



PARIS

February 26, 2026

Commitments met in 2025

Further improvement in profitability

Record cash flow from operations

Solid order intake

-
- Sales of 20.9 billion euros, up 0.5% on a like-for-like basis
 - Solid commercial momentum, with order intake up 38% over the year to 24.6 billion euros (up 47% in the second half). Secured its first Battery Energy Storage System (BESS) contract worth 225 million dollars
 - Further improvement in operating margin to 977 million euros, representing 4.7% of sales, in line with the target range, i.e. an increase of 0.4 points compared with 2024
 - Expected decisive turnaround in cash generation confirmed
 - Free cash flow before one-off restructuring costs at a record high of 756 million euros whereas the working capital requirement was up 301 million euros
 - Free cash flow after one-off restructuring costs of 589 million euros and free cash flow after net financial interest of 371 million euros, in line with targets
 - Net income up 23% to 200 million euros
 - Net debt of 4,022 million euros, giving a leverage ratio of 1.3x, including an unfavorable currency effect of 263 million euros
 - Dividend of 0.44 euros per share to be proposed at the Shareholders' Meeting on May 21, 2026
 - In 2026, in line with the trajectory set out in Elevate 2028, Valeo aims to further improve profitability and cash generation in an environment that remains demanding. The Group has set the following objectives:
 - Sales of between 20 billion euros and 21 billion euros, reflecting flat organic growth in original equipment sales
 - Operating margin at between 4.7% and 5.3% of sales
 - Free Cash Flow (after net financial interest) above 400 million euros

"The 2025 annual results show that Valeo has strengthened its position and that the trajectory of the Elevate 2028 Plan is already well underway: we have continued to improve our profitability and have achieved the expected turnaround in cash generation, with a record level of cash flow from operations.

The solid level of our order intake underscores the strength of our business strategy and provides a solid foundation for our growth trajectory. Valeo is expanding in geographies that will drive future growth. Its world-renowned technological leadership was further enhanced in 2025, and its latest innovations, notably in software-defined vehicles and driving assistance systems, will gradually be introduced in vehicles launched on the market in 2026.

This performance reflects the commitment and resilience of our teams across the globe, whose agility, determination and strong sense of solidarity have been key to achieving these objectives.

On the strength of this performance, and in an environment that remains demanding, we approach 2026 aiming to continue improving profitability and cash generation. By embedding this dynamic in Elevate 2028, we are reaffirming our belief that Valeo is ideally placed to seize all the opportunities of transformation in our sector and become a stronger, more agile and industry-leading Group in 2028, thanks to robust fundamentals and solid growth prospects."

Christophe Périllat, Valeo's Chief Executive Officer

	2024	2025 guidance	2025	2026 guidance (a)
Sales in billions of euros	21.5	~20.5	20.9	20 - 21
Adjusted EBITDA (as a % of sales)	13.3%	[13.5% - 14.5%]	14.7%	
Operating margin (as a % of sales)	4.3%	[4.5% - 5.5%]	4.7%	4.7% - 5.3%
Free cash flow before one-off restructuring costs (in millions of euros)	551	[700 - 800]	756	
Free cash flow after one-off restructuring costs (in millions of euros)	481	>550	589	
Free cash flow after net financial interest (in millions of euros)	247	>300	371	>400

(a) Based on S&P Global Mobility estimates released on February 13, 2026. The forecasts assume that there will be no additional material changes to tariffs or trade restrictions in force at February 26, 2026, or any significant changes in the macroeconomic environment or major supply chain disruptions.

Key figures

The financial statements for the year ended December 31, 2025 were authorized for issue by the Board of Directors on February 26, 2026. At the date of this press release, the Statutory Auditors have completed their audit procedures and are in the process of issuing their report.

Income statement		2025	2024	Change
Sales	(in €m)	20,903	21,492	-3 %
Gross margin	(in €m) (as a % of sales)	4,229 20.2 %	4,081 19.0 %	+4 % +1.2 pts
R&D expenditure	(in €m) (as a % of sales)	-2,273 -10.9 %	-2,127 -9.9 %	+7 % -1.0 pts
Administrative and selling expenses	(in €m) (as a % of sales)	-979 -4.7 %	-1,035 -4.8 %	-5 % +0.1 pts
Operating margin*	(in €m) (as a % of sales)	977 4.7 %	919 4.3 %	+6 % +0.4 pts
Other income and expenses	(in €m)	-168	-313	-46 %
Cost of debt	(in €m)	-256	-251	+2 %
Income taxes	(in €m)	-205	-99	ns
Non-controlling interests and other	(in €m)	-55	-72	-24 %
Net attributable income	(in €m) (as a % of sales)	200 1.0 %	162 0.8 %	+23 % +0.2 pts
Basic earnings per share	(in €)	0.81	0.67	+21%
Statement of cash flows		2025	2024	Change
Adjusted EBITDA*	(in €m) (as a % of sales)	3,082 14.7 %	2,863 13.3 %	+8 % +1.4 pts
Investments in property, plant and equipment	(in €m)	-790	-1,138	-31 %
Investments in intangible assets	(in €m)	-971	-1,086	-11 %
<i>including capitalized development expenditure</i>	(in €m)	-930	-1,045	-11 %
Change in working capital	(in €m)	-301	492	ns
<i>Including changes in inventory</i>	(in €m)	119	251	ns
Free cash flow* before one-off restructuring costs	(in €m)	756	551	+37 %
One-off restructuring costs	(in €m)	-167	-70	ns
Free cash flow* after one-off restructuring costs	(in €m)	589	481	+22 %
Free cash flow (new definition) after net financial interest	(in €m)	371	247	+50 %
Financial structure		2025	2024	Change
Net debt*	(in €m)	4,022	3,813	+209
Leverage ratio (net debt to EBITDA)		1.3x	1.3x	

