



# EXANE BNP PARIBAS

## CEO Conference

8th June 2023

Christophe Périllat  
CEO

INVESTOR RELATIONS

SMART TECHNOLOGY FOR SMARTER MOBILITY

# FULL YEAR 2022 GUIDANCE ACHIEVED ✓

FY 2022  
RESULTS

Group Sales  
**€20,037m**

EBITDA  
**€2,401m**  
12.0%

Operating margin  
**€635m**  
3.2%

Free cash flow  
**€388m**

FY 2022  
GUIDANCE

Group Sales  
**€19.2-20bN**

EBITDA  
11.8%-12.3%

Operating margin  
3.2%-3.7%

Free cash flow  
**€320m**



*Higher than guidance*

**Total Sales**  
**€20,037M**

+16% reported basis  
+9% like-for-like basis

## OEM Sales

**+10%**  
like-for-like growth

**+3 pts performance\***  
+5 pts performance adjusted\*\*

## Aftermarket Sales

**+9%**  
like-for-like growth

**+32%**

**DRIVEN  
BY ELECTRIFICATION**

**+29%**

**DRIVEN  
BY ADAS**

\* vs S&P Global Mobility estimates as of February 16th, 2023

\*\* sales adjusted as if HV powertrain activity had been integrated as of Jan 1st 2022 - See glossary page xx

# Q1 2023: SOLID START TO THE YEAR

**Total Sales**  
**€5,482m**

+15% on a reported basis  
+11% like-for-like adj. Basis\*

## OEM Sales

**+13%**  
like-for-like adjusted growth\*

**+7 pts**  
performance\*\* adjusted

## Aftermarket Sales

**+6%**  
like-for-like adjusted growth\*

Strong momentum maintained

**+69%**

**DRIVEN  
BY ELECTRIFICATION**

**+21%**

**DRIVEN  
BY ADAS**

\* Sales adjusted as if HV powertrain activity had been integrated as of Jan 1st 2022 - See glossary, page xxx

\*\* Based on S&P Global Mobility estimates as of April 18, 2023



# VALEO IS ON TRACK IN H1 2023



EXPECTING TO POST SIGNIFICANT MARGIN IMPROVEMENT VS H1 2022

## Inflation mitigation action plan on track

01

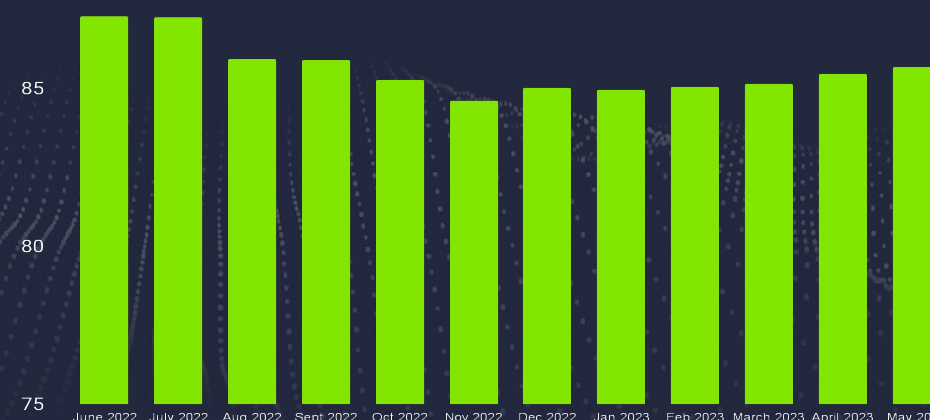
Negotiations expected to be completed by the end of June 2023, except for a couple of customers

02

Cost reduction plan on track

## Stabilized S&P Global Mobility estimates

Yearly production volumes in million of units



## H1 2023 operating margin expected at around 3.2% of sales

- Showing significant improvement vs H1 2022 adjusted\* profitability at 1.2% of sales
- Demonstrating that Valeo Siemens eAutomotive's integration is proceeding according to plan
- Giving us solid confidence in our FY 2023 guidance

**Cash generation limited in H1 2023 given that ~€200m of inflation compensation booked in June to be cashed in July/August**

