



Q3 2022

Sales

CHRISTOPHE
PÉRILLAT

CEO

SMART TECHNOLOGY FOR SMARTER MOBILITY

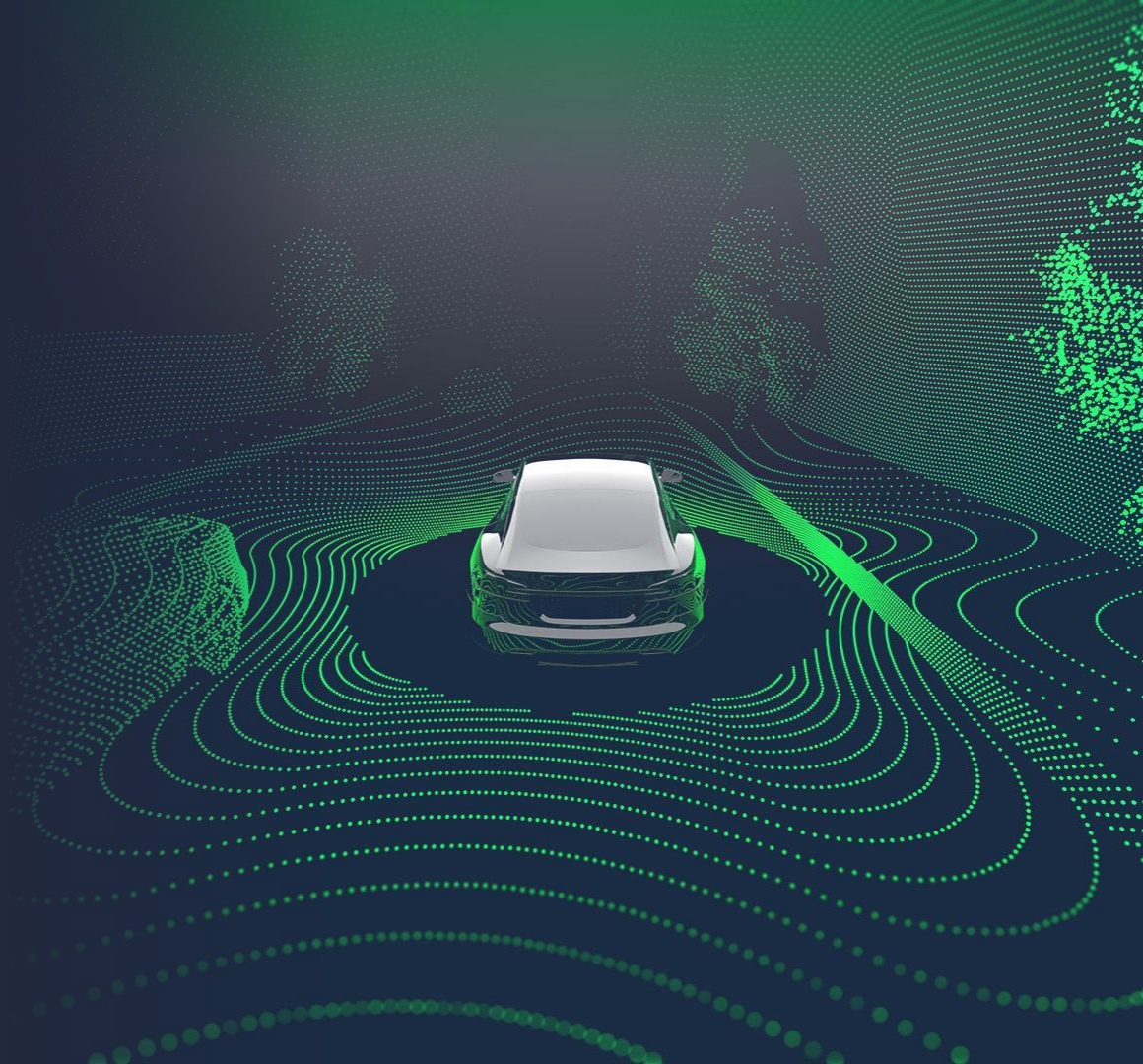


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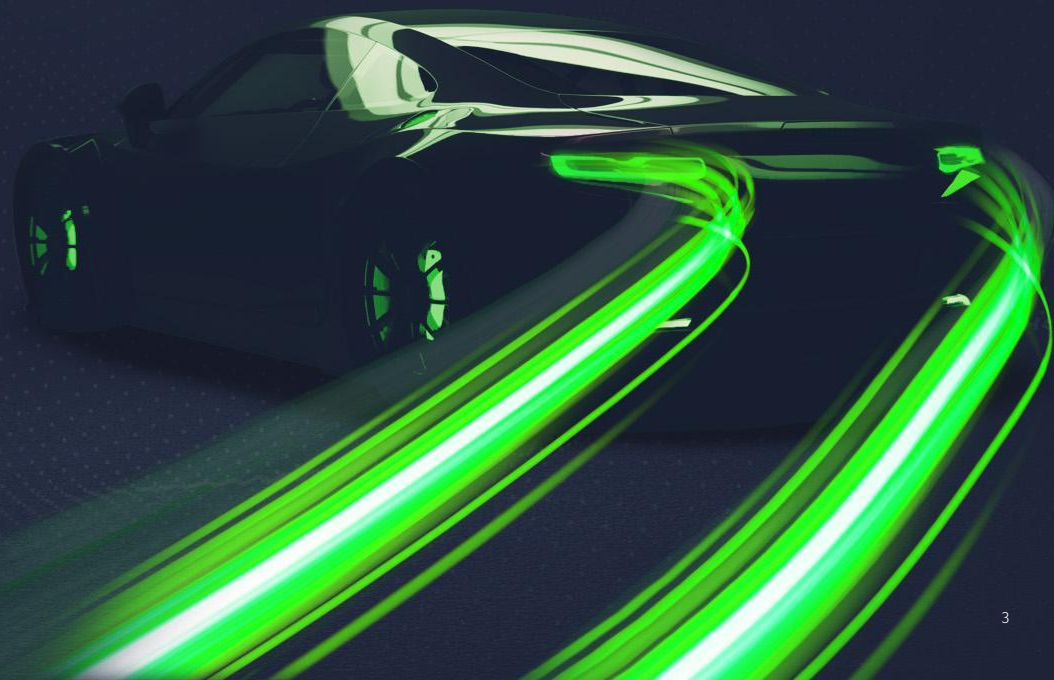
01 • Q3 highlights

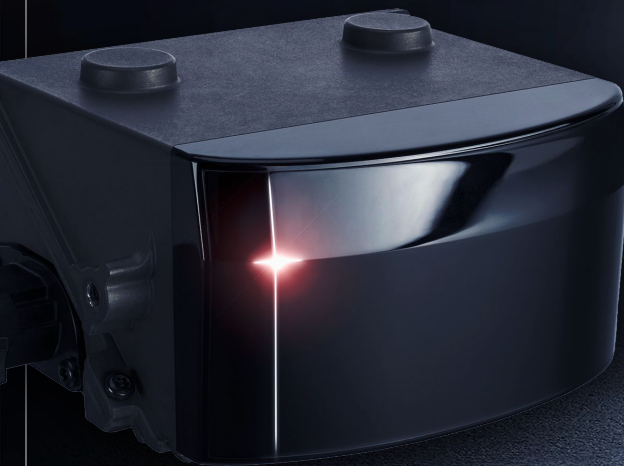
02 • Q3 sales

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01

Q3 highlights





JULY 4

New Powertrain Systems: integration of 100% of VSeA's share capital

The transaction results in a net cash outflow of €277m and a net debt increase of €717m



OCTOBER 19

Valeo and SRG Global® enter a strategic alliance to provide next generations of exterior illuminated front panels

New innovative solutions enabling highly integrated and stylized exterior lighting systems



JULY 12

Powertrain Systems: new mobilities

Presentation at Eurobike of innovative 48V electric assistance system for all types of bicycle. The solution has already attracted 20 bicycle manufacturers



OCTOBER 20

Thermal Systems and TotalEnergies: co-development of an innovative battery cooling fluid for EV

High-performance dielectric fluid, a new way of cooling electric vehicle batteries



OCTOBER 12

Record order intake with 2 contracts in electrification for Thermal Systems

Contract with Stellantis for its new electric platform: next-generation heat pump

Contract with major European OEM: electric vehicle air conditioning units and front-end cooling modules



