H1 2020 RESULTS

JACQUES ASCHEPBROICH
CHAIRMAN & CEO
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Covid-19 crisis: market trends validate our strategy
COVID-19 CRISIS: MARKET TRENDS VALIDATE OUR STRATEGY

- CAR HAS A ROLE TO PLAY WITHIN MOBILITY
- GREEN DEAL AS BACKBONE OF THE RECOVERY
- CARS ENSURING PASSENGER HEALTH AND SAFETY
- SMART MOBILITY IS ACCELERATING IN CITY CENTERS
We have invested in 12 new key technological platforms to create a unique product portfolio.

In H2 2020, sales in 48 volts: 3 times higher vs 2019
Front cam: up more than 50% YoY

Expanding our competitive edge through high barriers to entry, leading to a strong increase in our content per car*.

*Ratio : Valeo + VSeA (average content per car - new vehicle )/(average content per car previous generation)
**Ratio : Valeo + VSeA (average content per car ID.3)/(average content per car Golf 7)
Daimler press release dated July 8, 2020

“The next generation of the S-Class, which will be presented in autumn, represents the future of Mercedes-Benz. It combines the two strategic focuses of electrification and digitization. 48-volt technology is standard with all engines, and the plug-in hybrid version sets new standards in this segment in terms of electric range. The market launch of the S-Class will be followed in 2021 by the EQS, the first fully electric luxury sedan from Mercedes-Benz based on an all-electric architecture.”

The 48-V Mild Hybrid Drive System of the Volkswagen Golf 8

Volkswagen is deploying mild hybrid drives in its new Golf 8 models, which combine an internal combustion engine with a 48-V belt-driven starter generator. In addition to the 12-V battery, a high-performance 48-V energy storage is also installed. Advantages include regenerative braking and the ability of the vehicle to coast with the internal combustion engine intermittently switched off. The system also offers advantages in terms of vehicle dynamics and improved comfort in start/stop situations.

A TRANSFORMATION ACKNOWLEDGED BY THE MARKET

Honda’s FIT abolishes millimeter-wave radar with Valeo’s smart front camera providing level 2 ADAS system

Driver and passenger health and safety are now monitored in the Wey VV7 thanks to Valeo driver monitoring system
WE ARE ALREADY ENTERING THE SMART e-MOBILITY MARKET

- **Citroen AMI**
  - SOP
  - Q1 2020

- **ATUL 3 wheelers**
  - SOP
  - Q2 2020

- **Electrified Droid**
  - SOP
  - Q4 2020

- **Expected in 2021**

IN 2020:

- NEW MID-TERM SUSTAINABLE TARGETS
- LONG-TERM CARBON NEUTRALITY PROGRAM

GREENER & SAFER MOBILITY AT THE HEART OF OUR STRATEGY

SAFER (36%)

GREENER (57%)

* excl. tyre companies
** incl. VSeA
02 HEALTH PROTECTION, OUR 1ST PRIORITY
A reinforced protocol has been implemented:

- a worldwide mandatory standard;
- ensuring maximum protection for all employees;
- audited and will remain valid as long as the virus is active...
- ... despite around 10% impact on direct labor productivity.
As part of its commitment in the fight against Covid-19, Valeo has:

● Provided 10,000 ventilators;
● Provided 80,000 FFP2/FFP3 masks to hospitals;
● Donated masks produced in some of our plants.
€2.3bn in undrawn credit lines at end of June 2020;

Liquidity position:

- No debt falling due before June 2021;
- Average debt maturity of 3.4 years;
- Adequate headroom under the bank covenant (3.5 times the EBITDA);
- €2.1bn in cash and cash equivalent.
LEVERAGE RATIO AT 2.7x

Net debt to EBITDA

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt (€m)</th>
<th>12-month rolling EBITDA (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 30, 2019</td>
<td>2,877</td>
<td>2,287</td>
</tr>
<tr>
<td>Dec 31, 2019</td>
<td>2,817</td>
<td>2,496</td>
</tr>
<tr>
<td>Jun 30, 2020</td>
<td>4,037</td>
<td>1,480</td>
</tr>
</tbody>
</table>

Covenant of 3.5X

Shareholders’ equity and net debt

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt (€m)</th>
<th>Shareholders’ equity (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 30, 2019</td>
<td>2,877</td>
<td>4,475</td>
</tr>
<tr>
<td>Dec 31, 2019</td>
<td>2,817</td>
<td>4,629</td>
</tr>
<tr>
<td>Jun 30, 2020</td>
<td>4,037</td>
<td>3,272</td>
</tr>
</tbody>
</table>

