Q3 2022 Sales
CHRISTOPHE PÉRILLAT
CEO
SMART TECHNOLOGY FOR SMARTER MOBILITY
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Q3 highlights
Q3 Highlights

01

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

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 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

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

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
Taking our High Voltage business to the next stage

2016
- Creation of a 50/50 JV dedicated to High Voltage powertrains
- 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

2021
- July 4
  - Integration of VSeA into new PTS

2022
- ~€1bn in sales
  - Expected in High Voltage
- July 4
- ~€2bn in sales
  - Expected in High Voltage
- €120m
  - Synergies run rate

2025
- ~€4bn in sales
  - Expected in High Voltage

2030
- ~€4bn in sales
- ~€1bn in sales
- ~€2bn in sales
- ~€4bn in sales

Volkswagen
- ID3 & 4
- Inverter
- Mercedes
- EQS & EQE
- e-Axle
- e-Motor & Inverter
- Stellantis 3008, DS7 Crossback, Grandland
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 guidance confirmed**

### 2022

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in billions of euros)</td>
<td>19.2-20.0</td>
</tr>
<tr>
<td>EBITDA (as a % of sales)</td>
<td>11.8%-12.3%</td>
</tr>
<tr>
<td>Operating margin (as a % of sales)</td>
<td>3.2%-3.7%</td>
</tr>
<tr>
<td>Free cash flow (in millions of euros)</td>
<td>~320</td>
</tr>
</tbody>
</table>

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.
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

**OEM**
€4,474m
- incl. HV business
  €305m
- +41% reported growth
- +24% lfl growth

**Aftermarket**
€573m
- incl. HV business
  €3m
- +10% reported growth
- +9% lfl growth

**Miscellaneous**
€212m
- incl. HV business
  €13m
- -19% reported growth
- -26% lfl growth

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* formerly VSeA
Valeo’s growth benefiting from integration of High Voltage business*

**Group Sales**

€5,259m

Up 19% lfl vs. Q3 2021

Reported

Up 21% lfl vs. Q3 2021

Pro forma

**OEM Sales**

€4,474m

Up 24% lfl vs. Q3 2021

Reported

**HV business**

Up 61% vs. Q3 2021

**HV business OEM**

+€125m

Up 69% vs. Q3 2021

* formerly VSeA
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

Drivers:
- Ageing & growing car fleet
- Extension of the product range and higher value products in Transmission (kit offering) thanks to FTE acquisition
- Price increase
Q3 sales performance

World

-3pts performance

-4pts performance excl. geographic mix

Production +27%*

\[ \begin{align*}
\text{North America} & \quad 21\% \text{ of OEM sales} \\
\text{South America} & \quad 2\% \text{ of OEM sales} \\
\text{Europe} & \quad (\text{incl. Africa}) \quad 42\% \text{ of OEM sales} \\
\text{Asia} & \quad (\text{incl. China}) \quad 35\% \text{ of OEM sales}
\end{align*} \]

\[ \begin{align*}
+26\% \text{ OEM sales lfl} \\
+42\% \text{ OEM sales lfl} \\
+26\% \text{ OEM sales lfl} \\
+21\% \text{ OEM sales lfl}
\end{align*} \]

\[ \begin{align*}
+24\% \text{ Production*} \\
+33\% \text{ Production*} \\
+21\% \text{ Production*} \\
+30\% \text{ Production*}
\end{align*} \]

2pts outperformance

9pts outperformance

5pts outperformance

-9pts performance

* S&P Global Mobility (ex IHS Markit) estimates as of October 14, 2022
Q3 sales performance pro forma

**World**

-1pt performance

-2pts performance excl. geographic mix

Production +27%*

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

Asia (incl. China)
35% of OEM sales

+23% OEM sales lfl
+30% Production*

-7pts performance

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

Growth drivers: CDA, PTS, VIS, V5S

02
Strong growth in cameras business in Europe, US and China

Acceleration in cameras expected in H2

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*

* By 2025 vs 2021

ADAS OEM Sales
€698m in Q3 2022
+53% lfl growth

Reinvention of interior experience OEM Sales
€332m in Q3 2022
+10% lfl growth

CDA OEM sales outperformance vs. Q3 2021

9pts
Up 36% lfl
High Voltage business* OEM sales growth, up 69%

Pro forma OEM sales performance vs. Q3 2021

-1pt
Up 26% lfl

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

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

Higher content per vehicle***

by 2025 vs ICE

* formerly VSeA
** co-developed with Renault Group

Opportunity in New Mobility

48V Systems

6x HV Systems

CONTRIBUTING TO GREENER MOBILITY
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*

* By 2025 vs ICE
02
Temporary impact of unfavorable product & customer mix

-8 pts
VIS OEM sales performance vs. Q3 2021
Up 19% lfl

Business Group’s activity negatively impacted by bottlenecks in the OEM supply chain and related decontenting (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*

* By 2025 vs 2021
Backup slides
Q3 sales - Pro forma: Q3 2021 restated to include High Voltage business*

<table>
<thead>
<tr>
<th></th>
<th>OEM</th>
<th>Aftermarket</th>
<th>Miscellaneous</th>
<th>Total sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported:</td>
<td>4,474</td>
<td>573</td>
<td>212</td>
<td>5,259</td>
</tr>
<tr>
<td>Like for like:</td>
<td>+33%</td>
<td>+10%</td>
<td>-21%</td>
<td>+27%</td>
</tr>
</tbody>
</table>

