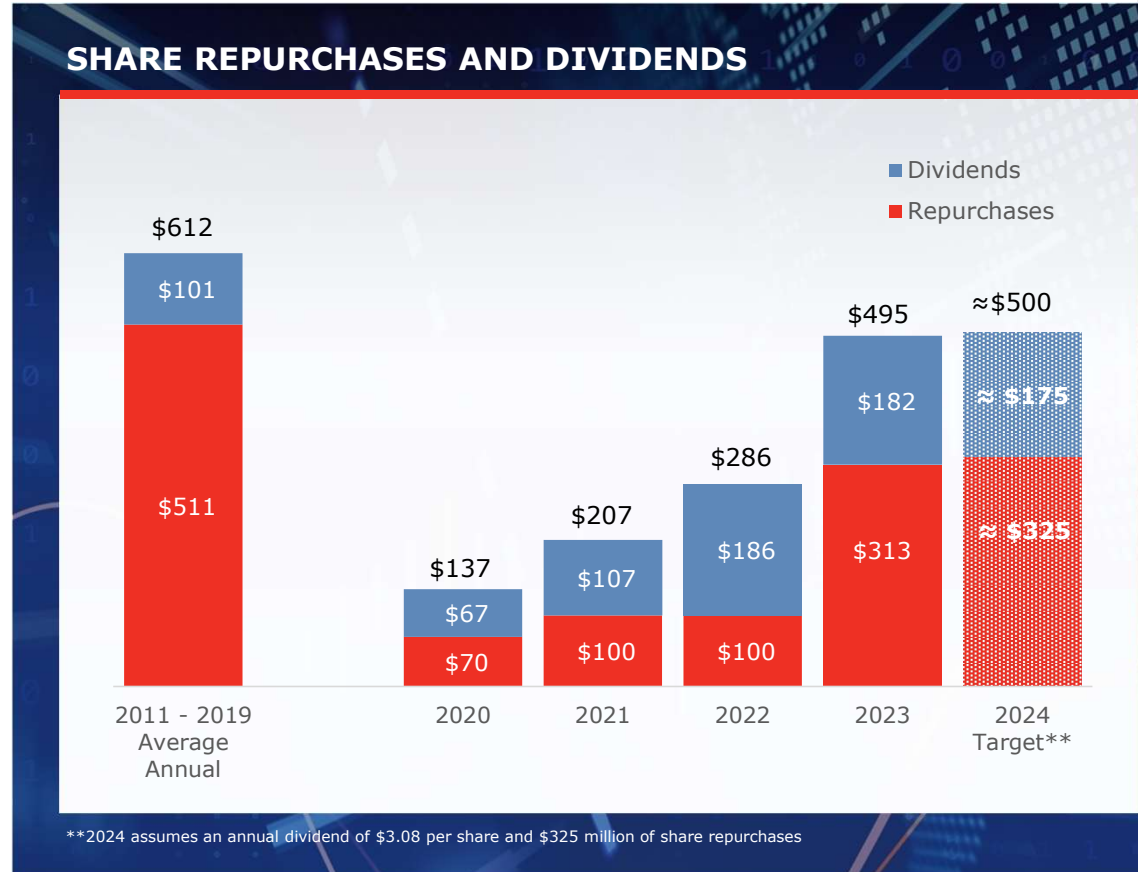
- Targeting free cash flow conversion of over 80% in 2024

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

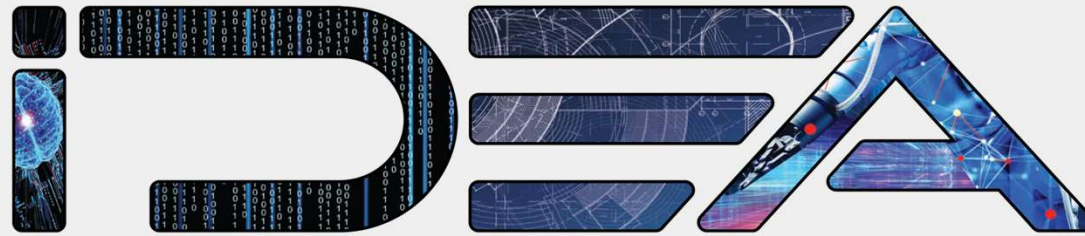
Consistently returning cash to shareholders


