

Valeo - 2024 Consolidated financial statements

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1. Consolidated statement of income

<i>(in millions of euros)</i>	Notes	2024	2023
SALES	5.1	21,492	22,044
Cost of sales	5.3	(17,411)	(18,093)
Research and Development expenditure	5.5.1.2	(2,127)	(2,029)
Selling expenses		(296)	(324)
Administrative expenses		(739)	(760)
OPERATING MARGIN		919	838
<i>as a % of sales</i>		4.3%	3.8%
Share in net earnings of equity-accounted companies	5.5.3.1	12	17
OPERATING MARGIN INCLUDING SHARE IN NET EARNINGS OF EQUITY-ACCOUNTED COMPANIES	5.5	931	855
<i>as a % of sales</i>		4.3%	3.9%
Other income and expenses	5.6.2	(313)	(111)
OPERATING INCOME INCLUDING SHARE IN NET EARNINGS OF EQUITY-ACCOUNTED COMPANIES	5.6.1	618	744
Cost of net debt	9.2	(251)	(243)
Other financial income and expenses	9.2	(34)	(47)
INCOME BEFORE INCOME TAXES		333	454
Income taxes	10.1	(99)	(154)
NET INCOME FOR THE YEAR		234	300
Attributable to:			
• Owners of the Company		162	221
• Non-controlling interests	11.1.3	72	79
Attributable earnings per share:			
• Basic earnings per share <i>(in euros)</i>	11.2	0.67	0.91
• Diluted earnings per share <i>(in euros)</i>	11.2	0.66	0.90

The Notes are an integral part of the consolidated financial statements.



2. Consolidated statement of comprehensive income

(in millions of euros)

	2024	2023
NET INCOME FOR THE YEAR	234	300
Share of changes in comprehensive income from equity-accounted companies that may subsequently be recycled to income	1	(7)
o/w income taxes	—	—
Translation adjustment	88	(375)
Cash flow hedges:		
• Gains (losses) taken to equity	11	45
• (Gains) losses transferred to income	(58)	(43)
o/w income taxes	29	(4)
OTHER COMPREHENSIVE INCOME (LOSS) THAT MAY SUBSEQUENTLY BE RECYCLED TO INCOME	42	(380)
Share of changes in comprehensive income from equity-accounted companies that may not subsequently be recycled to income	—	—
o/w income taxes	—	—
Actuarial gains (losses) on defined benefit plans	(7)	(79)
o/w income taxes	(13)	(3)
Remeasurement of long-term investments	—	(1)
o/w income taxes	—	—
OTHER COMPREHENSIVE INCOME (LOSS) THAT MAY NOT SUBSEQUENTLY BE RECYCLED TO INCOME	(7)	(80)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	35	(460)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	269	(160)
Attributable to:		
• Owners of the Company	219	(189)
• Non-controlling interests	50	29

The Notes are an integral part of the consolidated financial statements.



3. Consolidated statement of financial position

(in millions of euros)	Notes	December 31, 2024	December 31, 2023
ASSETS			
Goodwill	7.1	3,086	3,112
Other intangible assets	7.2	3,319	3,057
Property, plant and equipment	7.3	5,102	5,065
Investments in equity-accounted companies	5.5.3.2	110	110
Other non-current financial assets	9.1.5	395	392
Assets relating to pensions and other employee benefits	6.3	31	45
Deferred tax assets	10.2	740	603
NON-CURRENT ASSETS		12,783	12,384
Inventories, net	5.4	2,110	2,365
Accounts and notes receivable, net	5.2	2,656	2,734
Other current assets		699	852
Taxes receivable		64	33
Other current financial assets	9.1.1.1	89	138
Cash and cash equivalents	9.1.3.2	3,153	3,025
Assets held for sale		104	225
CURRENT ASSETS		8,875	9,372
TOTAL ASSETS		21,658	21,756
EQUITY AND LIABILITIES			
Share capital	11.1.1	245	245
Additional paid-in capital	11.1.1	1,588	1,588
Translation adjustment	11.1.2	(33)	(163)
Retained earnings		1,919	1,905
STOCKHOLDERS' EQUITY		3,719	3,575
Non-controlling interests	11.1.3	796	785
STOCKHOLDERS' EQUITY INCLUDING NON-CONTROLLING INTERESTS		4,515	4,360
Provisions for pensions and other employee benefits – long-term portion	6.3	782	819
Other provisions – long-term portion	8.1	316	486
Subsidies and grants – long-term portion		149	139
Long-term portion of long-term debt	9.1.2	4,859	5,057
Other financial liabilities – long-term portion	9.1.4	2	1
Deferred tax liabilities	10.2	48	46
NON-CURRENT LIABILITIES		6,156	6,548
Provisions for pensions and other employee benefits – current portion	6.3	79	79
Other provisions – current portion	8.1	573	502
Accounts and notes payable	9.1.6	5,382	5,449
Other current liabilities		2,497	2,462
Subsidies and grants – current portion		66	63
Taxes payable		124	112
Current portion of long-term debt	9.1.2	1,334	957
Other financial liabilities – current portion	9.1.4	41	59
Short-term financing	9.1.2.3	840	922
Bank overdrafts	9.1.2.3	4	135
Liabilities held for sale		47	108
CURRENT LIABILITIES		10,987	10,848
TOTAL EQUITY AND LIABILITIES		21,658	21,756

The Notes are an integral part of the consolidated financial statements.



4. Consolidated statement of cash flows

(in millions of euros)	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		234	300
Share in net earnings of equity-accounted companies	5.5.3.1	(12)	(17)
Net dividends received from equity-accounted companies		15	14
Expenses with no cash effect	12.1	1,835	1,715
Cost of net debt	9.2	251	243
Income taxes (current and deferred)	10.1.1	99	154
GROSS OPERATING CASH FLOWS		2,422	2,409
Income taxes paid		(227)	(225)
Changes in working capital	12.2	492	278
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		2,687	2,462
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of intangible assets		(1,086)	(1,037)
Acquisitions of property, plant and equipment		(1,138)	(964)
Investment subsidies and grants received		67	36
Disposals of intangible assets and property, plant and equipment		21	40
Net change in non-current financial assets		(27)	(11)
Acquisitions of investments in equity-accounted companies and/or joint ventures		—	(8)
Disposals of investments with loss of control, net of cash transferred	12.3	211	38
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,952)	(1,906)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to owners of the Company		(97)	(92)
Dividends paid to non-controlling interests in consolidated subsidiaries		(42)	(35)
Capital increase	11.1.1	—	16
Sale (purchase) of treasury stock	11.1.1.3	(25)	—
Issuance of long-term debt	12.4	858	748
Interest paid		(307)	(261)
Interest received		73	52
Repayment of long-term debt	12.4	(896)	(975)
Change in short-term financing	9.1.2.3	(88)	(239)
Acquisitions of investments without gain of control		—	(2)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(524)	(788)
CASH AND CASH EQUIVALENTS RELATING TO OPERATIONS HELD FOR SALE		16	(14)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		32	(116)
NET CHANGE IN CASH AND CASH EQUIVALENTS		259	(362)
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,890	3,252
NET CASH AND CASH EQUIVALENTS AT END OF YEAR		3,149	2,890
Of which:			
• Cash and cash equivalents	9.1.3.2	3,153	3,025
• Bank overdrafts	9.1.2.3	(4)	(135)

The Notes are an integral part of the consolidated financial statements.



5. Consolidated statement of changes in stockholders' equity

Number of shares outstanding	(in millions of euros)	Share capital	Additional paid-in capital	Translation adjustment	Retained earnings	Total stockholders' equity including non-controlling interests restated		
						Stockholders' equity	Non- controlling interests	Total
241,116,367	STOCKHOLDERS' EQUITY AT DECEMBER 31, 2022	244	1,573	175	1,830	3,822	790	4,612
	Dividend paid ⁽¹⁾	—	—	—	(92)	(92)	(33)	(125)
—	Treasury shares	—	—	—	—	—	—	—
1,131,560	Capital increase	1	15	—	—	16	—	16
1,673,193	Share-based payment	—	—	—	25	25	—	25
	Put options granted ⁽³⁾	—	—	—	(6)	(6)	(3)	(9)
	Other movements	—	—	(2)	1	(1)	2	1
	TRANSACTIONS WITH OWNERS	1	15	(2)	(72)	(58)	(34)	(92)
	Net income for the year	—	—	—	221	221	79	300
	Other comprehensive income (loss), net of tax	—	—	(336)	(74)	(410)	(50)	(460)
	TOTAL COMPREHENSIVE INCOME (LOSS)	—	—	(336)	147	(189)	29	(160)
243,921,120	STOCKHOLDERS' EQUITY AT DECEMBER 31, 2023	245	1,588	(163)	1,905	3,575	785	4,360
	Dividend paid ⁽¹⁾	—	—	—	(97)	(97)	(42)	(139)
(2,175,683)	Treasury shares ⁽²⁾	—	—	—	(25)	(25)	—	(25)
—	Capital increase	—	—	—	—	—	—	—
1,230,883	Share-based payment	—	—	—	22	22	—	22
	Put options granted ⁽³⁾	—	—	—	(2)	(2)	(2)	(4)
	Other movements	—	—	29	(2)	27	5	32
	TRANSACTIONS WITH OWNERS	—	—	29	(104)	(75)	(39)	(114)
	Net income for the year	—	—	—	162	162	72	234
	Other comprehensive income (loss), net of tax	—	—	101	(44)	57	(22)	35
	TOTAL COMPREHENSIVE INCOME (LOSS)	—	—	101	118	219	50	269
242,976,320	STOCKHOLDERS' EQUITY AT DECEMBER 31, 2024	245	1,588	(33)	1,919	3,719	796	4,515

(1) A cash dividend of 0.40 euros per share was paid in June 2024, representing a total payout of 97 million euros. The dividend paid in July 2023 was 0.38 euros per share.

(2) Changes in stockholders' equity attributable to treasury stock at December 31, 2024 include the impact of the share buyback program entered into with an investment services provider on March 11, 2024 in an amount of 25 million euros (see Note 11.1.1.3).

(3) This item includes changes in the fair value of liabilities associated with put options granted to holders of non-controlling interests (see Note 9.1.2.2).

The Notes are an integral part of the consolidated financial statements.



6. Notes to the consolidated financial statements

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NOTE 1 ACCOUNTING POLICIES

The consolidated financial statements of the Valeo Group for the year ended December 31, 2024 include:

- the accounts of Valeo;
- the accounts of its subsidiaries;
- Valeo's share in the net assets and earnings of equity-accounted companies (joint ventures and associates).

Valeo is an independent group that designs, produces and sells innovative products and systems contributing to the reduction of greenhouse gas emissions and to the development of safer, more autonomous, more connected, more intelligent and more diverse mobility. As a technology company, Valeo is present in the areas of electrification, advanced driving assistance systems (ADAS), reinvention of the interior experience and lighting everywhere, all of which are growth drivers. Valeo is one of the world's leading automotive suppliers and is a partner to all automakers and new mobility players across the globe.

Valeo is a European company listed on the Paris Stock Exchange. Its head office is located at 100, rue de Courcelles, 75017 Paris, France.

Valeo's consolidated financial statements for the year ended December 31, 2024 were authorized for issue by the Board of Directors on February 27, 2025.

They will be submitted for approval to the next Ordinary Shareholders' Meeting.

1.1 Accounting standards applied

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union. The standards can be consulted on the European Commission's website⁽¹⁾.

The financial statements include the information deemed material as required by the ANC in Standard no. 2016-09.

1.1.1 Standards, amendments and interpretations adopted by the European Union and effective for reporting periods beginning on or after January 1, 2024

The following standards, amendments and interpretations have been published by the IASB and adopted by the European Union:

Standards, amendments and interpretations effective for reporting periods beginning on or after January 1, 2024

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Presentation of Financial Statements: <ul style="list-style-type: none"> • Classification of Liabilities as Current or Non-current; • Non-current Liabilities with Covenants.
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

These new publications did not have a material impact on the Group's consolidated financial statements.

1.1.2 Standards, amendments and interpretations adopted by the European Union and effective for reporting periods beginning on or after January 1, 2025 and not early adopted by the Group

The following standards, amendments and interpretations have also been published by the IASB and adopted by the European Union:

Standards, amendments and interpretations effective for reporting periods beginning on or after January 1, 2025

Amendments to IAS 21	Lack of Exchangeability
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Valeo does not expect these amendments to have a material impact on the Group's consolidated financial statements.

1.1.3 Standards, amendments and interpretations published by the IASB but not yet adopted by the European Union

The following standards and amendments have been published by the IASB but not yet adopted by the European Union:

Standards, amendments and interpretations not yet adopted by the European Union		Effective date ⁽¹⁾
Amendments to IFRS 9 and IFRS 7	<ul style="list-style-type: none"> • Contracts Referencing Nature-dependent Electricity • Amendments to the Classification and Measurement of Financial Instruments 	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to various provisions of IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

(1) Subject to adoption by the European Union.

⁽¹⁾ https://commission.europa.eu/law_en



Valeo has not yet carried out a detailed analysis of the impact of applying IFRS 18 on the presentation of its consolidated financial statements. The Group does not expect the application of the other standards and amendments set out above to have a material impact.

1.2 Basis of preparation

The financial statements are presented in euros and are rounded to the nearest million.

1.2.1 Estimates and judgments

Preparation of the financial statements requires Valeo to make estimates and assumptions which could have an impact on the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions concern both risks specific to the automotive supply business, such as those relating to quality and safety, as well as more general risks to which the Group is exposed on account of its industrial operations across the globe.

The Group exercises its judgment based on past experience and all other factors considered to be decisive given the environment and the circumstances. The estimates and assumptions used are revised on an ongoing basis. In view of the uncertainties inherent in any assessment, the final amounts reported in Valeo's future financial statements may differ from the amounts resulting from these current estimates.

The significant estimates, judgments and assumptions adopted by the Group to prepare its financial statements for the year ended December 31, 2024 chiefly concern:

- the conditions for capitalizing development expenditure (see Note 5.5.1.1);
- the estimation of provisions (see Notes 6.3 and 8.1);
- the measurement of the recoverable amount of intangible assets and property, plant and equipment (see Note 7);
- lease terms, as regards optional periods, and determination of discount rates (see Note 7.3);
- the likelihood that deferred tax assets will be able to be utilized (see Note 10.2).

1.2.2 Going concern basis and liquidity management

The financial statements have been prepared on a going concern basis. The Group has sufficient cash and financing sources, and has demonstrated its debt issuance capacity.

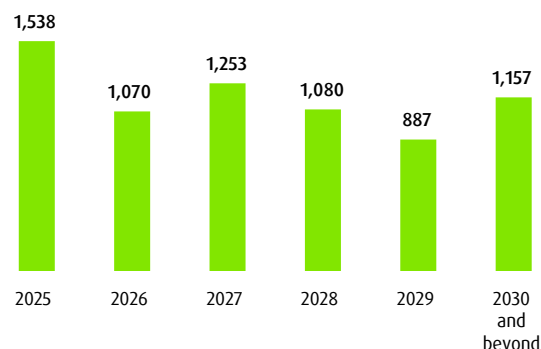
At December 31, 2024, the Group had 1.6 billion euros available in undrawn credit lines, plus a stable financial position:

- 3.1 billion euros in net cash and cash equivalents;
- average debt maturity of 2.8 years;
- net debt to EBITDA ratio (EBITDA calculated over a 12-month rolling period) of 1.3, i.e., below the 3.5 threshold.

In managing its liquidity risk, the Group seeks to ensure a balanced long-term debt repayment profile.

CONTRACTUAL MATURITY OF LONG-TERM DEBT

(in millions of euros)



The future cash outflows presented above, comprising both interest payments and principal repayments, are not discounted. The forward curve at December 31, 2024 was used for variable-rate interest.

The Group carried out a number of financing transactions in 2024, including an 850 million euro green bond issue in April 2024. This bond matures in April 2030.

As part of its Move Up plan, the Group aims to divest some 500 million euros' worth of non-strategic assets through 2025. At the date on which the consolidated financial statements were authorized for issue, various assets had been divested for a total amount of around 400 million euros. The Group is currently envisaging other asset divestment projects, representing a total value of over 100 million euros.

Details of the Group's borrowings and debt and significant transactions during the year are presented in Note 9.

1.3 Consideration of the impacts of climate change

1.3.1 Carbon neutrality commitments

Valeo has drawn up an ambitious plan to contribute to carbon neutrality – the CAP 50 plan – which is focused on the prevention and reduction of greenhouse gas emissions. The plan sets out the Group's pathway for contributing to carbon neutrality over the time horizon until 2050, with an intermediate target set for 2030.

The targets of the CAP 50 plan, as well as the related action plans and the procedures for their implementation, are described in the Sustainability Report.

At end-2024, the Group did not have any legal or constructive obligations arising from its decarbonization commitments which required the recognition of provisions or contingent liabilities. In addition, Valeo has not identified any material assets whose value or useful lives would be impacted by the actions envisaged under the CAP 50 plan. Such an impact could arise, for example, if the Group decided to replace some of its equipment with more energy-efficient equipment before the end of its initial useful life.



1.3.2 Physical risks

An increase in the frequency of extreme and/or chronic weather events (such as extreme heat, water stress and flooding) could disrupt or even interrupt certain operations at different levels of the production and supply chains, and could also have an adverse impact on employees' working conditions.

The main risks to which the Group is exposed as a result of the physical effects of climate change, and the related overall risk assessment system, are described in the Sustainability Report.

Based on the climate change adaptation audits carried out to date, the Group has not identified any significant impacts linked to the physical risks resulting from climate change in terms of either the useful life or the value of its assets.

The medium-term expenditure envisaged by Group sites to implement climate change adaptation measures is included in the medium-term plan used as the basis for performing impairment tests on cash-generating units and goodwill (see Note 7.4).

1.3.3 Transition risks

Transition risks and opportunities are those associated with changes in an organization's operating environment as a result of measures to reduce greenhouse gas emissions. The Group's transition risks and opportunities are described in the Sustainability Report.

In view of its product portfolio, which is closely linked to CO₂ reduction and electrification, the transitional shift to low-carbon mobility is an opportunity for Valeo. Despite a recent slowdown in the growth of electric and hybrid vehicle production worldwide in 2024, Valeo, like many leading players in the automotive industry, remains convinced that the global market share of these vehicles will continue to increase significantly until the end of the decade. The pace of this growth will nevertheless continue to be influenced by the local regulations and policies applied in the various regions of the world.

The growth in sales of electric vehicles, which began several years ago, has also led to the emergence of new manufacturers, mainly in China and North America, whose practices can in some cases differ from those of long-standing manufacturers, particularly in terms of product development and value chain integration.

The medium-term plan used as the basis for performing impairment tests on cash-generating units and goodwill (see Note 7.4) was drawn up taking into account these opportunities and uncertainties. It is based on reasonably prudent projections of sales volumes and customer mix, and factors in the financial implications (R&D expenditure and capital expenses) of the change in sales mix. Given recent postponements of production launches by customers, combined with demand being affected by uncertainty regarding take-up of electric vehicles, the Group has applied an assumption of less robust growth in sales of electrification solutions than in its medium-term plan drawn up in 2023.

The measures to be undertaken by Valeo to reduce its upstream Scope 1, 2 and 3 emissions as part of its CAP 50 plan are expected to be implemented gradually, and therefore will not have a sudden impact on the Group's cost structure.

A simulation was carried out to assess the potential impact that a pessimistic scenario for transition risks (see Note 7.4.6) could have on the impairment tests carried out on cash-generating units and goodwill.

1.3.4 Renewable energy purchase agreements

Valeo has installed solar panels on the roofs of its buildings and on parking lots at several of its sites to cover part of those sites' electricity consumption. In some cases, the solar panels are owned by a third party from which the site has undertaken to purchase all or some of the electricity produced.

These solar power agreements have been analyzed to determine how they should be accounted for. When the agreements only give rise to variable payments, which is generally the case, they are accounted for as standard purchase contracts.

The Group has not entered into any other renewable energy supply agreements providing for the physical or virtual resale of electricity.

1.3.5 Compensation

The free share plans for Group executive managers set up in 2022, 2023 and 2024 (see Note 6.4) include a carbon footprint objective for end-2024, 2025 and 2026, respectively.

Furthermore, 20% of the variable compensation awarded to Group executives and managers is conditional on achieving quantitative and qualitative non-financial targets, including an objective relating to the Group's carbon footprint in 2024.

In preparing the financial statements for the year ended December 31, 2024, Valeo considered that each of its carbon footprint targets would be met.

1.3.6 Financing

In 2021 and 2022, Valeo set up financing linked to a carbon footprint objective, including avoided emissions, of 37.95 MtCO₂eq for end-2025. If this objective is not met, the interest rate (coupon) payable on this financing after December 31, 2025 would be raised by 0.1% to 0.75%, depending on the debt. At December 31, 2024, the carrying amount of the debt including this indexation clause represented 1.6 billion euros (see Note 9.1.2.1).

In 2023 and 2024, Valeo carried out green bond issues representing a total of 1.45 billion euros (see Note 9.1.2.1). These issues are not subject to any indexation or early redemption clauses tied to the achievement of environmental targets.

In preparing its financial statements for the year ended December 31, 2024, Valeo considered that its carbon footprint objective for end-2025 would be met, in accordance with its budget forecast.



NOTE 2 GROUP ORGANIZATIONAL STRUCTURE BY DIVISION AND REORGANIZATION OF THE THERMAL SYSTEMS AND POWERTRAIN SYSTEMS ACTIVITIES

On April 22, 2024, Valeo announced the creation of the POWER Division, which brings together its thermal systems and powertrain systems in a single entity. The POWER Division, organized into seven Regional Operations, replaces the former Thermal Systems and Powertrain Systems Business Groups, which were made up of Product Groups. This new organization has led to a reduction in the workforce, mainly in management, administration and production support functions. Measures were also announced during the year to adjust the Division's manufacturing and R&D footprint, mainly in Europe, through workforce reductions and the closure of three sites. These measures are designed to streamline the Division's cost structure and realign its production capacities with market demand.

Alongside the creation of the POWER Division, Valeo has also renamed its two other Business Groups to reflect the shift in the nature of their activities: the Comfort & Driving Assistance

Systems Business Group becomes the BRAIN Division and the Visibility Systems Business Group becomes the LIGHT Division. The organizational structure of these two Divisions remains unchanged.

The main impacts of this new organization on the consolidated financial statements for the year ended December 31, 2024 are set out:

- in Note 3, covering segment reporting, with the identification of three operating segments;
- in Note 7.4, covering the redefinition of the cash-generating units of the thermal systems and powertrain systems businesses;
- in Note 5.6.2.3 and Note 8.1, covering the impact of the restructuring plans launched.

NOTE 3 SCOPE OF CONSOLIDATION

3.1 Accounting policies relating to the scope of consolidation

3.1.1 Consolidation methods

3.1.1.1 Full consolidation

The accounts of companies under Valeo's direct and indirect control are included in the consolidated financial statements using the full consolidation method. Control is deemed to exist when the Group:

- has power over an investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to affect those returns through its power over the investee's relevant activities.

All intercompany transactions are eliminated, as are gains on intercompany disposals of assets, intercompany profits included in inventories and intercompany dividends.

The earnings of subsidiaries acquired are consolidated as from the date the Group has control.

3.1.1.2 Equity-method accounting for joint ventures and associates

Joint arrangements organize the sharing of control of an entity by two or more parties. An arrangement in which the parties have rights to the net assets of that arrangement is called a joint venture. An arrangement in which the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, is known as a joint operation.

Valeo also exercises significant influence over certain entities, known as associates. Significant influence is the power to participate in decisions affecting the entity's financial and operating policies, but is not control or joint control over those policies. Significant influence is deemed to exist when Valeo holds over 20% of the voting rights of another entity. Joint ventures and associates are accounted for using the equity method. Under the equity method, an investment in an equity-accounted company is recognized in the consolidated statement of financial position on the date on which the entity becomes an associate or joint venture.

The investment is initially recognized at cost. In accordance with IFRS 10.25, in the specific case of loss of control of a subsidiary leading to recognition of an interest in a joint venture or associate, the initial cost of this investment is equal to its fair value at the date control is lost. The investment is subsequently adjusted after the acquisition date to reflect the Group's share of the retained comprehensive income of the investee. These items may be adjusted in line with Group accounting policies. Goodwill arising on the acquisition of associates or joint ventures is included in investments in equity-accounted companies.

The procedure used to measure investments in equity-accounted companies is governed by IFRS 9 - "Financial Instruments: Recognition and Measurement" and IAS 28 (revised) - "Investments in Associates and Joint Ventures".

Any impairment losses taken against investments in equity-accounted companies, along with any gains or losses on remeasuring the previously-held equity interest at fair value (on acquisition of a controlling interest in an equity-accounted company) are recorded in share in net earnings of equity-accounted companies.

A list of consolidated companies is provided in Note 14.

3.1.2 Foreign currency translation

3.1.2.1 Foreign currency financial statements

The Group's consolidated financial statements are presented in euros.

The financial statements of each consolidated Group company are prepared in its functional currency. The functional currency is the currency of the principal economic environment in which it operates, and is generally the local currency.



The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euros as follows:

- statement of financial position items are translated into euros at the year-end exchange rate;
- statement of income items are translated into euros at the exchange rates applicable at the transaction dates or, in practice, at the average exchange rate for the period, as long as this is not rendered inappropriate as a basis for translation by major fluctuations in the exchange rate during the period;
- unrealized gains and losses arising from the translation of the financial statements of foreign subsidiaries are recorded under translation adjustment in other comprehensive income that may subsequently be recycled to income.

The Group applies the provisions of IAS 29 – "Financial Reporting in Hyperinflationary Economies" to entities whose functional currency is considered to be the currency of a hyperinflationary economy. The financial statements of the companies concerned are restated for the impacts of inflation (historical cost convention) and then translated into the Group's presentation currency at the closing exchange rate.

3.1.2.2 Foreign currency transactions

General principle

Transactions carried out in a currency other than Valeo's functional currency are translated using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated at the year-end exchange rate. Non-monetary assets and liabilities denominated in a foreign currency are recognized at the historical exchange rate prevailing at the transaction date.

