

# FY 2020 RESULTS



**JACQUES ASCHENBROICH**  
CHAIRMAN & CEO



SMART TECHNOLOGY FOR SMARTER MOBILITY

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# **01 A LONG-TERM VISION TOWARDS CARBON NEUTRALITY IN 2050**


SUSTAINABLE GROWTH AT THE HEART OF OUR STRATEGY

# OUR GROWTH ENGINE: CO<sub>2</sub> EMISSIONS REDUCTION



Now a Part of **S&P Global**

**#1\***



MSCI  
ESG RATINGS

AAA

CCC B BB BBB A AA AAA

**#1**



ISS ESG

ethix • climate • oekom

**#1\***



The Voice for Clean Capitalism  
**Corporate Knights**


**#1**



CDP  
DISCLOSURE INSIGHT ACTION

**A LIST**  
2020

**CLIMATE**



SUSTAINALYTICS  
a Morningstar company

**#1**



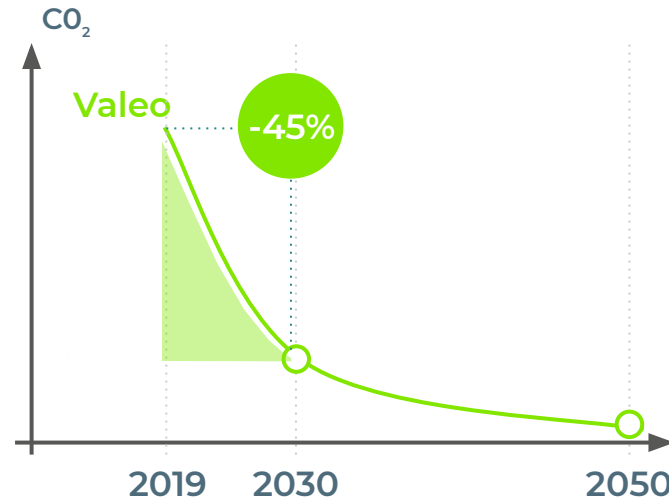
OUR LEADING ESG  
PERFORMANCE  
ACKNOWLEDGED BY  
SUSTAINABILITY  
INDEXES

\* excl. tire companies



# VALEO'S WORLDWIDE COMMITMENT IN LINE WITH EUROPEAN GREEN DEAL AMBITION

**BUSINESS  
AMBITION FOR 1.5°C**  



€600m financing for Valeo's R&D focused on CO<sub>2</sub> emissions reduction and ADAS

# 02 2020 HIGHLIGHTS

STRONG REBOUND IN H2

# RESULTS BETTER THAN THE PRELIMINARY RELEASE (January 14, 2021)

	2020 results Feb 18 2021	Preliminary release Jan 14 2021
Q4 OEM sales (Like for like)	5.3%	5.3%
H2 EBITDA As a % of sales	13.9%	> 13.5%
H2 free cash flow (in bn)	1.34	> 1.3
FY free cash flow (in €m)	294	> 275
Net debt (in bn)	2,94	< 3

# STRONG REBOUND OF FINANCIAL PERFORMANCE ACROSS THE COMPANY...

H2  
2020

## CHALLENGING ENVIRONMENT

- CONTRASTING RECOVERY AMONG THE DIFFERENT PRODUCTION REGIONS:
  - STRONG RECOVERY IN CHINA (+8%)
  - SOFTER RECOVERY IN EUROPE (-3%)
- STILL UNCERTAIN ENVIRONMENT DUE TO COVID-19

## GROUP'S FINANCIAL ACHIEVEMENTS

- ACCELERATION IN SALES AND OUTPERFORMANCE DURING THE PERIOD
- EBITDA MARGIN OF 13.9%
- RECORD FREE CASH FLOW OF €1.34BN
- NET DEBT BELOW €3BN ONE YEAR AHEAD OF SCHEDULE

**...THANKS TO TECHNOLOGICAL PLATFORMS COMBINED WITH INTENSE OPERATIONAL EFFORTS**



# 03 GROWTH ACCELERATION IN Q4

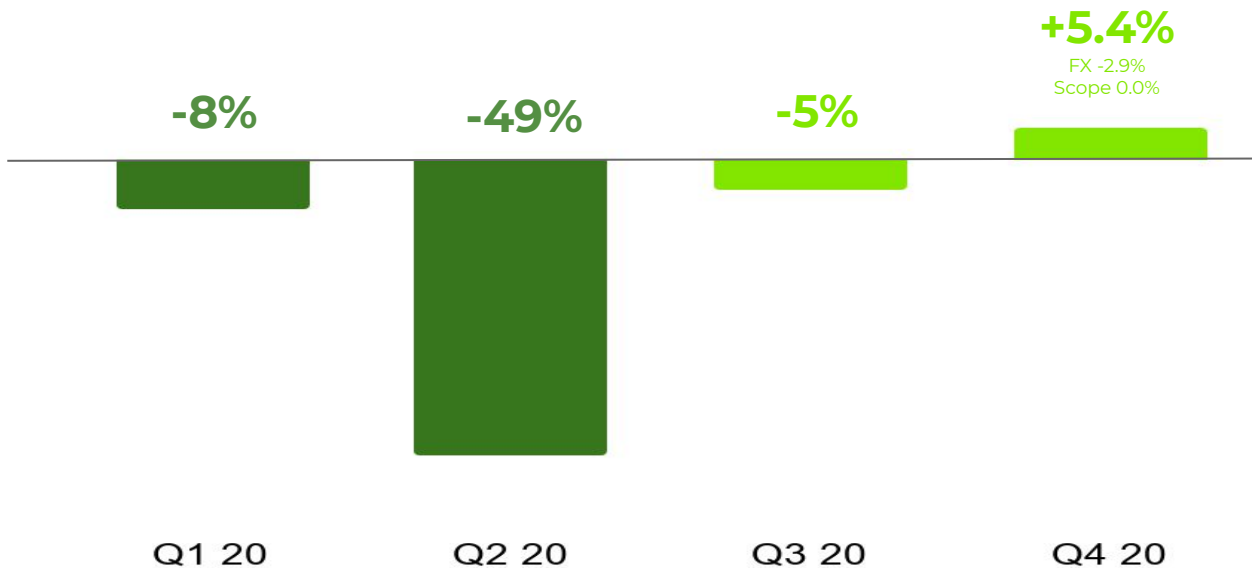
5.4%\* OEM SALES GROWTH IN Q4

\*Like for like & Excl. Top Column Modules

# 2020 OEM SALES QUARTERLY PERFORMANCE

## TROUGH REACHED IN Q2 FOLLOWED BY A STRONG RECOVERY IN H2

Like for like  
excl. Top Column Modules



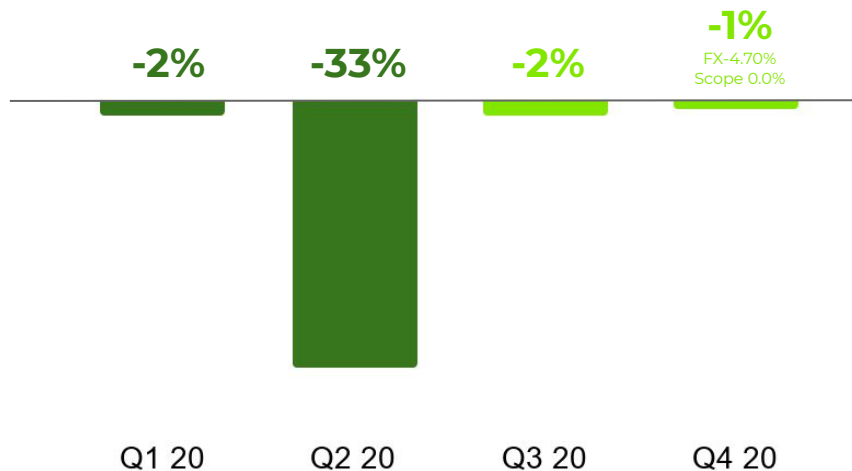
# 2020 AFTERMARKET & MISCELLANEOUS QUARTERLY PERFORMANCE

## TROUGH REACHED IN Q2 FOLLOWED BY A STRONG RECOVERY IN H2

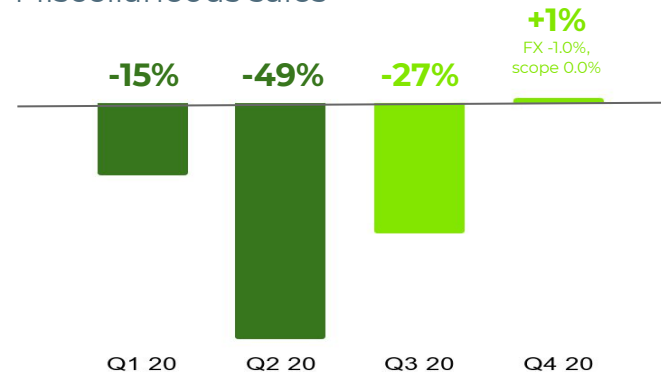
Like for like

excl. Top Column Modules

### Aftermarket sales



### Miscellaneous sales



# ACCELERATION IN ALL REGIONS

5PTS OUTPERFORMANCE EXCL. REGION MIX

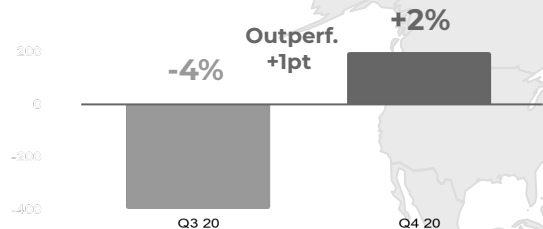
10PTS OUTPERFORMANCE IN CHINA & 8PTS IN NORTH AMERICA

Q4  
2020

Like for like

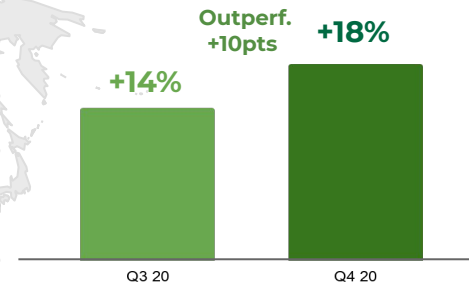
## Europe <sup>(1)</sup>

46% of Valeo sales <sup>(2)</sup>



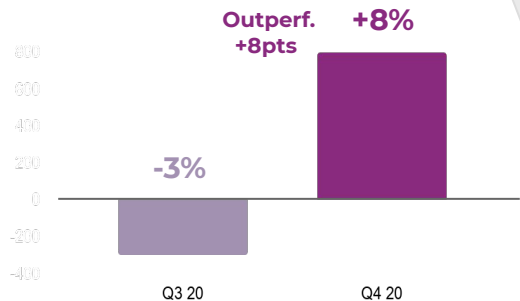
## China

16% of Valeo sales <sup>(2)</sup>



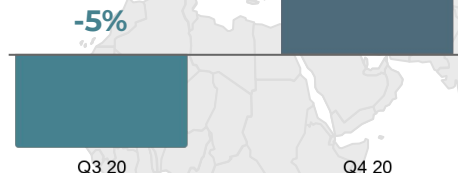
## North America

18% of Valeo sales <sup>(2)</sup>



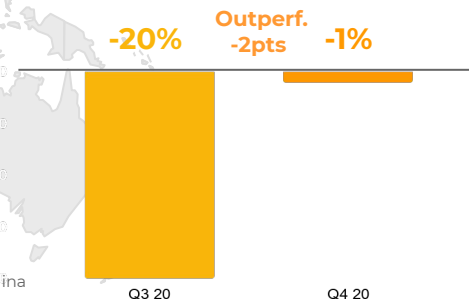
## World

Outperf. +2.4pts  
Excl. region mix  
+5pts



## Asia<sup>(1)</sup> excl. China

18% of Valeo sales <sup>(2)</sup>



## South America (2% of Valeo sales) <sup>(2)</sup>

Q3 2020 = -10% / Q4 2020 = +24% (outperf. +24pts)

