

# **VALEO STRATEGIC & FINANCIAL OUTLOOK 2022-2025**



# CHRISTOPHE PÉRILLAT

CHIEF EXECUTIVE OFFICER

Today, we are launching our Move Up plan covering the 2022-2025 period. Move Up means building a Group that is technologically stronger and ideally positioned, and accelerating in electrification with the integration of Valeo Siemens eAutomotive, as well as in ADAS, reinvention of the interior experience and lighting everywhere.

Move Up means accelerating growth and outperforming the automotive market by more than 5 percentage points.

Move Up also means value creation through a program of synergies and efficiencies, enhanced profitability, cash generation of between 800 million and 1 billion euros in 2025, and divesting 500 million euros' worth of non-strategic assets.

We are at the start of a period in which the transformation of mobility will drive hyper-growth in the electrification and ADAS markets for 15 to 20 years.

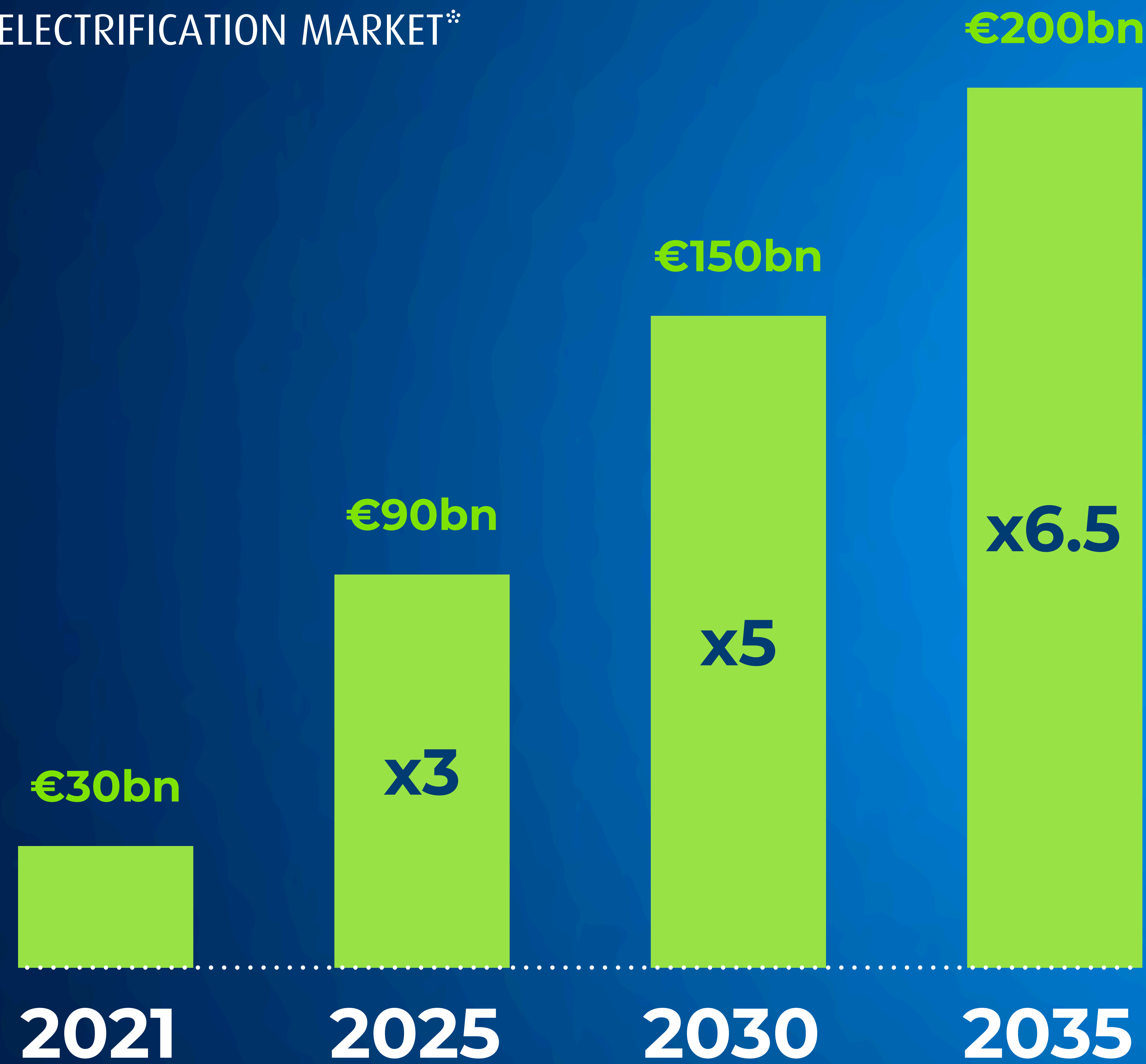
Move Up means capitalizing today, on tomorrow's mobility.

With Move Up, we are creating value now and we are creating a stronger Group that is capable tomorrow of leveraging the hyper-growth set to take place in its markets.

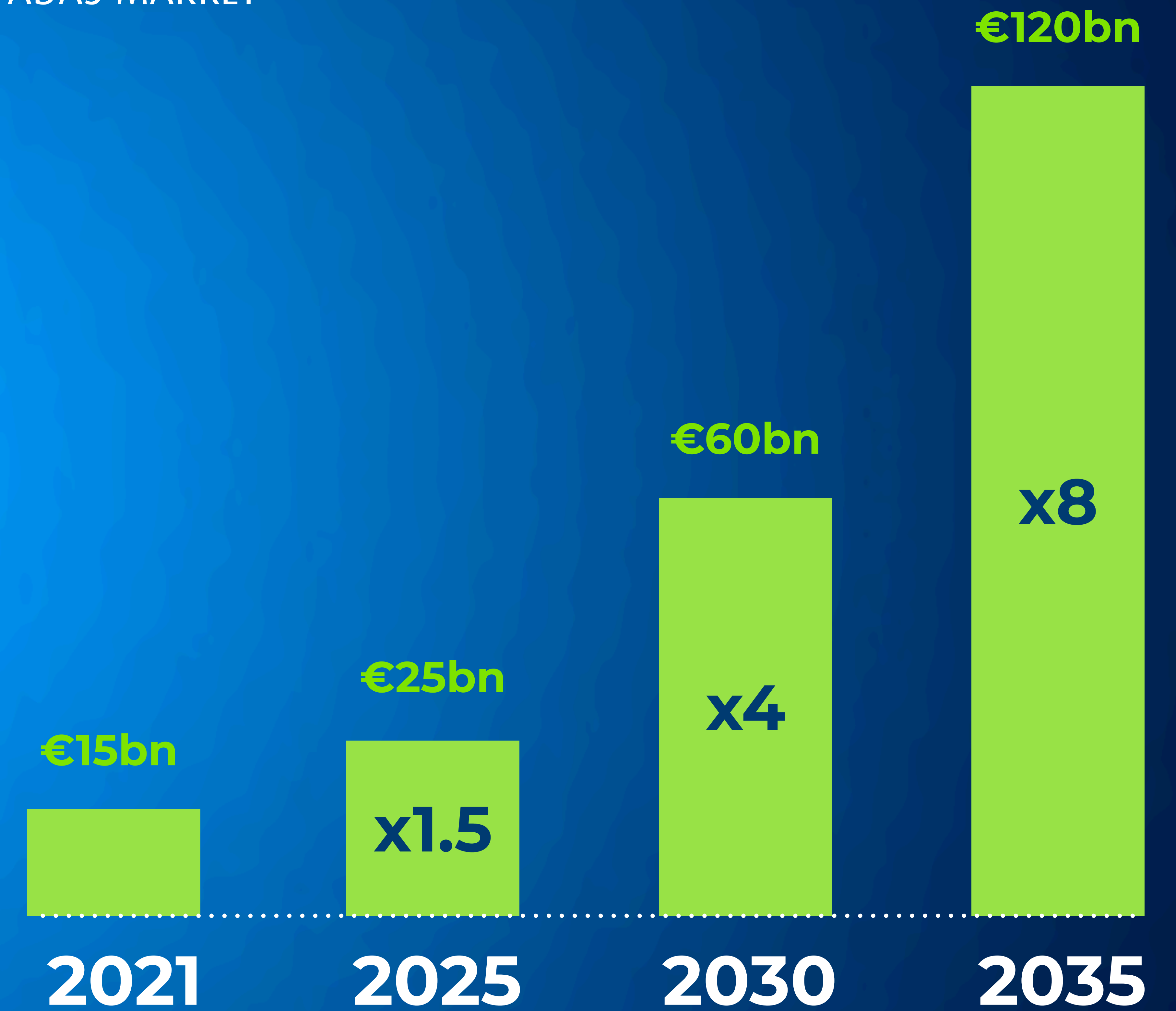
# ELECTRIFICATION ACCELERATION

# ADAS ACCELERATION

ELECTRIFICATION MARKET\*



ADAS MARKET\*



# VALEO 2025

## TECHNOLOGICALLY STRONG



**ELECTRIFICATION  
ACCELERATION**



**ADAS  
ACCELERATION**



**LIGHTING  
EVERYWHERE**

2025 SALES\*

**~€27.5bn**

CAGR 21/25

**+13%\*\***



**INTERIOR EXPERIENCE  
REINVENTION**

# VALEO 2025

## FINANCIALLY STRONG

**RESTORED  
PROFITABILITY**

**SOLID CASH  
GENERATION**

**DELEVERAGED**

# VALEO 2025

## FINANCIALLY STRONG

2025 EBITDA\*

~14.5%

2025 EBIT\*

~6.5%

2025  
FREE CASH FLOW\*

€800m to  
€1bn

2025 ROCE\*

>25%

# VALEO 2025

## FINANCIALLY STRONG



# **MOVE** **UP**

FROM MOBILITY REVOLUTION TO VALUE CREATION



1

**2021  
REVIEW**

2

**MOVE  
UP** 

3

**FINANCIAL  
OUTLOOK  
2022-2025**



# 2021 REVIEW

## 2021 REVIEW

# RESILIENT 2021 RESULTS IN A CHALLENGING ENVIRONMENT



# RESILIENT 2021 RESULTS IN A CHALLENGING ENVIRONMENT

2021 EBITDA

€2.3bn

13.4%

AS % OF SALES

2021 EBIT

€699m

4.0%

AS % OF SALES

2021 FREE CASH FLOW

€292m

13%

AS % OF EBITDA

**DIVIDEND**  
**€0.35**  
**PER SHARE**  
**UP 17%**

**TO BE PROPOSED AT THE NEXT AGM**

# STRONG OPERATIONAL RESILIENCE

**SUPPLY CHAIN  
EFFICIENCY**

**0**

**LOST CAR**

**COMPETITIVENESS**

**€1.1bn**

**BREAKEVEN DECREASE\***

**AFTERMARKET  
DYNAMISM**

**€2.1bn**

**2021  
AFTERMARKET SALES**

**ESG STRATEGY**

**€700m**

**SUSTAINABILITY  
LINKED BONDS**

VALEO MOVE UP IS BUILT ON  
**SOLID FOUNDATIONS**

FROM MOBILITY REVOLUTION TO  
**VALUE CREATION**

**DETAILED STRATEGY & EXECUTION PLAN**

FOR ALL OUR ACTIVITIES

VALEO MOVE UP IS BUILT ON  
**SOLID FOUNDATIONS**

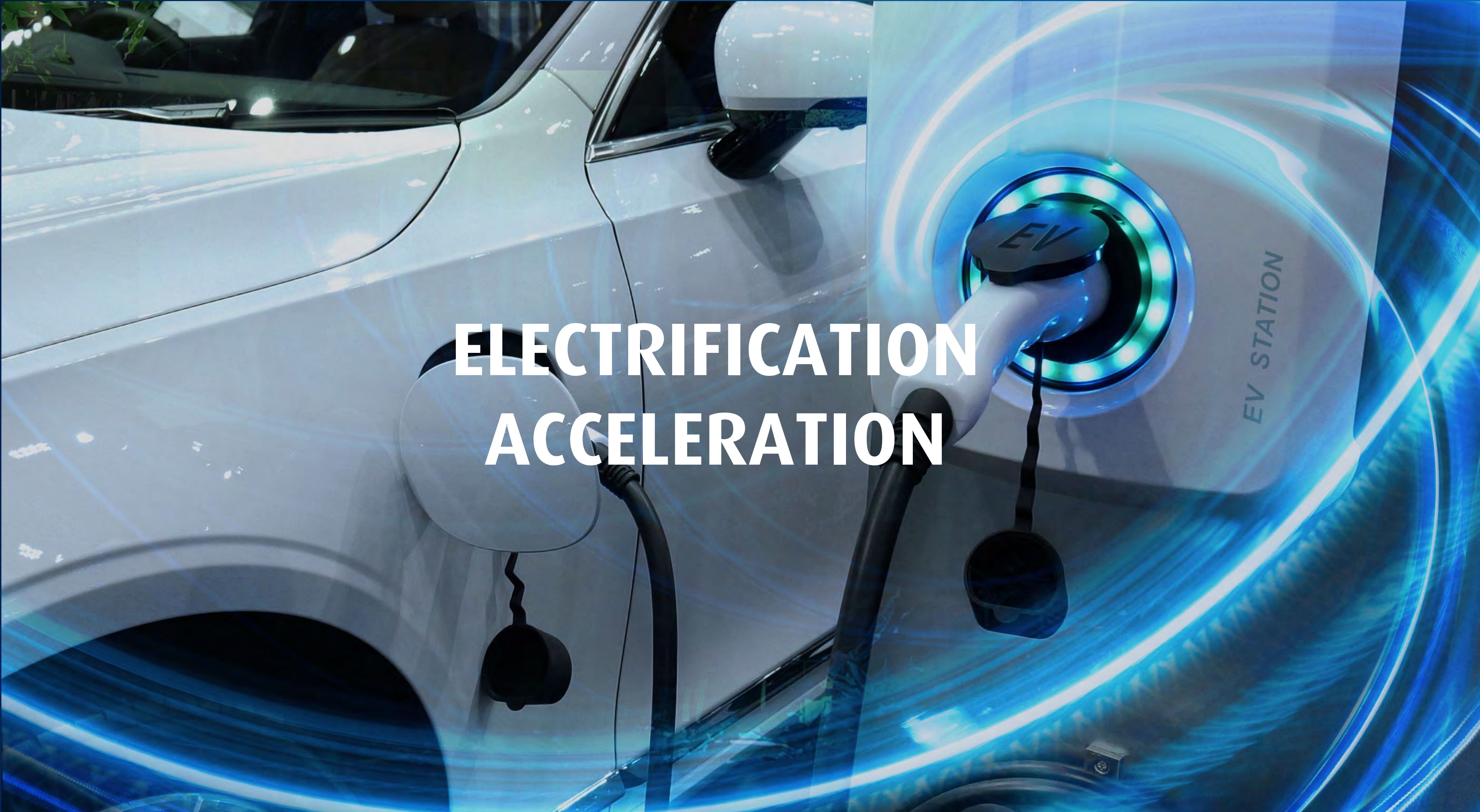
FROM MOBILITY REVOLUTION TO  
**VALUE CREATION**

**DETAILED STRATEGY & EXECUTION PLAN**

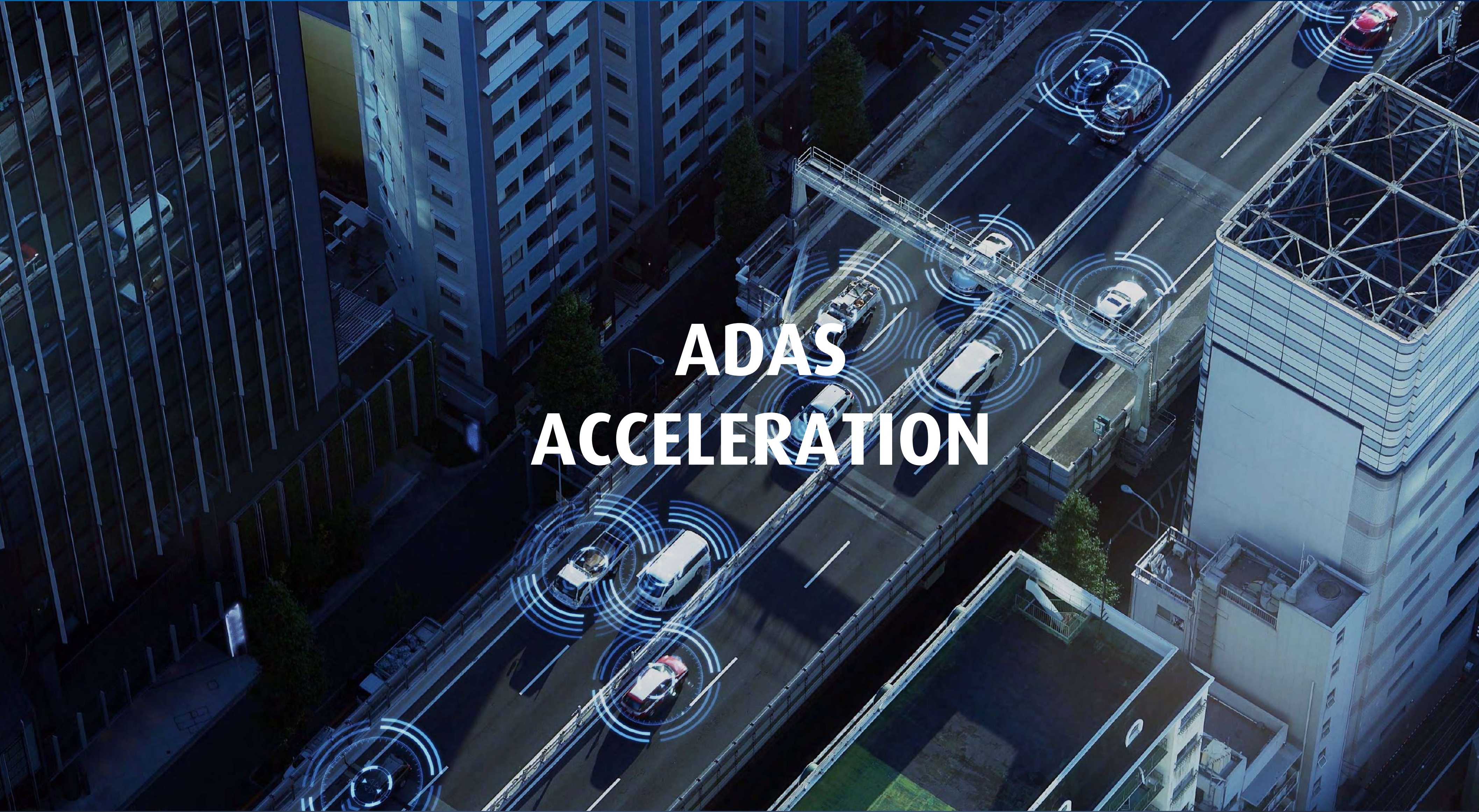
FOR ALL OUR ACTIVITIES



# OUR INDUSTRY IS TRANSFORMING



**ELECTRIFICATION  
ACCELERATION**



**ADAS  
ACCELERATION**



**LIGHTING  
EVERYWHERE**



**INTERIOR EXPERIENCE  
REINVENTION**

# WELL POSITIONED ON THE INDUSTRY MEGATRENDS

## GROWTH DRIVERS

## VALEO'S BUSINESS GROUPS

## KEY PRODUCTS

ELECTRIFICATION ACCELERATION

**POWERTRAIN SYSTEMS (PTS)**

48V & HV eMOTORS



48V & HV INVERTER



48V & HV eDRIVE



48V & HV DCDC & OBC



CHARGING STATION

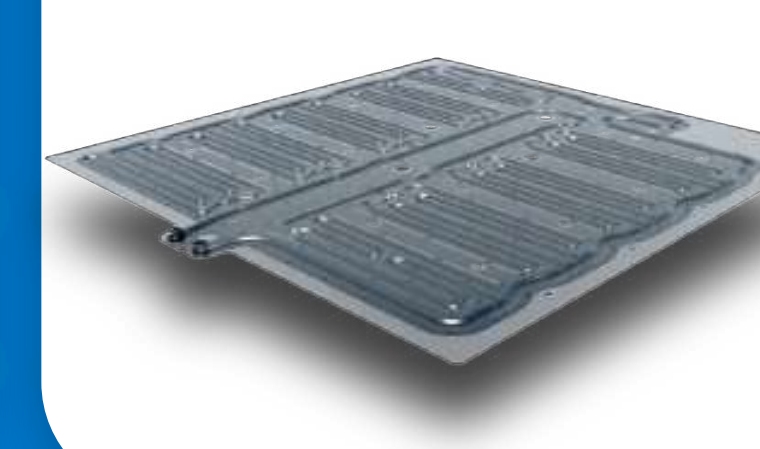


**THERMAL SYSTEMS (THS)**

COOLANT eHEATER



BATTERY COOLER



ELECTRIC COMPRESSOR



HEAT PUMP



FLEX HEATER



ADAS ACCELERATION

**COMFORT & DRIVING ASSISTANCE SYSTEMS (CDA)**

CAMERAS



ULTRASONIC SENSORS



RADARS



LIDAR

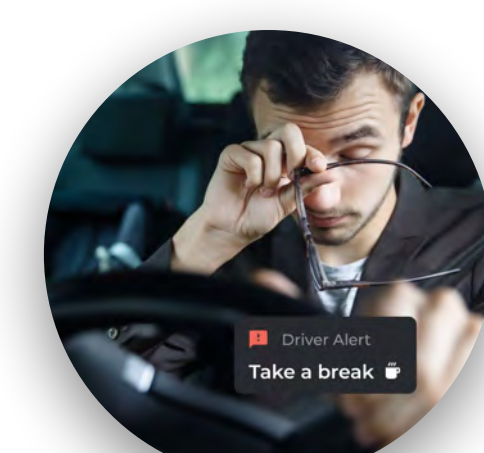


DOMAIN CONTROLLER



INTERIOR EXPERIENCE REINVENTION

DRIVER MONITORING



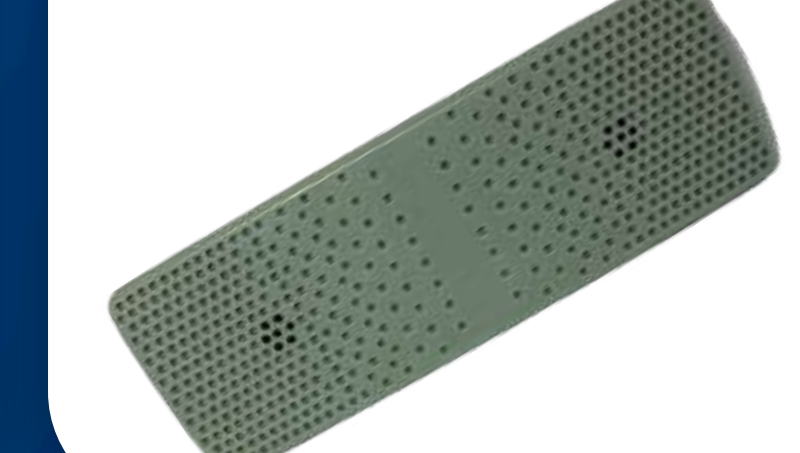
DISPLAYS & CLUSTERS



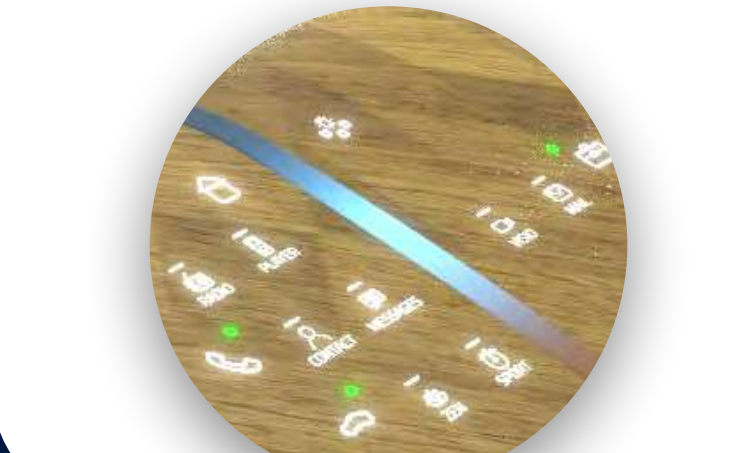
HEAD UP DISPLAY



MICROPHONE



SMART SURFACE



LIGHTING EVERYWHERE

**VISIBILITY SYSTEMS (VIS)**

FRONT



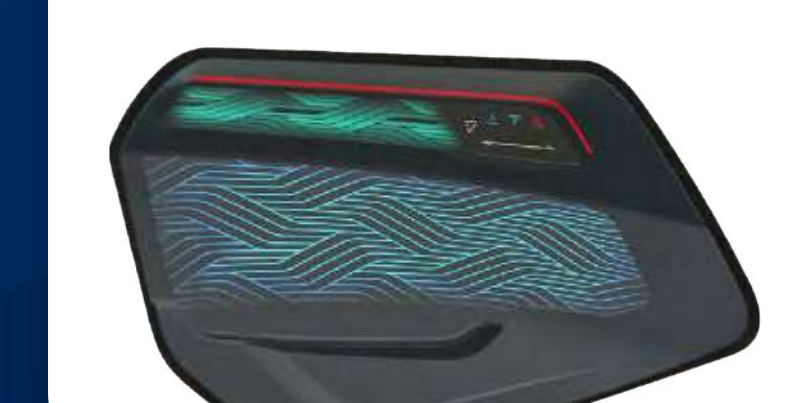
REAR



NEAR FIELD PROJECTION



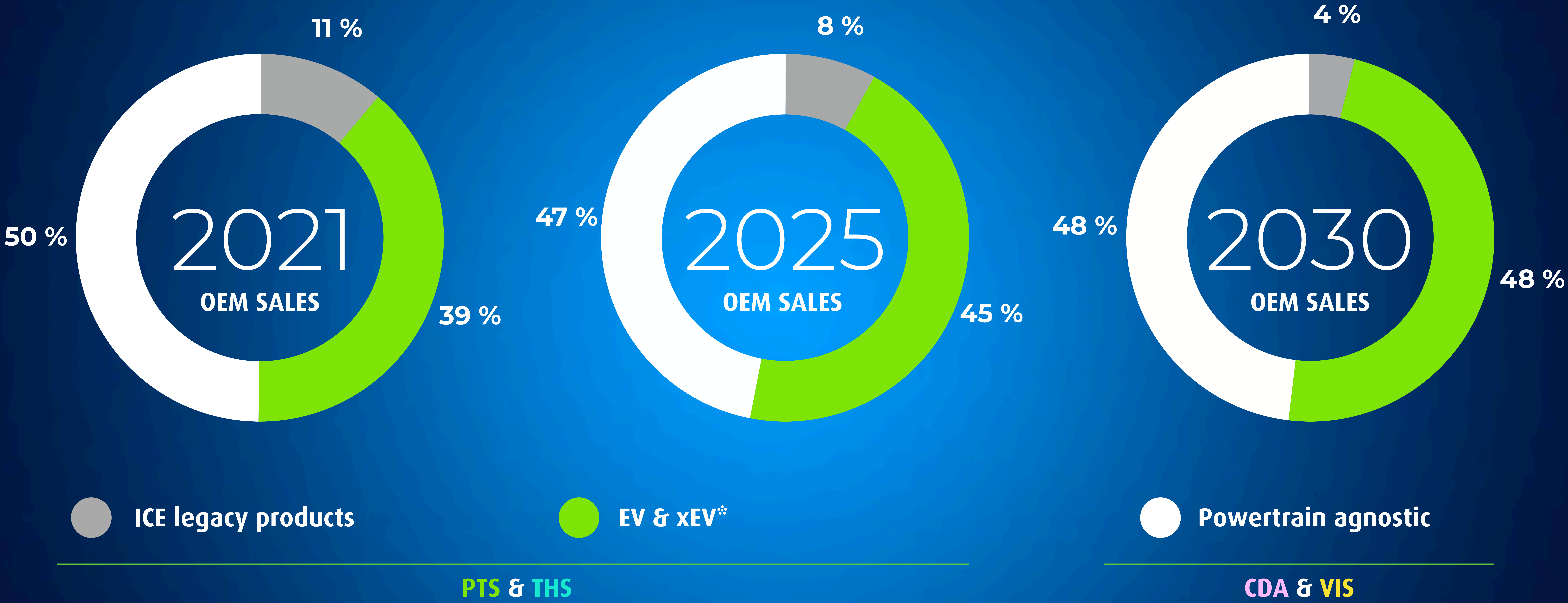
INTERIOR LIGHTING



SENSOR CLEANING & WIPING



# LIMITED LEGACY BUSINESS



\*Including Plug-in & Hybrid

# RESILIENT, PROFITABLE & CASH GENERATING AFTERMARKET

**€2.1bn**

**2021 SALES**

**85%**

of Valeo offer from  
OE technologies

**473K**

mechanics using  
Valeo Service digital  
platform

**Double digit  
e-commerce  
sales growth in 2021**



# GLOBALLY BALANCED CUSTOMER PORTFOLIO



AMERICAS

21%\*



EUROPE & AFRICA

45%\*



ASIA

34%\*

## KEY CUSTOMERS



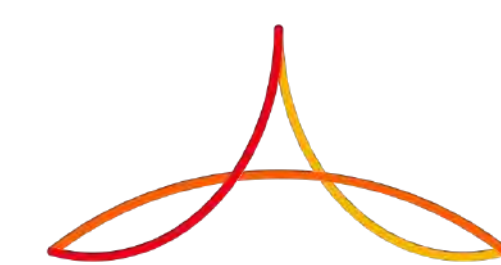
BMW GROUP



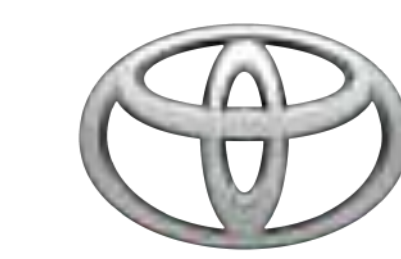
DAIMLER

VOLKSWAGEN

AKTIENGESELLSCHAFT



RENAULT NISSAN MITSUBISHI



TOYOTA



HONDA



GEELY



Great Wall

HYUNDAI

MOTOR GROUP



北汽集团  
BAIC Group

# WORKING WITH NEW MOBILITY PLAYERS & TECH PARTNERS

## NEW EV STARTUPS



Premium electric vehicle manufacturer



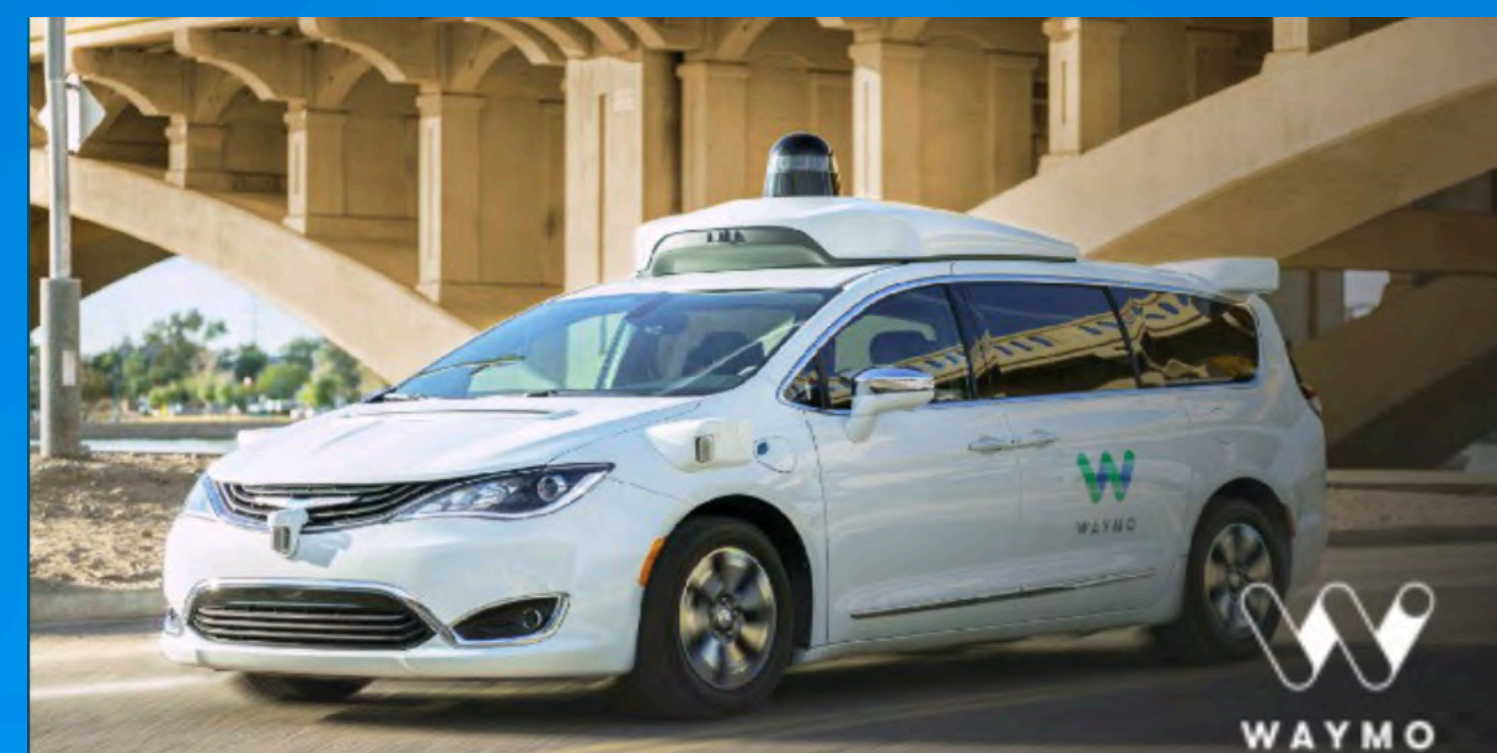
Electric vehicle & platform manufacturer



