



Created By:
Peter N, Juan O, Alexandra S,
Ben C, Andrew P.

Investment Thesis

**1) Margin Recovery
Potential**

**2) Positioned for
Electrification**

**3) Strategic Growth in
China**

Target Price ≈

\$110

Business Overview

2024 Chevy Silverado EV Interior

- International automotive technology company focusing on **Seating and E-Systems**
- Superior in-vehicle experiences for consumers around the world
- Supply complete seat systems, key seat components, complete electrical distribution and connection systems



Components



Margin Recovery Potential (INFO)

Lear Corp is a prime example of a good business discounted due to disruptions in the global supply chain affecting everything from microchips to leather hides. Lear's management is adapting to rapidly changing circumstances by reducing the company's operating costs, positioning it for higher margins when volumes ultimately recover.

Use of AI to enhance operational efficiency

In seating, where it benefits from a favorable business mix in higher-margin luxury vehicles and SUVs, Lear has been executing better than its competitors and taking share in the process, as evidenced we see E-Systems as poised for sustained growth and higher returns as consumers shift from internal combustion engine vehicles (ICE) to EVs over the coming decade



Positioned for Electrification

EV & Hybrid Growth

At the end of 2023, nearly 1/5 cars sold were EV or Hybrid

Why EV's need Lear

Electric vehicles (EVs) have more electrical components than gas-powered cars because they are powered by batteries, electric motors, and electrical systems, while gas-powered cars have internal combustion engines and fewer electrical components

New Features

Sustainable Materials

New Seat Features

AI Learning

Custom Seat Configuration



Lear's Top Customers (Revenue %)

19.8%



11.4%



11%



10.4%



10.2%



Other customers





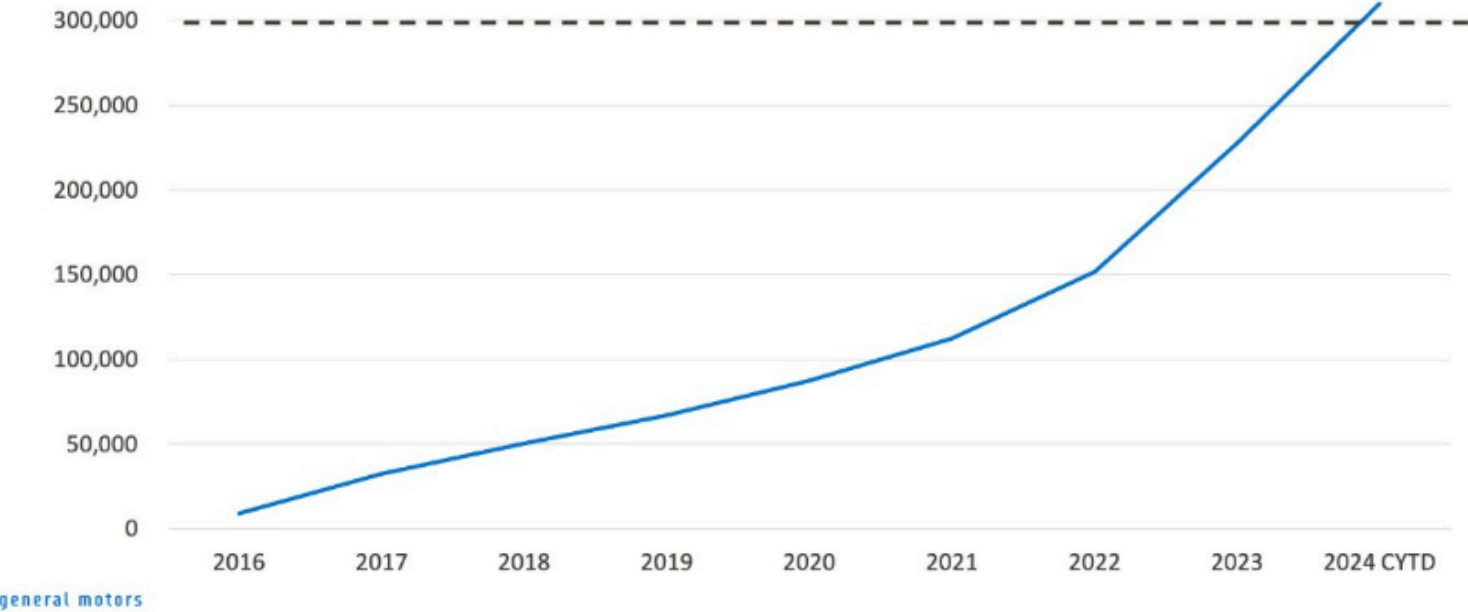
EV Sales



GM Cumulative U.S. EV Total Sales



In October, GM eclipsed over 300K cumulative EV sales in the US and has sold over 370K EVs in North America

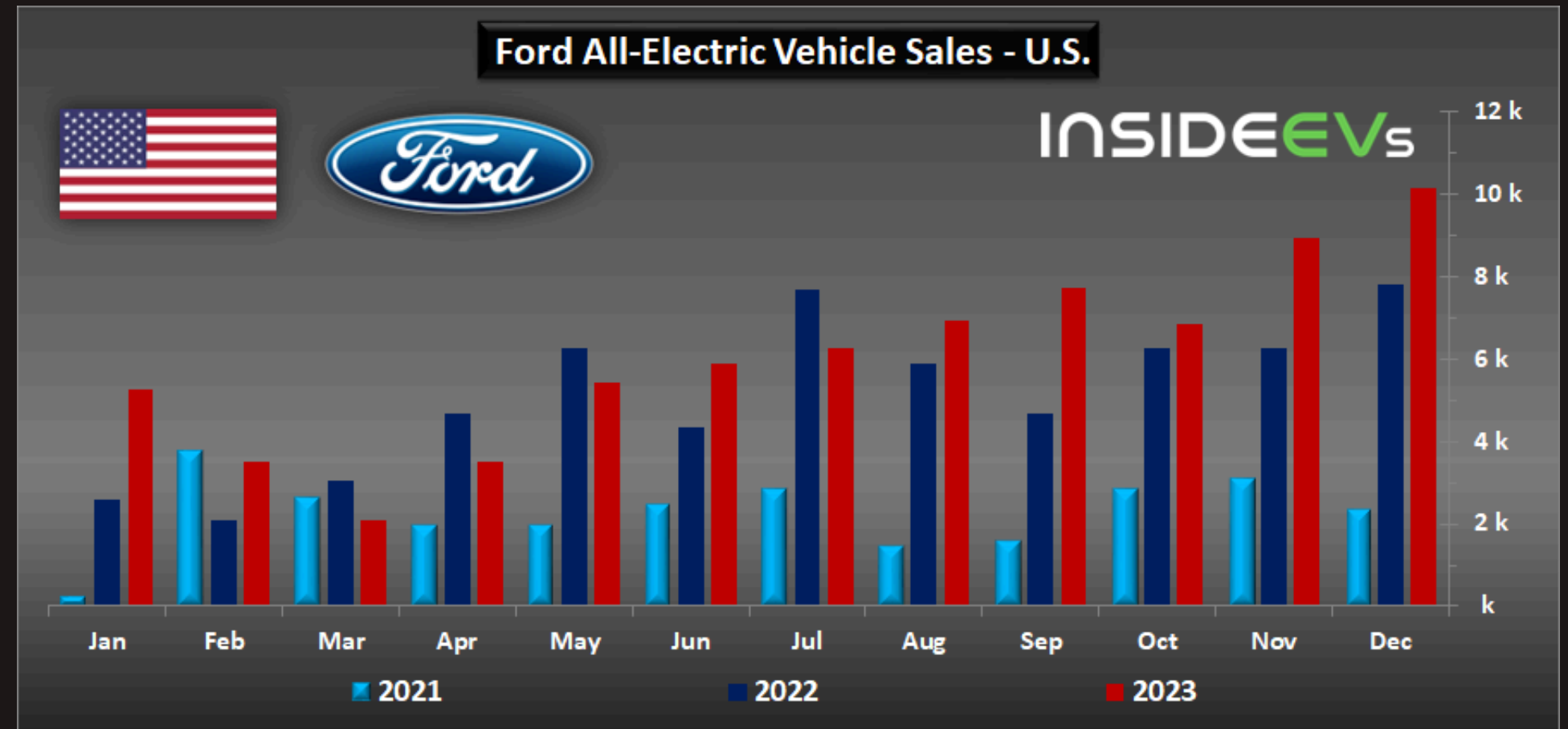


Projected to sell more than 300,000 EVs sold in the US in 2024 and 370,000 EVs in North America, with projected 40% YOY sales growth.