(1) Europe including Africa, Asia including Middle East

(2) Valeo OEM sales by destination excl. Top Column Modules

Outperformance based on IHS estimates - China Passenger Car Association (CPCA) estimates for China

# ACCELERATION IN ALL ASIAN COUNTRIES

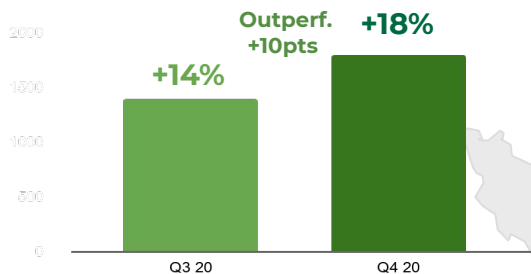
## IMPROVING OUTPERFORMANCE IN JAPAN AND SOUTH KOREA

Q4  
2020

Like for like

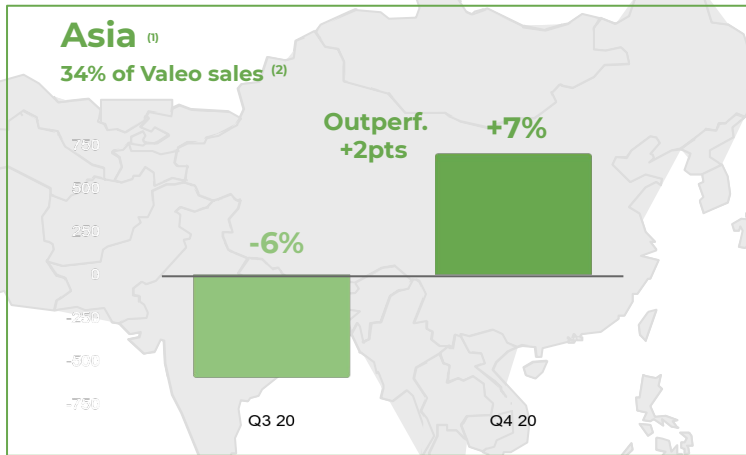
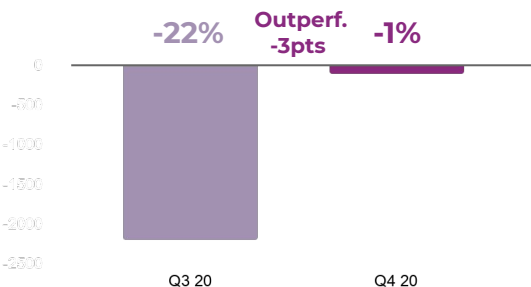
### China

48% of Asian sales



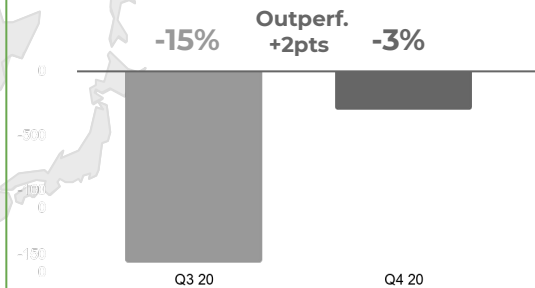
### Japan

21% of Asian sales



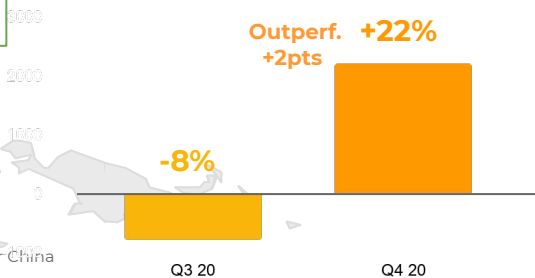
### South Korea

23% of Asian sales



### India

3% of Asian sales



(1) Asia including Middle East

(2) Valeo OEM sales by destination excl. Top Column Modules

Outperformance based on IHS estimates – China Passenger Car Association (CPCA) estimates for China

