



May 6, 2025

# First Quarter 2025 Financial Results

**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 press release 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, 2024, 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, and our ability to mitigate the effects of, U.S. policy regarding trade, including tariffs and any changes to such tariffs, any response by foreign countries to such policies and tariffs, any resulting volume reductions or changes in vehicle production schedules by our customers, and any other industry disruptions, 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.

# Agenda

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## **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

## Q1 2025

Q1 2025

Q1 2024

SALES

**\$5.6B**

**\$6.0B**

CORE OPERATING  
EARNINGS

**\$270M**

**\$280M**

ADJUSTED  
EARNINGS PER SHARE

**\$3.12**

**\$3.18**

OPERATING  
CASH FLOW

**\$(128)M**

**\$(35)M**



# Q1 2025 Highlights

## Extending Seating global leadership

## Expanding E-Systems margins through focused portfolio

## Growing our capabilities in operational excellence through IDEA by Lear

## Supporting sustainable value creation with disciplined capital allocation

- ✓ **Increased operating margins** year-over-year for Seating, E-Systems and the total company
- ✓ **Delivered strong net performance** for both segments, generating  $\approx 125$  basis points in Seating and  $\approx 155$  basis points in E-Systems
- ✓ **Obtained operating control** of a joint venture in China in April, which supplies seats for BYD's Han L and Tai 3 vehicles
- ✓ **Awarded two ComfortFlex programs, one with Volvo**, combining ventilation and pneumatic lumbar, and **one with Hyundai**, combining steering wheel heat with hands on detection
- ✓ **Awarded complete seat programs for key Chinese domestic automakers:** BYD, FAW and XPeng
- ✓ **Awarded business in E-Systems totaling over  $\approx \$750$  million** in average annual sales
- ✓ **Awarded key wire business with Ford** for North America, including new **conquest volume**
- ✓ **Awarded wire business with BMW** launching in China in 2028; our third major wire award with BMW and first for China
- ✓ **Awarded second generation Battery Disconnect Unit (BDU)** with a key global automaker
- ✓ **Won a 2025 Automotive News PACE award** for our innovative Zone Control Module
- ✓ **Repurchased \$25 million** of shares and **paid \$43 million in dividends**

# Key Growth and Margin Improvement Metrics Scorecard

Growth Metric	Status
Conquest Wins - JIT	Progress expected in late 2025
Conquest Wins - Wire	Won conquest volume with Ford
Thermal Comfort / Modularity Awards	Won ComfortFlex awards with Volvo and Hyundai
Awards with Chinese Domestic Automakers	Won new business with BYD, FAW and XPeng and consolidation of a JV

Margin Improvement Metric	Status
IDEA / Automation Run-Rate Savings	Realized ≈\$11 million
Restructuring Savings	Realized ≈\$12 million
Global Hourly Headcount Reduction	Reduced headcount by ≈3,600 in Q1 <i>Down ≈18,800 since December 2023</i>
Net Performance	Generated ≈125 bps in Seating and ≈155 bps in E-Systems in Q1

# Tariff Overview

## Direct Exposure

≈94%

IMPORTS FROM  
MEXICO & CANADA  
USMCA COMPLIANT

- ≈\$2.8 billion parts from Mexico
- ≈\$625 million parts from Honduras
- ≈\$100 million parts from Canada

## Indirect Exposure

- North American production changes
- ≈\$1 billion of European sales on vehicles exported to U.S.
- Mix headwind due to components on high-content trims
- Potential impact from Korean and Japanese vehicles imported to U.S.

## Key Mitigation Actions

### Created tariff task-force

- ✓ Dedicated team focused on operational and commercial execution

### Active discussions with customers

- ✓ Expect 100% commercial recoveries
- ✓ Innovative design and sourcing changes

### Engagement with U.S. administration and trade councils

- ✓ Ongoing conversations with officials in Washington D.C.