## SHUTTLES & DROIDS



## TECH PLAYERS



Worldwide Delivery Company



Chinese Tech Company



Self Driving Tech Company



## COMMERCIAL VEHICLES



## MICROMOBILITY



# EFFICIENT OPERATING MODEL



# ELECTRONIC TRANSVERSAL EXPERTISE



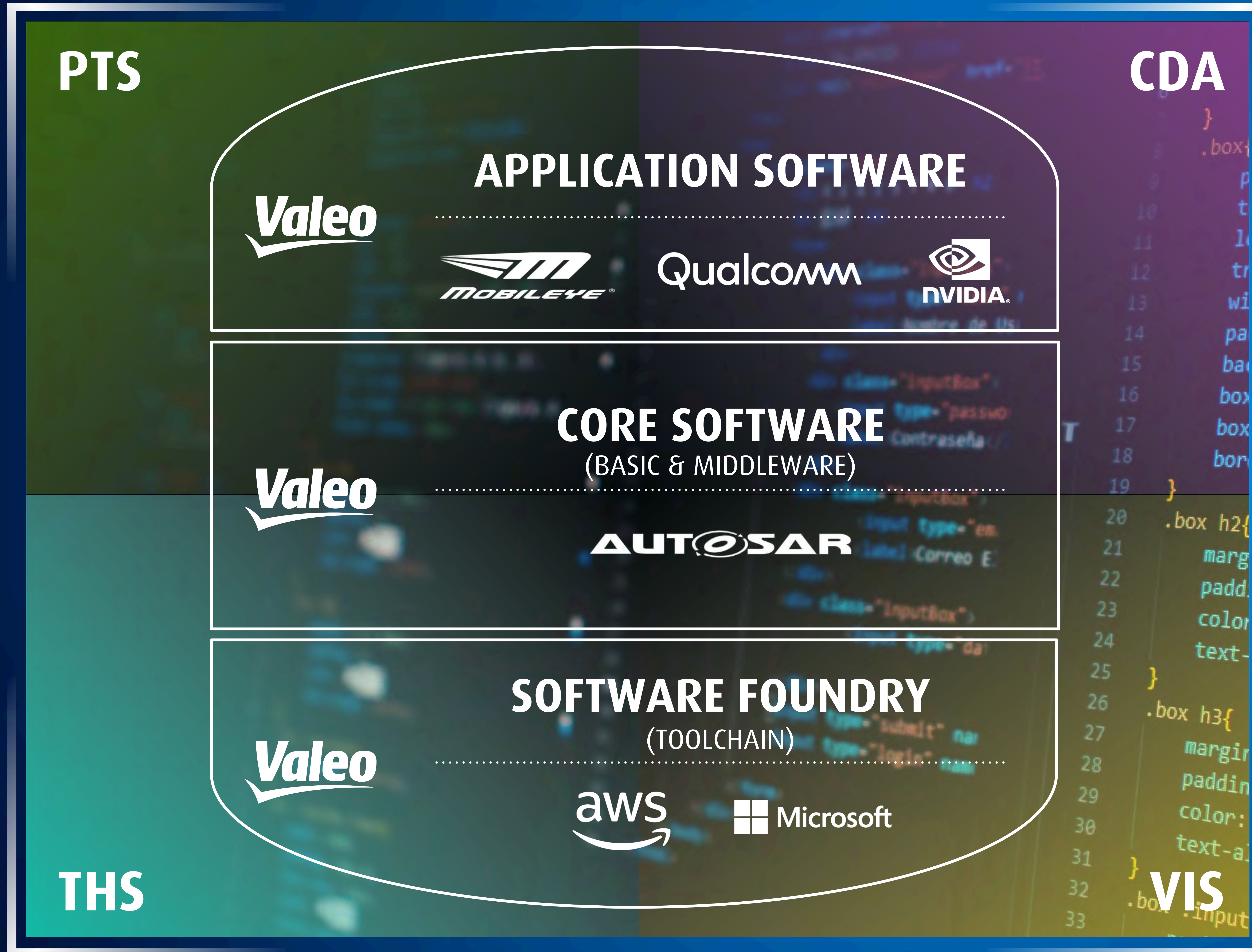
**GROWING SALES WITH  
ELECTRONICS CONTENT**

**>€10bn**  
2021 SALES

**TOP 5**  
AUTO ELECTRONIC BUYER



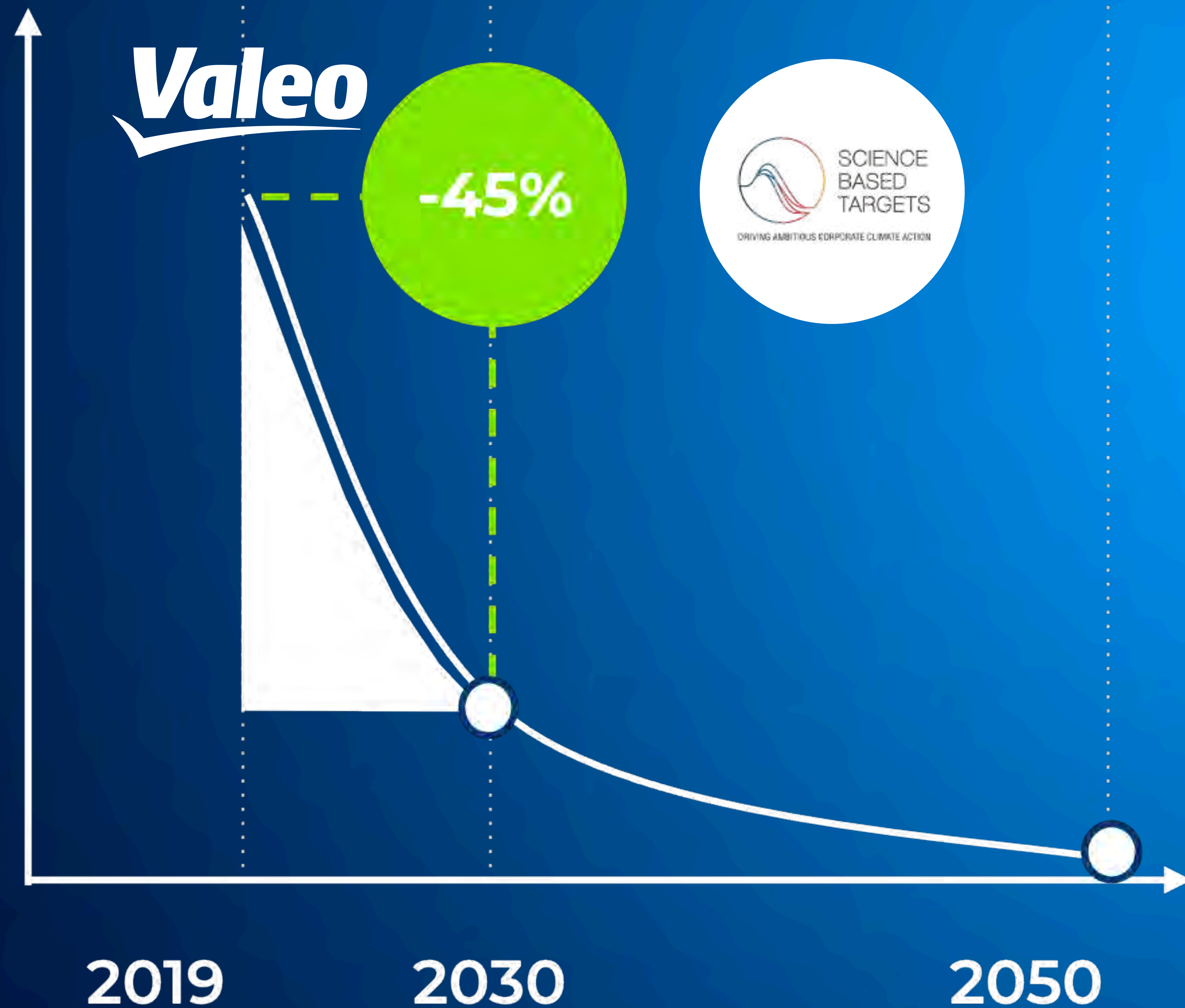
# SOFTWARE TRANSVERSAL EXPERTISE



**40%**  
**OF ENGINEERS ARE  
SOFTWARE & SYSTEM  
ENGINEERS**

# SUSTAINABILITY IS IN OUR DNA

## CARBON NEUTRALITY BY 2050 ON TRACK IN 2021



## BENCHMARK IN OUR INDUSTRY



## MOST REPRESENTED SUPPLIER\* IN ESG INDICES INCLUDING



# SOLID GOVERNANCE, ALIGNED WITH SUSTAINABILITY & COMPLIANCE TARGETS



Jacques Aschenbroich  
**Chairman of the  
Board of Directors**

## BOARD OF DIRECTORS



Number of  
Directors

**14**



Women ratio\*

**50%**



Independency\*\*

**83%**



Nationalities



**Skilled Board of  
Directors with  
diversified  
expertise**

**CSR OBJECTIVES**  
integrated into

**VARIABLE COMPENSATION**  
of Group's 1,500 key managers



Christophe Périllat  
**CEO**

## EXECUTIVE COMMITTEE



Women ratio

**22%**



Nationalities



**International  
Experienced  
team**

**PERFORMANCE SHARES**  
granted to senior management

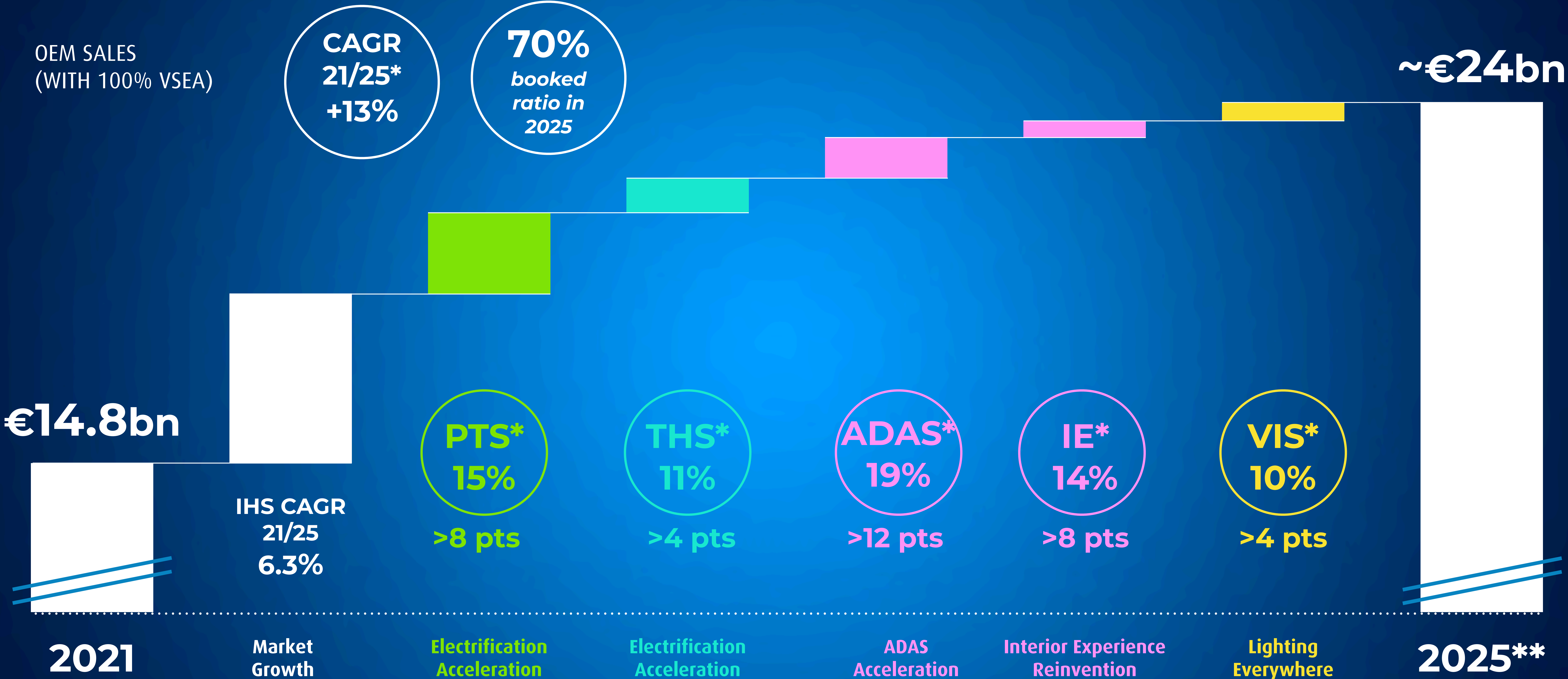
VALEO MOVE UP IS BUILT ON  
**SOLID FOUNDATIONS**

FROM MOBILITY REVOLUTION TO  
**VALUE CREATION**

**DETAILED STRATEGY & EXECUTION PLAN**

FOR ALL OUR ACTIVITIES

# FROM MOBILITY REVOLUTION TO SALES OUTPERFORMANCE

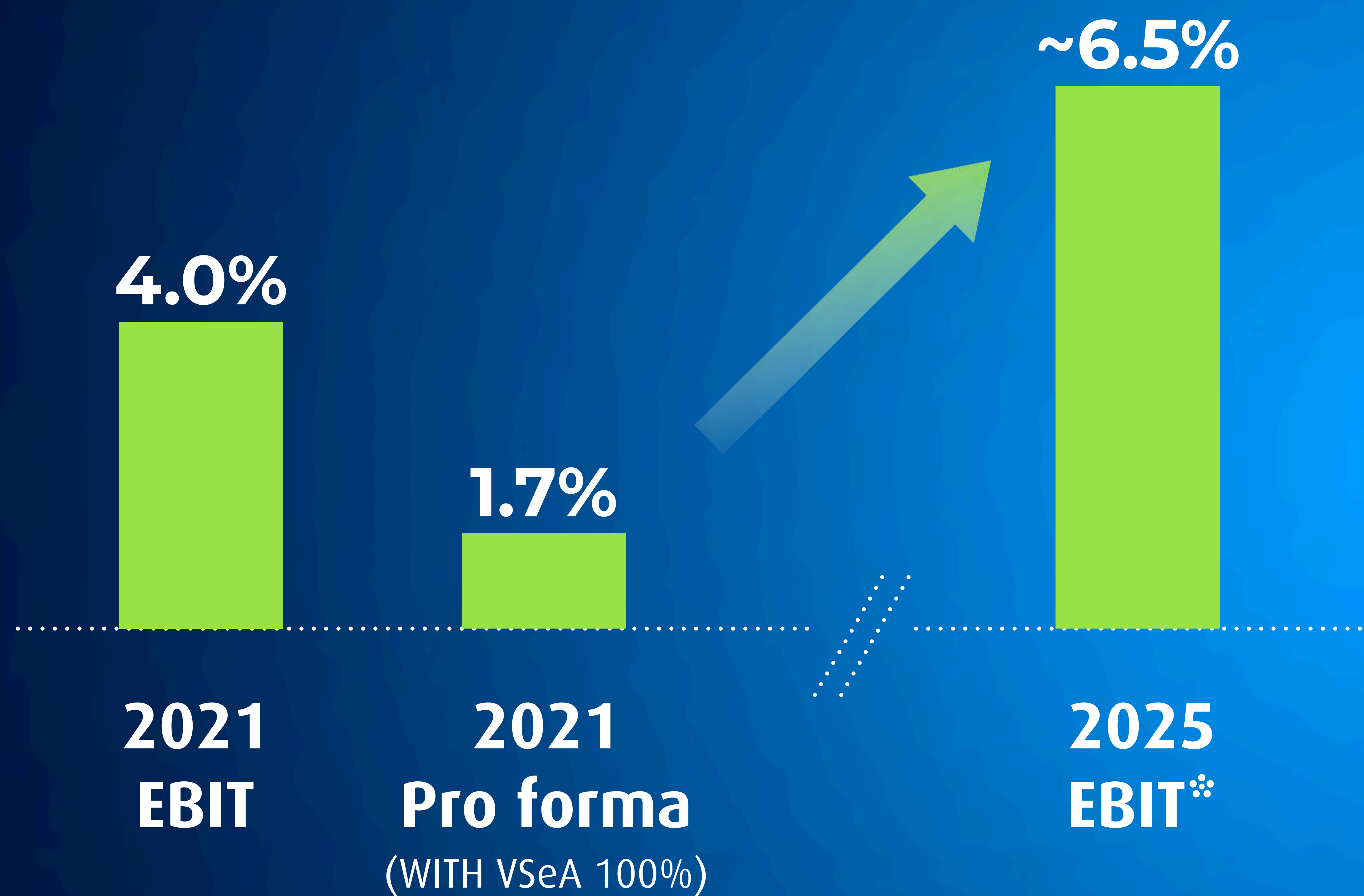


\*CAGR 21/25 after non-strategic assets divestiture, Including 100% VSEA and FX impact

\*\* Sales after non-strategic assets divestiture

# EBIT MARGIN IMPROVEMENT

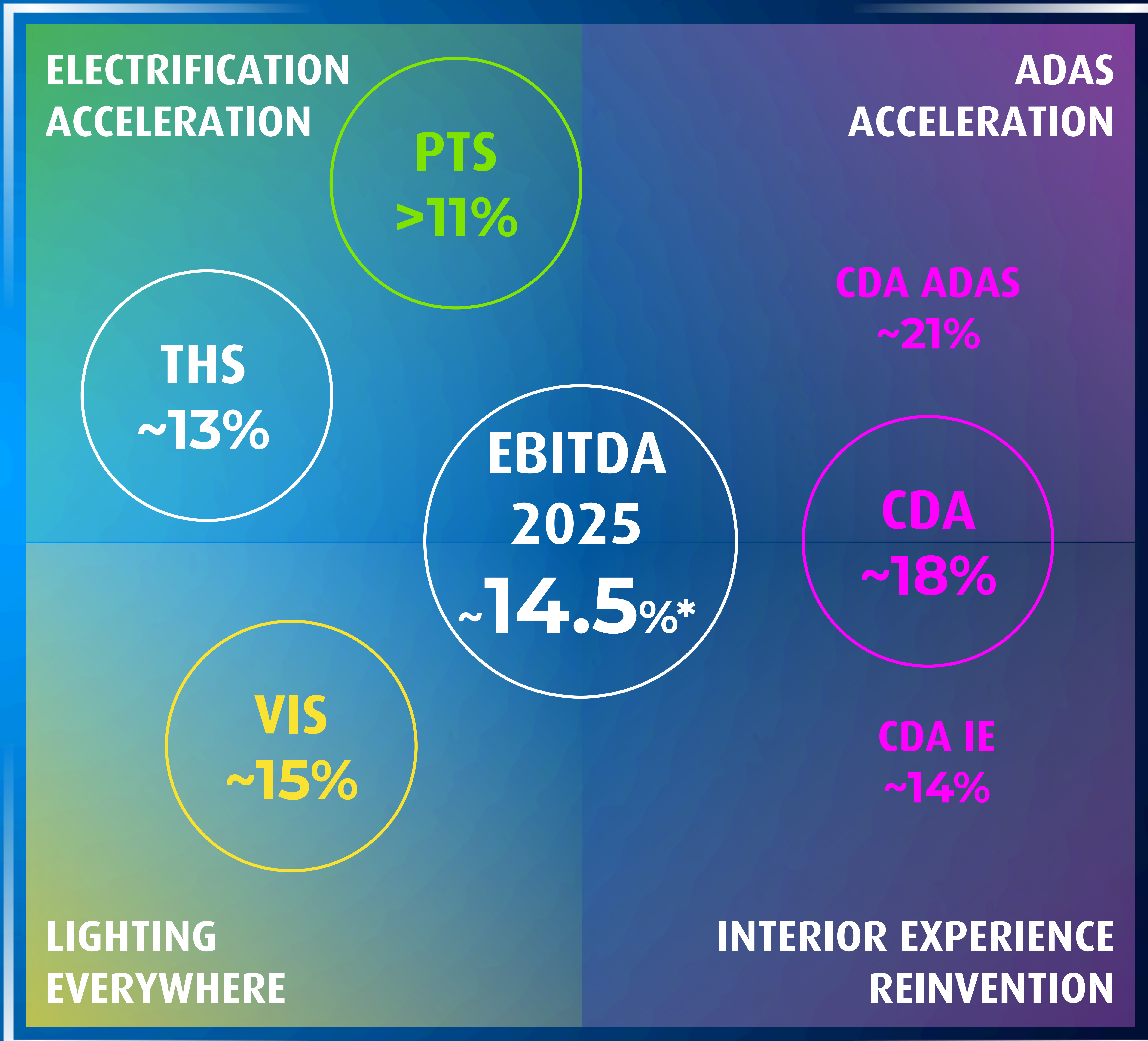
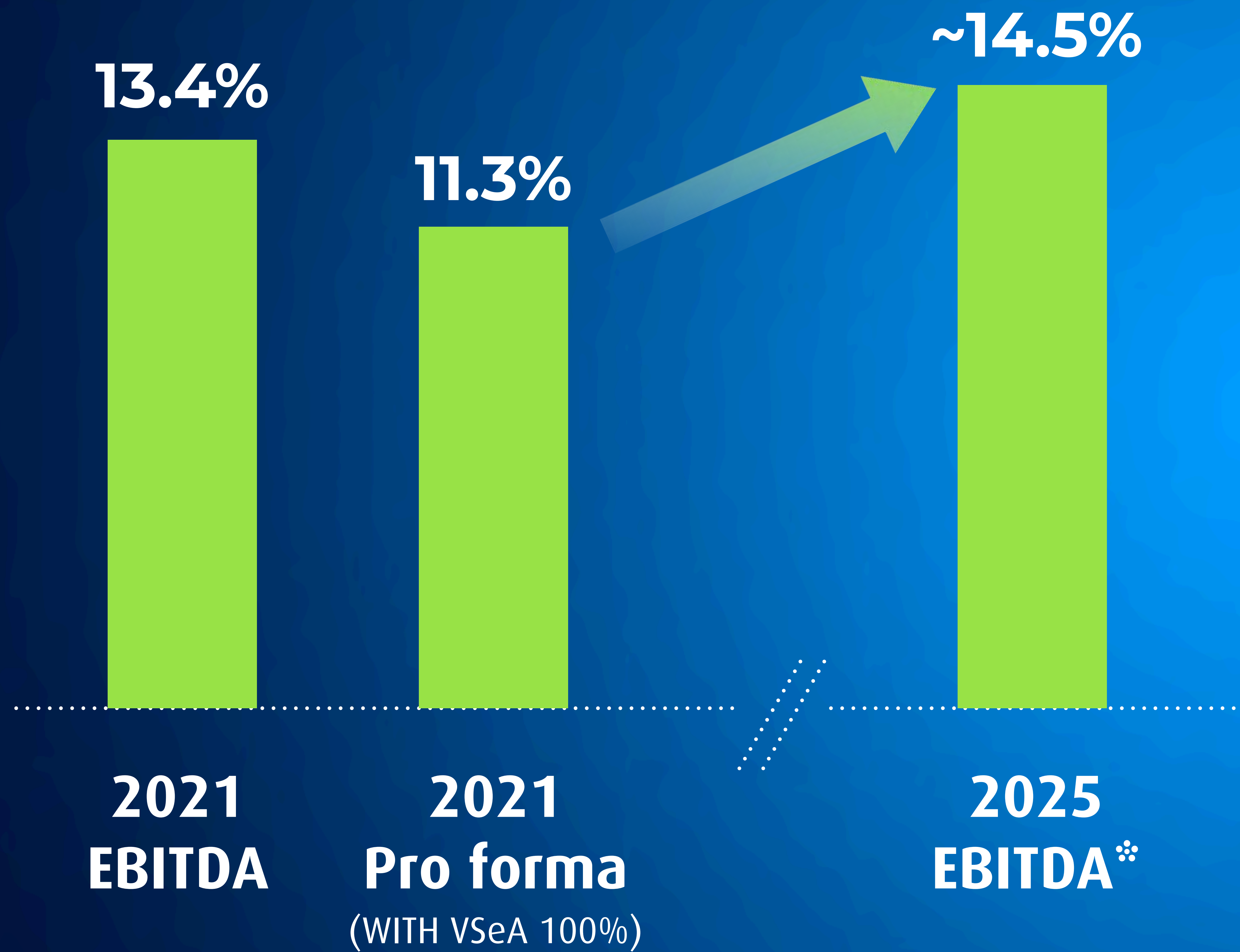
AS % OF SALES



- (+) Operational leverage on volumes**
  - Improved gross margin
  - Engineering: better efficiency thanks to platforms
  - CAPEX: improved use rate
  - Optimized SG&A
- (+) Cost management**
  - Move Up efficiency plan
  - PTS synergy objectives
- (+) Full inflation recovery**
- (+) New products margin improvement**

