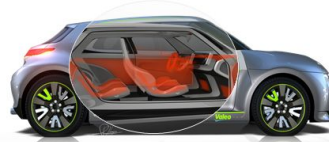


FY 2021 RESULTS



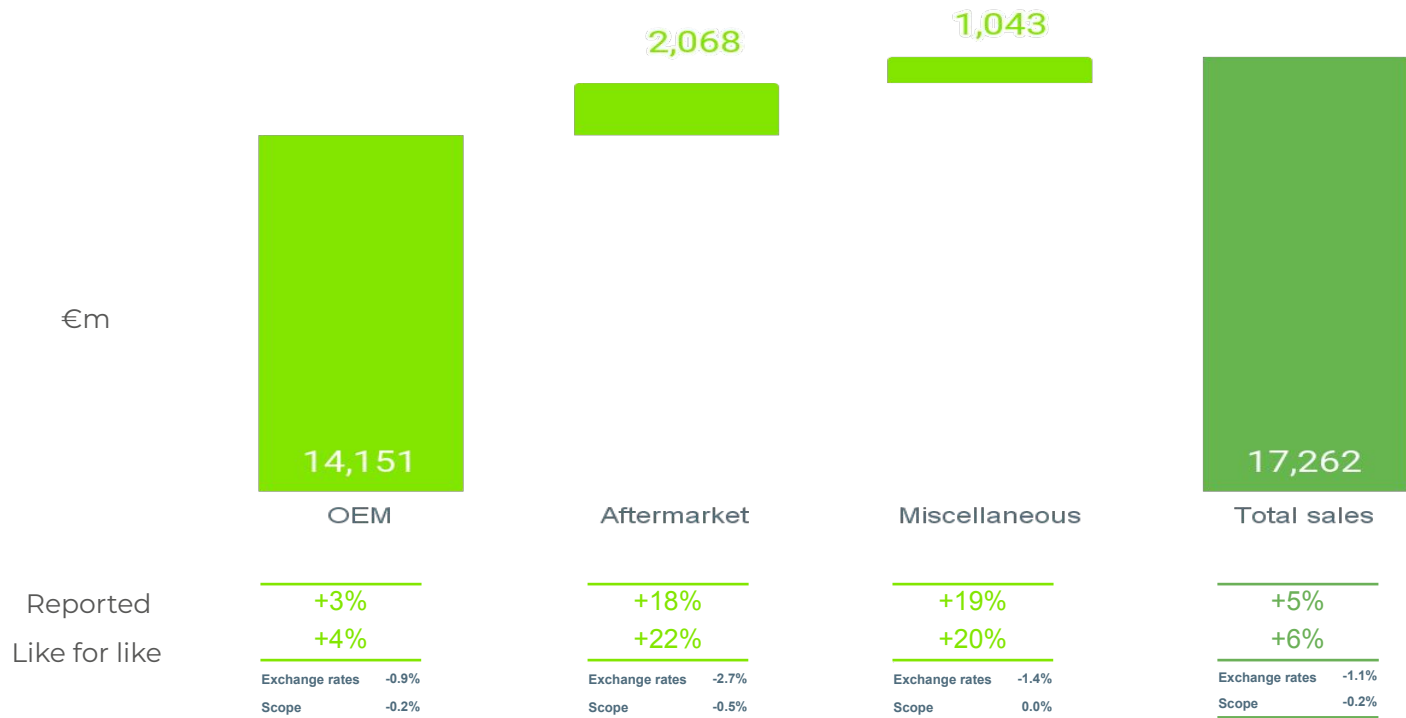
CHRISTOPHE PERILLAT
CEO



SMART TECHNOLOGY FOR SMARTER MOBILITY

TOTAL SALES

2021 vs 2020



OUTPERFORMANCE

2021 vs 2020

North America

19% of Valeo sales

+5pts
Outperf.

+5% OEM Sales
0% Production*

South America

2% of Valeo sales

+1pt
Outperf.

+17% OEM Sales
+16% Production*

Europe

(including Africa)
45% of Valeo sales

+3pts
Outperf.

0% OEM Sales
-3% Production*

0pts
Outperf.

Asia

34% of Valeo sales

+8% OEM Sales
+8% Production*

World

0pts
Outperf.
+2pts
excl.
geographic
mix

+4% OEM Sales
+4% Production*

-3pts
Perf.