* See financial glossary

Valeo generated 20,903 million euros in sales in 2025

Sales (in millions of euros)	As a % of sales	2025	2024	Change	FX	Scope	LFL* change
Original equipment	83 %	17,301	17,950	-3.6 %	-2.3 %	-0.7 %	-0.6 %
Aftermarket	10 %	2,135	2,262	-5.6 %	-3.3 %	-3.2 %	+0.9 %
Miscellaneous	7 %	1,467	1,280	+14.6 %	-2.0 %	+1.6 %	+15.0 %
Total	100 %	20,903	21,492	-2.7 %	-2.4 %	-0.8 %	+0.5 %

* Like for like⁽¹⁾.

Automotive production as estimated by S&P Global Mobility was up by 3.9% compared with 2024, mainly driven by a 10.2% increase in production in China while Europe and North America declined 0.7% and 1.2%, respectively.

Against this background, Valeo's **total sales** for 2025 came in at 20,903 million euros, down 2.7% compared with 2024.

Exchange rates had a negative impact of 2.4%, primarily due to the increase in value of the euro against other major international currencies, particularly the US dollar and Chinese renminbi.

Changes in Group structure had a negative impact of 0.8% linked to the disposal of (i) the thermal commercial vehicles business on June 30, 2024, (ii) PIAA, a producer and distributor of aftermarket equipment in August 2024, and (iii) the automotive powertrain systems sensors business in December 2025. This latest disposal marks the end of Valeo's non-strategic asset divestment program, announced in the Move'Up plan. The cumulative enterprise value of assets sold under this program is in line with the initial target of 500 million euros.

On a like-for-like basis, sales rose by 0.5%.

Original equipment sales were down 0.6% like for like in 2025. They were impacted by a negative 3 percentage points geographic mix effect, by the rapid change in the customer mix, with Chinese automakers representing an increasing share, and by difficulties faced by certain customers in electrification in North America and on certain platforms in Europe. They were also impacted by the discontinuation of ADAS projects.

Aftermarket sales rose by 0.9% 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, which are essentially made up of tooling and customer contributions to R&D, increased by 15.0% on a like-for-like basis. They include, in particular, compensation received from customers in respect of contract cancellations, which has been subject to impairment losses as explained below.

⁽¹⁾ See financial glossary

2025 saw outperformance in Europe, a performance in line with the market in North America and a rebalancing in the customer mix in China

Sales original equipment*** (in millions of euros)	As a % of sales	2025	2024	Change	LFL* change	Perf. **
Europe	50 %	8,609	8,596	+0.1%	+0.8%	+2 pts
Asia (excluding China)	15 %	2,761	2,907	-5.0%	+0.7%	-2 pts
China	14 %	2,349	2,652	-11.4%	-6.9%	-17 pts
North America	19 %	3,265	3,454	-5.5%	-0.9%	0 pts
South America	2 %	317	341	-7.0%	+7.0%	+4 pts
Total	100 %	17,301	17,950	-3.6%	-0.6%	-5 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on February 13, 2026 (2025 global production growth: +3.9%).

*** Original equipment sales by destination region.

Original equipment sales fell by 0.6% like for like in 2025, underperforming automotive production by 5 percentage points, taking into account a negative 3 percentage points impact due to an unfavorable geographic mix.

In **Europe**, all divisions contributed to the 2 percentage points outperformance relative to automotive production, reflecting robust activity in thermal and low-voltage systems (POWER division), good momentum in the Interior Experience business (BRAIN division) with start of production start-ups and ramp-ups in displays and telematics, and numerous production launches in lighting (LIGHT division) for European automakers.

In **Asia excluding China**, Valeo underperformed automotive production by 2 percentage points. However, business was vigorous in India, where the Group recorded original equipment sales close to 300 million euros, up 43% on a like-for-like basis compared with 2024, in line with the Elevate 2028 plan to triple sales in the region over the 2024-2028 period. By division, the POWER division outperformed over the year as a whole, while the BRAIN division outperformed in the second half.

In **China**, the gap in performance was 17 percentage points in 2025. Against a backdrop of faster growth for new-energy vehicles and market share gains by Chinese automakers, the Group continued to reposition its customer portfolio. At December 31, 2025, the ratio of new orders to sales with Chinese automakers stood at 2.8x. The Group recorded 54% of original equipment sales and 63% of order intake with Chinese automakers, compared with about 50% and 60%, respectively, in 2024. By division, it is worth noting the good performance of the thermal systems business (POWER division), notably with local automakers, and the continued progress of the LIGHT division in the second half, which benefited from a number of production launches with new players in electrification in China.

In **North America**, performance was in line with automotive production. This reflects contrasting trends, with the BRAIN and LIGHT divisions affected by delays in production start-ups for a global automaker, and the POWER division buoyed by good momentum in transmission systems.

In **South America**, the Group outperformed automotive production by 4 percentage points.