# GUIDANCE CONFIRMED

	2022 reported	2022 adjusted*	2023 guidance **	Move Up 2025
<b>Sales</b>	<b>€20.0bn</b>	<b>€20.4bn</b>	<b>€22 - €23bn</b>	<b>~ €27.5bn</b>
<b>EBITDA</b> (as % of sales)	<b>12.0%</b>	<b>11.4%</b>	<b>11.5% - 12.3%</b>	<b>~ 14.5%</b>
<b>Operating margin</b> (as % of sales)	<b>3.2%</b>	<b>2.4%</b>	<b>3.2% - 4.0%</b>	<b>~ 6.5%</b>
<b>Free cash flow</b>	<b>€388m</b>	<b>€205m</b>	<b>&gt; €320m</b>	<b>~ €0.8bn - €1bn</b>

\* Data for 2022 has been adjusted to include the integration of the high-voltage business (formerly Valeo Siemens eAutomotive) within the Powertrain Systems Business Group as of January 1, 2022.

\*\* Based on the following assumptions:

- **growth in global automotive production of between 0% and 3.3% in 2023** (3.3% = S&P Global Mobility estimates released on February 16, 2023);
- **an acceleration in Valeo's outperformance in the 2nd half of the year** (in line with the S&P Global Mobility scenario released on February 16, 2023);
- **price increases** (in relation to cost inflation) **and internal cost reduction measures**.