# OUTPERFORMANCE IN ALL BUSINESS GROUPS

Q4  
2020

OEM sales  
Like for like

+7%

+5%

+4%

+5%

Q4 total sales  
In €m

976

1,324

1,126

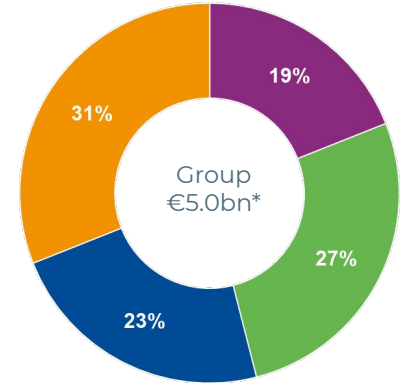
1,533

Comfort & Driving Assistance\*

Powertrain

Thermal

Visibility



Total reported sales

+6%

+1%

0%

-1%

Outperformance

+4pts

+2pts

+1pt

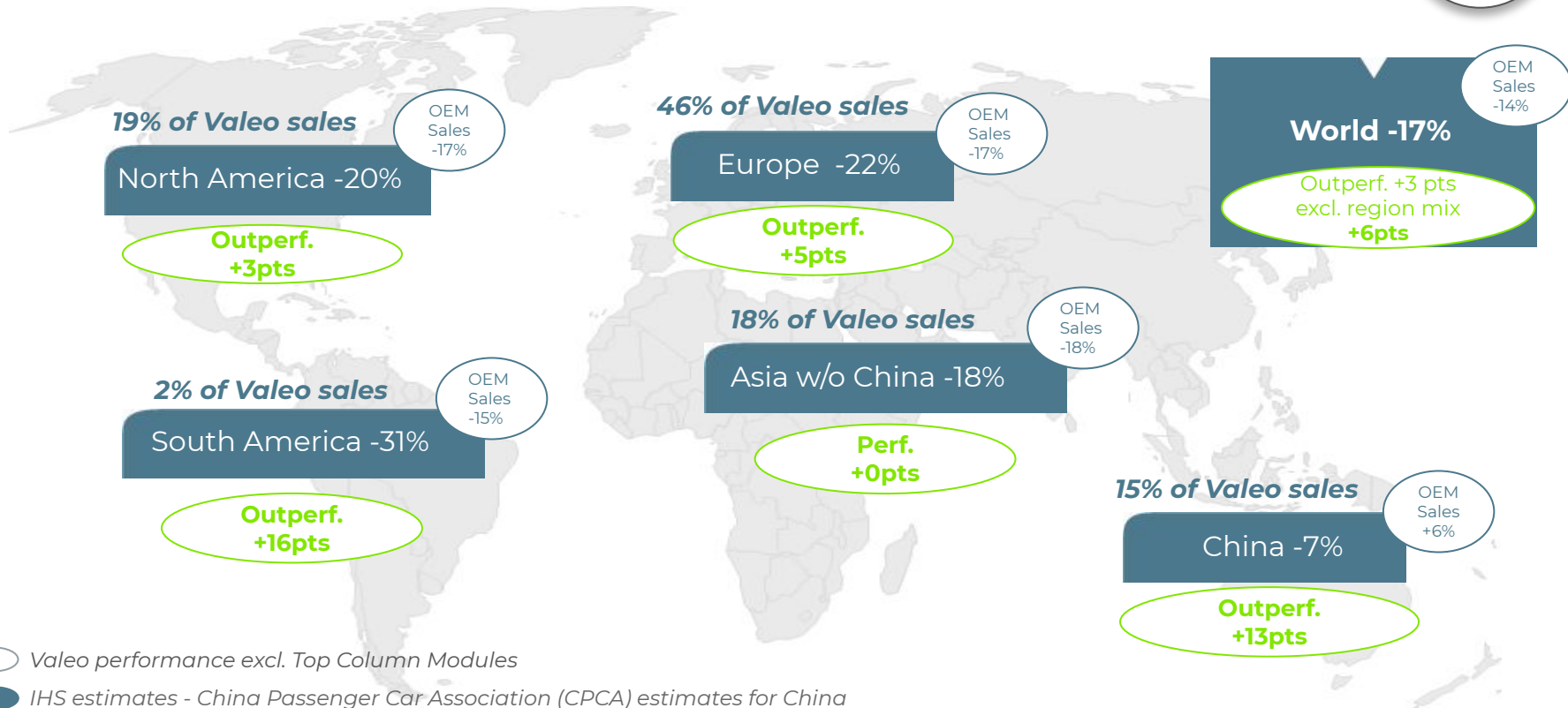
+2pts

\*excl. TCM

# 6PTS OUTPERFORMANCE EXCL. REGION MIX

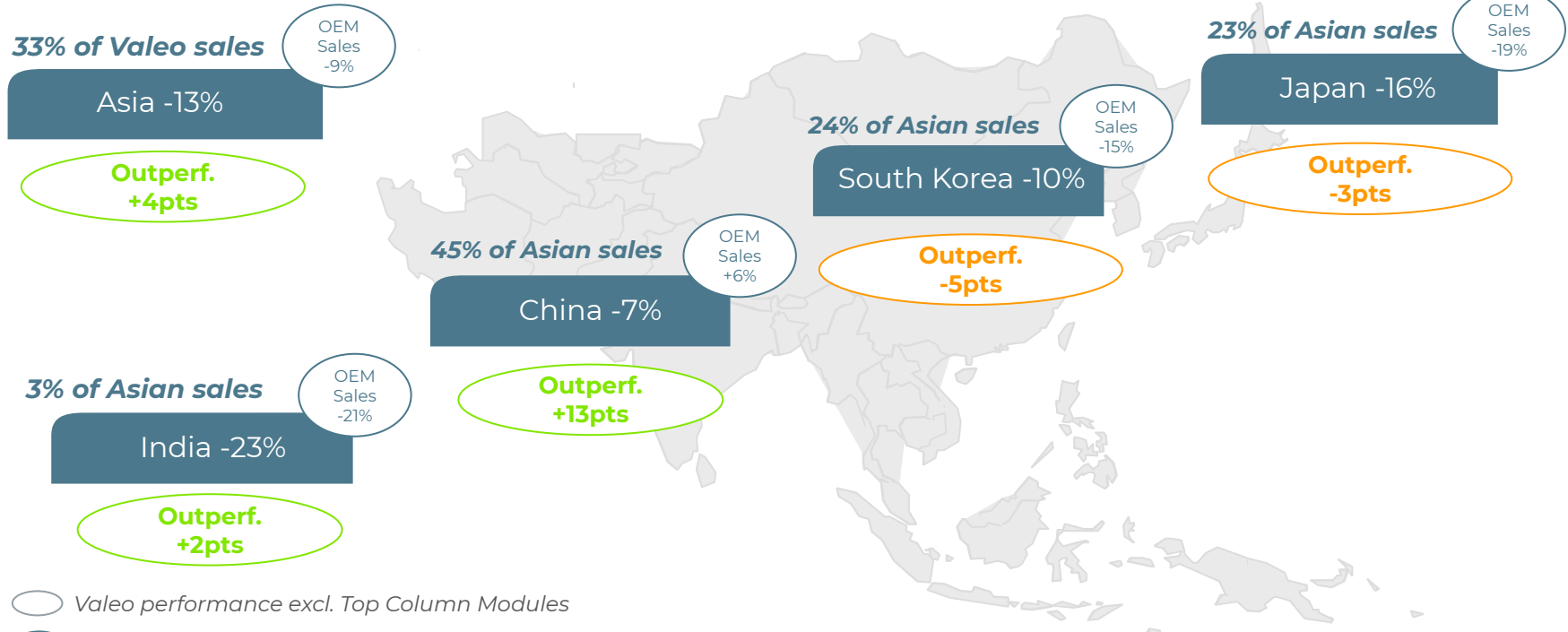
## 13PTS OUTPERFORMANCE IN CHINA

FY  
2020



# 4PTS OUTPERFORMANCE IN ASIA

FY 2020



○ Valeo performance excl. Top Column Modules

● IHS estimates - China Passenger Car Association (CPCA) estimates for China



# 04 H2 EBITDA MARGIN OF 13.9%

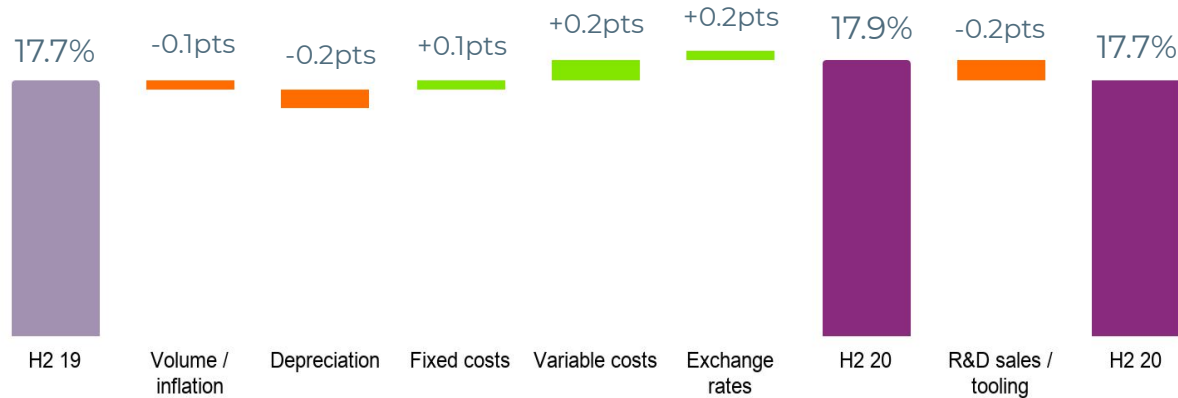
THANKS TO TECHNOLOGICAL PLATFORMS  
COMBINED WITH INTENSE OPERATIONAL EFFORTS

# GROSS MARGIN IMPROVEMENT THANKS TO COST REDUCTION

H2  
2020

Excluding Top Column Modules

As a % of sales



Lower volumes

Increase in depreciation due to lower sales

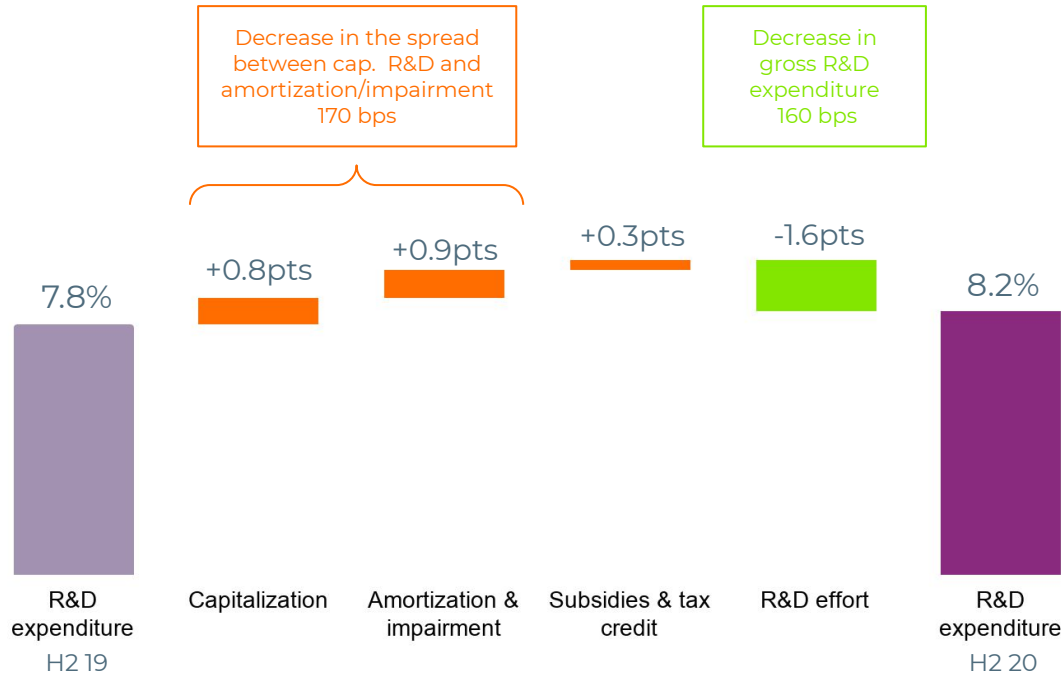
Operational efficiency with lower fixed and variable costs

Lower R&D sales driven by lower R&D expenditure

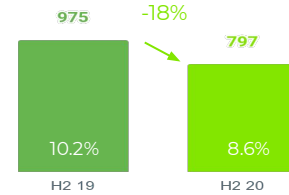
# LOWER GROSS R&D EXPENDITURE OFFSETTING REDUCTION IN NET POSITIVE IMPACT OF R&D CAPITALIZATION...

H2  
2020

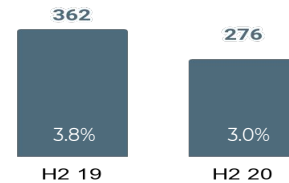
Excluding Top Column Modules  
As a % of sales



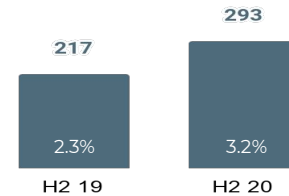
Gross R&D expenditure  
In €m and as a % of sales



Capitalized development expenditure



Amortization and impairment  
of capitalized development expenditure (net of subsidies)



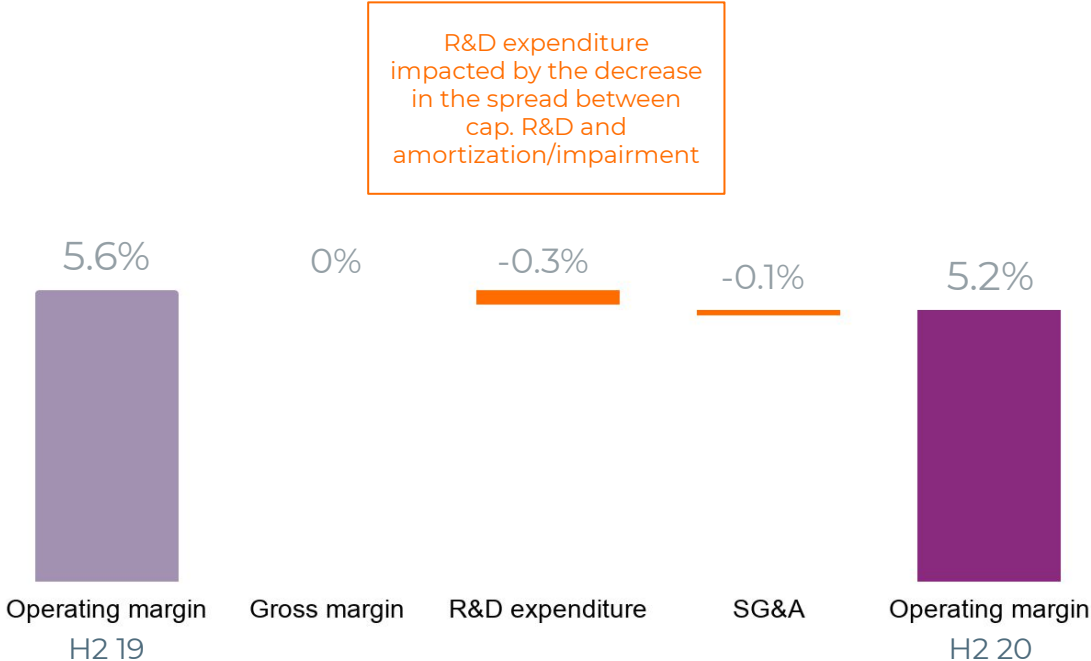
...THANKS TO TECHNOLOGICAL PLATFORMS AND COST REDUCTION MEASURES

# H2 OPERATING MARGIN\* AT 5.2% OF SALES



Excluding Top Column Modules

As a % of sales

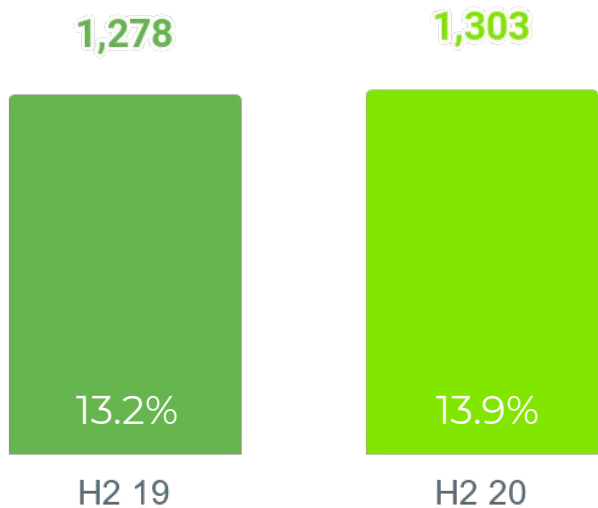


\*Excl. JV & Associates

# H2 EBITDA MARGIN IMPROVEMENT TO 13.9% OF SALES

H2  
2020

In €m and as a % of sales



Business Groups	H2 19	H2 20
Comfort & Driving Assistance	17.2%	17.7%
Powertrain	14.3%*	12.9%
Thermal	10.7%	13.0%
Visibility	11.2%	12.6%
Group	13.2%	13.9%