China

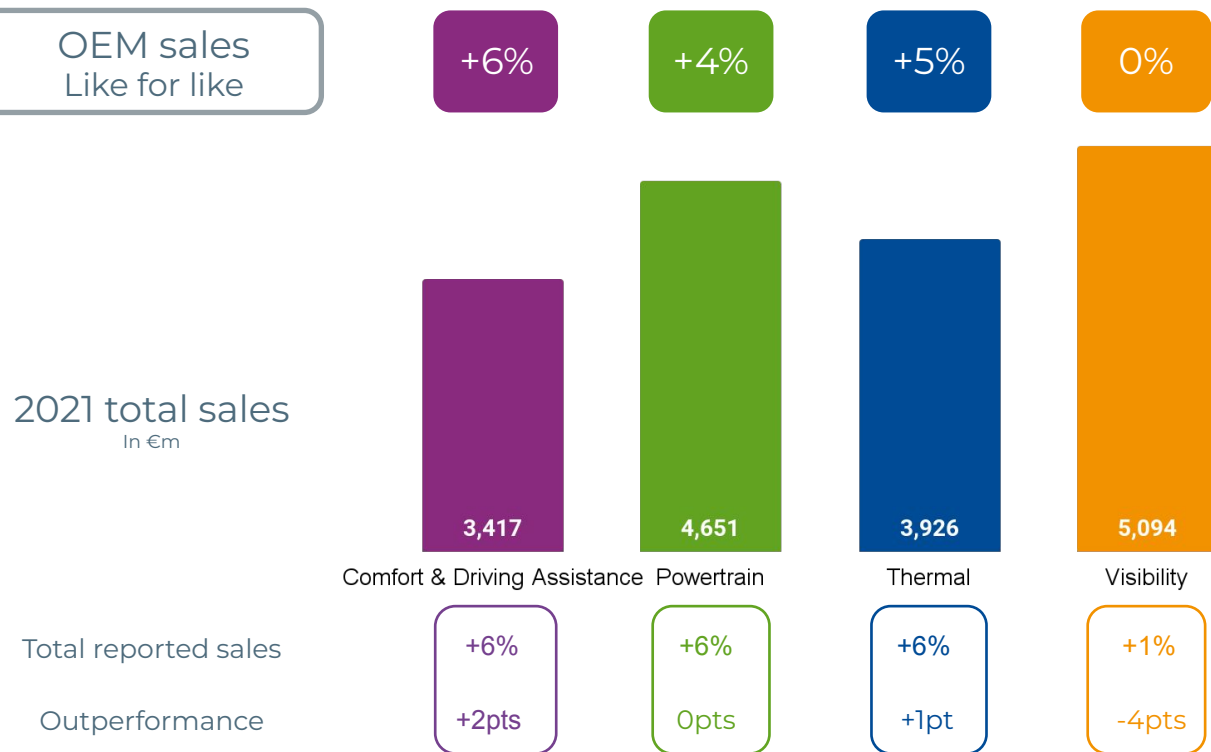
16% of Valeo sales

+5% OEM Sales
+8% Production*

*IHS as of February 14, 2022/CPCA estimates for China

BUSINESS GROUPS

FY 2021

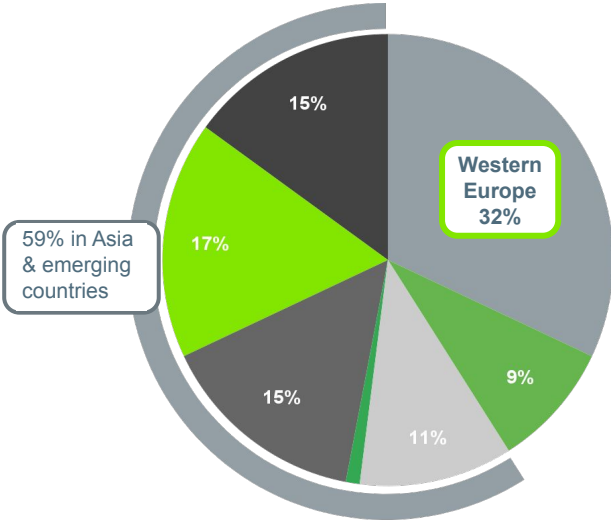


GEOGRAPHIC POSITIONING

FY 2021

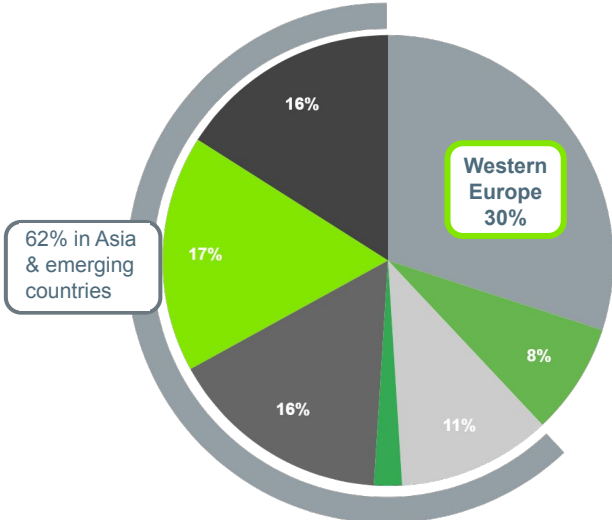
OEM sales by production region

% of OEM sales



FY 2020

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

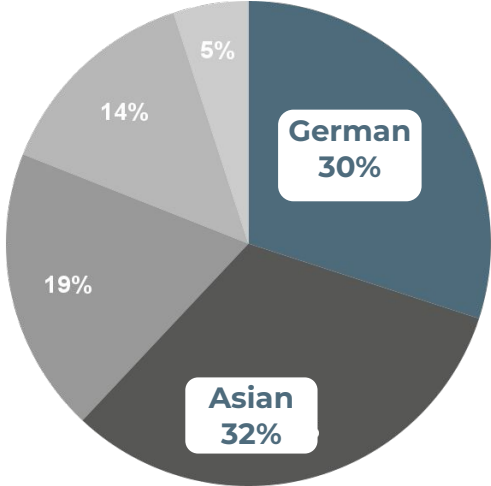


FY 2021

CUSTOMER PORTFOLIO

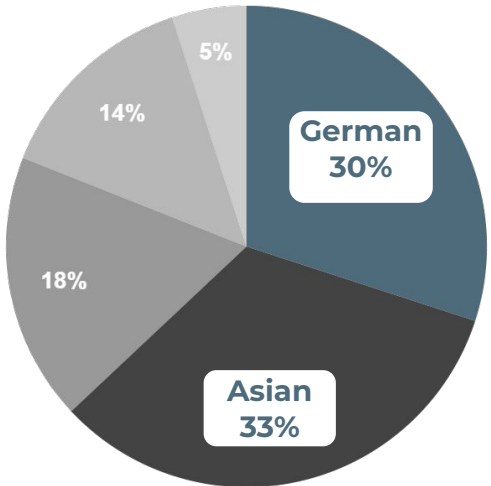
FY 2021

% of OEM sales



FY 2020

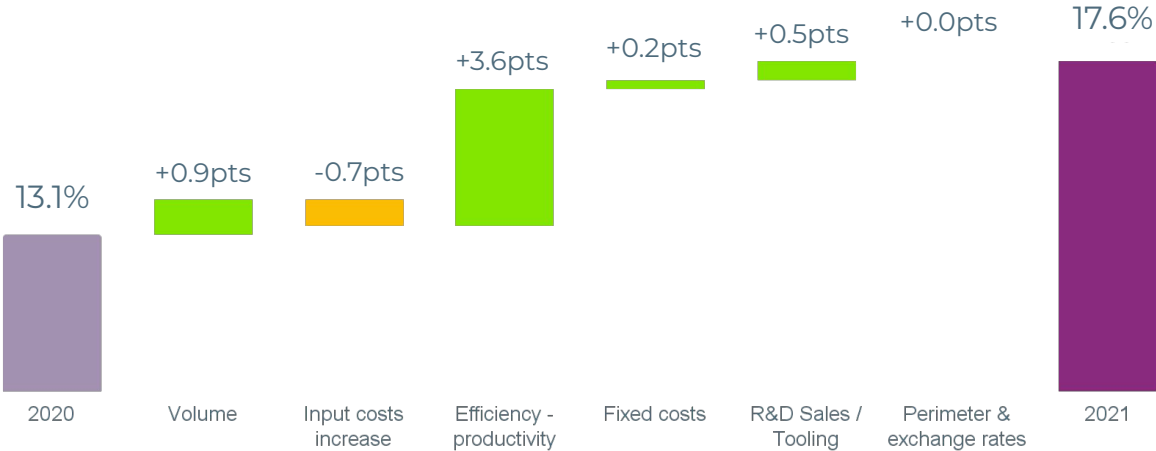
- German
- Asian
- American
- French
- Others



FY 2021

GROSS MARGIN BREAKDOWN

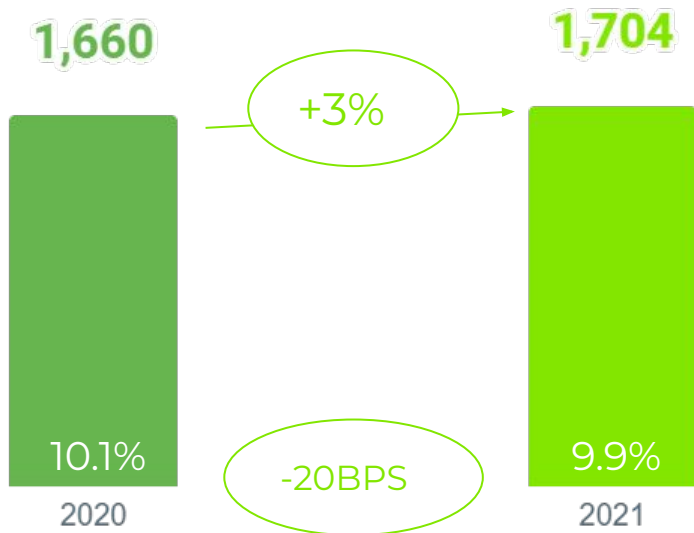
FY 2021



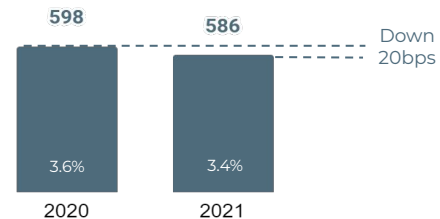
GROSS R&D EXPENDITURE

FY 2021

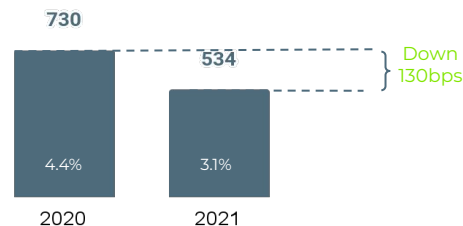
Gross R&D expenditure
In €m & as a % of sales



Capitalized development expenditure
In €m and as a % of sales



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



IFRS
impact
+110bps

GROSS R&D EXPENDITURE

FY 2021

H2 2020	H2 2021	▲	In million of euros and as a % of sales	FY 2020	FY 2021	▲
(798) (8.5)%	(853) (10.3)%	+7% +180bps	Gross Research and Development expenditure As a % of sales	(1,660) (10.1)%	(1,704) (9.9)%	+3% -20bps
(20)	6	-97%	IFRS impact	(132)	52	na
51	93	+82%	Subsidies and grants, and other income	97	142	+46%
(767) (8.2)%	(754) (9.1)%	-2% -90bps	Research & Development expenditure As a % of sales	(1,695) (10.3)%	(1,510) (8.7)%	-11% -160bps
(20) 1.5%	6 0.1%	-97% -140bps	IFRS impact As a % of sales	(132) (0.8)%	52 0.3%	na na
