



PARIS

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First-quarter trajectory on track Valeo confirms its 2026 guidance



- Sales of 5.1 billion euros, up 1.3% on a like-for-like basis
- All three Valeo Divisions outperformed global automotive production, which contracted 3.4% year on year; original equipment sales of 4.2 billion euros, down slightly by 0.6% like for like
- Agile response to complex headwinds: Valeo is drawing on its experience to secure critical supplies, manage associated cost increases, and obtain the necessary compensation to neutralize their impact
- 2026 objectives confirmed
 - Sales: 20 to 21 billion euros
 - Operating margin (as a % of sales): 4.7% to 5.3%
 - Free cash flow (after net financial interest) above 400 million euros

"We delivered a solid performance in the first quarter. Sales were up on a like-for-like basis with all of our Divisions outperforming global automotive production, demonstrating our operational agility in an environment marked by headwinds.

In view of the tensions in the Middle East and pressures on the electronics supply chain, our teams have been fully mobilized in ensuring business continuity, limiting cost overruns and engaging in constructive dialogue with each of our customers. We are continuing to rigorously manage our costs and capital expenditure. We therefore confirm our guidance for 2026.

Bolstered by the strength of our order book and our recent commercial successes, particularly in China, we are confidently preparing for a return to growth in 2027, in line with the ambitions we set out in our Elevate plan."

Christophe Périllat, Valeo's Chief Executive Officer

Sales of 5,120 million euros in the first quarter of 2026, up 1.3% like for like

SALES

(in millions of euros)	As a % of sales	Q1 2026	Q1 2025	Change	FX	Scope	LFL* change
Original equipment	83%	4,244	4,500	-5.7%	-4.3%	-0.8%	-0.6%
Aftermarket	11%	558	574	-2.8%	-4.6%	-0.1%	+1.9%
Miscellaneous	6%	318	239	+32.8%	-3.6%	-0.1%	+36.5%
TOTAL	100%	5,120	5,313	-3.6%	-4.3%	-0.6%	+1.3%

* Like for like⁽¹⁾.

Based on S&P Global Mobility estimates, automotive production was down 3.4% year on year in the first quarter of 2026.

Total sales for first-quarter 2026 came in at 5,120 million euros, down 3.6% compared with the same period in 2025.

Changes in Group Structure had a negative 0.6% impact linked to the disposal of the automotive powertrain systems sensor business in November 2025 (POWER Division).

Exchange rates had a negative 4.3% impact on sales, primarily due to the appreciation of the euro against other major international currencies, particularly the US dollar and Asian currencies.

On a like-for-like basis, sales rose by 1.3%.

Original equipment sales contracted slightly by 0.6% like for like, outperforming automotive production by 3 percentage points, taking into account a positive 1.5 percentage point geographic mix effect.

Aftermarket sales rose by 1.9% on a like-for-like basis compared with the prior-year period, supported by the performance of North America and Asia, as well as the development of new services for distributors.

"Miscellaneous" sales, essentially made up of customer contributions to R&D costs and prototypes, were up 36.5% on a like-for-like basis, due in particular to a favorable basis of comparison ("Miscellaneous" sales were down 15% in first-quarter 2025 on a like-for-like basis).

In the first quarter of 2026, the Group posted solid growth in North America and Asia (excluding China)

ORIGINAL EQUIPMENT SALES***

(in millions of euros)	As a % of sales	Q1 2026	Q1 2025	Change	LFL* change	Perf.**
Europe	51%	2,183	2,268	-3.7%	-2.9%	-2 pts
Asia (excluding China)	16%	672	728	-7.7%	+3.2%	+3 pts
China	12%	490	576	-15.0%	-8.9%	+1 pt
North America	19%	821	853	-3.8%	+7.2%	+9 pts
South America	2%	78	75	+4.5%	+6.0%	+2 pts
TOTAL	100%	4,244	4,500	-5.7%	-0.6%	+3 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on April 16, 2026.

*** Original equipment sales by destination region. Europe includes Africa. Asia (excluding China) includes the Middle East and Oceania.

First-quarter original equipment sales saw an outperformance of 3 percentage points versus automotive production, taking into account a positive 1.5 percentage point geographic mix effect.

In Europe, the 2 percentage point underperformance compared with automotive production reflects a contraction in the POWER Division, partially offset by continued good performances for the LIGHT Division and in the BRAIN Division's display and telematics solutions.

In Asia (excluding China), Valeo posted growth of 3% like for like, an outperformance of 3 percentage points compared with automotive production, mainly driven by the BRAIN Division.

India maintained its strong momentum into the first quarter, in line with the Elevate roadmap.