01

**Focus on  
2 megatrends**

**ELECTRIFICATION  
ACCELERATION**

02

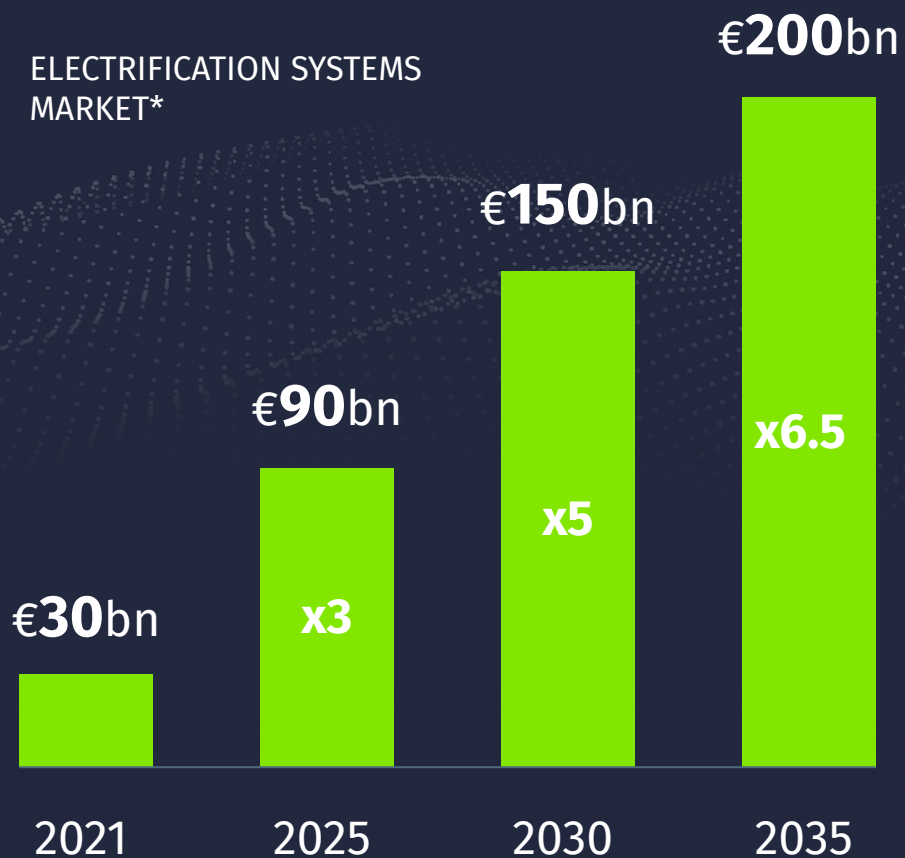
**ADAS  
ACCELERATION**



# AUTOMOTIVE INDUSTRY IS TRANSFORMING

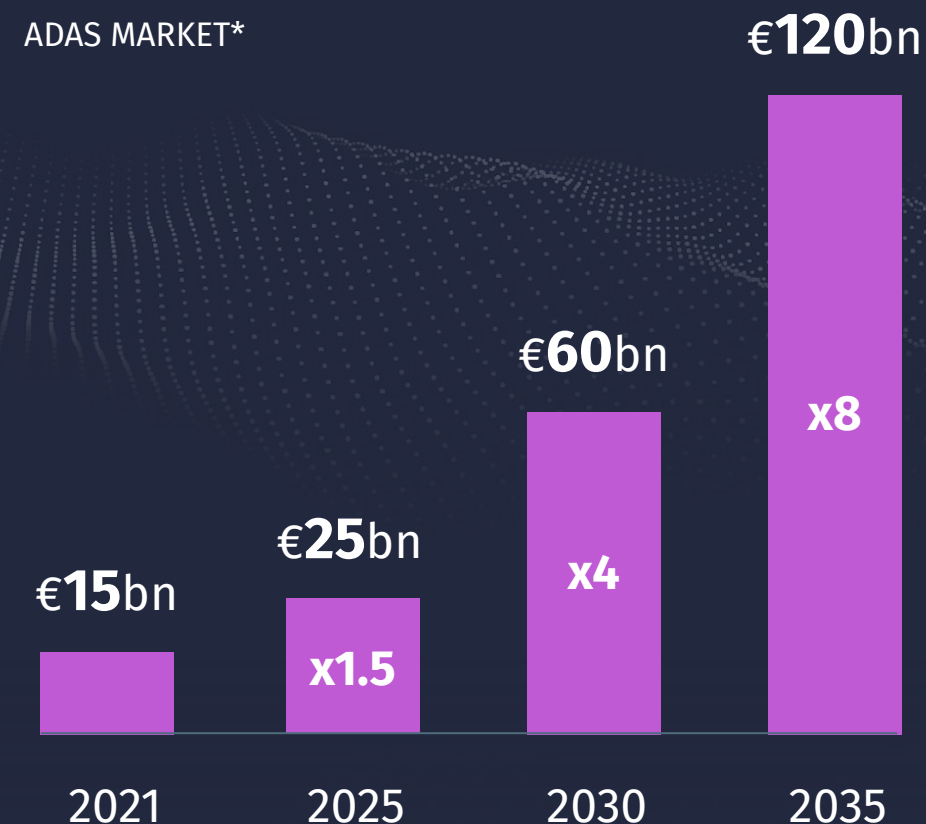
01

## ELECTRIFICATION ACCELERATION



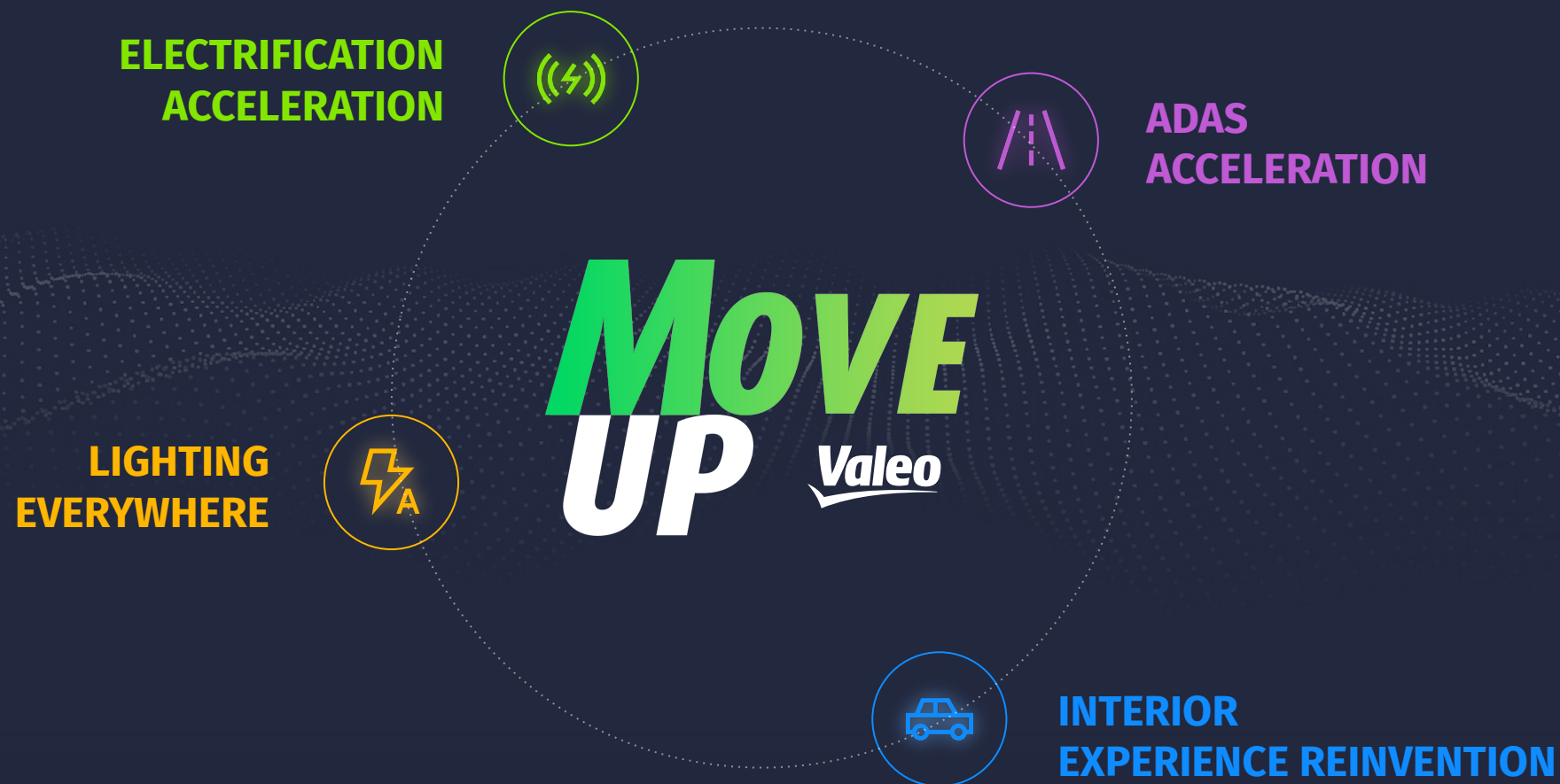
02

## ADAS ACCELERATION



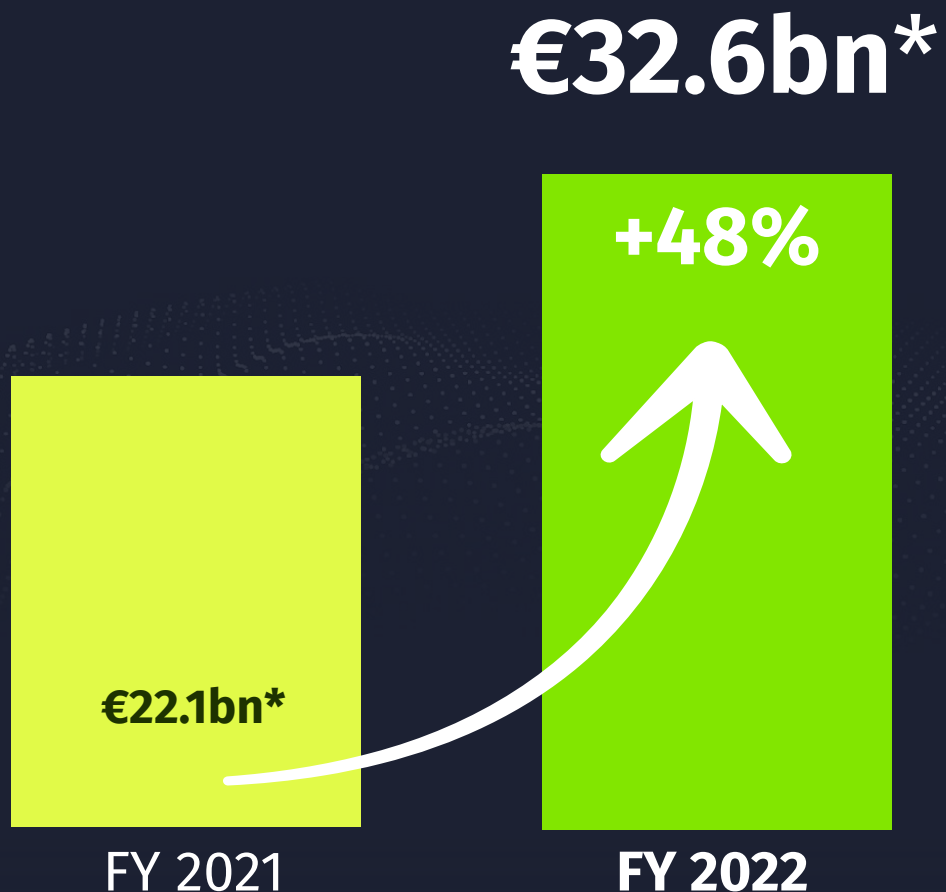


# FROM MOBILITY REVOLUTION TO VALUE CREATION



# 2022 ORDER INTAKE OF €32.6BN

DRIVEN BY ELECTRIFICATION AND ADAS



Higher margins than  
implied by 2025 *Move Up* plan