Segment reporting

Sales by division

Sales by division (in millions of euros)	2025	2024	Change in sales	Change in OE sales*	Perf. **
POWER	10,512	10,845	-3%	+2%	-2 pts
<i>High-voltage electrification</i>	946	896	+6%	+9%	+5 pts
<i>Other</i>	9,566	9,949	-4%	+2%	-2 pts
BRAIN	4,957	5,053	-2%	-6%	-10 pts
<i>ADAS</i>	3,027	3,225	-6%	-11%	-15 pts
<i>Interior Experience</i>	1,930	1,828	+6%	+3%	-1 pts
LIGHT	5,405	5,554	-3%	—%	-4 pts
OTHER	29	40	na	na	na
GROUP	20,903	21,492	-3%	-1%	-5 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on February 13, 2026 (2025 global production growth: +3.9%).

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.

In 2025, the **POWER** division underperformed automotive production by 2 percentage points. Traditional activities (thermal systems, transmission systems and 48V systems) posted 2% like-for-like growth, reflecting the good performance of thermal systems in Europe and a significant improvement in the second half of the year in North America and China, notably with local and international automakers. The high-voltage business, which continues to be affected by project postponements and reduced activity on certain platforms, benefited from compensation paid by customers in the second half of the year.

2025 was a year of consolidation for the **BRAIN** division, which underperformed by 10 percentage points, penalized by the discontinuation of ADAS projects, and delays in production start-ups in North America for a global automaker. The Interior Experience business (displays and telematics) grew by 3% on a like-for-like basis, spurred mainly by production start-ups and ramp-ups in Europe. The BRAIN division's dynamic order intake, which represents 37% of the Group's cumulative order intake over the 2022-2025 period, underscores the attractiveness of the division's solutions portfolio and its growth potential.

The **LIGHT** division underperformed automotive production by 4 percentage points, with a marked improvement in the second half (underperformance reduced to 2.5 percentage points), reflecting numerous production launches: in Europe with European automakers and in China with new players in electrification in the country. Momentum gathered pace in China in the fourth quarter, enabling the LIGHT division to slightly outperform Chinese automotive production.

Profitability by division

At its Capital Markets Day on November 20, 2025, Valeo announced new financial indicators aligned with market practice. In this regard, the Group's segment reporting now includes its operating margin by division, which has become the benchmark indicator of profitability (the Group continues to publish adjusted EBITDA by division, which can be found in the appendix to this press release, and discloses full segment information in note 4 to the consolidated financial statements at December 31, 2025).

Operating margin (in millions of euros and as a % of division sales)	2025	2024	Change
POWER	441 4.2 %	319 2.9 %	+38.2 % +1.3 pts
BRAIN	267 5.4 %	294 5.8 %	-9.2 % -0.4 pts
LIGHT	270 5.0 %	307 5.5 %	-12.1 % -0.5 pts
Other	-1	-1	ns
GROUP	977 4.7 %	919 4.3 %	+6.3% +0.4 pts

In 2025, operating margin for the **POWER** division rose by 1.3 percentage points to 4.2%, testifying to the success of its in-depth transformation (industrial footprint, R&D productivity, increased cost variability).

Operating margin for the **BRAIN** division remained above the Group average, despite slipping 0.4 percentage points. This decline in the margin was mainly attributable to higher R&D spending in preparation for future production launches of new orders, which outweighed efforts to variabilize costs and launch higher-margin contracts to replace a portfolio of older, less profitable products.

Operating margin for the **LIGHT** division came in above the Group average, at 5.0% of sales. The margin was down 0.5 percentage points owing mainly to postponements in production start-ups in North America in the first half. Furthermore, the division continued its efforts to variabilize costs and improve operating efficiency.

In 2025, Valeo recorded an operating margin of 4.7% and generated free cash flow as per the new definition (i.e., after net financial interest) of 371 million euros

Further improvement in profitability, with operating margin growth of 0.4 percentage points

Operating margin stood at 4.7% of sales, up 0.4 percentage points on the same period in 2024, marking the fourth consecutive year of improved profitability.

		2025	2024	Change
Sales	<i>(in €m)</i>	20,903	21,492	-3 %
Gross margin	<i>(in €m)</i> <i>(as a % of sales)</i>	4,229 20.2 %	4,081 19.0 %	+4 % +1.2 pts
Research and Development expenditure	<i>(in €m)</i> <i>(as a % of sales)</i>	-2,273 (10.9) %	-2,127 (9.9) %	+7 % -1.0 pts
Gross Research and Development expenditure	<i>(in €m)</i> <i>(as a % of sales)</i>	-2,459 -11.8 %	-2,652 -12.3 %	-7 % +0.5 pts
IFRS impact	<i>(as a % of sales)</i>	0.4 %	1.6 %	-1.2 pts
Administrative and selling expenses	<i>(in €m)</i> <i>(as a % of sales)</i>	-979 -4.7 %	-1,035 -4.8 %	-5 % +0.1 pts
Operating margin	<i>(in €m)</i> <i>(as a % of sales)</i>	977 4.7 %	919 4.3 %	+6 % +0.4 pts
Adjusted EBITDA	<i>(in €m)</i> <i>(as a % of sales)</i>	3,082 14.7 %	2,863 13.3 %	+8 % +1.4 pts
Net attributable income	<i>(in €m)</i> <i>(as a % of sales)</i>	200 1.0 %	162 0.8 %	+23 % +0.2 pts

Gross margin represented 20.2% of sales in 2025, its highest level since 2017, and in line with the Group's ambition to maintain it sustainably above 19% of sales. Gross margin was up 1.2 percentage points on 2024. This improvement was driven by a combination of strong pricing discipline (profitability threshold for order intake, supplier productivity gains and fair compensation, particularly compensation received in connection with contract cancellations which gave rise to impairment losses explained below) and improved industrial performance (streamlining of the industrial footprint and automation).