279 3.0%	295 3.6%	+6% +60bps	Capitalized development expenditure As a % of sales	598 3.6%	586 3.4%	-2% -20bps
(299) (3.2)%	(289) (3.5)%	-3% -30bps	Amortization and impairment of capitalized development expenditure ⁽¹⁾ As a % of sales	(730) (4.4)%	(534) (3.1)%	-27% -130bps

OPERATING MARGIN* BREAKDOWN

FY 2021

As a % of sales



*Excl. JV & Associates
NB: Rounded figures

INCOME STATEMENT

FY 2021

H2 2020	H2 2021	▲		FY 2020	FY 2021	▲
9,378	8,268	-12%	Total sales (€m)	16,436	17,262	+5%
1,648 <i>17.6%</i>	1,454 <i>17.6%</i>	-12% <i>0bps</i>	Gross margin <i>As a % of sales</i>	2,155 <i>13.1%</i>	3,040 <i>17.6%</i>	+41% <i>+450bps</i>
(767) <i>(8.2)%</i>	(754) <i>(9.1)%</i>	-2% <i>-90bps</i>	R&D expenditure <i>As a % of sales</i>	(1,695) <i>(10.3)%</i>	(1,510) <i>(8.7)%</i>	-11% <i>-160bps</i>
(413) <i>(4.4)%</i>	(416) <i>(5.0)%</i>	-1% <i>-60bps</i>	SG&A <i>As a % of sales</i>	(832) <i>(5.1)%</i>	(831) <i>(4.8)%</i>	0% <i>-30bps</i>
468 <i>5.0%</i>	284 <i>3.4%</i>	-39% <i>-160bps</i>	Operating margin excl. JV & associates <i>As a % of sales</i>	(372) <i>(2.3)%</i>	699 <i>4.0%</i>	n.a. <i>n.a.</i>
(112) <i>(1.2)%</i>	(124) <i>(1.5)%</i>	+11% <i>-30bps</i>	JV & associates <i>As a % of sales</i>	(278) <i>(1.7)%</i>	(243) <i>(1.4)%</i>	-13% <i>+30bps</i>
356 <i>3.8%</i>	160 <i>1.9%</i>	-55% <i>-190bps</i>	Operating margin incl. JV & associates <i>As a % of sales</i>	(650) <i>(4.0)%</i>	456 <i>2.6%</i>	n.a. <i>n.a.</i>
1,303 <i>13.9%</i>	1,103 <i>13.4%</i>	-15% <i>-50bps</i>	EBITDA <i>As a % of sales</i>	1,505 <i>9.1%</i>	2,308 <i>13.4%</i>	+53% <i>+430bps</i>