In China, Valeo outperformed automotive production by 1 percentage point, supported by growth in the LIGHT Division, the first Division to return to outperformance in the region. This performance demonstrates that the Group is on track to achieve its goal of returning to growth in China in the second half of 2026.

In North America, original equipment sales rose by 7.2% like for like, outperforming global automotive production by 9 percentage points, driven by the POWER and BRAIN Divisions.

(1) See financial glossary, page 4.

Segment reporting

In the first quarter of 2026, all Divisions contributed to the Group's outperformance

SALES BY DIVISION

(in millions of euros)	Q1 2026	Q1 2025	Change in sales	Change in OE sales*	Perf.**
POWER	2,586	2,721	-5.0%	-1.4%	+2 pts
BRAIN	1,197	1,239	-3.4%	-0.9%	+3 pts
LIGHT	1,335	1,354	-1.4%	+1.5%	+5 pts
OTHER	2	-1	na	na	na
GROUP	5,120	5,313	-3.6%	-0.6%	+3 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on April 16, 2026 (Q1 2026 estimated global production growth: -3.4%)

In the first quarter, the **POWER** Division outperformed automotive production by 2 percentage points, reflecting a good start to the year in North America. In China, the performance was stable compared with the market, with the first quarter marking a pivotal period between the completion of the first wave of electrification programs and the ramp-up of new contracts with Chinese electric vehicle players.

The **BRAIN** Division outperformed the market by 3 percentage points, reflecting the solid performances in North America and Asia (excluding China), and the continued good performance of display and telematics solutions. The momentum behind SDV (Software Defined Vehicle) technology is gathering pace: the construction of the new McAllen (Texas) site has been launched with a view to starting production in 2027 of a major central computing unit (CCU) order for General Motors.

The **LIGHT** Division outperformed automotive production by 5 percentage points. Growth for the Division came out at 1.5% on a like-for-like basis, lifted by China and Europe. In China, robust growth and the strong first-quarter outperformance was driven by success with local automakers. In Europe, business was buoyed by the ramp-up of lighting programs for premium and volume vehicles.

2026 objectives confirmed

First-quarter performance in line with 2026 targets.

Limited direct impact of the conflict in the Middle East

The Group's exposure to and the direct consequences of the conflict in the Middle East are limited.

To date, Valeo has not observed any material impact on customer demand.

Nevertheless, the Group continues to monitor developments closely.

Proactive management of supply chain pressures

To address the pressures observed in the supply chain, particularly in the memory segment, the Group relies on a method tried and tested in similar situations in the past: securing volumes to ensure business continuity for our customers, mobilizing our procurement expertise to limit additional costs, and negotiating the pass-through of cost overruns with our customers.

To date, the Group has secured more than 90% of the volumes needed to cover supply requirements for 2026, and is engaged in constructive discussions with customers.

Lastly, Valeo is maintaining rigorous cost and capital expenditure discipline.

Against this backdrop, Valeo confirms its 2026 guidance.

	2025	2026 guidance
Sales (in billions of euros)	20.9	[20 to 21]
Operating margin (as a % of sales)	4.7%	[4.7% to 5.3%]
Free cash flow after net financial interest (in millions of euros)	371	>400

Based on S&P Global Mobility estimates released on April 16, 2026. The forecasts assume that there will be no additional material changes to tariffs or trade restrictions in force at April 23, 2026, or any significant changes in the macroeconomic projections or major supply chain disruptions.

Upcoming events

Shareholders' Meeting: May 21, 2026 in Paris.

First-half results: July 22, 2026.

Third-quarter sales: October 22, 2026.

Key events of first-quarter 2026

Business momentum and an attractive product portfolio

January 5 - Valeo unveils advanced safety-enhancing monitoring solutions at CES 2026 thanks to Seeing Machines, an advanced computer vision technology company.

January 8 - Valeo and Hero MotoCorp, the world's leading manufacturer of motorcycles and scooters, announce the signing of a Memorandum of Understanding (MoU) for the development of advanced rider assistance systems (ARAS) for two-wheelers.

January 20 - Valeo wins a major car interior lighting solutions program from a premium global automaker. As part of this program, Valeo introduced a new, state-of-the-art, automated high-volume manufacturing solution utilizing TactoTek® In-Mold Structural Electronics (IMSE®) technology.

January 22 - Valeo and NATIX partner to build one of the largest open-source multi-camera world foundation models. This collaboration combines Valeo's world modeling expertise with NATIX's global multi-camera dataset to accelerate the development of physical AI.

February 16 - Valeo and 2CRSi launch an outdoor autonomous immersion-cooled edge data center solution for Indian telecom operators. This project directly addresses the infrastructure challenges driven by nationwide 5G deployment and the rapid expansion of AI applications.

