PARIS
April 29, 2025

Valeo records first-quarter sales of 5.3 billion euros.

Valeo confirms its objectives for 2025, thanks to its ability to rapidly adapt its costs, and its strict policy on mitigating and obtaining compensation for the impact of tariffs.

Valeo records further commercial achievements in ADAS.

- **Sales of 5.3 billion euros, down 1% on a like-for-like basis (LFL)**
- **Original equipment sales stable LFL**
- **Aftermarket sales up 3% LFL**
- **2025 objectives confirmed, based on recent S&P Global Mobility assumptions as well as US tariffs and related trade restrictions in effect at April 29, 2025**

"In a turbulent environment, Valeo maintained its original equipment sales in the first quarter. This result was delivered thanks to a solid performance in Europe and in Asia excluding China, and despite delayed production start-ups in North America and the rapid change in the customer mix in China.

Valeo has taken the necessary decisions to ensure it meets its full-year 2025 objectives and to make 2025 a year in which it takes a new step in improving its profitability and cash generation. To this end, we are accelerating our restructuring plans, which aim in particular to reduce, in the first half, our administrative and selling costs by around 5% and our investments in property, plant and equipment as well as intangible assets by around 15%, compared with the same period of 2024. We are also making rapid progress on neutralizing the direct impact of tariffs, by conducting an exhaustive review of our supply chain and holding firm on our business policy in order to obtain compensation for 100% of the remaining costs. None of this would be possible without the constant commitment of Valeo's teams: I would like to thank them for their dedication, especially during this challenging time.

In addition, the Group can continue to leverage its attractive product portfolio. Our rigorous approach to order intake, focused on profitability, remains a key component of our strategy. Strong business momentum in ADAS is demonstrated by the recent order intake from Volkswagen. It showcases our ability to advance innovation in driving assistance technologies and to increase our content per vehicle, particularly thanks to our expertise in hardware and software."

Christophe Périllat, Valeo's Chief Executive Officer

Sales of 5,313 million euros in first-quarter 2025, down 0.8% like for like

Sales (in millions of euros)	As a % of sales	Q1 2025	Q1 2024	Change	FX	Scope	LFL* change
Original equipment	85%	4,500	4,554	-1.2%	+0.4%	-1.2%	—%
Aftermarket	11%	574	597	-3.9%	-1.3%	-5.8%	+3%
Miscellaneous	4%	239	276	-13.3%	+0.9%	+1.2%	-15%
Total	**100%**	**5,313**	**5,427**	**-2.1%**	**+0.2%**	**-1.5%**	**-0.8%**

** Like for like[(1)].*

Automotive production, which increased 1% compared with the same period in 2024, varied depending on the region:

- production rose by 11% in China, led mainly by growth in new-energy vehicles;
- production decreased by 7% in Europe, and by 5% in North America, marked by a slowdown in the EV market (full-electric vehicles and plug-in hybrids) and by tariffs.

The strong disparity in production growth between China, Europe and North America resulted in an unfavorable geographic mix for Valeo representing around 4 percentage points in the first quarter (change in global production recalculated based on the breakdown of Valeo's original equipment sales).

Total sales came in at 5,313 million euros, down 2.1% compared with 2024.

Changes in Group structure had a negative 1.5% impact, mainly due to the sale of the Thermal Commercial Vehicles business on June 30, 2024, and of PIAA, which produces and sells aftermarket equipment, in August 2024.

Changes in exchange rates had a slightly positive impact (0.2%).

On a like-for-like basis, sales fell by 0.8%.

Original equipment sales remained stable like for like.

Aftermarket sales held firm, rising by 3% on a like-for-like basis compared with the prior-year period, fueled by the increased number and age of vehicles on the road, and a more attractive offering of value-added products in areas such as electrification and remanufacturing.

"Miscellaneous" sales (tooling and customer contributions to R&D) contracted by 15% like for like, due to a high basis of comparison (24% increase in first-quarter 2024).

(1) *See financial glossary, page 7.*

Strong outperformance in original equipment sales across all three Divisions in Europe and continued customer repositioning in China

Original equipment sales*** (in millions of euros)	As a % of sales	Q1 2025	Q1 2024	Change	LFL* change	Perf. **
Europe & Africa	**50%**	**2,268**	**2,215**	+2 %	+3 %	**+10 pts**
Asia, Middle East & Oceania	**29%**	**1,304**	**1,343**	-3 %	-2 %	**-9 pts**
o/w Asia (excluding China)	*16%*	*728*	*717*	*+2 %*	*+4 %*	*+3 pts*
o/w China	*13%*	*576*	*626*	*-8 %*	*-9 %*	*-20 pts*
North America	**19%**	**853**	**912**	-6 %	-8 %	**-3 pts**
South America	**2%**	**75**	**84**	-11 %	+14 %	**+6 pts**
Total	**100%**	**4,500**	**4,554**	**-1 %**	— %	**-1 pt**

** Like for like.*
*** Based on S&P Global Mobility automotive production estimates released on April 16, 2025.*
**** Original equipment sales by destination region.*

In first-quarter 2025, original equipment sales remained stable like for like, underperforming automotive production by 1 percentage point, taking into account a 4 percentage point negative impact due to an unfavorable geographic mix.