INCOME STATEMENT

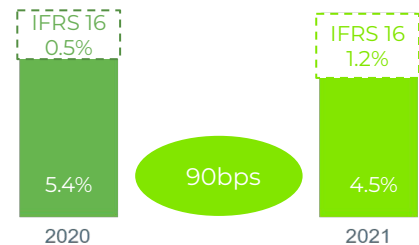
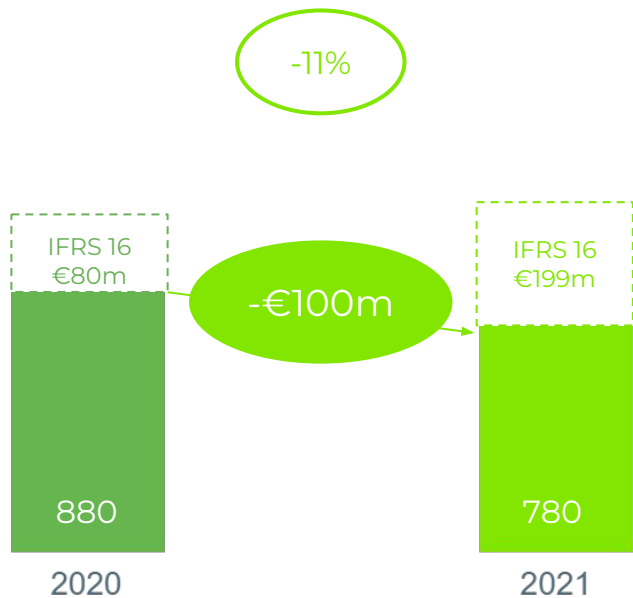
FY 2021

H2 2020	H2 2021	▲		FY 2020	FY 2021	▲
9,378	8,268	-12%	Total sales (€m)	16,436	17,262	+5%
356 3.8%	160 1.9%	-55% -190bps	Operating margin incl. JV & associates <i>As a % of sales</i>	(650) (4.0)%	456 2.6%	n.a. n.a.
(72) (0.8)%	(21) (0.3)%	-71% -50bps	Other income & expenses <i>As a % of sales</i>	(207) (1.3)%	(50) (0.3)%	-76% -100bps
284 3.0%	139 1.7%	-51% -130bps	Operating income <i>As a % of sales</i>	(857) (5.2)%	406 2.4%	n.a. n.a.
(34)	(32)	-6%	Cost of net debt	(67)	(60)	-10%
8	90	8x	Other financial income & expenses	(14)	96	n.a.
258	197	-24%	Income before taxes	(938)	442	n.a.
(108)	(83)	-23%	Income taxes	(132)	(197)	+49%
29.2%	25.9%	-330bps	<i>Effective tax rate</i>	20.0%	28.8%	+880bps
(24)	(29)	+21%	Non-controlling interests and other	(19)	(70)	-268%
126 1.3%	85 1.0%	-33% -30bps	Net income <i>As a % of sales</i>	(1,089) (6.6)%	175 1.0%	n.a. n.a.
n.a.	n.a.	n.a.	EPS	(4.55)	0.73	n.a.
n.a.	n.a.	n.a.	ROCE	(13)%	9%	n.a.
n.a.	n.a.	n.a.	ROA	(12)%	5%	n.a.

RECORDED CAPEX*

FY 2021

In €m and as a % of sales



* Excl. Capitalized R&D

FREE CASH FLOW STATEMENT

FY 2021

H2 2020	H2 2021		FY 2020	FY 2021
1,303	1,103	EBITDA (€m)	1,505	2,308
840	(242)	Change in operating working capital	266	(460)
14	(188)	<i>of which increase in inventories</i>	218	(370)
(32)	(24)	Restructuring & social costs	(62)	(78)
(153)	(151)	Other operating items (incl. taxes)	(86)	(369)
(82)	(104)	<i>of which: Taxes</i>	(188)	(237)
(70)	(11)	<i>Pensions</i>	(86)	(18)
(43)	(44)	<i>IFRS 16 leases</i>	(86)	(86)
1,958	686	Cash from operating activities* (€m)	1,623	1,401
(336)	(244)	PP&E CAPEX	(731)	(523)
(279)	(295)	Capitalized R&D	(598)	(586)
1,343	147	Free cash flow* (€m)	294	292
(13)	(15)	Interest	(75)	(28)
(141)	(232)	Other financial items	(302)	(416)
1,189	(100)	Net cash flow (€)	(83)	(152)
2,944	3,104	Net debt (€m)	2,944	3,104