Differences arising from the translation of foreign currency transactions are generally recognized in income.

Net investment

Certain foreign currency loans and borrowings are considered in substance to be an integral part of the net investment in a subsidiary whose functional currency is not the euro when settlement is neither planned nor likely to occur in the foreseeable future. The foreign currency gains and losses arising on these loans and borrowings are recorded under translation adjustment in other comprehensive income for their net-of-tax amount. This specific accounting treatment applies until the disposal of the net investment, or when partial or full repayment of these loans or borrowings is highly probable.

When the net investment is derecognized, the translation adjustment arising after said date is taken to other financial income and expenses in the consolidated statement of income. Translation adjustments previously recognized in other comprehensive income are only recycled to income when the foreign operation is partially or fully disposed of. The Group examines whether these partial or full repayments of loans or borrowings equate to a partial or full disposal of the subsidiary.

3.1.3 Business combinations

Business combinations are accounted for using the acquisition method, whereby:

- the cost of a combination is determined at the acquisition-date fair value of the consideration transferred, including any contingent consideration. After the measurement period, any subsequent changes in the fair value of contingent consideration are recognized in income or in

other comprehensive income as appropriate, in accordance with the applicable standards;

- the difference between the consideration transferred and the acquisition-date fair value of the net identifiable assets acquired and liabilities assumed is classified as goodwill within assets in the statement of financial position.

Adjustments to the provisional fair value of identifiable assets acquired and liabilities assumed resulting from independent analyses in progress or supplementary analyses are recognized as a retrospective adjustment to goodwill if they are made within 12 months of the acquisition date ("measurement period") and result from facts and circumstances that existed as of that date. The impact of any adjustments made after the measurement period is recognized directly in income as a change of accounting estimate.

Intangible assets may be recognized in respect of customer relationships that correspond in substance to contracts in progress at the date control is acquired and/or to relationships with regular customers of the acquired entity (opportunity to enter into new contracts). These intangible assets are measured based on the "excess earnings" method, whereby the value of the intangible asset corresponds to the present value of the cash flows generated by this asset, less a capital charge representing a return on the other assets concerned. Intangible assets may also be recognized in respect of patented or unpatented technologies and trademarks. These assets are measured based on the "royalties" method or "replacement cost" method.

For each business combination in which the acquirer holds less than 100% of the equity interests in the acquiree at the acquisition date, the amount of the non-controlling interest is measured:

- either at fair value: in this case, goodwill is recognized on the non-controlling interest ("full goodwill method");
- or at the proportionate share in the recognized amounts of the acquiree's net identifiable assets, in which case goodwill is recognized only on the interest acquired ("partial goodwill method").

Costs directly attributable to the combination are included within other income and expenses in the period in which they are incurred.

Adjustments to contingent consideration in a business combination are measured at the acquisition-date fair value, even if the consideration is not expected to materialize. After the acquisition date, changes to the estimated fair value of contingent consideration involve an adjustment to goodwill only if they are made within the measurement period (up to 12 months after the date of the combination) and result from facts and circumstances that existed as of that date. In all other cases, such changes are recognized in income or in other comprehensive income as appropriate, in accordance with the applicable standard.

In a business combination achieved in stages, the Group's previously-held interest in the acquiree is remeasured at its acquisition-date fair value in income. To determine goodwill at the acquisition date, the fair value of the consideration transferred (e.g., price paid) is increased by the fair value of any interest previously held by the Group. The amount previously recognized within other comprehensive income in respect of the previously-held interest is recycled to the statement of income.



3.1.4 Transactions involving non-controlling interests

Changes in transactions involving non-controlling interests that do not result in a change of control are recognized in equity. In particular, in the event of an acquisition of additional shares in an entity already controlled by the Group, the difference between the acquisition price of the shares and the additional interest acquired by the Group in consolidated equity is recorded in stockholders' equity. The value of the entity's identifiable assets and liabilities (including goodwill) for consolidation purposes remains unchanged.

3.1.5 Assets and liabilities held for sale and discontinued operations

When the Group expects to recover the value of an asset or a group of assets through its sale rather than through continuing use, such assets are presented separately under assets held for sale in the statement of financial position. Any liabilities related to such assets are presented on the liabilities held for sale line in the statement of financial position. Assets classified as held for sale are valued at the lower of their carrying amount and their estimated sale price

less costs to sell, and are therefore no longer subject to depreciation and amortization.

In accordance with IFRS 5, a discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the date of sale or at an earlier date if the business meets the criteria to be recognized as an asset held for sale. Income or losses generated by these operations, as well as any capital gains or losses on disposal, are presented net of tax on a separate line of the statement of income. To provide a meaningful year-on-year comparison, the same treatment is applied to these items in the previous year.

For assets relating to operations that have not been classified as discontinued, any related impairment losses or proceeds from their disposal are recognized through operating income.

3.2 Changes in the scope of consolidation

3.2.1 Transactions completed during the year

3.2.1.1 Sale of the Thermal Commercial Vehicles business

The assets and liabilities of Valeo's Thermal Commercial Vehicles Product Group business were classified as held for sale in the consolidated statement of financial position at December 31, 2023, in an amount of 217 million euros and 98 million euros, respectively.

On June 30, 2024, the Group sold the business to H.I.G Capital. The impacts of the transaction on Valeo's consolidated financial statements for the year ended December 31, 2024 are as follows:

- a capital gain of 91 million euros recorded in other income and expenses (see Note 5.6.2.1);
- a 244 million euro reduction in net debt;
- an off-balance sheet commitment of 72 million euros in respect of various guarantees given to the acquirer. It is unlikely that these guarantees will be called for material amounts. As a result, no provision was booked by the Group in this respect at December 31, 2024.

This business represented sales of 159 million euros in 2024 (six months of operations) and 303 million euros in 2023 (12 months of operations).

3.2.1.2 Sale of industrial operations in Russia

In January 2024, Valeo completed the sale of its industrial activities in Russia to NPK Avtopribor. The transaction does not have a material impact on the Group's 2024 earnings. The Group has also discontinued its aftermarket business in the country and no longer has any industrial or commercial operations in Russia.

3.2.1.3 Sale of PIAA Corporation

On March 27, 2024, Ichikoh, a Valeo Group subsidiary, announced that it had reached an agreement with the Japanese group Usami Koyu Co., Ltd. for the sale of its PIAA business, a subsidiary that manufactures and sells automotive parts for the aftermarket. The sale of PIAA Corporation was completed in August 2024, with the related amounts recognized in other income and expenses (see Note 5.6.2.1).

This business represented sales of 32 million euros in 2024 (8 months of operations) and 52 million euros in 2023 (12 months of operations).

3.2.1.4 Sale of Asaphus Vision GmbH

On July 5, 2024, Valeo sold its entire stake in Asaphus Vision GmbH to Seeing Machines. The transaction did not have a material impact on the Valeo Group's consolidated financial statements for the year ended December 31, 2024.

3.2.2 Transactions that have not yet been completed

As part of its plan to dispose of its non-strategic assets, the Group has initiated a process to sell its automotive sensor business, which manufactures devices used to measure temperature, pressure and position for all types of powertrain systems. In accordance with IFRS 5, the assets and liabilities relating to this business were therefore classified as assets and liabilities held for sale in the consolidated statement of financial position at December 31, 2024. At that date, the amounts reclassified as assets and liabilities held for sale represented 100 million euros and 47 million euros, respectively. Based on the information available at the reporting date, Valeo has not identified any indications of impairment.

This business represented sales of 128 million euros in 2024 and 103 million euros in 2023.



3.3 Off-balance sheet commitments relating to the scope of consolidation

3.3.1 Commitments given

Valeo and V. Johnson Enterprises set up Detroit Thermal Systems in 2012. At December 31, 2024, Valeo and V. Johnson Enterprises had respective 49% and 51% interests in this company.

V. Johnson Enterprises has a put option that may be exercised if certain contractually defined events – not relating to a level of earnings – occur. For example, the option is exercisable in the event that Valeo is unable to contribute to the financing of the venture or if it sells all or part of its interest to a third party. If

the put were to be exercised, all of the shares owned by V. Johnson Enterprises at that time would be sold to Valeo, with the price to be determined according to the provisions of the agreement defining the company's governance arrangements.

At December 31, 2024, Valeo had also granted various guarantees in connection with disposals. These guarantees totaled 94 million euros, including 72 million euros related to the sale of the Thermal Commercial Vehicles business (see Note 3.2.1.1).

3.3.2 Commitments received

At December 31, 2024, as at December 2023, Valeo had not received any commitments relating to the scope of consolidation.

NOTE 4 SEGMENT REPORTING

In accordance with IFRS 8 – “Operating Segments”, the Group's segment information below is presented on the basis of internal reports that are reviewed by the Group's General Management in order to allocate resources to the segments and assess their performance. General Management represents the chief operating decision maker within the meaning of IFRS 8.

General Management represents the chief operating decision maker within the meaning of IFRS 8 – “Operating Segments”. In accordance with IFRS 8, the Group's segment information below is presented on the basis of internal reports that are reviewed by the Group's General Management in order to allocate resources to the segments and assess their performance. Following the Group's reorganization, described in Note 2, the reporting segments correspond to the three Divisions:

- **POWER Division** – comprising seven Regional Operations with autonomous commercial, project and industrial functions, enabling them to adapt to the specific pace of transition to electric mobility in each region of the world. This Division is focused on electrification technologies and the overhaul of conventional technologies for internal combustion engines. It brings together the Group's thermal and powertrain activities, which develop and produce innovative solutions to improve vehicle range, performance and comfort. Its expertise includes energy efficiency improvement, thermal comfort for passengers and thermal management for batteries and electric powertrain systems;
- **BRAIN Division** – comprising two Product Groups: Driving Automation and Interior Experience, which develop solutions to make driving safer, more autonomous and more connected, thanks to detection systems and redesigned human-machine interfaces. These technologies, which are based on software and powerful computing units that act as the “brains” of the vehicle, are changing mobility and the onboard user experience;
- **LIGHT Division** – comprising two Product Groups: Lighting and Wipers. These Product Groups design and produce innovative, high-performance lighting and cleaning systems for comfortable, safer manual driving, and for an enhanced travel experience in automated driving mode.

Each of these Divisions is also responsible for production and for part of the distribution of products for the aftermarket. A

significant portion of the earnings generated by Valeo Service, which almost exclusively sells products manufactured by the Group, is reallocated among each of the Divisions. The external trading operations of Valeo Service are presented within “Other”, along with the operations of the holding companies and eliminations between the three operating segments.

During the year, the Group revised its internal reporting to reflect the new Group organization. The main indicators monitored by General Management and the Chief Executive Officers of the Divisions are unchanged from those analyzed under the previous organization.

In accordance with IFRS 8, segment information at December 31, 2023 has been restated to enable comparison under the Group's new organization by Division (see Note 4.1).

4.1 Key performance indicators by Division

The key performance indicators for each Division as presented in the tables below are as follows:

- sales;
- EBITDA, which corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends received from equity-accounted companies;
- Research and Development expenditure;
- investments in property, plant and equipment and intangible assets;
- segment assets, comprising intangible assets and property, plant and equipment (including goodwill), investments in equity-accounted companies and inventories.



2024

(in millions of euros)	POWER	BRAIN	LIGHT	Other	Total
Sales	10,845	5,053	5,554	40	21,492
• segment (excluding Group)	10,702	5,021	5,546	223	21,492
• intersegment (Group)	143	32	8	(183)	—
EBITDA	1,256	831	732	44	2,863
Research and Development expenditure	(861)	(867)	(386)	(13)	(2,127)
investments in property, plant and equipment and intangible assets	803	925	538	74	2,340
Segment assets ⁽¹⁾	6,559	3,829	3,020	319	13,727

(1) The segment assets shown for the POWER Division do not include the amount relating to the automotive sensor business' assets, which are used to measure temperature, pressure and position for all types of powertrain systems. These assets were reclassified as held for sale at December 31, 2024 (see Note 3.2.2).

2023

The Group monitors its activity according to the new operating segments presented in Note 4.

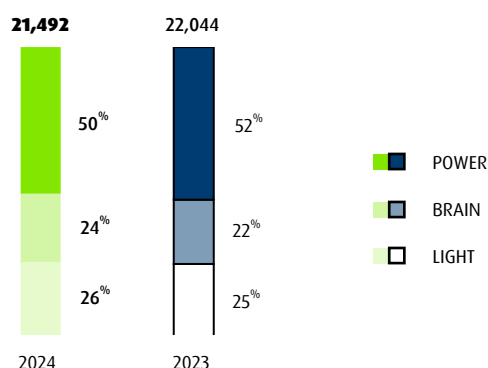
(in millions of euros)	POWER	BRAIN ⁽²⁾	LIGHT	Other ⁽²⁾	Total
Sales	11,571	4,878	5,541	54	22,044
• segment (excluding Group)	11,419	4,843	5,536	246	22,044
• intersegment (Group)	152	35	5	(192)	—
EBITDA	1,171	689	736	51	2,647
Research and Development expenditure	(895)	(728)	(396)	(10)	(2,029)
investments in property, plant and equipment and intangible assets	715	869	563	66	2,213
Segment assets ⁽¹⁾	6,947	3,549	2,967	246	13,709

(1) The segment assets shown for the POWER Division do not include the amount relating to the assets of the Thermal Commercial Vehicles business reclassified as held for sale at December 31, 2023 (see Note 3.2.1.1).

(2) In line with the Group's new organizational structure effective as from December 31, 2024, the Top Column Module activity is presented as part of the BRAIN Division.

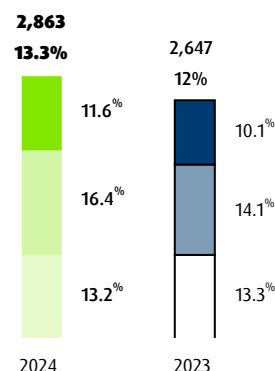
SALES BY DIVISION (INCLUDING INTERSEGMENT SALES)

(in millions of euros and as a % of sales)



EBITDA BY DIVISION

(in millions of euros and as a % of sales)





4.2 Reconciliation with Group data

EBITDA is used by General Management to monitor and track Division performance (see Note 4.1) and to decide how to allocate resources. The table below reconciles EBITDA with consolidated operating margin:

<i>(in millions of euros)</i>	2024	2023
Operating margin	919	838
Amortization and depreciation of intangible assets and property, plant and equipment, and impairment losses ⁽¹⁾	1,972	1,836
Impact of government subsidies and grants on non-current assets recognized in the statement of income	(43)	(41)
Dividends paid by equity-accounted companies	15	14
EBITDA	2,863	2,647
as a % of sales	13.3 %	12.0 %

(1) Impairment losses recorded in operating margin only.

Total segment assets reconcile to total Group assets as follows:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Segment assets	13,727	13,709
Accounts and notes receivable	2,656	2,734
Other current assets	699	852
Taxes receivable	64	33
Financial assets	3,668	3,600
Deferred tax assets	740	603
Assets held for sale ⁽¹⁾	104	225
TOTAL GROUP ASSETS	21,658	21,756

(1) At December 31, 2024, assets held for sale correspond to the automotive sensor business' assets, which are used to measure temperature, pressure and position for all types of powertrain systems (see Note 3.2.2.). At end-2023, assets held for sale corresponded to the assets of the Thermal Commercial Vehicles business (see Note 3.2.1.).

4.3 Reporting by geographic area

Non-current assets consist of property, plant and equipment, intangible assets (excluding goodwill) and investments in equity-accounted companies. Goodwill balances cannot be broken down by geographic area as they are allocated to Divisions that operate in several geographic areas.

2024

<i>(in millions of euros)</i>	Sales by market	Sales by production area	Non-current assets
Europe and Africa	10,621	11,083	4,930
North America	3,987	3,933	1,337
South America	465	379	42
Asia	6,419	6,819	2,226
<i>o/w China</i>	2,992	3,675	1,211
Eliminations	—	(722)	(4)
TOTAL	21,492	21,492	8,531

In 2024 and 2023, the main countries contributing to the Group's consolidated sales are China, France, Germany, Mexico and the United States.



2023

<i>(in millions of euros)</i>	Sales by market	Sales by production area	Non-current assets
Europe and Africa	10,632	11,060	4,681
North America	4,092	3,972	1,140
South America	506	430	49
Asia	6,814	7,340	2,365
<i>o/w China</i>	3,239	3,966	1,283
Eliminations	—	(758)	(3)
TOTAL	22,044	22,044	8,232

NOTE 5 OPERATING DATA

5.1 Sales

For each automotive project, the three main typically identified promises made by Valeo to an automaker are:

- Product Development, which includes determining the intrinsic technical features of parts and those related to the relevant production process. This promise is usually considered to be related to the supply of parts; any contributions from customers in respect of Product Development are therefore recognized in sales over the period of series production as the promise to deliver the parts is fulfilled, within a period of four years. However, the accounting treatment applied may vary based on each project's specific contractual or operational features;
- Supply of Tooling such as molds and other equipment used to manufacture parts:
 - for certain businesses, the supply of molds may be considered to be a distinct promise in view of the manner in which control is transferred. In such cases, sales are recognized at the start of series production for the project,
 - the supply of other equipment used to manufacture parts is considered to be related to the Supply of Parts. Any contributions received in this respect are therefore deferred and recognized over the duration of the manufacturing phase of the project as the promise to deliver the parts is fulfilled, within a period of four years;

- Supply of Parts, sales of which are recognized when control of the parts is transferred to the customer, i.e., generally upon delivery.

In this respect, sales primarily include sales of finished goods and all tooling revenues and customer contributions to Research and Development expenditure and prototypes. Sales are measured at the fair value of the consideration receivable, net of any trade discounts and volume rebates and excluding any VAT or other taxes. If the price of a contract is adjusted, the impact of the change is allocated to the performance obligations to which the change relates.

Under specific contracts, analysis of the relationship with the end customer leads Valeo to consider that it acts as agent when it supplies said end customer with "imposed" components. As such, the transactions in which Valeo acts as agent are recognized based on their net amount. This business model primarily concerns the front-end module operations of the POWER Division.

In general, customers award Valeo contracts to supply all the parts required for a specific project. Estimated future volumes cannot be included in the order book as defined by IFRS 15 until the customer has placed an order for a firm volume. Accordingly, disclosure of this information is not considered relevant.

Group sales contracted by 2.5% to 21,492 million euros in 2024, from 22,044 million euros in 2023.

Changes in exchange rates had a 1% negative impact, primarily due to the appreciation of the euro against the Chinese renminbi, Japanese yen and South Korean won. Changes in Group structure had a 1% negative impact, mainly due to the sale (i) on June 30, 2024 of the Thermal Commercial Vehicles

business, (ii) in August 2024 of PIAA, a company specialized in the manufacture of innovative vehicle-lighting equipment, which was part of Valeo Service, and (iii) on August 1, 2023 of Ichikoh's Mirror business in Japan. Like for like (on a comparable Group structure and exchange rate basis), consolidated sales fell 0.5% in 2024 compared with 2023.

Sales can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023
Original equipment	17,950	18,701
Aftermarket	2,262	2,267
Other	1,280	1,076
SALES	21,492	22,044

In both 2024 and 2023, the Group's top two customers represented around 25% of original equipment sales.

Customer contributions to Research and Development expenditure and prototypes amounted to 631 million euros in 2024, compared with 534 million euros in 2023. They are presented under "Other".

Group sales take into account indemnities received from customers, notably linked to project cancellations or significant drops in volumes.

5.2 Accounts and notes receivable

Accounts and notes receivable are current financial assets which are initially recognized at fair value and subsequently carried at amortized cost, less any accumulated impairment losses. The fair value of accounts and notes receivable is deemed to be their nominal amount, since payment periods are generally less than three months.

Accounts and notes receivable may be written down for impairment. Impairment is recognized when it is probable that the receivable will not be recovered and when the amount of the loss can be measured reliably. The Group uses two impairment testing methods:

- impairment estimated taking into account historical loss experience, the age of the receivables, and a detailed risk assessment;
- impairment estimated taking into account customer credit risk.

Impairment losses are recognized in operating income or in other financial income and expenses if they relate to a credit risk on a debtor.

Accounts and notes receivable may be discounted and sold to banks within the scope of recurring or one-off transactions. In accordance with the principles for derecognizing financial assets, an analysis is performed at the time of these transactions to determine the extent to which the risks and rewards inherent to ownership of the receivables have been transferred, particularly in terms of credit, late payment and dilution risks. If the analysis shows that both the contractual rights to receive the cash flows relating to the receivables and substantially all of the risks and rewards have been transferred, the accounts and notes receivable are removed from the consolidated statement of financial position and all of the rights created or retained on transfer are recognized as appropriate.

If this is not the case, the accounts and notes receivable continue to be carried on the consolidated statement of financial position and a debt is recorded to the extent of the discounted amount.

Upstream price reductions granted to automakers are recognized within contract assets under accounts and notes receivable in the consolidated statement of financial position at the time of payment. They are subsequently recognized in the statement of income on a straight-line basis as a deduction from sales as from the start of volume production.

Accounts and notes receivable can be analyzed as follows:

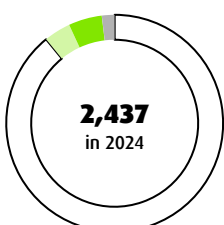
<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Contract assets	248	245
Accounts and notes receivable, gross	2,437	2,515
Impairment	(29)	(26)
ACCOUNTS AND NOTES RECEIVABLE, NET	2,656	2,734

At December 31, 2024, Valeo's largest automotive customer accounted for 14% of the Group's accounts and notes receivable (11% at December 31, 2023).

The average days' sales outstanding stood at 45 days at December 31, 2024, compared to 46 days at December 31, 2023.



The table below presents an aged analysis of accounts and notes receivable at the end of the reporting period:

(in millions of euros)		December 31, 2024	December 31, 2023
 <p>2,437 in 2024</p>	□ 89.1 % – Not yet due	2,170	2,270
	■ 4.0 % – Less than 1 month past due	98	91
	■ 5.0 % – More than 1 month but less than 1 year past due	123	122
	■ 1.9 % – More than 1 year past due	46	32
	ACCOUNTS AND NOTES RECEIVABLE, GROSS	2,437	2,515

Gross accounts and notes receivable not yet due and less than one month past due at December 31, 2024 totaled 2,170 million euros and 98 million euros respectively, and represented 93% of total gross accounts and notes receivable (94% at December 31, 2023). Past due receivables were written down in an amount of 29 million euros at December 31, 2024 (26 million euros at December 31, 2023).

Accounts and notes receivable falling due after December 31, 2024, for which substantially all risks and rewards have been transferred and which are no longer carried in assets in the statement of financial position, break down as follows:

(in millions of euros)		December 31, 2024	December 31, 2023
Receivables sold:			
• Recurring sales of receivables		168	123
• Non-recurring sales of receivables		152	217
ACCOUNTS AND NOTES RECEIVABLE SOLD		320	340
Financial cost		9	14

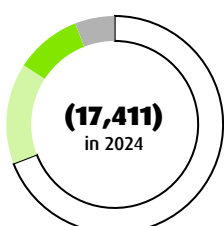
In December 2024, the Group signed a framework agreement with a bank to set up a program of recurring sales of trade receivables. This program involves the systematic sale of all invoices issued by Valeo regarding a list of debtors pre-approved by the bank. Given the contractual provisions of the program, the sold receivables are derecognized from the consolidated statement of financial position. Outstanding receivables sold under this program are reported under "Recurring sales of receivables" in the table above.

In the ordinary course of its operations in China, Valeo may be paid by its customers or may pay its suppliers using a payment instrument specific to the Chinese market known as a "bank acceptance draft". Owing to their nature, receivables and payables under bank acceptance drafts continue to be recognized within accounts and notes receivable and payable until they fall due. At December 31, 2024, these instruments represented 135 million euros of accounts and notes receivable and 282 million euros of accounts and notes payable (182 million euros and 303 million euros, respectively, at December 31, 2023).

5.3 Cost of sales

Cost of sales may include insurance indemnities paid out for claims made within the scope of the Group's operations. These claims can relate to product quality issues or property damage. An insurance gain is recognized in the statement of income at the date of the claim, if it is demonstrated that the claim is duly covered by a valid insurance policy. If this right is contingent on the subsequent completion of repairs or on the acquisition of new assets (contingent claim), the associated gain should be recognized at the time the aforementioned repairs or acquisitions are made.

Cost of sales can be analyzed as follows:

(in millions of euros)		2024	2023
 <p>(17,411) in 2024</p>	□ 56.0 % ⁽¹⁾ – Raw materials consumed	(12,038)	(12,643)
	■ 12.2 % ⁽¹⁾ – Labor	(2,627)	(2,643)
	■ 8.0 % ⁽¹⁾ – Direct production costs and production overheads	(1,724)	(1,796)
	■ 4.8 % ⁽¹⁾ – Depreciation, amortization and impairment losses ⁽²⁾	(1,022)	(1,011)
	COST OF SALES	(17,411)	(18,093)

(1) As a % of sales.

(2) This amount does not include amortization and impairment charged against capitalized development expenditure, which is recognized in Research and Development expenditure. It includes the impact of government subsidies and grants on non-current production assets (excluding Research and Development) recognized in the statement of income for the year.



5.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Impairment losses are booked when the probable realizable value of inventories is lower than their cost price. Inventories of raw materials and goods for resale are carried at purchase cost. Inventories of finished products and work-in-progress are carried at production cost. Production cost includes the cost of raw materials, supplies and labor used in production, and other direct production and indirect plant costs, excluding overheads not related to production. These costs are determined by the "First-in-First-out" method which, due to the rapid inventory turnover rate, approximates the latest cost at the end of the reporting period.

Tooling specific to a given project is subject to an economic analysis of the contractual relationship with the automaker in order to determine if control of the tooling is transferred to that automaker. Tooling is capitalized in the consolidated statement of financial position (see Note 7.3 "Property, plant and equipment") when Valeo has control of the tooling, or is otherwise carried in inventories (until control is transferred). A provision is made for any potential loss on the tooling contract (corresponding to the difference between the customer's contribution and the cost of the tooling) as soon as the amount of the loss is known.