EV Sales

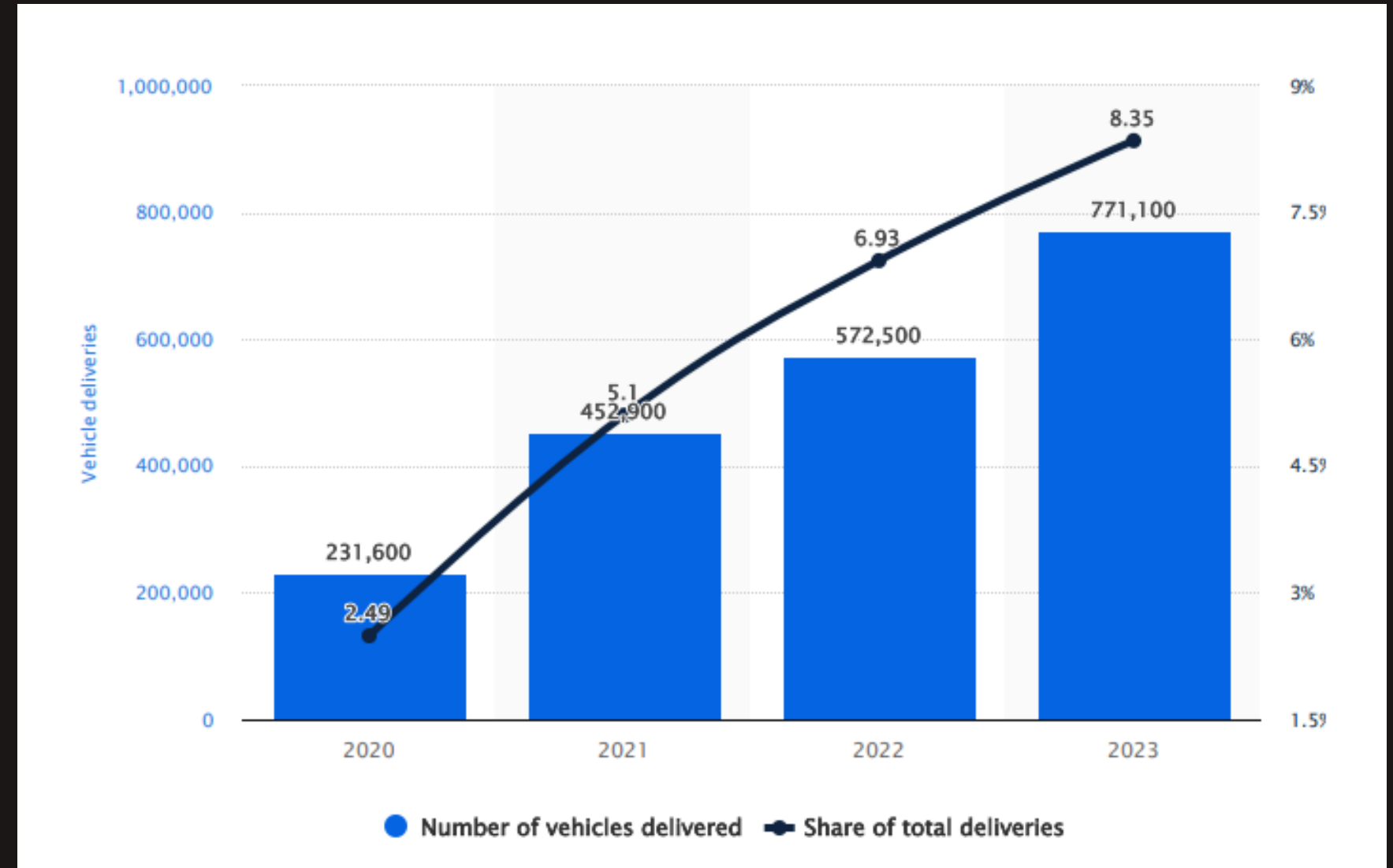


17.9% Increase YOY on Ford EV Units Sold and 25.3% increase YOY on Hybrid Units Sold





EV Sales



Increasing market share each year
and sold 771,100 units in 2023

35% YOY increase





EV Sales



	Q4 2023	Q4 2022	Change	FY 2023	FY 2022	Change
Mercedes-Benz BEVs	66,200	53,500	+24%	240,600	149,200	+61%
smart fortwo/forfour BEVs	3,900	6,400	-39%	18,100	20,500	-12%

2023 sold more than 240,000 all-electric cars, (43,202 in the U.S.) and over 18,000 Smart. The growth rate YOY was 73%.



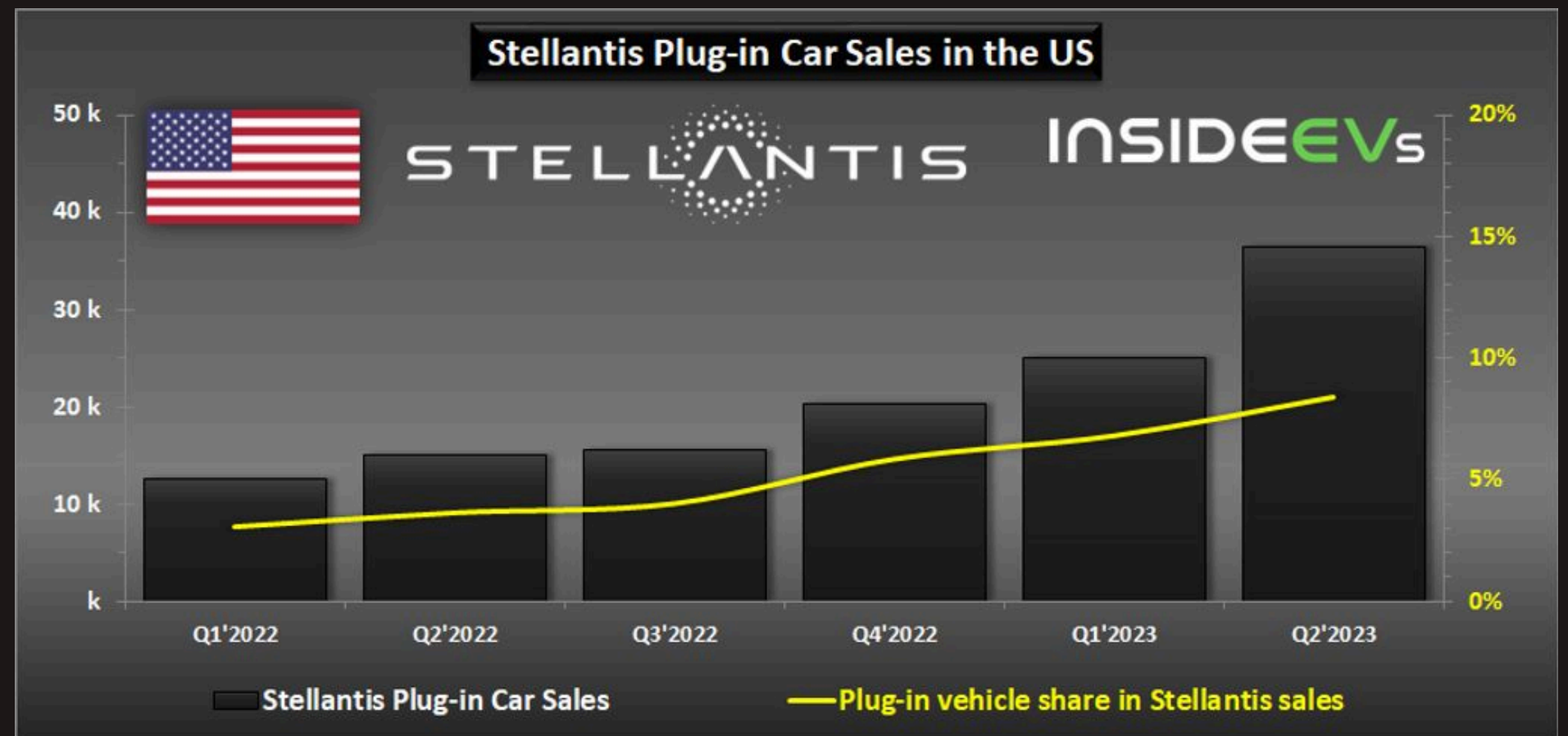


Jeep Wrangler 4xe - 31,341 (up 63% YOY)

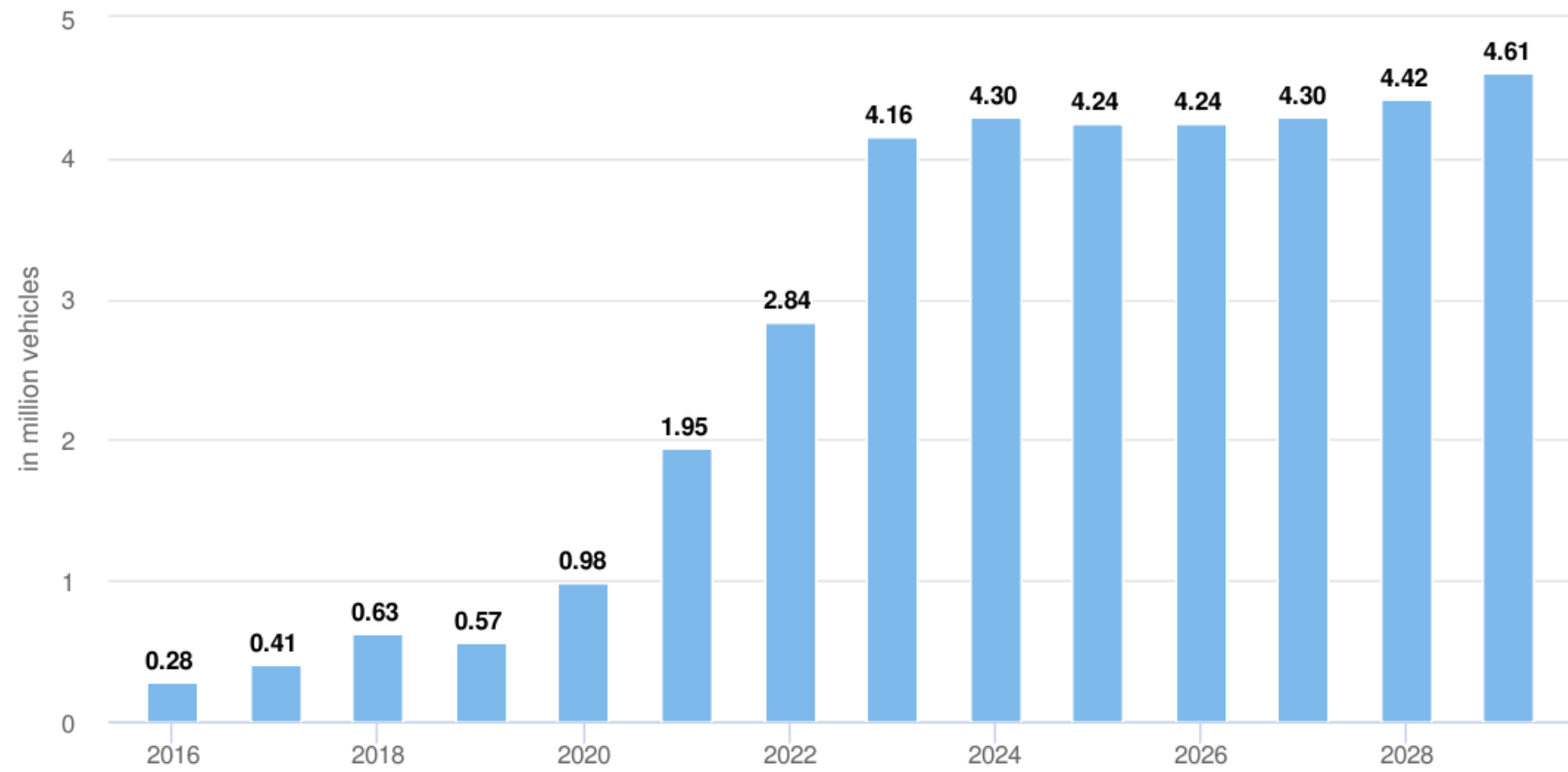


Chrysler Pacifica Hybrid - 12,236 (up 48% YOY)