*Excl. sale of trade receivables

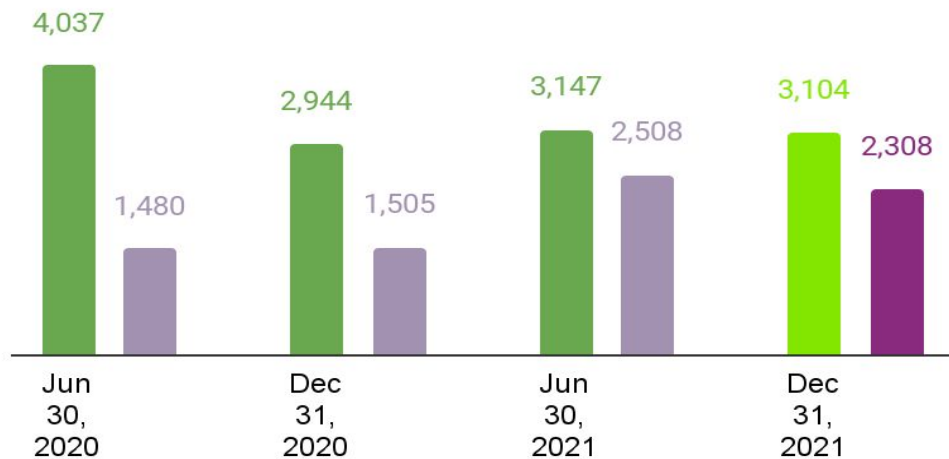
VALEO RESERVED



February 25, 2022 | 14

LEVERAGE RATIO OF 1.34x EBITDA

Net debt to EBITDA



Leverage
2.73x

Leverage
1.96x

Leverage
1.25x

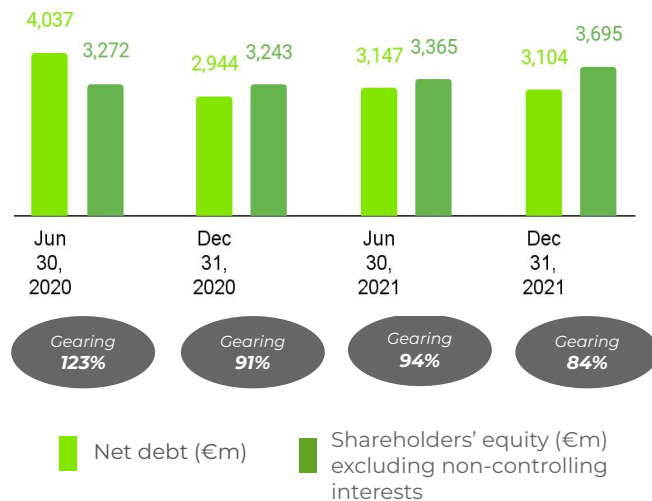
Leverage
1.34x

Covenant of 3.5x

Net debt (€m)

12-month rolling EBITDA (€m)

Shareholders' equity and net debt



Gearing
123%

Gearing
91%

Gearing
94%

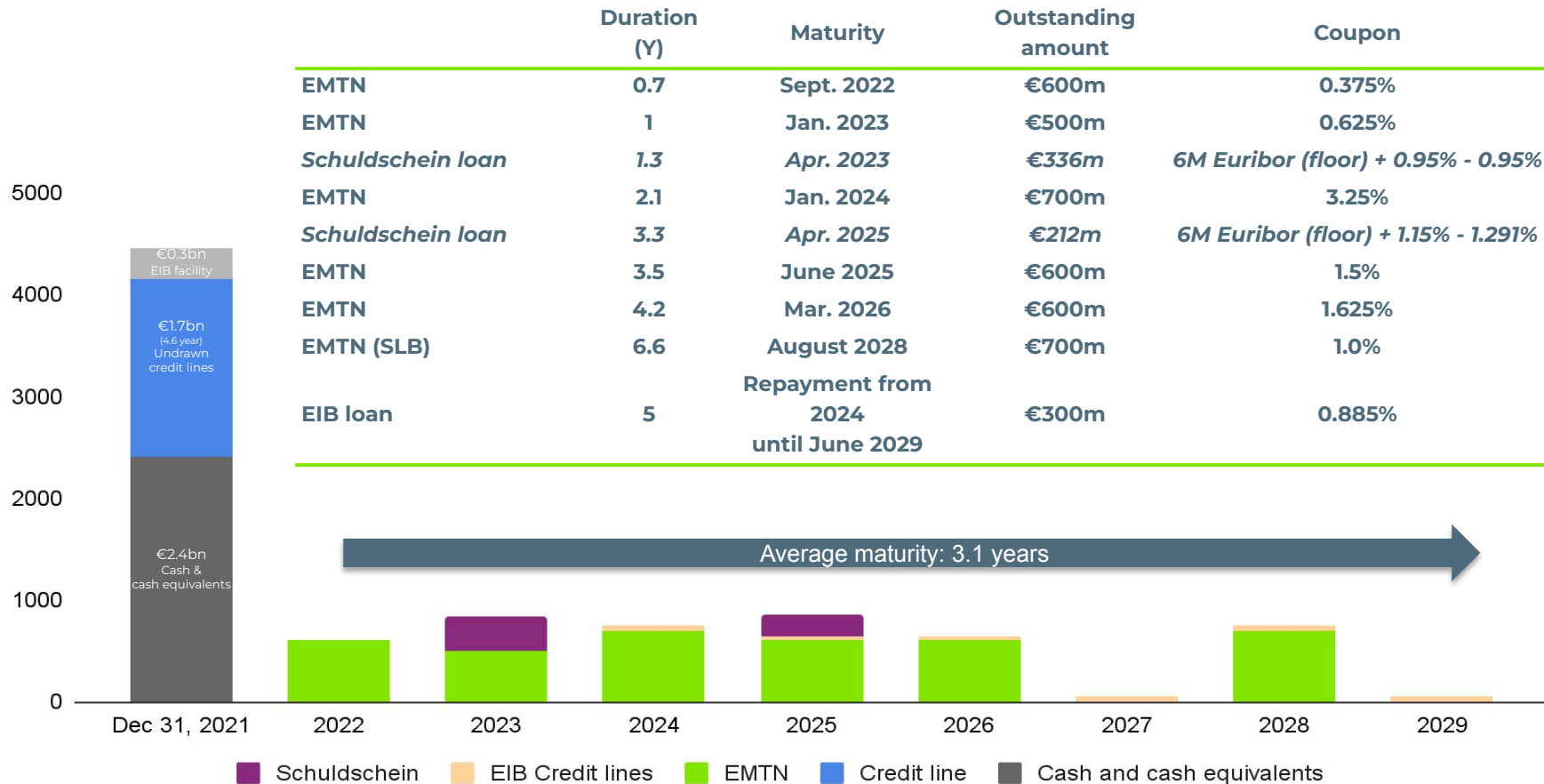
Gearing
84%

Net debt (€m)