\*including non recurring of 1.2pts

# EBITDA MARGIN OF 13.9% OF SALES

H2  
2020

	H2 2019*	H2 2020*	▲
Total Sales (€m)	<b>9,588</b>	<b>9,267</b>	<b>-3%</b>
<b>Gross margin</b>	<b>1,697</b>	<b>1,643</b>	<b>-3%</b>
<i>As a % of sales</i>	17.7%	17.7%	0bps
R&D expenditure	(750)	(756)	1%
<i>As a % of sales</i>	(7.8)%	(8.2)%	-40bps
SG&A	(410)	(407)	-1%
<i>As a % of sales</i>	(4.3)%	(4.4)%	-10bps
<b>Operating margin excl. JV &amp; associates</b>	<b>537</b>	<b>480</b>	<b>-11%</b>
<i>As a % of sales</i>	5.6%	5.2%	-40bps
JV & associates	(130)	(112)	na
<i>As a % of sales</i>	(1.4)%	(1.2)%	+20bps
<b>Operating margin incl. JV &amp; associates</b>	<b>407</b>	<b>368</b>	<b>-10%</b>
<i>As a % of sales</i>	4.2%	4.0%	-20bps
<b>EBITDA (incl. TCM)</b>	<b>1,278</b>	<b>1,303</b>	<b>2%</b>
<i>As a % of sales</i>	13.2%	13.9%	+70bps

R&D expenditure impacted by the decrease in the spread between cap. R&D and amortization/impairment

\*Excluding Top Column Modules

## H2 NET INCOME OF €126M OR 1.3% OF SALES

H2  
2020

	H2 2019	H2 2020	▲
Total Sales (€m)	<b>9,701</b>	<b>9,378</b>	<b>-3%</b>
<b>Operating margin incl. JV &amp; associates</b>	<b>390</b>	<b>356</b>	<b>-9%</b>
<i>As a % of sales</i>	4.0%	3.8%	-20bps
Other income & expenses	(35)	(72)	106%
<i>As a % of sales</i>	(0.4)%	(0.8)%	-40bps
Operating income	355	284	-20%
<i>As a % of sales</i>	3.7%	3.0%	-70bps
Cost of net debt	(36)	(34)	-6%
Other financial income & expenses	2	8	300%
Income before taxes	321	258	-20%
Income taxes	(133)	(108)	-19%
<i>Effective tax rate</i>	29.5%	29.2%	-30bps
Non-controlling interests and other	(37)	(24)	-35%
<b>Net income</b>	<b>151</b>	<b>126</b>	<b>-17%</b>
<i>As a % of sales</i>	1.6%	1.3%	-30bps
EPS	0.63	0.53	-16%
ROCE	13%*	15%**	N/A
ROA	8%*	9%**	N/A

With restructuring effort  
in line with our guidance

Tax rate of 29.2%

\*Full year excluding Top Column Modules \*\*H2 annualized excluding Top Column Modules

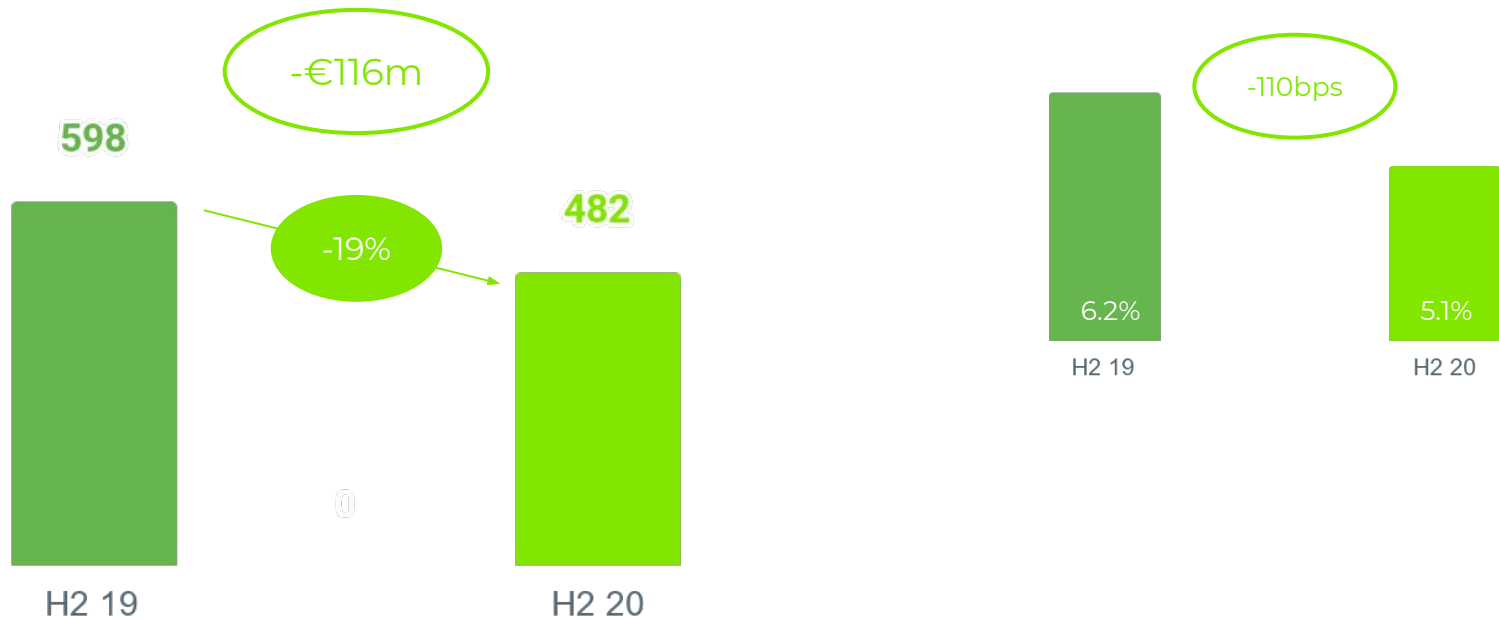
**05 H2 RECORD FCF OF €1.34BN  
FY FREE CASH FLOW OF €294M  
NET DEBT REDUCED TO €2.9BN**



# RECORDED CAPEX\* DOWN 19% TO €482M OR 5.1% OF SALES

H2  
2020

In €m and as a % of sales



\*Excl. Capitalized R&D

# H2 RECORD FREE CASH FLOW

## NET DEBT REDUCTION AT €2.9BN

H2  
2020

	H2 2019	H2 2020
EBITDA (€m)	<b>1,278</b>	<b>1,303</b>
Change in operating working capital	71	840
Restructuring & social costs	(27)	(32)
Other operating items (incl. taxes)	(240)	(153)
<i>of which: Taxes</i>	(140)	(82)
<i>Pensions</i>	(32)	(70)
<i>IFRS 16 leases</i>	(38)	(43)
Cash from operating activities* (€m)	1,082	1,958
PP&E CAPEX	(431)	(336)
Capitalized R&D	(369)	(279)
<b>Free cash flow* (€m)</b>	<b>282</b>	<b>1,343</b>
Interest	(15)	(13)
Other financial items	(211)	(141)
Net cash flow (€)	56	1,189
<b>Net debt (€m)</b>	<b>2,817</b>	<b>2,944</b>