- Targeting \$325 million of share repurchases in 2024
- 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





Innovative. Digital. Engineered. Automated.
by  **LEAR**

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

Strong Relationships with Key Domestic Chinese Automakers

KEY DOMESTIC CHINESE CUSTOMERS



LEAR COMPETITIVE POSITION

- 30-year track record with local management team
- Local engineering capabilities
- Two-thirds of our 3-year backlog in China is with Chinese domestics
- Return profile with Chinese domestics is consistent with Seating and E-Systems overall
- Strong reputation as a leader in luxury seating
- Level of Seating vertical integration with Chinese domestics is higher than that with multinationals
- Low voltage wiring market share in China comparable to our global market share

2024 Outlook

Global Vehicle Production and Currency

INDUSTRY PRODUCTION

(units in millions)

GLOBAL		NORTH AMERICA		EUROPE AND AFRICA		CHINA	
FY 2023	89.1	FY 2023	15.7	FY 2023	18.4	FY 2023	27.8
FY 2024	86.7	FY 2024	15.7	FY 2024	17.4	FY 2024	27.7
DOWN 3% YOY		FLAT YOY		DOWN 6% YOY		DOWN 1% YOY	

KEY CURRENCIES

	2023	2024	
EURO	\$1.080 / €	\$1.085 / €	≈FLAT
CHINESE RMB	7.08 / \$	7.20 / \$	DOWN 2%



2024 Full Year Outlook

Net Sales

\$23,230 - \$23,670 million

Core Operating Earnings

\$1,030 - \$1,200 million

Adjusted EBITDA

\$1,670 - \$1,840 million

Interest Expense

≈\$110 million

Effective Tax Rate

21% - 22%

Adjusted Net Income

\$630 - \$760 million

Restructuring Costs

≈\$150 million

Operating Cash Flow

\$1,135 - \$1,285 million

Capital Expenditures

≈\$650 million

Free Cash Flow

\$485 - \$635 million

2024 Full Year Outlook assumes an average Euro of \$1.085 and an average Chinese RMB of 7.20 / \$ and reflects S&P Global Mobility production forecast as of July 17, 2024, and Company estimates

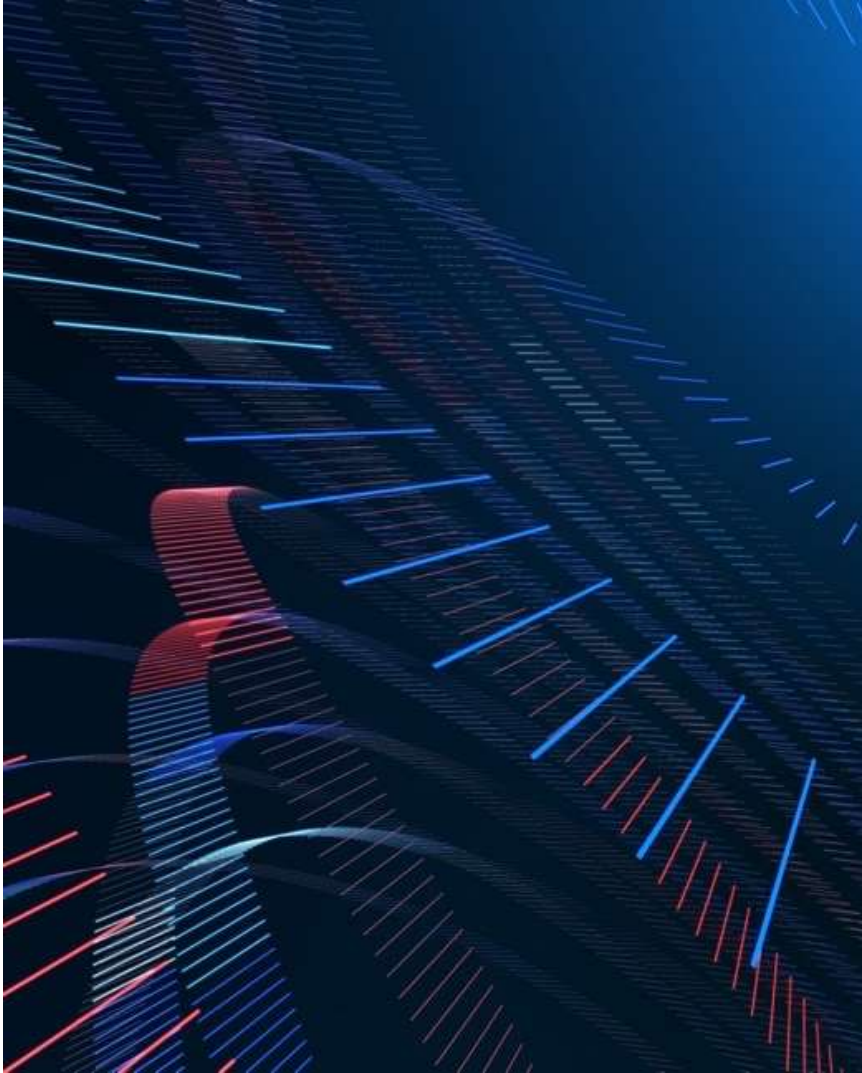
Certain of the forward-looking financial measures are provided on a non-GAAP basis. A reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is potentially misleading and not practical given the difficulty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