At December 31, 2024, inventories break down as follows:

	December 31, 2024			December 31, 2023
	Gross carrying amount	Impairment	Net carrying amount	Net carrying amount
<i>(in millions of euros)</i>				
Raw materials	1,124	(243)	881	1,080
Work-in-progress	316	(47)	269	242
Finished goods and supplies	811	(169)	642	658
Specific tooling	324	(6)	318	385
INVENTORIES, NET	2,575	(465)	2,110	2,365

5.5 Operating margin including share in net earnings of equity-accounted companies

Operating margin is equal to sales less costs to sell, Research and Development expenditure and selling and administrative expenses.

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

In 2024, operating margin including share in net earnings of equity-accounted companies was 931 million euros, or 4.3 % of sales (3.9 % of sales in 2023).

Share in net earnings of equity-accounted companies represented a gain of 12 million euros in 2024 and a gain of 17 million euros in 2023.

Further details of the Group's share in earnings of equity-accounted companies are provided in Note 5.5.3.



5.5.1 Research and Development expenditure

5.5.1.1 Capitalized development expenditure

Innovation can be analyzed as either research or development. Research is an activity which can lead to new scientific or technical knowledge and understanding. Development is the application of research findings with a view to creating new products, before the start of commercial production.

Research costs are recognized in expenses in the period in which they are incurred.

Development expenditure is capitalized where the Group can demonstrate that:

- it has the intention and the technical and financial resources to complete the development, evidenced in particular by an engagement letter from the customer stating that Valeo has been chosen as supplier for the project;
- the intangible asset will generate future economic benefits in excess of its carrying amount, i.e., based in particular on whether the project is expected to generate an adequate margin;
- and the cost of the intangible asset can be measured reliably.

Capitalized development expenditure recorded in assets in the statement of financial position therefore corresponds to projects for specific customer applications drawing on approved generic standards or technologies already applied in production. These projects are analyzed on a case-by-case basis to ensure they meet the criteria for capitalization as described opposite. Costs incurred before the formal decision to develop the product are included in expenses for the period. Costs incurred after the launch of series production are considered production costs.

Capitalized development expenditure related to projects that have not yet resulted in the start of series production is tested for impairment at least once a year and whenever there is an indication that it may be impaired. Following the start of series production, capitalized development expenditure is tested at the level of the cash-generating units (CGUs) (see Note 7.4).

Capitalized development expenditure is amortized on a straight-line basis over a maximum period of four years as from the start of series production.

Changes in capitalized development expenditure in 2023 and 2024 are analyzed below:

<i>(in millions of euros)</i>	2024	2023
GROSS CARRYING AMOUNT AT JANUARY 1	6,042	5,303
Accumulated amortization and impairment	(3,625)	(3,295)
NET CARRYING AMOUNT AT JANUARY 1	2,417	2,008
Capitalized development expenditure	1,045	995
Disposals	—	—
Changes in scope	—	—
Reversals of/(additions to) impairment	(66)	16
Amortization	(625)	(554)
Reclassifications	(25)	(12)
Translation adjustment	39	(36)
NET CARRYING AMOUNT AT DECEMBER 31	2,785	2,417

5.5.1.2 Research and Development expenditure

Research and Development expenditure comprises the costs incurred during the period, including amortization charged against capitalized development expenditure, less research tax credits and the portion of Research and Development subsidies granted to the Group and taken to income.

Research and Development expenditure can be analyzed as follows for 2023 and 2024:

<i>(in millions of euros)</i>	2024	2023
Gross Research and Development expenditure	(2,590)	(2,607)
Subsidies and grants, and other income ⁽¹⁾	109	114
Capitalized development expenditure	1,045	995
Amortization and impairment of capitalized development expenditure ⁽²⁾	(691)	(531)
RESEARCH AND DEVELOPMENT EXPENDITURE	(2,127)	(2,029)

(1) The impact of French research tax credits (Crédits d'Impôt Recherche), or any other similar tax arrangements in other jurisdictions outside the scope of IAS 12, as well as the impact of the subsidy calculated on the loan taken out with the European Investment Bank (EIB) in 2021, are presented on this line.

(2) Impairment losses recorded in operating margin only.



The Group continued its Research and Development efforts in 2024 in order to respond to the sharp increase in order intake recorded over the previous two years and in line with its strategy geared to technological innovation.

Customer contributions to Research and Development expenditure and prototypes are recognized in sales and presented under "Other" (see Note 5.1).

The research tax credit in France is calculated based on certain research expenditure on "eligible" projects and is paid by the French State, regardless of the entity's income tax position. If the company collecting the research tax credit is liable for income tax, the credit will be deducted from its income tax liability. Otherwise, it will be paid by the French State within a period of three years.

The French research tax credit, or any other similar tax provision in other jurisdictions, does not therefore fall within the scope of IAS 12 – "Income Taxes" and is recognized as a deduction from Research and Development expenditure within the Group's operating margin as and when the related costs are taken to income.

The French research tax credit recognized in income for the year totaled 39 million euros in respect of 2024 (45 million euros in 2023).

5.5.2 Other current assets

Amounts receivable in respect of the French research tax credit as well as VAT credits may be discounted and sold to banks. The Group applies the principles for derecognizing financial assets in the same way as for accounts and notes receivable. An analysis is performed to determine the extent to which the risks and rewards inherent to ownership of the receivables are transferred.

If the analysis shows that substantially all of the risks and rewards are transferred, these receivables are removed from the consolidated statement of financial position. If this is not the case, the receivables continue to be carried on the consolidated statement of financial position and a debt is recorded for the discounted amount.

At December 31, 2024, amounts receivable in respect of the French research tax credit for 2021, 2022, 2023 and 2024 are no longer carried in the consolidated statement of financial position.

These receivables were transferred as follows:

- the prospective 2021 research tax credit receivable on December 15, 2021 for 51 million euros, and in June 2022 for the remaining 4 million euros;
- the prospective 2021 Valeo eAutomotive research tax credit receivable on September 8, 2022 for 4 million euros;
- the prospective 2022 research tax credit receivable on December 16, 2022 for 45 million euros, and in July 2023 for the remaining 1 million euros;

- the prospective 2023 research tax credit receivable on December 20, 2023 for 53 million euros, and in June 2024 for the remaining 3 million euros;
- the prospective 2024 research tax credit receivable on December 19, 2024 for 42 million euros.

At December 31, 2024, a portion of receivables in respect of the VAT credit in Mexico, amounting to 14 million euros, were sold and derecognized from the consolidated statement of financial position. At December 31, 2023, the receivables in respect of the VAT credit in Hungary and France were sold, representing an aggregate 20 million euros.

The cost of selling these receivables, recognized in cost of net debt in 2024, amounted to 5 million euros for the Group (unchanged from 2023).

5.5.3 Associates and joint ventures

5.5.3.1 Share in net earnings of equity-accounted companies

All investments accounted for using the equity method, either joint ventures or associates, contribute to the Group's operations and belong to one of its four operating segments. They are included in the Group's internal reporting within the meaning of IFRS 8 and their operating performance is reviewed at the level of the Division to which they belong.

<i>(in millions of euros)</i>	2024	2023
Share in net earnings of associates	5	8
<i>Of which Detroit Thermal Systems</i>	<i>4</i>	<i>7</i>
<i>Of which Other</i>	<i>1</i>	<i>1</i>
Share in net earnings of joint ventures	7	9
<i>Including Shanghai Valeo Automotive Electrical Systems Company Ltd</i>	<i>6</i>	<i>6</i>
<i>Of which Other</i>	<i>1</i>	<i>3</i>
SHARE IN NET EARNINGS OF EQUITY-ACCOUNTED COMPANIES	12	17



5.5.3.2 Investments in equity-accounted companies

Investments in associates

Changes in the investments in associates caption can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023
INVESTMENTS IN ASSOCIATES AT JANUARY 1	22	14
Share in net earnings of associates	5	8
Dividend payments	(6)	(3)
Impact of changes in scope	—	4
Other movements	—	—
Translation adjustment	1	(1)
INVESTMENTS IN ASSOCIATES AT DECEMBER 31	22	22

The Group's investments in associates are detailed below:

	Percentage interest <i>(in %)</i>		Carrying amount <i>(in millions of euros)</i>	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Detroit Thermal Systems	49.0	49.0	13	14
Other investments in associates	n.a.	n.a.	9	8
INVESTMENTS IN ASSOCIATES			22	22

Investments in joint ventures

Changes in the investments in joint ventures caption can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023
INVESTMENTS IN JOINT VENTURES AT JANUARY 1	88	96
Share in net earnings of joint ventures	7	9
Dividend payments	(9)	(11)
Changes in scope	(1)	—
Other movements	1	1
Translation adjustment	2	(7)
INVESTMENTS IN JOINT VENTURES AT DECEMBER 31	88	88

The Group's investments in joint ventures are detailed below:

	Percentage interest <i>(in %)</i>		Carrying amount <i>(in millions of euros)</i>	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Shanghai Valeo Automotive Electrical Systems Company Ltd	50.0	50.0	32	30
Faw-Valeo Climate Control Systems Co. Ltd	36.5	36.5	22	22
Other	N/A	N/A	34	36
INVESTMENTS IN JOINT VENTURES			88	88

**5.5.3.3 Financial information on equity-accounted companies**

This information is presented based on a 100% holding and according to IFRS.

Information for equity-accounted associates and joint ventures is presented on an aggregate basis since the entities are not material taken individually.

Associates

Aggregate financial data in respect of associates is set out below:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Non-current assets	44	49
Current assets	78	77
Non-current liabilities	(7)	(13)
Current liabilities	(57)	(55)
<i>(in millions of euros)</i>	2024	2023
Sales	313	327
Operating expenses	(302)	(311)

Joint ventures

Summarized financial data in respect of joint ventures are set out in the table below:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Non-current assets	150	160
Current assets	306	366
Non-current liabilities	(25)	(40)
Current liabilities	(324)	(367)
<i>(in millions of euros)</i>	2024	2023
Sales	651	735
Operating expenses	(632)	(696)

5.5.3.4 Transactions with equity-accounted companies (related parties)

The consolidated financial statements include transactions carried out in the normal course of operations between the Group and its associates and joint ventures. These transactions are carried out at arm's length.

Transactions with associates

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Accounts and notes receivable	5	5
Accounts and notes payable	(6)	(8)
Financial receivables/(net debt)	3	7
<i>(in millions of euros)</i>	2024	2023
Sales of goods and services	32	30
Purchases of goods and services	(41)	(42)

Transactions with joint ventures

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Accounts and notes receivable	42	79
Accounts and notes payable	(18)	(9)
<i>(in millions of euros)</i>	2024	2023
Sales of goods and services	104	121
Purchases of goods and services	(71)	(29)



5.6 Operating income and other income and expenses

5.6.1 Operating income

Operating income includes all income and expenses other than:

- interest income and expense comprising cost of net debt;
- other financial income and expenses;
- income taxes.

In 2024, the Group recorded operating income including share in net earnings of equity-accounted companies of 618 million euros, versus 744 million euros in 2023.

5.6.2 Other income and expenses

In order to facilitate interpretation of the statement of income and Group performance, unusual items that are material to the consolidated financial statements are presented separately within operating income under other income and expenses.

This caption mainly includes:

- transaction costs and capital gains and losses arising on changes in the scope of consolidation;

- major litigation and disputes unrelated to the Group's operations (excluding, therefore, the cost of any disputes relating to the quality of products sold, customers, suppliers or contract losses);
- net costs relating to restructuring plans;
- impairment losses on fixed assets notably recognized as a result of impairment tests on CGUs and goodwill.

Other income and expenses can be analyzed as follows in 2023 and 2024:

<i>(in millions of euros)</i>	Notes	2024	2023
Capital gains and losses and transaction costs arising on changes in the scope of consolidation	5.6.2.1	63	(9)
Claims and litigation	5.6.2.2	(11)	(8)
Restructuring plans	5.6.2.3	(305)	(90)
Reversals of/(additions to) impairment of assets	5.6.2.4	(60)	(4)
OTHER INCOME AND EXPENSES		(313)	(111)

5.6.2.1 Capital gains and losses and transaction costs arising on changes in the scope of consolidation

This item notably includes the 91 million-euro capital gain on the sale of the Thermal Commercial Vehicles business completed on June 30, 2024 (see Note 3.2.1.1).

5.6.2.2 Claims and litigation

In 2024, this item includes the impacts of various disputes and the related legal advisory costs.

5.6.2.3 Restructuring plans

Against a backdrop of transformational changes in the automotive market, in 2024 the Group announced a two-stage reorganization plan for its POWER Division. The first stage, announced in January 2024 following the reorganization of the Group's thermal and powertrain systems activities into a single Division, led to workforce reductions, mainly in support and management functions in France, Germany, China and Japan. The second stage, which was announced in November 2024, is aimed at adjusting the Division's manufacturing and R&D footprint, mainly in Europe, via workforce reductions and the closure of three sites.

This item also includes costs for other restructuring plans, particularly in Germany, France and China, as well as expenses relating to early retirement plans in Germany.

5.6.2.4 Impairment of assets

In the year ended December 31, 2024, the Group recorded a 48 million euro impairment loss against a customer relationship recognized in connection with the takeover of Valeo eAutomotive in 2022, in order to reflect the revision of the expected future economic benefits of a contract with a customer (see Note 7.2). Impairment losses were also recognized against property, plant and equipment at sites subject to restructuring plans.

In 2023, the Group recognized an impairment loss of 20 million euros against the Top Column Module cash-generating unit. An impairment loss previously recognized against assets in Brazil was also reversed for 17 million euros, thereby increasing the carrying amount of the assets to the value that would have been determined (net of amortization and depreciation) had no impairment loss been recognized.



NOTE 6 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

6.1 Headcount

Including temporary staff, the Group's headcount is as follows:

	2024	2023
Total employees at December 31	106,100	112,700
Average employees during the year	109,957	112,275

6.2 Employee benefits

Employee benefits are measured in accordance with IAS 19. They comprise both short- and long-term benefits.

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and other benefits (other than termination benefits), payable within 12 months of the end of the period in which the corresponding services are rendered.

These benefits are shown in current liabilities and expensed in the period in which the related service is rendered by the employee.

Long-term benefits cover two categories of employee benefits:

- post-employment benefits, which include statutory retirement bonuses, supplementary pension benefits, and coverage of certain medical costs for retirees and early retirees;
- other long-term benefits payable (during employment), corresponding primarily to long-service bonuses.

Benefits offered to each employee depend on local legislation, collective bargaining agreements, or other agreements in place in each Group entity.

These benefits are broken down into:

- defined contribution plans, under which the employer pays fixed contributions on a regular basis and has no legal or constructive obligation to pay further contributions. These are recognized in expenses based on calls for contributions;
- defined benefit plans, under which the employer guarantees a future level of benefits. An obligation under defined benefit plans (see Note 6.3) is recognized in liabilities in the statement of financial position.

The statement of income presents personnel expenses by function. They include the following items:

(in millions of euros)	2024	2023
Wages and salaries ⁽¹⁾	3,838	3,755
Social security charges	793	762
Share-based payment	22	25
Pension expenses under defined contribution plans	167	182
TOTAL	4,820	4,724

(1) Including temporary staff.

Pension expenses under defined benefit plans are set out in Note 6.3.

Provisions for restructuring plans and employee disputes are set out in Note 8.1.



6.3 Provisions for pensions and other employee benefits

As explained in Note 6.2, long-term benefits arising under defined benefit plans give rise to an obligation which is recognized in provisions for pensions and other employee benefits.

The pension provision is equal to the present value of Valeo's future benefit obligation less, where appropriate, the fair value of plan assets in funds allocated to finance such benefits. An asset is only recognized on overfunded plans if it represents future economic benefits that are available to the Group.

The provision for other long-term benefits is equal to the present value of the future benefit obligation. The expected cost of these benefits is recorded in personnel expenses over the employee's working life in the Company.

The calculation of these provisions is based on valuations performed by independent actuaries using the projected unit credit method and end-of-career salaries. These valuations incorporate both macroeconomic assumptions specific to each country in which the Group operates (discount rate, increases in salaries and medical costs) and demographic assumptions, including rate of employee turnover, retirement age and life expectancy.

Discount rates are determined by reference to market yields at the valuation date on high-quality corporate bonds (rated AA) with a term consistent with that of the employee benefits concerned. In countries where the market for investment-grade corporate bonds is insufficient, discount rates are determined by reference to the yield on government bonds.

The effects of differences between previous actuarial assumptions and what has actually occurred (experience adjustments) and the effect of changes in actuarial assumptions (assumption adjustments) give rise to actuarial gains and losses. Actuarial gains and losses arising on long-term benefits payable during employment are recognized immediately in income. However, actuarial gains and losses arising on post-employment benefits are taken directly to other comprehensive income net of deferred tax.

Past service costs resulting from the adoption of a new defined benefit plan or amendments to an existing defined benefit plan are recognized immediately in income.

The expense recognized in the statement of income includes:

- service cost for the period, past service costs, actuarial gains and losses arising on long-term benefits payable during employment and the impact of any plan curtailments, amendments or settlements;
- net interest cost on pension obligations recognized in financial income (including the impact of unwinding) and the expected yield on hedging assets.

6.3.1 Description of the plans in force within the Group

The Group has set up a large number of defined benefit plans covering most of its current and former employees. The specific characteristics of these plans (benefit formula, funded status) vary depending on the laws and regulations prevailing in each country in which its employees work. At December 31, 2024, 91% of provisions are related to post-employment benefits, while the remaining 9% cover other long-term benefits.

The main post-employment defined benefit plans concern:

- supplementary pension benefits in Germany, the United States, Japan and the United Kingdom, which top up the statutory pension plans in force in those countries:
 - pension entitlement is calculated based on end-of-career salaries and number of years' service within the Group. Certain plans are pre-funded due to local legal requirements in some countries (United States/South Korea/United Kingdom) or as a result of the choice made by the company on setting up the plan (Japan);
 - most plans in the United States have been frozen and no longer give rise to any additional benefits;
- retirement termination benefits in France or severance benefits in South Korea, Mexico and Italy:
 - these benefits are fixed amounts and are calculated depending on the number of years' service and the employee's annual compensation, either at the retirement date, as in France, or at the date the employee leaves the company for whatever reason (retirement, resignation or redundancy), as in South Korea, Mexico and Italy;

- health cover during retirement in the United States:

- Valeo pays into health plans and life insurance plans for certain retired employees in the United States. These plans are not funded and have all been frozen (the last plan was frozen as of January 1, 2012). Accordingly, no additional benefits have since been offered by these plans to plan participants still working for the Group;

- top-up retirement plans for certain Group managers and executives in France:

- these plans are now closed to new entrants (the last plan in force concerning a specific level of Valeo management (*cadres hors catégorie*) was closed to new entrants on June 30, 2017). With effect from July 3, 2019, no further conditional top-up pension rights may accrue under these defined benefit plans in respect of employment periods beyond January 1, 2020. For retirees, these plans are covered by an insurance company. A provision has been recognized in respect of the related obligation based on the probable present value of the future benefits payable, determined considering the number of years' service at the year-end relative to the number of years' service at retirement, it being specified that the beneficiaries must still finish their careers at Valeo.
- the portion of the obligation relating to the Group's executive managers is detailed in Note 6.5.



The table below shows the average duration of the Group's main plans and the employees covered by these plans in each region at December 31, 2024:

	France	Other European countries	North America	Asia	Total
Active Valeo employees	11,268	22,251	12,248	8,072	53,839
Active employees having left the Group	—	3,469	829	578	4,876
Retirees	2	5,310	5,026	1,317	11,655
TOTAL NUMBER OF BENEFICIARIES	11,270	31,030	18,103	9,967	70,370
Average duration of post-employment benefit plans (<i>in years</i>)	10	14	8	9	11

The Group also grants other long-term benefits, chiefly long-service bonuses or loyalty awards, mainly in France, Germany, South Korea and China.

All of these plans are accounted for as described above.

6.3.2 Actuarial assumptions

The discount rates used to measure obligations in the countries representing the Group's most significant obligations were as follows:

Country	December 31, 2024	December 31, 2023
Eurozone	3.40	3.20
United Kingdom	5.50	4.50
United States	5.50	5.00
Japan	1.80	1.80
South Korea	4.30	4.80

The weighted average long-term salary inflation rate was around 3% at December 31, 2024, stable compared to December 31, 2023.

The sensitivity of the Group's main obligations to a 1-point rise or fall in discount rates and the inflation rate is set out in Note 6.3.7.

6.3.3 Breakdown and movements in obligations

Pension obligations and provisions break down as follows by major geographic area:

2024

(<i>in millions of euros</i>)	France	Other European countries	North America ⁽¹⁾	Asia	Total
Present value of unfunded obligations	125	442	104	109	780
Present value of funded obligations	31	145	307	133	616
Market value of plan assets	(15)	(93)	(312)	(146)	(566)
NET PROVISIONS RECOGNIZED AT DECEMBER 31, 2024	141	494	99	96	830
Permanent employees at December 31, 2024 ⁽²⁾	10,790	35,031	16,265	22,054	84,140

(1) Unfunded pension obligations in North America include medical plans in the United States representing 46 million euros.

(2) Permanent employees shown in the table above do not include permanent staff in South America, for which no obligation was recognized in respect of pensions or other long-term benefits. The Group's pension obligations in North America are significant with regard to the Group's permanent employees in this region, since a large portion of these obligations relates to retired personnel or employees having left the Group.



2023

(in millions of euros)	France	Other European countries	North America ⁽¹⁾	Asia	Total
Present value of unfunded obligations	142	457	105	108	812
Present value of funded obligations	32	147	311	140	630
Market value of plan assets	(18)	(97)	(309)	(165)	(589)
NET PROVISIONS RECOGNIZED AT DECEMBER 31, 2023	156	507	107	83	853
Permanent employees at December 31, 2023 ⁽²⁾	12,263	36,356	15,318	21,704	85,641

(1) Unfunded pension obligations in North America include medical plans in the United States representing 47 million euros.

(2) Permanent employees shown in the table above do not include permanent staff in South America, for which no obligation was recognized in respect of pensions or other long-term benefits. The Group's pension obligations in North America are significant with regard to the Group's permanent employees in this region, since a large portion of these obligations relates to retired personnel or employees having left the Group.

Movements in obligations in 2024 and 2023 are shown in the tables below by major geographic area:

2024

(in millions of euros)	France	Other European countries	North America	Asia	Total
BENEFIT OBLIGATIONS AT JANUARY 1, 2024	174	604	416	248	1,442
Actuarial gains and losses recognized in other comprehensive income	7	(24)	(17)	2	(32)
Benefits paid	(20)	(30)	(36)	(31)	(117)
Translation adjustment	—	2	25	(8)	19
Changes in scope	—	(2)	—	(7)	(9)
Expenses (income) for the year:	(5)	37	23	38	93
• Service cost	15	19	5	30	69
• Interest cost	5	21	22	6	54
• Other ⁽¹⁾	(25)	(3)	(4)	2	(30)
BENEFIT OBLIGATIONS AT DECEMBER 31, 2024	156	587	411	242	1,396

(1) The "Other" line mainly includes actuarial gains and losses recognized immediately in income, the impacts of past service costs and gains on settlements.

The 32 million euros in actuarial gains recorded in 2024 primarily stemmed from higher discount rates, mainly in the eurozone, the United States and the United Kingdom.

Reversals of provisions for the loss of pension entitlements of employees affected by restructuring plans amounted to 23 million euros in 2024 and were recognized under "Other income and expenses" (see Note 5.6.2.3).

2023

(in millions of euros)	France	Other European countries	North America	Asia	Total
BENEFIT OBLIGATIONS AT JANUARY 1, 2023	166	532	415	246	1,359
Actuarial gains and losses recognized in other comprehensive income	5	62	19	15	101
Benefits paid	(15)	(28)	(35)	(29)	(107)
Translation adjustment	—	(1)	(15)	(22)	(38)
Changes in scope	—	—	—	(5)	(5)
Reclassifications	—	—	—	8	8
Expenses (income) for the year:	18	39	32	35	124
• Service cost	14	17	5	27	63
• Interest cost	7	19	22	6	54
• Other ⁽¹⁾	(3)	3	5	2	7
BENEFIT OBLIGATIONS AT DECEMBER 31, 2023	174	604	416	248	1,442

(1) The "Other" line mainly includes actuarial gains and losses recognized immediately in income, the impacts of past service costs and gains on settlements.

The 101 million euros in actuarial losses recorded in 2023 primarily resulted from lower discount rates, in the eurozone, the United States, the United Kingdom and South Korea.



6.3.4 Movements in provisions

Movements in provisions in 2024 and 2023, including assets relating to pensions and other employee benefits, are shown in the table below:

<i>(in millions of euros)</i>	France	Other European countries	North America	Asia	Total
NET PROVISIONS AT JANUARY 1, 2023	154	440	103	78	775
Actuarial gains and losses recognized in other comprehensive income	5	62	—	9	76
Amounts utilized during the year	(20)	(28)	(9)	(32)	(89)
Translation adjustment	—	(2)	(4)	(7)	(13)
Reclassifications	—	—	—	4	4
Expenses (income) for the year:	17	35	17	31	100
• Service cost	14	17	5	27	63
• Net interest cost	6	15	7	2	30
• Other	(3)	3	5	2	7
NET PROVISIONS AT DECEMBER 31, 2023	156	507	107	83	853
Actuarial gains and losses recognized in other comprehensive income	6	(17)	(12)	17	(6)
Amounts utilized during the year	(16)	(25)	(10)	(33)	(84)
Translation adjustment	—	(2)	6	(1)	3
Changes in scope	—	(2)	—	(4)	(6)
Expenses (income) for the year:	(5)	33	8	34	70
• Service cost	15	19	5	30	69
• Net interest cost	5	17	7	2	31
• Other	(25)	(3)	(4)	2	(30)
NET PROVISIONS AT DECEMBER 31, 2024	141	494	99	96	830
Of which current portion (less than one year)	17	28	13	21	79

A 70 million euro net expense was recognized in 2024 in respect of pensions and other employee benefits, representing a decrease compared with 2023. Out of this amount, a 60 million euro expense was included in operating margin, a 31 million euro expense was recorded in other financial income and expenses, and income of 21 million euros was recognized under other income and expenses.

