



SMART TECHNOLOGY
FOR SMARTER MOBILITY

Press release

Paris, January 26, 2022

2021 preliminary financial information

Sales of 17.3 billion euros

EBITDA margin at 13.4% of sales

Free cash flow of 290 million euros

Valeo Siemens negative contribution to “share in net earnings of equity-accounted companies” of 255 million euros

In full-year 2021, sales amounted to 17.3 billion euros (October 2021 guidance: sales of between 16.9 billion euros and 17.2 billion euros), up 5% compared with 2020 (up 6% on a like-for-like basis).

In 2021, thanks to the robust operational efficiency of its plants and the tight control over its Research and Development expenditures, Valeo’s EBITDA margin reached 13.4% of sales (October 2021 guidance: EBITDA margin of between 13.0% and 13.4% of sales).

Free cash flow amounted to 290 million euros in 2021 (October 2021 guidance: free cash flow of between 330 million euros and 550 million euros). Free cash flow generation was:

- Favorably impacted by Valeo’s tight control over capital expenditures and Research and Development expenditures;
- Unfavorably impacted by the 430 million euros increase in inventories excluding tooling resulting from (i) the voluntary increase in inventories to supply customers without disruption due to the semiconductor shortage, (ii) the volatility of customer production, and (iii) ocean freight disruptions leading to an increase in “in transit” inventories. These negative factors are temporary and will be fully reversed, resulting in a positive contribution to free cash flow generation in 2022.

In 2021, the negative contribution of Valeo Siemens to “share in net earnings of equity-accounted companies” amounted to 255 million euros (October 2021 guidance: negative contribution in line with that recorded in 2020, i.e. 258 million euros).

Christophe Perillat, Valeo's Chief Executive Officer, commented:

"In the difficult context of a severe worldwide shortage of electronic components, which drastically limited 2021 automotive production, Valeo demonstrated strong resilience, supplying its customers without disruption, maintaining tight control over its costs and delivering a solid financial performance. The inventory increase implemented to protect our customers will be gradually reversed in 2022, as supply conditions improve.

I would like to thank all the Valeo teams that made this performance possible."

The preliminary figures published in this press release are unaudited.

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO₂ emissions and to the development of intuitive driving. In 2020, the Group generated sales of 16.4 billion euros and invested 12% of its original equipment sales in Research and Development. At December 31, 2020, Valeo had 187 plants, 20 research centers, 43 development centers and 15 distribution platforms, and employed 110,300 people in 33 countries worldwide. Valeo is listed on the Paris Stock

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