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Note: As reported on July 25, 2023 (second quarter earnings release). Its usage here is not a reaffirmation of such prior guidance.

Please see appendix for discussion of non-GAAP financial measures.



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

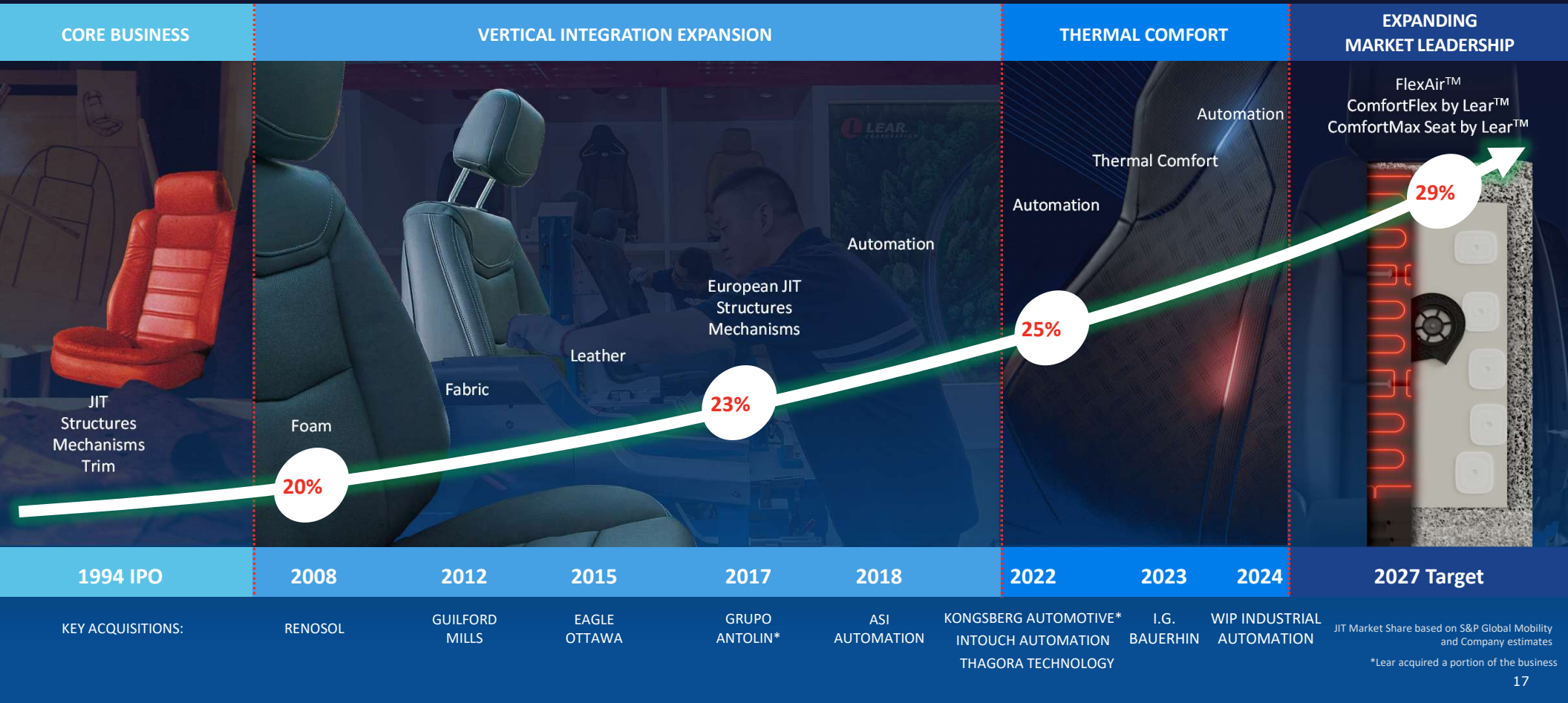
Low-cost global manufacturing presence focused on operational excellence and process innovation with a culture of continuous improvement