6.3.5 Breakdown and movements in plan assets

The breakdown of plan assets at December 31, 2024 and 2023 is shown in the tables below:

2024

<i>(in millions of euros)</i>	France	Other European countries ⁽¹⁾	North America	Asia ⁽¹⁾	Total
Cash at bank	—	1	63	34	98
Shares	15	4	—	21	40
Government bonds	—	46	125	51	222
Corporate bonds	—	40	124	30	194
Real estate	—	—	—	1	1
Other	—	2	—	9	11
BREAKDOWN OF PLAN ASSETS AT DECEMBER 31, 2024	15	93	312	146	566

(1) At December 31, 2024, plans in Japan, South Korea and Europe were overfunded, with the fair value of the plan assets exceeding the amount of the obligation. Following an analysis carried out in accordance with the provisions of IFRIC 14, non-current financial assets totaling 31 million euros have been recognized for the plans for which the Group considers it has an unconditional right to a refund.



2023

(in millions of euros)	France	Other European countries ⁽¹⁾	North America	Asia ⁽¹⁾	Total
Cash at bank	—	1	6	36	43
Shares	18	8	122	27	175
Government bonds	—	51	131	65	247
Corporate bonds	—	35	50	30	115
Real estate	—	—	—	1	1
Other	—	2	—	6	8
BREAKDOWN OF PLAN ASSETS AT DECEMBER 31, 2023	18	97	309	165	589

(1) At December 31, 2023, plans in Japan, South Korea and Europe were overfunded, with the fair value of the plan assets exceeding the amount of the obligation. The Group therefore recognized non-current financial assets for the amount of the surplus, i.e., 45 million euros, as it considers the right to a refund is unconditional within the meaning of IFRIC 14.

These assets are managed by specialized asset management companies.

In managing the risk arising on these assets, the diversification of the funds among the different asset classes (equities, bonds, cash equivalents or other) is defined by the investment committees or

trustees specific to each country concerned, acting on recommendations from external advisors. Asset allocation decisions depend on the market outlook and the characteristics of the pension obligations. These committees carry out regular reviews of the investments made and of their performance.

Movements in the value of plan assets in 2024 and 2023 can be analyzed as follows:

2024

(in millions of euros)	France	Other European countries	North America	Asia	Total
PLAN ASSETS AT JANUARY 1, 2024	18	97	309	165	589
Expected return on plan assets	—	4	15	4	23
Contributions paid to external funds	4	—	—	12	16
Benefits paid	(8)	(5)	(26)	(10)	(49)
Actuarial gains and losses	1	(7)	(5)	(15)	(26)
Translation adjustment	—	4	19	(7)	16
Changes in scope	—	—	—	(3)	(3)
PLAN ASSETS AT DECEMBER 31, 2024	15	93	312	146	566

The decrease in the fair value of plan assets in 2024 is chiefly attributable to two plans for which surpluses were not recognized at December 31, 2024 in accordance with IFRIC 14.

Contributions totaling 16 million euros were paid to external funds in 2024, which was 6 million euros more than estimated. For 2025, the contributions have been estimated at 13 million euros.

2023

(in millions of euros)	France	Other European countries	North America	Asia	Total
PLAN ASSETS AT JANUARY 1, 2023	12	92	312	168	584
Expected return on plan assets	1	4	15	4	24
Contributions paid to external funds	6	3	—	14	23
Benefits paid	(1)	(3)	(26)	(11)	(41)
Actuarial gains and losses	—	—	19	6	25
Translation adjustment	—	1	(11)	(15)	(25)
Reclassifications	—	—	—	4	4
Changes in scope	—	—	—	(5)	(5)
PLAN ASSETS AT DECEMBER 31, 2023	18	97	309	165	589

The increase in the fair value of plan assets in 2023 is chiefly attributable to a good fund performance. The actual return on plan assets in the year represented a gain of 49 million euros.



6.3.6 Data for previous years

Benefit obligations, financial assets and actuarial gains and losses for previous years can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023	2022	2021	2020
Benefit obligations	1,396	1,442	1,359	1,802	1,829
Financial assets	(566)	(589)	(584)	(759)	(716)
NET BENEFIT OBLIGATIONS	830	853	775	1,043	1,113
Actuarial (losses) gains recognized in other comprehensive income	6	(76)	249	71	(18)

Actuarial gains recognized in other comprehensive income in 2024 mainly reflected:

- 48 million euros in net actuarial gains on changes in financial assumptions, mainly related to the increase in discount rates mostly in the eurozone, in the United States and the United Kingdom and comprising 52 million euros in actuarial gains on changes in assumptions on obligations and 4 million euros in actuarial losses on the return on plan assets;

- 24 million euros in actuarial losses resulting from experience adjustments;

- 22 million euros in actuarial losses resulting from the surpluses of two plans not recognized at December 31, 2024 in accordance with IFRIC 14.

6.3.7 Sensitivity of obligations

The discount rates and inflation rates applied in each geographic area or country have a significant impact on the amount of the Group's benefit obligations.

A 1-point increase or decrease in these rates would have the following impact on the projected benefit obligation at December 31, 2024:

<i>(in millions of euros)</i>	France	Other European countries	North America	Asia	Total
Discount rate					
Impact of a 1-point increase	(14)	(74)	(32)	(16)	(136)
Impact of a 1-point decrease	15	84	35	18	152
Salary inflation rate					
Impact of a 1-point increase	15	1	3	8	27
Impact of a 1-point decrease	(13)	(1)	(3)	(8)	(25)

At December 31, 2024, the value of the Group's benefit obligation is less sensitive to changes in the salary inflation rate than to changes in the discount rate, particularly in the United States and the United Kingdom. This is due to the existence of plans that have now been frozen and that only bear obligations in relation to the Group's former employees.

Changes in the discount and inflation rates only have a limited impact on 2024 service cost. A 1-point decrease in the discount rate would have led to an additional expense of 4 million euros, while a 1-point increase in the discount rate would have reduced the expense by the same amount.

6.3.8 Estimated payouts over the next ten years

Payouts due over the next ten years by the Group in respect of pension plans and other employee benefits can be estimated as follows:

<i>(in millions of euros)</i>	France	Other European countries	North America	Asia	Total
2025	10	23	11	7	51
2026	7	23	11	8	49
2027	6	25	12	10	53
2028	9	27	12	9	57
2029	9	27	12	7	55
2030/2034	62	146	61	38	307
TOTAL	103	271	119	79	572



6.4 Share-based payment

Some Group employees receive equity-settled compensation in the form of share-based payment.

Free share plans

The fair value of the benefit granted to employees within the scope of free share plans is estimated based on the share price at the grant date, taking into account a discount corresponding to the dividends forfeited over the vesting period and a discount to reflect the lock-up period requirement when the shares are subject to post-vesting transfer restrictions.

The overall cost of equity-settled plans is calculated and fixed at the grant date of the plan concerned. The number of instruments that Valeo expects to remit to beneficiaries factors in the turnover of the beneficiary populations concerned by each plan.

Since the final allotment of free shares is subject to a presence condition, this personnel expense is recognized against equity on a straight-line basis over the vesting period of the rights. The Group periodically reviews the number of free shares to be allotted in light of expectations as regards the achievement of performance conditions. Where appropriate, the consequences of revising the number of free shares are reflected in the statement of income. The number of free shares that may be allotted based on total shareholder return (TSR) is determined on the date on which the plan is approved by the Board of Directors.

Free shares are included in the calculation of diluted earnings per share, as described in Note 11.2.

An expense of 22 million euros was recognized in 2024 in respect of free share plans, compared to an expense of 25 million euros in 2023.

6.4.1 Free share plans

The terms and conditions of the shareholder-approved employee free share plans operated by the Valeo Group at December 31, 2024 were as follows:

Year in which the plan was set up	Number of free shares authorized	of which subject to conditions ⁽¹⁾	December 31, 2024	Year of vesting ⁽²⁾
2020	2,342,306	1,134,116	248,389	2023/2025
2021	2,070,829	904,339	350,891	2024/2026
2022	2,308,057	1,143,042	1,979,374	2025/2027
2023	2,794,057	1,295,347	2,536,100	2026
2024	2,925,243	1,861,311	2,884,419	2027
TOTAL	12,440,492	6,338,155	7,999,173	

(1) These free shares are subject to the Group meeting performance conditions over the three years following their allotment.

(2) For the 2020 and 2021 plans, only free shares allotted to the former Chairman of the Board of Directors and to the Chief Executive Officer are subject to a two-year holding period. As from the 2022 plan, this holding period applies to free shares granted to the Chief Executive Officer.

At the date it was set up, the fair value of the 2024 free share plan was measured based on a par value of 9.50 euros per share allocated. This amount was determined based on a share price of 11.71 euros at the date on which the plan was set up and a risk-free interest rate of 3.19%.

6.4.2 Movements in free share plans

Movements in free share plans in 2024 are detailed below:

	Number of free shares
FREE SHARES OUTSTANDING AT JANUARY 1, 2024	6,883,917
Free shares granted	2,925,243
Free shares canceled	(610,795)
Free shares remitted	(1,218,469)
Free shares – Changes related to performance conditions	19,277
FREE SHARES OUTSTANDING AT DECEMBER 31, 2024	7,999,173



6.5 Executive compensation (related party transactions)

The Group's key management personnel include the Chairman of the Board of Directors, the Chief Executive Officer, the members of the Board of Directors (corporate officers) and the members of the Executive Committee. At December 31, 2024, the Operations Committee had 12 members (including the Chief Executive Officer).

Corporate officer compensation is presented in Chapter 3 of the 2024 Universal Registration Document, "Corporate Governance".

Expenses linked to compensation and other benefits accruing to the corporate officers and to the members of the Executive Committee in respect of their duties in the Group can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023
SHORT-TERM BENEFITS		
• Fixed, variable, exceptional and other compensation	16	14
• Director's compensation ⁽¹⁾	1	1
OTHER BENEFITS		
• Post-employment benefits ⁽²⁾	3	2
• Share-based compensation	3	4

(1) Executive corporate officers do not receive any compensation for their position as directors of Valeo SE.

(2) At December 31, 2024, provisions included in the Group's statement of financial position in respect of pension obligations accruing to executive managers amounted to 8 million euros, compared with 10 million euros in 2023.

NOTE 7 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

7.1 Goodwill

Goodwill is initially recognized on business combinations as described in Note 3.1.3.

Goodwill is not amortized but is tested for impairment at least once a year and whenever there is an indication that it may be impaired. The impairment tests carried out in 2024 are described in Note 7.4.

Changes in goodwill in 2024 and 2023 are analyzed below:

<i>(in millions of euros)</i>	2024	2023
NET CARRYING AMOUNT AT JANUARY 1	3,112	3,245
Acquisitions during the year	—	—
Disposal during the year	(3)	(13)
Translation adjustment	6	(63)
Other	(29)	(57)
NET CARRYING AMOUNT AT DECEMBER 31	3,086	3,112
Including accumulated impairment losses at December 31	—	—

The change in goodwill in 2024 is mainly due to the reclassification to "Assets held for sale" of 28 million euros in goodwill allocated to the automotive sensor businesses, which manufactures devices used to measure temperature, pressure and position for all types of powertrain systems (see Note 3.2.2).

The decrease in goodwill in 2023 mainly reflected (i) the reclassification of goodwill allocated to the Thermal Commercial Vehicles Product Group to assets held for sale in an amount of 59 million euros and (ii) the depreciation in Asian currencies against the euro (including losses of 26 million euros related to the Japanese yen and 15 million euros to the South Korean won).



Goodwill can be broken down by Division as follows:

(in millions of euros)

		December 31, 2024	December 31, 2023 ⁽¹⁾
	66% - Valeo POWER Division	2,053	2,093
	18% - Valeo BRAIN Division	541	544
	15% - Valeo LIGHT Division	491	469
	1% - Other	1	6
	GOODWILL	3,086	3,112

(1) For the year ended December 31, 2023, data have been restated to reflect the reorganization of the Powertrain Systems and Thermal Systems Business Groups and the creation of the new Valeo POWER Division (see Note 2).

7.2 Other intangible assets

Separately acquired intangible assets are initially recognized at cost. Intangible assets acquired as part of a business combination are recognized at fair value, separately from goodwill. Intangible assets are subsequently carried at cost, less accumulated amortization and impairment losses. They are tested for impairment using the methodology described in Note 7.4.

Capitalized development expenditure recognized within other intangible assets in the statement of financial position corresponds to projects for specific customer applications that draw on approved generic standards or technologies already applied in production. These projects are analyzed on a case-by-case basis to ensure they meet the criteria for capitalization as described in Note 5.5.1.1.

Costs incurred before the formal decision to develop the product are included in expenses for the period. Costs incurred after the launch of series production are considered production costs.

Intangible assets are amortized on a straight-line basis over their expected useful lives:

- software 3 to 5 years
- patents and licenses based on their useful lives or duration of protection
- capitalized development expenditure 4 years
- customer relationships acquired up to 25 years
- other intangible assets 3 to 5 years

Other intangible assets can be analyzed as follows:

	December 31, 2024			December 31, 2023
(in millions of euros)	Gross carrying amount	Amortization and impairment losses	Net carrying amount	Net carrying amount
Software	503	(429)	74	61
Patents and licenses	554	(294)	260	297
Capitalized development expenditure	6,511	(3,726)	2,785	2,417
Customer relationships and other intangible assets	623	(423)	200	282
OTHER INTANGIBLE ASSETS	8,191	(4,872)	3,319	3,057



Changes in intangible assets in 2024 and 2023 are analyzed below:

2024

<i>(in millions of euros)</i>	Software	Patents and licenses	Capitalized development expenditure	Customer relationships and other intangible assets	Total
GROSS CARRYING AMOUNT AT JANUARY 1, 2024	483	556	6,042	659	7,740
Accumulated amortization and impairment	(422)	(259)	(3,625)	(377)	(4,683)
NET CARRYING AMOUNT AT JANUARY 1, 2024	61	297	2,417	282	3,057
Acquisitions	40	2	1,045	2	1,089
Reversals of/(additions to) impairment	—	—	(66)	(48)	(114)
Amortization	(29)	(37)	(625)	(36)	(727)
Translation adjustment	(1)	(2)	39	(3)	33
Reclassifications ⁽¹⁾	3	—	(25)	3	(19)
NET CARRYING AMOUNT AT DECEMBER 31, 2024	74	260	2,785	200	3,319

(1) Mainly includes the automotive sensor business' assets, which are used to measure temperature, pressure and position for all types of powertrain systems. These assets were reclassified as held for sale at December 31, 2024.

2023

<i>(in millions of euros)</i>	Software	Patents and licenses	Capitalized development expenditure	Customer relationships and other intangible assets	Total
GROSS CARRYING AMOUNT AT JANUARY 1, 2023	485	554	5,303	756	7,098
Accumulated amortization and impairment	(433)	(206)	(3,295)	(392)	(4,326)
NET CARRYING AMOUNT AT JANUARY 1, 2023	52	348	2,008	364	2,772
Acquisitions	33	1	995	2	1,031
Reversals of/(additions to) impairment	—	(2)	16	(9)	5
Amortization	(27)	(47)	(554)	(44)	(672)
Translation adjustment	—	(3)	(36)	(15)	(54)
Reclassifications ⁽¹⁾	3	—	(12)	(16)	(25)
NET CARRYING AMOUNT AT DECEMBER 31, 2023	61	297	2,417	282	3,057

(1) Mainly includes the assets of the Thermal Commercial Vehicles business reclassified as assets held for sale at December 31, 2023.

Impairment losses recognized in 2024 mainly relate to the cancellation of several contracts in the high-voltage electrification business in North America.



7.3 Property, plant and equipment

Separately acquired property, plant and equipment are initially recognized at cost. Cost includes expenses directly attributable to the acquisition of the asset and the estimated cost of the Group's obligation to rehabilitate certain assets, where appropriate. Property, plant and equipment acquired as part of a business combination are recognized at fair value, separately from goodwill.

Property, plant and equipment are subsequently carried at cost, less accumulated depreciation and impairment losses. Material revaluations, recorded in accordance with the laws and regulations applicable in the countries in which the Group operates, have been eliminated in order to ensure that consistent valuation methods are used for all capital assets in the Group.

Any subsequent costs incurred in respect of property, plant and equipment are expensed as incurred, unless they are designed to extend the asset's useful life.

Property, plant and equipment are tested for impairment using the methodology described in Note 7.4.

Depreciation method and useful life

All property, plant and equipment except land are depreciated over their estimated useful lives using the components approach.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

• buildings	20 years
• fixtures and fittings	8 years
• machinery and industrial equipment	8 to 15 years
• other property, plant and equipment	3 to 8 years

Tooling

Depending on its nature, tooling specific to a given project is subject to an economic analysis of the contractual relationship with the automaker in order to determine if control of the tooling is transferred to that automaker. Tooling is capitalized in the consolidated statement of financial position when Valeo has control of the tooling, or is otherwise carried in inventories (until control is transferred).

Any financing received from customers in respect of capitalized tooling is recognized under liabilities in the statement of financial position and taken to income under sales in line with the depreciation charged against the related assets.

Tooling is depreciated on a straight-line basis over its estimated useful life, not exceeding four years.

Tax credits

In certain countries, the government can contribute to the Group's investment expenditure in the form of tax credits. The tax credits received are analyzed to determine whether they fall within the scope of IAS 12 – "Income Taxes" or whether they should be considered as a government subsidy. In the latter case, the tax credit is recognized in income over the period during which the subsidized assets are depreciated, as a deduction from depreciation expense.

Property, plant and equipment can be analyzed as follows:

	December 31, 2024			December 31, 2023
	Gross carrying amount	Depreciation and impairment losses	Net carrying amount	Net carrying amount
<i>(in millions of euros)</i>				
Land	303	(22)	281	287
Buildings	2,856	(1,768)	1,088	1,070
Machinery and industrial equipment	10,659	(7,685)	2,974	3,047
Specific tooling	2,720	(2,237)	483	396
Other property, plant and equipment	859	(599)	260	240
Property, plant and equipment in progress	16	—	16	25
PROPERTY, PLANT AND EQUIPMENT	17,413	(12,311)	5,102	5,065

Certain items of property, plant and equipment were pledged as security at December 31, 2024 (see Note 7.5.2).



Changes in property, plant and equipment in 2024 and 2023 are analyzed below:

2024

(in millions of euros)	Land	Buildings	Machinery and industrial equipment	Specific tooling	Other property, plant and equipment	Property, plant and equipment in progress	Total
GROSS CARRYING AMOUNT AT JANUARY 1, 2024	309	2,752	10,210	2,617	839	27	16,754
Accumulated depreciation and impairment	(22)	(1,682)	(7,163)	(2,221)	(599)	(2)	(11,689)
NET CARRYING AMOUNT AT JANUARY 1, 2024	287	1,070	3,047	396	240	25	5,065
Acquisitions	8	186	706	208	140	3	1,251
Disposals	(1)	(5)	(24)	(3)	(4)	(9)	(46)
Changes in scope	—	—	—	—	—	—	—
Reversals of/(additions to) impairment	—	1	(50)	—	(2)	—	(51)
Depreciation	(2)	(177)	(728)	(160)	(75)	—	(1,142)
Translation adjustment	(4)	7	60	6	—	—	69
Reclassifications ⁽¹⁾	(7)	6	(37)	36	(39)	(3)	(44)
NET CARRYING AMOUNT AT DECEMBER 31, 2024	281	1,088	2,974	483	260	16	5,102

(1) Mainly includes the automotive sensor business' assets, which are used to measure temperature, pressure and position for all types of powertrain systems. These assets were reclassified as held for sale at December 31, 2024.

2023

(in millions of euros)	Land	Buildings	Machinery and industrial equipment	Specific tooling	Other property, plant and equipment	Property, plant and equipment in progress	Total
GROSS CARRYING AMOUNT AT JANUARY 1, 2023	329	2,740	10,122	2,573	835	26	16,625
Accumulated depreciation and impairment	(23)	(1,591)	(6,887)	(2,201)	(614)	—	(11,316)
NET CARRYING AMOUNT AT JANUARY 1, 2023	306	1,149	3,235	372	221	26	5,309
Acquisitions	12	177	697	165	126	5	1,182
Disposals	(5)	(15)	(22)	(4)	(3)	(1)	(50)
Changes in scope	10	—	(2)	—	(2)	—	6
Reversals of/(additions to) impairment	(1)	(19)	(76)	4	(1)	—	(93)
Depreciation	(2)	(179)	(692)	(169)	(77)	—	(1,119)
Translation adjustment	(15)	(30)	(78)	(9)	5	(1)	(128)
Reclassifications ⁽¹⁾	(18)	(13)	(15)	37	(29)	(4)	(42)
NET CARRYING AMOUNT AT DECEMBER 31, 2023	287	1,070	3,047	396	240	25	5,065

(1) Mainly includes the assets of the Thermal Commercial Vehicles business reclassified as assets held for sale at December 31, 2023.



Leases

For leases falling within the scope of IFRS 16 – “Leases”, the lessee recognizes:

- a financial liability representing its obligation to pay for the right to use the asset, in the consolidated statement of financial position;
- a non-current asset representing its right to use the leased asset, in the consolidated statement of financial position;
- depreciation of the right-of-use asset and interest expenses on the lease liability, in the consolidated statement of income.

Lease liabilities

At the lease commencement date, the lease liability is measured at the present value of the minimum lease payments outstanding at that date, plus payments under any options that the lessee is reasonably certain to exercise.

The lease term used to calculate the lease liability is determined based on an economic analysis of any early termination, extension or renewal options or any options to purchase the underlying asset included in the enforceable term of the lease.

This amount is then measured at amortized cost using the effective interest rate. The carrying amount of the lease liability is subsequently increased by the interest due on the lease liability and reduced by the lease payments made.

The discount rates are determined based on the Group’s incremental borrowing rate, plus a margin to reflect the economic conditions in each country, the currency, and the lease term.

Right-of-use assets

At the lease commencement date, the right-of-use asset is measured at cost. The cost of the right-of-use asset comprises (i) the initial lease liability, (ii) any prepaid lease payments made, less any lease incentives received, (iii) any initial direct costs incurred by the lessee in establishing the lease, and (iv) an estimate of costs to be incurred by the lessee in dismantling or rehabilitating the underlying asset as required by the terms and conditions of the lease.

It is subsequently reduced by depreciation and any impairment losses. The right-of-use asset is depreciated on a straight-line basis. Any non-removable leasehold improvements are depreciated over either the adopted lease term or the estimated period of use, whatever is shorter.

If the lease transfers ownership of the underlying asset to the lessee or when the lease includes a purchase option that the lessee is reasonably certain to exercise, the right-of-use asset is depreciated over the useful life of the underlying asset under the same conditions as those applied to assets owned by the lessee. In all other cases, the right-of-use asset is depreciated over the reasonably certain useful life of the underlying asset.

Subsequently, the lease liability and the right-of-use asset are remeasured to reflect the following:

- changes in the lease term;
- changes in the assessment of whether it is reasonably certain an option will be exercised;
- changes in the amounts expected to be payable under residual value guarantees;
- changes in the rates or indexes used to determine the lease payments;
- changes in the lease payments.

The main exemptions provided under IFRS 16 and adopted by the Group are:

- exclusion of short-term leases;
- exclusion of leases of low-value assets.

Lease payments on leases falling outside the scope of IFRS 16 and any variable payments not included in the initial measurement of the lease liability are recognized in operating expenses and presented within net cash flows from operating activities in the consolidated statement of cash flows.

For leases falling within the scope of IFRS 16, payments for the interest portion of the lease liability and payments for the principal portion are recorded under cash flows from financing activities in the consolidated statement of cash flows. Payments for the principal portion of the lease liability are added back to calculate free cash flow.



Movements in right-of-use assets included within property, plant and equipment can be analyzed as follows:

	RIGHT-OF-USE ASSETS					Total
	Land	Buildings	Machinery and industrial equipment	Specific tooling	Other property, plant and equipment	
<i>(in millions of euros)</i>						
GROSS CARRYING AMOUNT AT JANUARY 1, 2024	17	676	105	11	115	924
Accumulated depreciation and impairment	(4)	(271)	(47)	(11)	(55)	(388)
NET CARRYING AMOUNT AT JANUARY 1, 2024	13	405	58	—	60	536
New contracts/Renewals/Modifications	3	95	37	—	43	178
Depreciation	(2)	(91)	(15)	—	(29)	(137)
Reversals of/(additions to) impairment	—	—	—	—	—	—
Changes in scope	—	—	—	—	—	—
Translation adjustment	—	(1)	—	—	—	(1)
Reclassifications	—	(2)	2	—	(2)	(2)
NET CARRYING AMOUNT AT DECEMBER 31, 2024	14	406	82	—	72	574

In 2024, the expenses recorded with respect to payments on leases excluded from the scope of IFRS 16 and any variable payments amounted to 47 million euros.

7.4 Impairment of fixed assets

Intangible assets and property, plant and equipment with definite useful lives are tested for impairment whenever objective indicators exist that they may be impaired. Goodwill and intangible assets not yet ready to be brought into service are tested for impairment at least once a year and whenever there is an indication that they may be impaired.

Cash-generating units (CGUs) and goodwill

CGUs are operating entities that generate independent cash flows. Based on the Group's organizational structure, CGUs generally correspond to groups of plants belonging to the same Product Line or Product Group or the same regional operations. At December 31, 2024, there was a total of 19 CGUs.

CGUs represent the level at which all intangible assets and property, plant and equipment are tested for impairment if there is an indication that they may be impaired. However, specific impairment tests may be carried out on certain idle intangible assets and property, plant and equipment. Valeo may review the value in use of certain assets and recognize non-recurring impairment losses where appropriate, if significant, prolonged adverse factors arise for the Group such as a deterioration in a country's economic environment or in one of the Group's plants, or contractual disputes.

Goodwill is tested for impairment at the level of the Divisions, as set out in Note 4 "Segment reporting". The Divisions are groups of CGUs and correspond to the level at which management monitors goodwill.

At the end of the year, goodwill is tested for impairment using the same methodology and assumptions as those used for CGUs and as described below.