Shareholders' equity (€m) excluding non-controlling interests

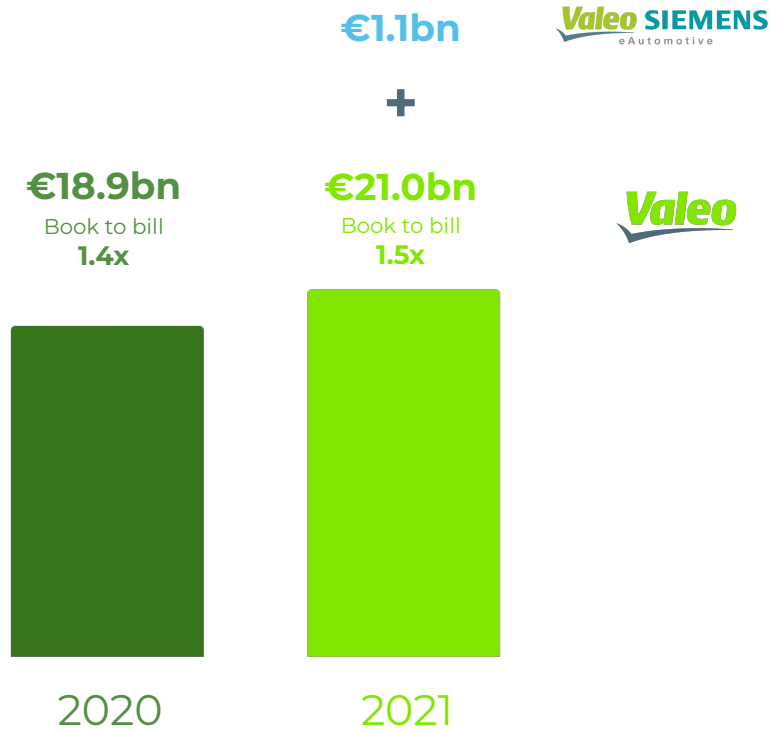
	LT	Outlook	ST
Moody's	Baa3	Stable	Prime-3
S&P	BB+	Stable	B

CASH & DEBT PROFILE

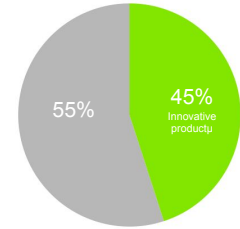


ORDER INTAKE

Order intake & book to bill



Percentage of innovative products in 2021

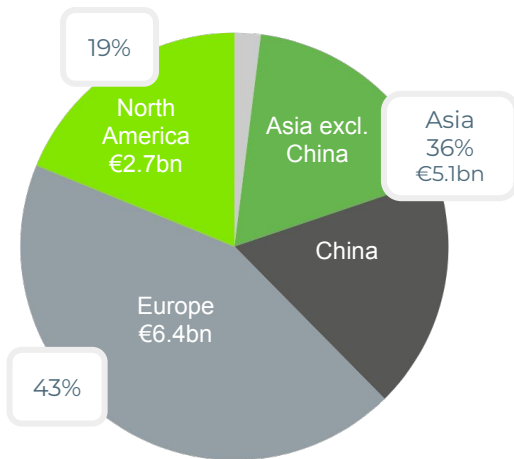


*Products and technologies sold by less than 3 years excl. Valeo Siemens eAutomotive

BOOK TO BILL AT 1.5 TIMES OEM SALES

FY 2021

OEM sales of €14.4bn

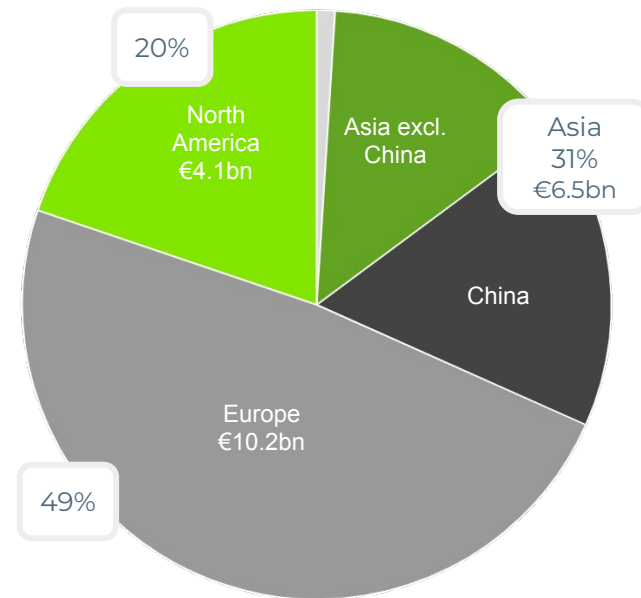


% of 2021 OEM sales*

Order intake/ OEM sales ratio

Asia	1.3x
<i>of which China</i>	1.4x
Europe	1.6x
North America	1.5x
South America	0.7x
Group	1.5x

Order intake of €21bn



% of 2021 order intake*

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

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

TO BE PROPOSED AT THE NEXT AGM

GUIDANCE 2022

In 2022, Valeo will focus its efforts on integrating Valeo Siemens eAutomotive, implementing its efficiency program and managing the impacts of inflation.

Based on IHS annual automotive production estimates (released in February 2022), reduced by 1.5%, corresponding to around 82.9 million vehicles (with slight growth in the first half of 2022 and growth of more than 10% in the second half), Valeo has set the following objectives:

	2022*
Sales (in €bn)	19.2 - 20.0
EBITDA (As a % of sales)	11.8% - 12.3%
Operating margin (As a % of sales)	3.2% - 3.7%
Free cash flow (in €m)	~320

** Based on the integration of Valeo Siemens eAutomotive after July 2022 following the acquisition by Valeo of the 50% stake held by Siemens in the joint venture. The transaction is subject to authorization from the relevant antitrust authorities and the relevant employee representative bodies will be informed and consulted.*

The impacts of applying IAS 37 revised and IFRS 3 in connection with the accounting for the Valeo Siemens eAutomotive acquisition will be presented at a later date.

