



PARIS

April 25, 2024

First-quarter sales of 5.4 billion euros, up 2% like for like 2024 and 2025 objectives reaffirmed

- **Sales of 5.4 billion euros, up 2% on a like-for-like basis (LFL)**
 - Original equipment sales up 1% LFL
 - **Outperformance of 2 percentage points versus automotive production, after a slightly unfavorable geographic mix**
 - 7 percentage point outperformance for ADAS, 6 percentage point outperformance for the Visibility Systems Business Group, 4 percentage point outperformance for the Thermal Systems Business Group
 - 9 percentage point outperformance for the traditional Powertrain activities, partially offsetting the low level of activity in high-voltage electrification. 5 percentage point underperformance for the Powertrain Systems Business Group.
 - Aftermarket sales up 1% LFL
- **New organization based on three divisions, leading to a change in reporting from publication of first-half 2024 results**
- **2024 and 2025 objectives reaffirmed, with margins and free cash flow generation in the second half of 2024 expected to be higher than in the first half**

“Our first-quarter sales of 5.4 billion euros reflect a solid start to 2024, thanks to the growth of all our businesses, excluding high-voltage electrification.

The traditional Powertrain activities benefited from the ramp-up in production in Europe, North America and China, partially offsetting the low level of activity in high-voltage electrification, which was penalized by an unfavorable basis for comparison and a decline on certain platforms. The high-voltage electrification activity should see improved business levels in the second quarter.

Overall, the Group outperformed automotive production by 2 percentage points, despite a slightly unfavorable geographic mix over the quarter.

In addition, the merger of the Thermal Systems and Powertrain Systems activities into a single division called “Valeo Power” has been implemented. The Comfort & Driving Assistance Systems and Visibility Systems Business Groups have been renamed “Valeo Brain” and “Valeo Light”.

Finally, taking into account the prudent production assumptions adopted as part of our Move Up plan, our operating efficiency action plan, and our cost reduction measures which are on track, we are reaffirming our 2024 and 2025 objectives.”

Christophe Périllat, Valeo’s Chief Executive Officer

Sales of 5,427 million euros in first-quarter 2024, up 2% like-for-like

Sales (in millions of euros)	As a % of Q1 2024 sales	Q1 2024	Q1 2023	Change	FX	Scope	LFL* change
Original equipment	84 %	4,554	4,637	-2 %	-2 %	-1 %	+1 %
Aftermarket	11 %	597	615	-3 %	-4 %	-1 %	+1 %
Miscellaneous	5 %	276	230	+20 %	-2 %	-2 %	+24 %
Total	100 %	5,427	5,482	-1 %	-2 %	-1 %	+2 %

* Like for like.

Automotive production contracted by 1% compared to the same period in 2023, amid :

- a 4% rise in production in China, due to a favorable basis for comparison linked to weak demand following the easing of a strict zero-COVID policy at the end of 2022;
- a 2% fall in production in Europe, due to an unfavorable basis for comparison linked to a low level of new vehicle inventories and an increase in production volumes at the start of 2023.

Total sales for first-quarter 2024 came in at 5,427 million euros, down 1 % compared with the same period in 2023.

Changes in exchange rates had a negative 2.4% impact, primarily due to the appreciation of the euro against the Chinese yuan, the Japanese yen and the South Korean won.

Changes in Group structure had a negative 0.6 % impact, mainly linked to the sale of the Ichikoh Mirror business in Japan on August 1, 2023.

On a like-for-like basis, sales rose by 2 %.

Original equipment sales were up 1 % on a like-for-like basis, driven by all of the Group's businesses, excluding high-voltage electrification: Comfort & Driving Assistance Systems Business Group up 4% (of which ADAS up 6%), Visibility Systems Business Group up 5% and Thermal Systems Business Group up 3%. In the Powertrain Systems Business Group, original equipment sales for the traditional businesses posted growth of 8%. This partially offset the downturn in high-voltage electrification on certain electric vehicle platforms, particularly in Europe, and the unfavorable basis for comparison linked to automakers building up inventories on these platforms in the first half of 2023.