Taking our High Voltage business to the next stage

Valeo SIEMENS
Automotive

Valeo New PTS

2016



Creation of a 50/50 JV dedicated to **High Voltage powertrains**

2021



- 8 sites around the world
- >1,600 R&D engineers
- >2,000 patents
- 21 brands in series & development
- >90 new models supplied up to 2022

2022



- ~€1bn in sales
Expected in High Voltage
- July 4
Integration of VSeA into new PTS

2025



- ~€2bn in sales
Expected in High Voltage
- €120m
Synergies run rate

2030



- ~€4bn in sales
Expected in High Voltage

Volkswagen
ID3 & 4



Inverter



Mercedes
EQS & EQE



e-Axle



e-Motor
& Inverter



Stellantis 3008,
DS7 Crossback,
Grandland



2022 guidance confirmed

Based on the latest automotive production estimates released by S&P Global on October 14, 2022, current levels of raw material and estimated 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.

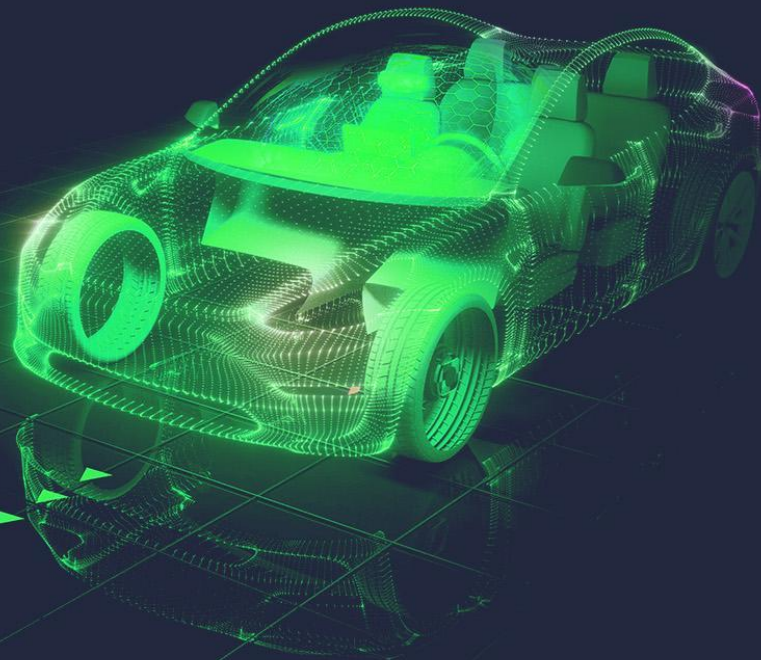
	2022
Sales (in billions of euros)	19.2-20.0
EBITDA (as a % of sales)	11.8%-12.3%
Operating margin (as a % of sales)	3.2%-3.7%
Free cash flow (in millions of euros)	~320

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.

02

Q3 sales



Reported Q3 OEM sales up 41%

Main change in scope: Integration of the High Voltage business*



Group Sales

€5,259m

incl. HV business

€321m

+33% reported growth

+19% lfl growth

Exchange rate: +6%

Scope: +8%



OEM

€4,474m

incl. HV business

€305m

+41% reported growth

+24% lfl growth

Exchange rate: +7%

Scope: +9%



Aftermarket

€573m

incl. HV business

€3m

+10% reported growth

+9% lfl growth

Exchange rate: +1%

Scope: -



Miscellaneous

€212m

incl. HV business

€13m

-19% reported growth

-26% lfl growth

Exchange rate: +7%

Scope: -

Valeo's growth benefiting from integration of High Voltage business*



Group Sales

€5,259m

Up 19% lfl vs. Q3 2021

Reported



HV business

Up 61%

vs. Q3 2021

Up 21% lfl vs. Q3 2021

Pro forma



OEM Sales

€4,474m

Up 24% lfl vs. Q3 2021

Reported



HV business OEM

+€125m

Up 69%

vs. Q3 2021

Up 26% lfl vs. Q3 2021

Pro forma

Dynamic aftermarket business

+9%

Aftermarket like-for-like sales growth

vs. Q3 2021



Dynamic growth despite unfavorable base effect
(+18% lfl growth in Q3 2021 vs Q3 2020)