Exchange rates: +7% +1% - -
Scope: - - - -

* formerly VSeA
### Q3 sales performance

**Asia**

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales as % of Asia</th>
<th>Performance</th>
<th>OEM Sales</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>55%</td>
<td>-9 pts</td>
<td>+23%</td>
<td>+31%</td>
</tr>
<tr>
<td>India</td>
<td>3%</td>
<td>-51 pts</td>
<td>-18%</td>
<td>+33%</td>
</tr>
<tr>
<td>Japan</td>
<td>18%</td>
<td>+1 pt</td>
<td>+24%</td>
<td>+23%</td>
</tr>
<tr>
<td>South Korea</td>
<td>16%</td>
<td>-13 pts</td>
<td>+7%</td>
<td>+20%</td>
</tr>
</tbody>
</table>

**Production**

- China: +27%
- India: +31%
- Japan: +23%
- South Korea: +20%

* S&P Global Mobility (ex IHS Markit) estimates as of October 14, 2022
### Q3 sales performance pro forma

#### Asia

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of Asia sales</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>55%</td>
<td>-7pts</td>
</tr>
<tr>
<td>India</td>
<td>3%</td>
<td>-47pts</td>
</tr>
<tr>
<td>Japan</td>
<td>18%</td>
<td>1pt</td>
</tr>
<tr>
<td>South Korea</td>
<td>16%</td>
<td>-13pts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Production</th>
<th>OEM sales lfl</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>+28%</td>
<td>+31%</td>
</tr>
<tr>
<td>India</td>
<td>-14%</td>
<td>+33%</td>
</tr>
<tr>
<td>Japan</td>
<td>+24%</td>
<td>+23%</td>
</tr>
<tr>
<td>South Korea</td>
<td>+7%</td>
<td>+20%</td>
</tr>
</tbody>
</table>

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

**Production +27%**

**-3pts performance**

**-47pts performance**

**1pt outperformance**

**-13pts performance**

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*VALEO RESERVED | OCT-22*
### 9M sales - Main change in scope: Integration of High Voltage business*

<table>
<thead>
<tr>
<th></th>
<th>OEM</th>
<th>Aftermarket</th>
<th>Miscellaneous</th>
<th>Total sales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported:</strong></td>
<td>+15%</td>
<td>+11%</td>
<td>-5%</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>Like for like:</strong></td>
<td>+8%</td>
<td>+11%</td>
<td>-10%</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Exchange rates:</strong></td>
<td>+5%</td>
<td>+1%</td>
<td>+4%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Scope:</strong></td>
<td>+3%</td>
<td>-1%</td>
<td>+1%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

**Exchange rates:**

- +5%
- +4%
- +4%
- +3%
- +2%

**Scope:**

- +3%
- -1%
- +1%
- +2%

**HV business**

- 12,287 €M (OEM)
- 1,713 **€M** (Aftermarket)
- 678 ***€M** (Miscellaneous)
- 14,678 €M (Total sales)

* formerly VSeA
** including €3m for former VSeA
*** including €13m for former VSeA
## 9M geographic & customer positioning

### OEM sales by production region (% of OEM sales)

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

### Customer portfolio (% of OEM sales)

<table>
<thead>
<tr>
<th>Region</th>
<th>9M 2021</th>
<th>9M 2022</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>German</td>
<td>31%</td>
<td>31%</td>
<td>Stable</td>
</tr>
<tr>
<td>Asian</td>
<td>33%</td>
<td>31%</td>
<td>-2pp</td>
</tr>
<tr>
<td>American</td>
<td>18%</td>
<td>19%</td>
<td>+1pp</td>
</tr>
<tr>
<td>French</td>
<td>14%</td>
<td>14%</td>
<td>Stable</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>5%</td>
<td>+1pp</td>
</tr>
</tbody>
</table>
An ESG leader recognized by rating agencies

- **S&P Global**
  - #1
  - 71/100
  - Climate Change

- **ISS ESG**
  - #1
  - B- Prime
  - Ethix, Climate, EkoM

- **MSCI**
  - #1
  - ESG RATINGS
  - AAA

- **CDP**
  - #1
  - A-
  - Climate Change

Most represented auto parts company in ESG indices including:

- CAC40 ESG
- Global ESG Leaders
- FTSE4Good
- ESG Leaders
Committed to our 2025 Targets*

Sales
- €27.5bn

EBITDA
- ~14.5%

FCF
- €0.8bn - €1.0bn

EBIT
- ~6.5%

Leverage
- <0.7x

CAGR** 2021-2025

<table>
<thead>
<tr>
<th>PTS</th>
<th>15%</th>
<th>&gt; 8pts</th>
<th>OUTPERF.</th>
</tr>
</thead>
<tbody>
<tr>
<td>THS</td>
<td>11%</td>
<td>&gt; 4pts</td>
<td>OUTPERF.</td>
</tr>
<tr>
<td>CDA</td>
<td>16%</td>
<td>&gt; 9pts</td>
<td>OUTPERF.</td>
</tr>
<tr>
<td>VIS</td>
<td>10%</td>
<td>&gt; 4pts</td>
<td>OUTPERF.</td>
</tr>
</tbody>
</table>

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

*after non-strategic asset divestitures
**after non-strategic asset divestitures & PTS proforma, including FX impacts
Contacts

VALEO

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75017 Paris
FRANCE

François Marion, Group Corporate Communications & Investor Relations SVP
Thierry Lacorre, Group Investor Relations VP

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

Depositary 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

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SMART TECHNOLOGY FOR SMARter MOBILITY