Aftermarket sales rose by 1 % on a like-for-like basis compared with the prior-year period, fueled by the increased number and age of vehicles on the road, a more attractive offering with a shift towards more value-added products (for example, transmissions systems kits).

"Miscellaneous" sales (tooling and customer contributions to R&D) increased by 24 % like for like.

2 percentage point outperformance in first-quarter 2024 vs global automotive production after a slightly unfavorable geographic mix

Original equipment sales*** (in millions of euros)	As a % of sales	Q1 2024	Q1 2023	Change	LFL* change	Perf. **
Europe & Africa	49 %	2,215	2,293	-3 %	-3 %	-1 pt
Asia, Middle East & Oceania	29 %	1,343	1,409	-5 %	+4 %	+5 pts
o/w Asia (excluding China)	15 %	717	777	-8 %	+2 %	+8 pts
o/w China	14 %	626	632	-1 %	+6 %	+2 pts
North America	20 %	912	847	+8 %	+9 %	+8 pts
South America	2 %	84	88	-5 %	-7 %	-1 pt
Total	100 %	4,554	4,637	-2%	+1 %	+2 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on April 16, 2024.

*** Original equipment sales by destination region.

In first-quarter 2024, like-for-like growth in original equipment sales outperformed the market by 2 percentage points, taking into account a slightly unfavorable geographic mix.

- **in Europe and Africa**, the Group underperformed global automotive production by -1 percentage point: the Comfort & Driving Assistance Systems Business Group reported strong growth in its ADAS business (particularly front cameras and computer-vision cameras) with a premium German automaker. The Powertrain Systems Business Group was impacted by (i) a downturn on certain electric vehicle platforms, particularly in Europe, and (ii) automakers building up inventories on these platforms in the first half of 2023. The impact of the decline in the high-voltage electric powertrain business was partially offset by growth in the Powertrain Systems Business Group's traditional businesses, such as transmission systems and 48V, linked to the ramp-up in production for European automakers. The Thermal Systems Business Group's performance was driven by the ramp-up in new cabin thermal management systems contracts put into production for German automakers, and the Visibility Systems Business Group was lifted by production launches for several European automakers;
- **in Asia**, the Group outperformed global automotive production by 5 percentage points :
 - in China, the Group outperformed automotive production by 2 percentage points. Valeo is repositioning its customer portfolio (more than 50% of 2023 orders were with automakers in China, excluding JVs). The Thermal Systems Business Group's performance was powered by the ramp-up in production of electric vehicles for Chinese automakers. The Visibility Systems Business Group is fully benefiting from recent production launches for a North American automaker and several Chinese automakers for electrification projects;
 - in Asia, excluding China, Valeo outperformed automotive production by 8 percentage points thanks to the strong momentum of (i) the Comfort & Driving Assistance Systems Business Group in ADAS with a South Korean automaker and several Japanese automakers, and (ii) the Powertrain Systems Business Group in traditional technologies for a South Korean automaker;
- **in North America**, Valeo outperformed automotive production by 8 percentage points. The Powertrain Systems Business Group was lifted by the ramp-up in production for a leading Japanese customer. The Thermal Systems Business Group saw its activity boosted by the ramp-up in production for cabin thermal management systems, notably for North American customers. The Visibility Systems Business Group enjoyed the full effects of the ramp-up in production of a new contract in electrification for a North American automaker;
- **in South America**, the Group underperformed automotive production by 1 percentage point.