Impairment tests

Impairment tests compare the recoverable amount of a fixed asset with its net carrying amount. If the asset's carrying amount is greater than its recoverable amount, it is written down to its recoverable amount. The recoverable amount of an asset or group of assets is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is determined using available information allowing Valeo to establish a best estimate of the selling price net of the costs necessary to make the sale, between knowledgeable, willing parties in an arm's length transaction.

Value in use corresponds to the present value of the future cash flows expected to be derived from an asset or group of assets, taking into account its residual value.

Since there is seldom a reliable basis to measure the fair value less costs to sell of a group of assets belonging to Valeo, the Group uses value in use for CGU and goodwill impairment tests to determine the recoverable amount of an asset or group of assets, unless otherwise specified.

The value in use of CGUs and goodwill is determined as follows:

- post-tax cash flow projections covering a period of five years, prepared on the basis of medium-term business plans drawn up by Group entities and approved by General Management and the Board of Directors, are discounted;
- cash flows beyond the five-year period are extrapolated by applying a perpetuity growth rate to normative forecast cash flows, corresponding to the last year of the medium-term business plan adjusted where applicable for non-recurring items;



- cash flows are discounted based on a rate which reflects current market assessments of the time value of money and the risks specific to the asset (or group of assets). This rate corresponds to the post-tax weighted average cost of capital (WACC). The use of a post-tax rate applied to post-tax cash flows results in recoverable amounts that are similar to those that would have been obtained by applying pre-tax rates to pre-tax cash flows.

In certain circumstances in which this method is not appropriate for determining the value in use of a CGU or item of goodwill, cash flow projections beyond a five-year period may be used. This may be the case for fast-growing markets that will not have reached maturity at the end of the business plan period, as well as for activities that have a finite timeframe. When this method is applied, business plan projections beyond five years are based on the most reliable market data available.

Leases falling within the scope of IFRS 16 – “Leases” are accounted for as follows:

- capital employed tested for impairment includes right-of-use assets;
- the recoverable amount is calculated using post-tax cash flows, which include investment flows resulting from setting up new leases;
- post-tax WACC is determined taking into account lease liabilities.

Impairment losses recognized for goodwill cannot be reversed.

Impairment losses recognized for assets other than goodwill may only be reversed if there are indications that the impairment may no longer exist or may have decreased. If this is the case, the carrying amount of the asset is increased to its revised estimated recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset.

7.4.1 Impairment testing

The tests are carried out using the following assumptions:

- the projections used are based on past experience, macroeconomic data for the automotive market, order intake and products under development;
- a perpetuity growth rate of 1.5%, which is the same as that used in 2023 and is in line with the average long-term growth rate for the Group's business sector;
- a post-tax discount rate (WACC) of 10.0%, calculated using the discount rate method reviewed by an independent expert, which is the same as that used for 2023. The main components of WACC are a market risk premium, a risk-free rate corresponding to the average yield on long-term government bonds, and beta calculated based on a sample of companies in the industry, which came out at 0.96 (0.97 in 2023). Despite a decline in market risk premiums in 2024, Valeo used a discount rate corresponding to the upper end of the calculated range given the level of uncertainty currently facing European automotive suppliers. This meant that the discount rate applied was the same as that used for 2023.

The key assumptions underpinning the perpetuity growth rate and the discount rate are the same for each group of CGUs to which goodwill is allocated, as well as for CGUs that have a global geographic footprint and relations with the world's leading automakers. For the CGUs of the POWER Division, which correspond to the Division's Regional Operations (see Note 4.1), the impairment tests were performed based on a WACC and a perpetuity growth rate related to the CGUs' main countries of production.

To prepare the medium-term business plans used to perform impairment tests on CGUs and goodwill, the Group based itself on projected data for the automotive market, as well as its order intake and its development prospects on emerging markets.

Forecasts are made at the smallest level (for each CGU), based on detailed projections of the automotive market by automaker, country, model and powertrain, taking into account expected product developments in the CGU's official and potential order intake. Valeo is committed to addressing the challenges currently shaping the automotive industry, with the aim of meeting the expectations of consumers and international regulators in terms of reducing CO₂ emissions, implementing ADAS, and increasing the use of interior and exterior lighting. The medium-term business plans are based on the assumption that the share of electrification and ADAS solutions in the Group's sales will increase throughout the term of the plans. The plans are drawn up taking into account the tax, customs and regulatory frameworks applicable at the date they are prepared.

The medium-term business plans for 2025-2029 are underpinned by the following assumptions:

- global automotive production of 89.0 million light vehicles in 2025 and 93.6 million light vehicles in 2029, representing average annual growth of 0.9% for 2024-2029. This production assumption is consistent with those underlying several independent external forecasts and has been revised downwards slightly compared with the forecasts used in 2023 for the 2024-2028 medium-term business plan. At the end of the period covered by the new business plan, Asia and the Middle East should represent 60% of global production, Europe and Africa 20%, North America 16% and South America 4%;
- a growing share of electrification solutions in the Group's market and sales forecasts over the term of the medium-term business plan. Given recent postponements of production launches by customers, combined with demand being affected by uncertainty regarding take-up of electric vehicles, the Group has applied an assumption of less robust growth in sales of electrification solutions than in 2023.
- inflation assumptions based on (i) forecasts by a panel of banks and the International Monetary Fund for general price inflation, and (ii) on internal estimates of market prices for raw materials, electronic components, energy and transportation; The medium-term business plan was prepared on the assumption that (i) raw materials, electronic components and transportation costs will remain high, with a moderate increase over the period 2025-2029, (ii) inflation in labor and energy costs will be high, and (iii) compensation will be obtained from customers for the increase in the cost of sales;

- exchange rate assumptions based on projections of a panel of banks at the time the business plan is drawn up. The exchange rates used for the main currencies featured in the business plan are 1 euro for: 1.16 US dollars, 8.13 Chinese renminbi, 151 Japanese yen, 1,405 South Korean won and 5.91 Brazilian real on average over the five years of the plan;

- Group sales were forecast based on the orders known at the time the business plan was drawn up and by reference to an estimate of the orders to be taken over the term of the business plan. The order book at December 31, 2024 already represents 69% of cumulative original equipment sales for the next five years, and around 46% of sales for the final year of the plan.

7.4.2 Intangible assets and property, plant and equipment (excluding goodwill)

The Group carries out impairment tests on CGUs that (i) have been written down in previous periods and remain sensitive to the criteria set out in Note 7.4.3, or (ii) present an indication of impairment.

The main impairment indicators used by the Group as the basis for impairment tests of CGUs are a negative operating margin for 2024, a fall of more than 20% in 2024 sales compared to 2023, and a recurring substantial shortfall with respect to the objectives set in the medium-term business plans. Any CGUs experiencing strong growth and whose value in use was significantly above their capital employed were excluded from the scope of the impairment tests.

Based on the above factors, six CGUs were tested for impairment at December 31, 2024:

- the Thermal Europe Regional Operation, part of the POWER Division;

- the Drive Americas Regional Operation, part of the POWER Division;
- the Thermal Europe Regional Operation, part of the POWER Division;
- the Connect Product Line, part of the BRAIN Division, which was created by combining the activities previously managed within the Valeo Telematics & Acoustics and Remote Access Product Lines;
- the Top Column Module Product Line, part of the BRAIN Division;
- the Special Products – Lighting Systems Product Line, part of the LIGHT Division.

The impairment tests carried out on the Group's cash-generating units (CGUs) in 2024 did not lead to the recognition of any impairment losses.

7.4.3 Sensitivity of CGU impairment tests

The following changes in assumptions were used to determine the sensitivity of CGU impairment tests, projected over an infinite time period (for the Thermal Europe Regional Operation, Drive Americas Regional Operation, Thermal Americas Regional Operation, Connect Product Line, and Special Products – Lighting Systems Product Line):

- 1-point increase in the discount rate;

- 0.5-point decrease in the perpetuity growth rate;
- 1-point decrease in the rate of operating income over sales used to calculate the terminal value.

The headroom of the tests, representing the difference between value in use and net carrying amount, as well as the impacts of changes in key assumptions on this headroom, are presented in the table below:

(in millions of euros)				Impact on the headroom of the test			
	WACC	Perpetuity growth rate	Headroom of the test 2024	WACC (+1 pt)	Perpetuity growth rate (-0.5 pts)	1-pt decrease in the rate of operating income used to calculate the terminal value	Combination of all three factors
Thermal Europe Regional Operation CGU	10.6%	1.4%	502	(68)	(32)	(104)	(179)
Drive Americas Regional Operation CGU	10.8%	2.1%	169	(38)	(16)	(57)	(97)
Thermal Americas Regional Operation CGU	10.3%	1.9%	213	(47)	(19)	(75)	(123)
Connect Product Line CGU	10.0%	1.5%	57	(41)	(18)	(66)	(109)
Special Products – Lighting Systems CGU	10.0%	1.5%	390	(68)	(28)	(53)	(133)

Since the impairment test on the Top Column Module Product Line CGU assumes a finite time period, its sensitivity to changes in the following assumptions was verified:

- 1-point increase in the discount rate;
- 5% fall in sales for each year of the plan;
- 0.5-point decrease in the materials consumption rate for each year of the plan.



(in millions of euros)	Headroom of the test		Impact on the headroom of the test			
	WACC	2024	11% WACC (+1 pt)	5% fall in sales for each year	0.5-pt decrease in the materials consumption rate	Combination of all three factors
Top Column Module Product Line CGU	10.0%	3	—	—	(2)	(2)

7.4.4 Goodwill

No impairment losses were recognized against goodwill at December 31, 2024 as a result of the impairment tests carried out at the level of the Divisions in line with the methodology described above. This was also the case in 2023.

7.4.5 Sensitivity of goodwill impairment tests

A one-year pushback in medium-term business plans would have no impact on the results of goodwill impairment tests.

The following changes in the three main assumptions were also used to check the sensitivity of goodwill impairment tests:

- 1-point increase in the discount rate;
- 0.5-point decrease in the perpetuity growth rate;

• 1-point decrease in the rate of operating income over sales used to calculate the terminal value.

No additional impairment losses would be recognized as a result of these changes in assumptions, either individually or taken as a whole.

The headroom of the tests, representing the difference between the value in use and the net carrying amount, as well as the impacts of changes in key assumptions on this headroom, are presented by Division in the table below:

	Headroom of the test	Impact on the headroom of the test			
(in millions of euros)	Based on 2024 assumptions	11% WACC (+1 pt)	1% perpetuity growth rate (-0.5 pts)	1-pt decrease in the rate of operating income used to calculate the terminal value	Combination of all three factors
Valeo POWER Division	3,538	(807)	(351)	(708)	(1,658)
Valeo BRAIN Division	2,875	(721)	(322)	(572)	(1,438)
Valeo LIGHT Division	2,439	(496)	(224)	(442)	(1,031)

7.4.6 Sensitivity of impairment tests to the impacts of climate change

Climate change could have various impacts on the value of Valeo's assets. The Group's consideration of physical risks when measuring its assets is described in Note 1.3.

The main transition risk facing the automotive industry results from the gradual shift to electric mobility. The Group has long prepared for this profound transformation of its industry and this is reflected in its medium-term business plan, which is used as the basis for its impairment tests on non-current assets.

As part of impairment testing of CGUs and goodwill, an impairment test simulation was carried out based on a pessimistic scenario. For those businesses most affected by electrification, this scenario assumes a rapid, sharp decline in sales of internal combustion engine vehicles worldwide (excluding the United States) coupled with much slower than expected growth in sales of products for electric vehicles due to an unfavorable customer mix and a smaller addressable market for automotive suppliers.

When testing the POWER Division for impairment, this scenario simulated:

- a 10% drop in sales each year compared with the forecasts in the Division's medium-term plan, leading to a 1% reduction in the percent operating margin;
- a perpetuity growth rate of zero beyond the projected cash flow in the last year of the plan.

In this very pessimistic simulation, an impairment loss would not have been recognized. The headroom of the impairment test on the POWER Division would fall by around 75%.

On the other hand, using an optimistic scenario, a sharper and faster decline in worldwide sales of internal combustion engine vehicles and an acceleration in electrification could also lead to higher sales and profitability growth than is currently expected by Valeo for the Division.

Given the US government's political stance, a scenario involving a sharp and rapid fall in sales of internal combustion engine vehicles in the United States was not considered relevant by the Group. Consequently, no sensitivity analysis was carried out on the impairment test for the Drive Americas Regional Operation CGU in relation to the consequences of climate change.

Thermal management equipment is being adapted to meet the specific requirements of electrically powered vehicles, in particular to guarantee their efficiency. However, some thermal management components and processes are common to both internal combustion and electric vehicles. In addition, no risk of the value chain transferring from automotive suppliers to automakers is identified in this market. As a result, the value in use of the Thermal Europe Regional Operation and Thermal Americas Regional Operation CGUs is less sensitive to the electrification of mobility.



7.5 Off-balance sheet commitments relating to leases and investments

Binding asset purchase commitments, including those on leases signed but not yet commenced, are down compared with December 31, 2023. The Group initiated major asset purchase orders in 2023 in response to a high level of order intake from customers in 2022 and 2023.

7.5.1 Leases

At December 31, 2024, future minimum commitments on outstanding leases excluded from the scope of IFRS 16 and on leases signed but not yet in force are as follows:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Less than 1 year	25	35
1 to 5 years	88	97
More than 5 years	18	30
TOTAL	131	162

7.5.2 Other commitments given

At December 31, 2024, Valeo had given binding asset purchase commitments totaling 666 million euros (910 million euros at December 31, 2023), as well as 2 million euros worth of other commitments relating to operating activities.

At December 31, 2024, as at December 31, 2023, no Group assets were pledged.

NOTE 8 OTHER PROVISIONS AND CONTINGENT LIABILITIES

8.1 Other provisions

A provision is recognized when:

- the Group has a present legal, contractual or constructive obligation resulting from a past event;
- it is probable that future outflows of resources embodying economic benefits will be necessary to settle the obligation; and
- the amount of the obligation can be estimated reliably.

Provisions are measured in accordance with IAS 37 and take into account assumptions deemed most probable at the end of the reporting period.

Provisions for customer warranties are set aside to cover the estimated cost of returns of goods sold and are computed either on a statistical basis or based on specific quality risks. Statistical warranty provisions cover risks related to contractual warranty obligations, and are determined based on both historical data and probability calculations. The provision for specific quality risks covers costs arising in specific situations not covered by usual warranties. The corresponding expense is recognized in cost of sales.

Commitments resulting from restructuring plans are recognized when an entity has a detailed formal plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or by announcing its main features.

A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Group under said contracts.

Provisions intended to cover commercial, tax and employee-related risks and disputes arising in the ordinary course of operations are also included in this caption.

When the Group expects all or part of the expenditure required to settle a provision to be reimbursed, it recognizes a receivable, if and only if the reimbursement is virtually certain.

Provisions relating to events that are expected to materialize in more than one year or whose timing cannot be reliably determined are classified within other provisions – long-term portion.



Movements in other provisions in 2024 are shown in the table below:

(in millions of euros)	Provisions for product warranties	Provisions for onerous contracts	Provisions for restructuring costs	Other provisions for contingencies and disputes	Total
PROVISIONS AT JANUARY 1, 2024	465	236	68	219	988
Additions	165	57	283	63	568
Amounts utilized during the year	(189)	(26)	(60)	(26)	(301)
Reversals	(66)	(183)	(17)	(104)	(370)
Changes in scope	3	—	—	—	3
Reclassifications	(1)	—	(1)	—	(2)
Translation adjustment	4	2	1	(4)	3
PROVISIONS AT DECEMBER 31, 2024	381	86	274	148	889
Of which current portion (less than one year)	188	68	234	83	573

At December 31, 2024 and 2023, provisions break down as follows:

(in millions of euros)		December 31, 2024	December 31, 2023
 <p>889 in 2024</p>	□ 43% – Provisions for product warranties	381	465
	■ 31% – Provisions for restructuring costs	274	68
	■ 13% – Provisions for employee-related and other disputes	113	150
	■ 10% – Provisions for onerous contracts	86	236
	■ 1% – Provisions for tax-related disputes	16	18
	■ 1% – Provisions for unfavorable contracts	11	42
	■ 1% – Provisions for environmental risks	8	9
TOTAL OTHER PROVISIONS		889	988

Provisions for product warranties are set aside to cover the estimated cost of returns of goods sold, either as a result of contractual warranty obligations or arising in specific situations not covered by standard warranties. The decrease compared with December 31, 2023 is mainly due to the resolution of a quality dispute for which the Group was compensated in an amount of 62 million euros. The accrued income recognized as an asset in this respect at December 31, 2023 was received during the year.

Provisions for restructuring costs cover certain future costs that Valeo expects to incur on the implementation of the restructuring plans announced prior to December 31, 2024. The 206 million euro increase compared with December 31, 2023 is due to the announcement of several large-scale reorganization plans during the year (see Note 5.6.2.3), for which some of the costs will only be disbursed in 2025.

Expected future losses on customer contracts were lower in 2024, which resulted in a reduction in provisions for onerous contracts. This is due in part to a decrease in the volumes remaining to be delivered on the contracts as they are executed, which accounted for 26 million euros in provision utilizations during the year. Provision reversals amounted to 183 million euros, mainly as a result of contract renegotiations carried out in 2024 as well as cost reduction measures implemented during the year. These reversals were partially offset by additions to provisions of 57 million euros.

Provisions for employee-related and other disputes, which totaled 113 million euros at December 31, 2024, cover risks arising in connection with former employees (in particular relating to asbestos) and various other disputes related to Valeo's operating activities across the globe. Each known dispute was

reviewed at the date on which the consolidated financial statements were authorized for issue. Based on the advice of the Group's legal counsel, where appropriate, the provisions deemed necessary were set aside to cover the estimated outflows of resources.

The 31 million euro decrease in provisions for unfavorable contracts that were recognized in connection with the acquisition of full control over the Valeo Siemens eAutomotive joint venture in July 2022 is due to the lower volumes remaining to be delivered under these contracts.



8.2 Antitrust investigations

At the end of July 2011, antitrust investigations were initiated against several automotive suppliers (including Valeo) by the US and European antitrust authorities related to components and systems supplied to the automotive industry.

In the United States, the Department of Justice and Valeo's Japanese subsidiary, Valeo Japan Co. Ltd, reached a settlement of the Department of Justice's investigation into conduct involving thermal systems products on September 20, 2013. In addition, following on from the agreements signed with the Department of Justice, Valeo reached settlement agreements putting an end to all class action and prospective class action lawsuits with car dealers, direct purchasers and/or automotive end-payers.

In Europe, the European Commission issued a decision on March 8, 2017, fining certain automotive air conditioning and compressor suppliers for conduct involving thermal systems products. On June 21, 2017, the European Commission issued a further decision fining various automotive lighting system suppliers. However, Valeo was granted immunity and was therefore not fined. This second decision put an end to the investigations against Valeo.

In addition, Valeo terminated a certain number of claims for damages and interest from automakers resulting from the European Commission's proceedings, and remains in contact with others.

The Group sets aside provisions whenever the payment of compensation is likely and can be quantified.

8.3 Contingent liabilities

Unlike a provision (see definition above), a contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The Group has contingent liabilities relating to legal, arbitration or regulatory and fiscal proceedings arising in the normal course of its business. Known or ongoing claims and litigation involving Valeo or its subsidiaries were reviewed at the date on which the consolidated financial statements were authorized for issue. Based on the advice of legal counsels, all provisions deemed necessary have been made to cover the related risks.

These include contingent liabilities relating to a tax dispute involving a significant amount, which Valeo is contesting, as well as its employee-related consequences, for which a legal escalation process has been initiated.

8.4 Subsequent events

Since Donald Trump's inauguration as President of the United States on January 20, 2025, policy statements have been announced worldwide concerning the introduction of new customs duties. Given the potentially significant impact of some of these measures, the Group is closely monitoring changes and developments in customs duties in the various countries where it operates.

NOTE 9 FINANCING AND FINANCIAL INSTRUMENTS

9.1 Financial assets and liabilities

Financial assets and liabilities mainly comprise:

- long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term financing and bank overdrafts, which make up gross debt (see Note 9.1.2);
- long-term loans and receivables (see Note 9.1.3.1);
- cash and cash equivalents (see Note 9.1.3.2);
- derivative financial instruments (see Note 9.1.4);
- other current and non-current financial assets and liabilities (see Note 9.1.5).



9.1.1 Fair value measurement of financial assets and liabilities

9.1.1.1 Measurement methods

	2024 carrying amount under IFRS 9			December 31, 2024	December 31, 2023
	Amortized cost	Fair value through OCI	Fair value through income	Carrying amount	Carrying amount
<i>(in millions of euros)</i>					
ASSETS					
Non-current financial assets:					
• Long-term investments	—	26	286	312	321
• Long-term loans and receivables (including accrued interest)	25	—	—	25	—
• Deposits and guarantees	34	—	—	34	33
• Other non-current financial assets	1	—	—	1	7
• Hedging derivatives	—	17	5	22	29
• Trading derivatives	—	—	1	1	2
Assets relating to pensions and other employee benefits	—	31	—	31	45
Accounts and notes receivable	2,656	—	—	2,656	2,734
Other current financial assets:					
• Hedging derivatives	—	37	—	37	80
• Trading derivatives	—	—	20	20	32
• Accrued interest and other current financial assets	—	—	32	32	26
Cash and cash equivalents	—	—	3,153	3,153	3,025
LIABILITIES					
Non-current financial liabilities:					
• Hedging derivatives	—	—	—	—	—
• Trading derivatives	—	—	2	2	1
Bonds	4,087	—	—	4,087	3,936
<i>Schuldschein</i> loans (German private placements)	553	—	—	553	552
European Investment Bank (EIB) loan	540	—	—	540	587
Bilateral bank loans	250	—	—	250	250
Other long-term debt	763	—	—	763	689
Accounts and notes payable	5,382	—	—	5,382	5,449
Other current financial liabilities:					
• Hedging derivatives	—	32	—	32	8
• Trading derivatives	—	—	9	9	51
Short-term financing	840	—	—	840	922
Bank overdrafts	—	—	4	4	135



9.1.1.2 Fair value estimates

IFRS 13 establishes a hierarchy of valuation techniques for financial instruments based on the following categories:

- Level 1: inputs directly based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: prices established using valuation techniques drawing on non-observable inputs.

The fair value of bonds is calculated based on prices quoted on an active bond market. This method corresponds to Level 1 in the fair value hierarchy.

For the *Schuldschein* private placements, the European Investment Bank (EIB) loans and the bilateral bank loans, fair value is measured by discounting future cash flows at the market interest rate at the reporting date. This method corresponds to Level 2 in the fair value hierarchy.

Since they fall due in the short term, the fair value of other components of Group debt, as well as of accounts and notes payable and receivable, is deemed equal to their carrying amount.

	December 31, 2024			December 31, 2023		
	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
<i>(in millions of euros)</i>						
ASSETS						
Cash and cash equivalents	3,153	3,153	1	3,025	3,025	1
Derivative financial instruments ⁽¹⁾	80	80	2	143	143	2
LIABILITIES						
Bonds	4,087	4,094	1	3,936	3,899	1
<i>Schuldschein</i> loans (German private placements)	553	563	2	552	562	2
European Investment Bank (EIB) loan	540	519	2	587	548	2
Bilateral bank loans	250	251	2	250	251	2
Other long-term debt	763	763	2	689	689	2
LOANS RECOGNIZED AT AMORTIZED COST	6,193	6,190		6,014	5,949	
Short-term financing	840	840	2	922	922	2
Bank overdrafts	4	4	1	135	135	1
Derivative financial instruments	43	43	2	60	60	2

(1) The method used to estimate the fair value of derivative financial instruments recorded in assets and liabilities corresponds to Level 2 in the fair value hierarchy for derivatives hedging foreign currency, commodity and interest rate risks.

IFRS 13 prescribes the methods for assessing fair value and for taking into account the credit risk on derivatives, through:

- a Credit Valuation Adjustment (CVA), which is a component of the market value of a derivative financial instrument that reflects the exposure in the event of counterparty default;

- a Debit Valuation Adjustment (DVA), which is a component of the market value of a derivative financial instrument that reflects the entity's own credit risk.

The credit risk on derivatives is calculated according to historical probabilities of default and a recovery rate, as observed on the market.

At December 31, 2023 and 2024, this had only a minimal impact on the Group.



9.1.2 Gross debt

Gross debt includes long-term debt, short-term financing and bank overdrafts.

At December 31, 2024, the Group's gross debt can be analyzed as follows:

(in millions of euros)	December 31, 2024			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Long-term debt	4,859	1,334	6,193	5,057	957	6,014
Short-term financing	—	840	840	—	922	922
Bank overdrafts	—	4	4	—	135	135
GROSS DEBT	4,859	2,178	7,037	5,057	2,014	7,071

9.1.2.1 Long-term debt

Long-term debt primarily includes bonds, private placements, European Investment Bank (EIB) loans, lease liabilities and other borrowings.

Bonds and other borrowings are valued at amortized cost. The amount of interest recognized in financial expenses is calculated by multiplying the loan's effective interest rate by its carrying amount. Any difference between the expense calculated using the effective interest rate and the actual interest payment impacts the value at which the loan is recognized.

When a fixed-rate loan is designated as a hedged item in a fair value hedging relationship, its carrying amount is adjusted at each reporting date to reflect the change in fair value attributable to the hedged risk.

Lease liabilities are measured as described in Note 7.3.