Leverage

- 1.3x
- 1.1x
- 2.7x

Gearing

- 64%
- 61%
- 123%

Covenants

Moody’s: Baa3, Negative, Prime-3
**VALEO’S LIQUIDITY AND DEBT MATURITY PROFILE**

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Outstanding amount</th>
<th>Coupon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-dilutive convertible bond</td>
<td>June 2021</td>
<td>$575m/€470m</td>
</tr>
<tr>
<td>EMTN</td>
<td>Sept. 2022</td>
<td>€600m</td>
</tr>
<tr>
<td>EMTN</td>
<td>Jan. 2023</td>
<td>€500m</td>
</tr>
<tr>
<td>Schuldschein</td>
<td>Apr. 2023</td>
<td>€336m</td>
</tr>
<tr>
<td>EMTN</td>
<td>Jan. 2024</td>
<td>€700m</td>
</tr>
<tr>
<td>Schuldschein</td>
<td>Apr. 2025</td>
<td>€212m</td>
</tr>
<tr>
<td>EMTN</td>
<td>June 2025</td>
<td>€600m</td>
</tr>
<tr>
<td>EMTN</td>
<td>Mar. 2026</td>
<td>€600m</td>
</tr>
</tbody>
</table>

Average maturity: 3.4 years
04 STRONG OUTPERFORMANCE IN ALL REGIONS
**STRONG OUTPERFORMANCE IN ALL REGIONS**

Like for like

- **North America**: 13% of Valeo sales
  - 42% of Valeo sales
  - OEM sales: +6%
  - Production: +4%
  - Outperformance: +1pt vs IHS

- **Europe**: 25% of Valeo sales
  - Outperformance: +7pts vs IHS
  - OEM sales: -56%

- **South America**: 1% of Valeo sales
  - Outperformance: +10pts vs IHS
  - OEM sales: -68%

- **China**: 19% of Valeo sales
  - Outperformance: +12pts vs CPCA
  - OEM sales: +17%

- **Asia excl. China**: 13% of Valeo sales
  - Outperformance: +6pts vs IHS
  - OEM sales: -47%

- **World**: 42% of Valeo sales
  - Outperformance: -2pts vs IHS
  - Excl. geographic mix: +6pts vs IHS
  - OEM sales: -49%

---

(1) Europe including Africa, Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates – China

VALEO RESERVED
STONG OUTPERFORMANCE IN ALL REGIONS

OEM sales outperformance (like for like)
(in percentage points)

Europe

- +3pts
  - H1 19
- +9pts
  - H2 19
- +9pts
  - H1 20

North America

- +9pts
  - H1 19
- +10pts
  - H2 19
- +4pts
  - H1 20

World

- +4pts
  - H1 19
- +8pts
  - H2 19
- +6pts
  - H1 20

China

- +11pts
  - H1 19
- +15pts
  - H2 19
- -3pts
  - H1 20

Asia excl. China

- -1pt
  - H1 19
- 0pts
  - H2 19
- +6pts
  - H1 20

VALEO RESERVED

July 21, 2020 | 19
OUTPERFORMANCE IN ALL BUSINESS GROUPS
MAINLY DRIVEN BY ADAS, ELECTRIC SYSTEMS AND LIGHTING

H1 total sales in €m

Outperformance:
- Comfort & Driving Assistance*: +11pts
- Powertrain: +8pts
- Thermal: +2pts
- Visibility: +5pts

Total reported sales:
- Group: €7.1bn
- % of H1 20 sales:
  - CDA*: 31%
  - Powertrain: 22%
  - Thermal: 27%
  - Visibility: 20%

OEM sales like for like:
- -24%
- -24%
- -26%
- -33%
- -33%
- -28%
- -30%

*excl. TCM

VALEO RESERVED
China, strong recovery since March;
North America, strong recovery since end of May;
Europe, gradual recovery since mid-May;
Korea and Japan impacted by the decline in exports;
Brazil and India, very slow recovery.
€5.6BN NEW ORDER INTAKE

Most RFQs (requests for quotation) suspended since March 2020
05 STRONG ACTION PLAN TO LIMIT COVID-19 IMPACT
The world has changed dramatically since the Covid-19 outbreak.
A STRONG AND FAST ACTION PLAN TO VARIABILIZE COSTS AND SAVE CASH
€570M COST REDUCTION
ACROSS ALL PLANTS, FOR A TOTAL AMOUNT OF €570M

- Variabilization of labor and indirect labor costs of which headcount reduction of 12,000 people incl. temporary employment cuts;
  - €248m in cost savings
- Development effort reduction;
  - €196m in cost savings
- Production overheads reduction;
  - €97m in cost savings
- Other savings for a total amount of €29m.