EV Sales



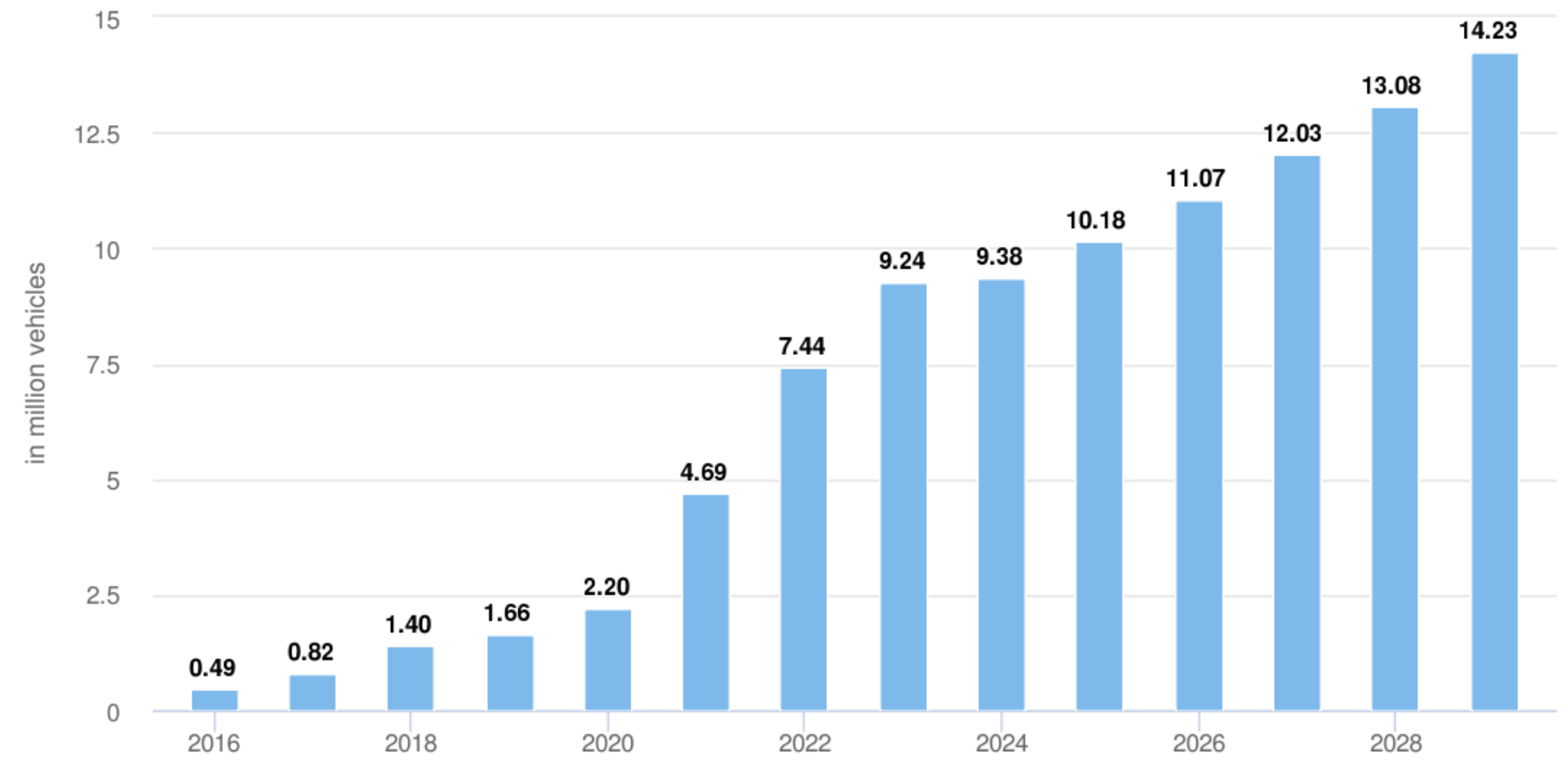
Plug-in Hybrid Electric Vehicles - Vehicle Sales Worldwide (million vehicles)



Source: Statista Market Insights

statista

Battery Electric Vehicles - Vehicle Sales Worldwide (million vehicles)