Breakdown of long-term debt

(in millions of euros)		December 31, 2024	December 31, 2023
<p>6,193 in 2024</p>	□ 66% – Bonds	4,087	3,936
	■ 9% – <i>Schuldschein</i> loans (German private placements)	553	552
	■ 9% – European Investment Bank (EIB) loan	540	587
	■ 4% – Bilateral bank loans	250	250
	■ 10% – Lease liabilities	626	581
	■ 1% – Other borrowings	30	23
	■ 1% – Accrued interest	107	85
LONG-TERM DEBT		6,193	6,014



Change in and characteristics of long-term debt

<i>(in millions of euros)</i>	Bonds	Schuldschein loans (German private placements)	European Investment Bank (EIB) loans	Bilateral bank loans	Lease liabilities	Other borrowings	Accrued interest	Total
CARRYING AMOUNT AT JANUARY 1, 2024	3,936	552	587	250	581	23	85	6,014
Increases/Subscriptions	841	—	—	—	—	17	—	858
New contracts/Renewals/ Modifications	—	—	—	—	176	—	—	176
Redemptions/Repayments	(700)	—	(50)	—	(135)	(11)	—	(896)
Changes in scope	—	—	—	—	—	—	—	—
Value adjustments	10	1	3	—	—	—	—	14
Translation adjustment	—	—	—	—	4	—	—	4
Other movements	—	—	—	—	—	1	22	23
CARRYING AMOUNT AT DECEMBER 31, 2024	4,087	553	540	250	626	30	107	6,193

The Group completed several financing transactions in 2024:

- in January 2024, Valeo redeemed the 700 million euro bond issued in 2014 under the Euro Medium Term Note (EMTN) financing program;
- in April 2024, as part of the Euro Medium Term Note financing program, Valeo issued 850 million euros' worth of six-year bonds maturing in April 2030 and paying a fixed coupon of 4.50%. The proceeds from these bonds, which were issued

under Valeo's Green and Sustainability-Linked Financing Framework, will be used for financing projects and investments linked to the portfolio of technologies that contribute to low-carbon mobility, in particular vehicle electrification;

- repayment of a 50 million euro installment on the European Investment Bank loan.



At December 31, 2024, the key terms and conditions of long-term debt were as shown below:

Type	Outstanding at December 31, 2024 (in millions of euros)	Issuance	Maturity	Nominal amount outstanding (in millions of euros)	Currency	Nominal interest rate
BONDS						
EMTN program	600	June 2018	June 2025	600	EUR	1.50%
EMTN program	599	March 2016	March 2026	600	EUR	1.625%
EMTN program ⁽¹⁾	698	July 2021	August 2028	700	EUR	1.00%
EMTN program ⁽¹⁾⁽³⁾	752	November 2022	May 2027	750	EUR	5.375%
EMTN program ⁽²⁾	597	October 2023	April 2029	600	EUR	5.875%
EMTN program ⁽²⁾	841	April 2024	April 2030	850	EUR	4.50%
SCHULDSCHEIN LOAN ISSUED IN 2019						
Tranche 3	90	April 2019	April 2025	90	EUR	1.291%
Tranche 4 ⁽⁴⁾	122	April 2019	April 2025	122	EUR	6-month Euribor + 1.15%
SCHULDSCHEIN LOAN ISSUED IN 2022						
Tranche 1	30	October 2022	October 2025	30	EUR	4.95%
Tranche 2	149	October 2022	October 2025	149	EUR	6-month Euribor + 1.90%
Tranche 3 ⁽¹⁾	30	October 2022	October 2027	30	EUR	5.251%
Tranche 4 ⁽¹⁾	52	October 2022	October 2027	52	EUR	6-month Euribor + 2.10%
Tranche 5 ⁽¹⁾	30	December 2022	October 2027	30	EUR	6-month Euribor + 2.10%
Tranche 6 ⁽¹⁾	5	October 2022	October 2029	5	EUR	5.503%
Tranche 7 ⁽¹⁾	45	December 2022	October 2029	45	EUR	6-month Euribor + 2.30%
EUROPEAN INVESTMENT BANK (EIB) LOAN						
Tranche 1 ⁽⁵⁾	247	June 2021	June 2029	250	EUR	0.885%
Tranche 2 ⁽⁶⁾	293	February 2022	February 2030	300	EUR	1.083%
OTHER						
Lease liabilities	626	—	—	626	—	—
Bilateral bank loans	250	—	—	250	—	—
Other long-term debt ⁽⁷⁾	137	—	—	137	—	—
LONG-TERM DEBT		6,193				

(1) Indexed to a 2025 carbon footprint objective.

(2) Issues carried out under Valeo's Green and Sustainability-Linked Financing Framework.

(3) Fixed-rate coupons partly exchanged for floating-rate coupons indexed to six-month Euribor via interest rate swaps with a notional amount of 600 million euros.

(4) Variable-rate coupons exchanged for fixed-rate coupons via interest rate swaps.

(5) Reduced-rate loan repayable in six annual installments of 50 million euros as from June 2024.

(6) Reduced-rate loan repayable in six annual installments of 50 million euros as from February 2025.

(7) Other long-term debt chiefly comprises accrued interest for 107 million euros.

At December 31, 2024, the Group had drawn an amount of 4.1 billion euros (up 150 million euros compared with December 31, 2023) under its Euro Medium Term Note (EMTN) financing program capped at 5 billion euros.

The Group also has confirmed bank credit lines with an average maturity of 2.8 years, representing an aggregate amount of 1.6 billion euros. None of these credit lines had been drawn down at December 31, 2024. These bilateral credit lines were taken out with nine banks with an average rating of A from S&P and A1 from Moody's.



Maturity of long-term debt

(in millions of euros)	Maturity						
	Carrying amount	<1 year	≥1 year and ≤5 years				>5 years
			2026	2027	2028	2029	2030 and beyond
Bonds	4,087	600	599	753	698	597	840
Schuldschein loans (German private placements)	553	391	—	112	—	50	—
European Investment Bank (EIB) loan	540	98	98	98	98	98	50
Lease liabilities	626	118	102	86	76	55	189
Bilateral bank loans	250	—	100	50	100	—	—
Other borrowings	30	20	3	3	2	1	1
Accrued interest	107	107	—	—	—	—	—
LONG-TERM DEBT	6,193	1,334	902	1,102	974	801	1,080

Contractual maturity of long-term debt

In managing its liquidity risk, the Group seeks to ensure a balanced long-term debt repayment profile. At December 31, 2024, the average maturity of Valeo's (the parent company) debt was 2.8 years, compared to three years at December 31, 2023.

The future cash outflows presented below, comprising both interest payments and principal repayments, are not discounted. The forward interest rate curve at December 31, 2024 was used for variable-rate interest.

(in millions of euros)	Contractual cash flows							
	Carrying amount	<1 year	≥1 year and ≤5 years				>5 years	Total
			2026	2027	2028	2029	2030 and beyond	
Bonds	4,087	740	731	871	781	674	888	4,685
Schuldschein loans (German private placements)	553	411	7	119	2	52	—	591
European Investment Bank (EIB) loan	540	105	104	103	103	102	51	568
Lease liabilities	626	145	117	102	88	58	217	727
Bilateral bank loans	250	10	108	55	104	—	—	277
Other borrowings	30	20	3	3	2	1	1	30
Accrued interest ⁽¹⁾	107	107	—	—	—	—	—	107
LONG-TERM DEBT	6,193	1,538	1,070	1,253	1,080	887	1,157	6,985

(1) Cash flows relating to accrued interest are included in the short-term (i.e., less than one year) contractual cash flows of the debt to which they relate.

Off-balance sheet commitments relating to Group financing

Certain financing contracts include early repayment clauses in the event of failure to comply with specified financial ratios. The table below sets out the main covenant:

Financing agreements	Ratio	Thresholds	Ratio at 31 December 2024 ⁽¹⁾
Credit lines			
European Investment Bank (EIB) loan	Consolidated net debt/consolidated EBITDA	<3.5	1.3
Bilateral bank loans			
Schuldschein loans (German private placements)			

(1) Calculated over 12 months.



Bonds issued within the scope of the Euro Medium Term Note (EMTN) financing program include an option granted to bondholders who can request early repayment or redemption of their bonds in the event of a change of control at Valeo leading to a withdrawal of the rating or a downgrade in the rating to below investment grade (assuming that the bonds were previously rated investment grade). If Valeo's bonds had previously been rated below investment grade, bondholders may request the early repayment or redemption of their bonds in the event of a change of control at Valeo resulting in a one-category downgrade in the rating (e.g., from Ba1 to Ba2).

The Schuldschein loans (German private placements) and the European Investment Bank (EIB) loan also include a change of control clause under which investors can request early repayment.

The Group's credit lines and bilateral loans arranged with commercial banks include a change of control clause under which the banks can require early repayment in the event of a

change of control of Valeo that results in the borrower's rating being downgraded to below investment grade.

The credit lines set up by the Group's subsidiaries include early repayment clauses in the event of failure to comply with specified financial ratios. Based on the due diligence performed, the Group believes that the subsidiaries concerned complied with these covenants at December 31, 2024.

Lastly, the credit lines and bilateral credit facilities set up with Valeo's banking pool, as well as the Group's European Investment Bank loan and its long-term debt, include cross-default clauses. This means that if a default event triggering early repayment occurs on a certain amount of debt, then other debt may also be deemed to be in default with early repayment triggered.

At the date these consolidated financial statements were authorized for issue, the Group expects to comply with all debt covenants over the next few months.

Group credit ratings

The Group is rated by several credit rating agencies.

Rating agency	Publication date	Long-term debt	Outlook	Short-term debt
Standard & Poor's	April 3, 2024	BB+	Negative	B
Moody's	September 26, 2024	Ba1	Negative	Non-prime

Subsequent events

On January 22, 2025, Valeo took out a 100 million euro bilateral loan maturing in January 2029.

9.1.2.2 Liabilities associated with put options granted to holders of non-controlling interests

The Group may grant put options to third parties holding non-controlling interests, on all or some of their shares. These puts are considered by the Group as non-interest bearing debt.

This debt is recognized at the present value of the option exercise price. The offsetting entry for the debt associated with these commitments is a decrease in stockholders' equity – non-controlling interests.

The difference between the present value of the exercise price of the options granted and the carrying amount of non-controlling interests is recorded in stockholders' equity as a deduction from consolidated retained earnings.

The amount of the debt is adjusted at the end of each period in order to reflect changes in the option exercise price and a corresponding entry is recorded in stockholders' equity.

At December 31, 2024 and December 31, 2023, the Group no longer had any liabilities associated with put options granted to holders of non-controlling interests.

At December 31, 2023, Marco Polo had a put option on its 40% stake in Spheros Climatização do Brasil S.A., which was controlled by Valeo. The fair value of this put option was classified under liabilities held for sale in the consolidated statement of financial position at that date. The Group's interest in this company was sold in the first half of 2024 (see Note 3.2.1.1). As part of the transaction, Valeo also transferred to the buyer the obligation to purchase shares in Spheros Climatização do Brasil S.A. in the event of Marco Polo exercising its put option.



9.1.2.3 Short-term financing and bank overdrafts

Short-term debt mainly includes Negotiable European Commercial Paper (NEU CP) (previously “commercial paper”) issued by Valeo for its short-term financing needs. NEU CP has a maturity of between one and twelve months and is valued at amortized cost.

In order to reflect the Group’s cash requirements, short-term financing is presented in net cash flows from financing activities in the consolidated statement of cash flows.

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Negotiable European Commercial Paper	525	698
Other short-term financing	315	224
Bank overdrafts	4	135
SHORT-TERM FINANCING AND BANK OVERDRAFTS	844	1,057

Valeo has a short-term commercial paper financing program for a maximum amount of 2.5 billion euros. At December 31, 2024, a total of 525 million euros had been drawn on this program, compared with 698 million euros at December 31, 2023.

9.1.3 Net debt

Net debt comprises all long-term debt, liabilities, short-term financing and bank overdrafts (see Note 9.1.2.3), less loans and other long-term financial assets, cash and cash equivalents, and the fair value of derivative instruments hedging interest rate and currency risks associated with these items (see Note 9.1.4).

<i>(in millions of euros)</i>	December 31, 2024			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Long-term debt	4,859	1,334	6,193	5,057	957	6,014
Short-term financing	—	840	840	—	922	922
Bank overdrafts	—	4	4	—	135	135
GROSS DEBT	4,859	2,178	7,037	5,057	2,014	7,071
Long-term loans and receivables (including accrued interest)	(25)	—	(25)	—	—	—
Accrued interest	—	(32)	(32)	—	(26)	(26)
Cash and cash equivalents	—	(3,153)	(3,153)	—	(3,025)	(3,025)
Derivative instruments associated with interest rate and foreign currency risks ⁽¹⁾	(3)	(11)	(14)	(6)	14	8
NET DEBT	4,831	(1,018)	3,813	5,051	(1,023)	4,028

(1) At end-December 2024 and end-December 2023, the fair value of derivative instruments associated with an item of net debt reflects the fair value of currency and interest rate instruments hedging assets and liabilities relating to the Group’s financing activities.

9.1.3.1 Long-term loans and receivables

This category consists essentially of long-term loans, which are measured on an amortized cost basis using the effective interest rate. They are shown in the statement of financial position as other non-current financial assets.



9.1.3.2 Cash and cash equivalents

Cash and cash equivalents are comprised of marketable securities such as money market and short-term money market funds, deposits and very short-term risk-free securities which can be readily sold or converted into cash, and cash at bank.

The cash equivalents included in this line are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. These current financial assets are carried at fair value through income and are held with a view to meeting short-term cash requirements.

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Marketable securities	1,585	2,286
Cash and other liquid resources	1,568	739
CASH AND CASH EQUIVALENTS	3,153	3,025

Cash and cash equivalents totaled 3,153 million euros at December 31, 2024, consisting of 1,585 million euros of marketable securities with a very low price volatility risk, and 1,568 million euros in cash. Marketable securities consist solely of money market mutual funds (FCP).

These items were measured using Level 1 inputs of the fair value hierarchy.

Short-term liquidity management

Cash is pooled whenever this is permitted by local legislation. In such cases, subsidiaries' surplus cash or financing requirements are pooled and invested or funded by Valeo, the parent company. The Group has set up a cross-border, multi-currency cash pooling arrangement in euros, Hungarian forint and Czech koruna for European subsidiaries, in US dollars for US subsidiaries, and in Chinese renminbi for Chinese subsidiaries. This arrangement enables day-to-day cash to be managed on a centralized basis. In other countries, local cash pooling arrangements exist and loans and borrowings are regularly taken out with the parent company (Valeo). In some countries, these cross-border transactions can give rise to tax issues or may be subject to specific regulations and require approval from the local tax authorities.

The Group also manages liquidity by ensuring that dividends from subsidiaries are transferred to Valeo.

Bank counterparty risk management

The Group invests its surplus liquidity with asset management companies that are subsidiaries of leading banks. Securities are held by leading custodians.

9.1.3.3 Analysis of net debt by currency

Net debt can be analyzed as follows by currency:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Euro	4,104	4,046
US dollar	116	138
Brazilian real	(56)	(72)
South Korean won	(298)	(134)
Other currencies	(53)	50
TOTAL	3,813	4,028



9.1.4 Derivative financial instruments

The Group uses derivative financial instruments to manage and reduce its exposure to foreign exchange, commodity and interest rate risks.

Derivatives are recognized in the statement of financial position at fair value under other non-current financial assets or other non-current financial liabilities when the underlying transaction matures beyond one year, and under other current financial assets or other current financial liabilities when the underlying transaction matures within one year.

The accounting impact of changes in the fair value of these derivative instruments depends on whether or not hedge accounting is applied.

When hedge accounting is applied:

- for fair value hedges of assets and liabilities recognized in the statement of financial position, the hedged item of these assets or liabilities is stated at fair value. Changes in fair value are recognized through income and offset (for the effective portion of the hedge) by symmetrical changes in the fair value of the derivative;
- for future cash flow hedges, changes in the fair value of the derivatives relating to the effective portion of the hedge are recognized directly in other comprehensive income, while the ineffective portion is taken to other financial income and expenses. The amounts recognized in other comprehensive income are recycled to income when the hedged risk itself affects income.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized within other financial income and expenses in the statement of income.

Foreign currency derivatives

Although they may act as hedges, foreign currency derivatives hedging balance sheet positions in foreign currencies are not designated as part of a hedging relationship for accounting purposes. In these cases, changes in the fair value of the derivatives are recognized in financial income and expenses and are generally offset by the impact of remeasuring the underlying foreign currency receivables and payables.

Foreign currency derivatives hedging highly probable future transactions that are generally material and will impact operating margin are classified as hedges. In these cases, changes in the fair value of the derivatives are recognized in other comprehensive income for the effective portion of the hedge, and subsequently taken to operating income when the hedged item itself affects operating income. The ineffective portion of the hedge is recognized in other financial income and expenses.

Commodities

In principle, the Group applies cash flow hedge accounting to commodity derivatives. Gains and losses relating to the effective portion of the hedge are reclassified from other comprehensive income to operating margin when the hedged position itself affects income. Gains and losses relating to the ineffective portion of the hedge are recognized in other financial income and expenses. When a forecast transaction is no longer highly probable, the cumulative gains and losses carried in other comprehensive income are transferred immediately to other financial income and expenses.

Interest rate derivatives

The Group may need to protect itself against fluctuations in cash flows relating to interest payments on variable-rate borrowings. These hedges are eligible for cash flow hedge accounting.

Hedging instruments are measured at fair value and recognized in the statement of financial position. When there is a designated cash flow hedging relationship, changes in the fair value of the instrument relating to the effective portion of the hedge are recognized in other comprehensive income, while changes relating to the ineffective portion are recognized in other financial income and expenses in the statement of income. Amounts carried in other comprehensive income in respect of the effective portion of the hedge are taken to income as and when the hedged interest expenses themselves affect income.

The Group's operating entities are responsible for identifying and measuring financial risks. However, the Group's Finance Department is responsible for hedging and managing these risks using derivatives on behalf of subsidiaries with risk exposure.

At monthly Treasury Committee meetings, the main risks and exposures are assessed, the required hedges are approved (in accordance with the strategy described below), and the results of these hedges are analyzed.



The Group uses derivative financial instruments to reduce its expose to market risk. At December 31, 2024 and 2023, these instruments had the following fair values:

(in millions of euros)	Accounting classification	Nominal purchase price ⁽¹⁾	Nominal sale price ⁽¹⁾	OCI reserves	Other financial assets		Other financial liabilities		December 31, 2024	December 31, 2023
					Non-current	Current	Non-current	Current	Total	Total
Forward foreign currency contracts	Cash flow hedge	884	(396)	24	17	34	—	(27)	24	93
Forward foreign currency contracts	Trading	421	(463)	—	—	7	—	(6)	1	(5)
OPERATING FOREIGN CURRENCY DERIVATIVES		1,305	(859)	24	17	41	—	(33)	25	88
Swaps	Trading	1,815	(1,815)	—	1	13	(2)	(2)	10	(8)
Forward foreign currency contracts	Trading	33	(47)	—	—	—	—	—	—	1
Cross-currency swaps	Trading	24	(24)	—	—	—	—	—	—	(6)
FINANCIAL FOREIGN CURRENCY DERIVATIVES		1,872	(1,886)	—	1	13	(2)	(2)	10	(13)
Swaps	Cash flow hedge	217	(6)	(3)	—	2	—	(5)	(3)	3
COMMODITY DERIVATIVES		217	(6)	(3)	—	2	—	(5)	(3)	3
Swaps	Cash flow hedge	123	(123)	1	—	1	—	—	1	5
Swaps	Fair value hedge	600	(600)	—	5	—	—	—	5	—
Cross-currency swaps	Trading	24	(24)	—	—	—	—	(1)	(1)	—
INTEREST RATE DERIVATIVES		747	(747)	1	5	1	—	(1)	5	5
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS					23	57	(2)	(41)	37	83

(1) The nominal amounts of the derivatives are expressed in euros.

Bank counterparty risk management

The Group contracts derivatives with leading banks and carries out periodic counterparty risk monitoring.

9.1.4.1 Fair value of foreign currency derivatives

Operational currency risk management

The Group's subsidiaries are exposed to foreign currency risk arising within the scope of their industrial and commercial activities. These risks and the related hedges are monitored by the Financing and Treasury Department.

The Group systematically hedges statement of financial position exposures (non-financial foreign currency receivables and payables). Subsidiaries primarily hedge their transactions with Valeo, the parent company, which then hedges net Group positions with external counterparties. As the corresponding foreign currency derivatives are not designated as part of a hedging relationship for accounting purposes, they are accounted for as derivatives held for trading.

The Group also hedges its operating margin against foreign currency risk, on a regular basis over the budget period and on an exceptional basis over a contractual period for specific major contracts. The principal hedging instruments used by the Group are forward purchases and sales of foreign currencies. In this case, the Group applies cash flow hedge accounting to commodity derivatives.

The fair value of these derivatives is computed as follows: future cash flows are calculated using forward exchange rates at the end of the reporting period and are then discounted using the interest rate of the functional currency. This method corresponds to Level 2 in the fair value hierarchy.

At December 31, 2024, the ineffective portion of these hedges represented a negligible amount, compared with an unrealized loss of 1 million euros at December 31, 2023.

Financial currency risk management

Centralizing cash surpluses, the financing needs of foreign subsidiaries and certain Group financing transactions exposes the Group to financial currency risk. This risk corresponds to the risk of changes in the value of financial receivables or payables denominated in currencies other than the functional currency of the borrowing or lending entity. This currency risk is primarily hedged by currency swaps.

The Group tends to finance its subsidiaries in their local currencies and systematically enters into hedges to protect itself against the resulting currency risk.

The Group's external borrowings and investments are generally denominated in euros, in particular for debt issues under the Euro Medium Term Note financing program.

The unrealized gain of 10 million euros mainly concerns currency swaps relating to hedges of the Group's current accounts and bank accounts.

Analysis of the Group's overall net exposure

The Group's overall net exposure (on its balance sheet positions) at December 31, 2024, based on notional amounts, arises on the following main currencies (excluding entities' functional currencies):

	December 31, 2024					December 31, 2023
	USD	JPY	EUR	Other currencies	Total	Total
<i>(in millions of euros)</i>						
Accounts and notes receivable	315	42	620	36	1,013	1,009
Other financial assets	71	58	194	1,003	1,326	1,681
Accounts and notes payable	(504)	(57)	(886)	(153)	(1,600)	(1,391)
Long-term debt	(702)	(186)	(323)	(1,928)	(3,139)	(2,707)
GROSS EXPOSURE	(820)	(143)	(395)	(1,042)	(2,400)	(1,408)
Forward sales	(115)	(94)	(109)	(1,173)	(1,491)	(1,582)
Forward purchases	836	253	103	2,062	3,254	2,761
NET EXPOSURE	(99)	16	(401)	(153)	(637)	(229)

In the table above, the EUR column represents the net euro exposure of Group entities whose functional currency is not the euro. Exposure arises in particular on subsidiaries based in Central Europe and the Mediterranean area, which are financed in euros by Valeo.

Analysis of the sensitivity of net foreign currency risk exposure

The sensitivity analysis was based on an exchange rate of 1.0389 US dollars and 163.06 Japanese yen to 1 euro at December 31, 2024 (1.105 and 156.33, respectively, at December 31, 2023).

An increase of 10% in the value of the euro against these currencies at December 31, 2024 and December 31, 2023 would have had the following pre-tax impacts:

	December 31, 2024		December 31, 2023	
	Income Gain (loss)	Equity Gain (loss)	Income Gain (loss)	Equity Gain (loss)
<i>(in millions of euros)</i>				
Exposure to US dollar	10	(27)	(4)	(35)
Exposure to Japanese yen	(2)	(2)	2	(3)
Exposure to euro	(40)	4	(8)	4
TOTAL	(32)	(25)	(10)	(34)

For the purpose of these analyses, it is assumed that all other variables, particularly interest rates, remained unchanged.

Assuming that all other variables remained unchanged, a 10% fall in the value of the euro against these currencies at December 31, 2024 would have had the opposite impacts to the ones shown above.



Remaining contractual maturities of foreign currency derivatives

The European Central Bank (ECB) closing rates and forward rates at December 31, 2024 were used to value foreign currency derivatives.

(in millions of euros)	Carrying amount	<1 year	Contractual cash flows					Total
			≥1 year and ≤5 years				>5 years	
			2026	2027	2028	2029	2030 and beyond	
Forward foreign currency contracts used as hedges:								
• Assets	58	41	13	3	1	—	—	58
• Liabilities	(33)	(33)	—	—	—	—	—	(33)
Currency swaps used as hedges:								
• Assets	14	13	1	—	—	—	—	14
• Liabilities	(4)	(2)	(2)	—	—	—	—	(4)

9.1.4.2 Fair value of commodity (non-ferrous metals) derivatives

Commodity risk management

The Group manages its exposure to raw materials by using price indexation clauses in commercial contracts as much as possible. This is the case particularly for non-ferrous metals and steel, for which such clauses cover over 80% of the Group's exposure.

Exposure to non-ferrous metals (mainly listed on the London Metal Exchange (LME) and the Shanghai Futures Exchange) and, to a lesser extent, exposure to propylene is hedged with leading banks using derivative hedging instruments. These hedges are designed to limit the impact of fluctuations in commodity prices on the Group's earnings and to give Valeo the time it needs to negotiate the corresponding price rises

with its customers. Exposures resulting from sales price indexation over periods different to those provided for in the raw materials purchasing agreements are also hedged.

The hedges correspond to derivative instruments which do not involve physical delivery of the underlying commodity (primarily swaps on the average monthly price). These transactions are eligible for cash flow hedge accounting within the meaning of IFRS 9.

Steel, most plastics, and rare-earth metals cannot be hedged on the financial market as they are not listed on an organized exchange.

Inventory values in the Group's statement of financial position are not significantly affected by the rise in commodity prices because the rapid inventory turnover and optimization of logistics flows reduce the amount.

Volumes of non-ferrous metals hedged at December 31, 2024 and 2023 break down as follows:

(in tons)	December 31, 2024	December 31, 2023
Aluminum	44,483	52,230
Secondary aluminum	9,600	7,642
Copper	11,326	9,457
TOTAL	65,409	69,329

Base metals derivatives used by the Group are designated as cash flow hedges. An unrealized loss of 3 million euros relating to existing hedges was recognized in other comprehensive income for 2024.

The unrealized gain of 3 million euros recognized in other comprehensive income in 2023 and relating to existing hedges was reclassified in full to operating income in 2024.

**Analysis of the sensitivity of hedges in place at December 31, 2024**

The table below shows the pre-tax impact on equity and income of a 10% increase in metal forward prices at December 31, 2024 and 2023:

(in millions of euros)	December 31, 2024		December 31, 2023	
	Income Gain (loss)	Equity Gain (loss)	Income Gain (loss)	Equity Gain (loss)
Impact of a 10% rise in metal forward prices	—	18	—	16

At December 31, 2024, a 10% fall in metal forward prices would have had an unfavorable impact for the same amount.