90% of cost savings implemented in Q2.
VARIABILIZATION OF COSTS UP TO 58% IN Q2
THANKS TO COST REDUCTION PLAN

Variabilization of costs* 58% in Q2

* Operating cost reduction excl. material consumption vs H1 2019
  Loss of sales contribution after material consumption
STRONG AND FAST ACTION PLAN TO VARIABILIZE COSTS
DECREASE IN GROSS R&D EFFORT OF €196M

In €m and as a % of sales

1,058
€(196)m

12.2%
862

10.8%
H1 19

OF WHICH
~80% IN Q2

H1 20

Capitalized development expenditure
In €m and as a % of sales

400
319
H1 19
H1 20

Amortization and impairment of capitalized development expenditure (net of subsidies)
In €m and as a % of sales

€236m
H1 19

€195m impairment
H1 20
IMPACT OF COVID-19 ON RESULTS
DROP THROUGH

Drop through*

25% in Q2

28% in H1

*Excl. one-off charges and capitalized development expenditure impact (capitalized costs less amortization)
€633m of additional measures to save cash

- Reduction of €141m in CAPEX*
- Reduction of €243m gross inventories
- Reduction of €249m in dividends

*Excl. Capitalized R&D
● Impact on Valeo’s P&L and cash in line with expectations despite Covid-19 crisis;

● VSeA’s 2020 losses expected to be slightly lower than in 2019, in line with expectations.
ONE-OFF CHARGES RECOGNIZED IN H1 TO ACKNOWLEDGE CHANGE OF ENVIRONMENT POST COVID-19

€622M ONE-OFF CHARGES

AROUND 90% OF ONE-OFF CHARGES LINKED TO THE COVID-19 CRISIS
In its financial statement for the 6 months ended June 30, Valeo has acknowledged the change of environment since Covid-19 outbreak:

- In-depth review of the value of its assets;
- Write-down of Brazilian assets, diesel assets and Top Column Module (TCM).

Significant impairment of assets:

- Operating assets for €392m;
- Other operational liabilities for €109m;
- Top Column Module for €53m;
- Investments in start-ups for €31m;
- Impairment of deferred tax assets for €37m.

Around 90% of one-off charges linked to the Covid-19 crisis.
## IMPACT OF COVID-19 ON OPERATING MARGIN

€764M*

<table>
<thead>
<tr>
<th>(in €m)</th>
<th>2019 reported</th>
<th>Covid-19 drop through*</th>
<th>R&amp;D capitalization &amp; amortization</th>
<th>non recurring</th>
<th>2020 reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin excl. JV &amp; associates</td>
<td>514</td>
<td>(764)</td>
<td>(133)</td>
<td>(457)</td>
<td>(840)</td>
</tr>
</tbody>
</table>

*Excl. impact of R&D capitalization & amortization
€(593)M NET LOSS
BEFORE €622M ONE-OFF CHARGES

€409M EBITDA
(5.8% of sales)
BEFORE ONE-OFF CHARGES
## COVID-19 IMPACT ON FREE CASH FLOW

### $1$BN CASH CONSUMPTION IN H1

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>1,218</td>
<td>202</td>
</tr>
<tr>
<td><strong>Change in operating working capital</strong></td>
<td>230</td>
<td>(574)</td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td>(152)</td>
<td>(106)</td>
</tr>
<tr>
<td><strong>Change in provisions</strong></td>
<td>(36)</td>
<td>232</td>
</tr>
<tr>
<td><strong>Other operating items, of which:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment for the principal portion of lease liabilities</td>
<td>(46)</td>
<td>(43)</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(10)</td>
<td>(30)</td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>(1)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Investments in property, plant and equipment and intangible assets</strong></td>
<td>(966)</td>
<td>(714)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong> (€m)</td>
<td>237</td>
<td>(1,049)</td>
</tr>
</tbody>
</table>

* Change in working capital excluding (i) the change in non-recurring sales of accounts and notes receivable in a negative amount of 29 million euros in first half 2020 and a negative amount of 6 million euros in first-half 2019 and (ii) the restatement of R&D cash contributions for a negative amount of 39 million euros in the first half reclassified in investments in property, plant and equipment and intangible assets.
06 H2 2020 OUTLOOK
For the second half of 2020, Valeo has based its guidance on production volume estimates published by IHS. These estimates do not factor in a second phase of Covid-19 lockdown restrictions or any adverse impact on production, supply chain and market evolution.