These objectives do not take into account the potentially unfavorable impacts of recent developments in the Russia-Ukraine crisis on the economic and financial environment, such as a decline in production volumes or an increase in energy or raw material prices to above those seen in early 2022.

ESG

STRONG ESG PRACTICES IN AUTOMOTIVE INDUSTRY WITH AMBITIOUS TARGETS



Carbon neutrality on the 3 scopes by 2050⁽¹⁾



Intermediate CO₂eq reduction target of -45% by 2030⁽²⁾ without offsetting



Including Scope 3 downstream, the end-use of our products 50%⁽³⁾ net reduction target by 2030



Improve our eco-efficiency and resource allocation by 2025⁽²⁾



Energy as % of sales by -6%



Waste as % of sales by -9%



Water as % of sales by -6%



Employee safety as #1 priority with Accident Frequency Rate < 1.7 by 2025



Promote diversity



Share of women in new hires of 35%



Increase % plants run by local manager to 80% by 2025



Encourage talent development & well-being at work



Integration of suppliers in sustainability approach



Target of 82% of total purchases subject to sustainability assessment by 2025



Separation of roles of Chairman and CEO roles in January 2022



Board independence with 83%⁽⁴⁾ of directors independent



Board diversity with 50%⁽⁵⁾ of Board members women



Top management compensation includes CSR criteria



...also sustainability criteria included in variable compensation of 1,500 managers since 2021



Ethics & business practices



Compliance Officer reports directly to CEO (best practice)

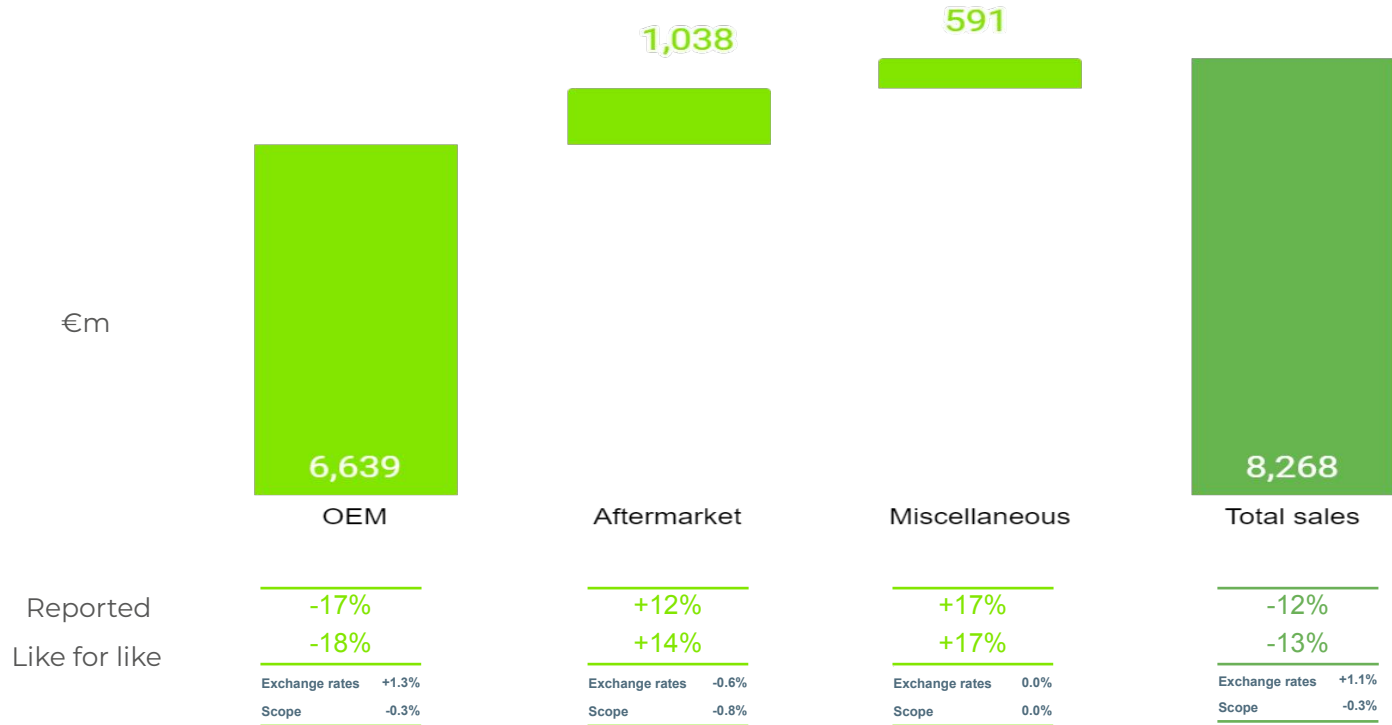


Speak-up culture

BACKUP SLIDES

TOTAL SALES OF €8,268M

H2 vs 2020



OEM SALES PENALIZED BY PRODUCTION DISRUPTIONS

H2 2021 vs 2020

North America

19% of Valeo sales

+1pt
Outperf.

-20% OEM Sales

-21% Production*

South America

2% of Valeo sales

-4pts
Perf.

-13% OEM Sales

-9% Production*

Europe

(including Africa)
42% of Valeo sales

+3pts
Outperf.

-24% OEM Sales

-27% Production*

0pts
Perf.

Asia

37% of Valeo sales

-7% OEM Sales

-7% Production*

World

-4pts
Perf.
+1pt excl.
Geographic
mix

-18% OEM Sales

-14% Production*

-3pts
Perf.