\*Excl. sale of trade receivables

### EBITDA:

Improvement in efficiency  
Strong decrease in cash R&D

### Working Capital:

Recovery in activity  
Lower inventories and overdues  
Higher sales of toolings

Lower investments in PP&E

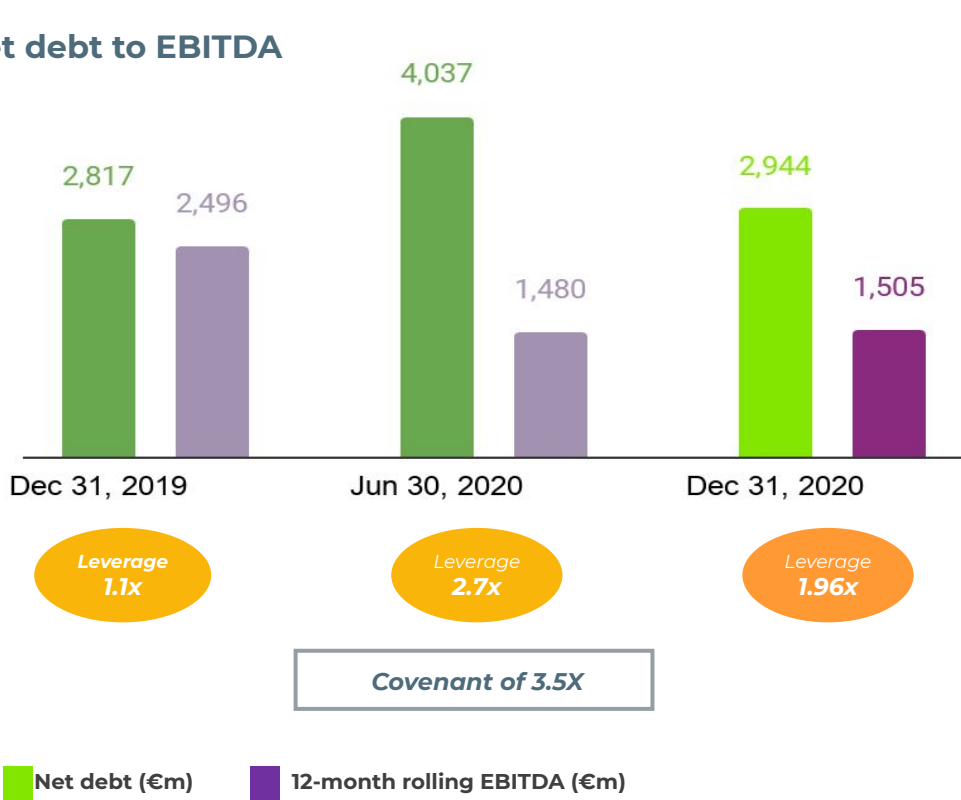
**Free cash flow of €1.34bn**

**Net debt below €3bn, 1 year ahead of schedule**

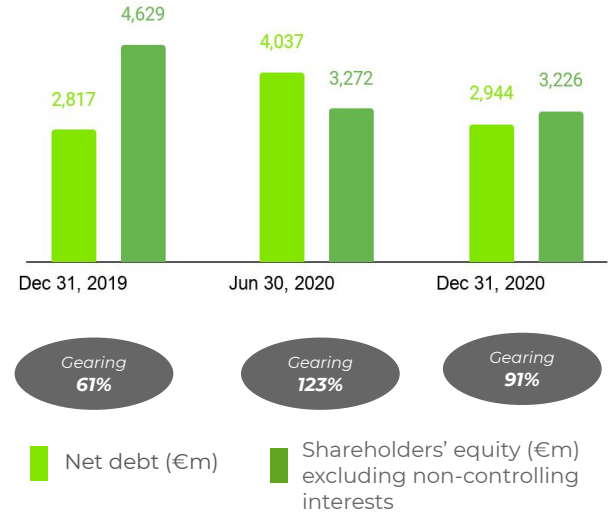
# SHARP DECREASE VS H1 2020 IN NET DEBT TO < €3BN

## WITH STRONG IMPROVEMENT OF DEBT RATIO

### Net debt to EBITDA



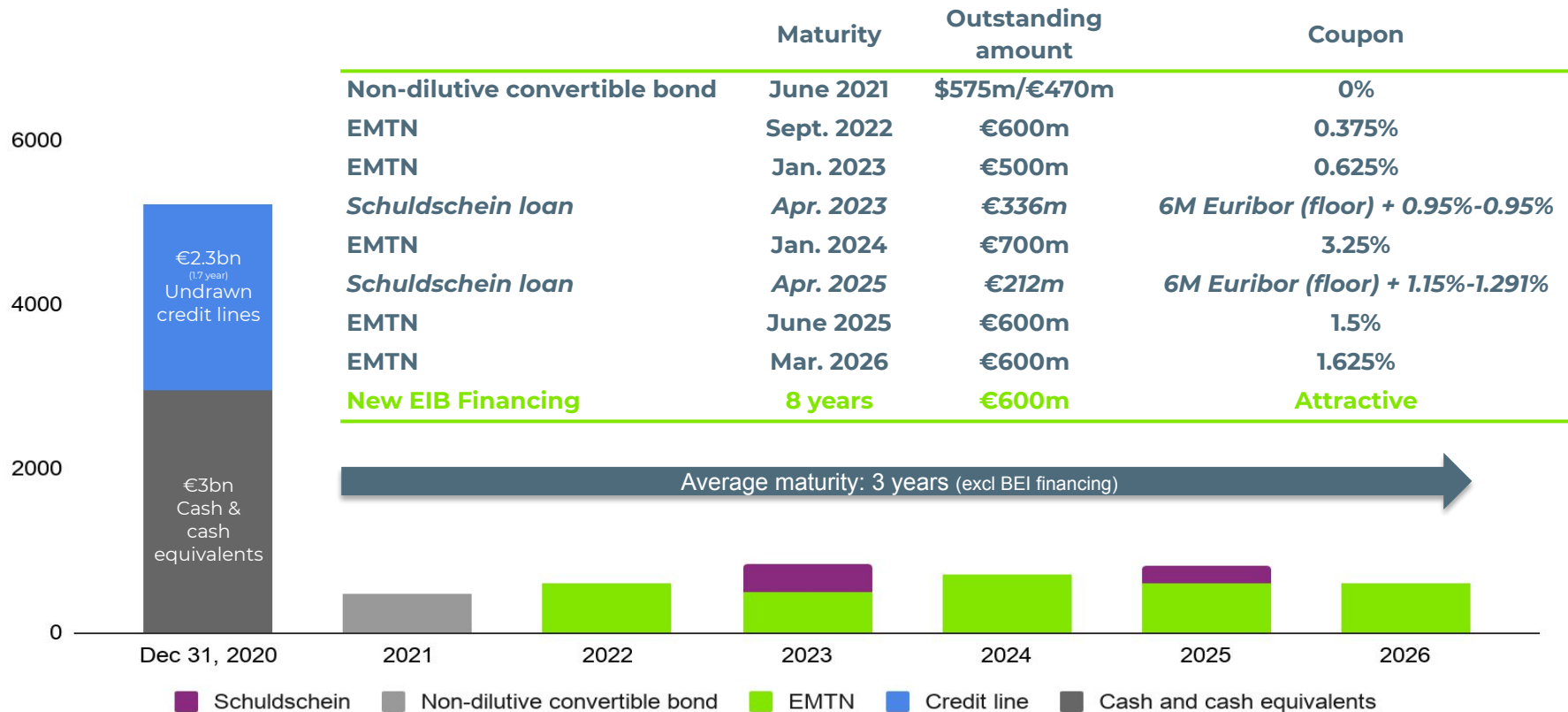
### Shareholders' equity and net debt



	LT	Outlook	ST
Moody's	Baa3	Negative	Prime-3
S&P	BB+	Stable	B

# SOUND LIQUIDITY AND DEBT PROFILE

€3BN CASH & CASH EQUIVALENTS + €2.3BN IN UNDRAWN CREDIT LINES



# 06 ORDER INTAKE

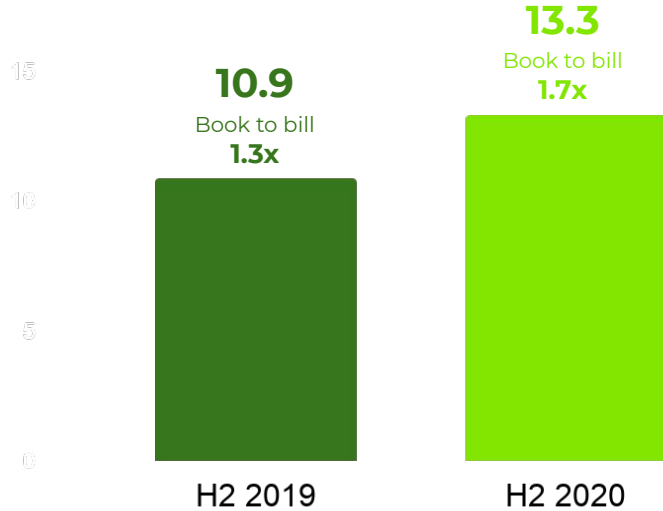
BACK TO NORMAL LEVEL

# ORDER INTAKE BACK TO NORMAL LEVEL

## €13.3BN ORDER INTAKE IN H2

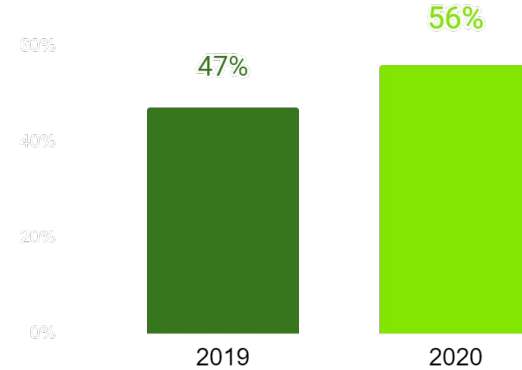
### Order intake & book to bill

excluding Top Column Modules  
In €bn



Book to bill at 1.7x vs 1.3x in H2 19

### Innovative products in 2020\*



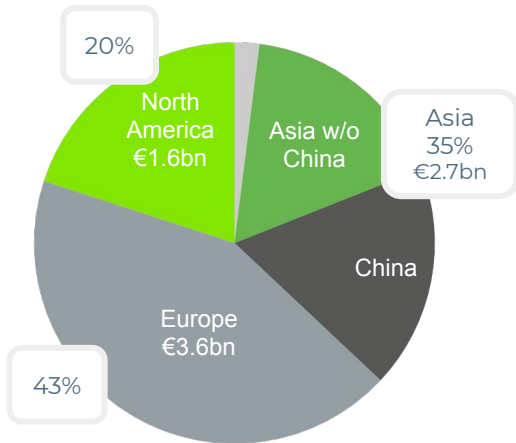
\*Products and technologies sold by less than 3 years excl. Valeo Siemens eAutomotive

# H2 BOOK TO BILL AT 1.7 TIMES OEM SALES

Excluding Top Column Modules

H2  
2020

## OEM sales of €8bn

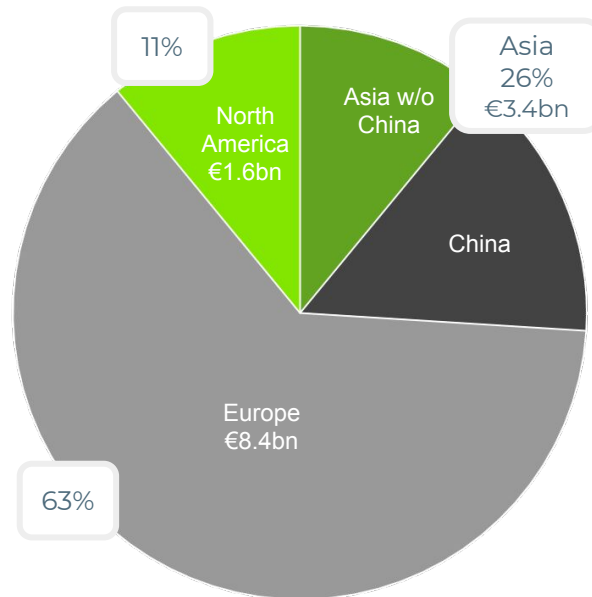


## % of H2 2020 OEM sales\*

## Order intake/ OEM sales ratio

Asia	1.3x
<i>of which China</i>	1.4x
Europe	2.4x
North America	1.0x
Group	1.7x

## Order intake of €13.3bn



## % of H2 2020 order intake\*

\*OEM sales and order intake by destination incl. joint ventures but excluding Valeo Siemens eAutomotive, excl. TCM

# 07 DIVIDEND AND 2021 OUTLOOK

SUCCESSFUL TRANSFORMATION THANKS TO OUR  
TECHNOLOGICAL PLATFORMS



**INCREASE IN DIVIDEND  
FROM €0.20 TO €0.30 PER SHARE  
TO BE PROPOSED AT THE NEXT AGM**

# ACCELERATION IN GROWTH...

## Valeo Siemens eAutomotive



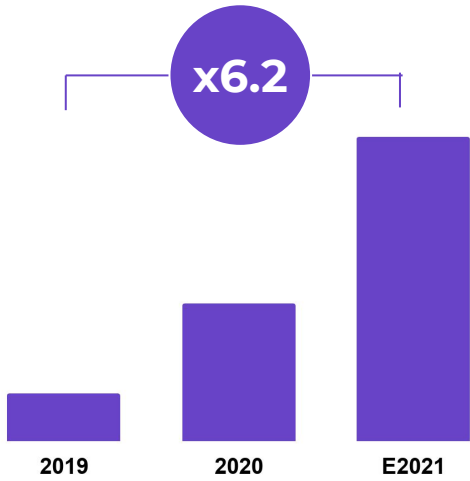
VSeA launches on 60 vehicles up to 2022

## Valeo 48V



Valeo 48V launches on 60 vehicles up to 2022

## Valeo front camera



#1 position in ADAS

...IN LINE WITH OUR 2019 INVESTOR DAY

# 2021 OUTLOOK

Our base scenario for the top end of our 2021 guidance range is 10% growth in global automotive production. This scenario is based on the assumption that production losses resulting from electronic component shortages in the first half of the year will be offset in the second half.