### Manufacturing and scenario planning

- ✓ Support changes to customer footprints
- ✓ Expand localized capabilities

# Financial Review

Jason Cardew  
Senior Vice President and CFO

# Global Vehicle Production and Currency

## First Quarter 2025

### INDUSTRY PRODUCTION

(units in millions)

	GLOBAL	NORTH AMERICA	EUROPE AND AFRICA	CHINA
Q1 2024	21.1	4.0	4.7	6.0
Q1 2025	21.4	3.8	4.4	6.7
	UP 1% YOY	DOWN 5% YOY	DOWN 7% YOY	UP 12% YOY
Lear Sales-Weighted Basis DOWN 5% YOY				

### KEY CURRENCIES

	Q1 2024	Q1 2025	
EURO	\$1.09 / €	\$1.05 / €	DOWN 4%
CHINESE RMB	7.19 / \$	7.29 / \$	DOWN 1%

# Growth Over Market

## First Quarter 2025

(2)%   NORTH AMERICA	2%   EUROPE	(5)%   CHINA
<ul style="list-style-type: none"><li>• Seating: Unfavorable platform mix partially offset by backlog</li><li>• E-Systems: Unfavorable platform mix partially offset by backlog</li></ul>	<ul style="list-style-type: none"><li>• Seating: Favorable platform mix partially offset by backlog</li><li>• E-Systems: Backlog and favorable platform mix</li></ul>	<ul style="list-style-type: none"><li>• Seating: Backlog partially offset by unfavorable platform mix</li><li>• E-Systems: Unfavorable platform mix partially offset by backlog</li></ul>



 **FLAT Global**

**FLAT Seating**

**(1)% E-Systems**

# Key Financials

## First Quarter 2025

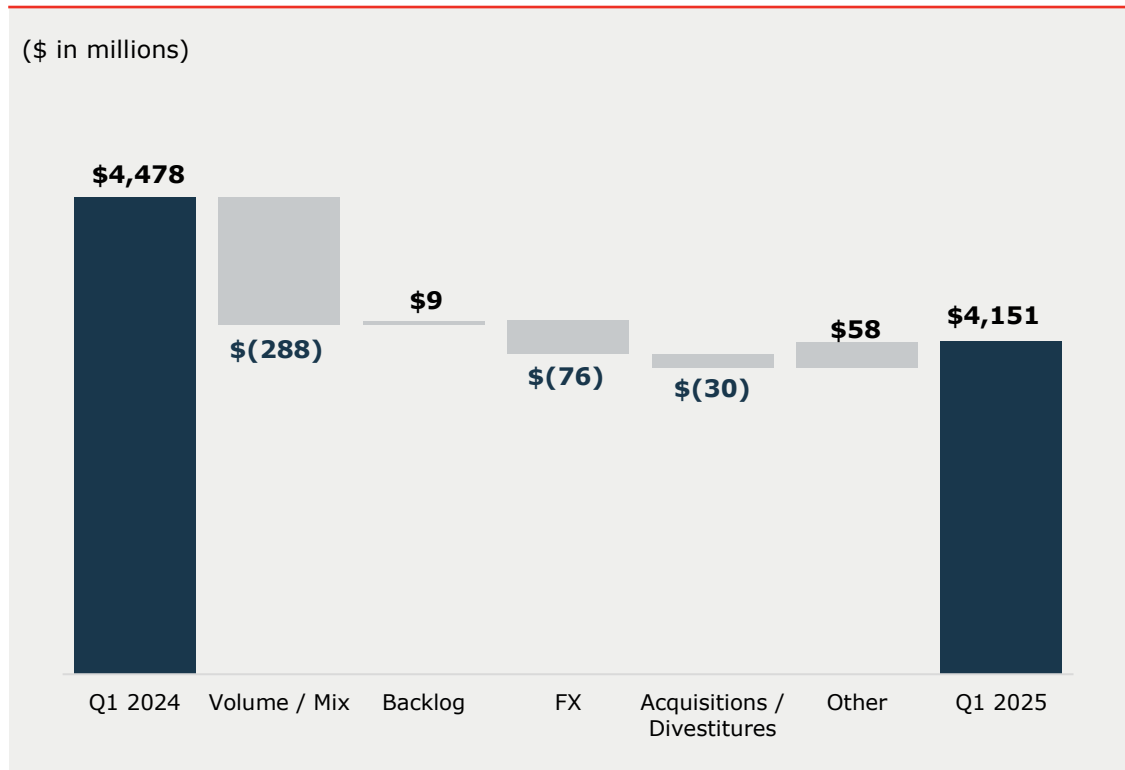
(\$ in millions, except per share amounts)