# EBITDA MARGIN IMPROVEMENT

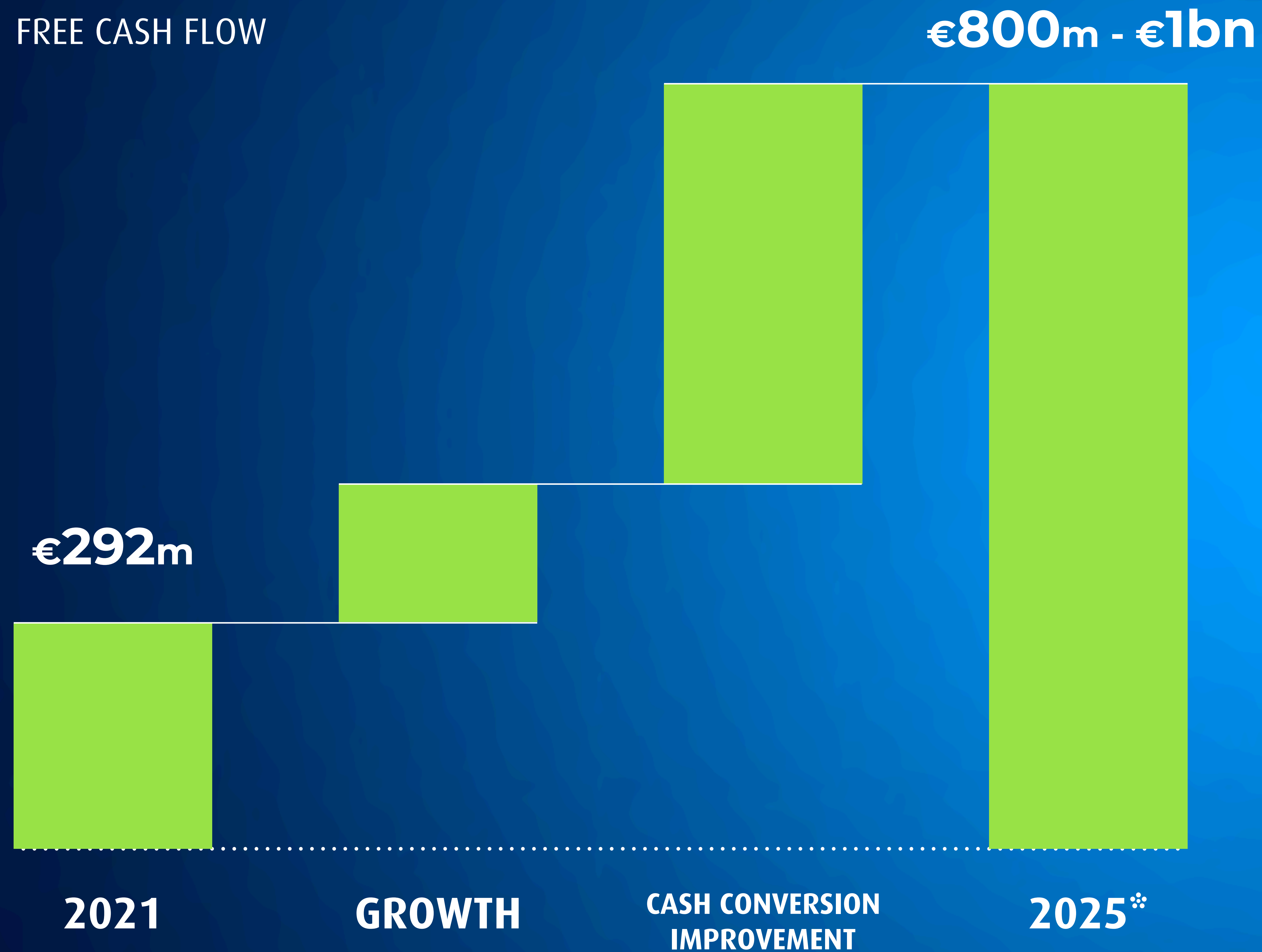
AS % OF SALES



\*EBITDA after non-strategic assets divestiture

# VALUE CREATION

FREE CASH FLOW



ELECTRIFICATION  
ACCELERATION

PTS  
+

THS  
++

2025 FCF  
CONVERSION  
RATE\*  
>20%

VIS  
+++

LIGHTING  
EVERYWHERE

ADAS  
ACCELERATION

CDA  
ADAS  
+

CDA IE  
++

INTERIOR EXPERIENCE  
REINVENTION

\*FCF after non-strategic assets divestiture



VALEO MOVE UP IS BUILT ON  
**SOLID FOUNDATIONS**

FROM MOBILITY REVOLUTION TO  
**VALUE CREATION**

**DETAILED STRATEGY & EXECUTION PLAN**

FOR ALL OUR ACTIVITIES



# ELECTRIFICATION

## **ELECTRIFICATION ACCELERATION**

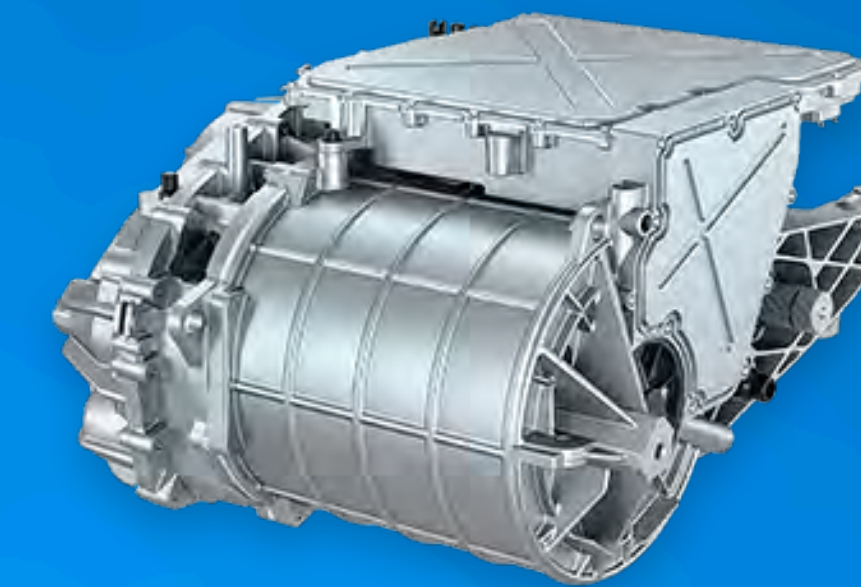
# ELECTRIFICATION AT VALEO A POWERTRAIN & THERMAL STORY



**INVERTER**



**OBC &  
DCDC**



**eDRIVE**



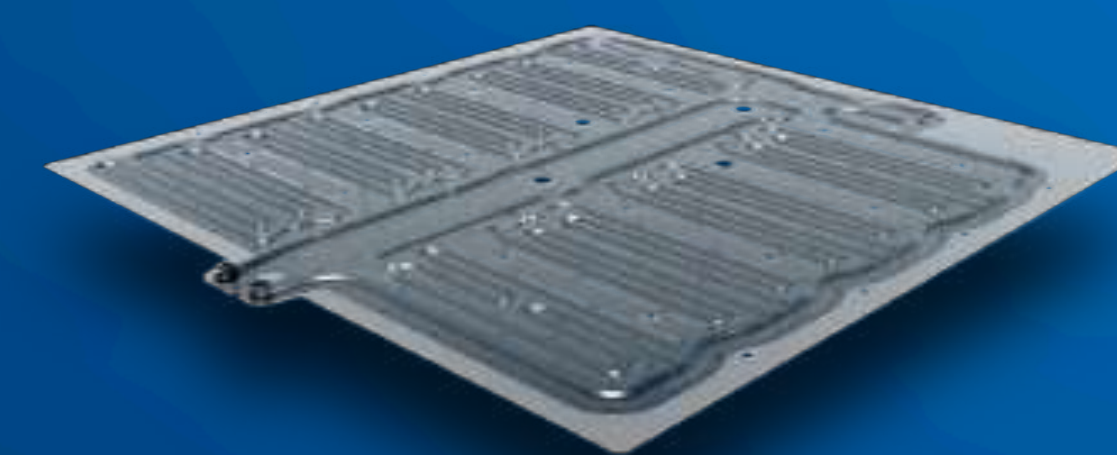
**eMOTOR**

## ePOWERTRAIN PROPULSION

## eTHERMAL MANAGEMENT



**COOLANT  
eHEATER**



**BATTERY  
COOLER**



**eCOMPRESSOR**



**HEAT  
PUMP**

# **MOVE UP**

WE ARE ACCELERATING  
IN ePOWERTRAIN TO DELIVER  
SUSTAINABLE VALUE

# ACCELERATION IN POWERTRAIN ELECTRIFICATION

## ACCELERATING MARKET

**+17.5%**

HIGH VOLTAGE CAGR 21-30

**+22%**

48V CAGR 21-30

## GROWING CONTENT PER CAR

**x6**

2025 BEV CONTENT PER CAR\*

**x2**

2025 48V CONTENT PER CAR\*

## VALEO, A GLOBAL LEADER

**From low voltage to  
high voltage**

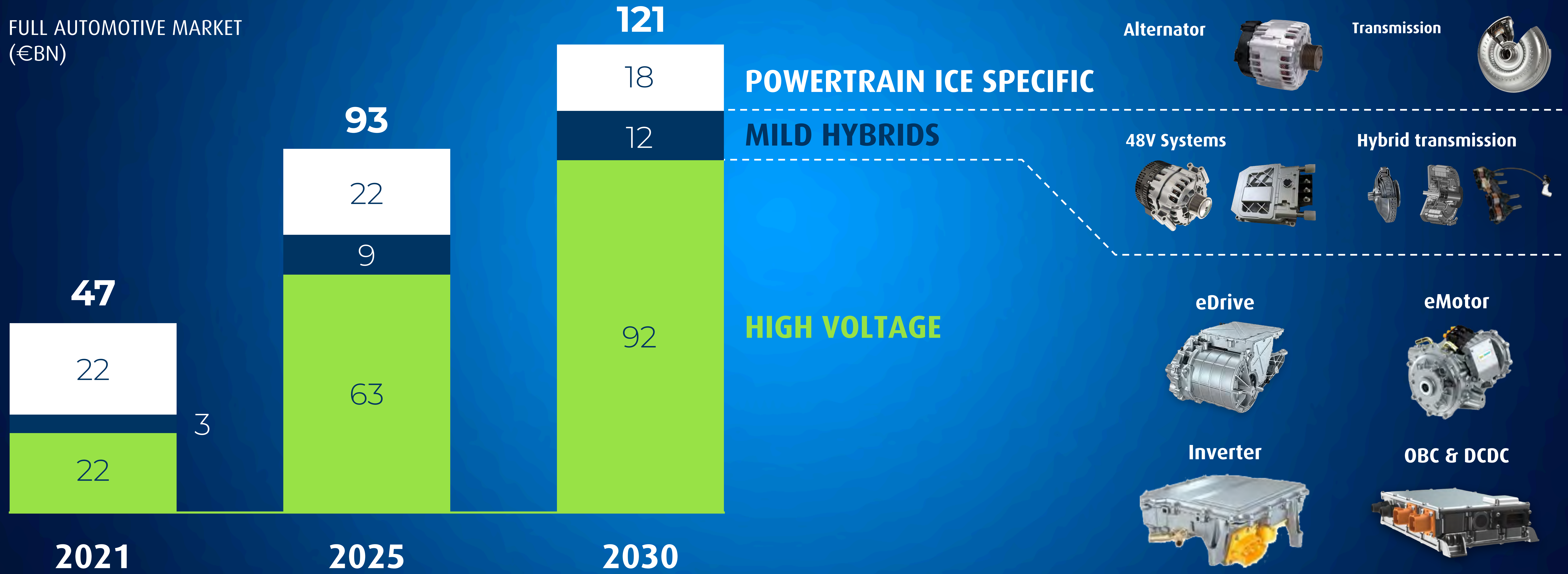
## WE ARE ACCELERATING IN ELECTRIFICATION AND DELIVERING SUSTAINABLE VALUE

**Creation of a champion  
in electrification by  
integrating VSeA**

**48V automotive  
growth & resilience...**

**... benefiting from  
new eMobility**

# HIGH VOLTAGE ePOWERTRAIN WILL GROW BY 17.5% CAGR 2021-2030 MILD HYBRIDS WILL ALSO GROW BY 15% CAGR 2021-2030



# 40% OF THE HIGH VOLTAGE MARKET OUTSOURCED



~€40bn



eMotor

30%

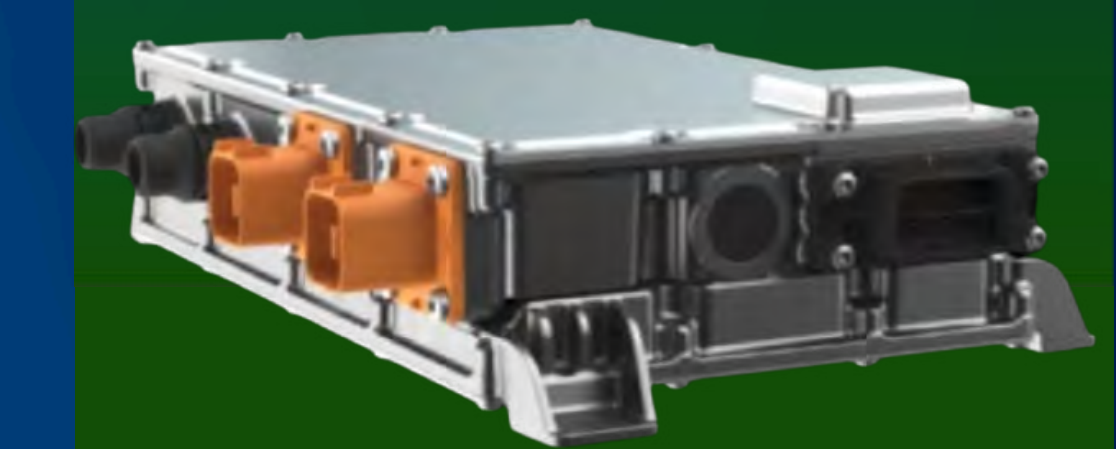
OUTSOURCED



Inverter

40%

OUTSOURCED



OBC\*  
DCDC

90%

OUTSOURCED

- OUTSOURCED
- in-house by OEM
  - eMotor
  - Inverter
  - Reducer
  - OBC-DCDC

# ACCELERATING OUR TECHNOLOGY ROADMAPS



**INVERTER**



**OBC  
&  
DCDC**



**eMOTOR**

**OUR INNOVATIONS**



life.augmented



**RENAULT**





# STRONG GROWTH OF 48V TECHNOLOGIES

**€4bn**  
2025  
48V AUTOMOTIVE  
MARKET

**~45%**  
ON IBSG



**~15%**  
ON DCDC



**VALEO 2025  
TARGET MARKET SHARE**

# NEW ELECTRIC MOBILITY ADDITIONAL 48V GROWTH OPPORTUNITY

2021 ORDER INTAKE

2025 SALES AMBITION

2030 SALES AMBITION

€200m

€250m

>€500m



eBIKE



eSCOOTER



eRICKSHAW



eDROID & eCHASSIS



SMALL EV

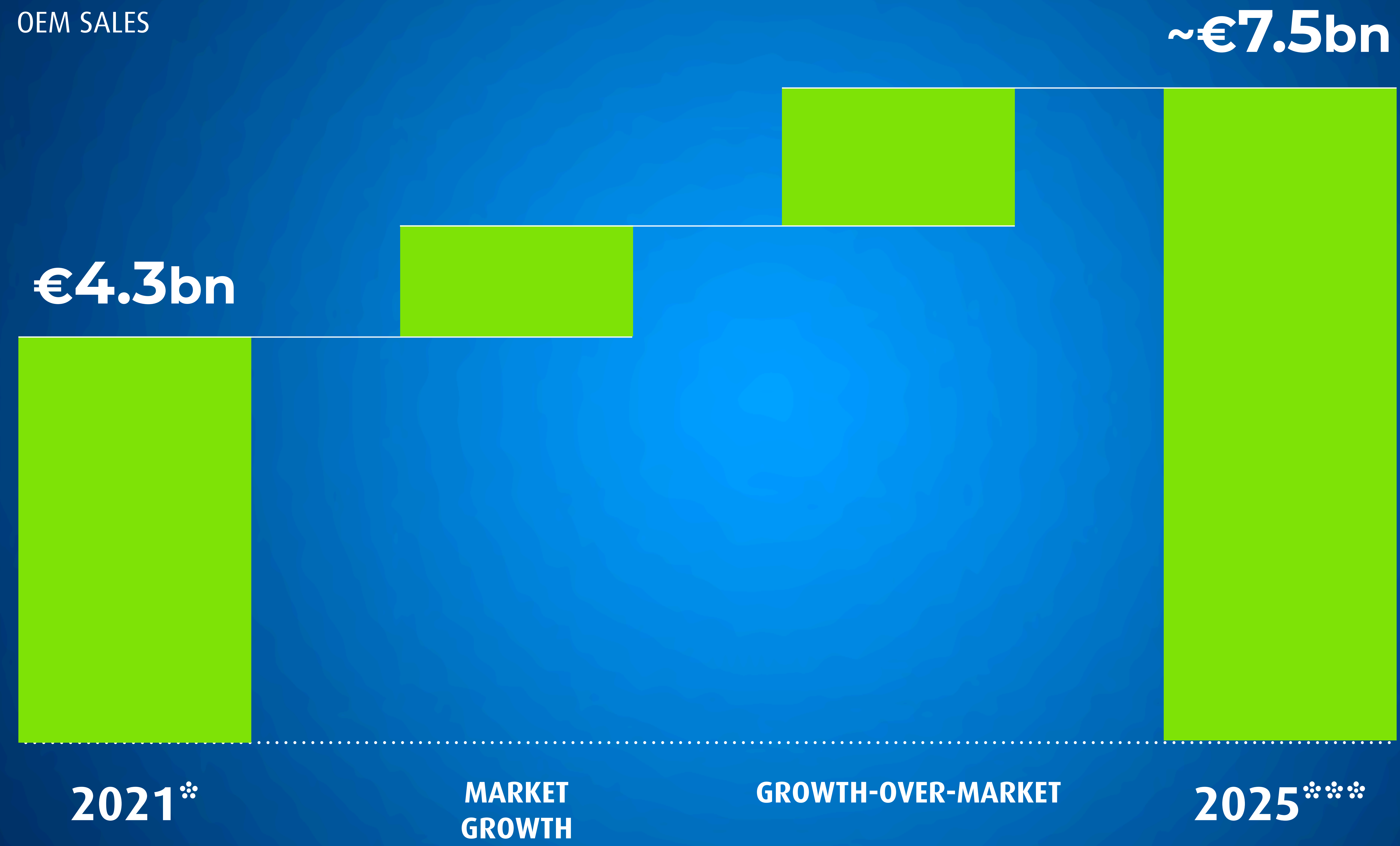
2 WHEELER

3 WHEELER

4 WHEELER

# PTS GROWTH IN 2025

OEM SALES



21/25 CAGR\*\*\*

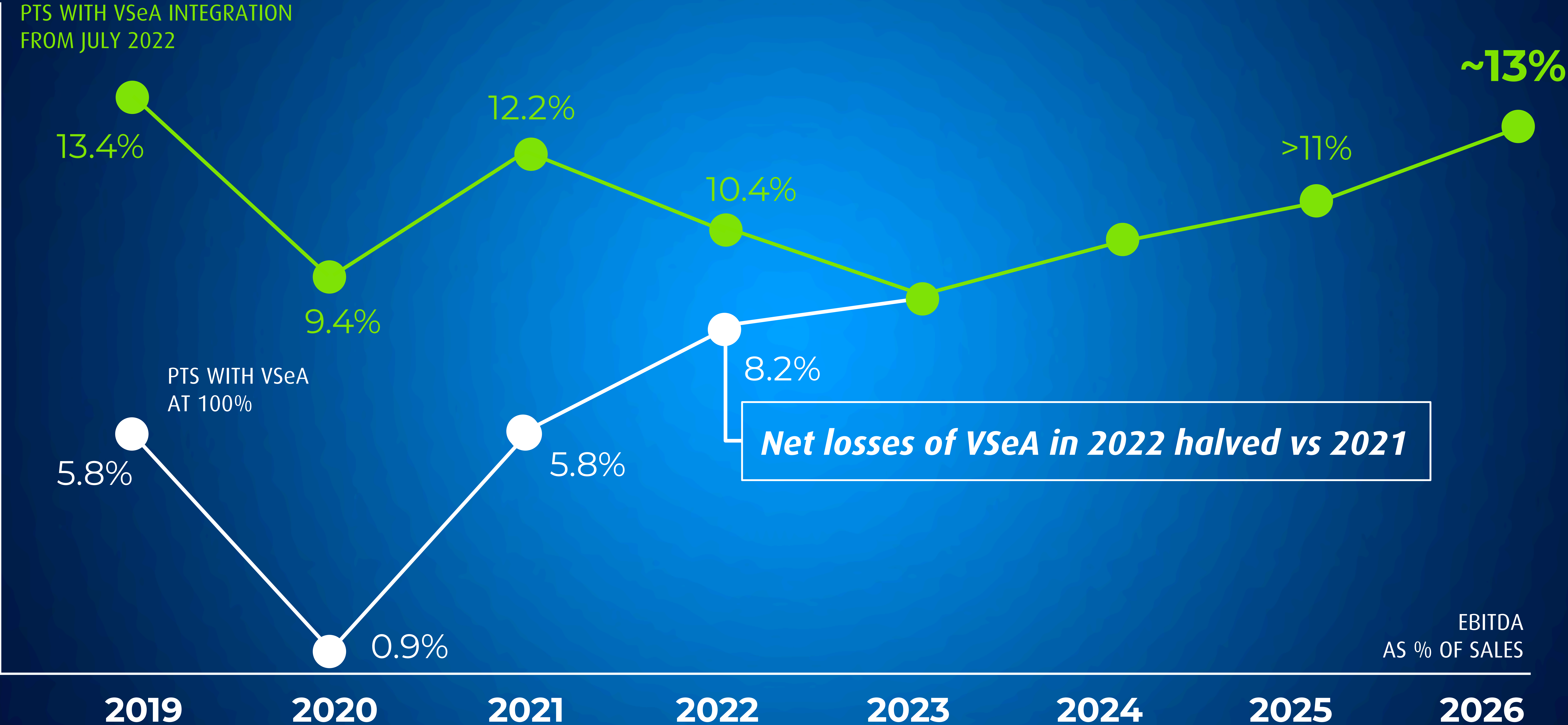
+15%

80%

BOOKED RATIO  
IN 2025

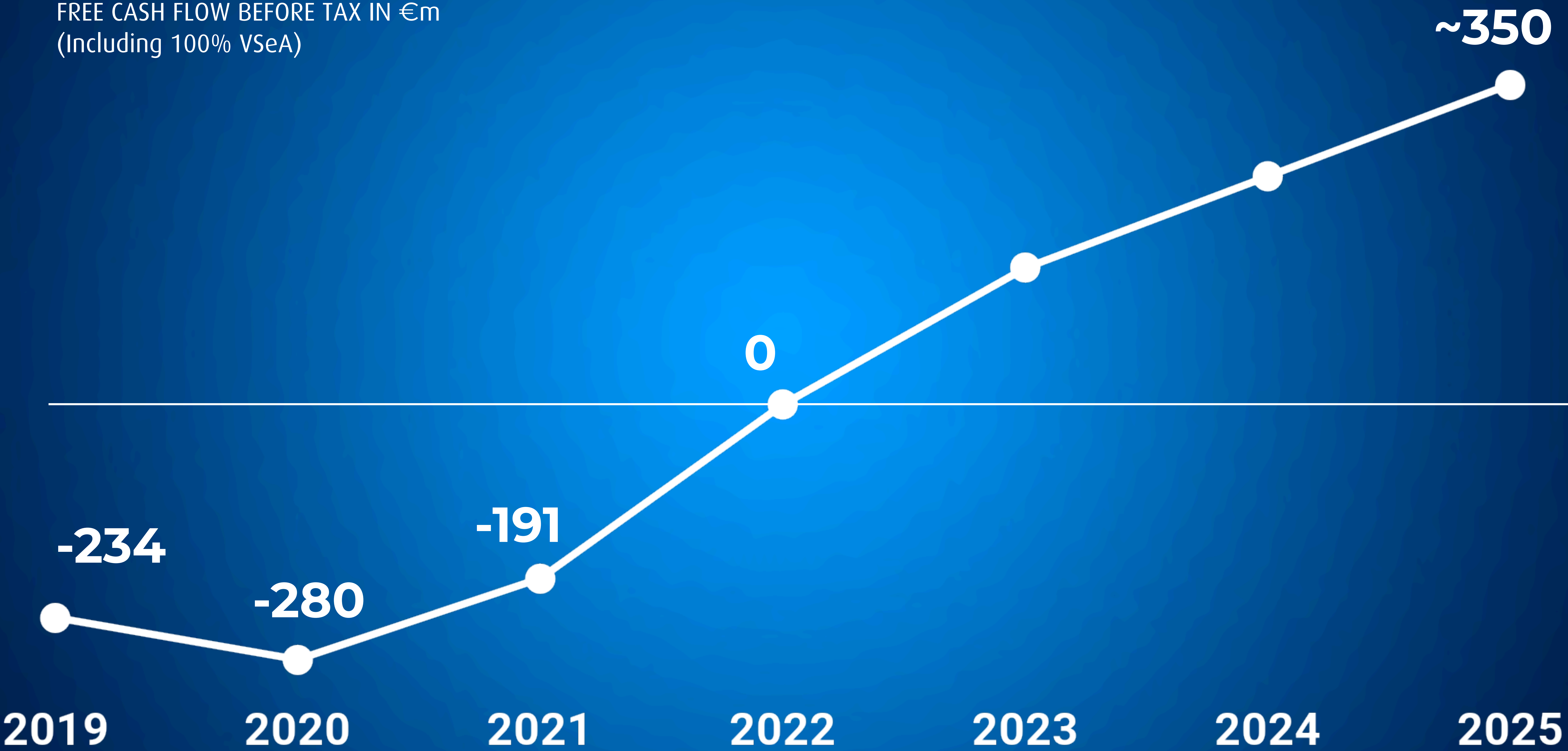
\*With VSeA 100% \*\*OEM sales CAGR after non-strategic assets divestiture & Including VSeA 100%, including FX impacts \*\*\*Sales after non-strategic assets divestiture

# WHAT DRIVES NEW PTS PROFITABILITY



# NEW PTS WILL BE CASH BREAK-EVEN AS OF 2022

FREE CASH FLOW BEFORE TAX IN €m  
(Including 100% VSeA)