Research and Development expenditure rose 7 % year on year to 2,273 million euros, and represented 10.9% of sales, up 1.0 percentage points on 2024. This development reflects two opposing trends:

- a reduction of 193 million euros (0.5 percentage points) in gross Research and Development expenditure, in line with the target announced at the Capital Markets Day on November 20, 2025 and reflecting the Group's efforts to structurally improve R&D productivity without slowing the pace of innovation;
- an IFRS impact (equal to the difference in percentage points between capitalized development expenditure as a proportion of sales, and depreciation, amortization and impairment as a proportion of sales), representing a positive 0.4 percentage points, including the effect of impairment recognized for 234 million euros (1.1 percentage points), primarily linked to cancelled contracts.

Administrative and selling expenses were 56 million euros lower than in 2024, 105 million than in 2023, and represented 4.7% of sales, down 0.1 percentage points than in 2024 (0.2 percentage points than in 2023). This reduction is in line with the program to streamline and reorganize the structure of support functions within the Group that begun in 2023.

Operating margin came in at 977 million euros, or 4.7% of sales, up 0.4 percentage points compared with 2024 (2025 guidance of between 4.5% and 5.5% of sales).

It takes into account net reversal on unfavorable and loss making contracts for 50 million euros, compared to 181 million euros in 2024.

Adjusted EBITDA came in at 3,082 million euros, or 14.7% of sales, up 1.4 percentage points year on year. It includes fair compensation for contract cancellations, which were subject to impairment recognized against capitalized development expenditure and property, plant and equipment for a total amount of around 300 million euros.

The share in net earnings of equity-accounted companies represented an expense of 20 million euros reflecting in particular a provision recorded by one of the joint ventures in respect of a risk following a quality incident, as

well as impairment losses charged against assets relating to the Chinese joint venture Faw-Valeo Climate Control Systems recorded in the first half of 2025.

Operating margin including share in net earnings of equity-accounted companies came out at 957 million euros, or 4.6% of sales, up 0.3 percentage points compared with 2024.

Operating income amounted to 789 million euros (618 million euros in 2024).

This indicator takes into account other income and expenses for a net negative amount of 168 million euros, including restructuring costs of 156 million euros. In 2024, other income and expenses represented a net expense of 313 million euros, including 305 million euros in restructuring costs.

The refinancing of Valeo's debt (see the debt section on page 11), in a context of high interest rates, led to a cost of debt of 256 million euros (251 million euros in 2024).

Other financial items represented an expense of 73 million euros (charge of 34 million euros in 2024).

The effective tax rate came out at 43%. The tax charge includes the effect of withholding taxes related to the program to repatriate cash in currencies other than the euro for an amount of 41 million euros.

The Group recorded **net attributable income** of 200 million euros for 2025, representing 1.0% of sales (162 million euros and 0.8% of sales in 2024), after deducting non-controlling interests in an amount of 55 million euros (-72 million euros in 2024).

Return on capital employed (ROCE⁽²⁾) and **return on assets** (ROA⁽²⁾) stood at 16.3% and 8.8% respectively.

⁽²⁾ See financial glossary, page 13.

Free cash flow (new definition) up 50% to 371 million despite an unfavorable change in WCR and the impact of withholding taxes

<i>(In millions of euros)</i>	2025	2024
Adjusted EBITDA	3,082	2,863
Investment in intangible assets	-971	-1,086
<i>including capitalized development expenditure</i>	-930	-1,045
Investment in property, plant and equipment	-790	-1,138
Income tax	-287	-227
Net payments for the principal portion of lease liabilities	-152	-135
Change in working capital	-301	492
<i>Including changes in inventory</i>	119	251
Other	175	-218
Free cash flow before one-off restructuring costs	756	551
One-off restructuring costs	-167	-70
Free cash flow after one-off restructuring costs	589	481
Net financial interest	-218	-234
Free cash flow (new definition) after net financial interest	371	247
Dividends	-143	-139
Other financial items	-38	94
Net cash flow	190	202

In 2025 the Group generated record-high free cash flow before one-off restructuring costs and net financial interest of 756 million euros. After one-off restructuring costs, free cash flow came to 589 million euros (2025 guidance: over 550 million euros).

Free cash flow after net financial interest, which has become the Group's benchmark indicator in line with market practice, represented 371 million euros (2025 guidance: over 300 million euros), up 50% on 2024.

It mainly reflects:

- the 219 million euro increase in **adjusted EBITDA**, to 3,082 million euros, compared to the same period in 2024;
- a decrease in **investments in intangible assets** of 11% compared with 2024, to 971 million euros, with a 11% decrease, notably through strict management of capitalized development expenditure to 930 million euros, reflecting the success of action plans to boost R&D productivity;
- strict management of **investments in property, plant and equipment**, which fell by 31% compared with 2024 to 790 million euros (3.8% of sales);
- **tax** disbursements amounting to 287 million euros, including the impact of withholding taxes related to the program to repatriate cash denominated in currencies other than the euro for 41 million euros;
- net payments for the **principal portion of lease liabilities** (IFRS 16 impact) of 152 million euros;
- an increase in **working capital requirement** of 301 million euros, including a 119 million euro reduction in inventories – particularly of semiconductors as supply chains return to normal – and reflecting the impact of customer compensation agreed during 2025 and not yet collected at December 31st;
- net interest paid for 218 million euros;

Net cash flow⁽³⁾ represented an inflow of 190 million euros, mainly reflecting 143 million euros in dividends paid to Valeo shareholders and non-controlling shareholders of Group subsidiaries.