In Europe and Africa, all Divisions outperformed automotive production, with a Group outperformance of 10 percentage points. The POWER Division benefited from a favorable basis of comparison in the high-voltage electric powertrain business, and a good level of activity in thermal systems for electrified vehicles. The BRAIN Division delivered an outperformance, notably in its Interior Experience business (in particular Phone-As-A-Key, telematics and displays), thanks to the ramp-up of production at several European automaker platforms. The LIGHT Division also benefited from the ramp-up of production at several European automakers.

In China, the Group underperformed automotive production by 20 percentage points. Against a backdrop of faster growth for new-energy vehicles and market share gains by Chinese automakers, the Group continues to reposition its customer portfolio (around 50% of original equipment sales in the first quarter of 2025 and around 60% of order intake[2] in full-year 2024 were with automakers in China, excluding joint ventures).

In Asia excluding China, Valeo outperformed automotive production by 3 percentage points thanks to strong sales momentum for the POWER Division in India in the high-voltage electric powertrain business and in South Korea in thermal systems.

In North America, Valeo underperformed automotive production by 3 percentage points, with business affected by the postponement of production start-ups on certain contracts.

In South America, the Group outperformed automotive production by 6 percentage points.

[2] *See financial glossary, page 7.*

Segment reporting

Sales by Division (in millions of euros)	Q1 2025	Q1 2024	Change in sales	Change in OE sales*	Perf. **
POWER	2,721	2,783	-2%	+1%	0 pt
High-voltage electrification	*242*	*199*	*+22%*	*+28%*	*27 pts*
Other	*2,479*	*2,584*	*-4%*	*-1%*	*-2 pts*
BRAIN***	1,239	1,229	+1%	-1%	-2 pts
ADAS	*770*	*794*	*-3%*	*-6%*	*-7 pts*
Interior Experience	*469*	*435*	*+8%*	*+8%*	*7 pts*
Other	*0*	*0*	*na*	*na*	*N/A*
LIGHT	1,354	1,415	-4%	-3%	-4 pts
OTHER	-1	0	na	na	N/A
GROUP	**5,313**	**5,427**	**-2%**	**—%**	**-1 pt**

** Like for like.*
*** Based on S&P Global Mobility automotive production estimates released on April 16, 2025 (Q1 2025 global production growth: +1%).*
**** Including the Top Column Module business.*

The sales performance for the Divisions reflects the specific product, geographical and customer mix and the relative weighting of the aftermarket in their activity as a whole.

The **POWER** Division performed in line with the market. It benefited from a favorable basis of comparison in the high-voltage electric powertrain activity, as well as from the ramp-up of production in Asia for Chinese and Indian automakers, and from the good level of activity in thermal systems for electrified vehicles in Europe and South Korea.

The **BRAIN** Division underperformed automotive production by 2 percentage points. The ADAS business (particularly front cameras and computer-vision cameras) underperformed by 7 percentage points, reflecting a high basis of comparison in the first quarter of 2024 (outperformance of 21 percentage points over the period from first-quarter 2022 to first-quarter 2024). It was impacted in China by an unfavorable customer and model mix. A new phase of growth in the ADAS business is expected after 2025, driven by the gradual entry into production of order intake recorded since 2022. The Interior Experience business (Phone-As-A-Key, telematics and displays) outperformed the market by 7 percentage points, thanks to the ramp-up of production in Europe at numerous European automaker platforms.

The **LIGHT** Division underperformed automotive production by 4 percentage points. The Division's business remains buoyant in Europe, thanks to the ramp-up of production at several European automakers. However, the Division was affected by postponements of production start-ups in North America and an unfavorable customer mix in China and Japan.

2025 objectives confirmed

	2024	2025 objectives
Sales (in billions of euros)	21.5	21.5 to 22.5 Original equipment sales outperformance
EBITDA (as a % of sales)	13.3%	13.5% to 14.5%
Operating margin (as a % of sales)	4.3%	4.5% to 5.5%
Free cash flow before one-off restructuring costs (in millions of euros)	551	700 to 800
Free cash flow after one-off restructuring costs (in millions of euros)	481	450 to 550
	Cumulative free cash flow of around 1 billion euros for the 2024-2025 period, after taking into account 300 million euros in one-off restructuring costs.	

2025 objectives confirmed:

- with margins and free cash flow generation expected to be higher in second-half 2025 than in the first half;
- based on S&P Global Mobility estimates published on April 16, 2025 as well as tariffs and related trade restrictions in effect at April 29, 2025.

In 2025, Valeo is taking the necessary steps to improve its profitability and cash generation

In a complex environment marked by uncertainties linked to tariffs, Valeo has taken the necessary mitigation measures to improve its profitability and cash generation.