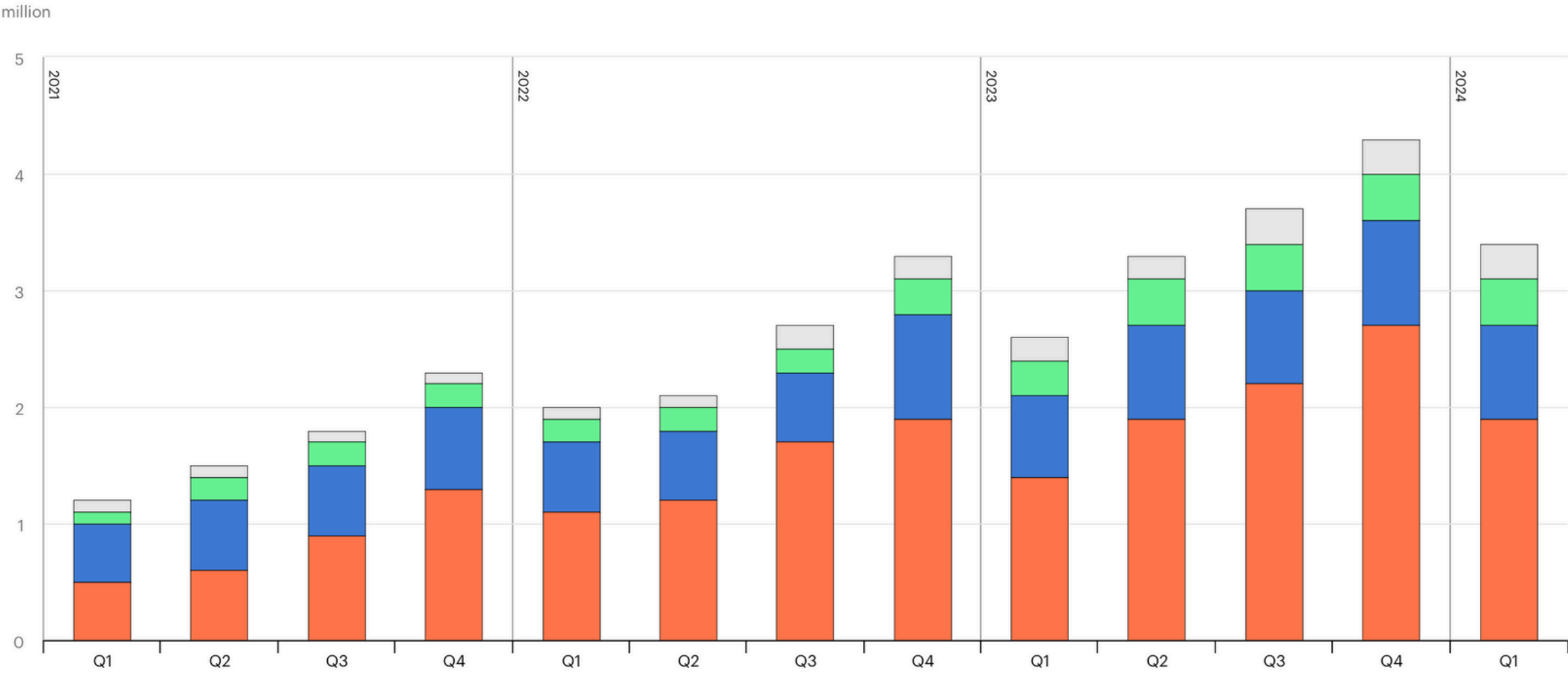


Source: Statista Market Insights

statista



Quarterly electric car sales by region, 2021-2024

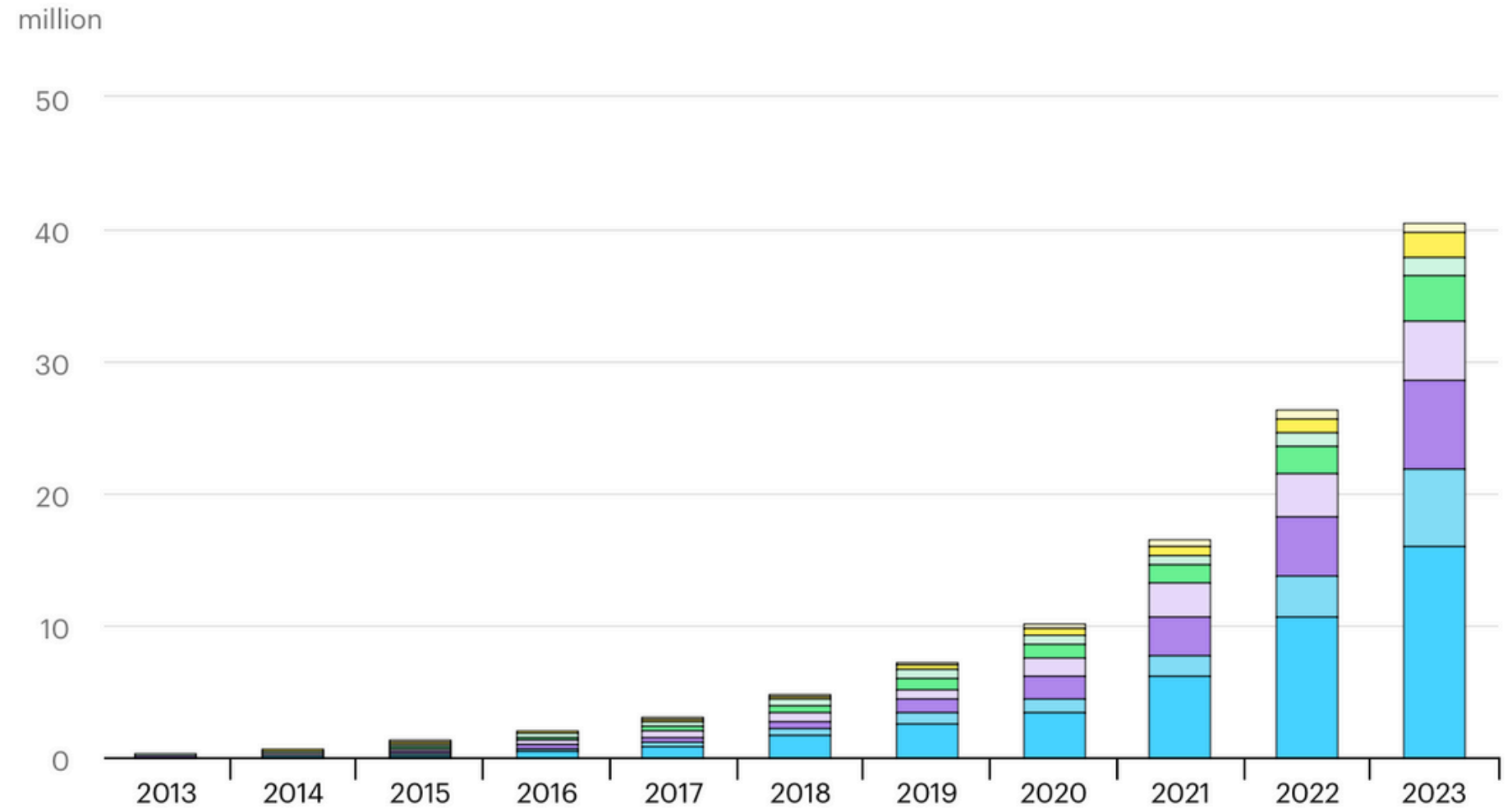


IEA. Licence: CC BY 4.0

China Europe United States Rest of the world



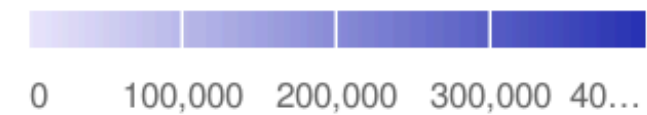
Expansion in China

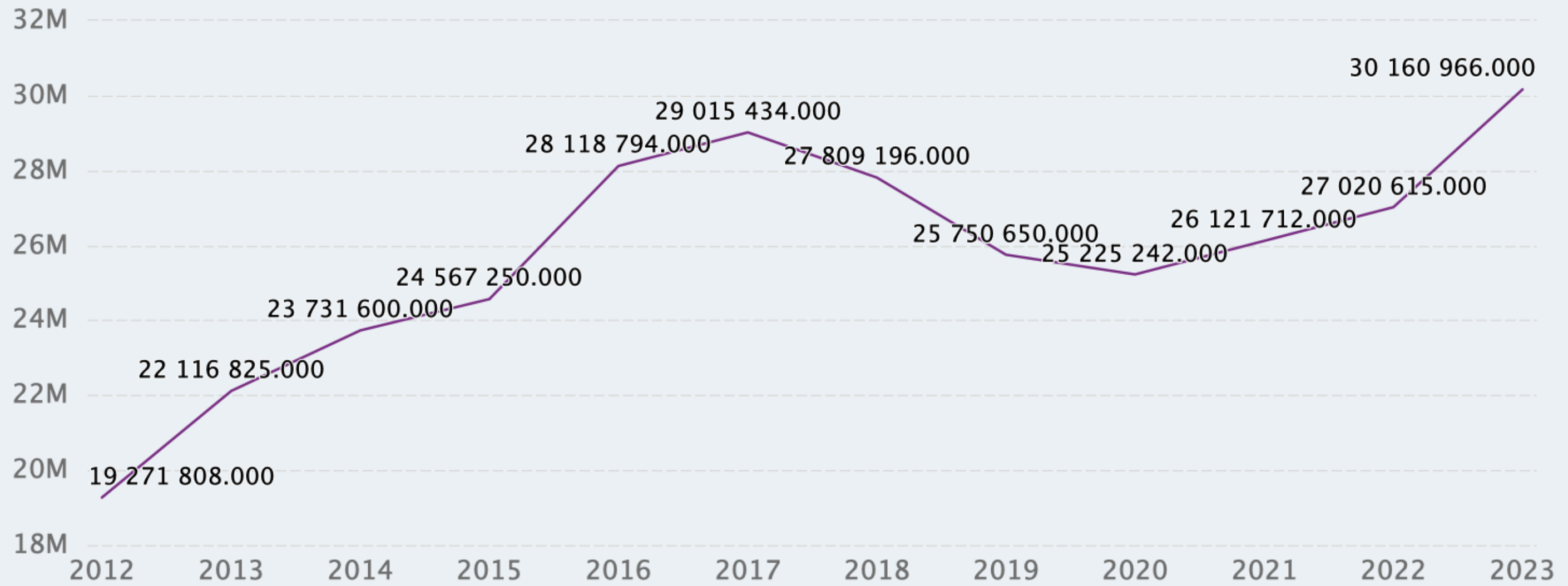


IEA. Licence: CC BY 4

- China BEV
- China PHEV
- Europe BEV
- Europe PHEV
- United States BEV
- United States PHEV
- Rest of the world BEV
- Rest of the world PHEV

Electric Vehicles - Global Comparison - Electric Vehicles Revenue Worldwide (million USD (US\$))





■ NN: Motor Vehicle Production: Asia Oceania: China

SOURCE: WWW.CEICDATA.COM | International Organization of Motor Vehicle Manufacturers



Industry Overview - Interiors

Industry:

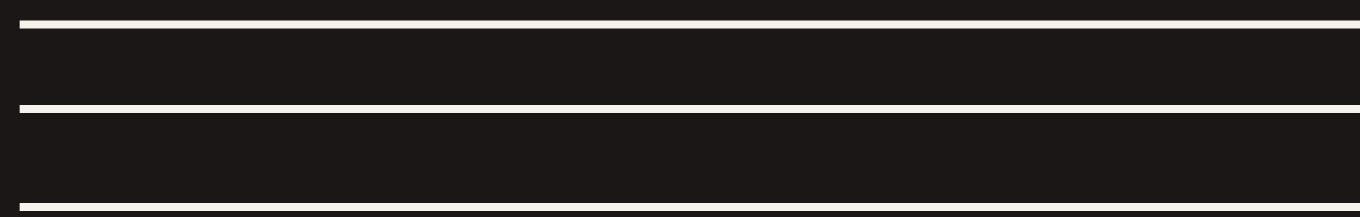
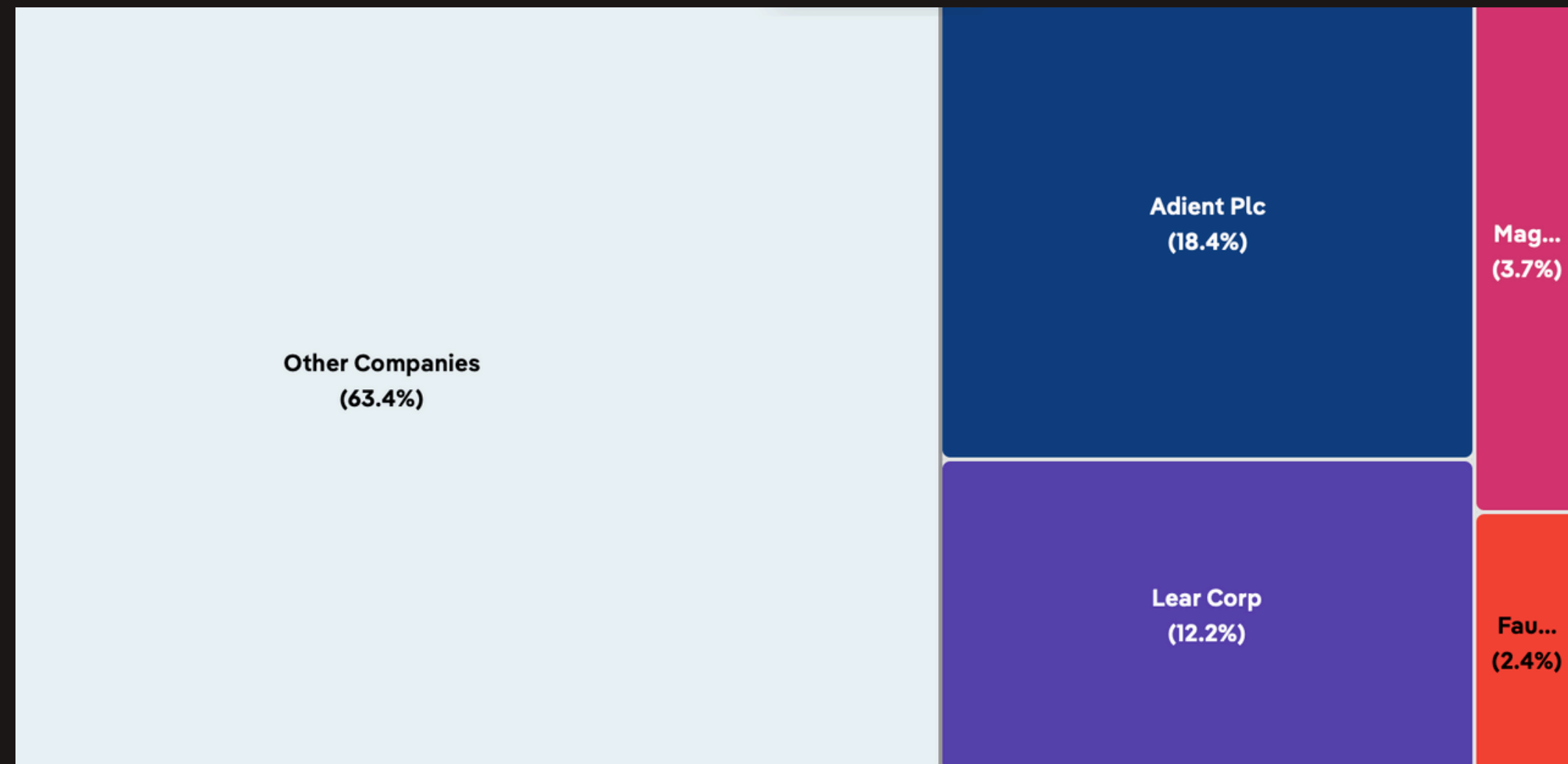
Automobile Interior Manufacturing in the US