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



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

Launching ComfortFlex by Lear™ solutions, internally developed proprietary technology that combines two or more thermal comfort functions to improve performance, reduce complexity and lower cost

Leveraging our seat component capabilities and expertise in complete seat applications by combining our ComfortFlex modular designs into the seat trim cover to develop an enhanced consumer in-vehicle experience through our ComfortMax Seat by Lear™

Integrating FlexAir™, our 100% recyclable non-foam alternative, into our customized and innovative solutions to reduce mass and further improve thermal comfort performance

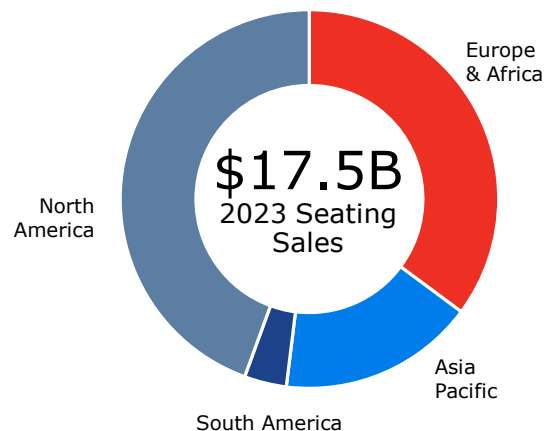
+ STRUCTURES

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

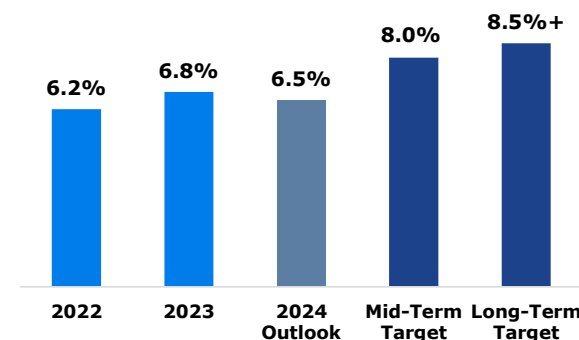
SALES BY REGION



TOP 5 CUSTOMERS



ADJUSTED OPERATING MARGIN*



VALUE DRIVERS








- Poised for industry volume recovery ($\approx 15\text{-}20\%$ historical variable margins)
- Strong 2024-2026 new business 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 ComfortFlex by LearTM, ComfortMax Seat by LearTM, FlexAirTM, ReNewKnitTM and ConfigurE+TM
- 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
						