Segment reporting: further strong momentum in all Group businesses, with the exception of the high-voltage electrification business, which was affected by a downturn on certain electric vehicle platforms, particularly in Europe

Sales by Business Group (in millions of euros)	Q1 2024	Q1 2023	Change in sales	Change in OE sales*	Perf. **
Comfort & Driving Assistance Systems	1,229	1,159	+6%	+4%	+5 pts
Powertrain Systems	1,635	1,741	-6%	-6%	-5 pts
Thermal Systems	1,150	1,145	—%	+3%	+4 pts
Visibility Systems	1,415	1,376	+3%	+5%	+6 pts
Other	-2	61	N/A	N/A	N/A
Group	5,427	5,482	-1%	+1%	+2 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on April 16, 2024. (Q1 2024 global production growth: -1%)

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

The Comfort & Driving Assistance Systems Business Group recorded an outperformance of 5 percentage points, thanks to strong growth – notably in Europe with a premium German automaker and in Asia, excluding China (South Korea and Japan) – for ADAS, particularly front cameras and computer-vision cameras, strengthening its position as world leader. Like-for-like original equipment sales were up by 6% for ADAS and by 0% for the Reinvention of the Interior Experience segment.

The traditional Powertrain activities (transmission systems and 48V) delivered 8% like-for-like growth, outperforming automotive production by 9 percentage points, benefiting from the ramp-up in production for European automakers in Europe, for a leading Japanese customer in North America, and in China. This helped to mitigate the impact of the decline in the high-voltage electric powertrain business (199 million euros in the first quarter of 2024, compared with 362 million euros for the same period in 2023), which was penalized by the decline on certain electric vehicle platforms, notably in Europe, and by the unfavorable basis for comparison linked to automakers building up inventories on these platforms in 2023. The high-voltage electrification activity should see improved business levels in the second quarter. Overall, the **Powertrain Systems Business Group** underperformed automotive production by 5 percentage points over the quarter.

The Thermal Systems Business Group outperformed automotive production by 4 percentage points. In Europe, the Business Group's sales were buoyed by the ramp-up in new contracts put into production for German automakers. In North America, the Thermal Systems Business Group saw a good level of activity with a North American customer. In China, the Business Group's performance was driven by the ramp-up in production in the area of electric vehicles for several Chinese automakers.

The Visibility Systems Business Group outperformed automotive production by 6 percentage points. In Europe, the Business Group benefited from production launches for lighting projects for several European automakers. In China and North America, the Visibility Systems Business Group's sales were driven by the recent production launch for a North American automaker in the field of electrification. In China, activity was boosted by the ramp-up in production for several Chinese automakers in the area of electrification.

2024 and 2025 objectives reaffirmed

	2023 (as reported)	2024 guidance (a) (b)	2025 objectives (b)	Previous 2025 objectives (based on automotive production of 98.5 million vehicles)
Sales (in billions of euros)	22.0	22.5 to 23.5	24.5 to 25.5	~ 27.5
EBITDA (as a % of sales)	12.0%	12.1 % to 13.1 %	13.5 % to 14.5 %	~ 14.5%
Operating margin (as a % of sales)	3.8%	4.0 % to 5.0 %	5.5 % to 6.5 %	~ 6.5%
Free cash flow before one-time exceptional cost reduction measures (in millions of euros) (c)	–	~ 500	~ 800	–
Free cash flow after one-time exceptional cost reduction measures (in millions of euros) (c)	379	~ 350	~ 650	~ 800 - 1,000

(a) Second-half margins and free cash flow generation higher than in the first half, thanks to higher production volumes and efficiency gains.

(b) For greater comfort, figures are based on (i) light vehicle production 3% below the S&P Global Mobility scenario released on February 16, 2024, and (ii) stable sales in high-voltage electrification over the period 2023-2025.

(c) Includes, but is not limited to, potential restructuring measures.

Upcoming events

First-half 2024 results: July 25, 2024

Highlights

ESG

On January 2, Christophe Perillat, CEO of Valeo, nominated Édouard de Pirey as Chief Financial Officer. He takes over from Robert Charvier who, after 24 years with the Group, will retire. [Click here](#)

On March 27, Valeo informed its shareholders that its Combined (ordinary and extraordinary) General Shareholders' Meeting will be held on May 23, 2024. [Click here](#)

On April 3, Valeo announced that it had published its 2023 Universal Registration Document. [Click here](#)

On April 22, Valeo took a new step towards electric mobility and announced its new Valeo Power division. [Click here](#)