Description:

- Includes companies that manufacture a variety of interior products for automotive and other transportation manufacturers.
- Products primarily manufactured include seats and safety belts.
- The industry was affected negatively by the pandemic, but revenues are expected to rebound as consumers demand futuristic interiors to match EV's and hybrids.



Market Share



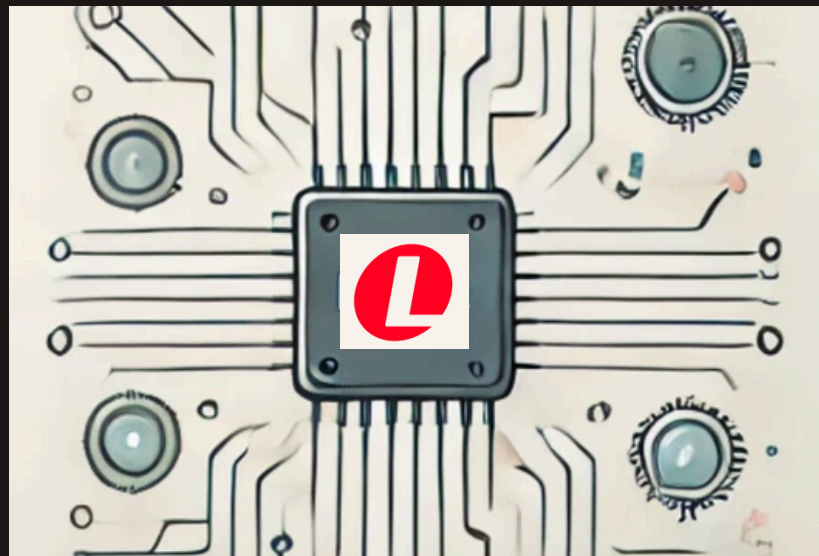
Industry Overview - Electronics

Industry:

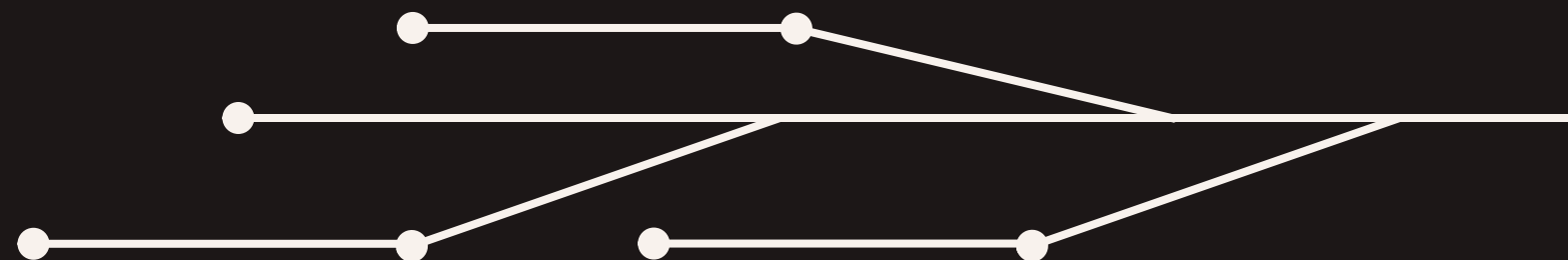
Automobile Electronics Manufacturing in the US

Description:

- Includes manufacturing companies for motor vehicle parts that have or operate with the aid of small components that direct and control electricity.
- Components featured include, lighting systems, electrical wiring, electrical control units, sensors, electronic ignition systems and driver displays.
- Also important to note that manufacturers of electric motors are excluded.



Market Share



Risks



Short Term Margin Pressures

Long-term growth prospects remain strong due to global presence, EV adaptation, and greater technological complexity of automobiles.

Improved capital structure after 2010
Bankruptcy.

Performance-dependent



Valuation Model

Lear Corporation NYSE: LEA		Financials	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Share Price 11/14/2024	\$96.4	Revenue	\$19,263	\$20,892	\$23,467	\$22,763	\$23,332	\$23,974	\$24,693	\$25,495
FDSO	56.8	Growth Rate %		8.5%	12.3%	(3.0%)	2.5%	2.8%	3.0%	3.2%
FCF / Share (2024)	\$3.3	Gross Profit	\$1,475	\$1,532	\$1,843	\$1,801	\$1,859	\$1,925	\$1,997	\$2,076
Market Cap	\$5,219.0	Gross Margin %	7.7%	7.3%	7.9%	7.9%	8.0%	8.0%	8.1%	8.1%
Net Debt	\$2,721.3	EBITDA	\$1,362	\$1,370	\$1,657	\$1,621	\$1,678	\$1,743	\$1,812	\$1,886
EV	\$8,082.1	EBITDA Margin %	7.1%	6.6%	7.1%	7.1%	7.2%	7.3%	7.3%	7.4%
Target Share Price	\$109.6	EBIT	\$797	\$802	\$1,054	\$1,061	\$1,106	\$1,158	\$1,215	\$1,276
Multiples Consensus	(x)	EBIT Margin	4.1%	3.8%	4.5%	4.7%	4.7%	4.8%	4.9%	5.0%
EV/2024E EBITDA	4.5x	Net Income	\$ 462	\$ 409	\$ 646	\$ 644	\$ 670	\$ 721	\$ 764	\$ 813
P/E 2024E	7.8x	Profit Margin	2.4%	2.0%	2.8%	2.8%	2.9%	3.0%	3.1%	3.2%
P/E 2025E	7.8x	EPS	\$7.64	\$6.82	\$10.92	\$11.34	\$12.28	\$13.73	\$15.11	\$16.67
P/E 2026E	8.0x	EPS Growth Rate %		(10.7%)	60.1%	3.8%	8.3%	11.8%	10.0%	10.3%