Adient						
Forvia						
Magna						
Yanfeng						
Gentherm						

THERMAL COMFORT

Seat Heating	Seat Ventilation	Lumbar & Massage	Steering Wheel & Panel Heating
			
			
			

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



Redefining Comfort, Design and Performance

Thermal Comfort Systems (TCS) Progress

On pace to grow TCS total revenue to **\$1.0 billion** by 2027

Key conquest award with a global OEM

≈80% win rate for TCS components

Average annual value of YTD awards tracking ≈30% above 2022 level

ComfortFlex™ by LEAR

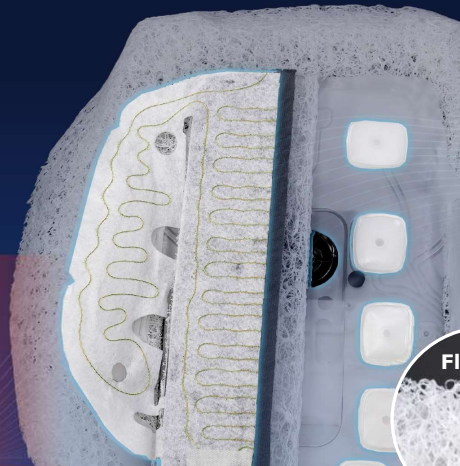
Brand architecture of modular designs combining two or more thermal comfort functions

Launching three ComfortFlex by Lear™ modular design programs

- ✓ Combining ventilation, lumbar and massage for Lucid
- ✓ Combining heat, ventilation and massage for Volvo
- ✓ Combining heat, ventilation, pneumatic lumbar and massage for a premium European OEM

✓ *57 development projects with 21 OEM brands for ComfortFlex by Lear™ technology and FlexAir™*

✓ *Significant opportunity to proliferate into rear seats*



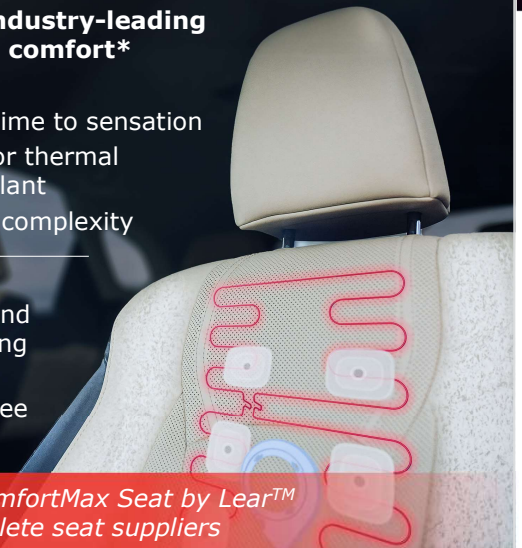
ComfortMax™ SEAT™ by LEAR

Integrates ComfortFlex by Lear™ modular designs into the trim cover

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% reduction in part complexity
-
- ✓ On track to complete validation with Ford by the end of 2024 for a vehicle launching in North America in 2026
 - ✓ Several new awards with three OEMs in final stages

Opportunity to source ComfortMax Seat by Lear™ technology to other complete seat suppliers