Remanufacturing business:
1m products renovated per year



Including 48V system,
Stop & start and
Transmission



Drivers:

- Ageing & growing car fleet
- Extension of the product range and higher value products in Transmission (kit offering) thanks to FTE acquisition
- Price increase



02

Q3 sales performance

World

-3pts performance

-4pts performance
excl. geographic mix

Production +27%*

* S&P Global Mobility (ex IHS Markit) estimates as of October 14, 2022



North America

21% of OEM sales

+26% OEM sales lfl

+24% Production*

2pts

outperformance



South America

2% of OEM sales

+42% OEM sales lfl

+33% Production*

9pts

outperformance



Europe (incl. Africa)

42% of OEM sales

+26% OEM sales lfl

+21% Production*

5pts

outperformance



China
-8pts

perf.

19%
of OEM sales

Asia (incl. China)

35% of OEM sales

+21% OEM sales lfl

+30% Production*

-9pts

performance

02

Q3 sales performance pro forma

World

-1pt performance

-2pts performance excl. geographic mix

Production +27%*

* S&P Global Mobility (ex IHS Markit) estimates as of October 14, 2022



North America

21% of OEM sales

+26% OEM sales lfl

+24% Production*



2pts

outperformance



South America

2% of OEM sales

+42% OEM sales lfl

+33% Production*



9pts

outperformance



Europe (incl. Africa)

42% of OEM sales

+29% OEM sales lfl

+21% Production*



8pts

outperformance



China -3pts

perf.

19% of OEM sales

Asia (incl. China)

35% of OEM sales

+23% OEM sales lfl

+30% Production*



-7pts

performance

Comfort & Driving Assistance Systems (CDA)



CONTRIBUTING TO
SAFER MOBILITY

02

ADAS growth, up 53% lfl

9pts

Up 36% lfl

CDA OEM sales
outperformance

vs. Q3 2021

ADAS OEM Sales

€698m in Q3 2022
+53% lfl growth

Reinvention of interior
experience OEM Sales

€332m in Q3 2022
+10% lfl growth



Strong growth in cameras
business in Europe, US and
China



Acceleration in cameras
expected in H2

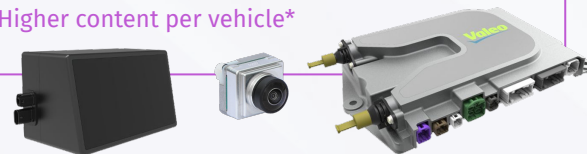
MOVE
UP Valeo

Benefiting from ADAS Acceleration
& Interior Experience Reinvention

- Major contract win in ADAS with BMW including sensors, domain controller & integrated SW
- 3rd gen LiDAR (Scala 3) order with Stellantis to equip multiple models
- Up to 13 million front cameras already produced

1.4X in ADAS

Higher content per vehicle*



Powertrain Systems (PTS)



CONTRIBUTING TO GREENER MOBILITY

02

High Voltage business* OEM sales growth, up 69%

-1pt

Up 26% lfl

Pro forma OEM sales performance

vs. Q3 2021

Including 8 points in additional performance thanks to the integration of formerly Valeo Siemens eAutomotive



69% growth in HV OEM sales in Q3 2022, mainly in Europe & China



Underperformance of businesses - excluding High Voltage - in Asia: notably truck business in China & unfavorable base effect in South Korea

* formerly VSeA

** co-developed with Renault Group



Benefiting from Electrification Acceleration

- Creating a **champion in electrification** by taking control of **VSeA** on July 4, 2022
- A **rare-earth free EESM motor**** 1st prototype is running on test bench
- **Start of production of Valeo Cyclee**, our 48V bike electric assistance system which has already attracted **20 bicycle manufacturers**

Opportunity in **New Mobility**

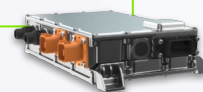
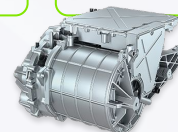
48V Systems



6x

HV Systems

Higher content per vehicle***



*** By 2025 vs ICE



02

Thermal systems growth prospects fueled by electrification

-1pt

Up 26% lfl

THS OEM sales performance

vs. Q3 2021



Sales acceleration for electrified vehicles in Europe with German and French OEMs