Industrial partnerships

Valeo took part in CES 2024 **from January 8 to 12**, during which it announced several partnerships:

- **On January 4**, Valeo and Teledyne FLIR announced that they had signed an agreement and first contract for thermal imaging for automotive safety systems. [Click here](#)
- **On January 4**, Valeo and Sennheiser presented ImagIn: an immersive sound and light experience in your car. [Click here](#)
- **On January 4**, Valeo and Applied Intuition announced their partnership to provide digital twin technology for ADAS simulation. [Click here](#)
- **On January 8**, ZutaCore® and Valeo announced their first contract for innovative data center cooling. [Click here](#)

On February 8, Dawex, Schneider Electric, Valeo, CEA and Prosyst joined forces to create Data4Industry-X, the trusted data exchange solution for industry. [Click here](#)

Products/technologies and patents

On January 4, Valeo announced expanded software capabilities in North America to support increased demand. [Click here](#)

On January 8, Valeo announced its acceleration in artificial intelligence thanks to Google Cloud tools. [Click here](#)

From January 8 to 12, Valeo took part in CES 2024, where it presented groundbreaking innovations from its booth and from its live demonstration area paving the way for affordable, greener, safer and more connected mobility:

- **On January 4**, Valeo presented the latest update of its Valeo Cyclee™ Mid-Drive Unit solution with a new HMI and reduced noise and vibration at CES 2024. [Click here](#)
- **On January 4**, Valeo presented Ineez™ Air Charging, its solution for wireless charging for electric vehicles. [Click here](#)

On January 10, Valeo's Vsevolod Vovkushevsky was named a MotorTrend Software Defined Vehicle Innovator Awards Winner. [Click here](#)

On January 18, Mister-Auto integrated the Valeo Canopy low-carbon-footprint wiper blade range. [Click here](#)

On January 23, Valeo was once again ranked first among French patent applicants worldwide. [Click here](#)

On January 25, Smart #3 equipped with Valeo Smart Safety 360 received 5 stars at Euro NCAP. [Click here](#)

On February 1, Valeo was certified ISO/SAE21434, the benchmark for automotive cybersecurity, by UTAC. [Click here](#)

On February 21, Valeo announced its participation in SXSW 2024. [Click here](#)

On February 26, Valeo announced its participation at the Taipei Cycle Show 2024. [Click here](#)

On March 4, Valeo presented Valeo Racer, a new extended reality in-car gaming experience developed with Unity, at South by Southwest 2024. [Click here](#)

On March 6, Valeo announced that it is Launch Partner for SDVerse, a new Automotive Software Marketplace [Click here](#)

On March 28, Valeo announced that it is taking the driver's seat on generative AI with Google Cloud. [Click here](#)

On March 29, Valeo announced the opening of a new plant in Daegu (South Korea) for the production of Advanced Driver Assistance Systems. [Click here](#)

On April 17, Valeo announced it was celebrating 30 years in China and showcasing its latest technologies at Auto China – Beijing 2024. [Click here](#)

Financing activities and financial ratings

On March 11, Valeo announced the implementation of its share buy-back program. [Click here](#)

On March 22, Moody's affirmed Valeo's "Baa3" long-term issuer rating, negative outlook, and "P3" short-term issuer rating. [Click here](#)

On April 3, Standard & Poor's affirmed Valeo's "BB+" long-term issuer rating, revising its outlook from "stable" to "negative". [Click here](#)

On April 4, Valeo announced a green bond issue for an amount of 850 million euros with maturity April 2030. [Click here](#)

Financial glossary

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 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 the risks resulting from the investigations currently being carried out by the antitrust authorities as identified in the Universal Registration Document, 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 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 2023 Universal Registration Document registered with the AMF on March 29, 2024 (under number D.24-0218).

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: 22 billion euros in sales in 2023 | 112,700 employees at December 31, 2023 | 29 countries, 175 plants, 66 research and development centers, 20 distribution platforms.

Valeo is listed on the Paris Stock Exchange.

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