For the purposes of the sensitivity analysis, it is assumed that all other variables remain unchanged over the period.

Remaining contractual maturities of commodity derivatives

Forward prices on the London Metal Exchange (LME) at December 31, 2024 were used to determine contractual maturities for commodity derivatives.

(in millions of euros)	Carrying amount	<1 year	Contractual cash flows					Total
			≥1 year and ≤5 years				>5 years	
			2026	2027	2028	2029	2030 and beyond	
Commodity derivatives:								
• Assets	2	2	—	—	—	—	—	2
• Liabilities	(5)	(5)	—	—	—	—	—	(5)

9.1.4.3 Fair value of interest rate derivatives**Interest rate risk management**

The Group may use interest rate swaps to convert the contractual interest rates on its debt into either a variable or a fixed rate. Cash and cash equivalents are invested in both fixed- and variable-rate instruments. At December 31, 2024, 80% of long-term debt (i.e., due in more than one year) was at fixed rates, up compared to end-2023.

In March 2019, the Group converted the 159 million euro loan granted to one of its Czech subsidiaries into Czech koruna. At the same time, the Group set up a cross currency swap in Czech koruna for the same amount and with the same maturity. This swap is designated as a hedging instrument in a cash flow hedge.

In 2023, a Group subsidiary in Japan converted the 3.7 billion Japanese yen loan granted to one of its Indonesian subsidiaries into Indonesian rupiah. At the same time, the Japanese subsidiary set up two cross-currency swaps in Indonesian rupiah for the same total amount and with the same maturity. These derivatives are not designated as hedging instruments for accounting purposes.

The variable-rate tranche of the *Schuldschein* loan (German private placement) issued in April 2019 was hedged by an interest rate swap, which exchanged the variable coupon for a fixed rate. This instrument was designated as a hedging instrument in a cash flow hedge.

Two interest rate swaps for a total of 600 million euros were put in place in November 2022 to partially hedge the interest on the 750 million euro EMTN financing issued at the same time. These swaps are designated as hedging instruments in a fair value hedge.

(in millions of euros)	December 31, 2024		December 31, 2023	
	Nominal	Fair value	Nominal	Fair value
Interest rate swaps:				
• Loan in Czech koruna ⁽¹⁾	—	—	159	(6)
• Loan in Indonesian rupiah ⁽¹⁾	24	(1)	23	—
• <i>Schuldschein</i> loans (German private placements)	123	1	123	5
• EMTN due 2027	600	5	600	—
TOTAL	747	5	905	(1)

(1) The nominal amounts of the cross-currency swaps correspond to the non-exposed foreign currency leg, converted into euros using the December 31, 2024 exchange rates.



Analysis of the Group's net exposure

At the end of the reporting period, the Group's net interest rate position based on nominal values can be analyzed as follows:

2024

(in millions of euros)	Less than 1 year		1 to 5 years		More than 5 years		Total nominal amount		
	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion	Total
Financial liabilities	1,910	272	3,413	377	1,090	—	6,413	649	7,062
Loans	—	—	(25)	—	—	—	(25)	—	(25)
Accrued interest	(32)	—	—	—	—	—	(32)	—	(32)
Cash and cash equivalents	(788)	(2,365)	—	—	—	—	(788)	(2,365)	(3,153)
NET POSITION BEFORE HEDGING	1,090	(2,093)	3,388	377	1,090	—	5,568	(1,716)	3,852
Derivative instruments	122	(122)	(600)	600	—	—	(478)	478	—
NET POSITION AFTER HEDGING	1,212	(2,215)	2,788	977	1,090	—	5,090	(1,238)	3,852

2023

(in millions of euros)	Less than 1 year		1 to 5 years		More than 5 years		Total nominal amount		
	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion	Fixed portion	Variable portion	Total
Financial liabilities	2,010	6	3,485	603	950	45	6,445	654	7,099
Loans	—	—	—	—	—	—	—	—	—
Accrued interest	(26)	—	—	—	—	—	(26)	—	(26)
Cash and cash equivalents	(385)	(2,640)	—	—	—	—	(385)	(2,640)	(3,025)
NET POSITION BEFORE HEDGING	1,599	(2,634)	3,485	603	950	45	6,034	(1,986)	4,048
Derivative instruments	—	—	(477)	477	—	—	(477)	477	—
NET POSITION AFTER HEDGING	1,599	(2,634)	3,008	1,080	950	45	5,557	(1,509)	4,048

Financial liabilities mainly include the nominal amount of long-term debt, short-term financing, lease liabilities and bank overdrafts.

Analysis of sensitivity to interest rate risk

At December 31, 2024, almost all long-term debt was at fixed rates. Fixed-rate debt carried at amortized cost is not included in the calculation of sensitivity to interest rate risk. The Group's exposure to interest rate risk therefore arises solely on its variable-rate debt.

The table below shows the pre-tax impact on income and other comprehensive income of a sudden 1% rise in the interest rates applied to variable-rate financial assets and liabilities, after hedging:

(in millions of euros)	December 31, 2024		December 31, 2023	
	Income Gain (loss)	Equity Gain (loss)	Income Gain (loss)	Equity Gain (loss)
Impact of a 1% rise in interest rates	(12)	—	(15)	—

At December 31, 2024, a sudden 1% fall in interest rates would have had a favorable impact for the same amount.



9.1.5 Other financial assets and liabilities

Other financial assets and liabilities mainly comprise the following current and non-current items:

- guarantee deposits, valued at amortized cost;
- derivative financial instruments (see Note 9.1.4);
- long-term investments.

Long-term investments primarily include investments in non-consolidated companies and mutual funds, which are measured at fair value.

Changes in the fair value of investments in non-consolidated companies are recorded in the statement of income, unless the investment is neither held for trading nor contingent consideration is recognized by an acquirer as part of a business combination. In such cases, the Group may make an irrevocable election at initial recognition of each investment

to present subsequent changes in fair value in other comprehensive income, and dividend income in the statement of income. Once this election has been made, unrealized gains and losses recognized in other comprehensive income may not subsequently be recycled to the statement of income, even in the event of disposal of the related investment.

The election described above for equity instruments is not available for mutual funds. Accordingly, changes in fair value are recognized under other financial income and expenses in the consolidated statement of income.

The fair value of securities listed on an active market is their stock market value.

Long-term investments totaled 312 million euros at end-December 2024 and can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023
LONG-TERM INVESTMENTS AT JANUARY 1	321	366
Acquisitions	—	9
Disposals	(1)	—
Changes in scope	(2)	—
Changes in fair value recognized in equity	—	(1)
Changes in fair value recognized in income	(2)	(33)
Dividends paid by Company mutual funds	(9)	(13)
Translation adjustment	5	(7)
LONG-TERM INVESTMENTS AT DECEMBER 31	312	321

They mainly comprise investments in the following companies:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Hubei Cathay China	54	52
Hubei Cathay China II	20	20
Sino-French Innovation Fund (Cathay)	78	80
Sino-French Innovation Fund II (Cathay)	30	31
Sino-French Innovation Fund III (Cathay)	30	29
Iris Capital	24	28
Aledia	20	20
Other long-term investments ⁽¹⁾	56	61
LONG-TERM INVESTMENTS AT DECEMBER 31	312	321

(1) Other investments in investment funds and in companies over which Valeo exercises neither control nor significant influence with an individual value of no more than 20 million euros.

9.1.6 Accounts and notes payable

Accounts and notes payable are initially recognized at fair value and subsequently carried at amortized cost. The fair value of accounts and notes payable is deemed to be their nominal amount, since payment periods are generally less than three months.

A reverse factoring program is available to Valeo's suppliers worldwide. Under the program, participating suppliers can sell receivables owed to them by Valeo to a financial institution ("factor") before their due date. Relations between the parties are structured based on two separate agreements:

- Valeo's suppliers enter into an agreement with the factor under which they may sell to them the amounts owed from Valeo. The decision to sell receivables is entirely at the discretion of the suppliers, who bear the financial cost;



- Valeo enters into an agreement under which it pays the factor for amounts owed under supplier invoices at the date they fall due.

Receivables acquired by the factor through this program are allocated to a syndicate of several financial institutions (four at December 31, 2024), including the factor.

Two local reverse factoring programs are also available to Group suppliers in Japan.

Given the characteristics of these programs, the sale of these accounts and notes payable does not change the substance of the liabilities concerned. As such, all amounts included in these programs are presented under accounts and notes payable, whether or not they have been sold.

At December 31, 2024, the liabilities concerned broke down as follows:

<i>(in millions of euros)</i>	2024	2023
Accounts and notes payable for which suppliers have signed up to reverse factoring agreements	864	929
<i>O/w payables sold to the factor by suppliers</i>	<i>471</i>	<i>511</i>
Other operating payables	4,518	4,520
ACCOUNTS AND NOTES PAYABLE	5,382	5,449

At end-2024, days payable outstanding for accounts and notes payable stood at approximately 120 days for the Group as a whole. For suppliers who have signed up to reverse factoring agreements, days payable outstanding stood at around 10 days longer. These payment times are broadly unchanged compared with December 31, 2023.

9.2 Financial income and expenses

Net financial income comprises interest income, interest expense (cost of net debt) and other financial income and expenses.

Cost of net debt

Interest expense mainly corresponds to interest recognized on debt, while interest income corresponds to interest earned on cash and cash equivalents.

Other financial income and expenses

Other financial income and expenses notably include:

- the ineffective portion of gains and losses on interest rate hedging transactions;

- gains and losses on foreign exchange transactions or non-ferrous metals purchases that do not meet the definition of hedges of financial instruments;

- the cost of credit insurance and write-downs taken in respect of credit risk and losses on bad debts in the event of client default;

- the net interest cost arising on provisions for pensions and other employee benefits, which includes the impact of unwinding the discount on the obligations to take into account the passage of time, and financial income related to the expected return on plan assets;

- changes in the fair value of long-term investments held for trading.

<i>(in millions of euros)</i>	2024	2023
Cost of gross debt ⁽¹⁾	(363)	(340)
Interest income on cash and investments	112	97
COST OF NET DEBT	(251)	(243)
Net interest cost on provisions for pensions and other employee benefits ⁽²⁾	(31)	(30)
Currency gains (losses)	3	14
Gains (losses) on commodity derivatives (ineffective portion)	—	—
Gains (losses) on interest rate derivatives (ineffective portion)	—	(1)
Gains (losses) on long-term investments held for trading ⁽³⁾	(2)	(33)
Other ⁽⁴⁾	(4)	3
OTHER FINANCIAL INCOME AND EXPENSES	(34)	(47)
NET FINANCIAL INCOME (EXPENSE)	(285)	(290)

(1) Including, in 2024, finance costs for 4 million euros on undrawn credit lines, interest on lease liabilities for 27 million euros and financial expenses for 15 million euros arising on discounting arrangements for accounts and notes receivable and amounts receivable under French research tax credits.

(2) See Note 6.3.4.

(3) See Note 9.1.5.

(4) Of which a 4 million euro expense related to hyperinflation in Turkey.

The cost of net debt was 251 million euros in 2024, an increase of 8 million euros compared with 2023.



NOTE 10 INCOME TAXES

10.1 Income taxes

Income tax expense includes current income taxes and deferred taxes of consolidated companies.

Taxes relating to items reported directly in other comprehensive income are also reported in other comprehensive income and not in the statement of income.

Effective from January 1, 2024, the Group is subject to the "Global Anti-Base Erosion Rules" (the "GloBE Rules"), which provide for a minimum tax rate of 15% in each of the jurisdictions in which it operates.

10.1.1 Breakdown of income tax expense

	2024	2023
Current taxes	(217)	(244)
Deferred taxes	118	90
INCOME TAXES	(99)	(154)

The Group recognized an income tax expense of 99 million euros for 2024, corresponding to an effective tax rate of 30.8%. This income tax expense includes, in particular, 5 million euros recognized under the Pillar Two global minimum tax rules.

10.1.2 Tax proof

(in millions of euros)	2024	2023
INCOME BEFORE INCOME TAXES EXCLUDING SHARE IN NET EARNINGS OF EQUITY-ACCOUNTED COMPANIES	321	437
Standard tax rate in France	25.83 %	25.83 %
THEORETICAL INCOME TAX (EXPENSE)/BENEFIT	(83)	(113)
Impact of:		
• Unrecognized deferred tax assets and unused tax losses (current year)	(53)	(153)
• Recognition of previously unrecognized deferred tax assets	48	73
• Other income tax rates	3	43
• Utilization of prior-year tax losses	26	23
• Permanent differences between accounting income and taxable income	(43)	(27)
• Tax credits	6	5
• <i>Cotisation sur la valeur ajoutée des entreprises</i> (CVAE)	(3)	(5)
GROUP INCOME TAX (EXPENSE)/BENEFIT	(99)	(154)
Effective tax rate	30.8 %	35.2 %

The tax expense at December 31, 2024 takes into account the recognition of deferred tax assets in China for 40 million euros and an increase in deferred tax assets in Romania for 8 million euros.

The Group considers that the *cotisation sur la valeur ajoutée des entreprises* (CVAE) tax on company value-added meets the definition of income tax set out in IAS 12. Income tax in 2024 therefore includes a net expense of 3 million euros in respect of the CVAE tax (5 million euros in 2023).



The favorable 3 million euro impact relating to tax rates that are different from the standard tax rate breaks down as follows:

Country	Current tax rate ⁽¹⁾	2024	2023
China	25.0 %	(1)	19
Brazil	34.0 %	(2)	(6)
Japan	31.7 %	(1)	(3)
Ireland	12.5 %	3	4
Poland	19.0 %	(1)	4
Hungary	9.0 %	8	4
Czech Republic	21.0 %	8	2
South Korea	24.2 %	13	2
Morocco	8.8 %	—	1
United States	21.0 %	6	6
Germany	27.8 %	(26)	13
Other countries	n.a.	(4)	(3)
TOTAL		3	43

(1) The current tax rate shown is the effective tax rate at the end of the reporting period. The tax rate used to calculate deferred taxes takes into account any changes adopted in the tax rate for the coming years.

10.2 Deferred taxes

Deferred taxes are accounted for using the liability method for all temporary differences between the tax base and the carrying amount of assets and liabilities in the consolidated financial statements, and for all tax loss carryforwards.

The main temporary differences relate to tax loss carryforwards, provisions for pensions and other employee benefits, other temporarily non-deductible provisions and capitalized development expenditure. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the temporary differences reverse, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are only recognized to the extent that it appears probable that Valeo will generate future taxable profits against which these tax assets will be able to be recovered. The Group reviews the probability of future recovery of deferred tax assets on a periodic basis for each tax entity. This review can, where appropriate, lead the Group to derecognize deferred tax assets that it had recognized in prior years. The probability of recovery is assessed using the approach deemed most appropriate in light of the entity's legal and tax organization, tax history and projected taxable earnings outlook.

Each entity or tax consolidation group assesses the recoverability of its tax loss carryforwards annually using future taxable profit projections covering a period of five years, prepared on the basis of medium-term business plans drawn up by Group entities and approved by General Management. Where an entity or tax consolidation group reports a net deferred tax asset position, tax loss carryforwards may generally be recognized in the statement of financial position for a maximum period of five years. Taxes payable and tax credits receivable on planned dividend distributions by subsidiaries are recorded in the statement of income.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities concern income taxes levied by the same taxation authority. In France, Valeo has elected for tax consolidation. The tax group includes the parent company and its principal French subsidiaries that are eligible for tax consolidation. Valeo has also elected for tax consolidation for its subsidiaries in other countries where this is permitted by local legislation (Germany, Spain, the United Kingdom and the United States).



Deferred taxes broken down by temporary differences are shown below:

<i>(in millions of euros)</i>	December 31, 2024	December 31, 2023
Loss carryforwards	1,670	1,576
Capitalized development expenditure	(431)	(339)
Pensions and other employee benefits	163	178
Other provisions	164	189
Inventories	133	112
Provisions for restructuring costs	46	7
Tooling	2	2
Non-current assets	101	21
Other	271	281
TOTAL DEFERRED TAXES, GROSS	2,119	2,027
Unrecognized deferred tax assets	(1,427)	(1,470)
TOTAL DEFERRED TAXES	692	557
Of which:		
Deferred tax assets	740	603
Deferred tax liabilities	(48)	(46)

At December 31, 2024, the main countries for which deferred tax assets were recognized in the statement of financial position for tax loss carryforwards are as follows:

<i>(in millions of euros)</i>	Loss carryforwards	Potential tax saving
United States	251	53
Germany ⁽¹⁾	632	175
Brazil	165	26
Czech Republic	105	12
MAIN COUNTRIES	1,153	266
Other countries		101
DEFERRED TAX ASSETS RECOGNIZED FOR TAX LOSS CARRYFORWARDS		367

(1) Tax loss carryforwards are recognized up to the amount of deferred tax liabilities.

At December 31, 2024, deferred tax assets not recognized by the Group can be analyzed as follows:

<i>(in millions of euros)</i>	Tax basis	Potential tax saving
Tax losses available for carryforward from 2025 through 2028	247	(40)
Tax losses available for carryforward in 2029 and thereafter	214	(39)
Tax losses available for carryforward indefinitely	6,073	(1,223)
CURRENT TAX LOSS CARRYFORWARDS	6,534	(1,302)
Unrecognized deferred tax assets on temporary differences		(125)
TOTAL		(1,427)



NOTE 11 STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE

11.1 Stockholders' equity

11.1.1 Change in share capital

11.1.1.1 Change in the number of shares outstanding

The number of shares outstanding and the number of treasury shares held at December 31, 2024 can be analyzed as follows:

	2024	2023
NUMBER OF SHARES OUTSTANDING AT JANUARY 1	243,921,120	241,116,367
Number of treasury shares purchased/sold under the liquidity agreement ⁽¹⁾ or delivered following the exercise of free shares granted	1,230,883	1,673,193
Number of shares purchased under the share buyback program ⁽²⁾	(2,175,683)	—
Number of shares issued under employee share ownership plans: Shares4U ⁽³⁾	—	1,131,560
NUMBER OF SHARES OUTSTANDING AT DECEMBER 31	242,976,320	243,921,120
Number of treasury shares held by the Group	1,657,184	712,384
NUMBER OF SHARES REPRESENTING THE COMPANY'S SHARE CAPITAL AT DECEMBER 31⁽⁴⁾	244,633,504	244,633,504

(1) See Note 11.1.1.2.

(2) See Note 11.1.1.3.

(3) As part of the Shares4U 2023 plan, a 16 million euro capital increase reserved for employees took place on November 15, 2023, issuing 1,131,560 new shares, each with a par value of 1 euro. This plan allows employees to subscribe to Valeo shares directly or through a Company mutual fund, at a subscription price set on September 15, 2023 by the Group's Chief Executive Officer, acting on the authority of the Board of Directors, at 14.24 euros. This gave rise to 15 million euros in additional paid-in capital.

(4) At December 31, 2024 and December 31, 2023, each share had a par value of 1 euro and was fully paid up.

11.1.1.2 Equity management

The Group seeks to maintain a solid capital base in order to retain the confidence of investors, creditors and the market, and to secure its future development. Its objective is to strike a balance between levels of debt and equity.

The Group may be required to buy back treasury shares on the market to cover its obligations with regard to free share and employee share ownership plans, as well as the liquidity agreement. The liquidity agreement, which is consistent with the Code of Ethics published by the French Association of Investment Firms (*Association Française des Entreprises d'Investissement - AFEI*), was signed with an investment services provider on March 25, 2019. At December 31, 2024, 17,321,056 euros had been allocated to the liquidity agreement compared with 17,032,618 euros at December 31, 2023.

11.1.1.3 Share buyback program

Valeo requested the assistance of an investment services provider to meet certain objectives of its 2024 share buyback program as authorized by the Ordinary and Extraordinary Shareholders' Meeting of May 24, 2023.

Pursuant to the agreement signed on March 11, 2024, the parties agreed that the investment services provider would sell a certain quantity of Valeo shares to Valeo, which undertook to acquire them at term, within the limit of 25 million euros, at an average price determined in an objective and independent manner by the market during the full term of the agreement. This average price could not in any case exceed the maximum purchase price set by the Ordinary and Extraordinary Shareholders' Meeting of May 24, 2023.

Under the program, Valeo bought back a total of 2,175,683 shares. They have been allocated in full to cover the allotment of shares to employees under free share plans designed to involve them in the Company's growth, and the implementation of any Company savings plans.

The main features of the 2024 share buyback program are as follows:

	2024 program
Date agreement took effect	March 11, 2024
Expiration date	May 13, 2024
Maximum nominal amount of buyback (in millions of euros)	25
Treasury shares delivered (in number of shares)	2,175,683
Average share price (in euros per share)	11.49

11.1.2 Translation adjustment

Movements in the translation adjustment (attributable to the Group) in the year resulted in an unrealized gain of 101 million euros (unrealized loss of 336 million euros December 31, 2023). This gain primarily reflects the favorable impacts of the depreciation against the euro of the US dollar (120 million euros) and the Chinese renminbi (90 million euros). The gain is partially offset by the negative impact of the depreciation against the euro of the South Korean won, the Brazilian real and the Japanese yen.



11.1.3 Non-controlling interests

Changes in non-controlling interests can be analyzed as follows:

<i>(in millions of euros)</i>	2024	2023
NON-CONTROLLING INTERESTS AT JANUARY 1	785	790
Share in net earnings	72	79
Dividends paid	(42)	(33)
Changes in scope	6	2
Fair value adjustments to put options granted to holders of non-controlling interests ⁽¹⁾	(2)	(3)
Other movements	(11)	(4)
Translation adjustment	(12)	(46)
NON-CONTROLLING INTERESTS AT DECEMBER 31	796	785

(1) See Note 9.1.2.2.

Non-controlling interests can be analyzed as follows:

	Percentage interest held by non-controlling interests <i>(in %)</i>		Stockholders' equity attributable to non-controlling interests <i>(in millions of euros)</i>	
	December 31, 2024	December 31, 2023	2024	2023
Pyeong Hwa Company ⁽¹⁾	50.0	50.0	571	574
Ichikoh China Alliance entities	5.8	5.8	43	37
Other Ichikoh entities	38.8	38.8	150	148
Other individually non-material interests	n.a.	n.a.	32	26
NON-CONTROLLING INTERESTS			796	785

(1) Pyeong Hwa Company is the longstanding partner in Valeo Pyeong Hwa and Valeo-Kapec, particularly in South Korea.

11.2 Earnings per share

Basic earnings per share is calculated by dividing consolidated net income by the weighted average number of shares outstanding during the year, excluding the average number of shares held in treasury stock.

Diluted earnings per share is calculated by dividing consolidated net income by the weighted average number of shares outstanding during the year, plus the weighted average number of ordinary shares that would be outstanding had all the potentially dilutive ordinary shares been converted.

Stock options and free shares have a dilutive impact when their exercise price is below market price. This calculation method – known as the treasury stock method – serves to determine the “unpurchased” shares to be added to the shares of common stock outstanding for the purposes of computing the dilution.

	2024	2023
Net income for the year attributable to owners of the Company <i>(in millions of euros)</i>	162	221
Weighted average number of ordinary shares outstanding <i>(in thousands of shares)</i>	242,977	242,936
ATTRIBUTABLE BASIC EARNINGS PER SHARE (IN EUROS)	0.67	0.91

	2024	2023
Weighted average number of ordinary shares outstanding <i>(in thousands of shares)</i>	242,977	242,936
Potential dilutive effect from free shares <i>(in thousands)</i>	1,656	1,698
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING ADJUSTED FOR IMPACT OF DILUTIVE SHARES <i>(in thousands of shares)</i>	244,634	244,634
ATTRIBUTABLE DILUTED EARNINGS PER SHARE (IN EUROS)	0.66	0.90



NOTE 12 BREAKDOWN OF CASH FLOWS

12.1 Expenses (income) with no cash effect

Expenses and income with no cash effect can be analyzed as follows in 2024 and 2023:

<i>(in millions of euros)</i>	2024	2023
Depreciation, amortization and impairment of fixed assets	1,989	1,835
Net additions to (reversals from) provisions	(112)	(155)
Losses (gains) on sales of fixed assets	30	(2)
Expenses related to share-based payment	22	25
Losses (gains) on long-term investments	2	33
Losses (gains) on assets held for sale	—	9
Losses (gains) on previously held interests	(71)	1
Other losses (gains) with no cash effect	(25)	(31)
TOTAL	1,835	1,715

12.2 Change in working capital

Changes in the main components of working capital in 2024 and 2023 are shown in the table below:

<i>(in millions of euros)</i>	2024	2023
Inventories	251	(108)
Accounts and notes receivable and other operating receivables	186	(178)
Accounts and notes payable and other operating payables	55	564
TOTAL	492	278

The positive change in working capital in 2024 is chiefly due to lower inventory levels and higher contributions received from customers for product development. The Group also received a significant amount in insurance compensation in 2024, which had been recorded as accrued income at December 31, 2023.

Accounts and notes receivable falling due after December 31, 2024 for which substantially all risks and rewards have been transferred and which are no longer carried in assets in the statement of financial position are detailed in Note 5.2 for accounts and notes receivable and in Note 5.5.2 for amounts receivable under French research and VAT tax credits.

12.3 Disposals of investments with loss of control, net of cash transferred

In 2024, the positive 211 million euro impact on the Group's net cash position corresponds mainly to the disposals of the Thermal Commercial Vehicles business (see Note 3.2.1.1) and PIAA Corporation (see Note 3.2.1.3).

In 2023, the positive impact of 38 million euros on the Group's net cash position corresponded mainly to the disposal of Ichikoh's Mirror business and of Kuantic.

12.4 Issuance and repayment of long-term debt

In 2024, the Group issued 850 million euros' worth of bonds maturing in 2030 (see Note 9.1.2.1).

In parallel, in 2024 Valeo redeemed (i) the 700 million euros in notes issued in 2014 under the Euro Medium Term Note (EMTN) financing program, and (ii) 135 million euros in lease liabilities recognized in accordance with IFRS 16 – "Leases".