ELECTRIFICATION WILL BOOST  
THERMAL PROFITABILITY

# ELECTRIFICATION WILL BOOST THERMAL PROFITABILITY

## CONCENTRATED MARKET

**50%**

OF MARKET SHARE HELD BY TOP 4

**#2 Valeo**

IN MARKET SHARE

## GROWING CONTENT PER CAR

**x2.5**

2025 BEV CONTENT PER CAR\*

## VALEO, A LEADER

Valeo global technology leader, state of the art EV products

## WE ARE DRIVING THE EV REVOLUTION AND BOOSTING OUR PROFITABILITY

Thermal management key for EV performance

High growth profit pool

Attractive financial outlook

# THERMAL PERFORMANCE IS KEY FOR FAST CHARGE & STABLE EV RANGE

## FAST CHARGE

THANKS TO BATTERY THERMAL MANAGEMENT

NEW CHARGING TIMES



60 MIN



15 MIN

IMPACT ON BATTERY COOLING NEEDS

1-3 kW

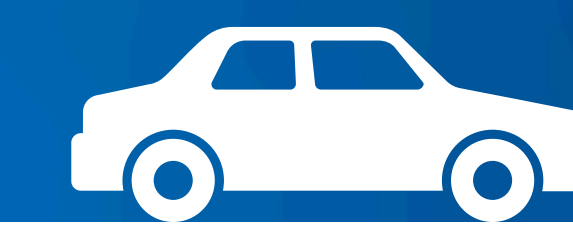
12-20 kW



## STABLE & EXTENDED RANGE

THANKS TO FULL HEAT PUMP SYSTEMS

23° C  
STANDARD EV RANGE



450 KM

-7° C  
RANGE IN WINTER



270 KM  
NO HEAT PUMP

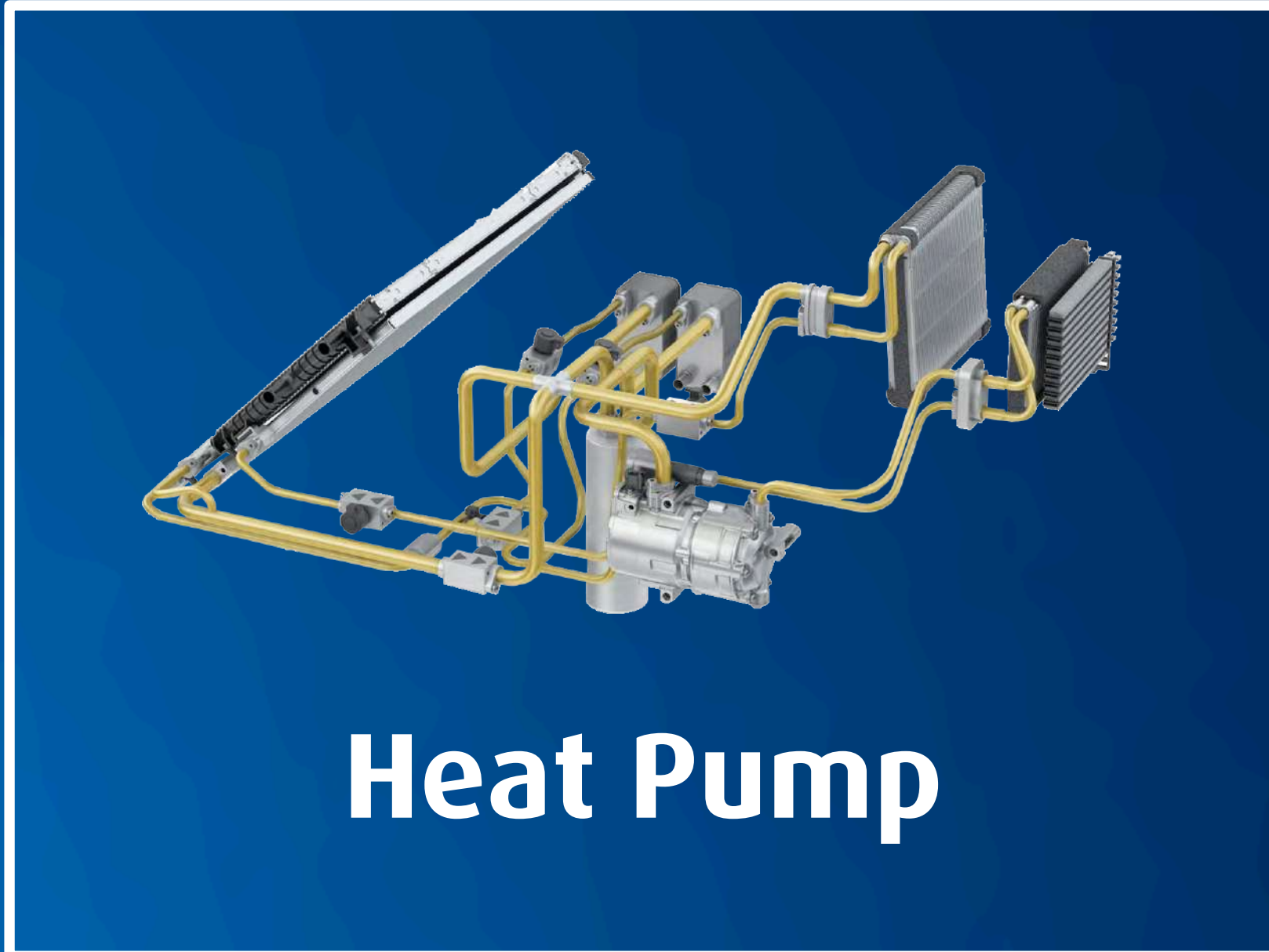


+22% WITH HEAT PUMP

330 KM



# BEV INCREASES THERMAL CONTENT PER CAR



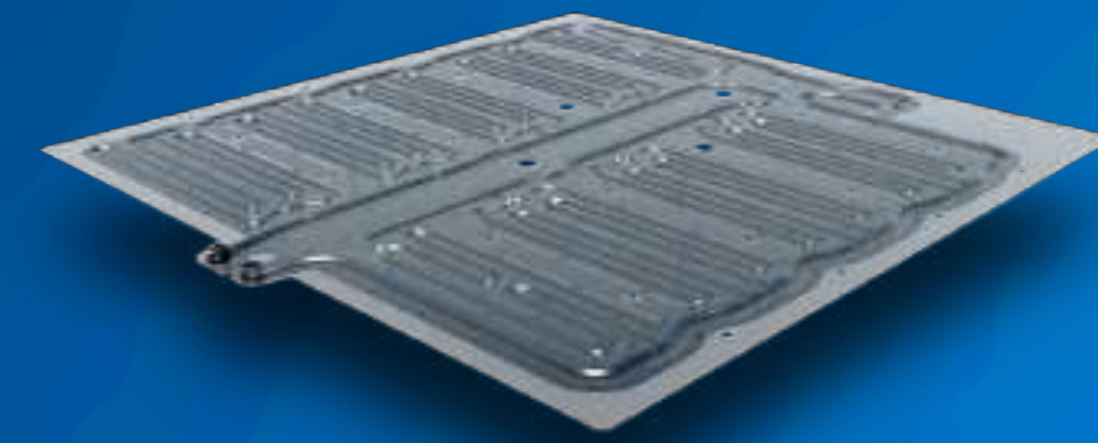
**CONTENT PER VEHICLE IS MULTIPLIED BY\*** **x2.5**

**2025 eTHERMAL MARKET** **€21bn**



# 40 YEARS OF EXPERIENCE WITH STRONG TECHNICAL LEADERSHIP

**2000**  
Cumulated  
xEV patents



Battery Cooler



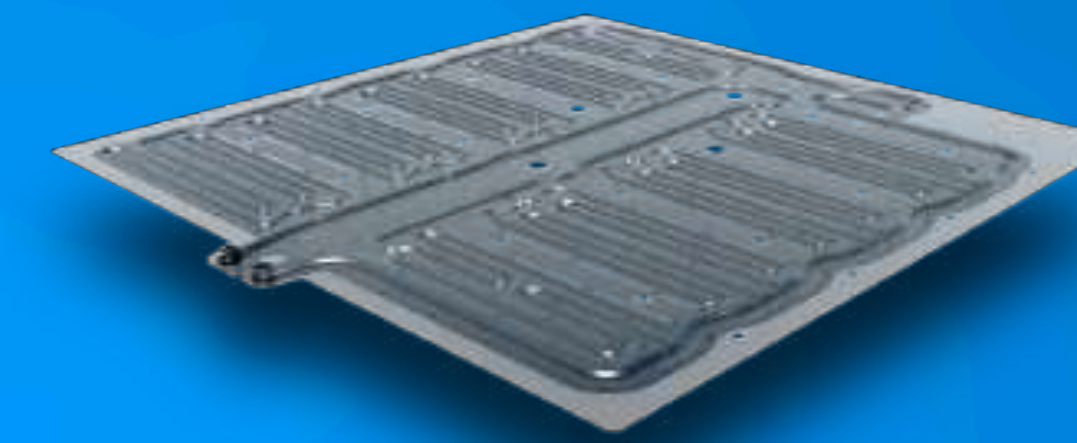
Coolant eHeater



Coolant eHeater



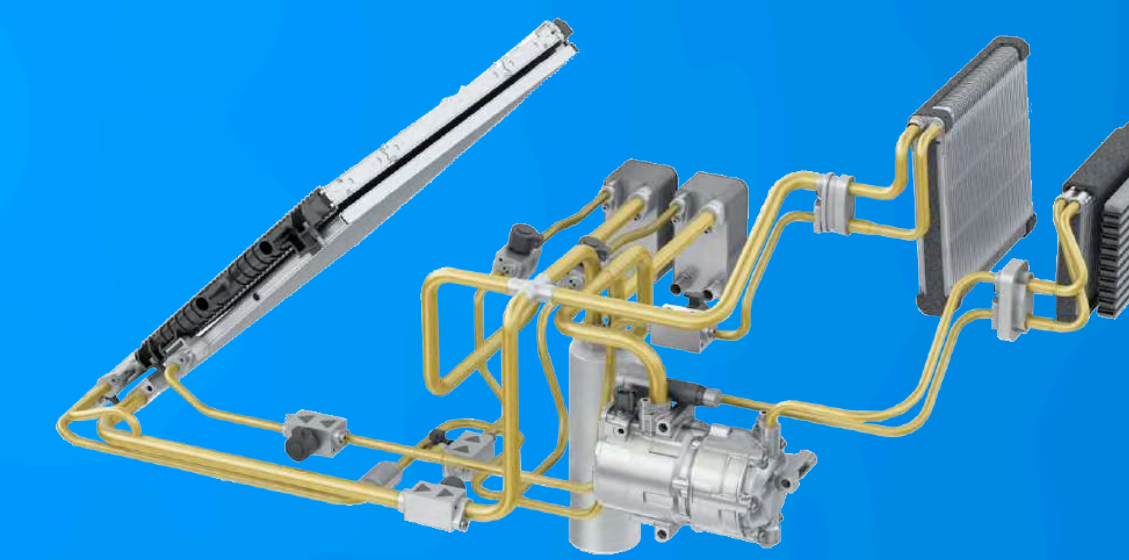
eCompressor



Battery Cooler



Heat Pump



Heat Pump exchangers

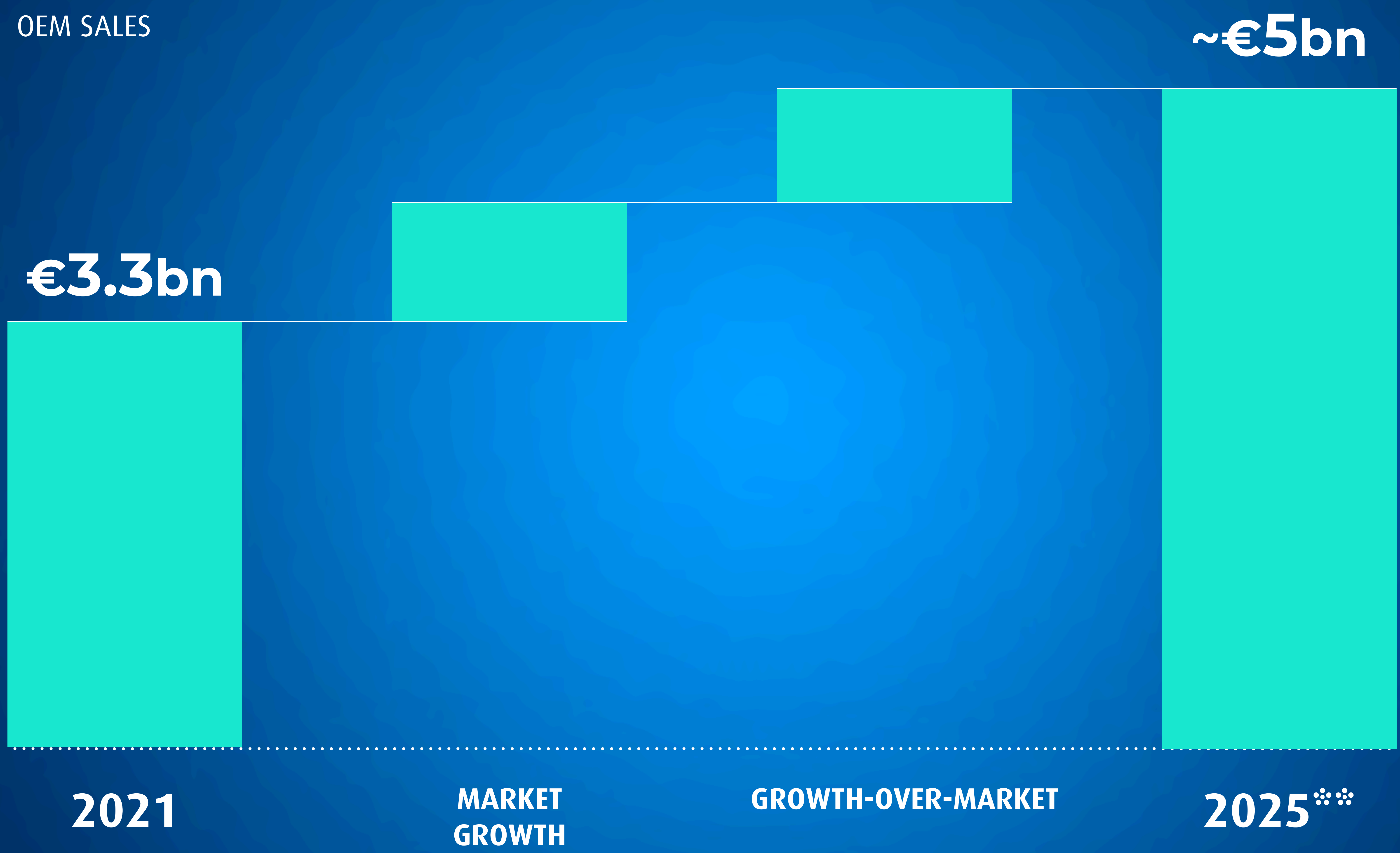
**STELLANTIS**  
DS 3 eTENSE

**VOLKSWAGEN**  
ID.3 & ID.4

**TOYOTA**  
BZ4x



# THS GROWTH IN 2025

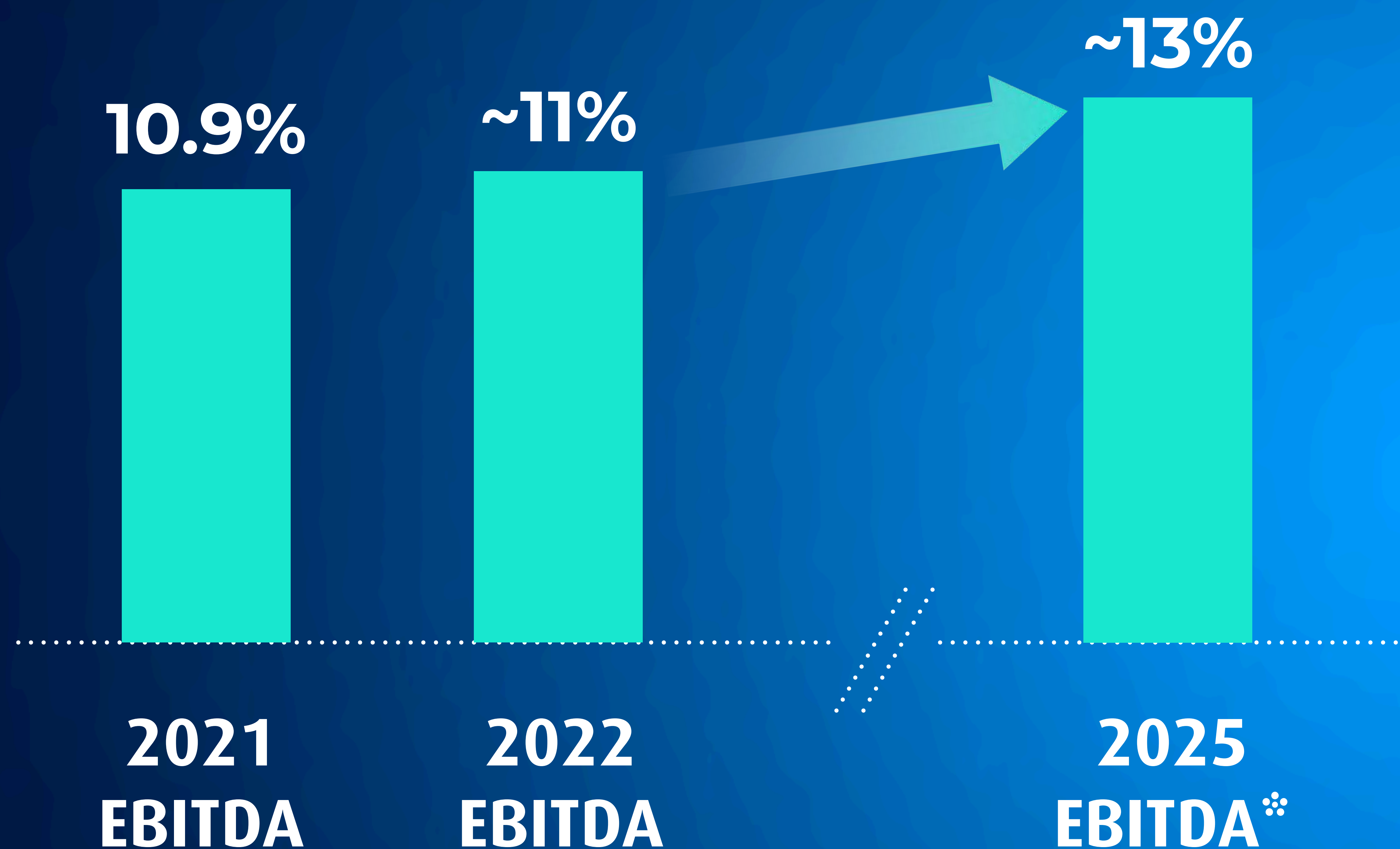


21/25 CAGR\*\*  
**+11%**  
**70%**  
BOOKED RATIO  
IN 2025

\*OEM sales CAGR after non-strategic assets divestiture, including FX impacts \*\*OEM Sales after non-strategic assets divestiture

# WHAT DRIVES THS PROFITABILITY

AS % OF SALES



- (+) Operational leverage on volumes**
  - Improved gross margin
  - Engineering: better efficiency thanks to platforms
  - CAPEX: improved use rate
  - Optimized SG&A
- (+) Cost management**
  - Move Up efficiency plan
- (+) Full inflation recovery**
- (+) xEV products margin improvement vs ICE**

An aerial, top-down view of a city street scene, rendered in a monochromatic blue color scheme. Several cars are visible on the road, each surrounded by concentric circular lines representing sensor waves or radar beams emanating from them. The buildings lining the street are also visible, with their architectural details softened by the blue tint and slight blur. The overall composition is centered around the text.

# ADAS

## ADAS ACCELERATION

# ADAS IS A PROFITABLE AND VERY FAST GROWING BUSINESS

## ACCELERATING MARKET

**15%**

CAGR 21-25

**~90%**

CARS WITH ADAS IN 2030

## GROWING CONTENT PER CAR

**x1.4**

2025 AVERAGE CONTENT PER CAR\*

## VALEO ADAS LEADERSHIP

**30**

YEARS OF INNOVATION EXPERIENCE

**with scalable offer  
from sensors to full stacks**

## WE ARE SUPPORTING ADAS ACCELERATION

**Competitive platforms  
& execution efficiency**

**Benchmark system  
validation**

**New ADAS products  
(Front Cam, LiDAR & DCU)  
are accelerators**

**Tangible & profitable  
growth**

# COMPLETE & SCALABLE OFFER



## SYSTEM INTEGRATION

**FULL STACK**

Automation up to Level 4

**FUNCTION SOFTWARE**

Automated Parking Functions

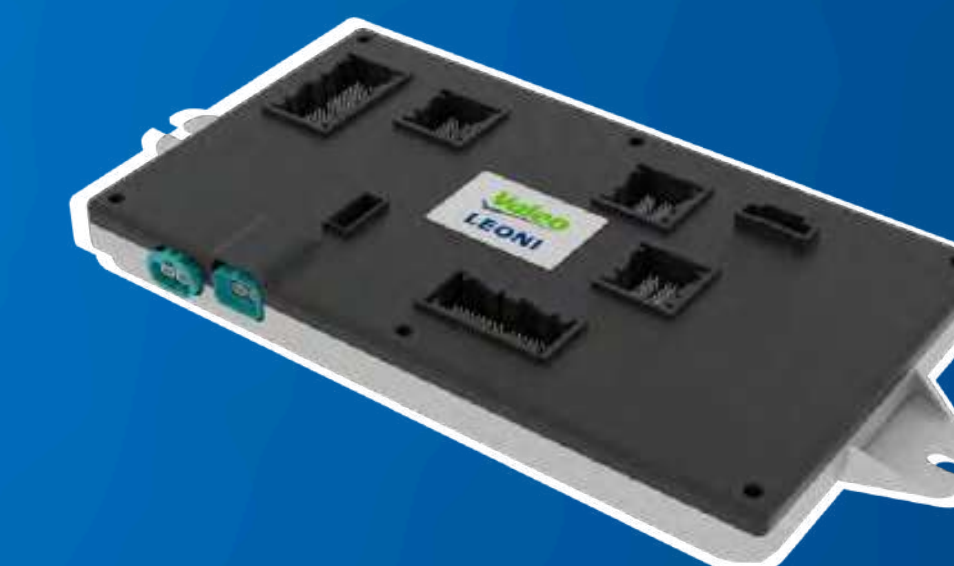
&

Active Safety Functions

**COMPUTING HARDWARE**



Central, Domain & Zonal Controllers



**SENSOR PORTFOLIO**

Ultrasonics



Satellite Cameras



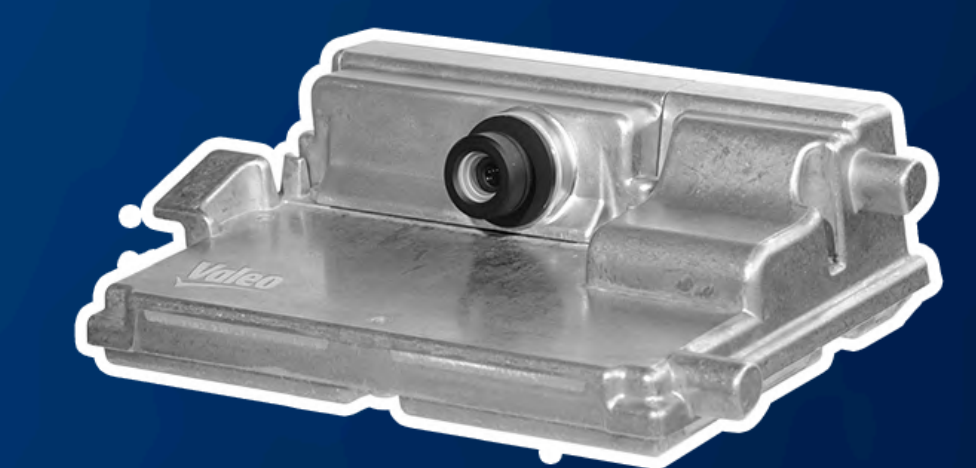
Radars



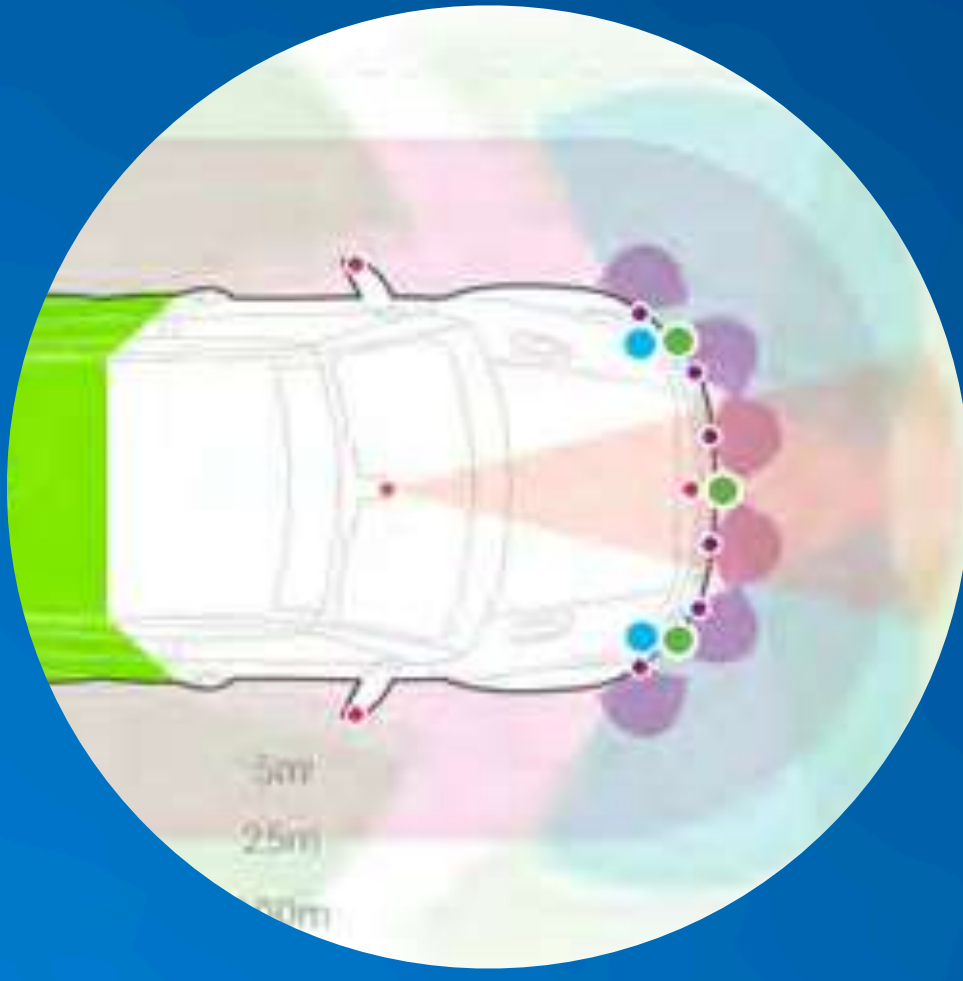
LiDAR



Front Camera



# OFFER FROM SENSORS TO FULL STACK



**Valeo**  
**ADAS FUNCTIONS**



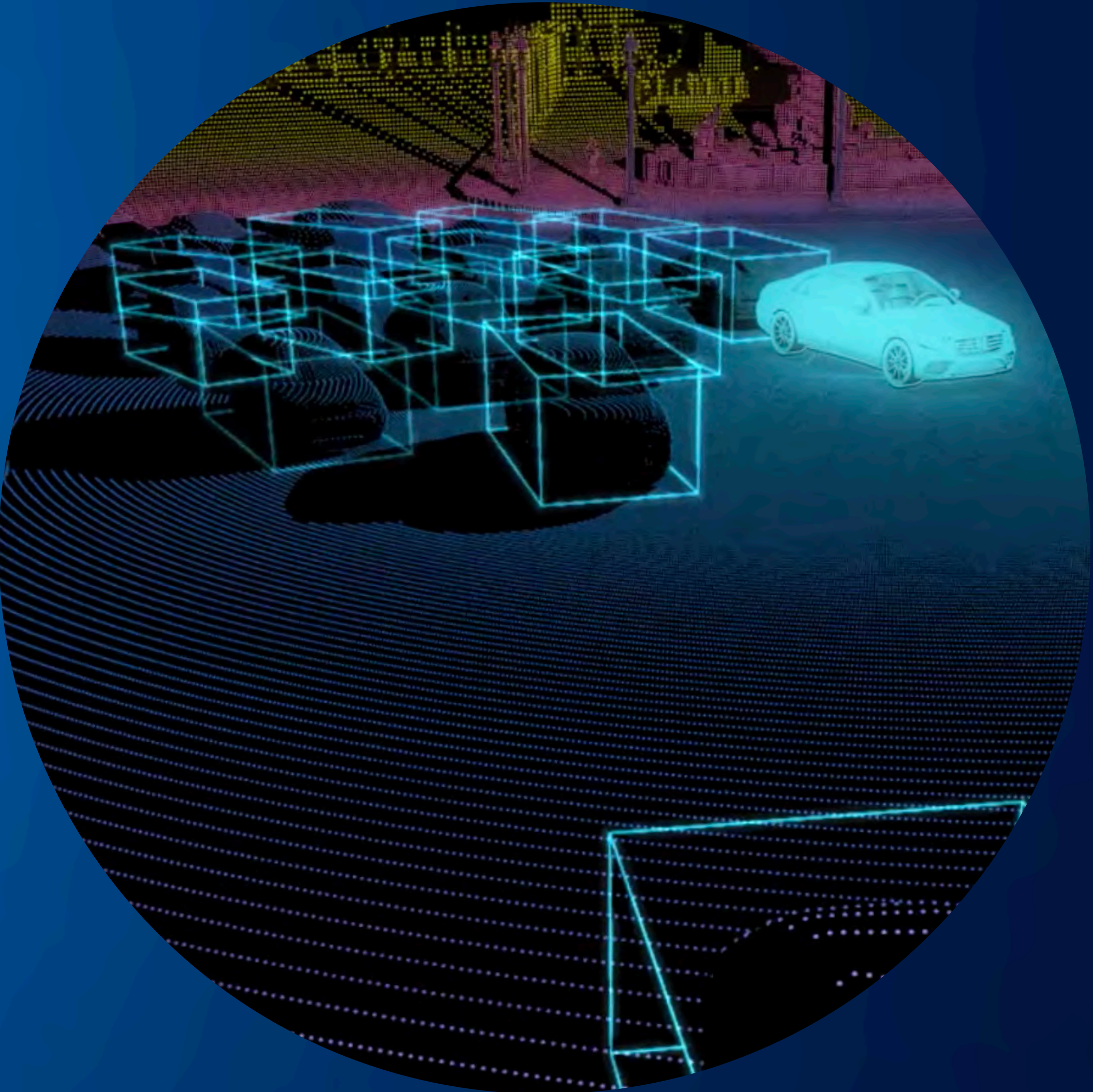
**DATA FUSION & ENVIRONMENT MODEL**



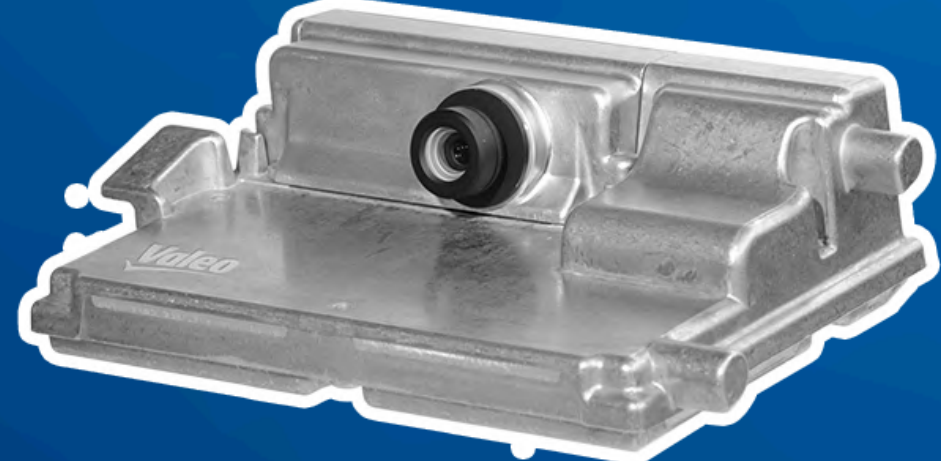
**COMPUTER VISION**



**POINT CLOUD PROCESSING**



**FRONT CAMERA**



**LiDAR**

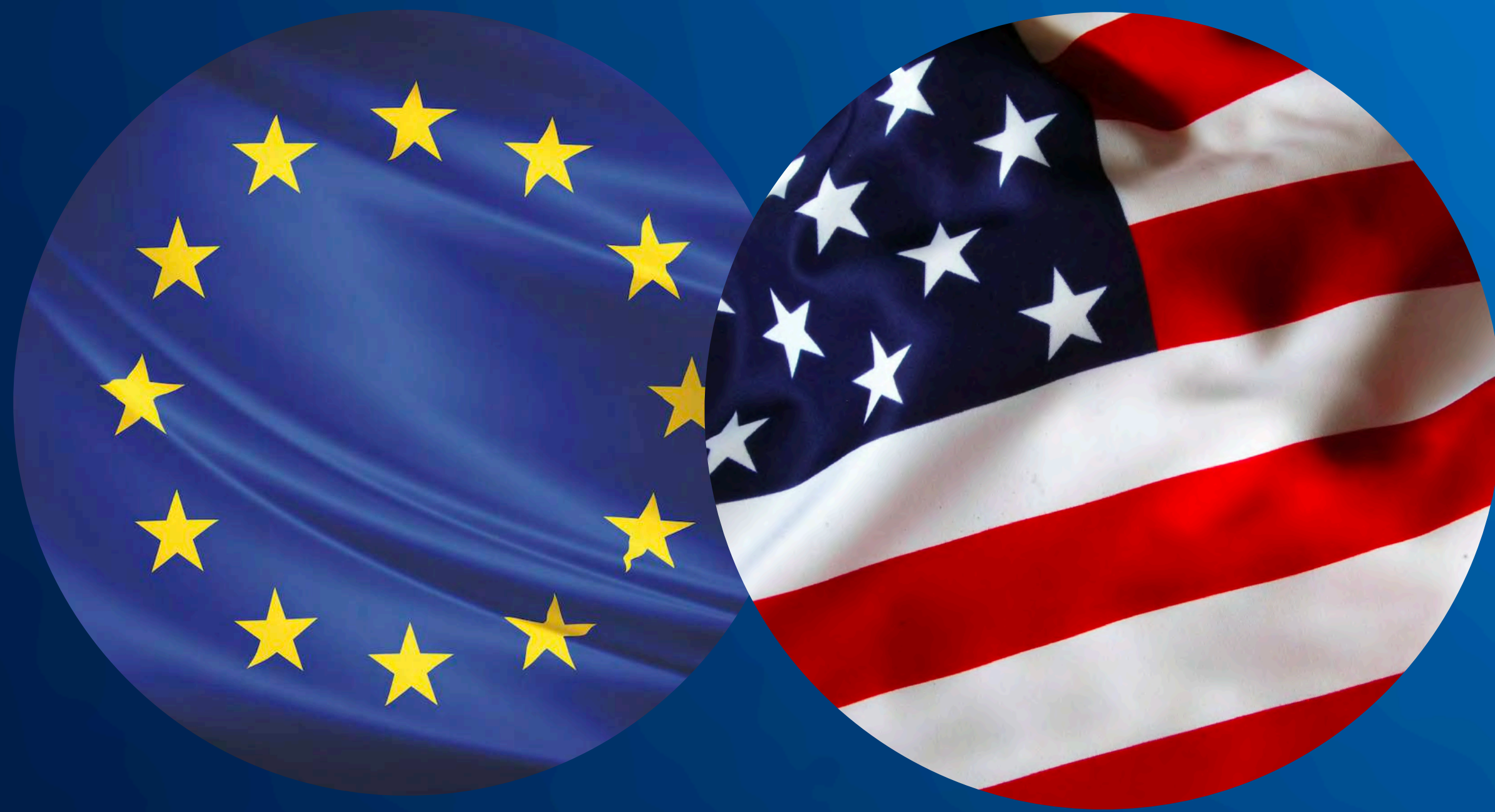




# ADAS GENERALIZATION CONFIRMED



REGULATIONS



NCAP SAFETY RATINGS

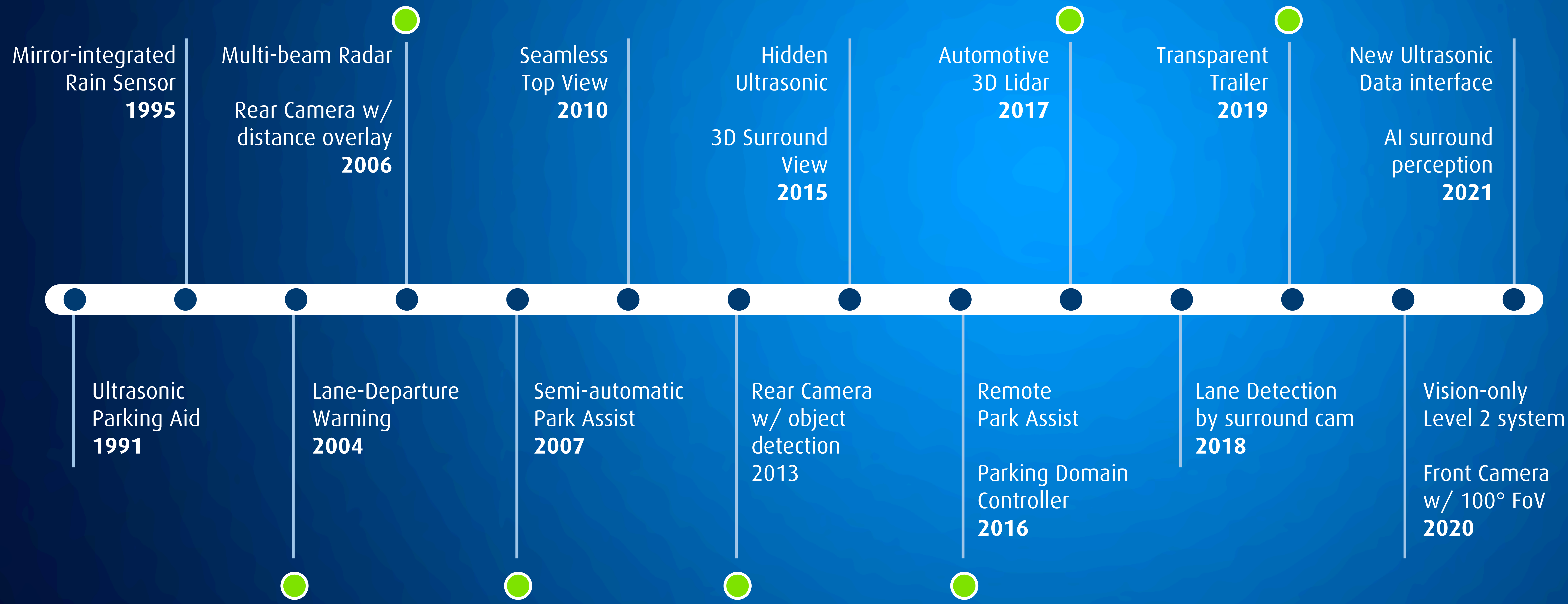


INNOVATION



MERCEDES DRIVE PILOT

# 30 YEARS OF EXPERIENCE IN INNOVATION



**TRAILER VISION**



**CAM ONLY LEVEL 2**



**DAIMLER**

**ADAS LEVEL 3**



# 1.5+ BILLION ADAS SENSORS OVER THE PAST 30 YEARS X2 WITHIN THE NEXT 5 YEARS

VALEO HAS DEVELOPED A GLOBAL LEADERSHIP POSITION IN ADAS



## ULTRASONICS



## SATELLITE CAMERA



## FRONT CAMERA

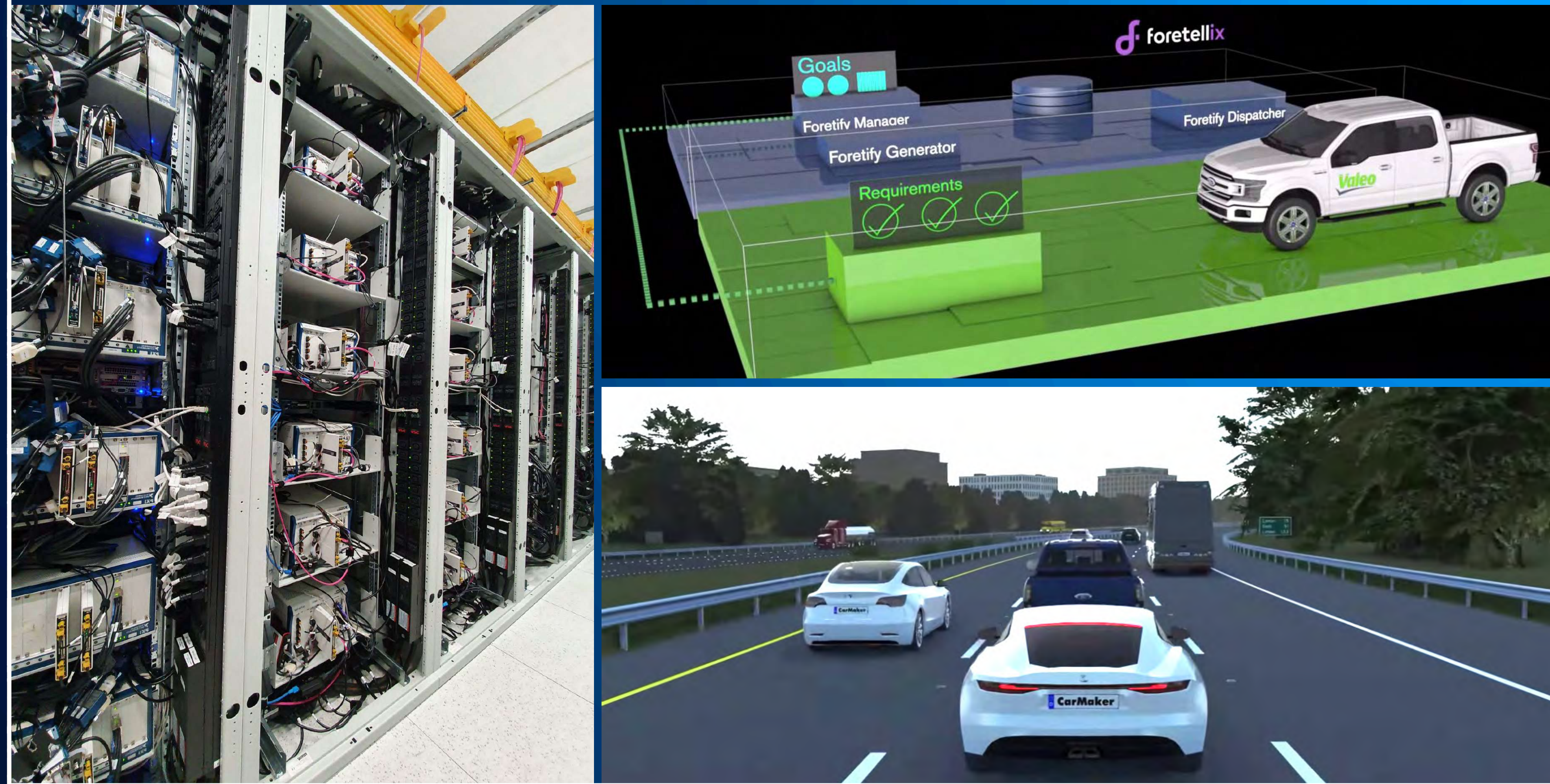


# BENCHMARK IN SYSTEM VALIDATION

## VIRTUAL VALIDATION

**40**  
PETABYTES

large scale simulation capability  
with **8 HIL & SIL FARMS**  
on sites and in the cloud  
running **250+ test benches**