Total Return

20%





BUY

NYSE: LEA

Price Target \$110





THANK YOU



APPENDIX 1

INCOME STATEMENT									
Fiscal year	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P	
Fiscal year end date	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	Forecast Comments Will Hide Most of These When Presenting Just Here for Your Ease of Use
Seating	\$ 14,411	\$ 15,711	\$ 17,549	\$ 17,022	\$ 17,448	\$ 17,928	\$ 18,466	\$ 19,066	as percent of total rev
E-Systems	4,852	5,180	5,918	5,741	5,884	6,046	6,227	6,430	as percent of total rev
Total Revenue	19,263	20,892	23,467	22,763	23,332	23,974	24,693	25,495	prev year * 1+ growth rate
Cost of sales (enter as -)	17,788	19,360	21,624	20,962	21,472	22,049	22,696	23,419	COGS = Revenue - Gross Profit
Gross Profit	1,475	1,532	1,843	1,801	1,859	1,925	1,997	2,076	Revenue x Gross Profit Margin forecast
Amortization of Good Will & Intangibles (enter as -)	(65)	(62)	(61)	(68)	(66)	(67)	(71)	(72)	Revenue x R&D % of sales forecast
Selling, general & administrative (enter as -)	(604)	(643)	(695)	(649)	(659)	(670)	(683)	(697)	Revenue x SG&A % of sales forecast
Other Operating Expenses (enter as -) / Income	(10)	(25)	(33)	(23)	(28)	(29)	(28)	(30)	Revenue x other operating expenses % of sales forecast
Operating profit (EBIT)	797	802	1,054	1,061	1,106	1,158	1,215	1,276	Gross Profit - R&D - SG&A - other operating expenses
Interest income	0	0	0	0	0	0	0	0	Reference from interest on cash schedule
Interest expense (enter as -)	(92)	(99)	(101)	(104)	(104)	(104)	(104)	(104)	Reference from interest expense schedule
Other expense, net (enter as -)	(9)	3	(4)	(4)	(4)	(4)	(4)	(4)	Straight-line
EBT excl unusual items	696	707	949	953	998	1,050	1,107	1,169	EBIT + interest income less interest expense less other expense
Unusual Gains/Losses	(97)	(164)	(123)	(128)	(138)	(130)	(132)	(133)	Average of last 3 Years
Taxes (enter expense as -)	(138)	(134)	(181)	(182)	(190)	(200)	(211)	(223)	Pre-tax Profit x Tax Rate forecast
Net income	\$ 462	\$ 409	\$ 646	\$ 644	\$ 670	\$ 721	\$ 764	\$ 813	Pre-tax Profit less taxes
EPS	7.64	6.82	10.92	11.34	12.28	13.73	15.11	16.67	Taken from EPS Section (line 211)
Stock Price	\$ 168	\$ 123	\$ 131	\$ 88	\$ 96	\$ 110	\$ 121	\$ 133	
Depreciation & amortization	\$ 565	\$ 568	\$ 603	\$ 560	\$ 572	\$ 585	\$ 598	\$ 610	Reference from D&A schedule
EBITDA	1,362	1,370	1,657	1,621	1,678	1,743	1,812	1,886	EBIT + D&A
Stock based compensation	60	52	68	65	67	69	71	73	SBC Growth in-line with revenue growth
Adjusted EBITDA	\$ 1,423	\$ 1,422	\$ 1,724	\$ 1,686	\$ 1,745	\$ 1,812	\$ 1,883	\$ 1,960	EBITDA + Stock-based compensation
Growth rates & margins									
Total Revenue Growth Rate				(3.0%)	2.5%	2.8%	3.0%	3.3%	From scenario analysis below
Seating Sales Growth		8.5%	12.3%	(2.2%)	1.9%	2.1%	2.2%	2.4%	
E-Systems Sales Growth		8.8%	11.7%	(3.0%)	2.5%	2.8%	3.0%	3.3%	
Gross profit margin	7.7%	7.3%	7.9%	7.9%	8.0%	8.0%	8.1%	8.1%	From scenario analysis below
R&D % of sales	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	From scenario analysis below
SG&A % of sales	3.1%	3.1%	3.0%	2.9%	2.8%	2.8%	2.8%	2.7%	From scenario analysis below
Other Operating Expenses	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Tax rate	19.8%	18.9%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	Straight Line
Tax Cut Tax rate				19.0%	19.0%	16.0%	16.0%	16.0%	



APPENDIX 2

BALANCE SHEET								
<i>Fiscal year</i>	2022A	2023A	2024P	2025P	2026P	2027P	2028P	
<i>Fiscal year end date</i>	<i>12/31/22</i>	<i>12/31/23</i>	<i>12/31/24</i>	<i>12/31/25</i>	<i>12/31/26</i>	<i>12/31/27</i>	<i>12/31/28</i>	
Cash & equivalents, ST and LT marketable securities	\$ 1,119	\$ 1,201	\$ 1,387	\$ 1,690	\$ 2,047	\$ 2,448	\$ 2,898	Reference from 'net change in cash' line on the cash flow statement
Accounts receivable	3,628	3,901	3,784	3,879	3,986	4,105	4,239	Grow in-line with revenue growth
Inventories	1,574	1,758	1,704	1,746	1,793	1,845	1,904	Grow in-line with cost of sales growth
Other current assets	674	776	753	772	793	817	844	Grow in-line with revenue growth
Net Property, plant & equipment	3,556	3,711	3,784	3,844	3,891	3,926	3,948	Reference from PP&E schedule
Other non current assets	3,213	3,348	3,248	3,329	3,420	3,523	3,637	Grow in-line with revenue growth
Total assets	\$ 13,763	\$ 14,696	\$ 14,660	\$ 15,260	\$ 15,930	\$ 16,665	\$ 17,470	
Accounts payable	\$ 3,056	\$ 3,301	\$ 3,200	\$ 3,278	\$ 3,366	\$ 3,465	\$ 3,575	Grow in-line with cost of sales growth
Other current liabilities	2,122	2,366	2,295	2,352	2,417	2,489	2,570	Grow in-line with revenue growth
Deferred revenue (current and non current)	0	0	0	0	0	0	0	Grow in-line with revenue growth
Revolver	10	28	28	28	28	28	28	Reference EOP balance from CP/revolver schedule
Long term debt (includes current portion)	2,592	2,715	2,715	2,715	2,715	2,715	2,715	straight-line
Other non current liabilities	1,153	1,225	1,188	1,218	1,252	1,289	1,331	Grow in-line with revenue growth
Total liabilities	\$ 8,933	\$ 9,635	\$ 9,545	\$ 9,710	\$ 9,896	\$ 10,105	\$ 10,338	
Common stock	\$ 1	\$ 1	\$ 1	\$ 2	\$ 3	\$ 3	\$ 4	Increase by stock-based compensation forecasted in the I/S section
Retained earnings	5,214	5,601	5,767	5,958	6,201	6,486	6,821	Reference from Retained Earnings schedule
Other comprehensive income	(805)	(689)	(689)	(689)	(689)	(689)	(689)	straight-line
Additonal Paid in Capital	1,023	1,051	1,051	1,051	1,051	1,051	1,051	straight-line
Treasury Stock	(754)	(1,045)	(1,045)	(1,045)	(1,045)	(1,045)	(1,045)	straight-line
Minority Interest	152	142	142	142	142	142	142	straight-line
Plug			(111)	132	373	613	852	See note
Total equity	\$ 4,830	\$ 5,061	\$ 5,116	\$ 5,551	\$ 6,035	\$ 6,562	\$ 7,135	
<i>Balance check</i>	0	0	0	0	0	0	0	

APPENDIX 3

CASH FLOW STATEMENT

<i>Fiscal year</i>	2024P	2025P	2026P	2027P	2028P	
Fiscal year end date	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	
Net income	644	670	721	764	813	
Depreciation and amortization	560	572	585	598	610	Reference from the I/S
Stock based compensation	65	67	69	71	73	
Decreases / (Increases) in working capital assets	194	(155)	(175)	(196)	(219)	
Increases / (Decreases) in working capital liabilities	(172)	135	153	171	191	
Other non current assets	42	(141)	(153)	(166)	(180)	Reference from schedule NOT the B/S: Only include 'Additions' (as outflow)
Other non current liabilities	(37)	30	33	38	42	
Cash from operating activities	1,296	1,178	1,233	1,279	1,330	
Capital expenditures	(632)	(632)	(632)	(632)	(632)	Reference from PP&E schedule
Cash from investing activities	(632)	(632)	(632)	(632)	(632)	
Long term debt	0	0	0	0	0	
Revolver	1	0	0	0	0	Reference from B/S
Share repurchases	(297)	(60)	(62)	(64)	(66)	Reference from Retained Earnings schedule
Common dividends	(182)	(182)	(182)	(182)	(182)	Reference from Retained Earnings schedule
Cash from financing activities	(478)	(242)	(244)	(246)	(248)	
Net change in cash during period	\$ 186	\$ 303	\$ 356	\$ 401	\$ 450	



APPENDIX 4

PROPERTY, PLANT & EQUIPMENT

Fiscal year	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Fiscal year end date	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28
					Forecast			
Beginning of period				\$ 3,711	\$ 3,784	\$ 3,844	\$ 3,891	\$ 3,926
Plus: Capital expenditures	585	638	627	632	632	632	632	632
Less: Depreciation & Depletion	(501)	(506)	(542)	(560)	(572)	(585)	(598)	(610)
End of period	\$ 3,556	\$ 3,711	\$ 3,784	\$ 3,844	\$ 3,891	\$ 3,926	\$ 3,948	
D&A related to PP&E as a % of capex	85.6%	79.2%	86.5%	88.5%	90.5%	92.5%	94.5%	96.5%

BOP = Previous year EOP
 Straightlined at Last 2 years AVG + 1.5%
 Capex x 'D&A related to PP&E as a % of capex' ratio (below)
 BOP + Capex - Depreciation
 BOP + Capex - Depreciation
 Step
 2.0%

IMPUTING TOTAL DEPRECIATION & AMORTIZATION

D&A not related to PP&E	\$ 65	\$ 62	\$ 61	\$ 59	\$ 60	\$ 62	\$ 64	\$ 66
as % of revenue	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Depreciation & Amortization - Total	\$ 565	\$ 568	\$ 603	\$ 618	\$ 633	\$ 647	\$ 661	\$ 676

Revenue x 'as % of revenue' assumption
 Straight line last historical % of revenue - assumption
 D&A from PP&E + D&A not from PP&E

OTHER NON-CURRENT ASSETS

Beginning of period				\$ 3,348	\$ 3,248	\$ 3,329	\$ 3,420	\$ 3,523
Less: Amortization of intangible assets				(59)	(60)	(62)	(64)	(66)
Plus: Additions				(42)	141	153	166	180
End of period	\$ 3,213	\$ 3,348	\$ 3,248	\$ 3,329	\$ 3,420	\$ 3,523	\$ 3,637	

BOP = Previous year EOP
 Assume all D&A not from PP&E is in non-current assets
 Because we already know the EOP balance, this is a plug: EOP - D&A not from PP&E - BOP
 Referenced from balance sheet

RETAINED EARNINGS

Beginning of period				5,601	5,767	5,958	6,201	6,486
Plus: Net income	462	409	646	644	670	721	764	813
Less: Dividends	(107)	(186)	(182)	(182)	(182)	(182)	(182)	(182)
Less: Repurchases	(100)	(100)	(297)	(297)	(297)	(297)	(297)	(297)
End of period	0	5,214	5,601	5,767	5,958	6,201	6,486	6,821

BOP = Previous year EOP
 Reference from income statement
 assumption: Straight-line last historical year dividends
 assumption: Straight-line last historical year repurchases
 BOP + net income - dividends - repurchases