	2024	2025	YEAR-OVER-YEAR DRIVERS
<b>Net Sales</b>	\$5,995	\$5,560	Lower volume on Lear platforms and changes in foreign exchange rates
<b>Core Operating Earnings</b> Operating Margin %	\$280 4.7%	\$270 4.9%	Lower volume on Lear platforms, partially offset by positive net performance
<b>Adjusted Earnings Per Share</b>	\$3.18	\$3.12	Lower adjusted net income, partially offset by lower share count
<b>Operating Cash Flow</b>	\$(35)	\$(128)	Changes in working capital, higher cash restructuring costs and lower earnings, partially offset by lower capital spend

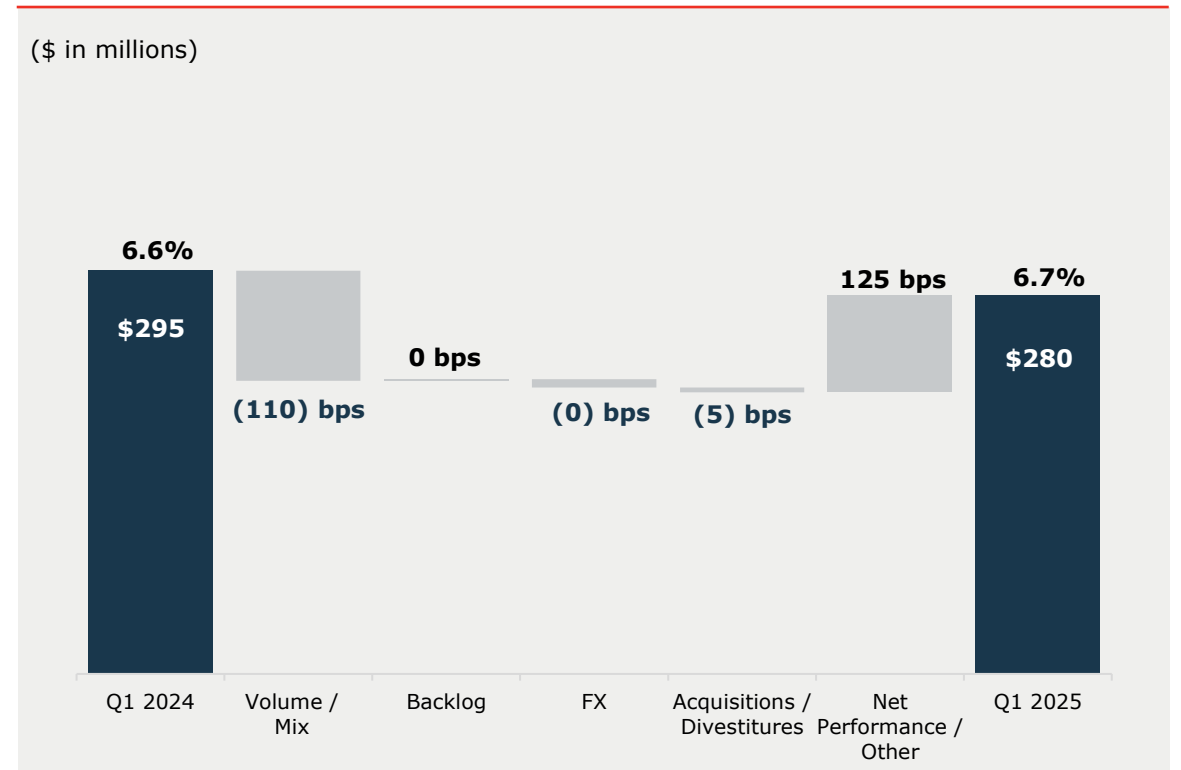
# Seating Sales and Margin Drivers

## First Quarter 2025

### SALES



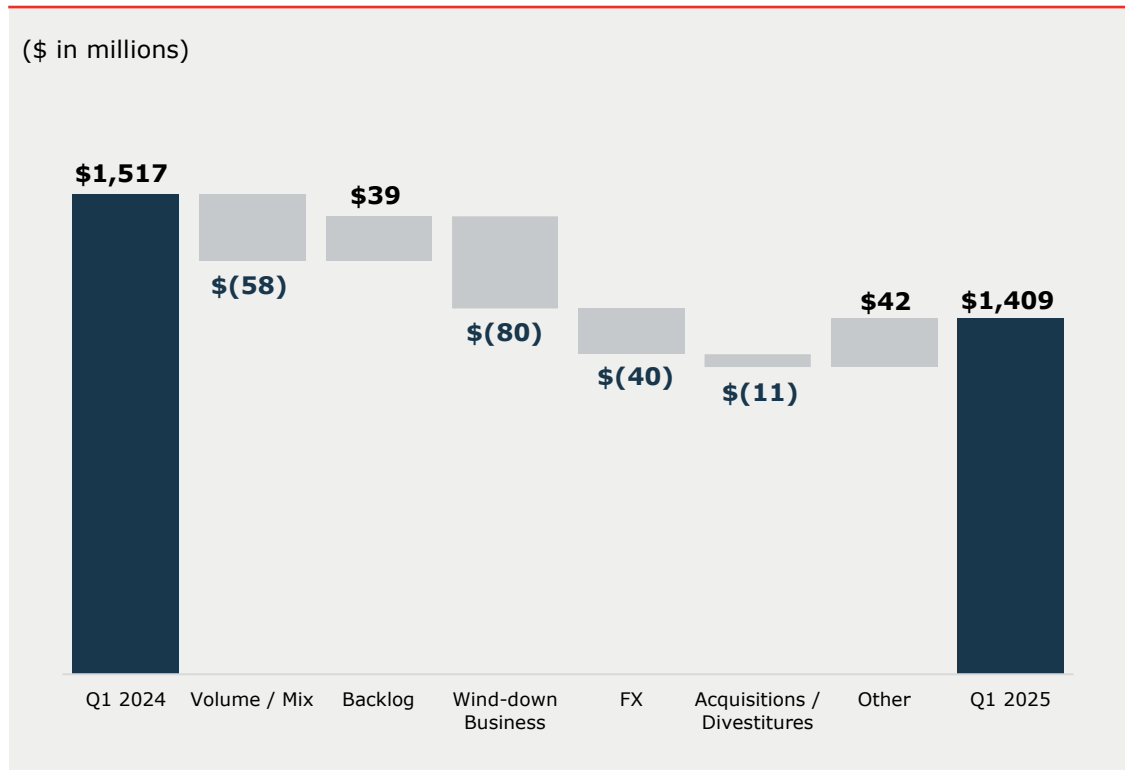
### ADJUSTED EARNINGS AND MARGIN



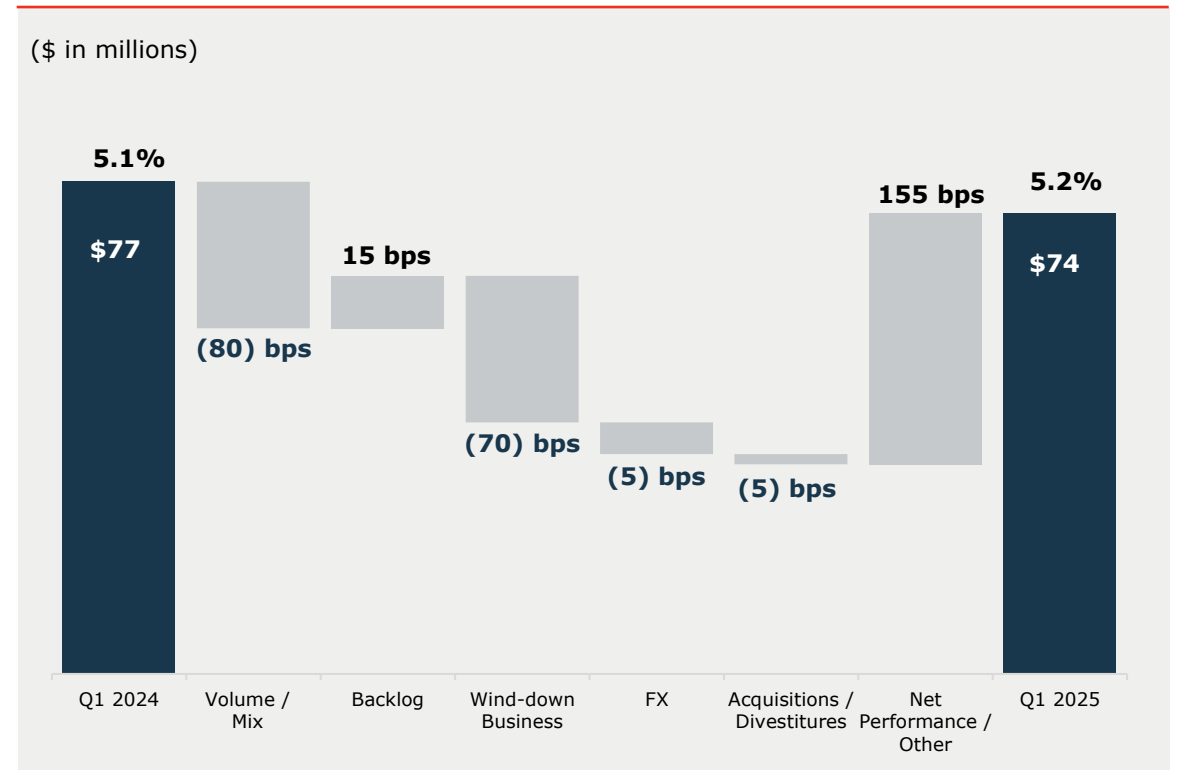
# E-Systems Sales and Margin Drivers

First Quarter 2025

## SALES



## ADJUSTED EARNINGS AND MARGIN



# Withdrawing 2025 Full Year Outlook

## Factors leading to withdrawal of full year outlook

- Light vehicle production outlook uncertainty