## PHYSICAL VALIDATION

worldwide network of  
**9 TEST TRACKS**  
with on-site facilities  
running **250+ vehicles**



# ALREADY ENABLING LEVEL 3 TODAY AND NEW FEATURES TO COME



SCALA 1

SCALA 2



SCALA 3



level 3

enabling level 3  
up to 60 km/h

DAIMLER  
level 3

enabling automation  
up to 130 km/h

## GEN3 VS GEN1

→ Detects infrastructure

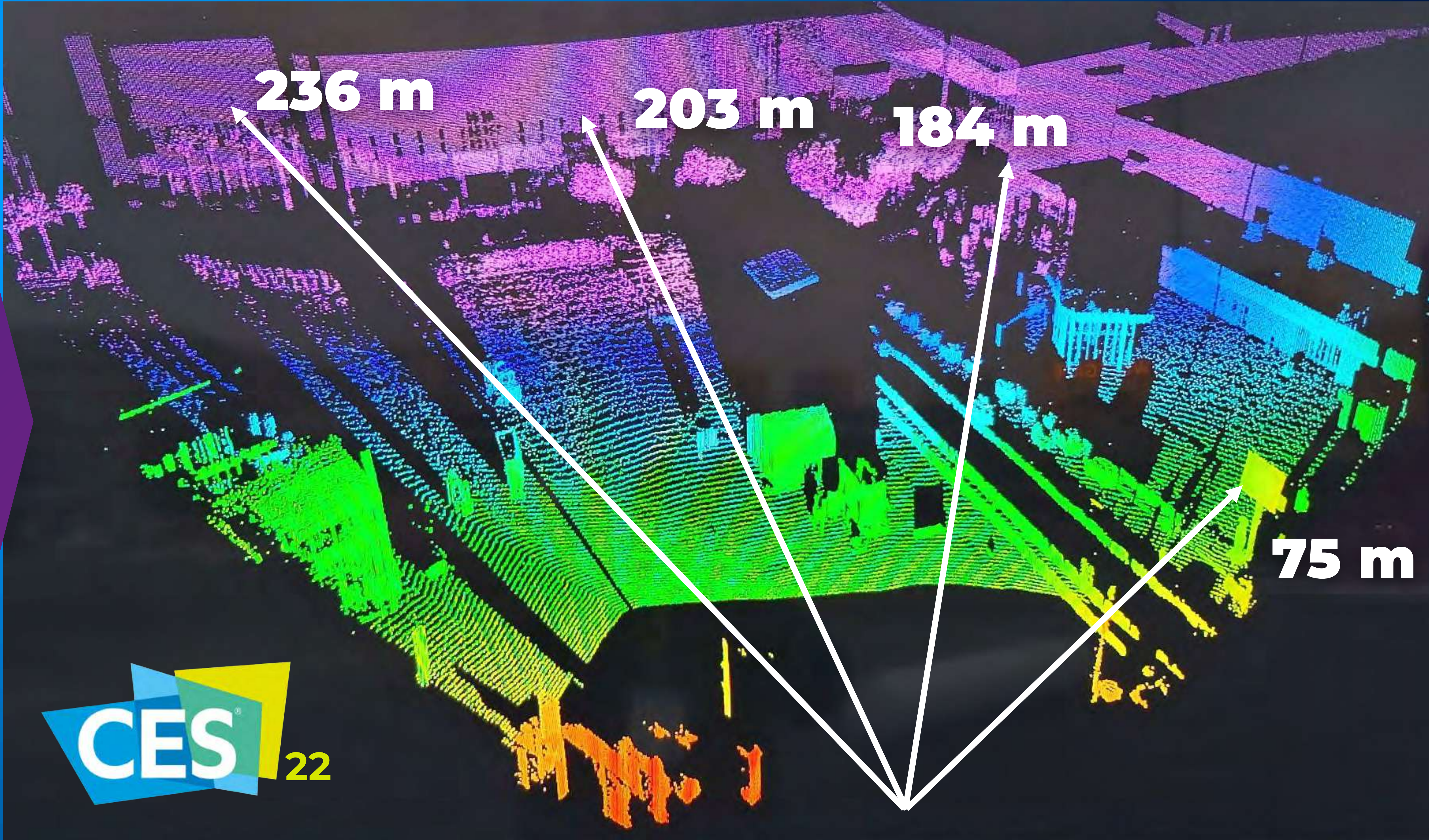
Vertical field of view \_\_\_\_\_ x8

→ Detects lost cargo

Resolution \_\_\_\_\_ x265

→ Detects vulnerable road users

Point cloud density \_\_\_\_\_ x175

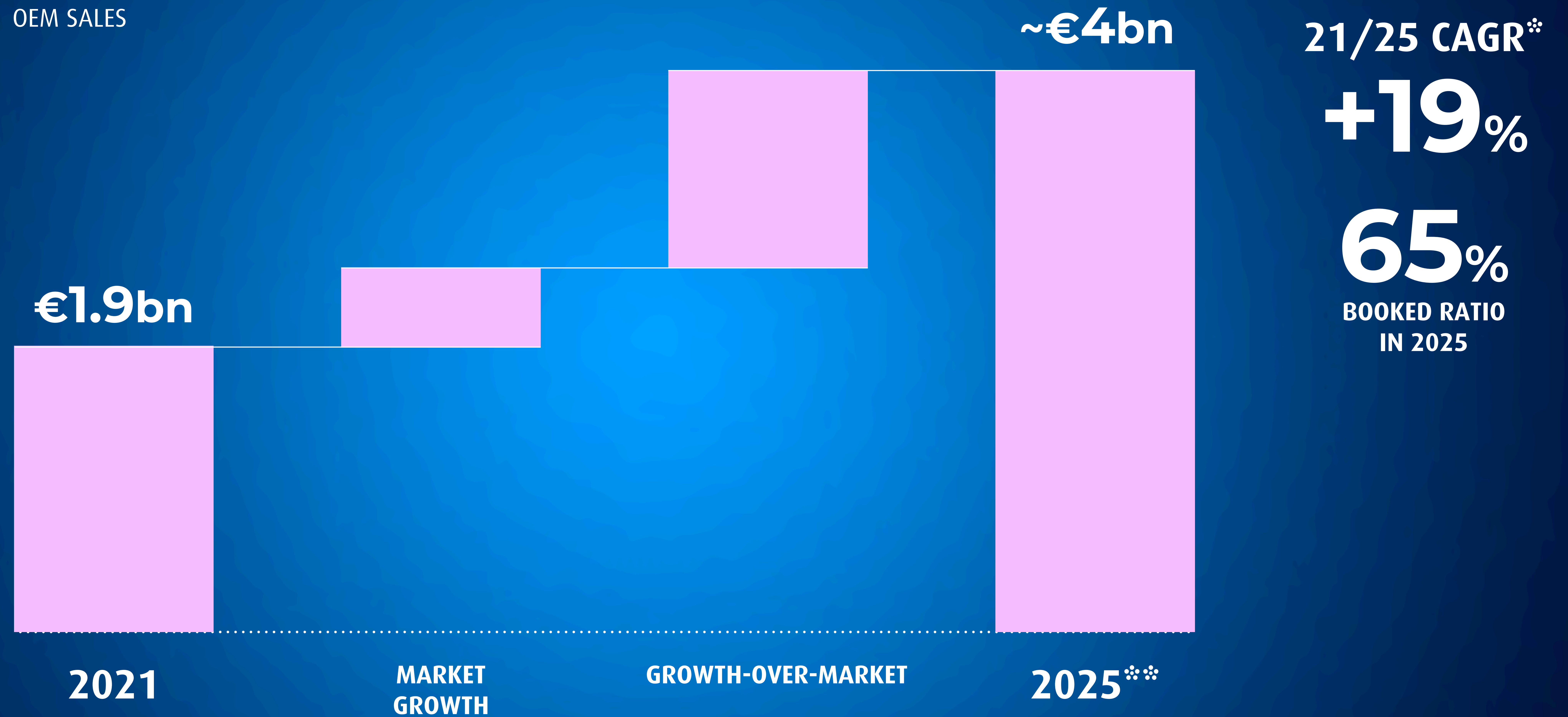


# VALEO LEADERSHIP IN LiDAR

## 160,000+ UNITS SHIPPED TO DATE



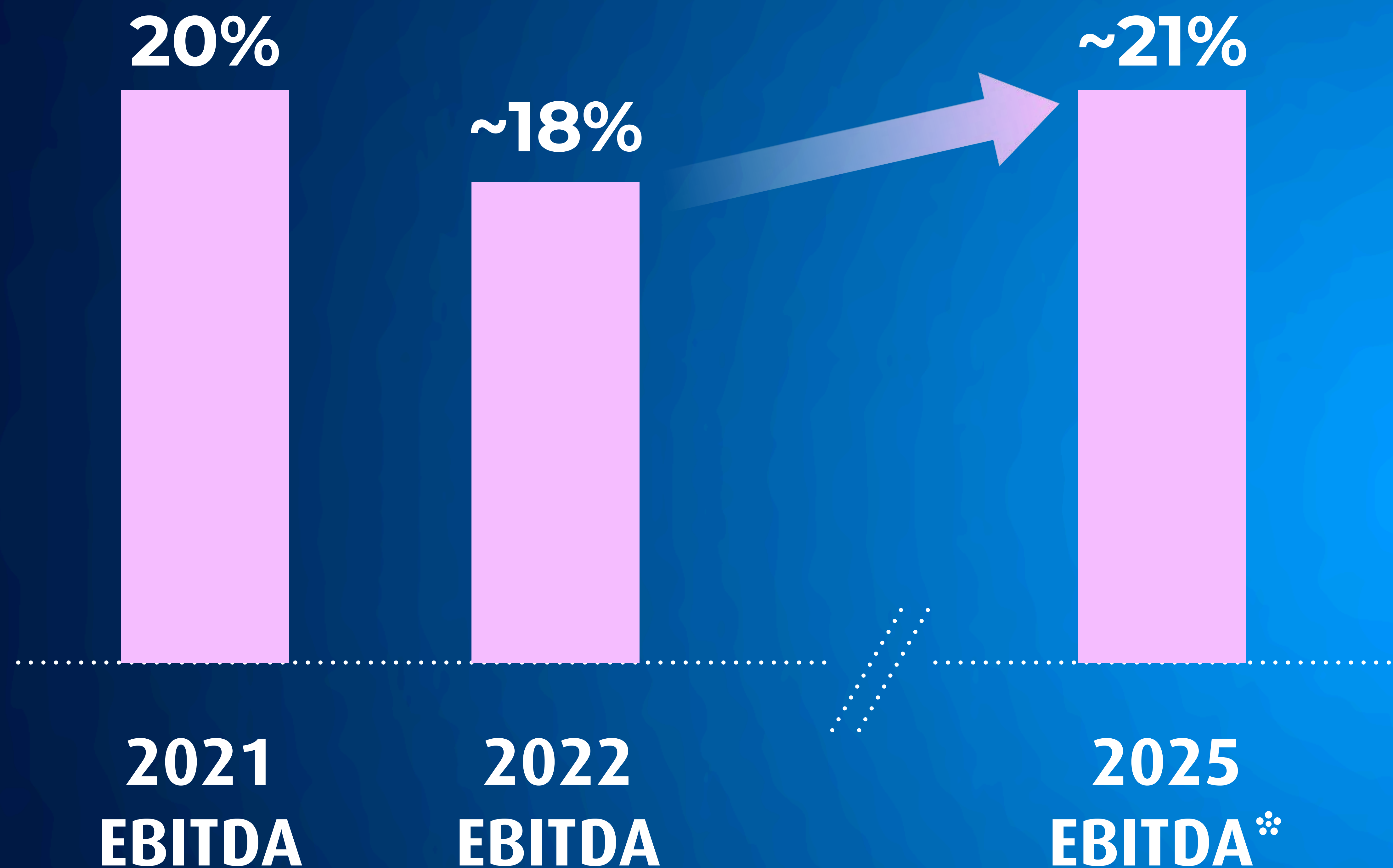
# CDA ADAS GROWTH IN 2025



\*OEM sales CAGR after non-strategic assets divestiture, including FX impacts \*\*OEM Sales after non-strategic assets divestiture

# WHAT DRIVES CDA ADAS PROFITABILITY

AS % OF SALES



## 2021-2022

- (+) Contribution on higher sales
- (-) Higher engineering costs for LIDAR & DCU (ADAS new products)
- (-) Delayed electronics components inflation recovery

## 2022-2025

- (+) Operational leverage on volumes
  - Improved gross margin
  - Engineering: better efficiency thanks to platforms
  - CAPEX: improved use rate
  - Optimized SG&A
- (+) Cost management
  - Move Up efficiency plan
- (+) Full inflation recovery
- (+) New products margin improvement



One Time Password  
**0218**  
access permission

Your Number  
**80213648**  
access permission

- /Autonomous
- /Sensing
- /Communication
- /Battery
- /Navigation
- /Riskless
- /Ecology



# INTERIOR EXPERIENCE

# INTERIOR EXPERIENCE REINVENTION

# INTERIOR EXPERIENCE IS A GROWING PROFITABLE OPPORTUNITY

## ACCELERATING MARKET

**10%**

CAGR 21-25

**~90%**

CARS WITH CONNECTIVITY IN 2030

## GROWING CONTENT PER CAR

**+14%**

2025 AVERAGE CONTENT PER CAR\*

## VALEO INTERIOR EXPERIENCE

Interior Cocoon for occupant safety

5G Secure telematics platform

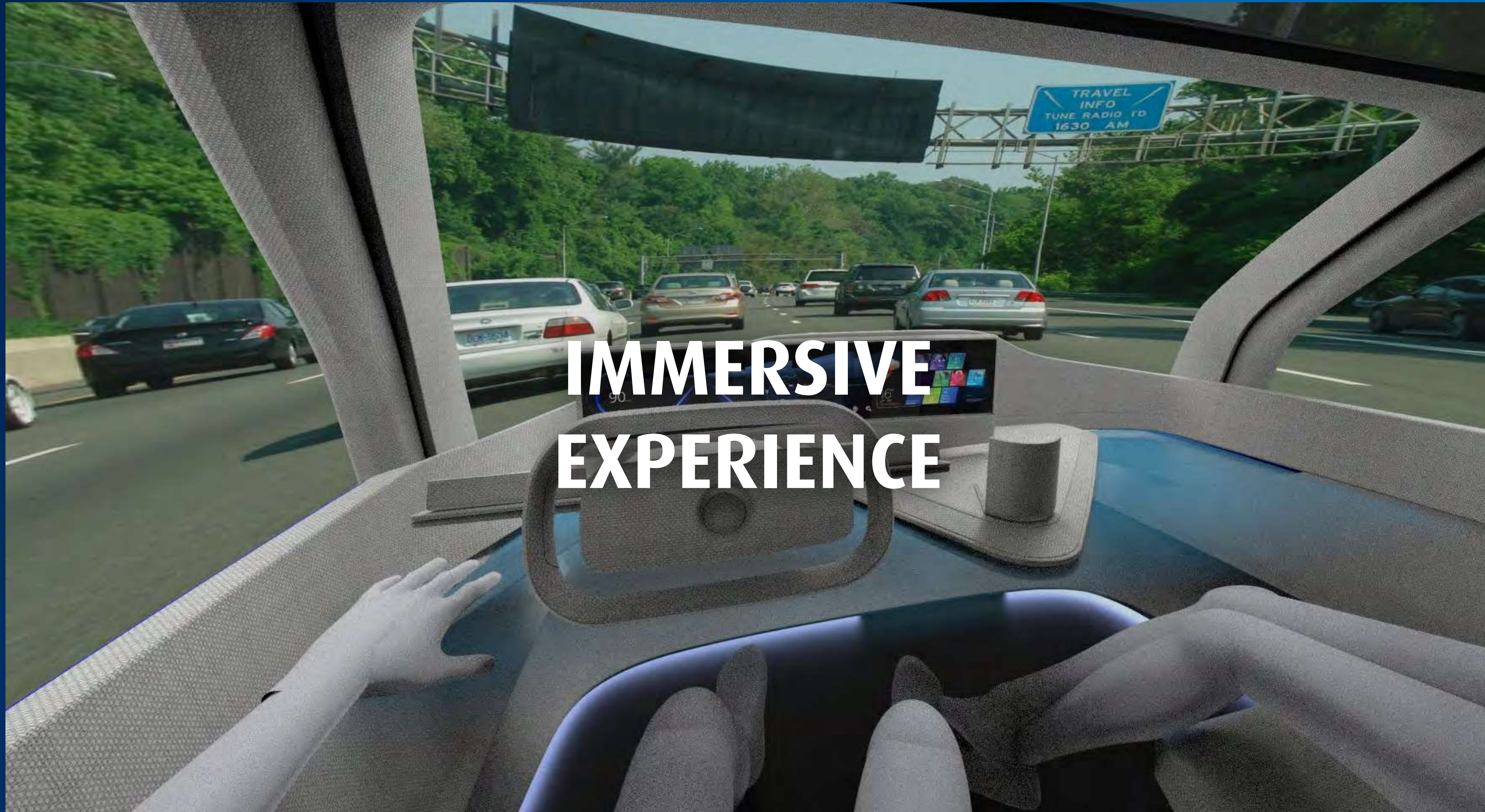
## WE ARE REINVENTING LIFE ON BOARD AND BOOSTING OUR PROFITABILITY

Focus on competitive platforms & execution efficiency

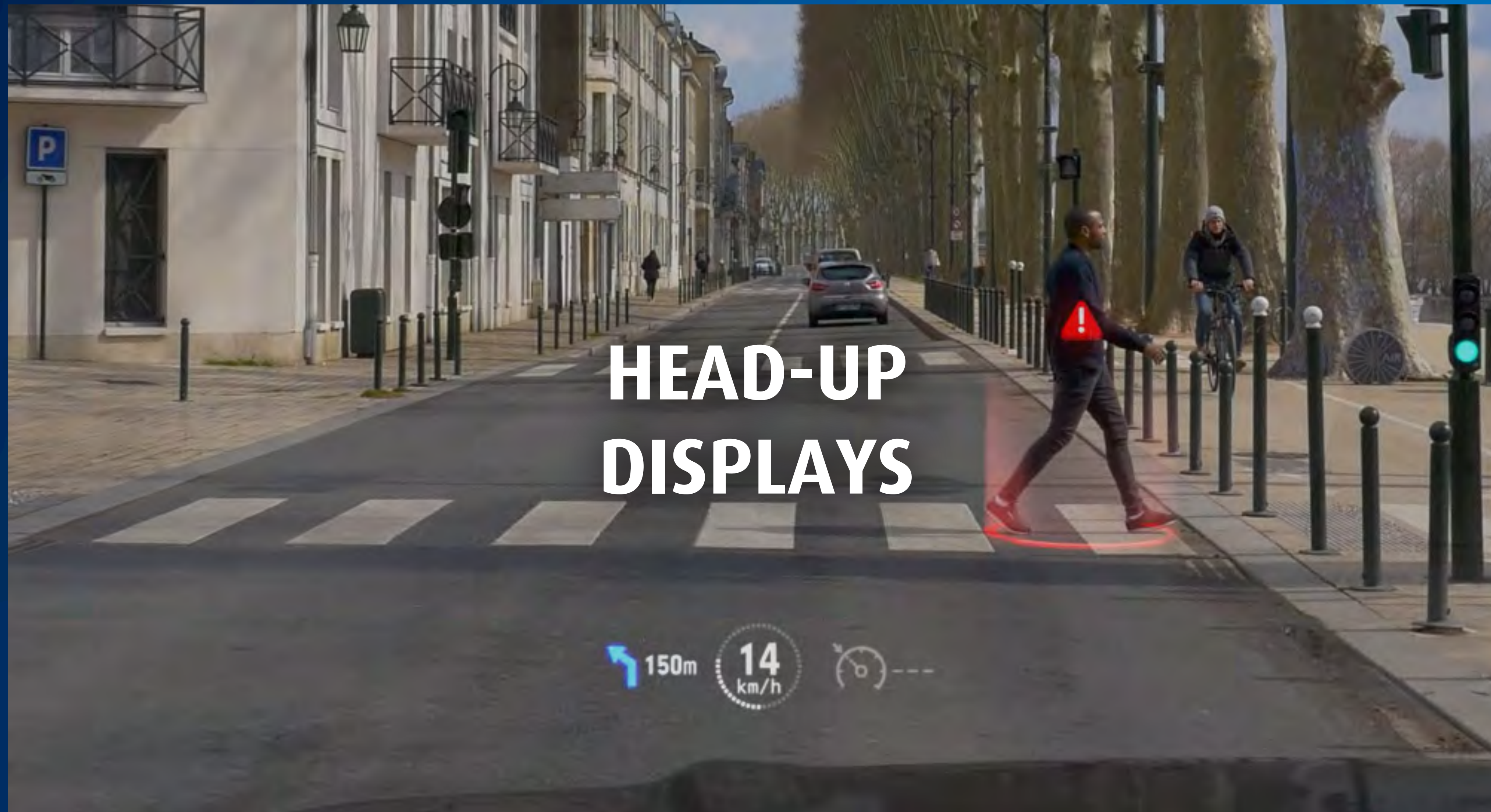
Provide seamless User Experience and connectivity

Deliver attractive profitability outlook

# INTERIOR EXPERIENCE WILL BE A KEY DIFFERENTIATOR



# INTERIOR EXPERIENCE WILL BE A KEY DIFFERENTIATOR



**HEAD-UP  
DISPLAYS**



**CONNECTIVITY HUB  
5G, GPS, V2X**

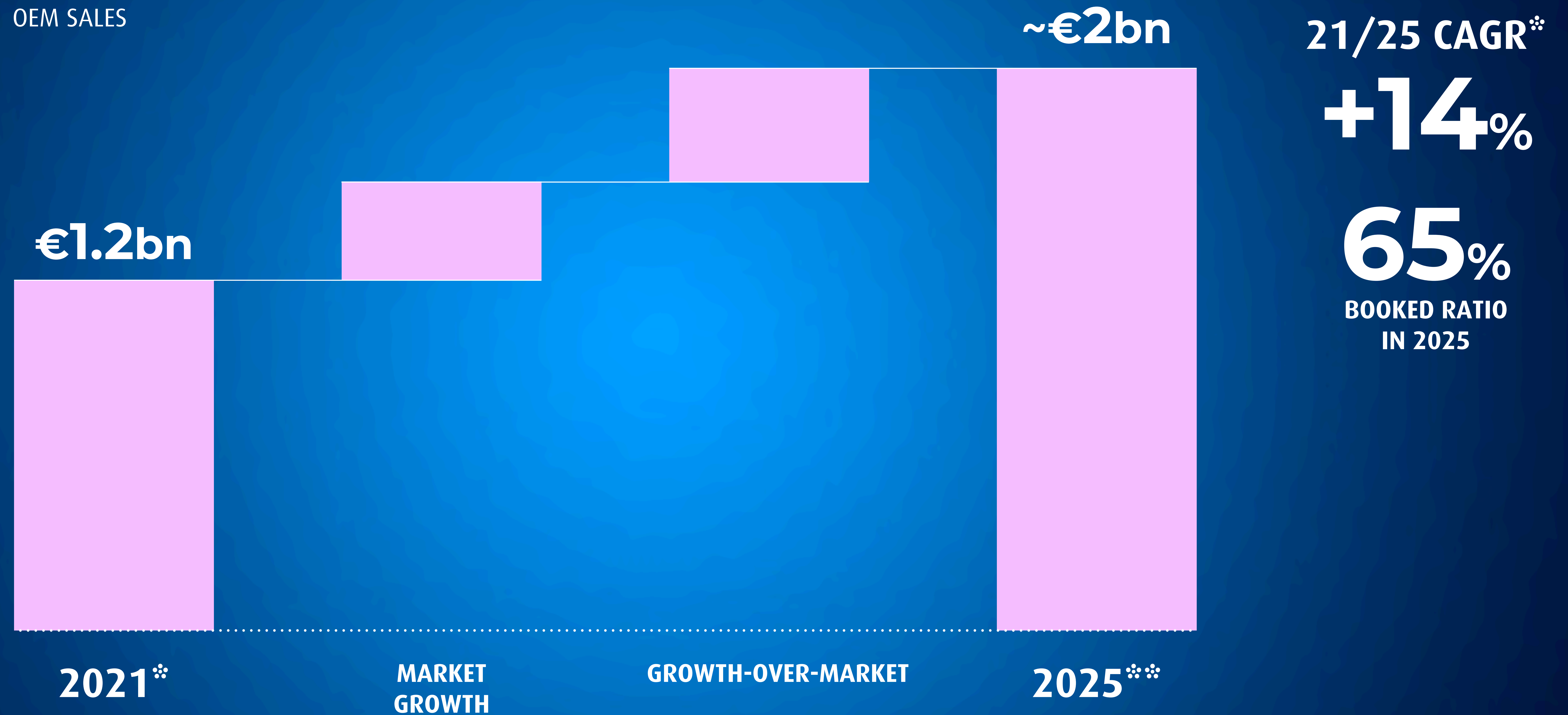


**SMART  
SURFACES**



**INTERIOR  
MONITORING SYSTEM**

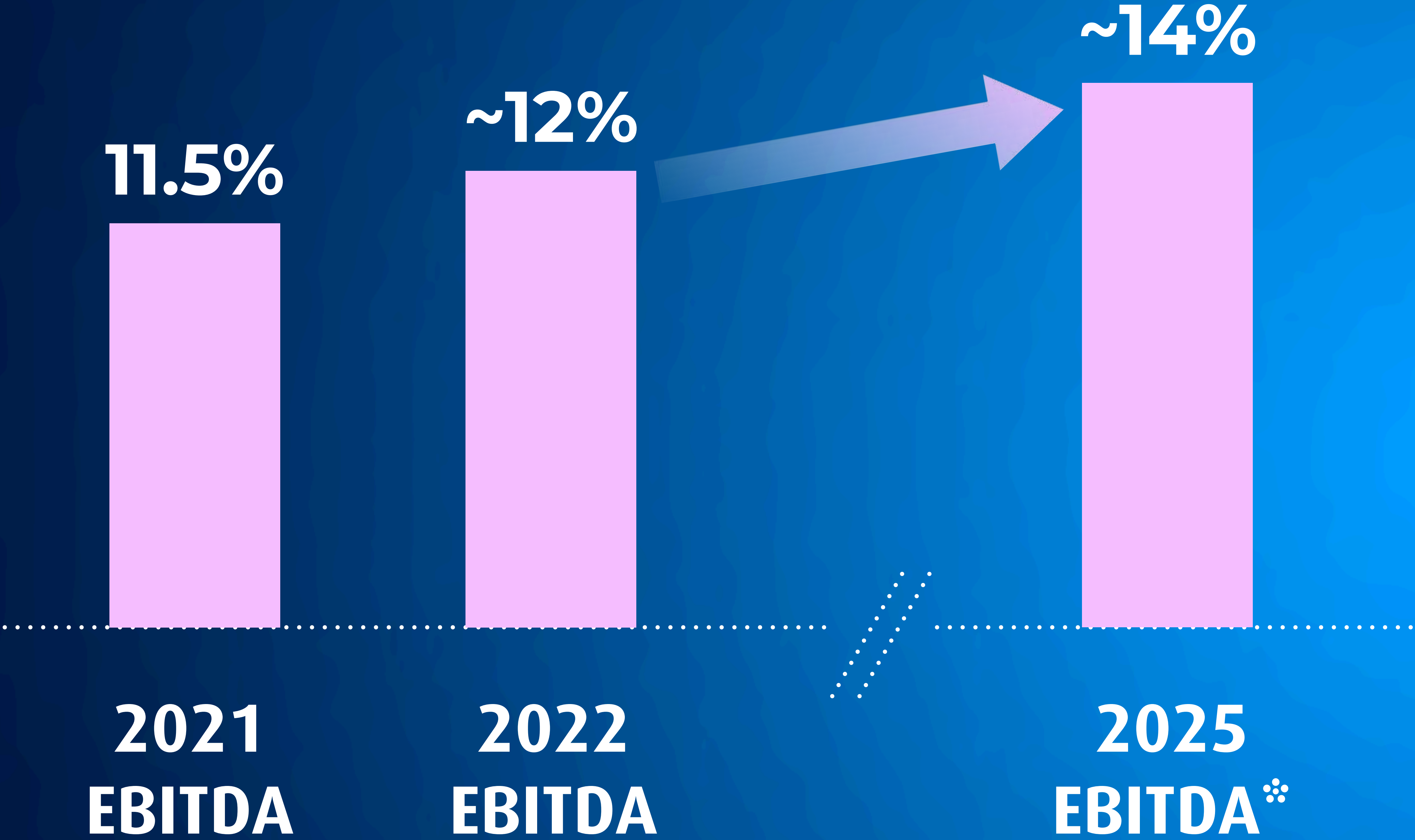
# CDA INTERIOR EXPERIENCE GROWTH IN 2025



<sup>\*</sup>OEM sales CAGR after non-strategic assets divestiture, including FX impacts <sup>\*\*</sup>OEM Sales after non-strategic assets divestiture

# WHAT DRIVES CDA INTERIOR EXPERIENCE PROFITABILITY

AS % OF SALES



- (+) Operational leverage on volumes**
  - Improved gross margin
  - Engineering: better efficiency thanks to platforms
  - CAPEX: improved use rate
  - Optimized SG&A
- (+) Cost management**
  - Move Up efficiency plan
- (+) Full inflation recovery**
- (+) New products margin improvement**

\*EBITDA after non-strategic assets divestiture

A wireframe car is shown in a dark blue environment. The car is composed of a grid of lines, and a larger, semi-transparent blue grid is overlaid on the entire scene. The text 'LIGHTING LIGHTING EVERYWHERE' is centered over the car. The word 'LIGHTING' is written in a yellow, outlined font, while 'EVERYWHERE' is in a solid white font. The overall aesthetic is futuristic and technical.