Unfavorable customer mix in China & contract end (front-end module) with a Japanese OEM in North America

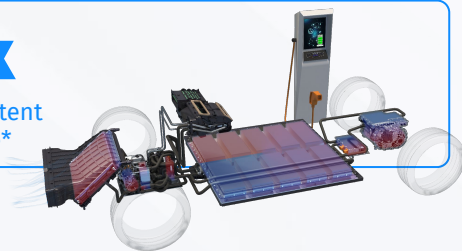


Benefiting from Electrification Acceleration

- **Strong momentum in electrification with >€4bn in order intake recorded for e-thermal systems in 2022, including Smart Heat Pump**
- **2 major wins with Stellantis & a European OEM for technologies related to electrified vehicles**
- **>70% of order intake dedicated to electrified vehicles ytd**

2.5x

Higher content per vehicle*



Visibility Systems (VIS)



CONTRIBUTING TO GREENER & SAFER MOBILITY

02

Temporary impact of unfavorable product & customer mix

-8pts
Up 19% I/I

VIS OEM sales performance
vs. Q3 2021



Business Group's activity negatively impacted by bottlenecks in the OEM supply chain and related decontending (lower electronics content)



Unfavorable customer mix in China & Japan

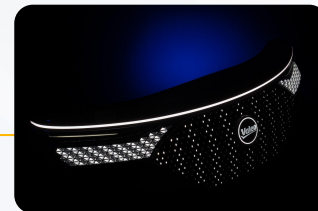


Benefiting from **lighting everywhere**

- First orders wins in central area illuminated grille & logo
- Strategic alliance with SRG Global to jointly develop LED illuminated grilles for front-end modules in Europe & North America
- SOP for OLED lighting technology (rear lights) for German premium OEM