In this context, the Group has set the following objectives for 2021:

- Continued outperformance
- improved financial performance despite additional costs, estimated at around 80 million euros, related to supply disruptions and the increase in certain raw material prices:

	2021	2020
Sales (in €bn)*	17.6 - 18.2	16.2
OEM Sales (in €bn)*	14.9 - 15.5	13.6
EBITDA (in €m)**	2,250 - 2,450	1,505
<i>As a % of sales</i>	<i>12.8% - 13.4%</i>	<i>9.2%</i>
Free cash flow (in €m)**	330 - 550	294

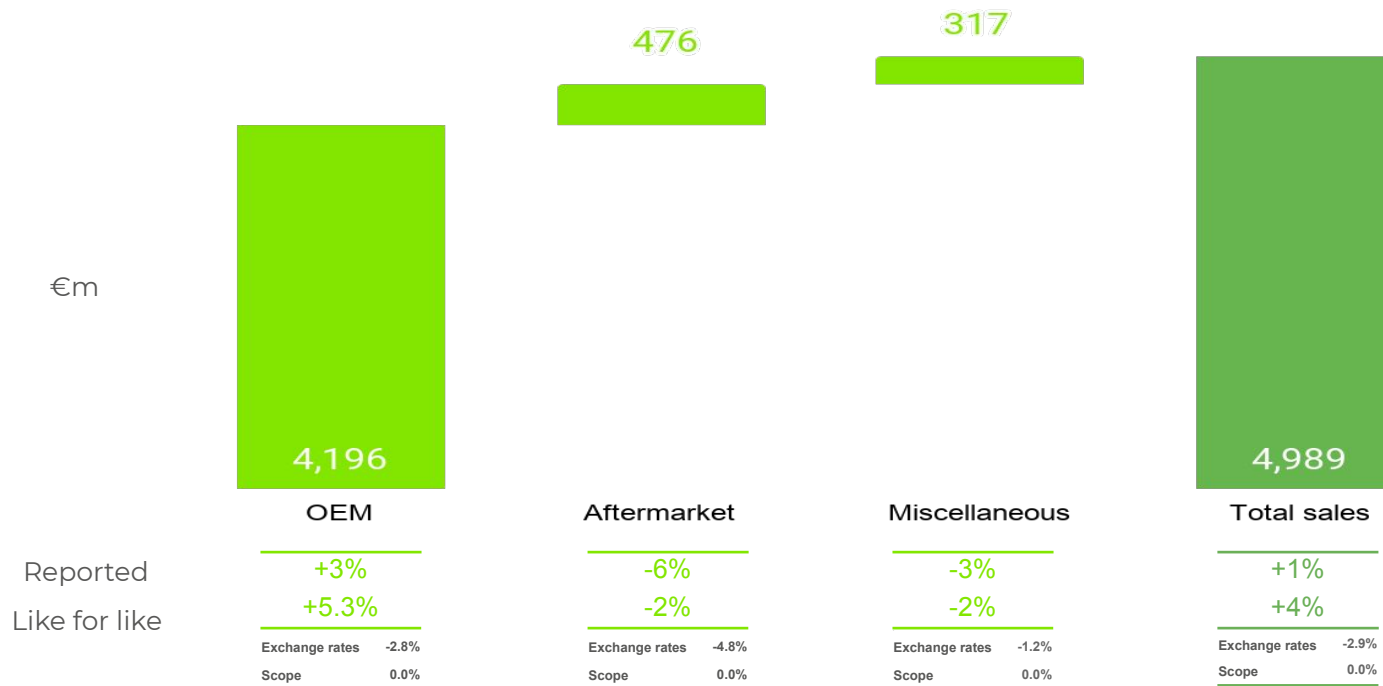
\*Excl. Top Column Modules \*\*Incl. Top Column Modules

- acceleration in growth for the Valeo Siemens eAutomotive joint venture and a reduction in its negative contribution to “Share in net earnings of equity-accounted companies”.

# 08 BACKUP SLIDES

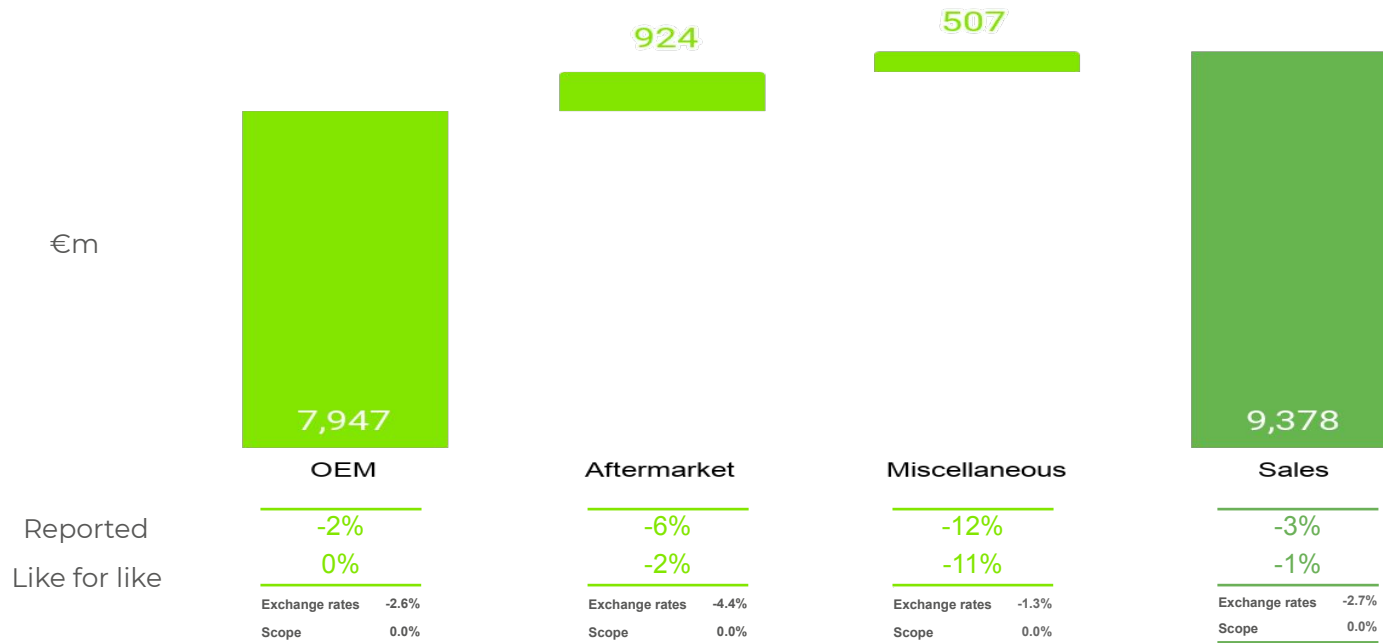
# GROWTH ACCELERATION IN Q4 ACROSS ALL SEGMENTS

Q4  
2020



# H2 SALES OF €9.4BN

H2  
2020



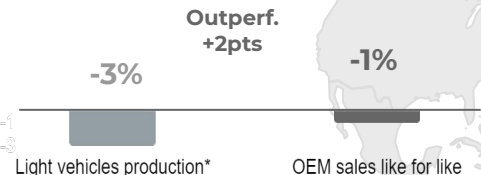
# OEM SALES OUTPERFORMANCE IN H2

## INCLUDING 8PTS OUTPERFORMANCE IN CHINA

H2  
2020

### Europe <sup>(1)</sup>

45% of Valeo sales <sup>(2)</sup>

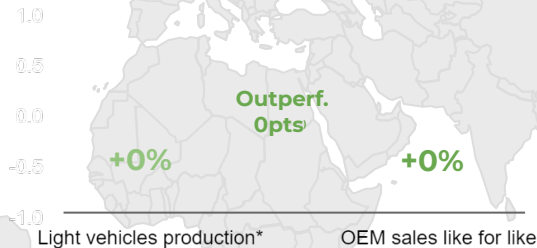


### North America

20% of Valeo sales <sup>(2)</sup>



### World



### South America (2% of Valeo sales) <sup>(2)</sup>

Light vehicle production = -11%, OEM sales like-for-like = +5%  
16 pts outperformance

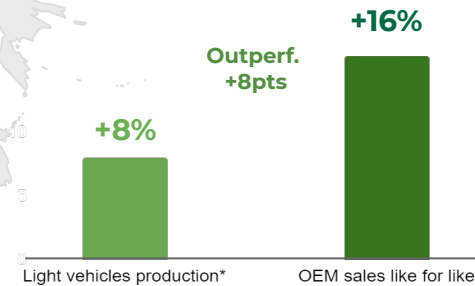
(1) Europe including Africa, Asia including Middle East

