Convergence of Auto and Tech

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President and CEO

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Emerging Trends
Emerging Trends Driving Unprecedented Convergence of Auto and Tech

- Safety
- Environment
- Fuel Economy
- Connectivity
- Mobility

Greatest Change in the Auto Industry Since the Moving Assembly Line

Alternative Powertrains
Connected Vehicles
Intelligent Components
Full Autonomous Vehicles
Mobility Solutions
New Partnerships, New Entrants and New Business Models

<table>
<thead>
<tr>
<th>NEW PARTNERSHIPS</th>
<th>NEW ENTRANTS</th>
<th>NEW BUSINESS MODELS</th>
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</thead>
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| • Intel & Mobileye  
  • Samsung & Harman | • Tesla  
  • Google/Waymo  
  • Apple | • Uber / Lyft  
  • GM / Maven  
  • Ford Mobility |

Both Auto and Tech Industries are Reliant on Each Other
Characteristics of Auto vs. Tech

<table>
<thead>
<tr>
<th>Auto</th>
<th>Tech</th>
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<tbody>
<tr>
<td>Makes things</td>
<td>Invents things</td>
</tr>
<tr>
<td>Tangible goods</td>
<td>Solutions</td>
</tr>
<tr>
<td>Long product cycles</td>
<td>Short product cycles</td>
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<tr>
<td>Complex supply chains</td>
<td>Partnerships &amp; collaboration</td>
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<tr>
<td>Low margins</td>
<td>High margins</td>
</tr>
<tr>
<td>Generates large amounts of data</td>
<td>Manages large amounts of data</td>
</tr>
<tr>
<td>Physical plants</td>
<td>Artificial intelligence</td>
</tr>
<tr>
<td>Machinery &amp; equipment</td>
<td>Software &amp; innovation</td>
</tr>
<tr>
<td>Capital intensive</td>
<td>Access to capital</td>
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<tr>
<td>Provides jobs</td>
<td>Disrupts/creates value</td>
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“... the coming synergy of manufacturing driven by technological innovation presents the automotive industry with perhaps its greatest opportunity”

Geoff Colvin
Senior Editor-at Large

FORTUNE
Convergence of Auto and Tech Benefits both Industries

Why Tech is Interested in Auto

- Massive size and economic impact
- Trillions of dollars in annual sales
- ≈100 million new vehicles produced annually
- More than 1 billion vehicles on the road
- Trillions of miles traveled annually
- Worlds largest factories, providing millions of assembly jobs and millions more jobs throughout the automotive supply chain, dealer network and service industries
- Huge revenue growth opportunity

Why Auto Needs Tech

- Tremendous financial and technological resources
- New opportunities for growth and customer satisfaction
- Expertise in software, artificial intelligence and connectivity
- Ability to manage large amounts of data
- Tech companies have the highest valuation
- Huge market value opportunity

The Convergence of Auto and Tech Benefits Both Industries
Top 5 Auto and Tech Firms by Revenue, Employees and Market Capitalization

($ in Billions)

**Automakers**

- **Revenue**: $1 trillion
- **Employees**: 1.7 million
- **Market Capitalization**: $0.4 billion

**Tech Firms**

- **Revenue**: $0.6 trillion
- **Employees**: 0.7 million
- **Market Capitalization**: ≈$3 trillion

**Autos Chasing “Tech Valuations”**
World’s Largest Manufacturing Plants are Dominated by the Auto Industry

World’s Largest Manufacturing Plants

Volkswagen Wolfsburg Plant, Germany
70 million sq. feet/815,000 vehicles per year

Hyundai, Ulsan Factory, South Korea
54 million sq. feet

Tesla Gigafactory, Nevada
13 million sq. feet

Boeing Factory, Washington
4.2 million sq. feet

Chrysler Belvidere Assembly, Illinois
3.5 million sq. feet

AirBus Jean-Luc Lagardère, France
1.3 million sq. feet

Source: Popular Mechanics, January 5, 2017
**SEATING**

2016 Sales of $14.4 Billion

*Global leader* in seat assembly with strong and growing *market share* in all major regions

Leader in *luxury & performance* seating; Well positioned to capitalize on mix shift toward Crossovers and SUVs

Most *complete seat component capabilities* with *expertise* in fabric, leather and seat cover cutting & sewing allowing the highest level of *craftsmanship*

Unique *software capabilities* enabling the innovative *intelligent seat*

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**E-SYSTEMS**

2016 Sales of $4.2 Billion

*Global leader* in electrical power and data management with complete electrical architecture expertise

Well positioned to benefit from rapidly increasing demands for additional *electronic content* and *software* driven by trends in *safety* and *fuel economy*

Uniquely positioned to grow with *vehicle electrification* and *connectivity* mega-trends with *industry-leading* electrical distribution and gateway modules
Evolution and Convergence of Lear’s Seating and E-Systems Businesses

**Global Capabilities**
Low-Cost Provider

**Technology and Innovation**

**SEATING**
System Expert with Global Presence

**E-SYSTEMS**
Full Electrical Distribution Capabilities

**2005**

**2015/2016**

**VISION**

Addition of fabric & leather and integration of electronics provide unmatched global seating capabilities

Seat Systems and Modules Embedded with Lear Technology

Integration of high-power components and the addition of Arada and Autonet provide wired and wireless signal and data management

Constant and Direct Connections between Vehicle Architecture and External Network

**Hardware Expertise**

**Software Solutions**

Software Engineers

50

600+

Growing
Evolution of Lear’s Electrical Business

Wiring Systems + Added T&C’s + Added High-Power + Added Connectivity & Cyber Security = Fully Connected Car

2000
- Architecture Leader
- Wiring Systems and Smart Junction Boxes

2005
- Full Electrical Distribution Capabilities

2010
- Electrical Architecture Expertise in Advanced Efficiency Systems

2015 / 2016
- Wired and Wireless Signal and Data Management with Industry-Leading Cyber Security Expertise

Vision

Acquisition:
- Grote & Hartmann

Electrical Signal Management

Signal & Data Management

Evolution from Power Distribution to Power and Signal Management

Acquisitions:
- Autonet Mobile Technology
- Arada Systems
INTU™ Seat Technology Modules

- Dynamic Safety
  - Smarter safety solutions
- Personalized Comfort
  - Personalized comfort settings
- Personal Network
  - Next generation connectivity
- BioBridge™
  - Occupant health/wellness

Lear’s INTU™ Seat Intuitively Knows What’s Best for You
Lear and Mobility – INTU™ Seat Video

Video is 2:53 minutes
Summary

• Emerging trends driving convergence of auto and tech

• Creating new partnerships, new entrants, new business models and new opportunities

• Auto industry contributes global scale, physical assets, manufacturing expertise and jobs

• Tech industry disrupts and provides tremendous market valuations