APPENDIX 5

REVOLVER (MODEL PLUG)									
<i>Fiscal year</i>	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P	
<i>Fiscal year end date</i>	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	
Revolver needs analysis									
Cash at beginning of period (BOP)				1,201	1,387	1,690	2,047	2,448	Reference prior period EOP from B/S
Less: Minimum cash balance				(750)	(750)	(750)	(750)	(750)	assumption based on their typical cash holdings
Plus: Free cash flows generated during period				185	303	356	401	450	CFO + CFI + CFF except revolver
Equals: Cash available (needed) to pay down (draw from) revolver				636	940	1,297	1,698	2,148	
Commercial paper / Revolver									
Beginning of period				28	28	28	28	28	BOP = Previous year EOP
Draw / (paydown)				(28)	(28)	(28)	(28)	(28)	Cash (paydown) / additional borrowing from revolver. Paydown not to exceed BOP balance.
Discretionary borrowing / (paydown)				28	28	28	28	28	straightlined at 2023 value they don't change revolver balance very much
End of period	0	10	28	28	28	28	28	28	
Debt balance:				OK	OK	OK	OK	OK	
INTEREST EXPENSE AND INTEREST INCOME									
<i>Fiscal year</i>	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P	
<i>Fiscal year end date</i>	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26	12/31/27	12/31/28	
Total interest expense (from I/S)	92	99	101	104	104	104	104	104	Interest expense from revolver/CP + interest expense from long term debt
Commercial Paper / Revolver									
SOFR		3%	5%						
Weighted average interest rate		4.25%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	assumption: Straight-line
End of period balance (from B/S)		10	28	28	28	28	28	28	Reference from revolver / CP schedule above
Interest expense		0	1	2	2	2	2	2	Interest rate x average of BOP & EOP revolver balances (circularity)
Long term debt									
End of period balance (from B/S)		2,592	2,715	2,715	2,715	2,715	2,715	2,715	Reference from B/S
Weighted average interest rate		3.8%	3.8%	3.77%	3.77%	3.77%	3.77%	3.77%	assumption: Straight-line
Interest expense		98	100	102	102	102	102	102	Interest rate x average of BOP & EOP LTD balances
Interest rate on cash									
Weighted average interest rate on cash	1.73%	1.99%	2.16%	-	-	-	-	-	assumption: Straight-line Currently set to 0
Interest income	0	0	0	0	0	0	0	0	Interest rate x average of BOP & EOP cash balances (circularity)



APPENDIX 6

BASE CASE

Lear Corporation NYSE: LEA		Financials	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Share Price 11/14/2024	\$96.4	Revenue	\$19,263	\$20,892	\$23,467	\$22,763	\$23,332	\$23,974	\$24,693	\$25,495
FDSO	56.8	Growth Rate %		8.5%	12.3%	(3.0%)	2.5%	2.8%	3.0%	3.2%
FCF / Share (2024)	\$3.3	Gross Profit	\$1,475	\$1,532	\$1,843	\$1,801	\$1,859	\$1,925	\$1,997	\$2,076
Market Cap	\$5,219.0	Gross Margin %	7.7%	7.3%	7.9%	7.9%	8.0%	8.0%	8.1%	8.1%
Net Debt	\$2,721.3	EBITDA	\$1,362	\$1,370	\$1,657	\$1,621	\$1,678	\$1,743	\$1,812	\$1,886
EV	\$8,082.1	EBITDA Margin %	7.1%	6.6%	7.1%	7.1%	7.2%	7.3%	7.3%	7.4%
Target Share Price	\$109.6	EBIT	\$797	\$802	\$1,054	\$1,061	\$1,106	\$1,158	\$1,215	\$1,276
Multiples Consensus	(x)	EBIT Margin	4.1%	3.8%	4.5%	4.7%	4.7%	4.8%	4.9%	5.0%
EV/2024E EBITDA	4.5x	Net Income	\$ 462	\$ 409	\$ 646	\$ 644	\$ 670	\$ 721	\$ 764	\$ 813
P/E 2024E	7.8x	Profit Margin	2.4%	2.0%	2.8%	2.8%	2.9%	3.0%	3.1%	3.2%
P/E 2025E	7.8x	EPS	\$7.64	\$6.82	\$10.92	\$11.34	\$12.28	\$13.73	\$15.11	\$16.67
P/E 2026E	8.0x	EPS Growth Rate %		(10.7%)	60.1%	3.8%	8.3%	11.8%	10.0%	10.3%



APPENDIX 6

BULL CASE

Lear Corporation NYSE: LEA		Financials	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Share Price 11/14/2024	\$96.4	Revenue	\$19,263	\$20,892	\$23,467	\$22,763	\$23,446	\$24,618	\$25,972	\$27,530
FDSO	56.8	Growth Rate %		8.5%	12.3%	(3.0%)	3.0%	5.0%	5.5%	6.0%
FCF / Share (2024)	\$3.6	Gross Profit	\$1,475	\$1,532	\$1,843	\$1,824	\$1,916	\$2,052	\$2,206	\$2,382
Market Cap	\$5,219.0	Gross Margin %	7.7%	7.3%	7.9%	8.0%	8.2%	8.3%	8.5%	8.7%
Net Debt	\$2,721.3	EBITDA	\$1,362	\$1,370	\$1,657	\$1,644	\$1,731	\$1,850	\$1,981	\$2,129
EV	\$8,082.1	EBITDA Margin %	7.1%	6.6%	7.1%	7.2%	7.4%	7.5%	7.6%	7.7%
Target Share Price	\$139.9	EBIT	\$797	\$802	\$1,054	\$1,084	\$1,159	\$1,265	\$1,383	\$1,519
Multiples Consensus	(x)	EBIT Margin	4.1%	3.8%	4.5%	4.8%	4.9%	5.1%	5.3%	5.5%
EV/2024E EBITDA	4.1x	Net Income	\$ 462	\$ 409	\$ 646	\$ 663	\$ 713	\$ 842	\$ 939	\$ 1,051
P/E 2024E	7.8x	Profit Margin	2.4%	2.0%	2.8%	2.9%	3.0%	3.4%	3.6%	3.8%
P/E 2025E	7.8x	EPS	\$7.64	\$6.82	\$10.92	\$11.67	\$13.05	\$15.94	\$18.33	\$21.09
P/E 2026E	8.8x	EPS Growth Rate %		(10.7%)	60.1%	6.9%	11.8%	22.1%	15.0%	15.1%



APPENDIX 6

BEAR CASE

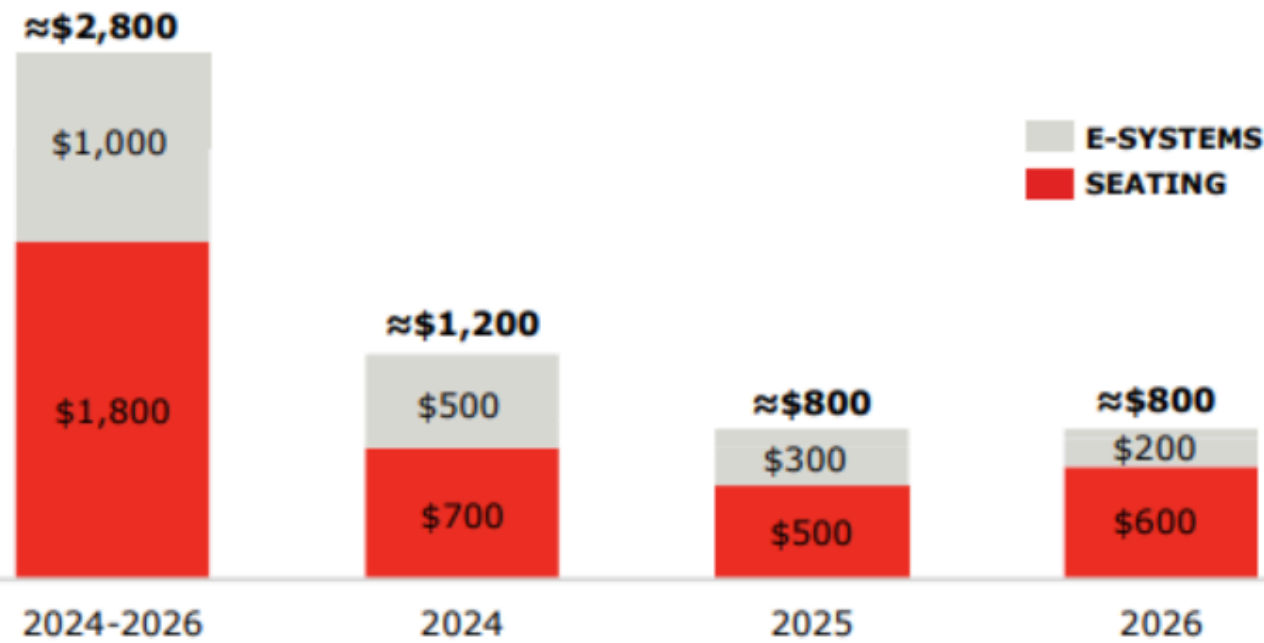
Lear Corporation NYSE: LEA		Financials	2021A	2022A	2023A	2024P	2025P	2026P	2027P	2028P
Share Price 11/14/2024	\$96.4	Revenue	\$19,263	\$20,892	\$23,467	\$22,763	\$21,852	\$21,852	\$22,071	\$22,402
FDSO	56.8	Growth Rate %		8.5%	12.3%	(3.0%)	(4.0%)	0.0%	1.0%	1.5%
FCF / Share (2024)	\$2.6	Gross Profit	\$1,475	\$1,532	\$1,843	\$1,751	\$1,646	\$1,611	\$1,592	\$1,580
Market Cap	\$5,219.0	Gross Margin %	7.7%	7.3%	7.9%	7.7%	7.5%	7.4%	7.2%	7.1%
Net Debt	\$2,721.3	EBITDA	\$1,362	\$1,370	\$1,657	\$1,571	\$1,513	\$1,498	\$1,491	\$1,487
EV	\$8,082.1	EBITDA Margin %	7.1%	6.6%	7.1%	6.9%	6.9%	6.9%	6.8%	6.6%
Target Share Price	\$70.9	EBIT	\$797	\$802	\$1,054	\$1,011	\$940	\$913	\$893	\$877
Multiples Consensus	(x)	EBIT Margin	4.1%	3.8%	4.5%	4.4%	4.3%	4.2%	4.0%	3.9%
EV/2024E EBITDA	5.4x	Net Income	\$ 462	\$ 409	\$ 646	\$ 604	\$ 536	\$ 522	\$ 504	\$ 490
P/E 2024E	7.8x	Profit Margin	2.4%	2.0%	2.8%	2.7%	2.5%	2.4%	2.3%	2.2%
P/E 2025E	FALSE	EPS	\$7.64	\$6.82	\$10.92	\$10.63	\$9.91	\$10.16	\$10.38	\$10.73
P/E 2026E	7.0x	EPS Growth Rate %		(10.7%)	60.1%	(2.6%)	(6.9%)	2.6%	2.1%	3.4%