In 2023, issuances and repayments of long-term debt primarily corresponded to (i) the issuance of 600 million euros worth of bonds maturing in 2029, (ii) two bank loans taken out by the Group, representing an aggregate 150 million euros, (iii) the redemption of the 500 million euros worth of notes issued in 2017 under the Euro Medium Term Note (EMTN) financing program, and (iv) repayment of two tranches of the *Schuldschein* loan (German private placement) for a total amount of 336 million euros. Net payments of the principal portion of lease liabilities recognized in accordance with IFRS 16 – "Leases" amounted to 115 million euros.

12.5 Free cash flow and net cash flow

Free cash flow corresponds to net cash from operating activities (excluding changes in non-recurring sales of accounts and notes receivable) after taking into account acquisitions and disposals of intangible assets and property, plant and equipment and payments for the principal portion of lease liabilities. This indicator reflects the Group's ability to generate cash from its operations and is taken into account by General Management to define its investment strategy and financing policy.

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 share capital, dividends paid, treasury share purchases and sales, interest paid and received, loan issuance costs and premiums and acquisitions of investments without gain of control, and (iii) changes in non-recurring sales of accounts and notes receivable.

Free cash flow and net cash flow can be reconciled as follows with the consolidated statement of cash flows between 2024 and 2023:

(in millions of euros)	2024	2023
Gross operating cash flows	2,422	2,409
Income taxes paid	(227)	(225)
Changes in working capital	492	278
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,687	2,462
Net payments for purchases of intangible assets and property, plant and equipment	(2,136)	(1,925)
Net payments for the principal portion of lease liabilities	(135)	(115)
Elimination of change in non-recurring sales of accounts and notes receivable ⁽¹⁾	65	(43)
FREE CASH FLOW	481	379
Change in non-recurring sales of accounts and notes receivable ⁽¹⁾	(65)	43
Net change in non-current financial assets	(27)	(11)
Acquisitions of investments with gain of control, net of cash acquired	—	—
Acquisitions of investments in associates and/or joint ventures	—	(8)
Disposals of investments with loss of control, net of cash transferred	211	38
Acquisitions of investments without gain of control	—	(2)
Dividends paid to owners of the Company and to non-controlling interests of consolidated subsidiaries	(139)	(127)
Capital increase in cash	—	16
Sale (purchase) of treasury stock	(25)	—
Net interest paid/received	(234)	(209)
NET CASH FLOW	202	119

(1) Valeo carries out recurring and one-off sales of its accounts and notes receivable to banks. An agreement at a specific date is drawn up for one-off, or non-recurring, transactions of this type. An agreement spanning one or more years is drawn up for recurring transactions. Each contract is analyzed in light of IFRS 9 on the derecognition of financial assets in order to determine whether the risks and rewards inherent to ownership of the receivables has been transferred (see Note 5.2).

NOTE 13 FEES PAID TO THE STATUTORY AUDITORS

Fees paid to the Group's Statutory Auditors (excluding their network) and recognized in the consolidated statement of income for the Valeo parent company and the French subsidiaries, are as follows:

	Ernst & Young		Forvis Mazars	
(in millions of euros)	2024	2023	2024	2023
AUDIT				
Statutory audit, certification and review of the individual and consolidated financial statements	2.0	1.9	1.6	1.6
Certification of sustainability disclosures	—	—	0.5	—
Non-audit services	0.1	0.2	0.1	0.2
TOTAL FEES	2.1	2.1	2.2	1.8

Non-audit services provided by Ernst & Young et Autres and Forvis Mazars to the Group and the entities it controls generally correspond to (i) comfort letters in connection with bond issues, (ii) statements issued to validate information presented in expenditure reports relating to subsidized projects, and (iii) audits of the combined financial statements of some of the Group's operating structures.



NOTE 14 LIST OF CONSOLIDATED COMPANIES

Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
EUROPE				
FRANCE				
Valeo (parent company)				
DAV	FC	100	FC	100
Equipement 2	FC	100	FC	100
Equipement 11	FC	100	FC	100
SC2N	FC	100	FC	100
Valeo Bayen ⁽³⁾	—	—	FC	100
Valeo Embrayages	FC	100	FC	100
Valeo Equipements Electriques Moteur ⁽³⁾	—	—	FC	100
Valeo Bayen (formerly Valeo Finance)	FC	100	FC	100
Valeo Management Services	FC	100	FC	100
Valeo Matériaux de Friction ⁽³⁾	—	—	FC	100
Valeo Comfort and Driving Assistance	FC	100	FC	100
Valeo Service	FC	100	FC	100
Valeo Electrification (formerly Valeo Systèmes de Contrôle Moteur)	FC	100	FC	100
Valeo Systèmes d'Essuyage	FC	100	FC	100
Valeo Systèmes Thermiques	FC	100	FC	100
Valeo Vision	FC	100	FC	100
Valeo eAutomotive France SAS ⁽³⁾	—	—	FC	100
Valeo Power France (formerly Valeo Detection Systems)	FC	100	FC	100
Equipement 22	FC	100	FC	100
Valeo ExpertIn ⁽¹⁾	FC	50.1	—	—
SPAIN				
Valeo España, SAU	FC	100	FC	100
Valeo Service España, SAU	FC	100	FC	100
Valeo Termico, SAU	FC	100	FC	100
ITALY				
Valeo Service Italia, SpA	FC	100	FC	100
Valeo, SpA	FC	100	FC	100

FC: fully consolidated/EM: equity method (see Note 3.1.1).

(1) Creation during the year with no material impact on the consolidated financial statements.

(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
GERMANY				
Valeo Auto-Electric GmbH ⁽⁴⁾	FC	100	FC	100
Valeo GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Holding GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Klimasysteme GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Schalter und Sensoren GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Service Deutschland GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Wischersysteme GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Telematik und Akustik GmbH ⁽⁴⁾	FC	100	FC	100
CloudMade Deutschland GmbH ⁽²⁾	—	—	EM	50
Valeo Thermal Commercial Vehicles Germany GmbH ⁽²⁾	—	—	FC	100
Valeo eAutomotive Germany GmbH ⁽⁴⁾	FC	100	FC	100
Valeo eAutomotive BSAES Holding GmbH ⁽⁴⁾	FC	100	FC	100
FTE Verwaltungs GmbH ⁽⁴⁾	FC	100	FC	100
Valeo Powertrain GmbH ⁽⁴⁾	FC	100	FC	100
FTE automotive systems GmbH ⁽⁴⁾	FC	100	FC	100
FTE automotive Möve GmbH ⁽⁴⁾	FC	100	FC	100
gestigon GmbH ⁽⁴⁾	FC	100	FC	100
Asaphus Vision GmbH ⁽²⁾	—	—	FC	100
Valeo Detection Systems GmbH ⁽⁴⁾	FC	100	FC	100
UNITED KINGDOM				
Valeo (UK) Limited	FC	100	FC	100
Valeo Climate Control Limited	FC	100	FC	100
Valeo Engine Cooling UK Limited	FC	100	FC	100
Valeo Management Services UK Limited	FC	100	FC	100
Valeo Service UK Limited	FC	100	FC	100
Valeo Air Management UK Limited	FC	100	FC	100
CloudMade Holdings Limited ⁽²⁾	—	—	EM	50
CloudMade Limited ⁽²⁾	—	—	EM	50
IRELAND				
Connaught Electronics Limited	FC	100	FC	100
HI-KEY Limited	FC	100	FC	100
Valeo Ichikoh Holding Limited	FC	94	FC	94

FC: fully consolidated/EM: equity method (see Note 3.1.1).

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Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
BELGIUM				
Valeo Service Belgique	FC	100	FC	100
Valeo Vision Belgique	FC	100	FC	100
LUXEMBOURG				
Coreval	FC	100	FC	100
FINLAND				
Valeo Thermal Commercial Vehicles Finland Oy (Ltd) ⁽²⁾	—	—	FC	100
NETHERLANDS				
Valeo Sub-Holdings C.V.	FC	100	FC	100
Valeo Holding Netherlands BV	FC	100	FC	100
Valeo International Holding BV	FC	100	FC	100
Lucia Technologies B.V.	FC	100	FC	100
CZECH REPUBLIC				
Valeo Autoklimatizace k.s.	FC	100	FC	100
Valeo Compressor Europe s.r.o.	FC	100	FC	100
Valeo Vymeniky Tepla s.r.o.	FC	100	FC	100
FTE automotive Czechia s.r.o.	FC	100	FC	100
Valeo Detection Systems s.r.o.	FC	100	FC	100
SLOVAKIA				
FTE automotive Slovakia s.r.o.	FC	100	FC	100
POLAND				
Valeo Autosystemy SpZOO	FC	100	FC	100
Valeo Electric and Electronic Systems SpZOO	FC	100	FC	100
Valeo Service Eastern Europe SpZOO	FC	100	FC	100
Valeo eAutomotive Poland SpZOO ⁽³⁾	—	—	FC	100
HUNGARY				
Valeo Auto-Electric Hungary LLC	FC	100	FC	100
Valeo eAutomotive Hungary Kft.	FC	100	FC	100
ROMANIA				
Valeo Lighting Injection SA	FC	100	FC	100
Valeo Sisteme Termice SRL	FC	100	FC	100
RUSSIA				
Valeo Technology Rus Limited Liability Company	FC	100	FC	100
Valeo Service Limited Liability Company	FC	100	FC	100

FC: fully consolidated/EM: equity method (see Note 3.1.1).

(1) Creation during the year with no material impact on the consolidated financial statements.

(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
UKRAINE				
CloudMade Ukraine LLC ⁽²⁾	—	—	EM	50
Spheros-Elektron TzOV ⁽²⁾	—	—	EM	20
TURKEY				
Valeo Otomotiv Sanayi ve Ticaret AS	FC	100	FC	100
Valeo Ticari Tasitlar Termo Sistemleri AS ⁽²⁾	—	—	FC	100
AFRICA				
TUNISIA				
DAV Tunisie SA	FC	100	FC	100
Valeo Embrayages Tunisie SA	FC	100	FC	100
Valeo Tunisie SA	FC	100	FC	100
MOROCCO				
Valeo Vision Maroc, SA	FC	100	FC	100
EGYPT				
Valeo Internal Automotive Software Egypt	FC	100	FC	100
Valeo Detection Systems LLC	FC	100	FC	100
SOUTH AFRICA				
Valeo Systems South Africa (Proprietary) Ltd	FC	51	FC	51
Valeo Thermal Commercial Vehicles South Africa (Pty) Ltd ⁽²⁾	—	—	FC	100
Valeo Thermal Systems East London (Pty) Ltd	FC	51	FC	51
NORTH AMERICA				
UNITED STATES				
Valeo North America, Inc.	FC	100	FC	100
Valeo Radar Systems, Inc.	FC	100	FC	100
Detroit Thermal Systems LLC	EM	49	EM	49
CloudMade, Inc. ⁽²⁾	—	—	EM	50
Valeo Thermal Commercial Vehicles North America, Inc. ⁽²⁾	—	—	FC	100
Valeo Kapec North America, Inc.	FC	50	FC	50
Valeo Detection Systems Inc. ⁽³⁾	—	—	FC	100

FC: fully consolidated/EM: equity method (see Note 3.1.1).

(1) Creation during the year with no material impact on the consolidated financial statements.

(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
CANADA				
Valeo Canada, Inc.	FC	100	FC	100
MEXICO				
Delmex de Juarez, S de RL de CV	FC	100	FC	100
Valeo Sistemas Automotrices de México, SA de CV	FC	100	FC	100
Valeo Sistemas Electricos, SA de CV	FC	100	FC	100
Valeo Sistemas Electronicos, S de RL de CV	FC	100	FC	100
Valeo Termico Servicios, S de RL de CV ⁽³⁾	—	—	FC	100
Valeo Mexico Tech Center, SA de CV	FC	100	FC	100
Valeo Thermal Commercial Vehicles Mexico, SA de CV ⁽²⁾	—	—	FC	60
Valeo Telematica y Acustica, SA de CV	FC	100	FC	100
Valeo Kapec, SA de CV	FC	50	FC	50
FTE Mexicana, SA de CV	FC	100	FC	100
SOUTH AMERICA				
BRAZIL				
Valeo Sistemas Automotivos Ltda	FC	100	FC	100
Valeo climatizacao do Brasil - veiculos comerciais S/A ⁽²⁾	—	—	FC	60
ARGENTINA				
Emelar Sociedad Anonima ⁽²⁾	—	—	FC	100
Valeo Climatizacion de vehiculos comerciales SAS ⁽²⁾	—	—	FC	100
COLOMBIA				
Spheros Thermosystems Colombia SAS ⁽²⁾	—	—	FC	60
ASIA PACIFIC				
THAILAND				
Valeo Niles (Thailand) Co. Ltd	FC	100	FC	100
Valeo Siam Thermal Systems Co. Ltd	FC	74.9	FC	74.9
Valeo Comfort and Driving Assistance Systems (Thailand) Ltd	FC	100	FC	100
Ichikoh Industries (Thailand) Co. Ltd	FC	61.2	FC	61.2

FC: fully consolidated/EM: equity method (see Note 3.1.1).

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(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
SOUTH KOREA				
Valeo Automotive Korea Co. Ltd	FC	100	FC	100
Valeo Electrical Systems Korea, Ltd	FC	100	FC	100
Valeo Pyeong HWA Co. Ltd	FC	50	FC	50
Valeo Pyeong Hwa Automotive Components Co. Ltd	FC	50	FC	50
Valeo Pyeong HWA International Co. Ltd	FC	50	FC	50
Valeo Samsung Thermal Systems Co. Ltd	EM	50	EM	50
Valeo Pyeong HWA Metals Co. Ltd	EM	50	EM	49
Valeo Kapec Co. Ltd	FC	50	FC	50
Valeo PHC Co. Ltd	FC	50	FC	50
Valeo Detection Systems Korea Co. Ltd	FC	100	FC	100
Valeo PHC Thermal Systems Co. Ltd.	EM	50	EM	50
Valeo Mobility Korea Co. Ltd	FC	100	FC	100
INDONESIA				
PT Valeo AC Indonesia	FC	100	FC	100
PT VPH Asean Transmission	FC	50	FC	50
PT. Ichikoh Indonesia	FC	61.2	FC	61.2
MALAYSIA				
Valeo Malaysia SDN.BHD.	FC	100	FC	100
Ichikoh (Malaysia) SDN.BHD.	FC	42.8	FC	42.8
Valeo Malaysia CDA SDN.BHD.	FC	100	FC	100
UNITED ARAB EMIRATES				
Valeo Thermal Commercial Vehicles Middle East FZE ⁽²⁾	—	—	FC	100
AUSTRALIA				
Valeo Service Australia Pty Ltd	FC	100	FC	100
Valeo Thermal Commercial Vehicles Australia Pty Ltd ⁽²⁾	—	—	FC	100

FC: fully consolidated/EM: equity method (see Note 3.1.1).

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(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
JAPAN				
Ichikoh Industries Limited	FC	61.2	FC	61.2
Kyushu Ichikoh Industries Ltd	FC	61.2	FC	61.2
PIAA Corporation ⁽²⁾	—	—	FC	61.2
Valeo Japan Co. Ltd	FC	100	FC	100
Valeo Kapec Japan K.K.	FC	50	FC	50
CloudMade Co. Ltd ⁽²⁾	—	—	EM	50
CHINA				
Faw-Valeo Climate Control Systems Co. Ltd	EM	36.5	EM	36.5
Foshan Ichikoh Valeo Auto Lighting Systems Co. Ltd	FC	94.2	FC	94.2
Guangzhou Valeo Engine Cooling Co. Ltd	FC	100	FC	100
Huada Automotive Air Conditioner (Hunan) Co. Ltd	FC	66	FC	66
Nanjing Valeo Clutch Co. Ltd	FC	37.5	FC	37.5
Shanghai Valeo Automotive Electrical Systems Co. Ltd	EM	50	EM	50
Shenyang Valeo Auto Lighting Co. Ltd	FC	94.2	FC	94.2
Shenyang Valeo Pyeong-Hwa Transmission Systems Co. Ltd	FC	50	FC	50
Taizhou Valeo Wenling Automotive Systems Company Ltd	FC	100	FC	100
Valeo Auto Parts Trading (Shanghai) Co. Ltd	FC	100	FC	100
Valeo Automotive Air Conditioning Hubei Co. Ltd	FC	100	FC	100
Valeo Kapec Torque Converters (Nanjing) Co. Ltd	FC	50	FC	50
Valeo Engine Cooling (Foshan) Co. Ltd	FC	100	FC	100
Valeo Compressor (Changchun) Co. Ltd	FC	100	FC	100
Valeo Friction Materials (Nanjing) Co. Ltd	FC	50	FC	50
Valeo Ichikoh (China) Auto Lighting Co. Ltd	FC	94.2	FC	94.2
Valeo Interior Controls (Shanghai) Co. Ltd	FC	100	FC	100
Valeo Interior Controls (Shenzhen) Co. Ltd	FC	100	FC	100
Valeo Lighting Hubei Technical Center Co. Ltd	FC	94.2	FC	94.2
Valeo Management (Shanghai) Co. Ltd	FC	100	FC	100
Valeo Comfort Driving Assistance Systems (Guangzhou) Co. Ltd	FC	100	FC	100

FC: fully consolidated/EM: equity method (see Note 3.1.1).

(1) Creation during the year with no material impact on the consolidated financial statements.

(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



Company	December 31, 2024		December 31, 2023	
	Consolidation method	% interest	Consolidation method	% interest
Valeo Shanghai Automotive Electric Motors & Wiper Systems Co. Ltd	FC	100	FC	100
Wuxi Valeo Automotive Components and System Co. Ltd	FC	100	FC	100
Changshu Valeo Automotive Wiper System Co. Ltd	FC	100	FC	100
Shanghai Valeo Pyeong Hwa International Co. Ltd	FC	50	FC	50
Valeo eAutomotive (Shenzhen) Co. Ltd	FC	100	FC	100
Valeo Automotive ePowertrain Systems (Shanghai) Co. Ltd	FC	100	FC	100
Valeo Bluepark Automotive E-Drive Systems (Changzhou) Co. Ltd	FC	60	FC	60
Foshan Valeo Electronic Auto Parts Co. Ltd	FC	100	FC	100
Valeo Thermal Commercial Vehicles System (Suzhou) Co. Ltd ⁽²⁾	—	—	FC	100
Valeo Powertrain (Nanjing) Co. Ltd	FC	100	FC	100
Valeo Powertrain (Shanghai) Co. Ltd ⁽³⁾	—	—	FC	100
Valeo ePowertrain (Tianjin) Co. Ltd	FC	100	FC	100
Valeo eAutomotive (Changshu) Co. Ltd	FC	100	FC	100
Fawer Valeo eAutomotive Parts Changshu	EM	49.5	EM	49.5
Valeo Power Technology (Nanjing) Co., Ltd. (formerly FTE automotive (Taicang) Co. Ltd)	FC	100	FC	100
Zhihui Valeo (Zhejiang) Auto Parts Co. Ltd	EM	20	EM	20
Valeo Mobility Systems (Shanghai) Co. Ltd	FC	100	FC	100
Valeo Detection Systems (Shenzhen) Co. Ltd	FC	100	FC	100
Valeo Special Products eAutomotive Lighting (Changshu) Co., Ltd. ⁽¹⁾	FC	100	—	—
INDIA				
Amalgamations Valeo Clutch Private Ltd	EM	50	EM	50
Valeo Friction Materials India Ltd	FC	60	FC	60
Valeo India Private Ltd	FC	100	FC	100
Valeo Motherson Thermal Commercial Vehicles India Ltd ⁽²⁾	—	—	EM	51

FC: fully consolidated/EM: equity method (see Note 3.1.1).

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(2) Disposals.

(3) Mergers and liquidations.

(4) These entities, which have been consolidated by the Valeo Group, have chosen to exercise their right under section 264 – sub-section 3 of the German Commercial Code (HGB) on exemption and preparation. The consolidated financial statements of Valeo include the financial statements of the identified entities. They will be published in the German Federal Gazette.



7. Statutory Auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

FORVIS MAZARS

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S.A. à directoire et conseil de surveillance
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Commissaire aux Comptes
Membre de la compagnie régionale de Versailles et du Centre

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Commissaire aux Comptes
Membre de la compagnie régionale de Versailles et du Centre

To the Shareholders of Valeo,

Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Valeo for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*).

Justification of Assessments – Key Audit Matters

In accordance with the requirements of articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.



Impairment testing of goodwill, cash generating units (CGUs), capitalized development costs and specific fixed assets

Risk identified

As at 31 December 2024, goodwill amounted to €3,086m and other tangible and intangible fixed assets to €8,421m, including €2,785m in net capitalized development costs.

Tangible and intangible assets with a specified useful life are impairment-tested when objective impairment indicators exist. Goodwill and intangible fixed assets that are not yet ready to be brought online are the subject of impairment testing as soon as impairment indicators appear and, in any event, at least once per year.

These tests are carried out at the division level, which corresponds to groups of cash generating units (CGU) for goodwill, or directly at CGU level for all property, plant and equipment and intangible assets, except for those which are unused, which are subject to a specific impairment test.

The conditions for the tests performed and the details of the assumptions used are presented in Note 7.4.1 to the consolidated financial statements.

During FY 2024, these tests were performed in an unsettled geopolitical and macroeconomic environment, marked notably by the delay of certain production startups by customers who are reconsidering their product offer, and demand impacted by uncertainties relating to the adoption of electric vehicles.

The impairment recognized by the Group after these tests, as well as the sensitivity tests, are presented in Notes 5.5.1.1, 5.5.1.2, 7.4.1, 7.4.2, 7.4.3, 7.4.4, 7.4.5 and 7.4.6 to the consolidated financial statements, specifically for capitalized development costs, the CGUs and goodwill.

We considered that the recoverable amount of the goodwill, the CGUs, capitalized development costs and specific fixed assets, which represent a significant amount, constitute a key audit matter as the valuation of the recoverable amount of these assets, based on the value of future discounted cash flows, relies on significant assumptions, estimates or judgements made by the company's Management.

Our response

We performed the following procedures:

- Analyzed the consistency of the definition of the CGUs with regard to the rules set out in IAS 36;
- Analyzed the existence of impairment indicators causing impairment testing of goodwill, the CGUs, development costs and specific fixed assets.

With the support of our valuation experts, for all impairment tests including the annual goodwill testing:

- Reconciled the carrying amount of each division and the assets of each CGU used for the tests with the consolidated financial statements, as well as the carrying amount of the capitalized development costs and specific fixed assets relating to contracts in progress;
- Analyzed the internal control procedures and Management's involvement to ensure the quality of the preparation of key information;
- Assessed the consistency of the cash flow projections with the most recent Management estimates as presented to the Board of Directors in the context of the preparation of a medium-term plan, the revised volume forecasts, and the agreements or negotiations with automobile builders;
- Analyzed business plans drawn up by the Management per division and per CGU when these plans present a significant impairment risk;
- Analyzed forecasts of volume and internal costs for projects that present an impairment risk;
- Analyzed the main valuation assumptions (discount rate and perpetual growth rate) which we compared to the amounts used by the main financial analysts;
- Reviewed the conditions of implementation and the methods used to value recoverable amounts and the arithmetic accuracy of the calculations made;
- Evaluated the impact of a variation in the discount rate and the main operational assumptions by means of sensitivity analyses.

Lastly, we reviewed the content of the information disclosed in Notes 7.4 and 5.5.1.2 to the consolidated financial statements concerning impairment of goodwill, CGU assets, capitalized development costs and specific fixed assets.



Assets and liabilities relating to specific quality risks

Risk identified

As at 31 December 2024, provisions for customer guarantees stood at €381m. They are intended to cover the estimated cost of future returns of products sold. They notably include provisions for specific quality risks.

Said provisions cover the costs relating to occasional situations which exceed the framework of the legal or contractual guarantees.

The estimated costs to be borne in the context of these specific quality risks are based on both historical data and probability calculations: the expected rates of return and estimated replacement/repair costs. The Group also analyzes the potential indemnities and records accrued income, net of any deductibles, if it is proven that some or all of the costs of implementing the guarantees is/are covered by your Group's insurance policies or by the suppliers concerned.

These provisions are discussed in Note 8.1 to the consolidated financial statements.

We considered the valuation of assets and liabilities relating to specific quality risks to be a key audit matter as this valuation requires your company's Management to make significant estimates and judgements.

Our response

We familiarized ourselves with the process for identifying the specific quality risks and for valuing the provisions and the corresponding accrued income.

Our work also consisted in:

- Analyzing the valuation methodology used by the Group;
- Verifying the completeness of the provisions for specific quality risks by interviewing managers from the divisions' quality departments and the site financial controllers, and by analyzing the Group's internal reporting;
- Analyzing the assumptions used to determine the provisions for specific quality risks, notably by considering the summary notes prepared by the divisions' quality departments summarizing the main causes, as well as the main scenarios for correcting the technical problems identified;
- Familiarizing ourselves with the Group's insurance policy and the policies in place, by interviewing the Group's insurance department manager;
- Evaluating the available documentation, in particular the exchanges between the Group and its customers, as well as the exchanges between the Group and its insurers and/or providers to assess the existence and documented nature of the compensation expected when accrued income is recognized;
- Interviewing the site financial controllers and the finance departments at division level to assess the main assumptions underlying the risk estimates and the corresponding accrued income where applicable.

Lastly, assessing the content of the information disclosed in Note 8.1 to the consolidated financial statements concerning specific quality risks.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standards applicable to the statutory auditors' procedures for annual and consolidated financial statements presented according to the European single electronic report format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the responsibility of the Chief Executive Officer complies with the format defined by Delegated Regulation (EU) 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the tagging in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

It is not our responsibility to ensure that the consolidated financial statements to be included by Valeo in the annual financial report filed with the AMF (French Financial Markets Authority) correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Valeo by the Annual General Meeting held on 3 June 2010.

As at 31 December 2024, both our firms were in their fifteenth year of total uninterrupted engagement.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and Audit Approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.



Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by articles L. 821-27 to L. 821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 27 February 2025

The Statutory Auditors

(French original signed by)

FORVIS MAZARS

Emmanuelle Bertuzzi

Olivier Lenel

ERNST & YOUNG et Autres

Philippe Berteaux

Guillaume Rouger