

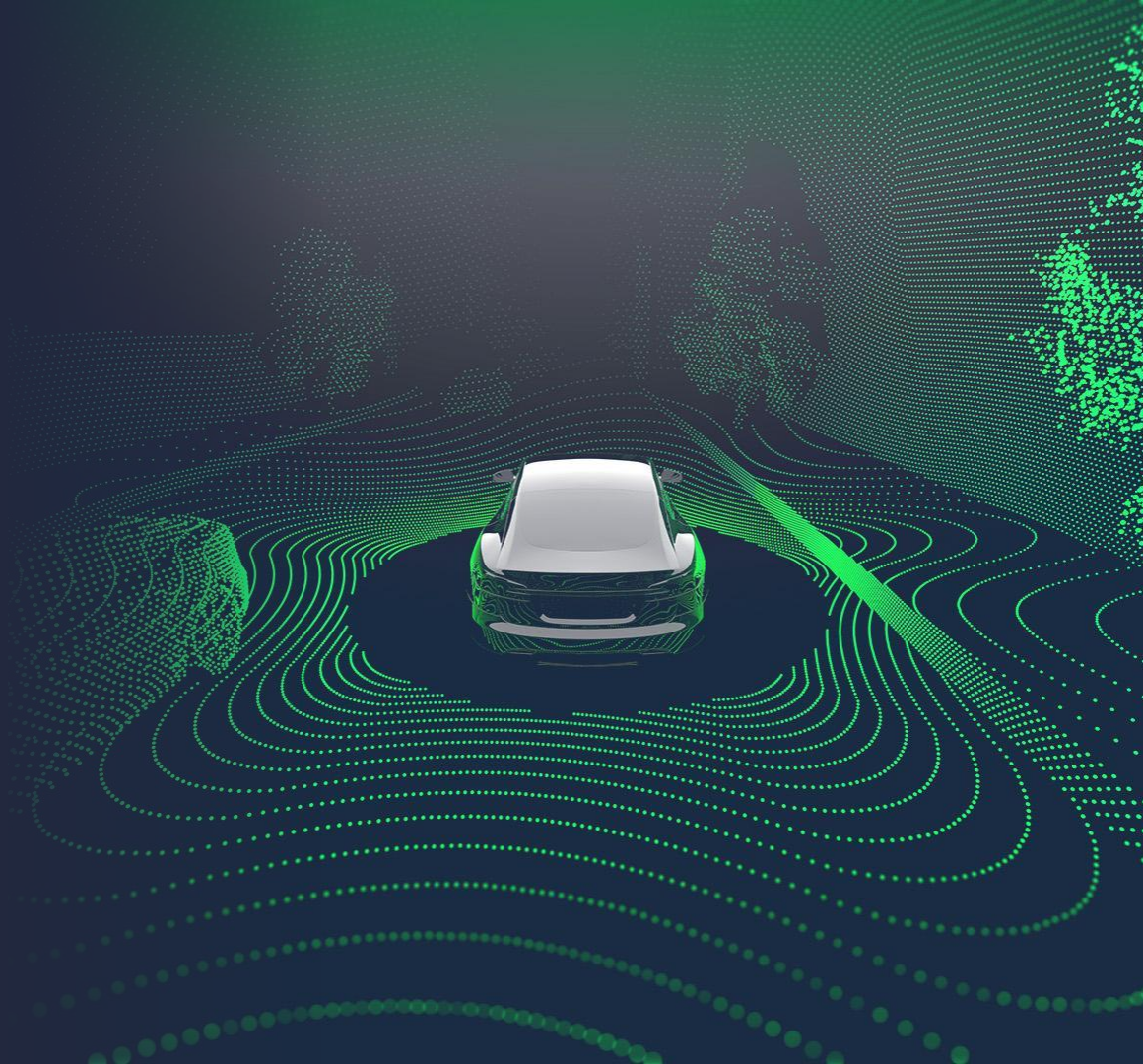


September 2022
Kepler Cheuvreux
Autumn Conference

CHRISTOPHE
PÉRILLAT

CEO

SMART TECHNOLOGY FOR SMARTER MOBILITY



01

A turbulent environment...