# LIGHTING

## LIGHTING EVERYWHERE

# VISIBILITY IS A CORE & PROFITABLE BUSINESS

## CONCENTRATED MARKET

**60%**

OF MARKET SHARE HELD BY TOP 4

**#1 Valeo**

IN MARKET SHARE

## GROWING CONTENT PER CAR

**x1.2**

2025 AVERAGE CONTENT PER CAR\*

## VALEO, THE LEADER

Innovation and R&D  
are key differentiators

High barrier to entry

## WE ARE DELIVERING THE LIGHTING OF THE FUTURE THANKS TO SOLID FOUNDATIONS

Scale & expertise

Highly efficient platform  
approach

Global manufacturing  
footprint

Tangible growth &  
profitability upside

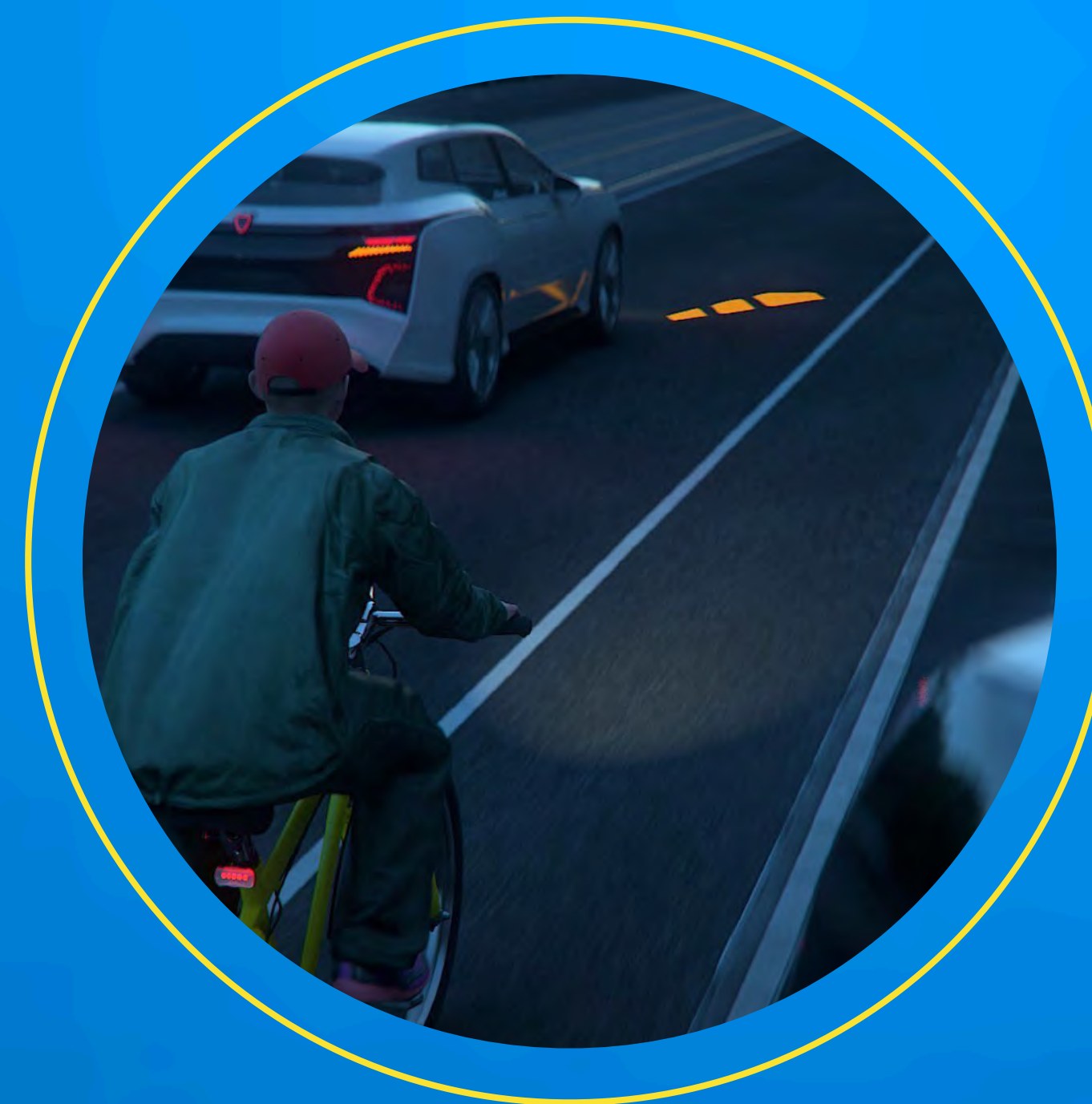
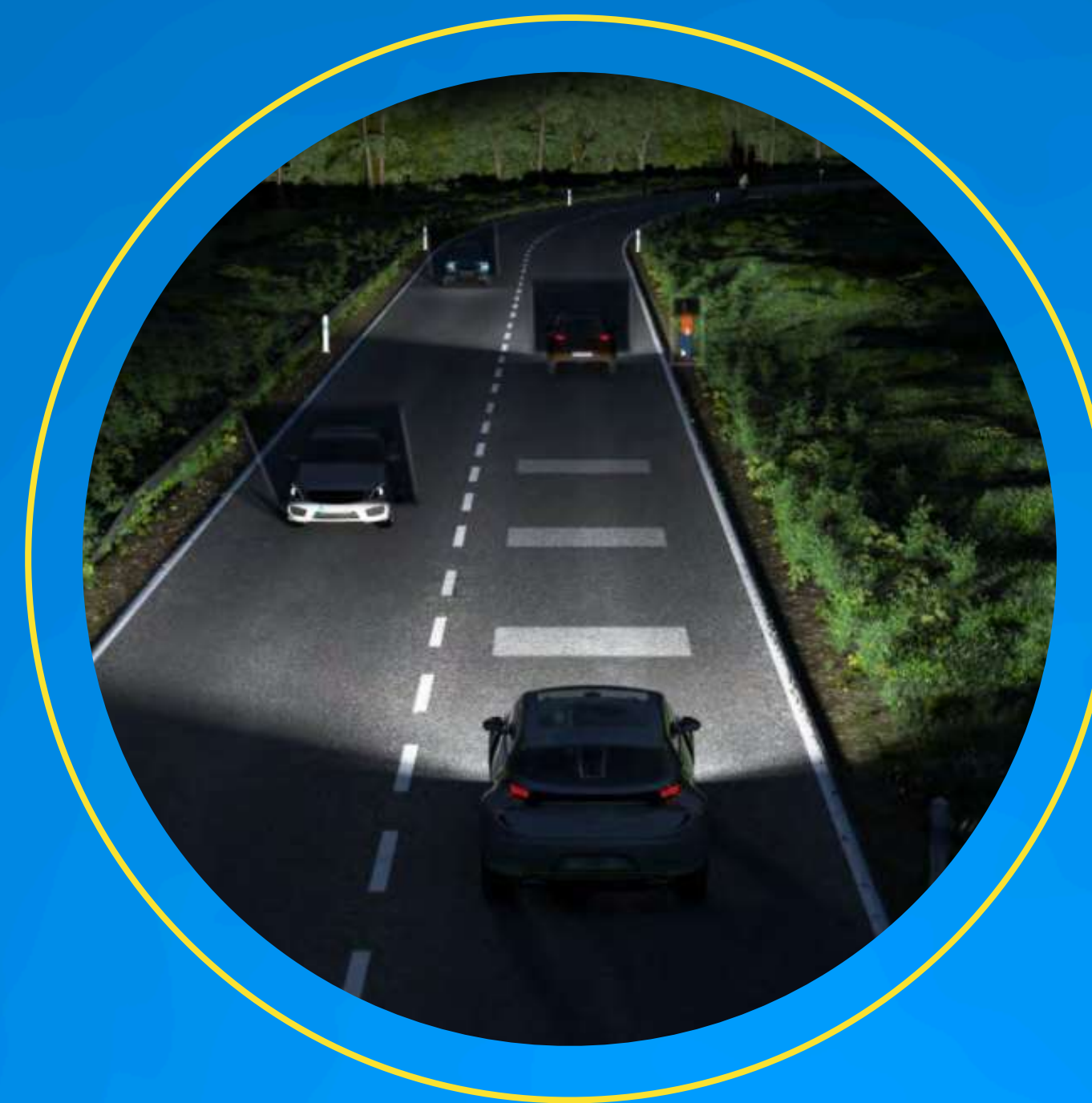