February 18 - On the occasion of the AI Impact Summit in New Delhi, Valeo reaffirmed its ambition for India, one of the world's fastest growing automotive markets. Anchored in its new "Elevate 2028" strategic plan, Valeo announced plans to invest more than 200 million euros in the coming years to significantly expand its industrial footprint in India.

March 11 - Valeo has partnered with POWEN, a leader in photovoltaic solutions, to advance its commitment to sustainability and energy efficiency. This collaboration focuses on a new 7.8 megawatt self-consumption solar project developed under a Power Purchase Agreement (PPA) model.

March 25 - Valeo broke ground on a new state-of-the-art manufacturing facility in McAllen, Texas, for Software-Defined Vehicle (SDV) technology. The Group is investing 225 million US dollars (207 million euros) over the next five years for a 31,308 sq.m. facility that will create up to 500 new jobs in the region. Production is scheduled to begin in late 2027. This new US footprint is being built to deliver one of the largest orders in Valeo's history.

March 30 - Valeo inaugurates a new electric powertrain manufacturing line in Pune, India. The state-of-the-art facility will manufacture highly integrated 3-in-1 e-axles, strengthening localization and supporting India's growing electric mobility ecosystem.

Recognition and ratings

February 4 - In 2025, Valeo achieved the top A grade from CDP (Carbon Disclosure Project) for both Climate and Water Security, placing the company once again in the top tier of the leading global non-profit's environmental disclosure system. Valeo is one of a small number of companies that earned this rating: out of more than 20,000 companies, only 4% achieved the top grade.

February 4 - Valeo is proud to announce that Christophe Périllat, Chief Executive Officer, has been named "Automotive Personality of the Year" by Le Journal de l'Automobile. This prestigious award recognizes Christophe Périllat's leading role in transforming the automotive industry towards greater technology, safety and sustainability. This distinction also highlights his commitment to the implementation of European local content measures and his dedication to the industrial sovereignty of the European automotive industry.

March 17 - Valeo was awarded second place in the "Best Progress" category at the 2026 Gender Diversity Awards in automotive and mobility, organized by WAVE - Les Elles de l'Auto.

March 19 - Valeo was honored with the Special Award at the 2026 Renault Group Supplier Awards, recognizing its outstanding contribution as a key technology and innovation partner. This distinction highlights Valeo's long-standing and strengthened partnership with Renault Group, as well as its significant contributions to performance and innovation.

March 24 - Valeo was once again France's leading patent applicant at the European Patent Office (EPO), with 650 patent applications filed in 2025.

This represents a significant 20.1% increase compared with 2024, according to the EPO Technology Dashboard 2025. This latest recognition came shortly after the Group was named among the LexisNexis Top 100 Global Innovators 2026.

Financial 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, 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 corresponds to operating income before other income and expenses and before share in net earnings of equity-accounted companies.

Free cash flow (new definition) corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables) after taking into account (i) acquisitions and disposals of property, plant and equipment and intangible assets, (ii) payments for the principal portion of lease liabilities and (iii) net financial interest.

Safe harbor statement

Statements contained in this document which, when they 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, and product development and potential and 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 negotiated or imposed price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks related to the automotive equipment industry and to the development and launch of new products and risks due to certain global and regional economic and geopolitical conditions, environmental and industrial risks 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 2025 Universal Registration Document registered with the AMF on March 31, 2026 (under number D.26-0184).

In addition, other risks which are currently unidentified or considered to be non-material by the Group, could have the same adverse impact and investors could lose all or part of their investment. Forward-looking statements are given only as at the date of this document and Valeo does not undertake to update the forward-looking statements to reflect events or circumstances which occur subsequent to the publication of this document. Valeo 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 neither intends to review, nor will it confirm, any estimates issued by analysts.

About Valeo

Valeo is a global technology leader, designing innovative solutions and systems for its automotive and technology partners. The Group is organized around its POWER, BRAIN and LIGHT Divisions, and Valeo Service, which offers solutions for after-sales and new forms of mobility.

Valeo is committed to making mobility safer, more sustainable and more affordable for everyone. The Group is at the heart of tomorrow's cars: electrified, safer and software-driven. It enjoys technological and industrial leadership in the key areas that are transforming mobility – electrification, ADAS, software-defined vehicles and interior experience reinvention.

Valeo is listed on the Paris Stock Exchange.

Valeo at a glance: 20.9 billion euros in sales in 2025 | 100,000 employees worldwide | 29 countries, 149 plants | 59 R&D centers | 19 distribution platforms (at February 26, 2026).

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