(2) Valeo OEM sales by destination

\*IHS estimates – China Passenger Car Association (CPCA) estimates for China

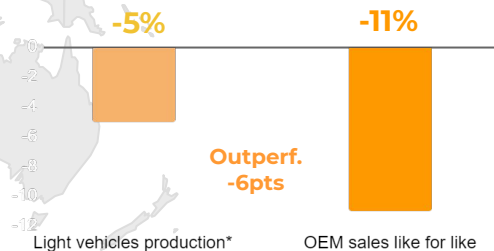
### China

16% of Valeo sales <sup>(2)</sup>



### Asia<sup>(1)</sup> excl. China

17% of Valeo sales <sup>(2)</sup>

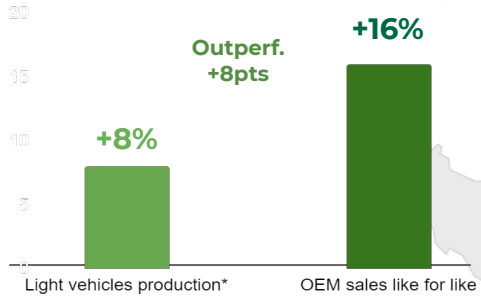


# OEM SALES OUTPERFORMANCE IN ASIA

H2 2020

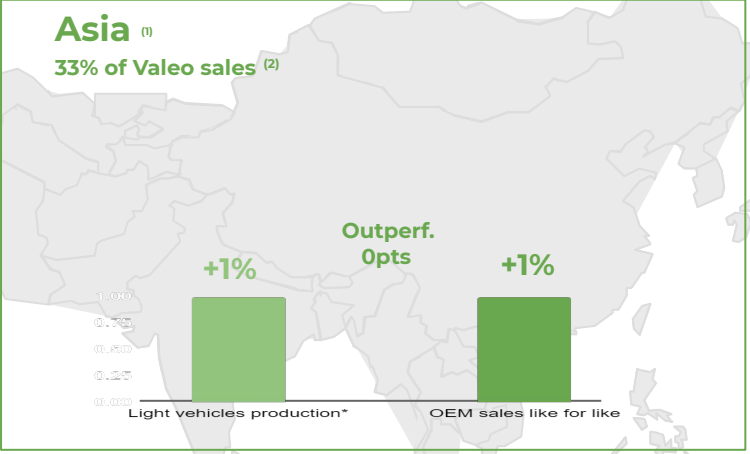
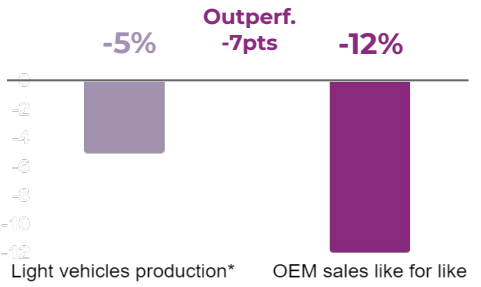
## China

49% of Asian sales



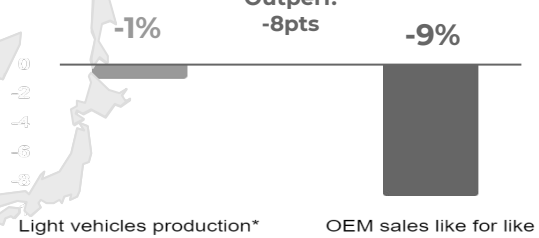
## Japan

21% of Asian sales



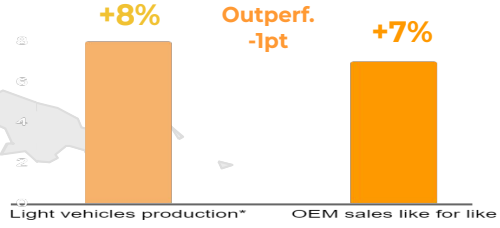
## South Korea

23% of Asian sales



## India

3% of Asian sales

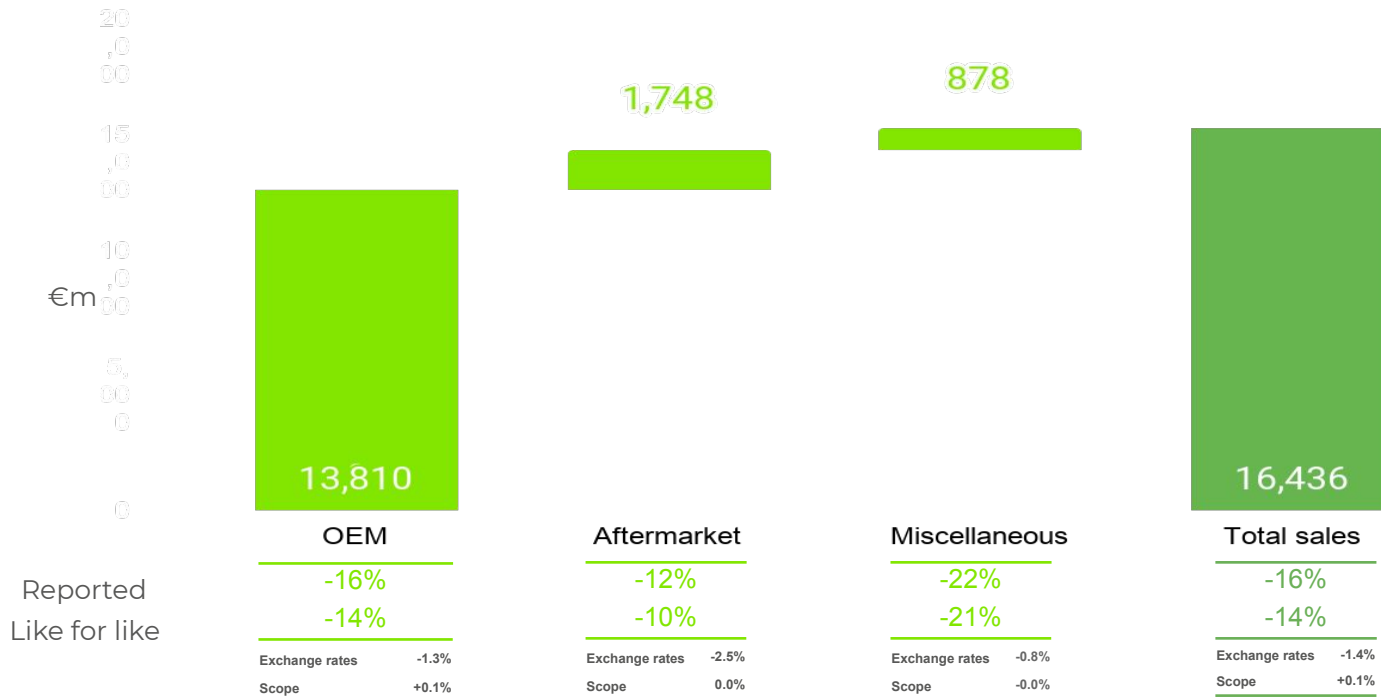


(1) Asia including Middle East  
 (2) Valeo OEM sales by destination  
 \*IHS estimates – China Passenger Car Association (CPCA) estimates for China