# VALEO IS #1 IN A CONCENTRATED & GROWING MARKET

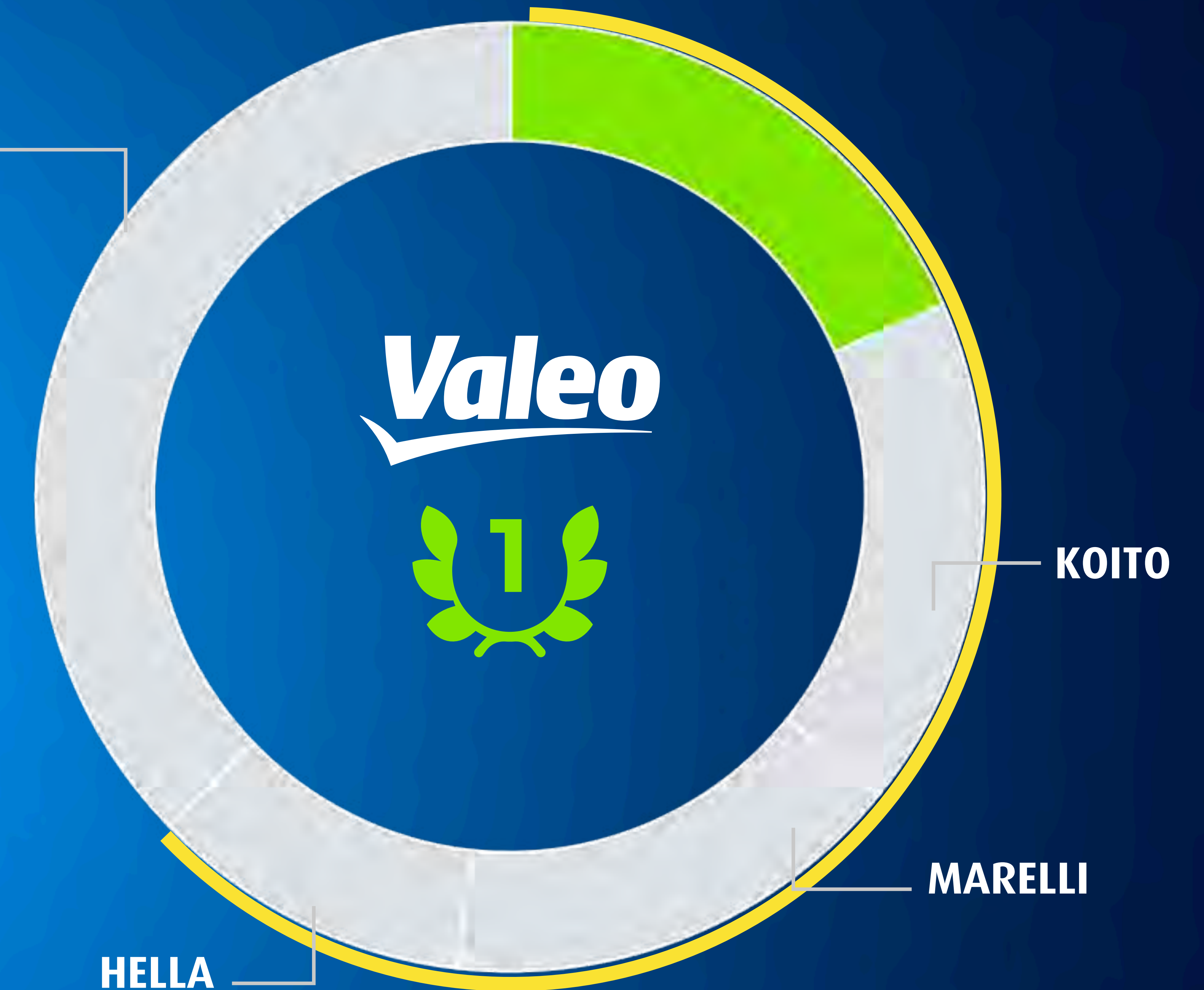
TODAY

TOMORROW

NEW FEATURES



OTHERS



TOP 4 MARKET SHARE: 60%

AVERAGE CONTENT PER VEHICLE MULTIPLIED BY\* **X 1.2**

# STANDARD & COMPETITIVE PLATFORMS, ALREADY PERFORMING ON THE MARKET

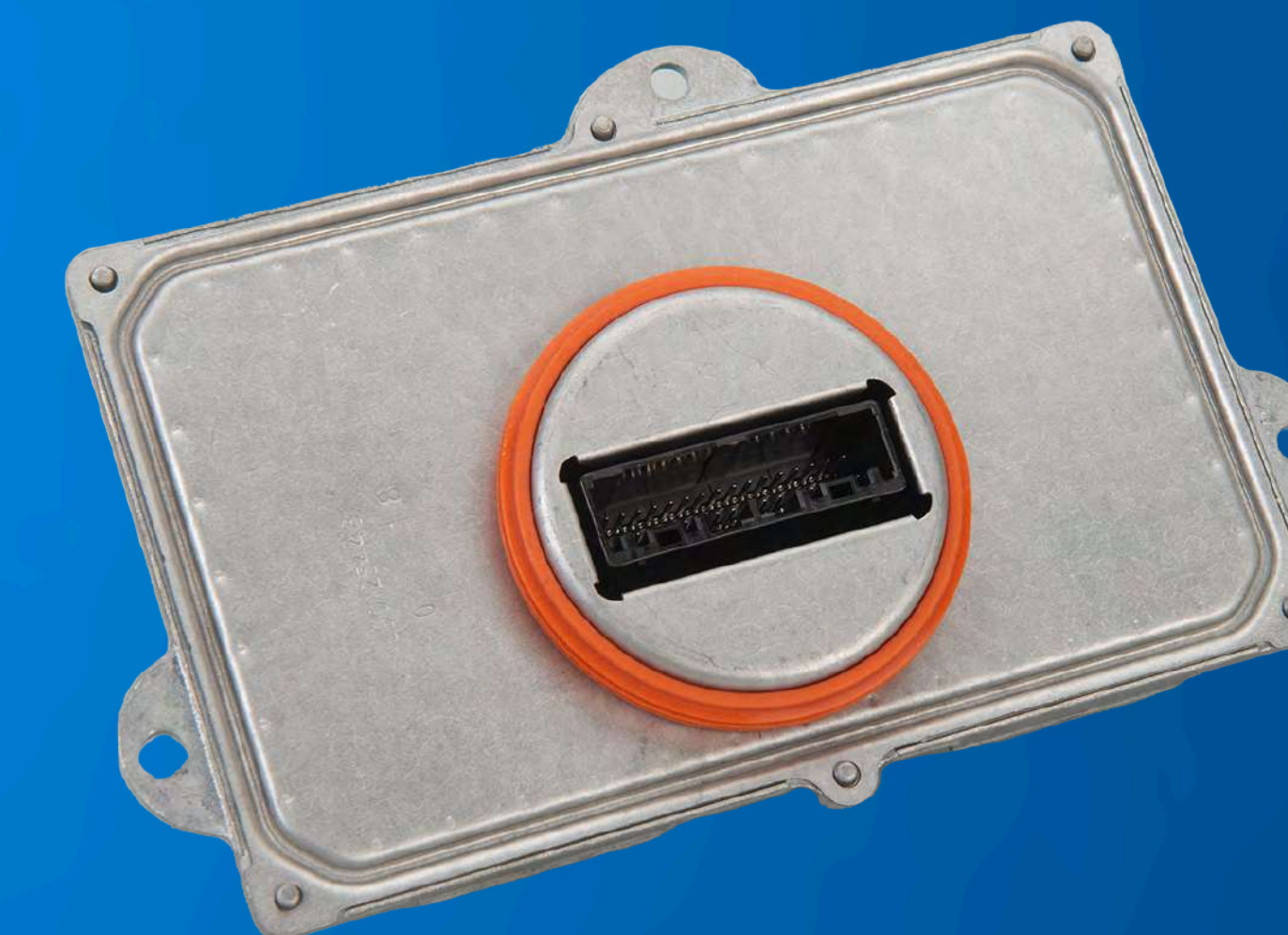
## HEADLAMP



**VALEO  
THINLENS**



**50%**  
HEADLAMP  
VALUE



**VALEO ELECTRONIC  
CONTROLLER**

**21**  
MODELS

**6.2**  
MU LIFETIME

**94%**  
STANDARD HW

**84%**  
STANDARD HW

**78%**  
STANDARD SW

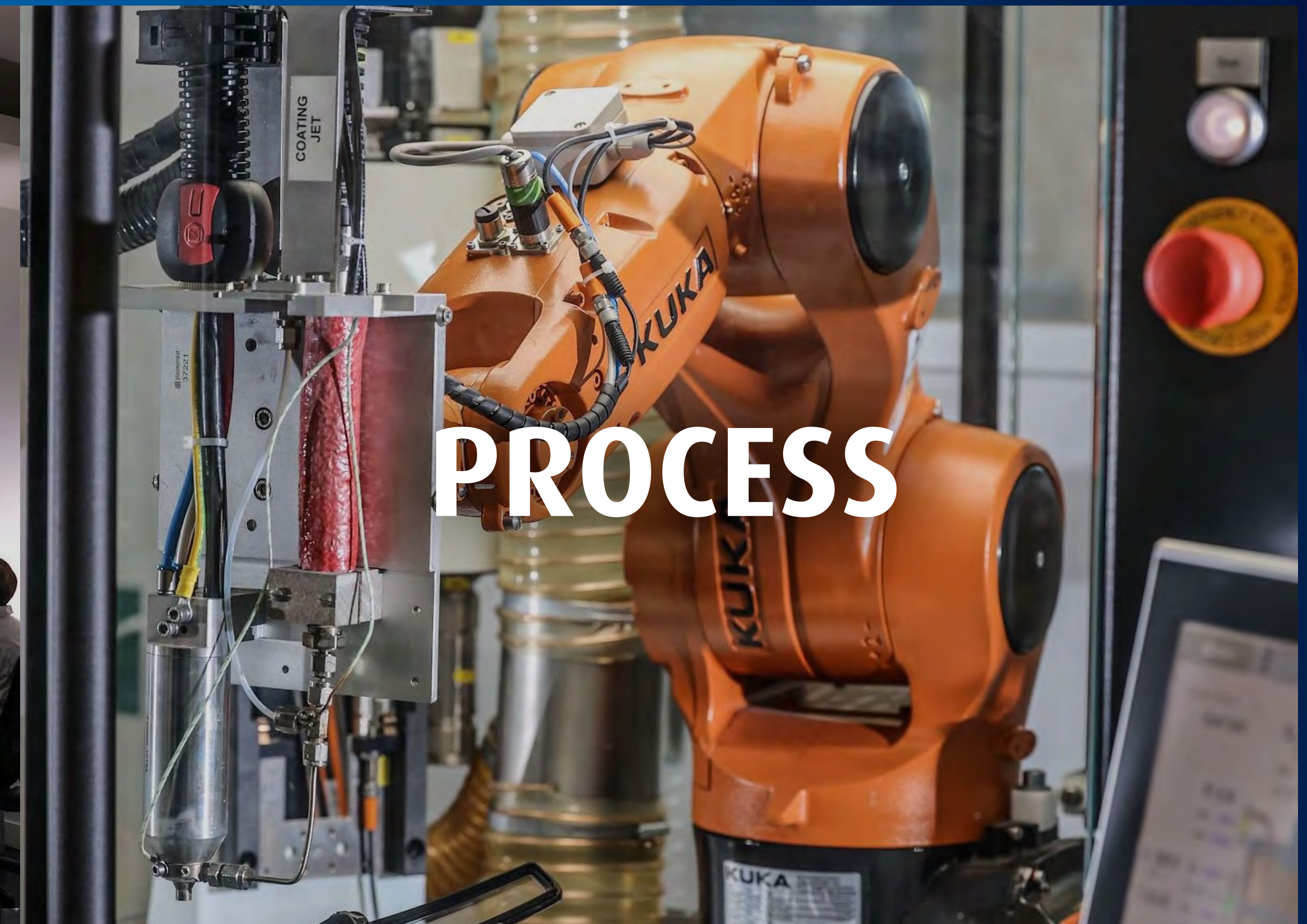
# IN DEPTH EXPERTISE IN LIGHTING



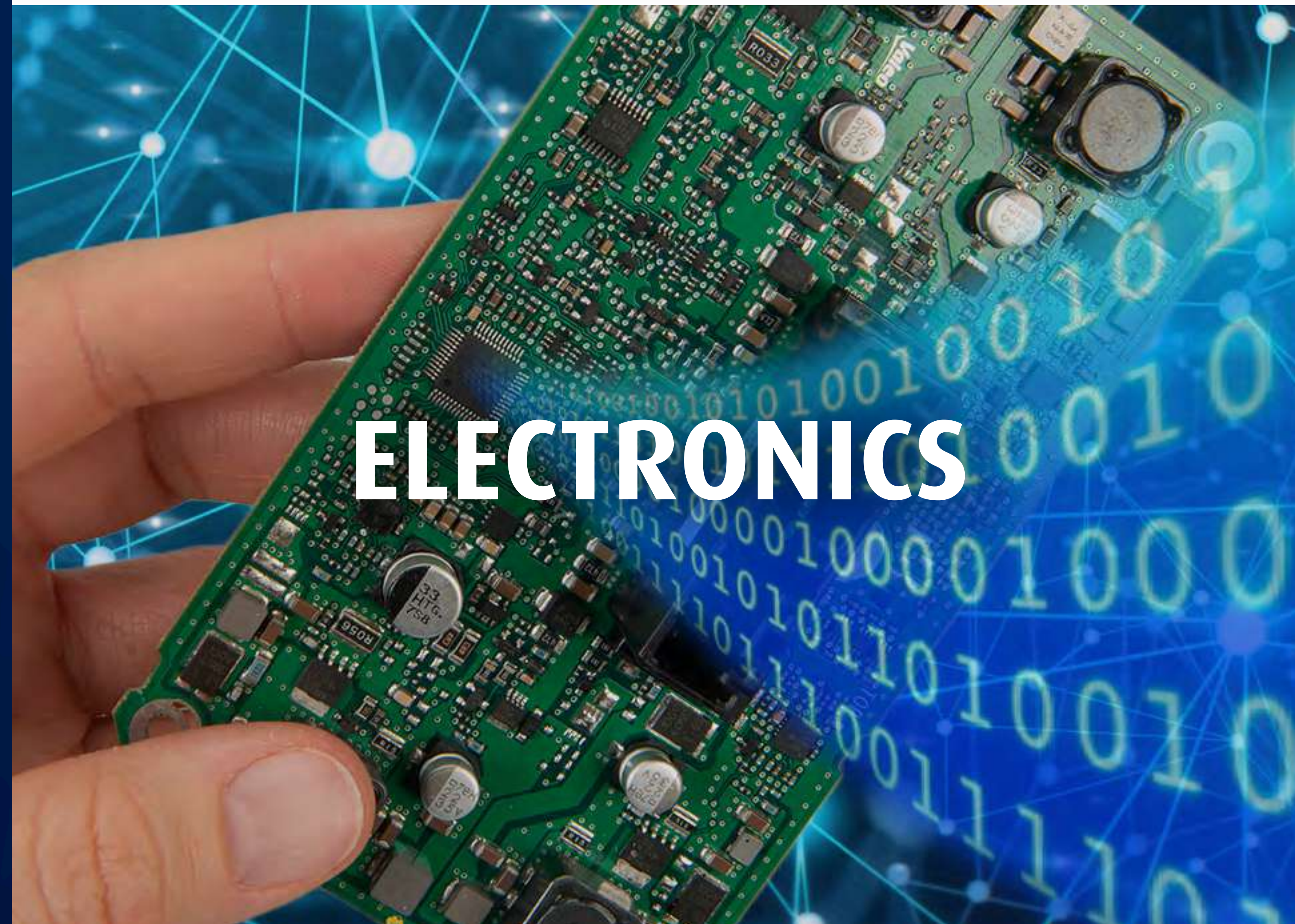
**STYLING**



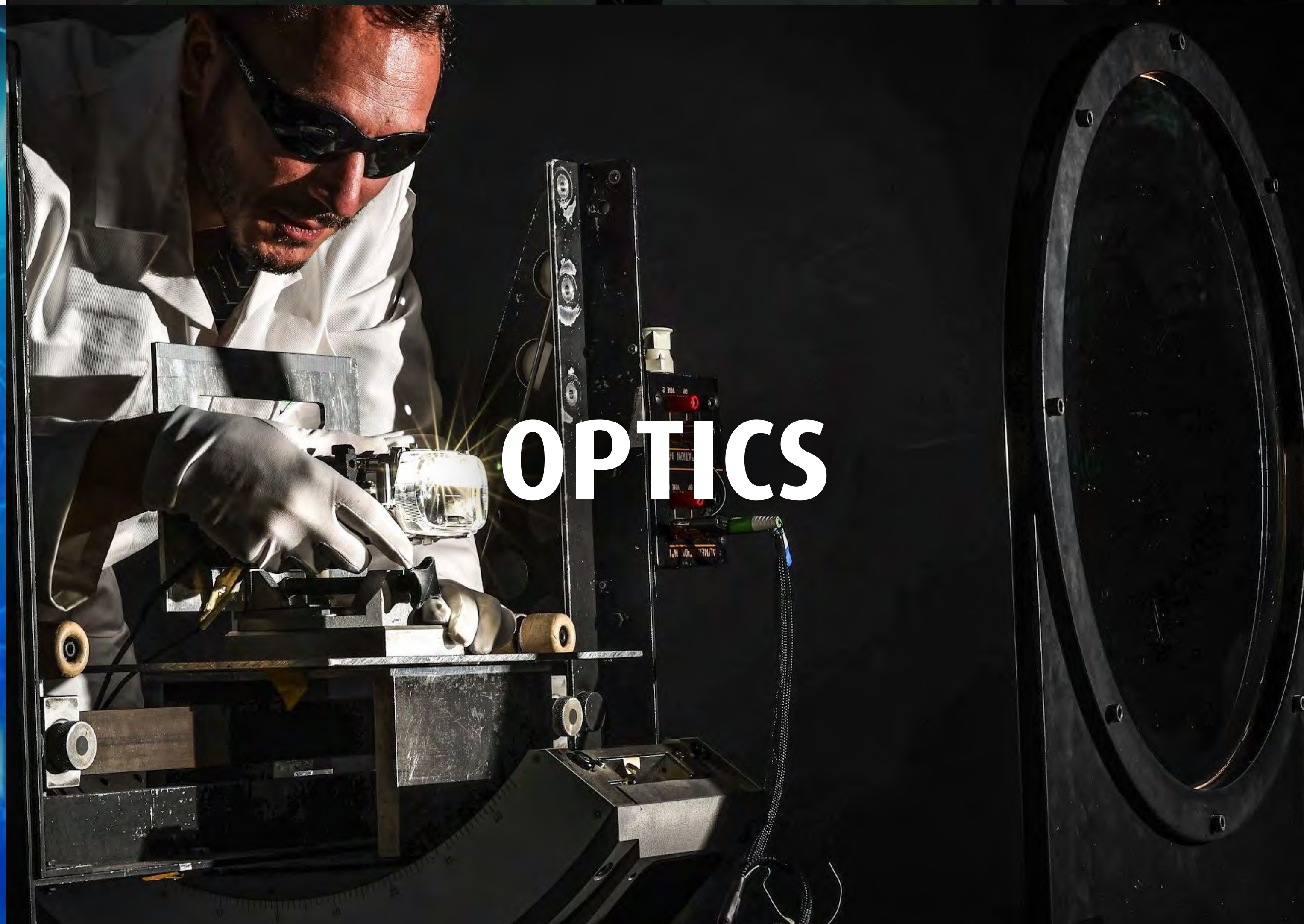
**SIMULATION**



**PROCESS**



**ELECTRONICS**

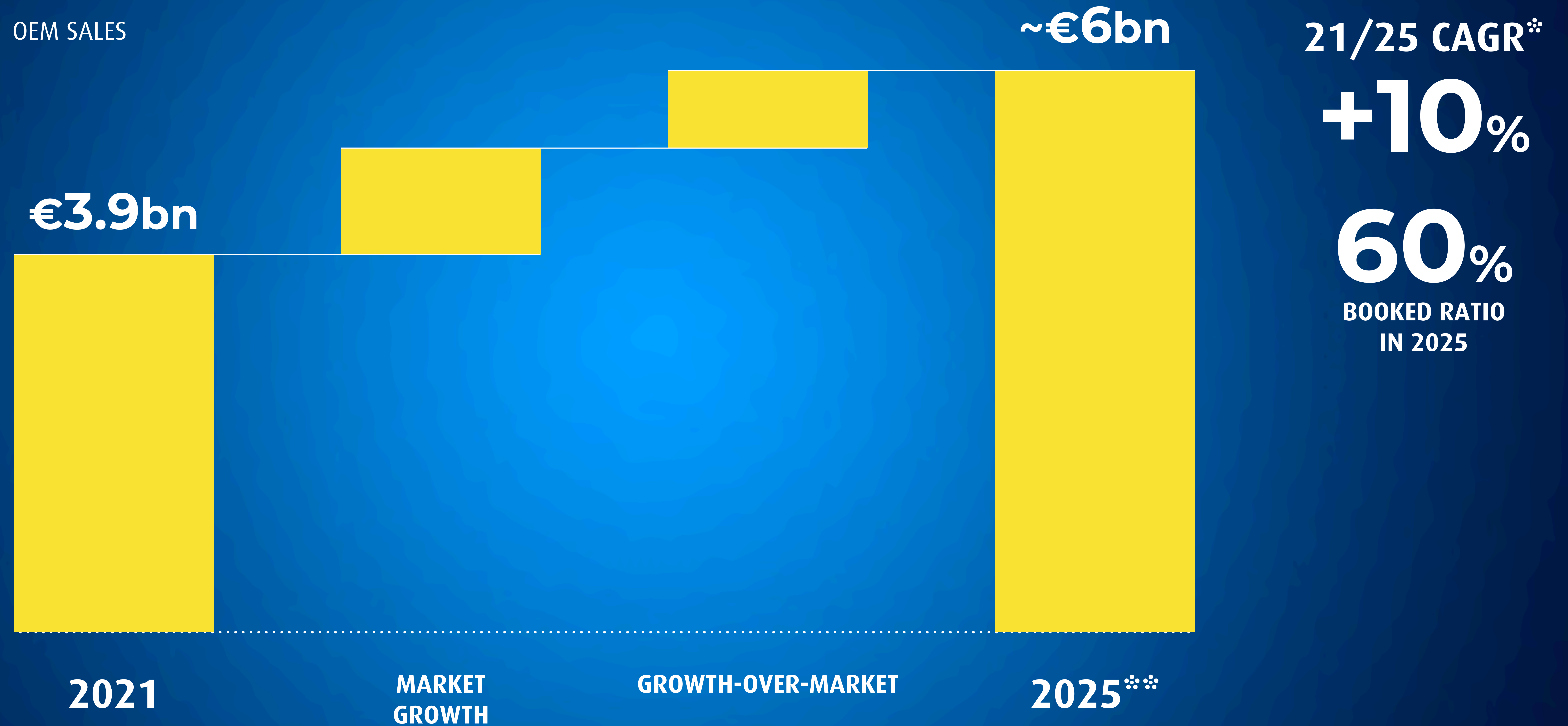


**OPTICS**



**SOFTWARE**

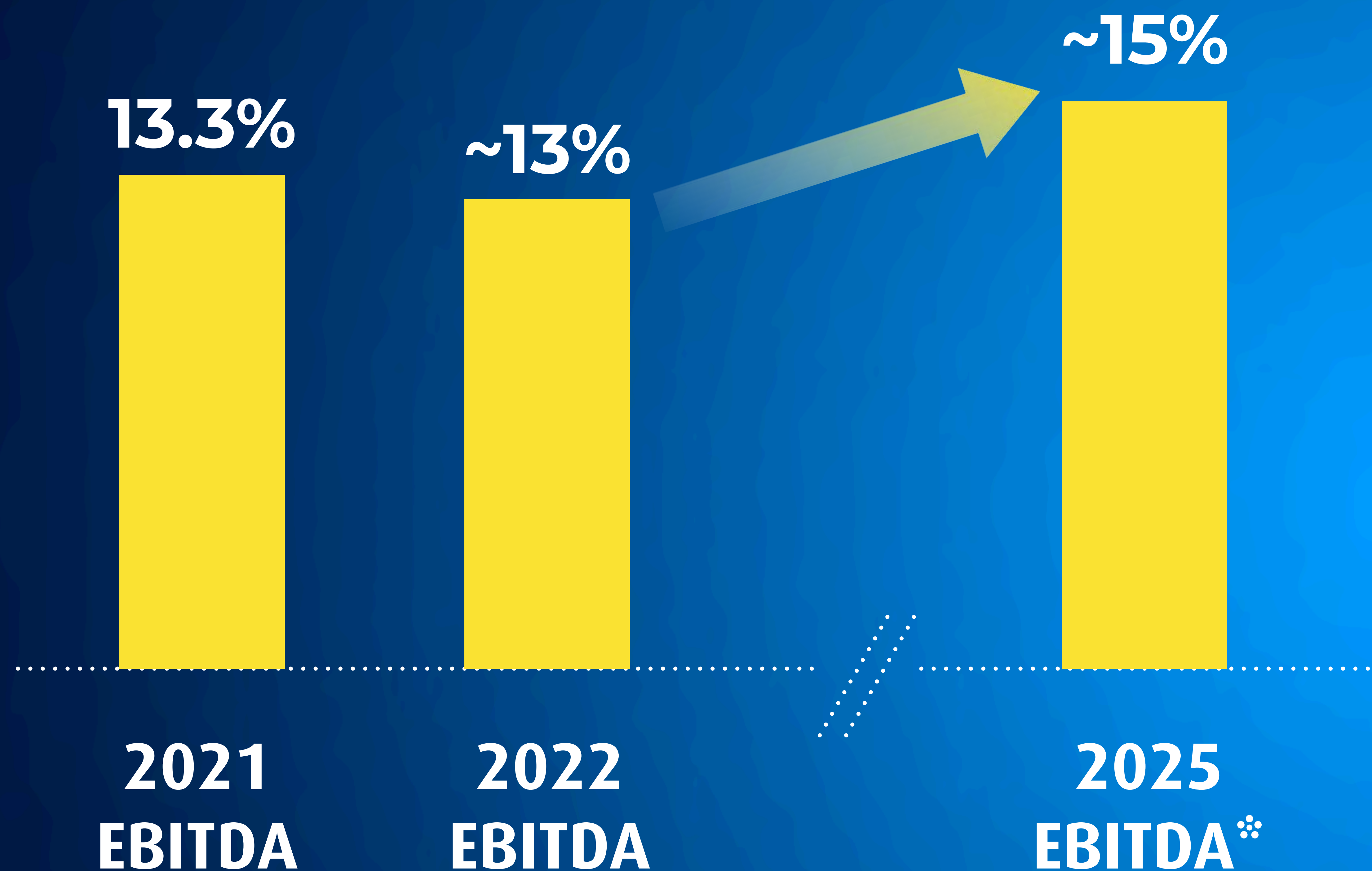
# VIS GROWTH IN 2025



\*OEM sales CAGR after non-strategic assets divestiture, including FX impacts \*\*OEM Sales after non-strategic assets divestiture

# WHAT DRIVES VIS PROFITABILITY

AS % OF SALES



## 2021-2022

(-) Delayed resin inflation recovery

## 2022-2025

(+) Operational leverage on volumes

Improved gross margin

Engineering: better efficiency thanks to platforms

CAPEX: improved use rate

Optimized SG&A

(+) Cost management

Move Up efficiency plan

(+) Full inflation recovery

(+) New products margin improvement



FINANCIAL OUTLOOK  
2022 - 2025

# PROFITABLE GROWTH

2025 SALES\*

~€27.5bn

>€24bn  
OEM SALES

>5pts  
outperformance

2025 EBITDA\*

~14.5%

AS % OF SALES

2025 EBIT\*

~6.5%

AS % OF SALES

2025 ROCE\*

>25%

# OUR 2025 TARGETS ARE SET TO DELIVER VALUE WHILE STRENGTHENING OUR BALANCE SHEET

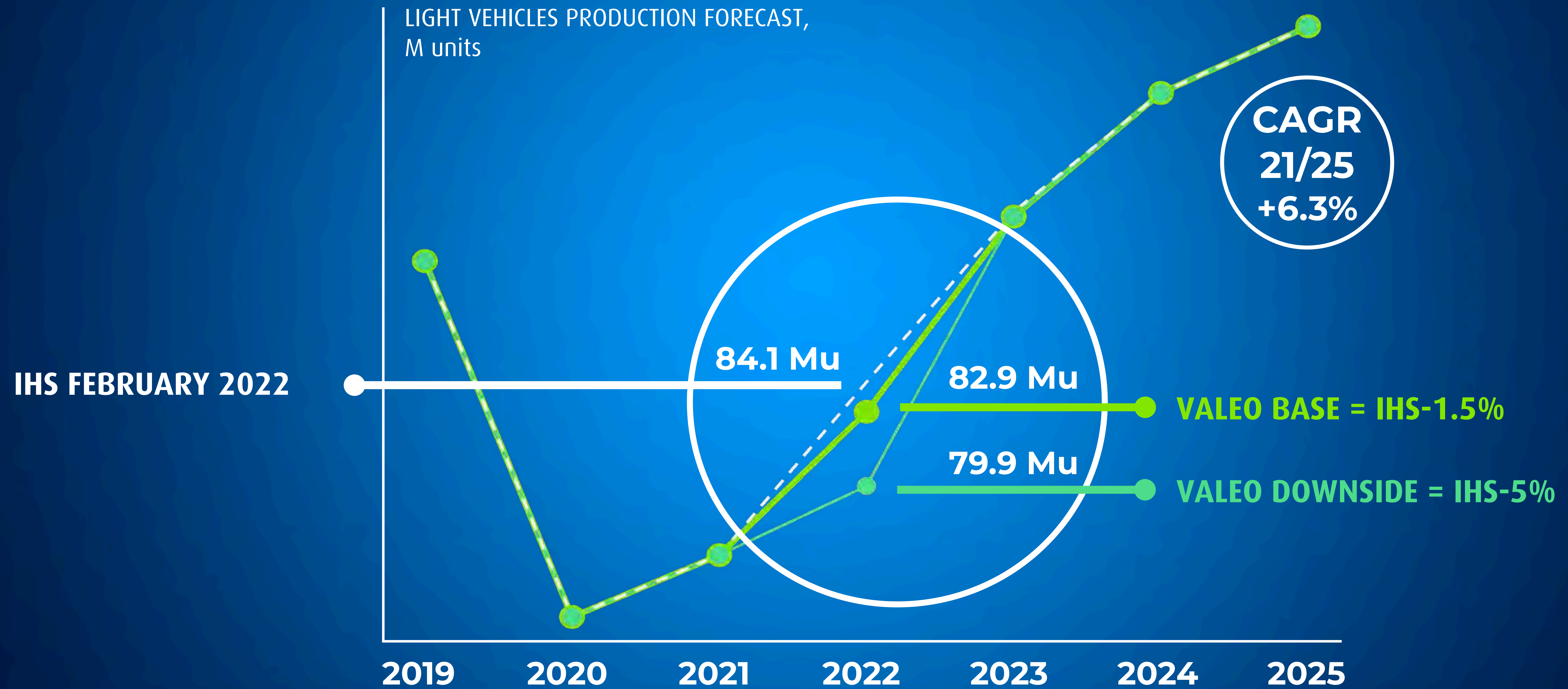
2025 FREE CASH FLOW\*  
**€800m**  
to **€1bn**

**€500m**  
VALUE OF NON-STRATEGIC  
ASSETS DISPOSALS

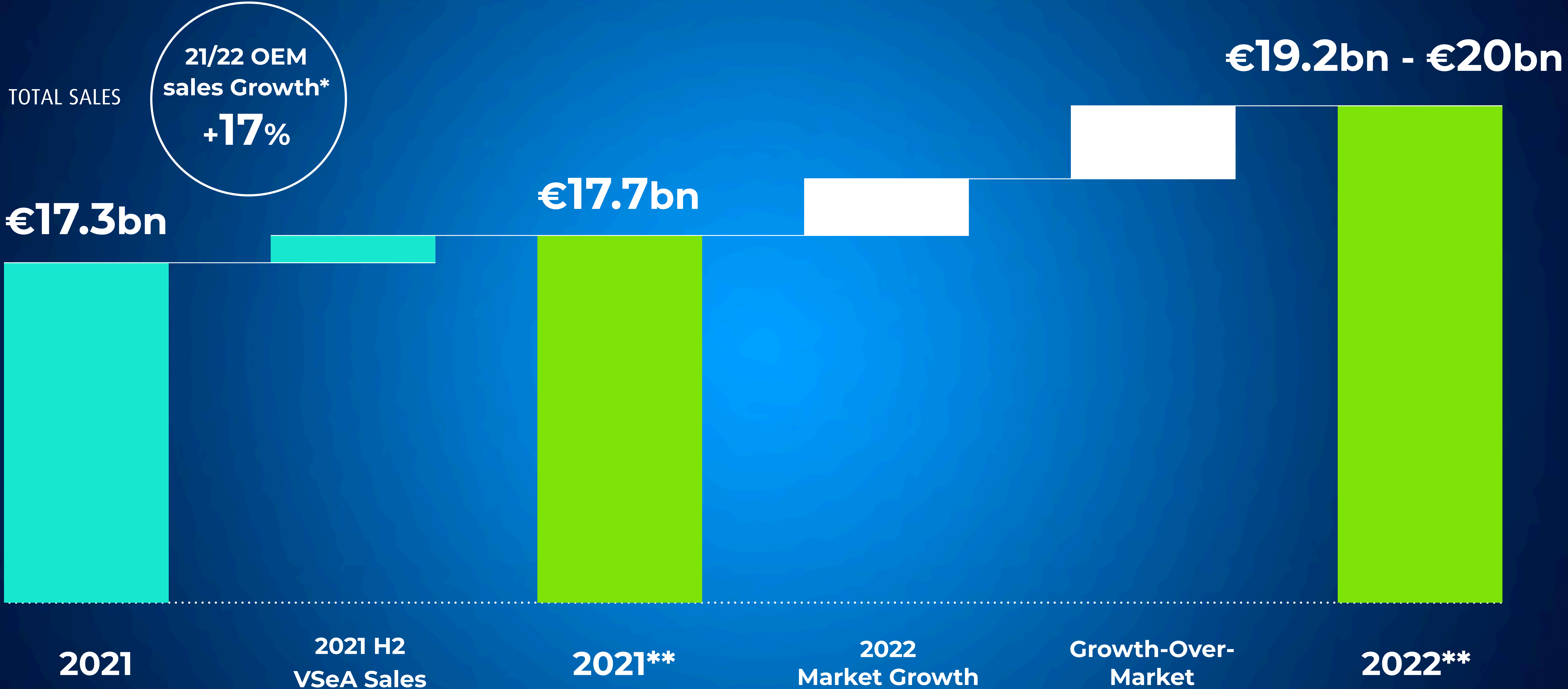
LEVERAGE RATIO\*  
**<0.7x**  
NET DEBT/EBITDA



# VOLUME HYPOTHESIS



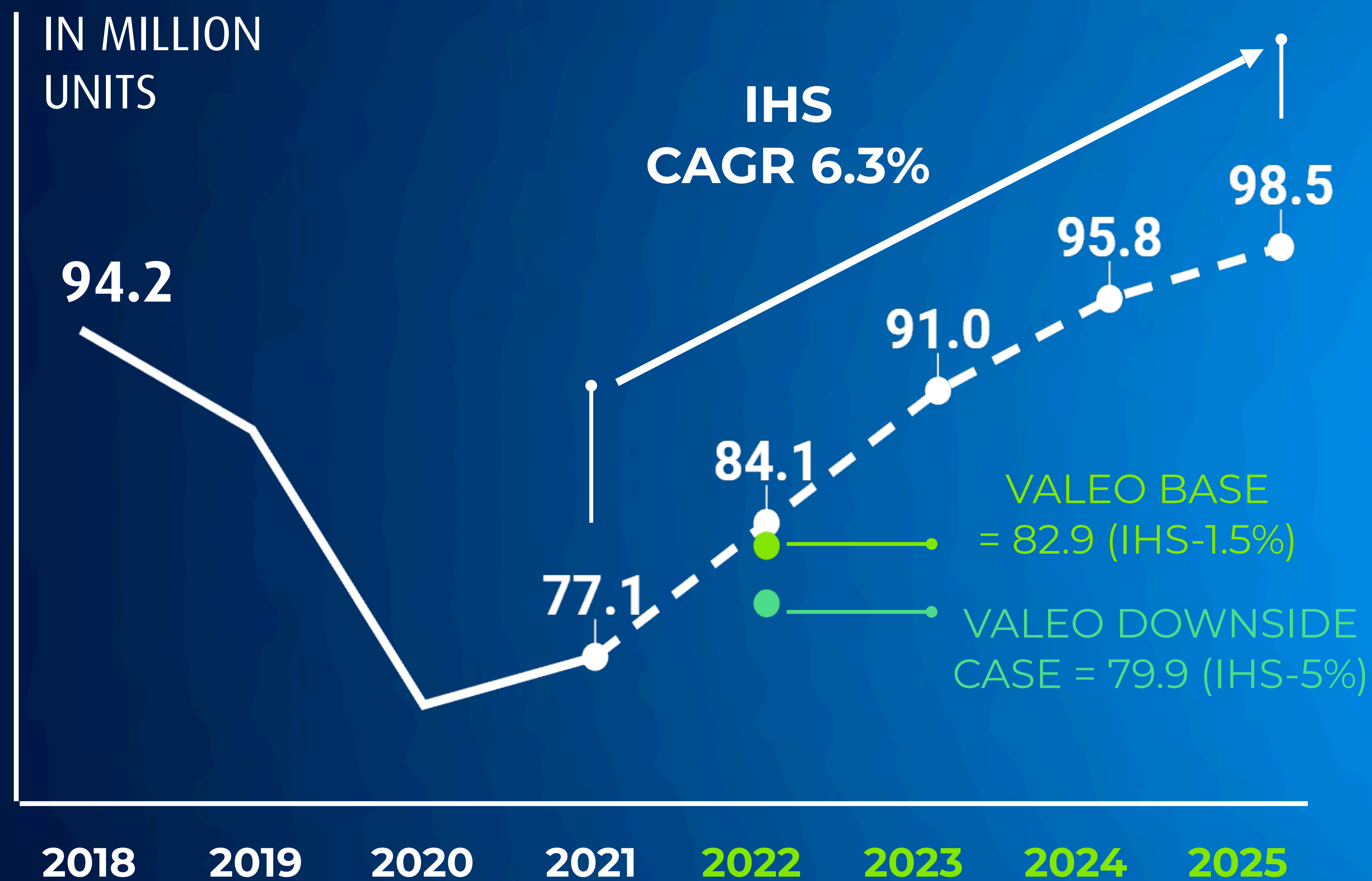
# OUTPERFORMANCE IN 2022 THANKS TO OUR GROWTH DRIVERS



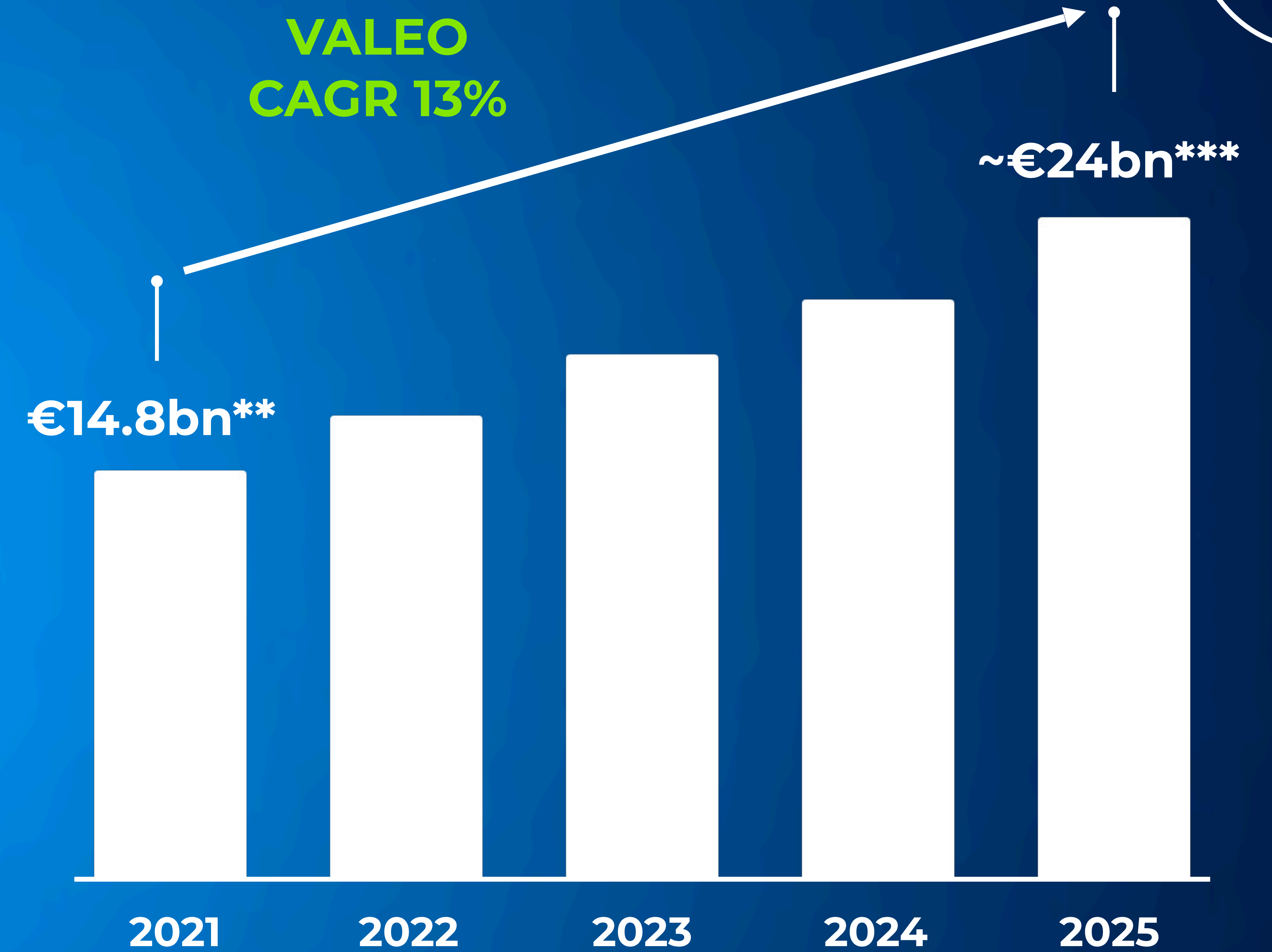
\*Like for Like \*\*Sales with VSeA consolidated in H2

# ALL BUSINESS GROUPS WILL CONTRIBUTE TO OUTPERFORMANCE OVER THE PLAN

## GLOBAL LIGHT VEHICLES PRODUCTION PATH



## VALEO OEM SALES PATH



**>5pts**  
**OUTPERFORMANCE**  
**OVER 2021/2025**  
**VS IHS**

✓ 2022 VOLUME = [79.9 Million units - 84.1 Million units]