Net debt of 4,022 million euros and leverage ratio of 1.3x in 2025, including 263 million euro unfavorable currency effect

Gross debt stood at 6,561 million euros at December 31, 2025, down 476 million euros compared with December 31, 2024.

Net debt stood at 4,022 million euros at December 31, 2025, up by 209 million euros compared with December 31, 2024, mainly due to an adverse currency effect for an amount of 263 million euros. The Group has drawn up an action plan aimed at reducing the associated risk through a specific cash management policy and contemplates the repatriation of the amounts invested over several years.

At December 31, 2025, **the leverage ratio** (net debt/adjusted EBITDA) stood at 1.3x adjusted EBITDA and **the gearing ratio** (net debt/stockholders' equity) was 121% of equity.

Valeo's balanced debt profile and solid liquidity position give it a robust financial structure:

- on January 22, 2025, Valeo took out a new 100 million euro bilateral bank loan, due January 2029;
- on February 10, 2025, Valeo repaid 50 million euros of the loan granted by the European Investment Bank, due February 2030;
- on April 9, 2025, Valeo repaid a *Schuldschein* loan in an amount of 212.5 million euros;
- on April 19, 2025, Valeo redeemed a bilateral bank loan for 100 million euros;
- on May 20, 2025, Valeo issued 650 million euros' worth of 6-year green bonds with a coupon of 5.125%. This represented Valeo's third green bond issue, with the funds raised intended to finance projects and investments relating to the technology portfolio that contribute to low-carbon mobility, particularly for vehicle electrification;
- on June 18, 2025, Valeo repaid 50 million euros of the loan granted by the European Investment Bank, due June 2029;
- on June 18, 2025, Valeo redeemed a bond for 600 million euros;
- on July 3, 2025, Valeo took out a 100 million euro bilateral loan;
- on August 22, 2025, Valeo took out a 25 million euro bilateral loan;
- on September 23, 2025, the Group issued 500 million euros' worth of green bonds maturing in March 2032 with a 4.625% coupon. These green bonds, which were issued under the Green and Sustainability-Linked Financing Framework drawn up in July 2021 and updated in September 2023, will be used to finance projects and investments related to the portfolio of technologies that contribute to low-carbon mobility, in particular for vehicle electrification;
- on October 31, 2025, Valeo redeemed a *Schuldschein* loan for a nominal amount of 179 million euros;
- On October 31, 2025, Valeo took out a 30 million euro bilateral loan;
- On December 18, 2025, Valeo exercised its early redemption option on the 600 million euro bond issued in 2016, which was due to mature in March 2026.

Divestiture of non-strategic assets

Valeo aimed to dispose of non-strategic assets worth a total of 500 million euros during the 2022-2025 period. This program came to an end on November 30, 2025 with the sale of the automotive powertrain system sensor business for a cumulative value in line with the initial target.

⁽³⁾ See financial glossary

Outlook for 2026: in line with the trajectory set out in the Elevate 2028 plan, Valeo is targeting further improvement in profitability and cash generation in an environment that remains demanding

	2025	2026 guidance (a)
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

(a) Based on S&P Global Mobility estimates released on February 13, 2026. The forecasts assume that there will be no additional material changes to tariffs or trade restrictions in force at February 26, 2026, or any significant changes in the macroeconomic environment or major supply chain disruptions.

2025 highlights

Business momentum and an attractive product portfolio

January – Valeo and AWS collaborate to accelerate the cloud-native revolution in software-defined vehicles. This partnership will allow development times for the electronic control unit (ECU) software to be cut by more than 40% thanks to the cloud hardware lab, leading to lower costs.

From January 6 to 10, Valeo participated in CES, presenting the Group's innovative technologies.

March – 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 integrate technologies enabling enhanced partially automated driving (Level 2+).

May – Valeo was selected by a premium global automaker for a new radar system to equip its personally-owned vehicles. Production is scheduled to start in 2028.

June – a premium European automaker selected Valeo Smart Safety 360 for its level 2 automated driving and parking assistance. Production is scheduled to start in 2026.

July – A leading Chinese new energy vehicle (NEV) manufacturer selected Valeo's 5-in-1 power electronics module for its electrified powertrains. Production is scheduled to start in 2026.

July – Valeo selected by a major Chinese OEM to equip its new models with a cutting edge panoramic Head-Up Display. A functional live demonstrator was developed in only six months, and production is scheduled to start in 2026.

September – Valeo and Momenta, a leading autonomous driving company, signed a strategic partnership agreement to establish a comprehensive partnership to jointly develop advanced mid- to high-level Intelligent Assisted Driving and Autonomous Driving products, systems, and solutions, in China and overseas.

September 8-12 – Valeo showcased its latest technologies at IAA MOBILITY 2025 in Munich.

September – Qualcomm Technologies, Inc. and Valeo announced the expansion of their long-standing collaboration to accelerate the shift to SDVs by offering automakers worldwide new, scalable and safety-centric ADAS systems.