# 2020 FY SALES OF €16.4BN

FY  
2020



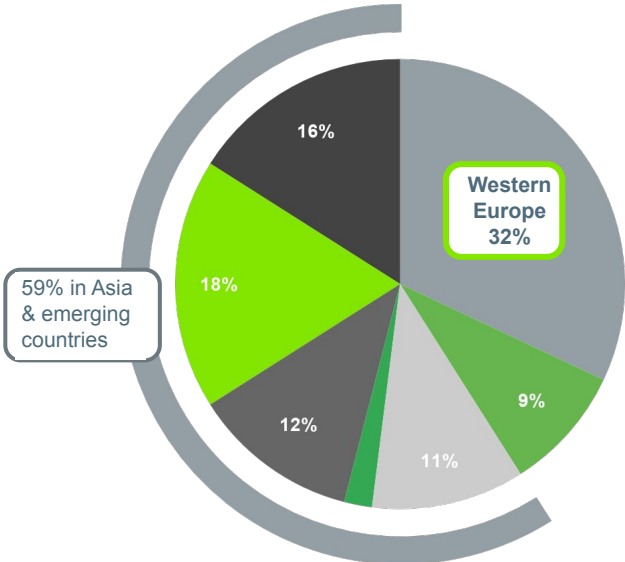
# GEOGRAPHIC POSITIONING

FY 2020

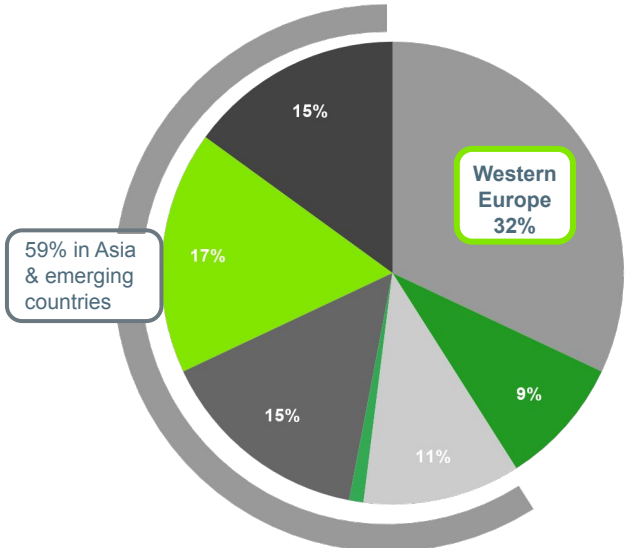
## OEM sales by production region

% of OEM sales

- Western Europe
- US
- Mexico
- SA
- China
- Asia
- Eastern Europe



FY 19

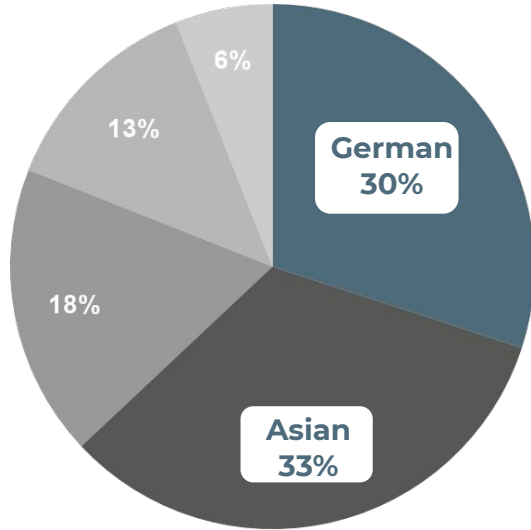


FY 20

# CUSTOMER PORTFOLIO

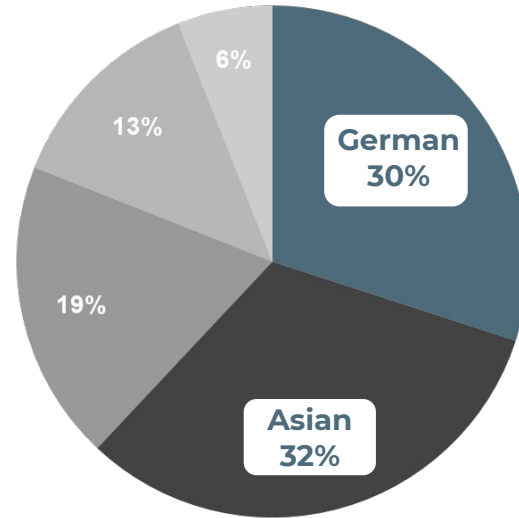
% of OEM sales

FY 2020



FY 19

- German
- Asian
- American
- French
- Others



FY 20

# OPERATING MARGIN AND EBITDA MARGIN

	H2 2019	H2 2020	▲	FY 2019	FY 2020	▲
Total Sales (€m)	<b>9,701</b>	<b>9,378</b>	<b>-3%</b>	<b>19,477</b>	<b>16,436</b>	<b>-16%</b>
<b>Gross margin</b>	<b>1,700</b>	<b>1,648</b>	<b>-3%</b>	<b>3,454</b>	<b>2,155</b>	<b>-38%</b>
<i>As a % of sales</i>	17.5%	17.6%	+10bps	17.7%	13.1%	-460bps
R&D expenditure	(765)	(767)	0%	(1,550)	(1,695)	+9%
<i>As a % of sales</i>	(7.9)%	(8.2)%	-30bps	(8.0)%	(10.3)%	-230bps
SG&A	(415)	(413)	0%	(870)	(832)	-4%
<i>As a % of sales</i>	(4.3)%	(4.4)%	-10bps	(4.5)%	(5.1)%	-60bps
<b>Operating margin excl. JV &amp; associates</b>	<b>520</b>	<b>468</b>	<b>-10%</b>	<b>1,034</b>	<b>(372)</b>	<b>-136%</b>
<i>As a % of sales</i>	5.4%	5.0%	-40bps	5.3%	(2.3)%	-760bps
JV & associates	(130)	(112)	na	(237)	(278)	na
<i>As a % of sales</i>	(1.3)%	(1.2)%	+10bps	(1.2)%	(1.7)%	-50bps
<b>Operating margin incl. JV &amp; associates</b>	<b>390</b>	<b>356</b>	<b>-9%</b>	<b>797</b>	<b>(650)</b>	<b>-182%</b>
<i>As a % of sales</i>	4.0%	3.8%	-20bps	4.1%	(4.0)%	-810bps
<b>EBITDA</b>	<b>1,278</b>	<b>1,303</b>	<b>+2%</b>	<b>2,496</b>	<b>1,505</b>	<b>-40%</b>
<i>As a % of sales</i>	13.2%	13.9%	+70bps	12.8%	9.2%	-360bps

\*Excl JV & Associates

# NET INCOME

	H2 2019	H2 2020	▲	FY 2019	FY 2020	▲
Total Sales (€m)	<b>9,701</b>	<b>9,378</b>	<b>-3%</b>	<b>19,477</b>	<b>16,436</b>	<b>-16%</b>
<b>Operating margin incl. JV &amp; associates</b>	<b>390</b>	<b>356</b>	<b>-9%</b>	<b>797</b>	<b>(650)</b>	-182%
<i>As a % of sales</i>	4.0%	3.8%	-20bps	4.1%	(4.0)%	-810bps
Other income & expenses	(35)	(72)	106%	(65)	(207)	219%
<i>As a % of sales</i>	(0.4)%	(0.8)%	-40bps	(0.3)%	(1.3)%	-100bps
Operating income	355	284	-20%	732	(857)	-217%
<i>As a % of sales</i>	3.7%	3.0%	-70bps	3.8%	(5.2)%	-900bps
Cost of net debt	(36)	(34)	-6%	(73)	(67)	-8%
Other financial income & expenses	2	8	300%	(2)	(14)	600%
Income before taxes	321	258	-20%	657	(938)	-243%
Income taxes	(133)	(108)	-19%	(263)	(132)	-50%
<i>Effective tax rate</i>	29.5%	29.2%	-30bps	29.4%	20.0%	-940bps
Non-controlling interests and other	(37)	(24)	-35%	(81)	(19)	-77%
<b>Net income (loss)</b>	<b>151</b>	<b>126</b>	<b>-17%</b>	<b>313</b>	<b>(1,089)</b>	<b>-448%</b>
<i>As a % of sales</i>	1.6%	1.3%	-30bps	1.6%	(6.6)%	-820bps
EPS	<b>0.63</b>	<b>0.53</b>	<b>-16%</b>	<b>1.31</b>	<b>(4.55)</b>	<b>-447%</b>

# FREE CASH FLOW

	FY 2019	FY 2020
EBITDA (€m)	<b>2,496</b>	<b>1,505</b>
Change in operating working capital	301	266
Restructuring & social costs	(37)	(62)
Other operating items (incl. taxes)	(475)	(86)
<i>of which: Taxes</i>	(292)	(188)
<i>Pensions</i>	(33)	(86)
<i>IFRS 16 leases</i>	(84)	(86)
Cash from operating activities* (€m)	2,285	1,623
PP&E CAPEX	(997)	(731)
Capitalized R&D	(769)	(598)
<b>Free cash flow* (€m)</b>	<b>519</b>	<b>294</b>
Interest	(71)	(75)
Other financial items	(658)	(302)
Net cash flow (€)	(210)	(83)
<b>Net debt (€m)</b>	<b>2,817</b>	<b>2,944</b>

\*Excl. sale of trade receivables

# RECONCILIATION OF VALEO AND TOP COLUMN MODULE (TCM) DATA

The Group decided to withdraw from the TCM Segment.

The table below reconciles reported consolidated data excluding the TCM business.

H2 2020	TCM*	H2 2020 excluding			2020	TCM*	2020 excluding
9,378	111	9,267	Sales	(in €m)	16,436	196	16,240
1,648	5	1,643	Gross margin	(in €m)	2,155	(30)	2,185
17.6%	4.5%	17.7%		(as a % of sales)	13.1%	(15.3%)	13.5%
(767)	(11)	(756)	R&D expenditure	(in €m)	(1,695)	(20)	(1,675)
(8.2%)	(9.9%)	(8.2%)		(as a % of sales)	(10.3%)	(10.2%)	(10.3%)
(413)	(6)	(407)	Selling and administrative expenses	(in €m)	(832)	(12)	(820)
(4.4%)	(5.4%)	(4.4%)		(as a % of sales)	(5.1%)	(6.1%)	(5.0%)
468	(12)	480	Operating margin excluding share in net earnings (losses) of equity-accounted companies	(in €m)	(372)	(62)	(310)
5.0%	(10.6%)	5.2%		(as a % of sales)	(2.3%)	(31.6%)	(1.9%)

\* Including intercompany transactions.

# SEGMENT INFORMATION

<u>2020</u>	Comfort & Driving Assistance Systems*	Powertrain Systems	Thermal Systems	Visibility Systems	Others	Total
(€m)						
<b>Sales:</b>						
• segment (excluding Group)	3,204	4,223	3,650	4,957	402	16,436
• intersegment (Group)	24	147	53	67	(291)	0
<b>EBITDA</b>	<b>412</b>	<b>409</b>	<b>247</b>	<b>435</b>	<b>(2)</b>	<b>1,505</b>
Research & Development expenditure, net	(676)	(287)	(275)	(422)	(355)	(1,695)
Investments in property, plant & equipment & intangible asset	389	344	362	424	39	1,558
Segment assets	2,548	3,317	2,586	2,830	181	11,462

<u>2019</u>	Comfort & Driving Assistance Systems*	Powertrain Systems	Thermal Systems	Visibility Systems	Others	Total
(€m)						
<b>Sales:</b>						
• segment (excluding Group)	3,591	4,998	4,516	5,923	449	19,477
• intersegment (Group)	58	123	66	91	(338)	0
<b>EBITDA</b>	<b>599</b>	<b>685</b>	<b>502</b>	<b>660</b>	<b>50</b>	<b>2,496</b>
Research & Development expenditure, net	(579)	(293)	(274)	(360)	(44)	(1,550)
Investments in property, plant & equipment & intangible asset	534	418	460	522	52	1,986
Segment assets	2,813	3,561	2,861	3,124	300	12,659

\*excl. TCM



# GLOSSARY

- **Order intake** corresponds to business awarded by automakers during the period to Valeo, and to joint ventures and associates based on Valeo's share in net equity, (except Valeo Siemens eAutomotive, for which 100% of orders are taken into account), less any cancellations, based on Valeo's best reasonable estimates in terms of volumes, selling prices and project lifespans. *Unaudited indicator*.
- **Like for like (or LFL)**: the currency impact is calculated by multiplying sales for the current period by the exchange rate for the previous period. The Group structure impact is calculated by (i) eliminating, for the current period, sales of companies acquired during the period, (ii) adding to the previous period full-year sales of companies acquired in the previous period, and (iii) eliminating, for the current period and for the comparable period, sales of companies sold during the current or comparable period.
- **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.
- **Net attributable income excluding non-recurring items** corresponds to net attributable income adjusted for "other income and expenses" net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.
- **ROCE**, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) divided by capital employed (including investments in equity-accounted companies), excluding goodwill.
- **ROA**, or return on assets, corresponds to operating income divided by capital employed (including investments in equity-accounted companies) including goodwill.
- **EBITDA** corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.
- **Free cash flow** corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables and payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.
- **Net cash flow** corresponds to free cash flow less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of equity interests without a change in control, and (iii) changes in non-recurring sales of receivables.
- **Net debt** comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.

## INVESTOR RELATIONS

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Website: [www.valeo.com](http://www.valeo.com)

# CONTACTS

# SHARE INFORMATION

## Share Data

- Bloomberg Ticker
- Reuters Ticker
- ISIN Number
- Shares outstanding as of December 31, 2020

FR FP  
VLOF.PA  
FR 0013176526  
241,717,403

## ADR Data

- Ticker/trading symbol
- CUSIP Number
- Exchange
- Ratio (ADR: ord)
- Depository Bank
- Contact at J.P. Morgan – ADR
- Broker relationship desk

VLEEY  
919134304  
OTC  
1:2  
J.P. Morgan  
Jim Reeves  
+1 212-622-2710

# SAFE HARBOUR STATEMENT

Statements contained in this document, which are not historical fact, constitute “forward-looking statements”. These statements include projections and estimates and their underlying assumptions, statements regarding projects, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Even though Valeo’s Management feels that the forward-looking statements are reasonable as at the date of this document, investors are put on notice that the forward-looking statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo’s control, which could cause actual results and events to differ materially from those expressed or projected in the forward-looking statements. Such factors include, among others, the Company’s ability to generate cost savings or manufacturing efficiencies to offset or exceed contractually or competitively required price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks resulting from the investigations currently being carried out by the antitrust authorities as identified in the Universal Registration Document, risks which relate to being a supplier in the automotive industry and to the development of new products and risks due to certain global and regional economic conditions. Also included are environmental and industrial risks, risks associated with the Covid-19 epidemic, as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (*Autorité des marchés financiers* – AMF), including those set out in the “Risk Factors” section of the 2019 Universal Registration Document registered with the AMF on April 28, 2020 (under number D.20-0385).

The Company assumes no responsibility for any analyses issued by analysts and any other information prepared by third parties which may be used in this document. Valeo does not intend or assume any obligation to review or to confirm the estimates issued by analysts or to update any forward-looking statements to reflect events or circumstances which occur subsequent to the date of this document.



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