- Ongoing global trade policy negotiations

## Factors that could enable reintroduction of full year outlook

- Clarity from customers on production schedules
- Stabilized global trade policy
- Final agreements in place with customers for recovery of tariff costs

**Periodic updates until reintroduction of full-year guidance**

# Balanced Capital Allocation Strategy

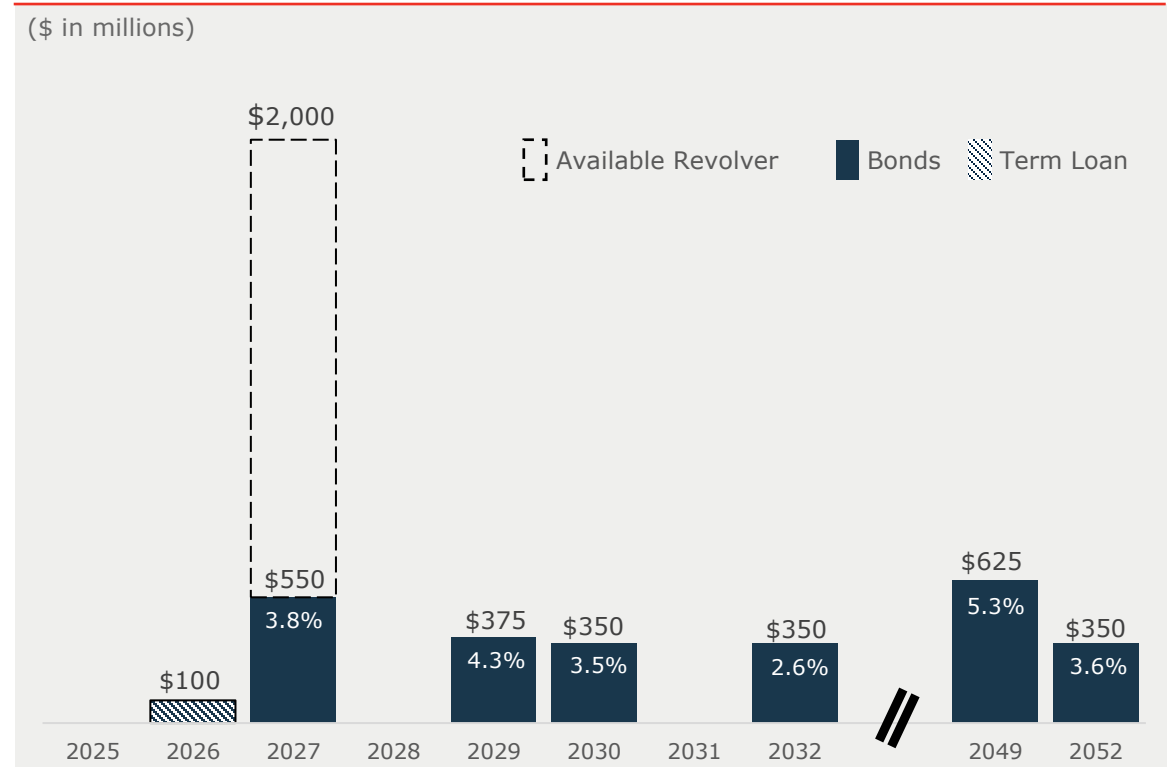
## Strong Balance Sheet and Ample Liquidity