On February 27, 2025, the Group announced that it was strengthening its restructuring and savings program. Since then, Valeo has accelerated the program's implementation. In France, for example, the Group is confident that it will be completed ahead of schedule, before the end of the first half. In 2025, the program is expected to generate total savings of 150 million euros (50 million euros' worth of savings were already generated in 2024). Valeo expects this program to generate annual savings of 300 million euros, from 2026.

Over the first half of 2025, the Group is aiming to reduce its administrative and selling costs by around 5% and its expenses relating to investments in property, plant and equipment as well as intangible assets by around 15%, compared with the same period of 2024.

Valeo has also implemented measures to mitigate the direct impact of tariffs, conducting an exhaustive review of its supply chain in order to do everything it can to reduce the basis for the new tariffs. As a result of these steps taken by Valeo, more than 90% of products produced by the Group in Mexico and imported into the United States are compliant with the USMCA (United States-Mexico-Canada-Agreement).

For products affected by the increase in tariffs, the Group is aiming to obtain compensation from customers for 100% of the costs. To date, compensation agreements covering more than 75% of the amounts concerned have already been secured, and Valeo is continuing discussions to achieve the objective of 100% coverage.

As a reminder, the main data concerning Valeo's geographic footprint in the North America region is as follows:

- Mexico: 13 plants, 12,957 employees;
- United States: 9 plants, 3,575 employees.

Other key events of first-quarter 2025

Valeo's attractive product portfolio showcased in the first quarter

Valeo's latest technological advances, notably in electrification, vehicle autonomy and software, received industry recognition with several awards, resulting in substantial order intake.

Innovations presented at CES from January 6 to 10, 2025

Valeo participated in CES, presenting the Group's innovative technologies, including:

- the software-defined vehicle,
- vOS, Valeo's middleware to support all SDV functions,
- Valeo LiDAR Scala™, which makes Level 3 autonomous driving a reality,
- Valeo Assist xr, the remote assistance software solution powered by Amazon Web Services,
- Augmented Panavision, the latest generation of displays,
- technologies for powertrain innovation.

On January 6, the Group also announced its collaboration with Amazon Web Services (AWS) to build new services for the automotive industry and support the software-defined vehicle (SDV) revolution.

Praise for the quality of Valeo's product portfolio during the quarter

On January 9, 2025, Jeffrey Shay, President of the Valeo Group in North America, was named a winner in MotorTrend's 2025 software-defined vehicle (SDV) Innovator Awards in the Leader category.

On April 9, 2025, Valeo was named ADAS Supplier of the Year 2024 by General Motors for the third consecutive year.

New collaboration with the Volkswagen Group to advance innovation in ADAS technologies

On March 25, 2025, the Volkswagen Group, Valeo and Mobileye announced that they were cooperating to enhance driver assistance in future Volkswagen vehicles produced on the MQB platform.

The aim of this collaboration is to upgrade the advanced driver assistance systems to Level 2+ ("enhanced partially automated driving"). The objective is to improve safety and driving comfort. It integrates high-quality hardware and software, reducing complexity and streamlining procurement to support the Volkswagen Group's transformation.

Credit and non-financial ratings

Valeo continues to pursue its sustainability approach, recognized by the main non-financial rating agencies

On February 6, 2025, the Carbon Disclosure Project (CDP) revised its Climate Change rating from A- to A.

On April 9, 2025, *Sustainalytics risk* revised its rating from "Negligible Risk" (8.8) to "Low Risk" (17.6).

On April 8, 2025, Stellantis and Valeo strengthened their cooperation by launching Europe's first remanufactured LED headlamp and remanufactured display screen.

S&P downgrades its credit rating on Valeo

On March 13, 2025, Standard & Poor's revised its rating on Valeo's long-term debt from “BB+” to “BB” with a “stable” outlook. S&P, March 13, 2025

Upcoming events

Shareholders' Meeting: May 22, 2025 in Paris

First-half results: July 24, 2025 (post market-close)

Third-quarter sales: October 23, 2025 (post market-close)

Investor Day: November 20, 2025 in Paris

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 adjusting sales by elimination (or by addition in the event of a change in consolidation method) to ensure that the prior period is comparable with the current period.

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

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 net payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

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 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 2024 Universal Registration Document registered with the AMF on March 27, 2025 (under number D.25-0180).

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
As a technology company and partner to all automakers and new mobility players, Valeo is innovating to make mobility cleaner, safer and smarter. Valeo enjoys technological and industrial leadership in electrification, driving assistance systems, reinvention of the interior experience and lighting everywhere. These four areas, vital to the transformation of mobility, are the Group's growth drivers.
Valeo in figures: 21.5 billion euros in sales in 2024 | 106,100 employees, 28 countries, 155 plants, 64 research and development centers, 19 distribution platforms at December 31, 2024.

Valeo is listed on the Paris Stock Exchange.

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