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

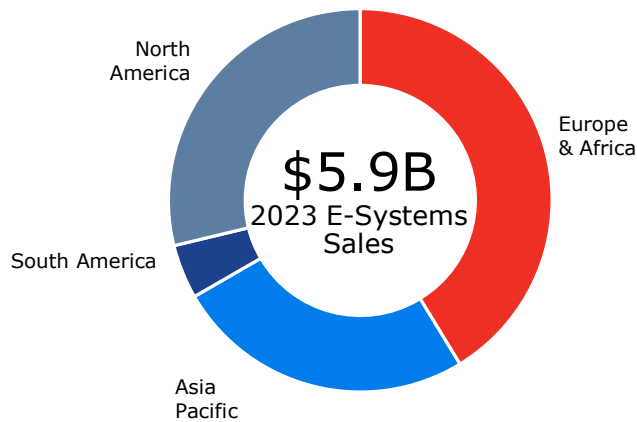


+ BATTERY DISCONNECT UNITS AND ELECTRONIC PRODUCTS

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

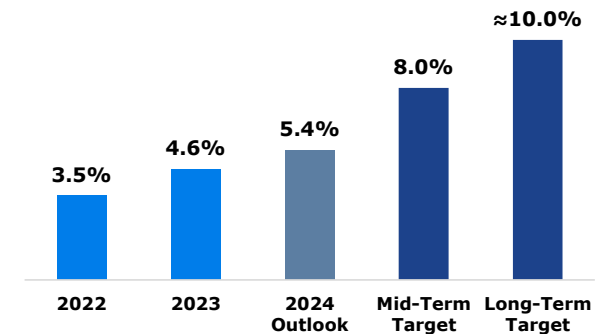
SALES BY REGION



TOP 5 CUSTOMERS



ADJUSTED OPERATING MARGIN*





VALUE DRIVERS

- Poised for industry volume recovery (≈25% 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

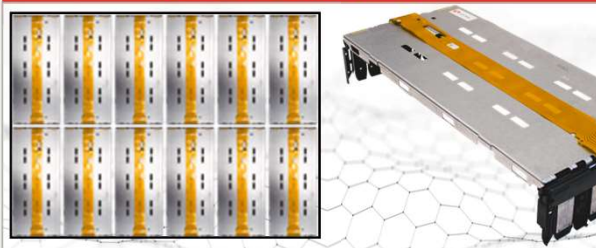
Volvo ES90	Lynk & Co. Crossover	Citroën C3 / C3 Aircross	Volvo EX90	Ford Expedition / Navigator	Ford Kuga
					
High Voltage Wiring and Smart Power Distribution Box ASIA / EUROPE	Low Voltage Wiring ASIA / EUROPE	Body Control Module EUROPE	Low Voltage Wiring and Converter Module NORTH AMERICA	Low Voltage Wiring NORTH AMERICA	Low Voltage Wiring EUROPE
					
Honda Prologue	Acura ZDX	Volvo XC40 / XC40 Recharge	Peugeot E-3008	Ram 1500 REV	Chevrolet S-10
					
Low Voltage Wiring NORTH AMERICA	Low Voltage Wiring NORTH AMERICA	Low Voltage Wiring EUROPE	High Power Junction Box EUROPE	Battery Disconnect Unit NORTH AMERICA	Low Voltage Wiring SOUTH AMERICA
					