September – Valeo awarded new contract to supply its innovative Dual Layer HVAC (Heating, Ventilation, and Air Conditioning) system to a leading Chinese automaker. With its latest contract, Valeo has now secured a total of 10 contracts with 5 different customers in China, representing an overall value of several-hundred million euros. Series production is scheduled to start in 2026.

October – Valeo wins two major contracts to supply its new-generation dual inverter solution to two leading Chinese automakers. Series production will begin in 2026, with deployment planned for the two automakers' plug-in hybrids (PHEVs).

November – Valeo and 2CRSi, a leading manufacturer of high-performance servers and storage solutions, announced a strategic partnership agreement to develop compact, autonomous cooling systems capable of maintaining optimum performance in decentralized environments, such as outdoor edge data centers.

Praise for the Group's excellence and high-quality product portfolio during the quarter

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

April – Valeo was recognized by General Motors (GM) as a Supplier of the Year in the category of Advanced Driver Assistance Systems (ADAS). The announcement marked the third consecutive year in which GM recognized Valeo for its ADAS innovations.

June – The Group received the 2025 Best Supplier Award from the Volkswagen Group (VW) for its strategic partnership, innovation and proactive cost and process optimization.

November – Valeo was a CES Innovation Awards® 2026 Honoree for its compact 5-ways refrigerant valve for next-generation electric vehicles' heat pump systems.

November – At the "Adopt AI" summit organized by Artefact, Valeo Chief Executive Officer Christophe Périllat was named "CEO of the Year" by Google Cloud in France. The award is in recognition of the CEO's bold, systematic strategy to embed artificial intelligence across the entire global mobility technology leader.

December – Valeo received the "Technology Innovation" award at the Automobile Awards for its AssistXR software. The Group was also ranked third in the "Green Innovation" category for its low-carbon HVAC module.

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, placing Valeo in the top 4% of more than 20,000 companies that were rated.

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

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.

Debt

May - Valeo announced the placement of 650 million euros' worth of 6-year green bonds with a coupon of 5.125%. This represented Valeo's third green bond issue, with the funds raised intended to finance projects and investments relating to the technology portfolio that contribute to low-carbon mobility, particularly for vehicle electrification.

September – Valeo announced the placement of 500 million euros worth of new green bonds maturing March 23, 2032. The net proceeds of the transaction will be used for financing projects and investments linked to the portfolio of technologies that contribute to low-carbon mobility, in particular vehicle electrification.

December – Valeo exercised the Residual Maturity Call Option on the outstanding 600 million euros' worth of 1.625% bonds maturing March 18, 2026.

Capital Markets Day

20 November – Valeo hosted its 2025 Capital Markets Day, outlining its financial trajectory for the next three years to 2028 under its Elevate 2028 strategic plan.

Upcoming events

First-quarter sales: April 23, 2026 (post market-close)

2026 Shareholders' Meeting: May 21, 2026

First-half results: July 22, 2026 (post market-close)

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 the operating income before other income and expenses and before net earnings of equity-accounted companies.

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

Net cash flow corresponds to free cash flow less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of equity interests without a change in control, and (iii) changes in non-recurring sales of receivables.

Net debt comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.

ROCE, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) divided by capital employed (including investments in equity-accounted companies), excluding goodwill.

ROA, or return on assets, corresponds to operating income divided by capital employed (including investments in equity-accounted companies), including goodwill.

Appendices

Fourth-quarter figures

Sales

Q4 sales (in millions of euros)	As a % of sales	Q4 2025	Q4 2024	Change	LFL* change	FX	Scope
Original equipment	79 %	4,168	4,458	-6.5 %	-1.9 %	-4.4 %	-0.2 %
Aftermarket	10 %	518	534	-3.0 %	+2.6 %	-5.6 %	— %
Miscellaneous	11 %	560	416	+34.6 %	+37.4 %	-3.3 %	+0.5 %
Total	100 %	5,246	5,408	-3.0 %	+1.6 %	-4.5 %	-0.1 %

* Like for like.

Sales by destination region

Original equipment sales (in millions of euros)	As a % of sales	Q4 2025	Q4 2024	LFL* change	Perf. **
Europe & Africa	49 %	2,029	2,079	-2%	-2 pts
Asia (excluding China)	16 %	667	769	-4%	-7 pts
China	15 %	645	754	-8%	-11 pts
North America	18 %	746	776	+5%	+6 pts
South America	2 %	80	80	+1%	+6 pts
Total	100 %	4,168	4,458	-2%	-4 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on February 13, 2026.

Original equipment sales fell by 2% like for like in Q4 2025, underperforming automotive production by 4 percentage points, taking into account a negative 1 percentage point impact due to an unfavorable geographic mix.

Sales by division

Sales by division (in millions of euros)	Q4 2025	Q4 2024	Change in sales	Change in OE sales*	Perf. **
POWER	2,510	2,683	-6%	—%	-2 pts
High-voltage electrification	194	194	—%	-2%	-4 pts
Other	2,316	2,489	-7%	+1%	-1 pt
BRAIN	1,326	1,270	+4%	-6%	-8 pts
ADAS	783	790	-1%	-13%	-15 pts
Interior Experience	543	480	+13%	+5%	+3 pts
LIGHT	1,395	1,431	-3%	—%	-2 pts
OTHER	16	24	ns	ns	ns
GROUP	5,247	5,408	-3%	-2%	-4 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on February 13, 2026.