1.2x

Higher content per vehicle*

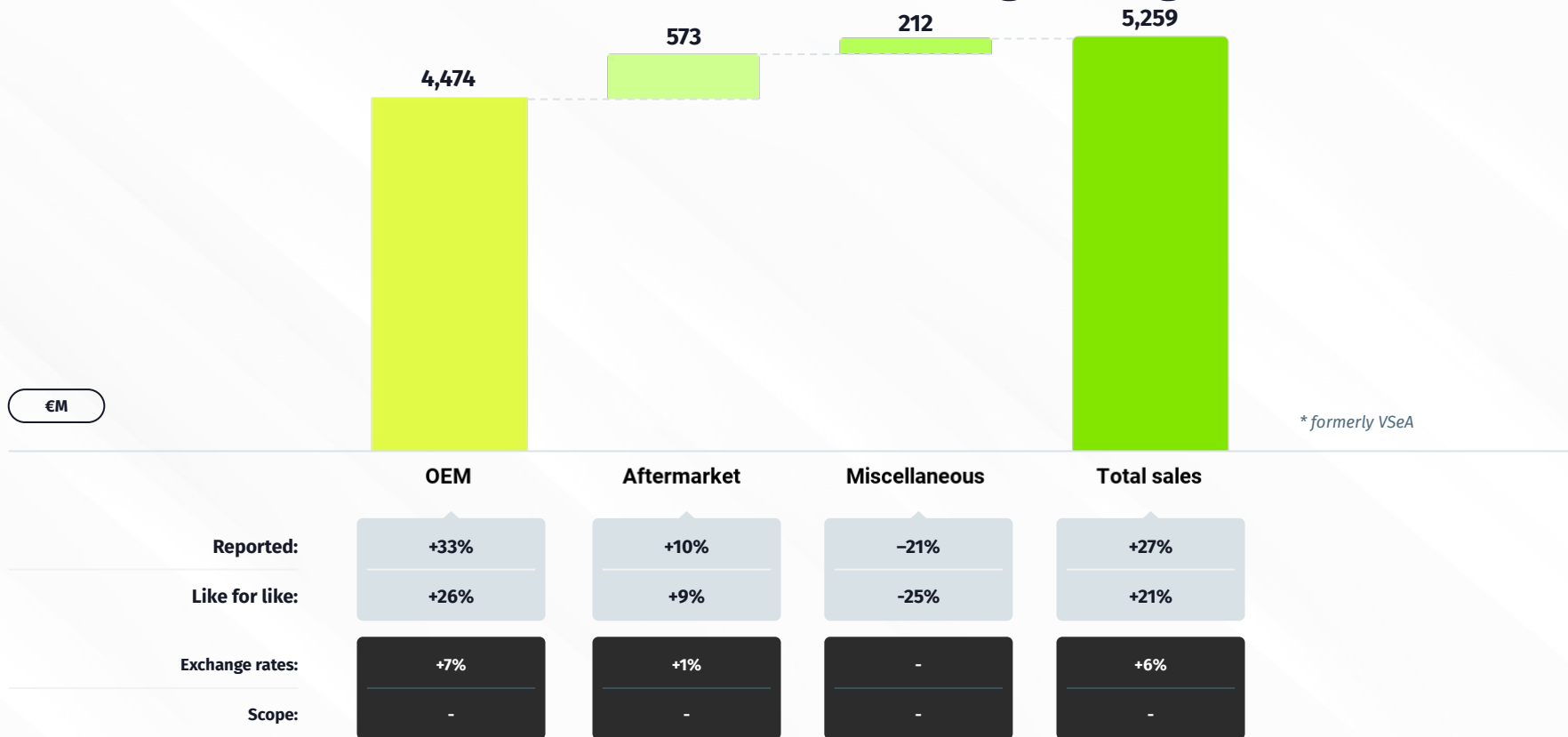


03

Backup slides



Q3 sales - Pro forma: Q3 2021 restated to include High Voltage business*



03

Q3 sales performance

Asia

-9pts performance

Production +27%*

* S&P Global Mobility (ex IHS Markit) estimates as of October 14, 2022

VALEO RESERVED | OCT-22

Valeo



China

55% of Asia sales

+23% OEM sales lfl

+31% Production*

-8pts

performance



India

3% of Asia sales

-18% OEM sales lfl

+33% Production*

-51pts

performance



Japan

18% of Asia sales

+24% OEM sales lfl

+23% Production*

1pt

outperformance



South Korea

16% of Asia sales

+7% OEM sales lfl

+20% Production*

-13pts

performance

03

Q3 sales performance pro forma

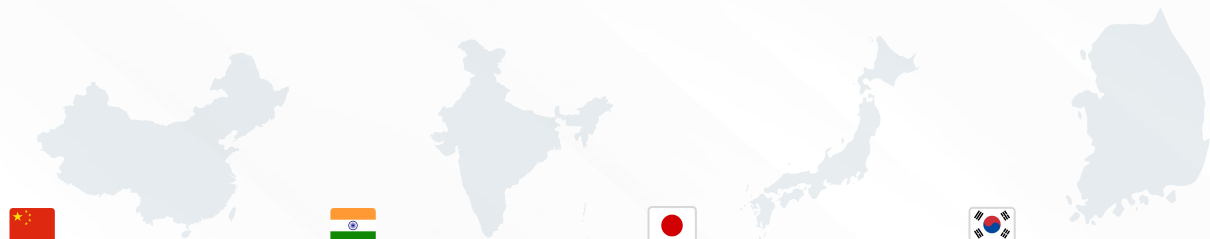


Asia

-7pts
performance

Production +27%*

* S&P Global Mobility (ex IHS Markit) estimates as of October 14, 2022



China

55% of Asia sales

India

3% of Asia sales

Japan

18% of Asia sales

South Korea

16% of Asia sales

+28% OEM sales lfl

+31% Production*

-14% OEM sales lfl

+33% Production*

+24% OEM sales lfl

+23% Production*

+7% OEM sales lfl

+20% Production*

-3pts

performance

-47pts

performance

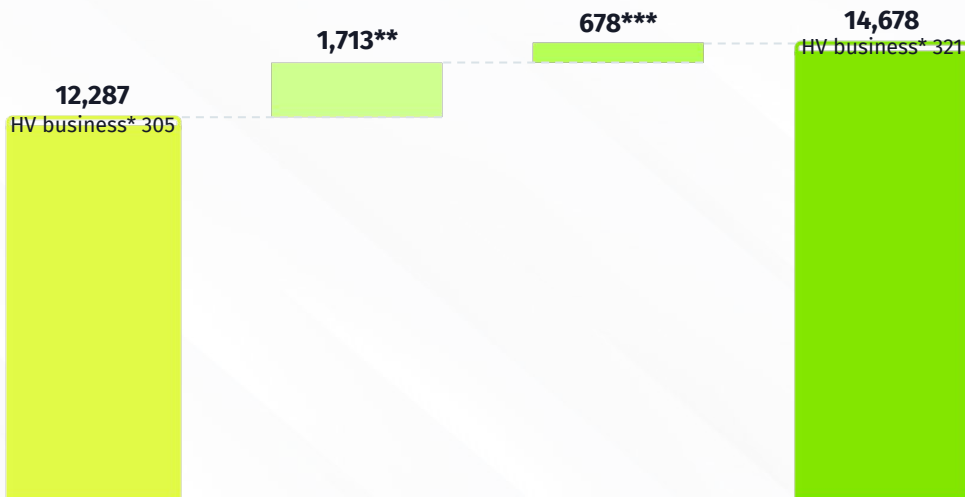
1pt

outperformance

-13pts

performance

9M sales - Main change in scope: Integration of High Voltage business*



€M

* formerly VSeA
 ** including €3m for former VSeA
 *** including €13m for former VSeA

OEM

Aftermarket

Miscellaneous

Total sales

Reported:

+15%

+11%

-5%

+13%

Like for like:

+8%

+11%

-10%

+7%

Exchange rates:

+5%

+1%

+4%

+4%

Scope:

+3%

-1%

+1%

+2%

03

9M geographic & customer positioning

OEM sales by production region (% of OEM sales)

	9M 2021	9M 2022	▲
Western Europe	31%	29%	-2pp
North America	8%	8%	Stable
Asia & emerging countries	61%	63%	+2pp
<i>Of which Asia excluding China</i>	17%	15%	-2pp
<i>Of which China</i>	15%	18%	+3pp
<i>Of which Eastern Europe</i>	16%	16%	Stable
<i>Of which Mexico</i>	11%	12%	+1pp
<i>Of which South America</i>	2%	2%	Stable

Customer portfolio (% of OEM sales)

German	31%	31%	Stable
Asian	33%	31%	-2pp
American	18%	19%	+1pp
French	14%	14%	Stable
Other	4%	5%	+1pp

63%
of OEM sales

Exposure to Asian
& emerging markets

Broad diversification
among OEM customers



An ESG leader recognized by rating agencies

#1

S&P Global

71/100

#2



SUSTAINALYTICS

a Morningstar company

10.6

low-risk

#1

ISS ESG

ethix • climate • oekom

B- Prime

#1



A-

Climate Change

#1

MSCI

ESG RATINGS

AAA

#1

Corporate Knights

62.2%



Most represented auto parts
company in ESG indices including



CAC40 ESG

STOXX

Global ESG
Leaders

FTSE4Good

MSCI

ESG Leaders

03



Committed to our 2025 Targets*

Sales
€27.5bn

>5pts

OUTPERF. OVER 2021/25 VS. IHS

EBITDA
~14.5%

EBIT
~6.5%

FCF
€0.8bn - €1.0bn

Leverage
<0.7x



CAGR** 2021-2025

PTS
15%
> 8pts
OUTPERF.

THS
11%
> 4pts
OUTPERF.

CDA
16%
> 9pts
OUTPERF.

VIS
10%
> 4pts
OUTPERF.

HV BUSINESS INTEGRATION SYNERGY

€120m
per year at run rate (2025)

EFFICIENCY PLAN

€100m
per year at run rate (2023)