- No meaningful debt maturities until 2027
- Low cost of bonds averaging less than 4% with a weighted average life of  $\approx 12$  years
- Total available liquidity of  $\approx \$2.8$  billion, including  $\$2.0$  billion available under revolver
- Solid BBB credit rating with a stable outlook across all three rating agencies

## Capital Allocation Priorities

- Aggressively managing cash and liquidity position
- Returning excess cash to shareholders through dividends and share repurchases
- Investing in the core business to drive profitable growth
- Strategic acquisitions to enhance our capabilities in automation

## DEBT MATURITIES



Amounts and weighted average interest rates as of April 30, 2025. Excludes short-term borrowings and other miscellaneous debt.

# Concluding Remarks

Ray Scott  
President and CEO

# Positioned for Long-Term Success

Extending our global leadership in Seating

Expanding margins through our focused portfolio in E-Systems

Growing our capabilities in operational excellence through IDEA by Lear

Supporting our sustainable value creation with disciplined capital allocation

# 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), “adjusted net income attributable to Lear” (adjusted net income), “adjusted diluted net income per share attributable Lear” (adjusted earnings per share) 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 certain disposals of 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 net income and adjusted earnings per share 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 net income, adjusted earnings per share 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

Adjusted Net Income and Earnings Per Share (In millions, except per share amounts)	First Quarter		Full Year				
	2024	2025	2020	2021	2022	2023	2024
<b>Net income attributable to Lear</b>	<b>\$ 109.6</b>	<b>\$ 80.7</b>	<b>\$ 158.5</b>	<b>\$ 373.9</b>	<b>\$ 327.7</b>	<b>\$ 572.5</b>	<b>\$ 506.6</b>
Costs related to restructuring actions	54.3	87.7	149.9	112.6	158.9	134.2	145.0
Acquisition costs	0.1	0.1	-	-	10.0	0.8	0.6
Acquisition-related inventory fair value adjustment	-	-	-	-	1.1	1.8	-
Non-cash loss relate to pending disposal of a non-core business	-	-	-	-	-	-	24.4
Loss on disposal of non-core business	-	3.3	-	-	-	-	-
Disposal costs	-	0.6	-	-	-	-	-
Gain on acquisition-related foreign exchange contract	-	-	-	-	(1.7)	-	-
Costs related to CrowdStrike Holdings, Inc.	-	-	-	-	-	-	3.2
Impairments (recoveries) related to Fisker, Inc., net	14.5	(0.4)	-	-	-	-	15.0
Impairments (recoveries) related to Russian operations, net	1.4	(1.4)	-	-	19.4	2.4	(1.7)
Intangible asset impairment	-	-	-	8.5	8.9	1.9	-
Cost (insurance recoveries) related to typhoon in the Philippines, net	-	-	-	13.2	(1.4)	(7.3)	-
Non-cash settlement loss on pension lump-sum payout	-	-	-	-	-	-	6.6
Foreign exchange (gains) losses due to foreign exchange rate volatility related to Russia	-	-	-	-	9.6	(1.9)	(2.0)
Favorable tax ruling in a foreign jurisdiction	-	-	-	(45.1)	-	(0.7)	-
Loss on extinguishment of debt	-	-	21.1	24.6	-	-	-
Loss related to affiliates	2.2	-	4.0	2.0	-	7.0	-
Other	13.8	7.3	8.9	4.2	23.6	34.3	39.7
Tax impact of special items and other net tax adjustments <sup>1</sup>	(12.7)	(8.6)	(20.4)	(14.1)	(33.6)	(34.7)	(24.6)
<b>Adjusted net income attributable to Lear</b>	<b>\$ 183.2</b>	<b>\$ 169.3</b>	<b>\$ 322.0</b>	<b>\$ 479.8</b>	<b>\$ 522.5</b>	<b>\$ 710.3</b>	<b>\$ 712.8</b>
Weighted average number of diluted shares outstanding	57.6	54.2	60.4	60.4	59.9	59.1	56.5
<b>Diluted net income per share available to Lear common stockholders</b>	<b>\$ 1.90</b>	<b>\$ 1.49</b>	<b>\$ 2.62</b>	<b>\$ 6.19</b>	<b>\$ 5.47</b>	<b>\$ 9.68</b>	<b>\$ 8.97</b>
<b>Adjusted earnings per share</b>	<b>\$ 3.18</b>	<b>\$ 3.12</b>	<b>\$ 5.33</b>	<b>\$ 7.94</b>	<b>\$ 8.72</b>	<b>\$ 12.02</b>	<b>\$ 12.62</b>