Second-half figures

Sales

H2 sales (in millions of euros)	As a % of sales	H2 2025	H2 2024	Change	LFL* change	FX	Scope
Original equipment	82 %	8,397	8,655	-3.0 %	+0.9 %	-3.8 %	-0.1 %
Aftermarket	10 %	1,021	1,072	-4.7 %	-0.1 %	-3.9 %	-0.7 %
Miscellaneous	8 %	825	648	+27.4 %	+29.0 %	-3.4 %	+1.8 %
Total	100 %	10,243	10,375	-1.3 %	+2.5 %	-3.7 %	-0.1 %

* Like for like.

Sales by destination region

Original equipment sales (in millions of euros)	As a % of sales	H2 2025	H2 2024	LFL* change	Perf. **
Europe & Africa	49 %	4,087	3,995	+2%	0 pts
Asia (excluding China)	15 %	1,349	1,486	-1%	-3 pts
China	15 %	1,221	1,386	-6%	-14 pts
North America	19 %	1,573	1,620	+5%	+3 pts
South America	2 %	168	168	+3%	+6 pts
Total	100 %	8,397	8,655	+1%	-3 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on February 13, 2026.

Original equipment sales are up 1% like for like in S2 2025, underperforming automotive production by 3 percentage points, taking into account a negative 1 percentage point impact due to an unfavorable geographic mix.

Sales by division

Sales by division (in millions of euros)	H2 2025	H2 2024	Change in sales	Change in OE sales*	Perf. **
POWER	5,109	5,153	-1%	+6%	+2 pts
High-voltage electrification	484	383	+26%	+32%	+28 pts
Other	4,625	4,770	-3%	+3%	-1 pt
BRAIN	2,431	2,484	-2%	-7%	-11 pts
ADAS	1,452	1,566	-7%	-13%	-17 pts
Interior Experience	979	918	+7%	+2%	-2 pts
LIGHT	2,677	2,701	-1%	+2%	-2 pts
OTHER	26	37	ns	ns	ns
GROUP	10,243	10,375	-1%	+1%	-3 pts

* Like for like.

** Based on S&P Global Mobility automotive production estimates released on February 13, 2026.

Profitability by division

Operating margin (in millions of euros and as a % of division sales)	H2 2025	H2 2024	Change
POWER	251 4.9 %	180 3.5 %	+39.4 % +1.4 pts
BRAIN	113 4.6 %	143 5.8 %	-21.0 % -1.1 pts
LIGHT	147 5.5 %	155 5.7 %	-5.2 % -0.2 pts
Other	-10	-4	ns
GROUP	501 4.9 %	474 4.6 %	+5.7% +0.3 pts

H2 2025 Research and Development

		H2 2025	H2 2024	Change
Sales	<i>(in €m)</i>	10,243	10,375	-1 %
Capitalized development expenditure	<i>(in €m)</i> <i>(as a % of sales)</i>	462 4.5 %	480 4.6 %	-4 % -0.1 pts
Amortization and impairment of capitalized development expenditure*	<i>(in €m)</i> <i>(as a % of sales)</i>	-472 -4.6 %	-389 -3.7 %	+21 % -0.9 pts
IFRS impact	<i>(in €m)</i> <i>(as a % of sales)</i>	(10) (0.1)%	91 0.9 %	ns ns

		H2 2025	H2 2024	Change
Gross Research and Development expenditure	<i>(in €m)</i> <i>(as a % of sales)</i>	-1,203 -11.7 %	-1,185 -11.4 %	+2 % -0.3 pts
IFRS impact	<i>(in €m)</i> <i>(as a % of sales)</i>	(10) (0.1)%	91 0.9 %	ns ns
Subsidies and grants, and other income	<i>(in €m)</i>	51	46	+11 %
Movements in provisions	<i>(in €m)</i>	4	0	ns
Research and Development expenditure	<i>(in €m)</i> <i>(as a % of sales)</i>	-1,158 -11.3 %	-1,048 -10.1 %	+10 % -1.2 pts

* Impairment losses recorded in operating margin only.

Cash flow

<i>(In millions of euros)</i>	H2 2025	H2 2024
Adjusted EBITDA	1,610	1,480
Investment in intangible assets	-485	-494
<i>including capitalized development expenditure</i>	-462	-480
Investment in property, plant and equipment	-361	-538
Income tax	-142	-104
Net payments for the principal portion of lease liabilities	-77	-71
Change in working capital	-224	259
<i>Including changes in inventory</i>	-43	25
Other	103	-127
Free cash flow before one-off restructuring costs	424	405
One-off restructuring costs	-87	-45
Free cash flow after one-off restructuring costs	337	360
Net financial interest	-66	-85
Free cash flow after net financial interest	271	275
Dividends	-21	-21
Other financial items	20	-9
Net cash flow	270	245