China

19% of Valeo sales

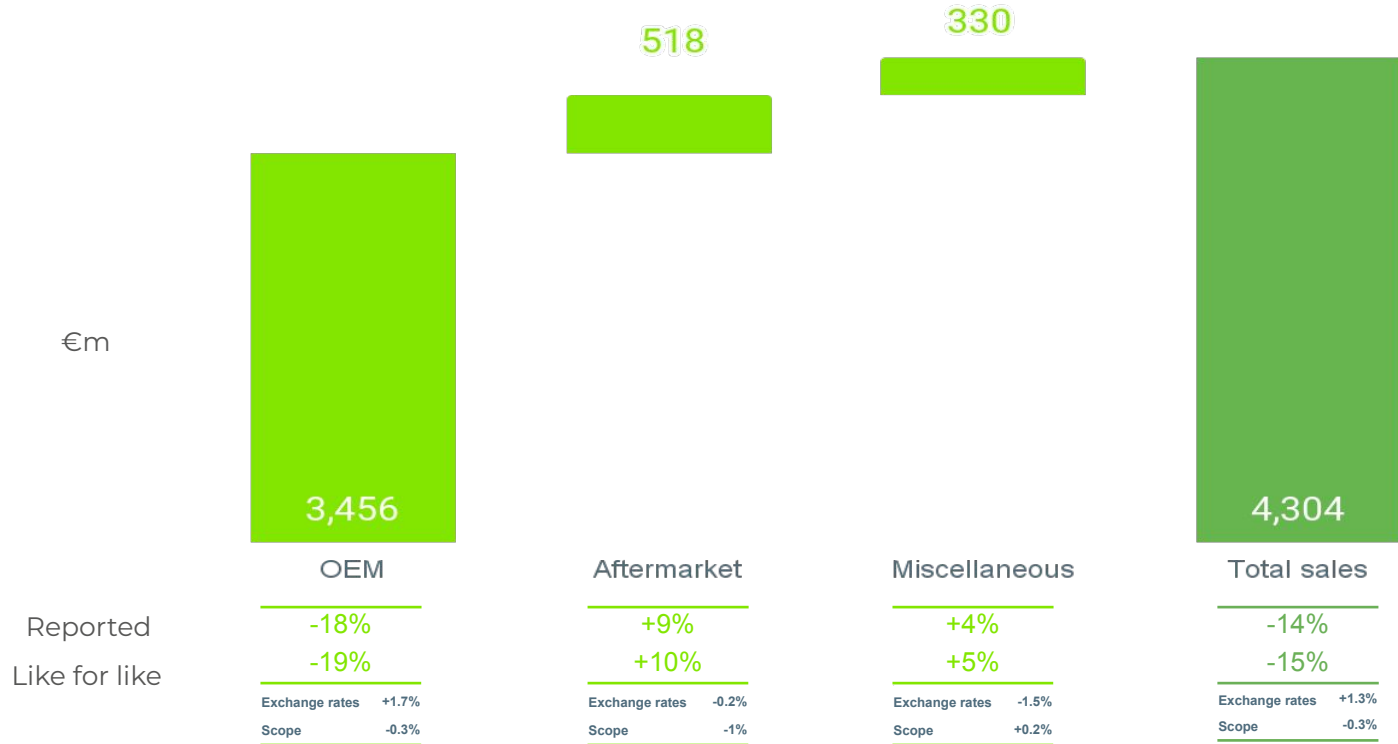
-8% OEM Sales

-5% Production*

*IHS as of February 14, 2022/CPCA estimates for China

TOTAL SALES OF €4,304M

Q4 vs 2020



OEM SALES PENALIZED BY PRODUCTION DISRUPTIONS

Q4 2021 vs 2020

North America

19% of Valeo sales

-4pts
Perf.

-18% OEM Sales

-14% Production*

South America

2% of Valeo sales

-10pts
Perf.

-18% OEM Sales

-8% Production*

Europe

(including Africa)
41% of Valeo sales

-3pts
Perf.

-26% OEM Sales

-23% Production*

-7pts
Perf.

Asia

38% of Valeo sales

-10% OEM Sales

-3% Production*

World

-9pts
Perf.
-5pts excl.
Geographic
mix

-19% OEM Sales

-10% Production*

-7pts
Perf.

China

20% of Valeo sales

-6% OEM Sales

+1% Production*

*IHS as of February 14, 2022/CPCA estimates for China

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.

		2021	TCM*	2021 excl. TCM
Sales	(In €m)	17,262	199	17,063
Gross margin	(In €m)	3,040	10	3,030
	<i>(As a % of sales)</i>	17.6%	5.0%	17.8%
R&D expenditure	(In €m)	(1,510)	(18)	(1,492)
	<i>(As a % of sales)</i>	(8.7)%	(9.0)%	(8.7)%
Selling & administrative expenses	(In €m)	(831)	(11)	(820)
	<i>(As a % of sales)</i>	(4.8)%	(5.5)%	(4.8)%
Operating margin excl. share in net earnings (losses) of equity-accounted companies	(In €m)	699	(19)	718
	<i>(As a % of sales)</i>	4.0%	(9.5)%	4.2%

*Including intercompany transactions

SEGMENT INFORMATION

<u>2021</u>	Comfort & Driving Assistance Systems*	Powertrain Systems	Thermal Systems	Visibility Systems	Other	Total
(€m)						
Sales:						
• segment (excluding Group)	3,396	4,528	3,869	5,038	263	17,093
• intersegment (Group)	21	123	57	56	(89)	169
EBITDA	587	566	428	675	52	2,308
Research & Development expenditure, net	(554)	(299)	(253)	(359)	(45)	(1,510)
Investments in property, plant & equipment & intangible assets	494	306	264	406	95	1,565
Segment assets	2,848	3,310	2,671	2,862	290	11,98

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

*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.
- **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

VALEO

100, rue de Courcelles
F-75017 Paris
France

Thierry Lacorre

E-mail: valeo.corporateaccess.mailbox@valeo.com
Website: www.valeo.com

CONTACTS

SHARE INFORMATION

Share Data

- Bloomberg Ticker
- Reuters Ticker
- ISIN Number
- Shares outstanding as of December 31,, 2021

FR FP
VLOF.PA
FR 0013176526
242,574,781

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. 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.



SMART TECHNOLOGY
FOR SMARTER MOBILITY