<sup>1</sup> 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	
	2024	2025	2024	2025
<b>Net sales</b>	<b>\$ 4,477.6</b>	<b>\$ 4,151.1</b>	<b>\$ 1,517.0</b>	<b>\$ 1,409.2</b>
<b>Segment earnings</b>	<b>\$ 241.6</b>	<b>\$ 215.7</b>	<b>\$ 54.1</b>	<b>\$ 55.5</b>
Restructuring costs and other special items -				
Costs related to restructuring actions	43.7	64.5	8.8	16.8
Impairments (recoveries) related to Fisker, Inc., net	2.3	-	12.2	(0.4)
Impairments (recoveries) related to Russian operations, net	1.4	(1.4)	-	-
Other	5.9	1.1	2.0	1.9
<b>Adjusted segment earnings</b>	<b>\$ 294.9</b>	<b>\$ 279.9</b>	<b>\$ 77.1</b>	<b>\$ 73.8</b>
<b>Segment margins</b>	<b>5.4%</b>	<b>5.2%</b>	<b>3.6%</b>	<b>3.9%</b>
<b>Adjusted segment margins</b>	<b>6.6%</b>	<b>6.7%</b>	<b>5.1%</b>	<b>5.2%</b>

# Non-GAAP

(in millions, except per share amounts)

	First Quarter of 2025			Adjusted
	Reported	Restructuring Costs	Other Special Items	
<b>Pretax Income Before Equity Income, Interest and Other Expense</b>	\$ 181.6	\$ 87.4 <sup>1</sup>	\$ 1.4 <sup>1</sup>	\$ 270.4
<b>Equity Income</b>	(12.3)			(12.3)
<b>Pretax Income Before Interest and Other Expense</b>	\$ 193.9			\$ 282.7
<b>Interest Expense</b>	25.8			25.8
<b>Other Expense, Net</b>	20.4	0.3	8.1	12.0
<b>Income Before Taxes</b>	\$ 147.7			\$ 244.9
<b>Income Taxes</b>	45.2	(7.4)	(1.2)	53.8
<b>Net Income</b>	\$ 102.5			\$ 191.1
<b>Noncontrolling Interests</b>	21.8			21.8
<b>Net Income Attributable to Lear</b>	\$ 80.7			\$ 169.3
<b>Diluted Earnings per Share</b>	\$ 1.49			\$ 3.12

<sup>1</sup> Restructuring costs include \$79.5 million in cost of sales and \$7.9 million in SG&A. Other special items include \$0.9 million in cost of sales and \$0.5 million in SG&A.