H2 2025 income statement

		H2 2025	H2 2024	Change
Sales	<i>(in €m)</i>	10,243	10,375	-1 %
Gross margin	<i>(in €m)</i>	2,136	2,026	+5 %
	<i>(as a % of sales)</i>	20.9 %	19.5 %	+1.4 pts
R&D expenditure	<i>(in €m)</i>	-1,159	-1,048	+11 %
	<i>(as a % of sales)</i>	-11.3 %	-10.1 %	-1.2 pts
Administrative and selling expenses	<i>(in €m)</i>	-476	-504	-6 %
	<i>(as a % of sales)</i>	-4.6 %	-4.9 %	+0.3 pts
Operating margin excluding share in net earnings of equity-accounted companies	<i>(in €m)</i>	501	474	+6 %
	<i>(as a % of sales)</i>	4.9 %	4.6 %	+0.3 pts
Share in net earnings of equity-accounted companies	<i>(in €m)</i>	1	8	na
	<i>(as a % of sales)</i>	— %	0.1 %	-0.1 pts
Operating margin including share in net earnings of equity-accounted companies	<i>(in €m)</i>	502	482	+4 %
	<i>(as a % of sales)</i>	4.9 %	4.6 %	+0.3 pts
Other income and expenses	<i>(in €m)</i>	-82	-263	na
	<i>(as a % of sales)</i>	-0.8 %	-2.5 %	+1.7 pts
Operating income	<i>(in €m)</i>	420	219	+92 %
	<i>(as a % of sales)</i>	4.1 %	2.1 %	+2.0 pts
Cost of debt	<i>(in €m)</i>	-139	-128	+9 %
Other financial income and expenses	<i>(in €m)</i>	-38	-20	na
Income taxes	<i>(in €m)</i>	-123	-10	na
	<i>Effective tax rate</i>	51 %	16 %	na
Non-controlling interests and other	<i>(in €m)</i>	-24	-40	-40 %
Net attributable income	<i>(in €m)</i>	96	21	na
	<i>(as a % of sales)</i>	0.9 %	0.2 %	+0.7 pts

2025 figures

Profitability by division

Adjusted EBITDA (in millions of euros and as a % of division sales)	2025	2024	Change
POWER	1,281 12.2 %	1,256 11.6 %	+2.0 % +0.6 pts
BRAIN	986 19.9 %	831 16.4 %	+18.7 % +3.4 pts
LIGHT	760 14.1 %	732 13.2 %	+3.8 % +0.9 pts
Other	55	44	ns
GROUP	3,082 14.7 %	2,863 13.3 %	+7.6% +1.4 pts

2025 Research and Development

		2025	2024	Change
Sales	(in €m)	20,903	21,492	-3 %
Capitalized development expenditure	(in €m) (as a % of sales)	930 4.5 %	1,045 4.9 %	-11 % -0.4 pts
Amortization and impairment of capitalized development expenditure*	(in €m) (as a % of sales)	-857 -4.1 %	-691 -3.2 %	+24 % -0.9 pts
IFRS impact	(in €m) (as a % of sales)	73 0.4 %	354 1.6 %	-79 % -1.2 pts
		2025	2024	Change
Gross Research and Development expenditure	(in €m) (as a % of sales)	-2,459 -11.8 %	-2,652 -12.3 %	-7 % +0.5 pts
IFRS impact	(in €m) (as a % of sales)	73 0.3 %	354 1.6 %	-79 % -1.3 pts
Subsidies and grants, and other income	(in €m)	109	109	— %
Movements in provisions	(in €m)	4	62	ns
Research and Development expenditure	(in €m) (as a % of sales)	-2,273 -10.9 %	-2,127 -9.9 %	+7 % -1.0 pts

* Impairment losses recorded in operating margin only.

2025 income statement

		2025	2024	Change
Sales	<i>(in €m)</i>	20,903	21,492	-3 %
Gross margin	<i>(in €m)</i>	4,229	4,081	+4 %
	<i>(as a % of sales)</i>	20.2 %	19.0 %	+1.2 pts
R&D expenditure	<i>(in €m)</i>	-2,273	-2,127	+7 %
	<i>(as a % of sales)</i>	-10.9 %	-9.9 %	-1.0 pts
Administrative and selling expenses	<i>(in €m)</i>	-979	-1,035	-5 %
	<i>(as a % of sales)</i>	-4.7 %	-4.8 %	+0.1 pts
Operating margin excluding share in net earnings of equity-accounted companies	<i>(in €m)</i>	977	919	+6 %
	<i>(as a % of sales)</i>	4.7 %	4.3 %	+0.4 pts
Share in net earnings of equity-accounted companies	<i>(in €m)</i>	-20	12	ns
	<i>(as a % of sales)</i>	-0.1 %	0.1 %	-0.2 pts
Operating margin including share in net earnings of equity-accounted companies	<i>(in €m)</i>	957	931	+3 %
	<i>(as a % of sales)</i>	4.6 %	4.3 %	+0.3 pts
Other income and expenses	<i>(in €m)</i>	-168	-313	ns
	<i>(as a % of sales)</i>	-0.8 %	-1.5 %	+0.7 pts
Operating income	<i>(in €m)</i>	789	618	+28 %
	<i>(as a % of sales)</i>	3.8 %	2.9 %	+0.9 pts
Cost of debt	<i>(in €m)</i>	-256	-251	+2 %
Other financial income and expenses	<i>(in €m)</i>	-73	-34	ns
Income taxes	<i>(in €m)</i>	-205	-99	ns
	<i>Effective tax rate</i>	43 %	31 %	ns
Non-controlling interests and other	<i>(in €m)</i>	-55	-72	-24 %
Net attributable income	<i>(in €m)</i>	200	162	+23 %
	<i>(as a % of sales)</i>	1.0 %	0.8 %	+0.2 pts

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 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, advanced driving assistance systems (ADAS), 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: 20.9 billion euros in sales in 2025 | 100,216 employees, 29 countries, 149 plants, 59 research and development centers, 19 distribution platforms at December 31, 2025.

Valeo is listed on the Paris Stock Exchange.

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