✓ 2023-2025 VOLUME BASED ON IHS REFERENCE

**PTS\***  
**15%**  
**>8 pts**

**THS\***  
**11%**  
**>4 pts**

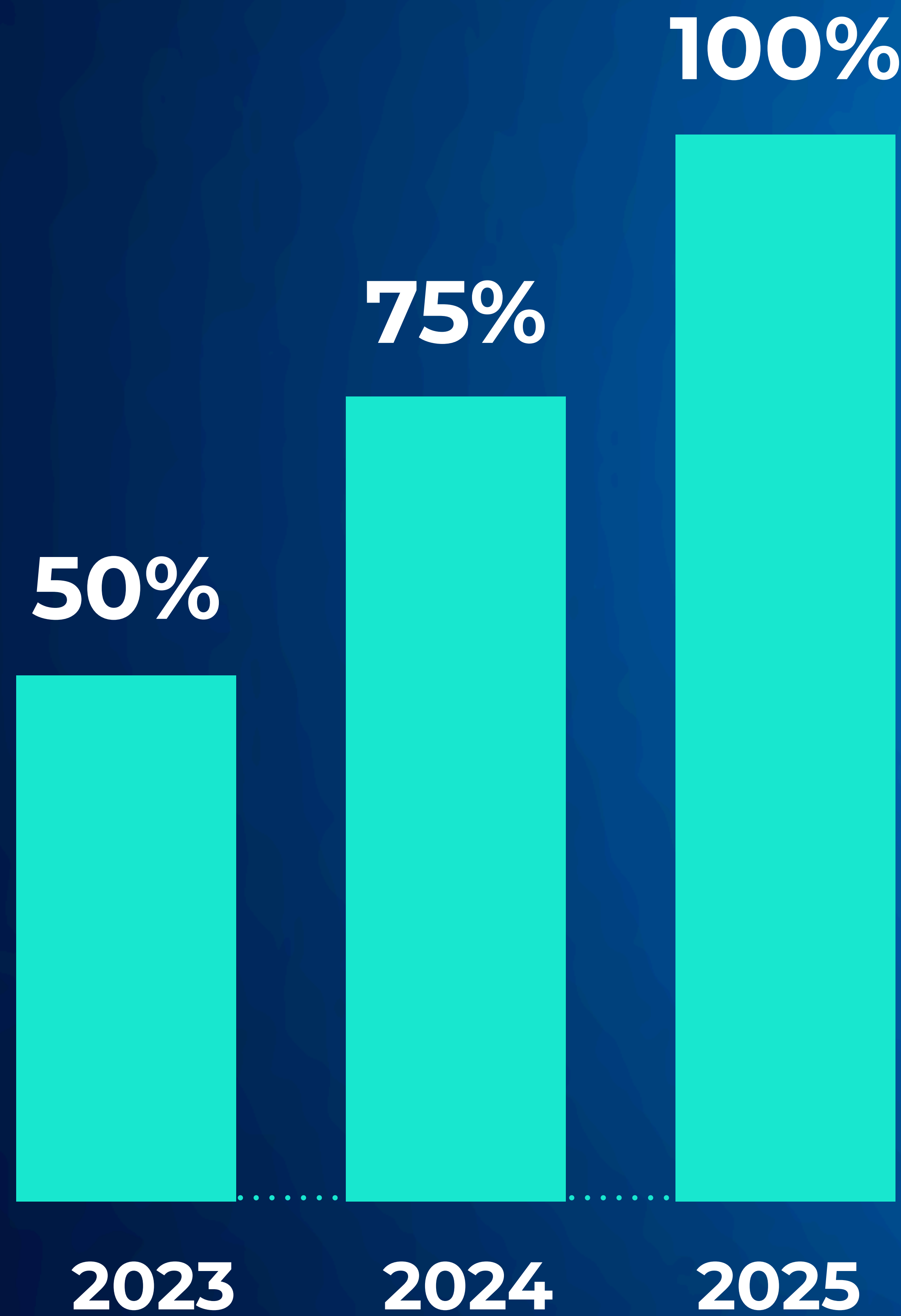
**CDA\***  
**16%**  
**>9 pts**

**VIS\***  
**10%**  
**>4 pts**

# SYNERGY & EFFICIENCY PLANS

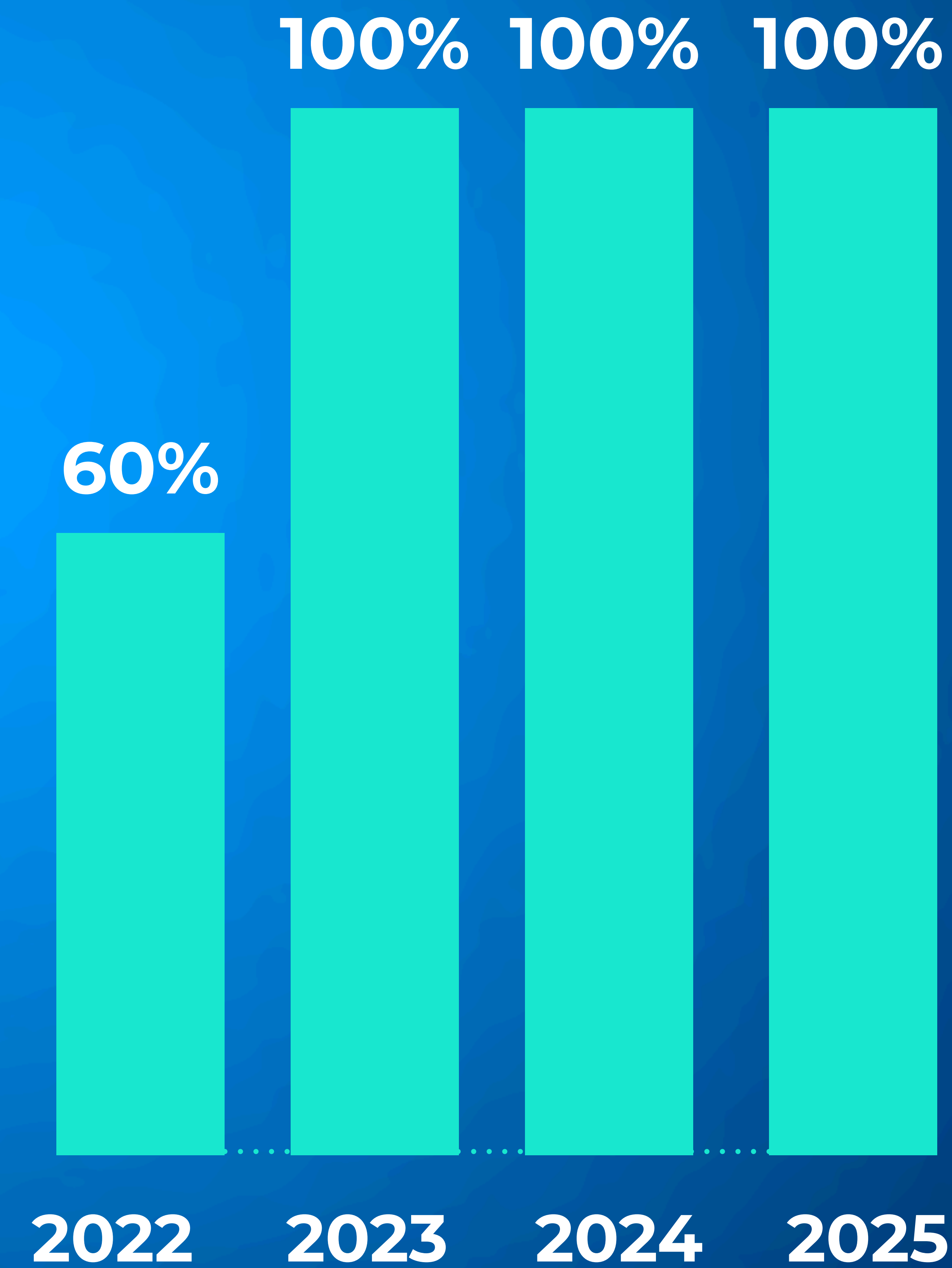
## PTS SYNERGY OBJECTIVES AFTER INTEGRATION OF VSeA

RUN RATE

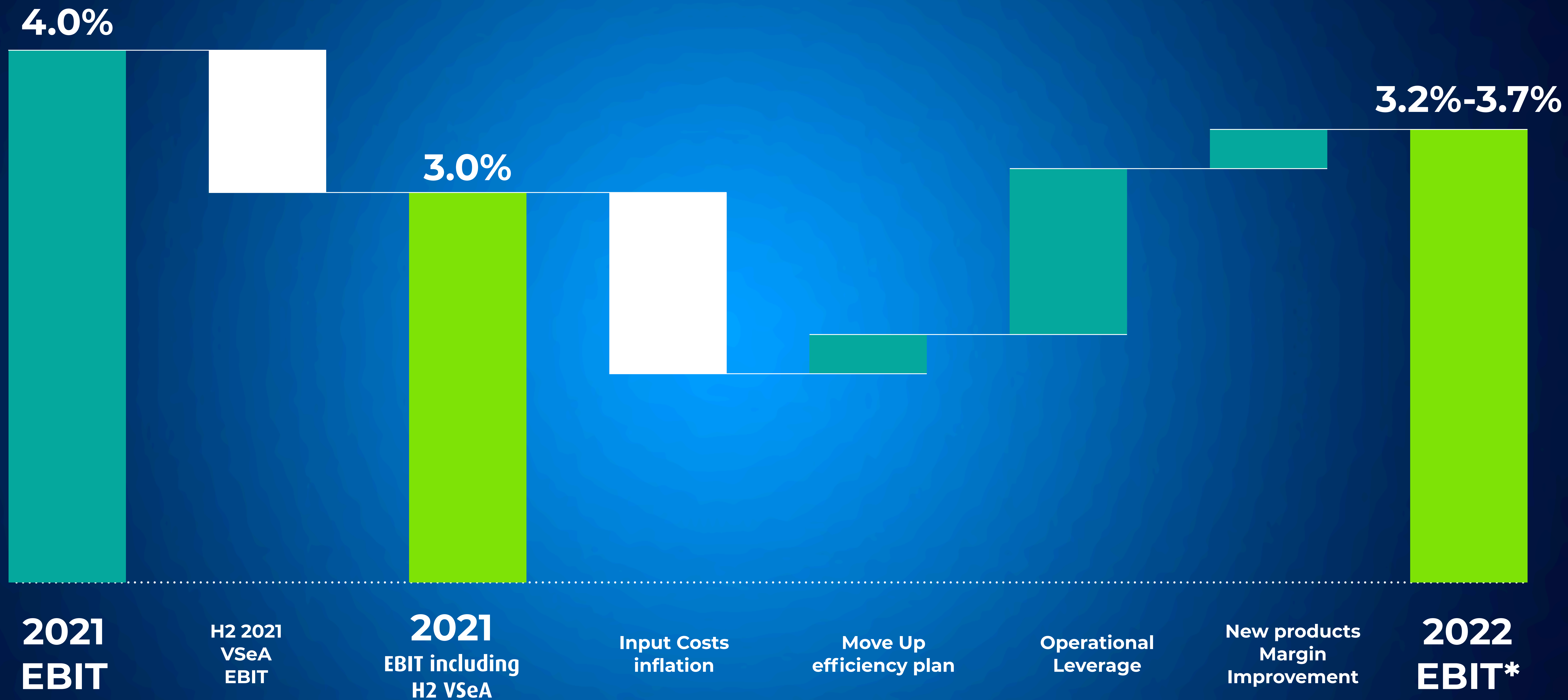


## MOVE UP EFFICIENCY PLAN

RUN RATE

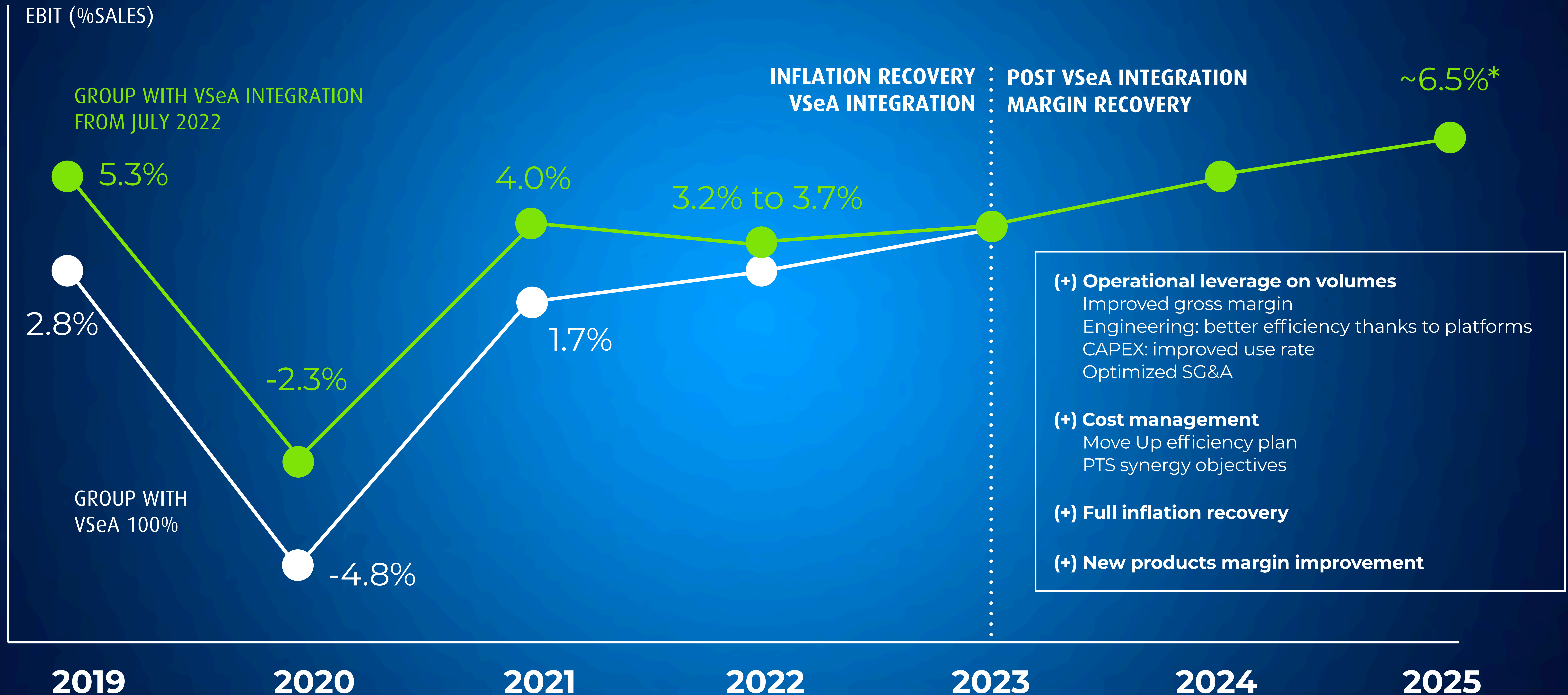


# PRO FORMA EBIT MARGIN INCREASE IN 2022



\*EBIT after VSeA integration from July 2022

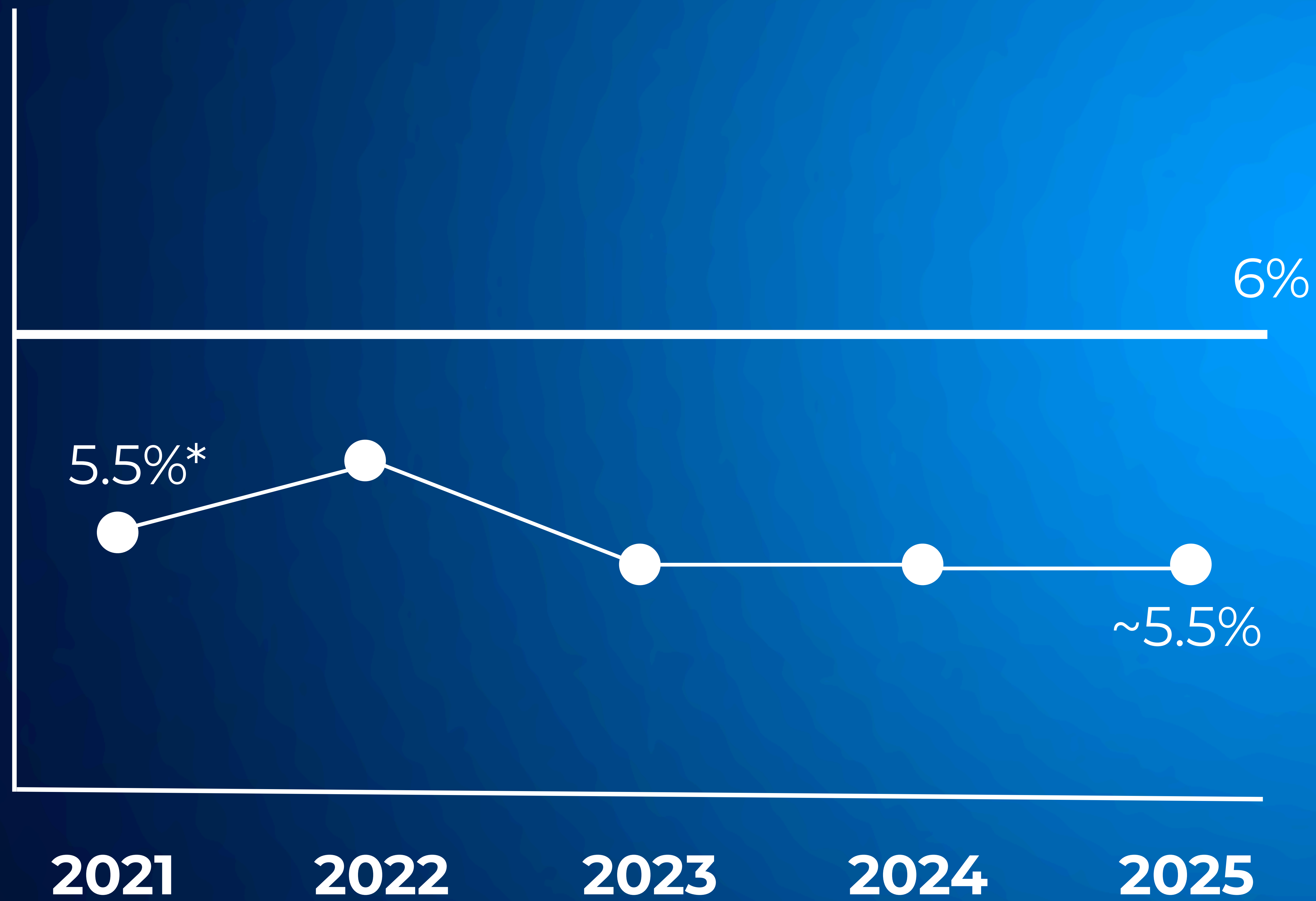
# PRO FORMA EBIT MARGIN IMPROVEMENT



# CAPEX AND NET R&D REDUCTION

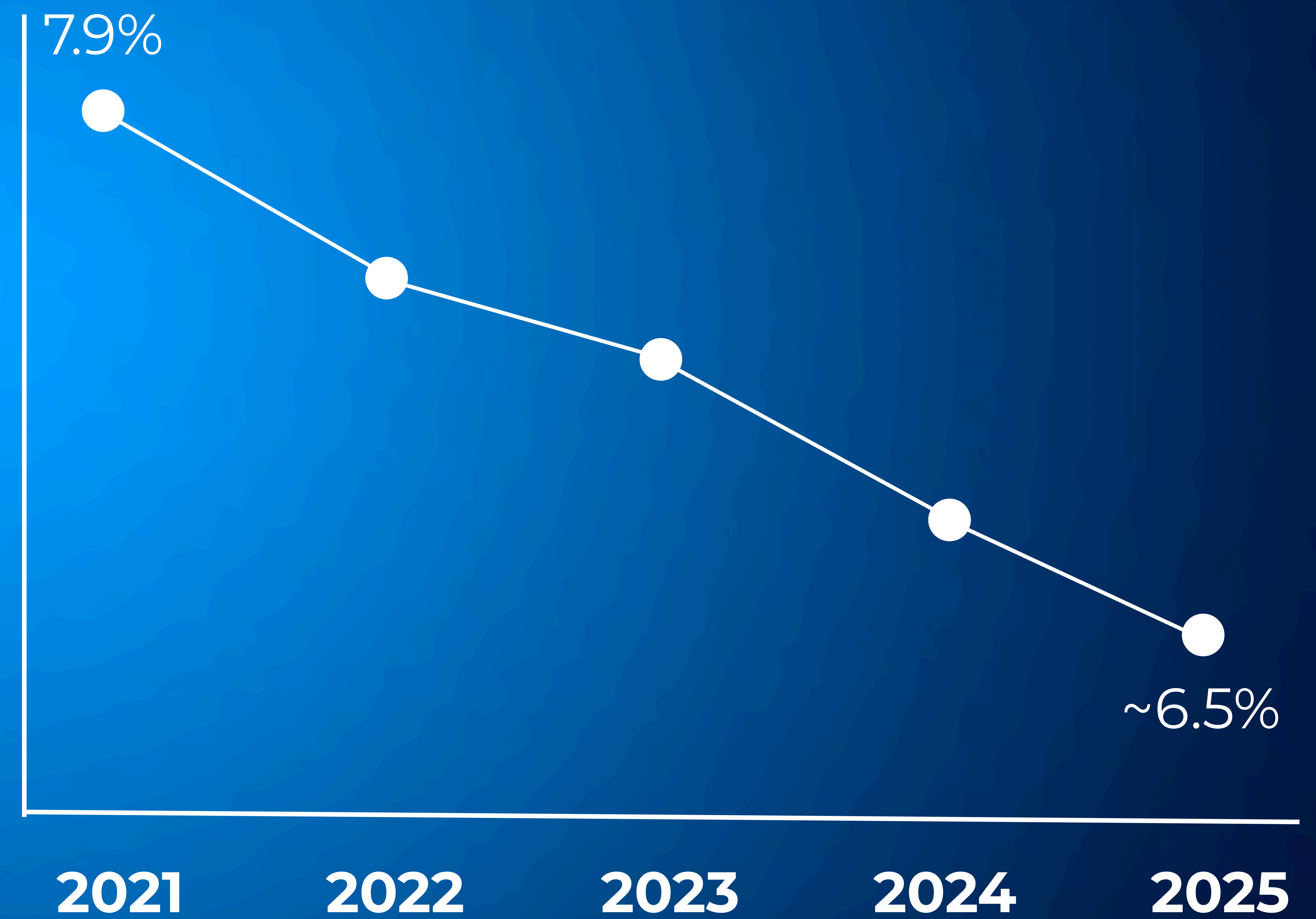
## CAPEX PRO FORMA

(% sales, including VSeA 100% & excluding capitalized R&D)

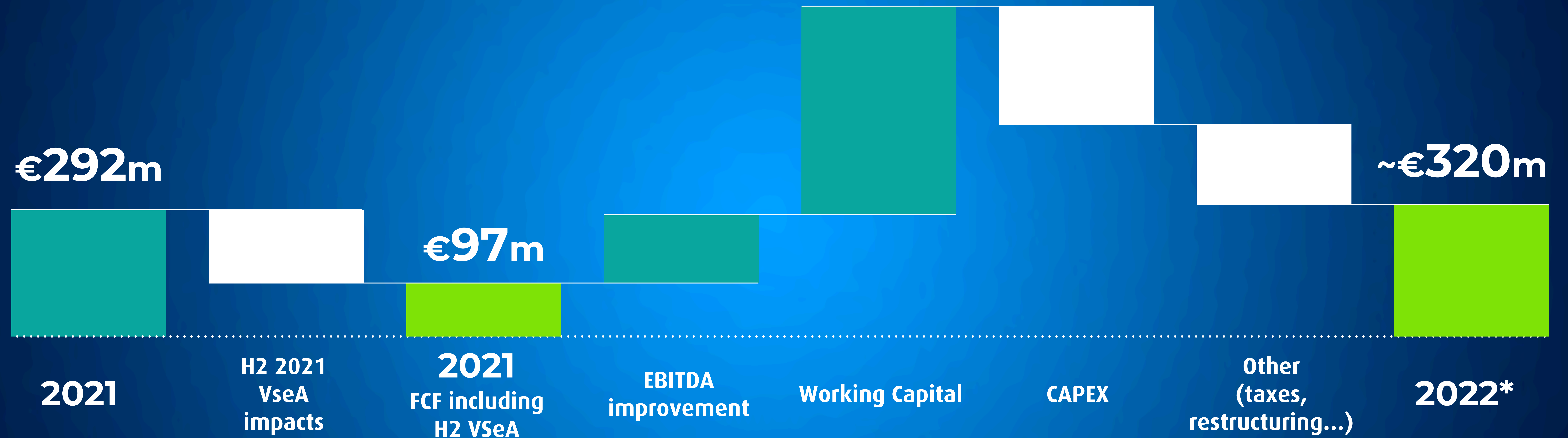


## NET R&D PRO FORMA

(% sales, including VSeA 100%)



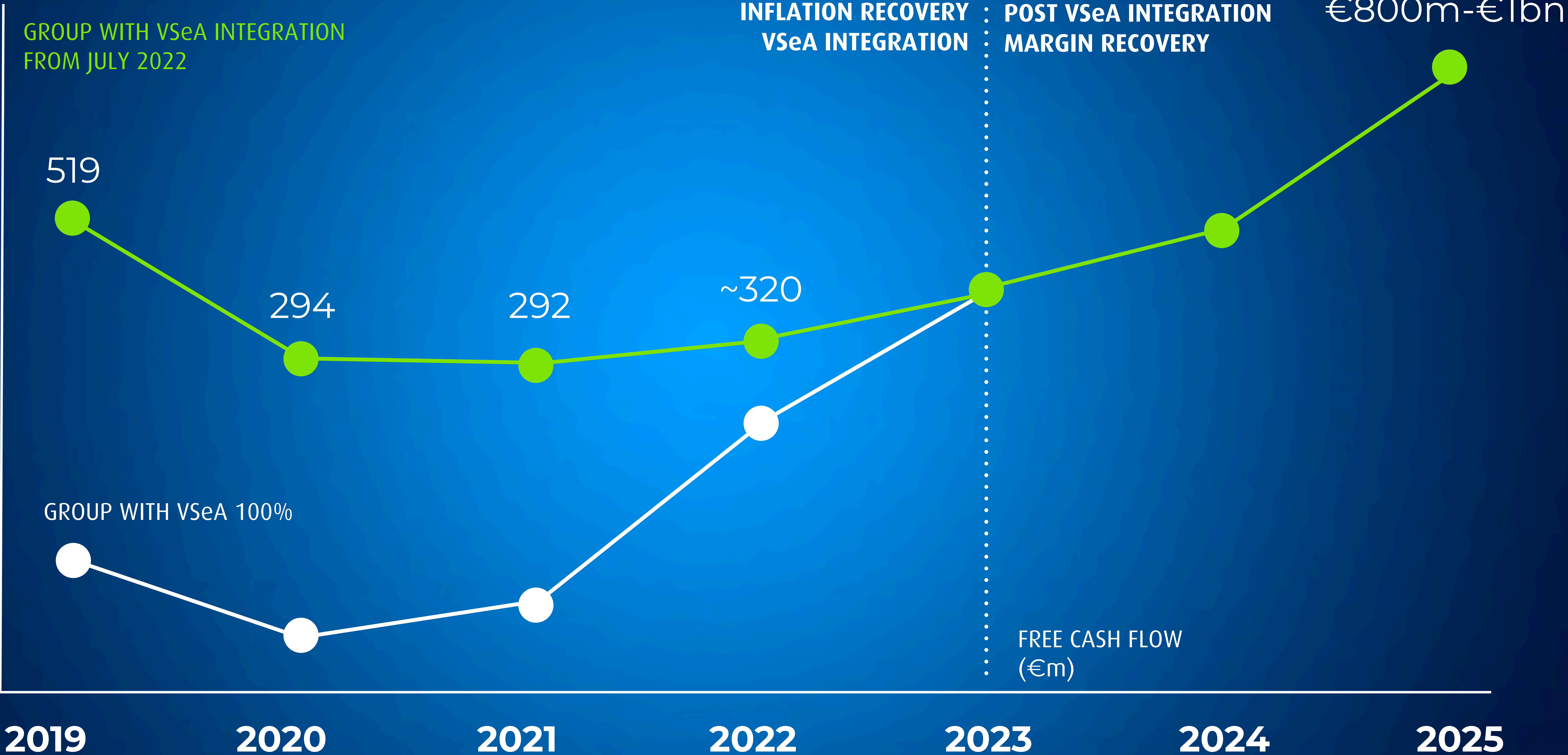
# 2022 FREE CASH FLOW SHOWS RESILIENCE



\*including VSeA as of July 2022



# SHARP IMPROVEMENT OF PRO FORMA FCF



# DIVESTMENT PLAN OF NON-STRATEGIC ASSETS



**€500m**

**IN VALUE**

# FOCUSED CAPITAL ALLOCATION AND REDUCED LEVERAGE

## M&A

Valeo Siemens eAutomotive integration  
€500m divestiture of non-strategic assets

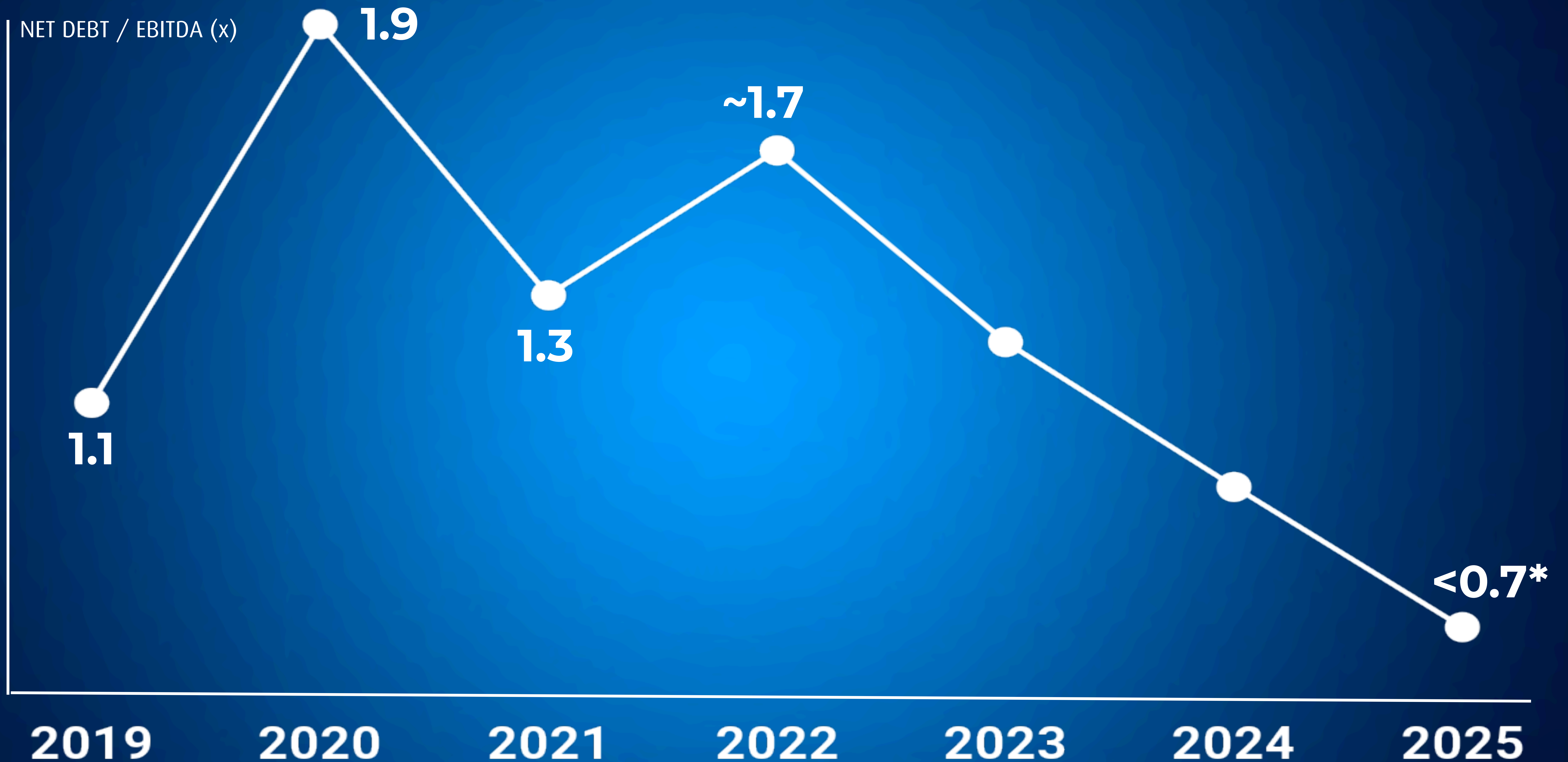
## DELEVERAGING

Net Debt/EBITDA < 0.7x by 2025

## PROGRESSIVE INCREASE OF DIVIDEND PER SHARE

From €0.35 per share

# LEVERAGE RATIO PATH

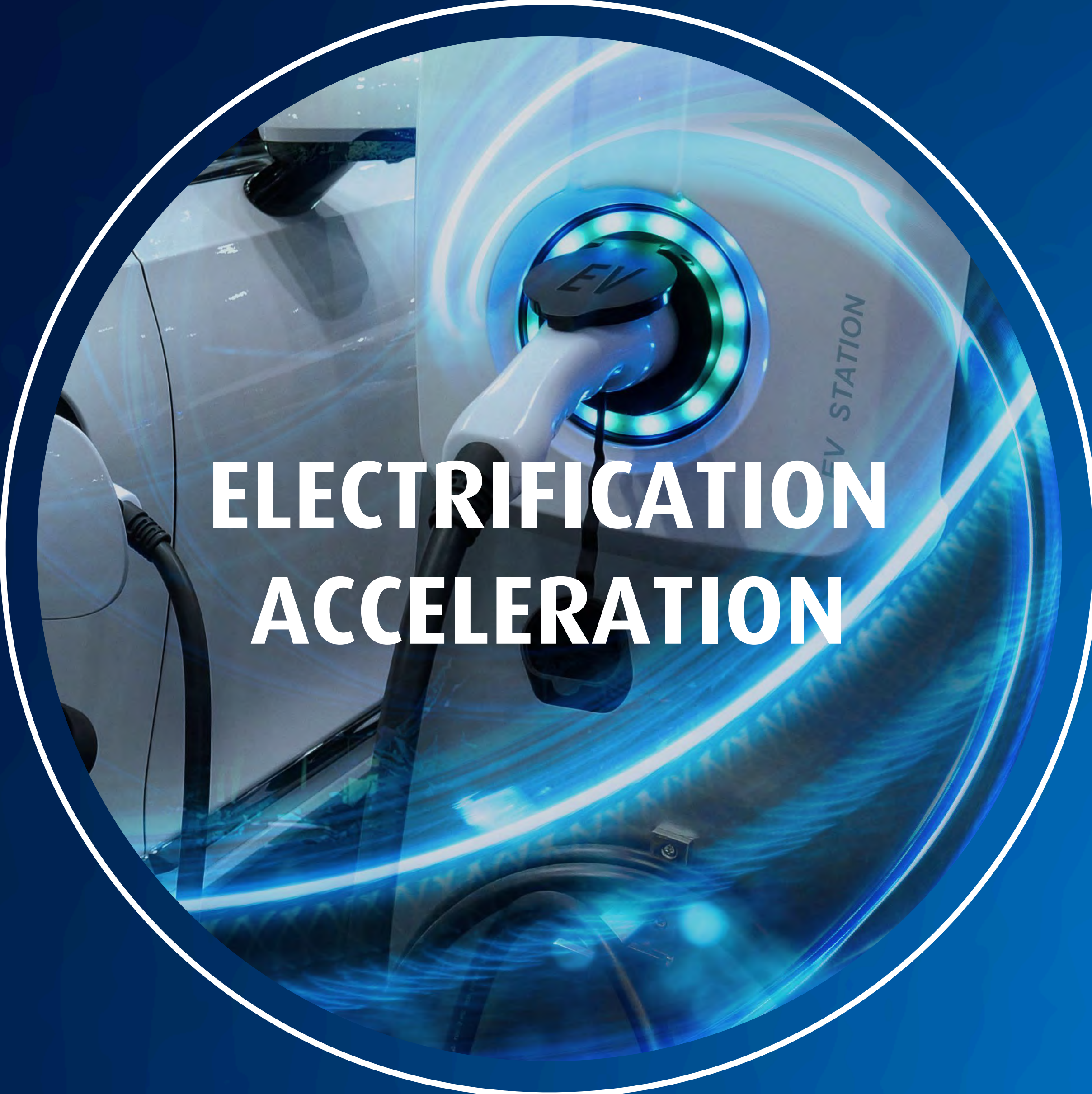


\*after non-strategic assets divestiture

# 2022 GUIDANCE & 2025 TARGET

	2022*	2025 targets***
Sales	€19.2bn - €20.0bn	~€27.5bn
EBITDA (%sales)	11.8% - 12.3%	~14.5%
EBIT (%sales)	3.2% - 3.7%	~6.5%
Free Cash Flow	~€320m**	€0.8bn - €1.0bn
Leverage ratio	~1.7x**	<0.7x

# 2030 AMBITIONS



**ELECTRIFICATION  
ACCELERATION**



**ADAS  
ACCELERATION**

2030 SALES  
**>€40bn**



**LIGHTING  
EVERYWHERE**



**INTERIOR EXPERIENCE  
REINVENTION**

# **MOVE** **UP**

Q & A

# SAFE HARBOR 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. It is also exposed to environmental and industrial risks, risks associated with the Covid-19 epidemic, including risks related to the Group’s supply of electronic components and the rise in raw material prices, 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 2020 Universal Registration Document registered with the AMF on April 6, 2021 (under number D.21-0260).

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.



# FINANCIAL 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.

**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 operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.

# FINANCIAL GLOSSARY

**Free cash flow** corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables and net 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.

# OTHER GLOSSARY

**ADAS:** Advanced Driver-Assistance Systems

**ICE:** Internal Combustion Engine

**EV:** Electrical Vehicle

**HV:** High Voltage

**OBC:** On Board Charger

**V2G:** Vehicle to Grid

**LiDAR:** Light Detection and Ranging

**NCAP:** New Car Assessment Programme

**HIL:** Hardware In The Loop

**SIL:** Software In the Loop

**DCU:** Domain Controller Unit

**OE:** Original Equipment

**PTS:** Powertrain Systems

**THS:** Thermal Systems

**VIS:** Visibility Systems

**CDA:** Comfort & Driving Assistance

**VSeA:** Valeo Siemens eAutomotive