E-Systems – Electrification Key Products

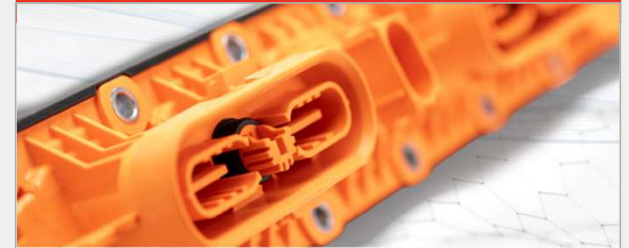
High Voltage Connectors



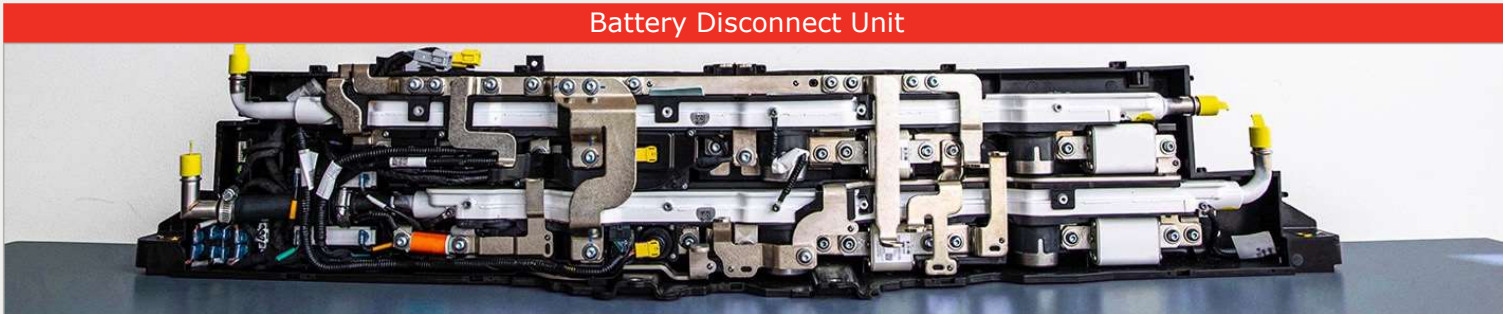
Intercell Connect Board

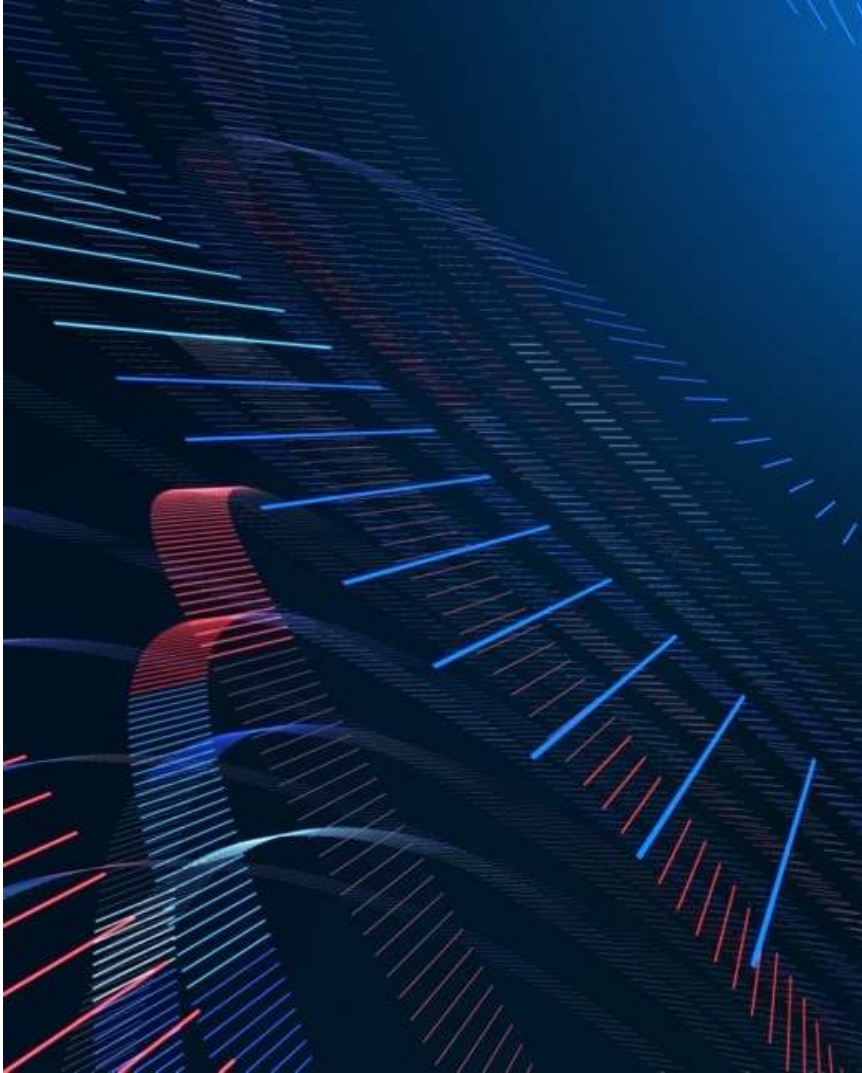


Battery Plugboard



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 such as ComfortFlex and ComfortMax Seat by Lear™ and innovative technologies such as FlexAir™, ReNewKnit™ and ConfigurE+™*
- *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 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

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

Adjusted margins

	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%