## 2/3

of **Thermal** systems and **Powertrain** systems business groups orders intakes related to **high-voltage EV**

## x3

Order intake related to **ADAS** systems multiplied by 3

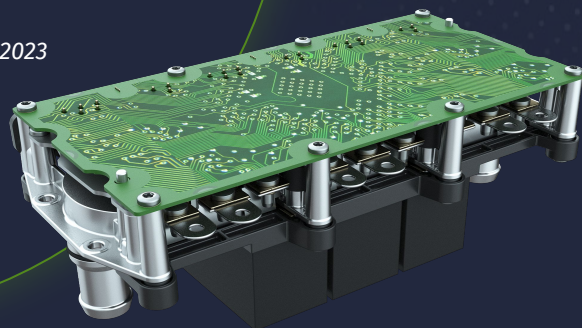
# Q1 2023 STRATEGIC ORDER INTAKE IN POWERTRAIN SYSTEMS



# €4bn

Order intake on products related to high voltage electrification\*

*\* cumulated orders YTD, as of April 25, 2023*



Confidence in our ability to achieve our HV Powertrain 2030 sales target

Target sales for Valeo's high-voltage electric powertrain

**€4bn**

**€2bn**

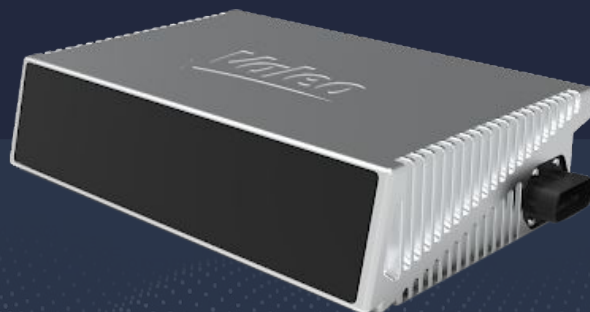
**€1bn**

2022

2025

2030

# Q1 2023 STRATEGIC ORDER INTAKES IN ADAS



TOTAL ORDERS  
> €1bn

SCALA 3

Valeo's LiDAR generation 3

with STELLANTIS

+ American robotaxi company  
+ Asian OEM

Key enabler  
level 3+ autonomous driving



After the contract in 2022, **Strategic cooperation** with **BMW** extended to Level 4 **automated parking experience**



Valeo's LiDAR received the **2023 SAFETYBEST Award** & the **2023 ICA Summit Award** in the category "Automotive Sensor Hardware Solution of the Year"