Core Sales Backlog as of February 2024 (Net New Awarded Business)

2024-2026 CONSOLIDATED ≈\$2.8B CORE SALES BACKLOG

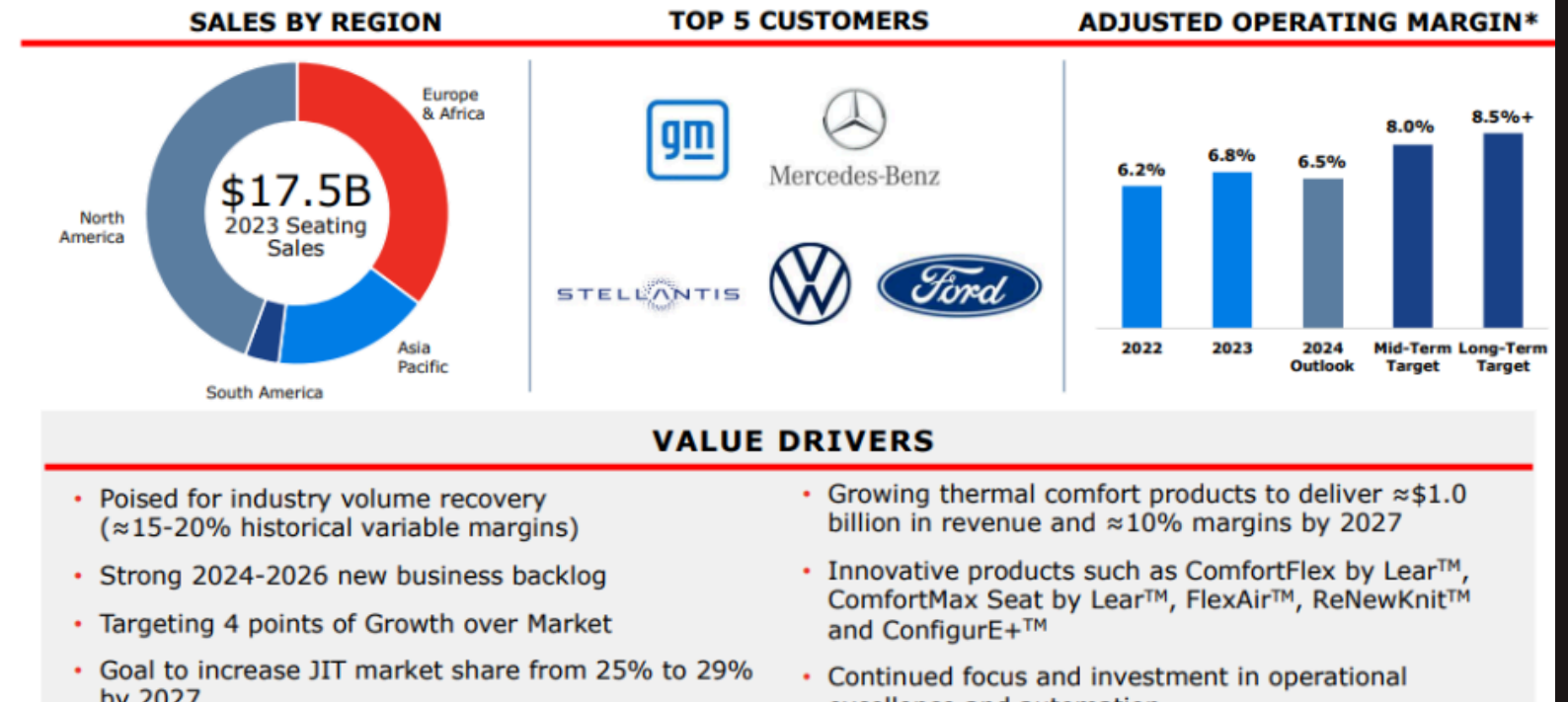
(\$ in millions)



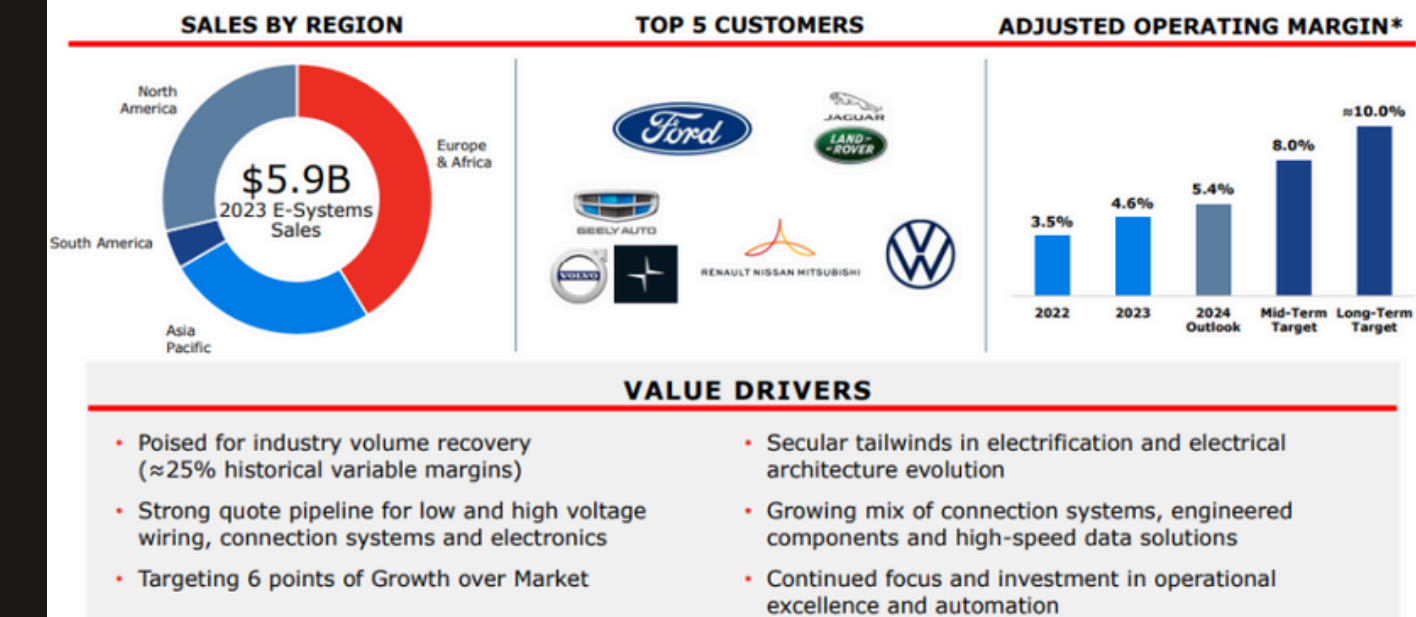
2024-2026 NON-CONSOLIDATED ≈\$650M SALES BACKLOG

- ✓ ≈70% higher than prior 3-year backlog of ≈\$380 million
- ✓ BYD comprises >50% of 3-year non-consolidated backlog

Industry Leading Global Seating Supplier



Well-Diversified and Growing Global Electrical Distribution and Connection Systems & Electronics Supplier





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 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

Thesis Point	Statistics
Industry Leader in Automotive Seating and E-Systems	<ul style="list-style-type: none"> - Seating Market Share: 13.8% - Revenue from Seating: 77% of total revenue - E-Systems Revenue Contribution: 23% of total revenue in 2023
Positioned for Electrification and EV Growth	<ul style="list-style-type: none"> - E-Systems Backlog for EVs: \$2.8B for 2024-2026 - Global EV Market CAGR: 17.5% (2023-2030) - R&D Investment: \$550M annually
Resilient OEM Partnerships and Diversified Revenue Base	<ul style="list-style-type: none"> - Major OEM Clients: GM, Ford, BMW, Toyota - Top Client Revenue Contribution: < 20% - Geographic Revenue Split: 44% from North America
Strategic Growth in the Chinese Automotive Market	<ul style="list-style-type: none"> - Chinese Auto Market Annual Sales Growth: 6.1% (2023-2030) - Chinese Revenue Share for Lear: ~20% - Chinese EV Market Annual Growth: 18% through 2030
Margin Recovery Potential Amid Cost Pressures	<ul style="list-style-type: none"> - 2022 Gross Margin: 7.3% - Projected 2024 EBITDA Margin: 7.4% - Cost-Saving Initiative Target: \$100M annual savings

APPENDIX 10