DIVESTMENT OF NON-STRATEGIC ASSETS

€500m
in value

Contacts

VALEO

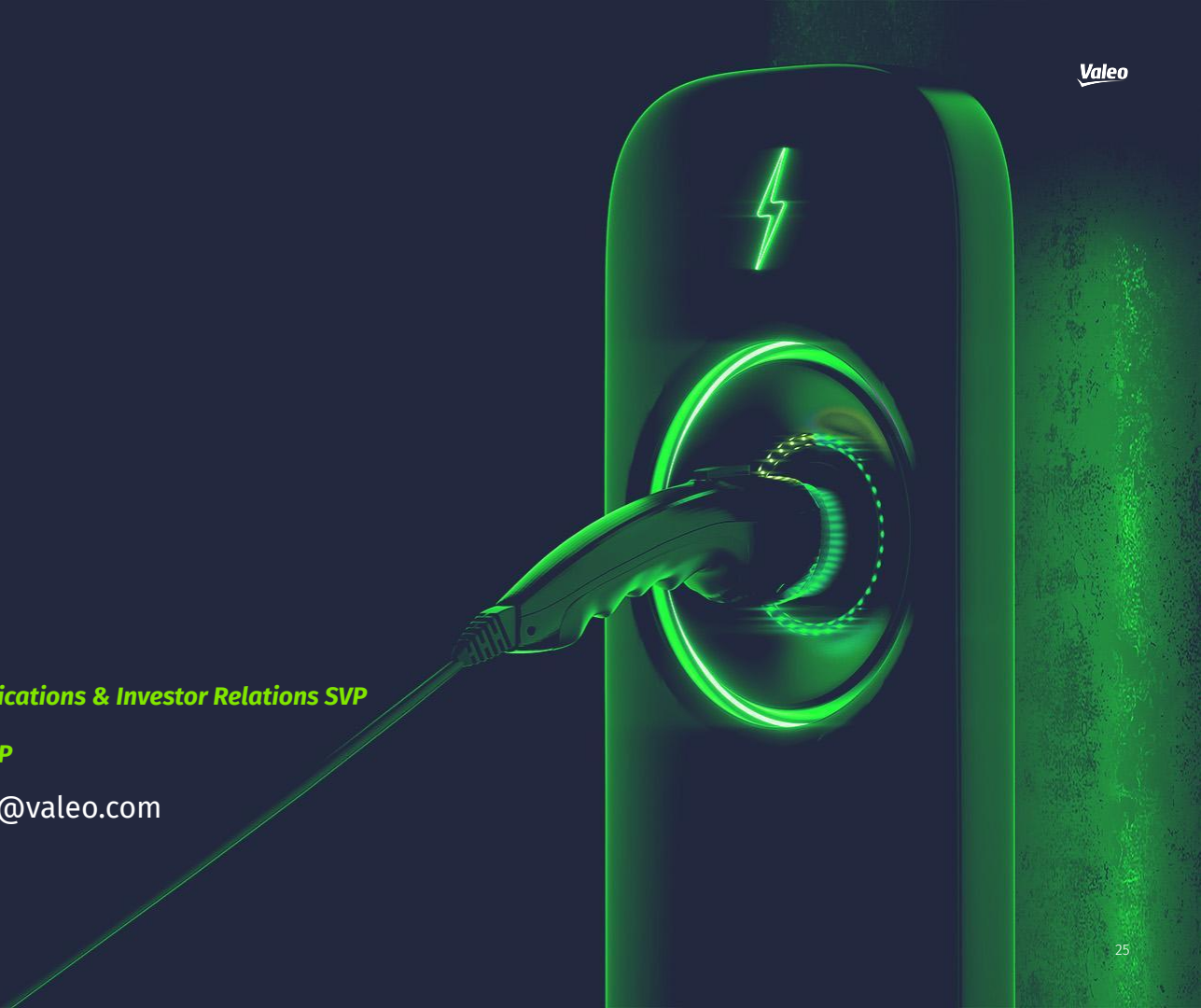
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François Marion, *Group Corporate Communications & Investor Relations SVP*

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Share information

Share Data

Bloomberg Ticker	FR FP
Reuters Ticker	VLOF.PA
ISIN Number	FR0013176526
Shares outstanding as of September 30, 2022	242,574,781

ADR Data

Ticker/trading symbol	VLEEY
CUSIP Number	919134304
Exchange	OTC
Ratio (ADR: ord)	1:2
Depository Bank	J.P. Morgan
Contact at J.P. Morgan – ADR	Jim Reeves
Broker relationship desk	+1 212-622-2710

Glossary

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.

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.

Pro forma: Q3 2021 restated for the integration of the High Voltage business (formerly Valeo Siemens eAutomotive).

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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The Valeo logo is rendered in a bold, white, italicized sans-serif font. A white swoosh underline is positioned beneath the letters 'e' and 'o', extending to the left and curving upwards.

SMART TECHNOLOGY
FOR SMARTER MOBILITY