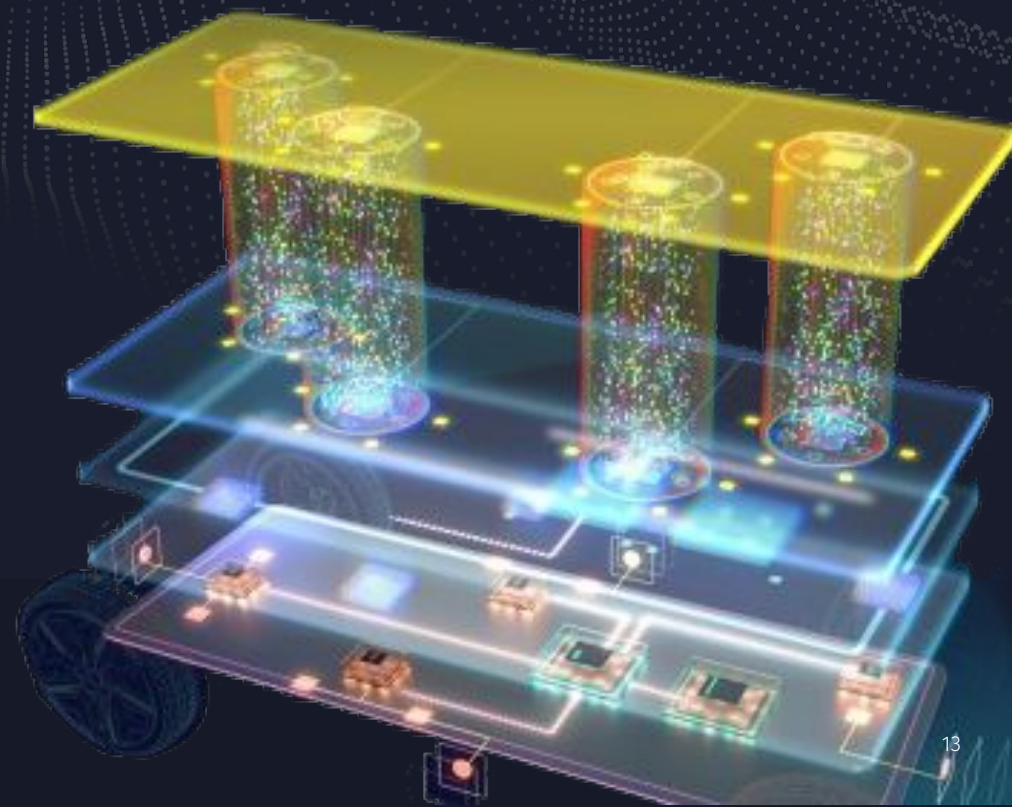
# NEW MAJOR CONTRACT IN SOFTWARE DEFINED VEHICLE

## STRATEGIC ORDER INTAKE IN ADAS



Integration into Renault ecosystem,  
beside **Renault Software Factory, Google  
& Qualcomm**

-  ADAS High Performance Computer
-  Zonal controllers
-  ADAS sensors
-  Cooperation on software development
-  Onboard application software



# FROM **GREENER AND SAFER** MOBILITY REVOLUTION TO VALUE CREATION



The background of the slide is a dark blue-grey color. It features a large, abstract graphic in the center that resembles a stylized, undulating wave or a series of overlapping, semi-transparent layers. This graphic is composed of many small, light-colored dots or particles, creating a textured, digital effect. The overall composition is clean and modern.

# THANK YOU

# Glossary

**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 and/or for the comparable period, sales of companies acquired during the period or the comparable period, and (ii) eliminating, for the current period and for the comparable period, sales of companies sold during the current or comparable period.

**Adjusted data:** to calculate year-on-year changes in sales on an adjusted basis, 2022 figures have been adjusted as though the high-voltage electric powertrain business had been consolidated in the Group's financial statements as of January 1, 2022.

**Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.

**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.



# 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 2022 Universal Registration Document registered with the AMF on March 31, 2023 (under number D.23-0200).

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SMART TECHNOLOGY FOR SMARTER MOBILITY