Electronic components shortage



> 50BN components purchased every year



20,000+ references

Ongoing improvement in H2 2022



Energy

Energy long-term and fixed-price contracts in 2022

Limited direct exposure on gas in Continental Europe

Input cost and salaries headwinds in 2022

~€200M materials and energy net inflation headwinds confirmed

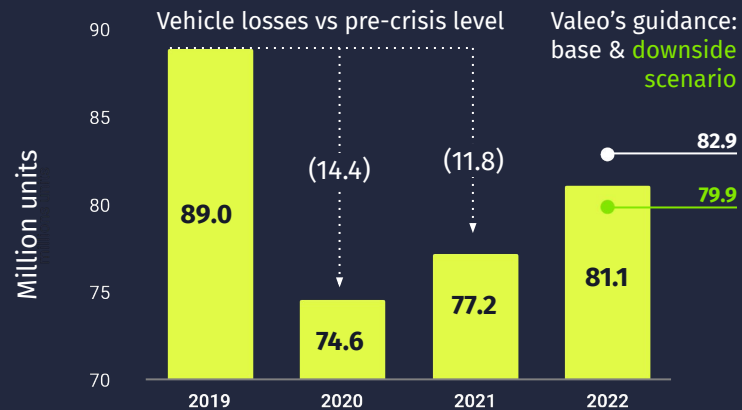
thanks to constructive discussions with customers

~60M additional labor inflation costs

compensated by our efficiency plan

...weighing on automotive production

Global Light Vehicle Production



Source : S&P Global Mobility (ex IHS Markit) estimates as of August 15 , 2022

01

H1 financial highlights



Group Sales

€9,419M

Up 2% lfl vs. 2021

Exchange rates: +3.4%
Scope: -0.4%

“

Robust activity
in a challenging environment



OEM Sales

€7,813M

Up 1% lfl vs. 2021

Exchange rates: +3.8%
Scope: -0.3%

“

Outperformance in all regions



Aftermarket Sales

€1,140M

Up 11% lfl vs. 2021

Exchange rates: +0.2%
Scope: -0.9%

“

Sharp increase
in Aftermarket sales

01

H1 financial highlights



Operating margin

(excl. JV & Associates)

€258M

2.7% of sales

“

Resilient profitability in an
inflationary environment



JV & Associates

€(76)M

(0.8)% of sales

“

Valeo Siemens eAutomotive on track
to reduce its losses by 50%



Net income

€(48)M

(0.5)% of sales

“

Including €32m in gross
impairment of Russian assets

01

H1 financial highlights



EBITDA

€1,111M

11.8% of sales

“

Resilient profitability in an
inflationary environment



Free cash flow

€179M

Up 23% vs. 2021



Recorded CAPEX*

€364M

3.9% of sales

“

Strict control over Capex
€337M investment cash outflows
in H1 2022

2022 guidance confirmed

Based on the latest automotive production estimates released by S&P Global on July 15, 2022, current levels of raw material and energy prices, constructive pricing discussions with our customers and the operational efficiencies identified in our plants, we confirm our 2022 financial objectives as published on February 25.



	2022*
Sales (in billions of euros)	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 millions of euros)	~320

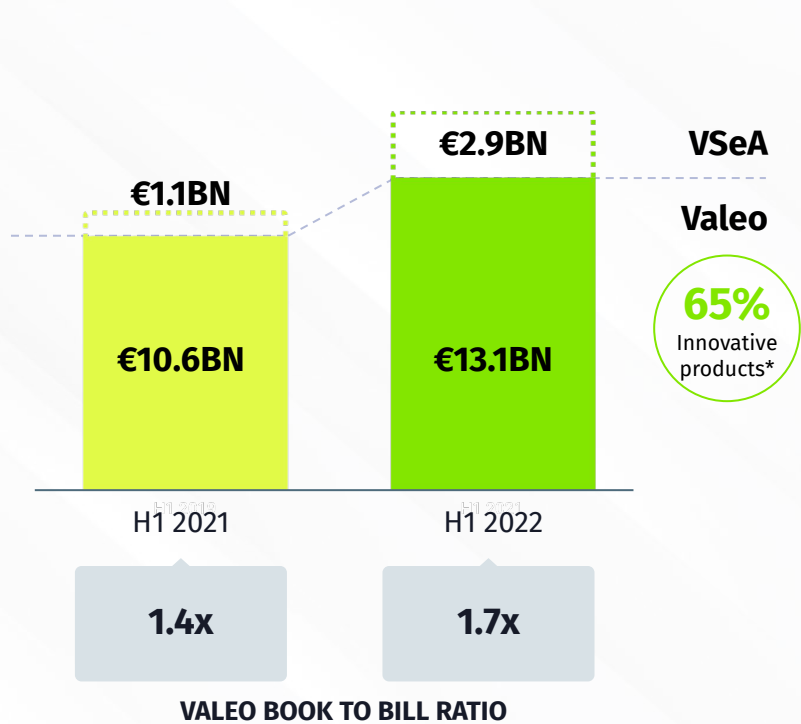
*Based on:

- the integration of Valeo Siemens eAutomotive at July 4, 2022 following the acquisition by Valeo of the 50% stake held by Siemens in the joint venture.
- S&P Global Mobility (formerly IHS Markit) annual automotive production estimates released in February 2022 reduced by 1.5%, corresponding to around 82.9 million vehicles – falling within the range of 79.9 million to 84.1 million vehicles (with slight growth in the first half of 2022 and more than 10% growth in the second half).
- an expected 50% reduction in Valeo Siemens eAutomotive's losses in 2022 compared to 2021.

01

Strong business momentum

Order intake & book to bill



VALEO BOOK TO BILL RATIO



Electrification Acceleration

- ✓ €4BN HV order intake achieving our 2021/2022 target
- ✓ >60% THS order intake in electrification



Lighting Everywhere

- ✓ First orders in central area illuminated grille/logo
- ✓ 2M cars equipped with bi-functional module Valeo *thinlens*



ADAS Acceleration

- ✓ 3rd Gen LiDAR order with Stellantis to equip multiple models
- ✓ Major contract with BMW in ADAS including sensors, HW & integrated SW



Interior Experience Reinvention

- ✓ 5 orders of interior cameras for driver monitoring
- ✓ 2 orders for interactive surfaces: digital cluster & dome module

01

Valeo Siemens eAutomotive

An electric champion



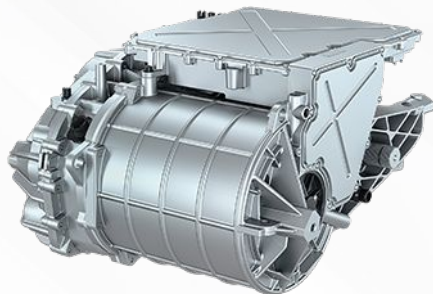
July 4th

Integration as
scheduled



~€700M

Net debt
impact



€120M

HV Business integration synergy
per year at run rate (2025)



VALEO RESERVED | JULY 22



Activity ramp up & reduced losses

H1 2022



€375M sales

Strong acceleration expected in H2



50% losses reduction confirmation

in VSeA's net income in 2022 vs 2021

€2.9BN

Order intake

Achieving our

€4bn 2021/2022 target

Including **SiC 800V technology**

01

Major orders win in ADAS

3rd

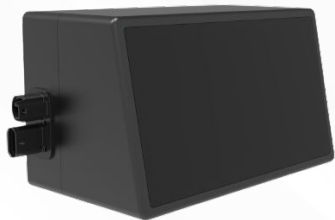
Generation LiDAR Scala order



STELLANTIS

To equip multiple models of Stellantis' brands

Thanks notably to higher resolution, Scala 3 enables level 3 automation capabilities



RESOLUTION

50x

vs 2nd generation



Multi HW/SW ADAS

order with



To equip BMW's "Neue Klasse" EV platform

Including both domain controller, sets of sensors & integrated software for parking & maneuvering



Real-time mapping and understanding of the car's surroundings as well as the vehicle interior

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, risks related to the Group’s supply of electronic components and the rise in raw material prices, risks related to the Russia-Ukraine conflict, 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 2021 Universal Registration Document registered with the AMF on April 7, 2022 (under number D.22-0254).

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SMART TECHNOLOGY
FOR SMARTER MOBILITY