Based on this scenario, i.e., a fall of 10% in automotive production, the Group’s objectives for the second half of the year are:

- A continued strong outperformance by production region;
- Restructuring expenses of between 50 and 100 million euros designed to accelerate the structural reduction in costs;
- EBITDA representing around 10% of sales;
- Free cash flow exceeding 400 million euros;
- Reduced losses for the Valeo Siemens eAutomotive joint venture compared with the second half of 2019 (in line with the Group’s expectations of a slight reduction in losses in 2020).
07 BACKUP SLIDES
Q2 SALES

-2pts

€m

OEM

Reported
-50%
-49%
Exchange rates -0.4%
Scope +0.2%

Aftermarket
-34%
-33%
Exchange rates -0.8%
Scope 0.0%

Miscellaneous
-49%
-48%
Exchange rates -0.9%
Scope 0.0%

Sales
-48%
-48%
Exchange rates -0.4%
Scope +0.2%

Q2 2020
H1 SALES

Reported
Like for like

€m

OEM
-29%
-29%
Exchange rates 0.1%
Scope 0.1%

Aftermarket
-18%
-18%
Exchange rates -0.5%
Scope 0.0%

Miscellaneous
-33%
-32%
Exchange rates -0.4%
Scope 0.0%

Total sales
-28%
-28%
Exchange rates -0.0%
Scope +0.1%
H1 OUTPERFORMANCE BY REGION

Like for like

North America
- 47% of Valeo sales
- OEM sales +6%
- Production +4%
- Outperformance +4pts vs IHS

South America
- 2% of Valeo sales
- OEM sales -35%
- Outperformance +16pts vs IHS

Europe
- 18% of Valeo sales
- OEM sales -36%
- Outperformance +9pts vs IHS

China
- 14% of Valeo sales
- OEM sales -8%
- Outperformance +15pts vs CPCA

Asia excl. China
- 19% of Valeo sales
- OEM sales -26%
- Outperformance +6pts vs IHS

World
- OEM sales -29%
- Outperformance +6pts vs IHS

Notes:
(1) Europe including Africa, Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates – China Passenger Car Association (CPCA) estimates for China

VALEO RESERVED
H1 OUTPERFORMANCE IN ASIA

33% of Valeo sales$^{(2)}$

Outperformance
+8pts vs IHS$^{(3)}$

Asia$^{(1)}$

-20%

26% of Asian sales$^{(2)}$

Outperformance
+15pts vs CPCA$^{(2)}$

China

-8%

42% of Asian sales$^{(2)}$

Outperformance
-2pts vs IHS$^{(3)}$

South Korea

-22%

25% of Asian sales$^{(2)}$

Outperformance
-1pt vs IHS$^{(3)}$

Japan

-27%

2% of Asian sales$^{(2)}$

Outperformance
+6pts vs IHS$^{(3)}$

India

-45%

Asia including Middle East

33% of Valeo sales

OEM sales

Valeo OEM sales by destination

Outperformanc

+8pts vs IHS

Valeo OEM sales by destination

Outperformance

+15pts vs CPCA

Valeo OEM sales by destination

Outperformance

-2pts vs IHS

IHS estimates – China Passenger Car Association (CPCA) estimates for China

$^{(1)}$ Asia including Middle East

$^{(2)}$ Valeo OEM sales by destination

$^{(3)}$ IHS estimates – China Passenger Car Association (CPCA) estimates for China

Like for like
CUSTOMER PORTFOLIO

% of OEM sales

H1 19

German 31%
Asian 31%

H1 20

German 30%
Asian 33%
R&D EXPENSES

In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>€785</td>
<td>€928</td>
<td>+18%</td>
</tr>
<tr>
<td>€195m impairment</td>
<td>€733m</td>
<td></td>
</tr>
</tbody>
</table>

Capitalized development expenditure
In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>€400</td>
<td>€319</td>
<td></td>
</tr>
</tbody>
</table>

Amortization and impairment of capitalized development expenditure (net of subsidies)
In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>€184</td>
<td>€431</td>
<td></td>
</tr>
<tr>
<td>€195m impairment</td>
<td>€236m</td>
<td></td>
</tr>
</tbody>
</table>
### IMPACT OF COVID-19 ON OUR RESULTS

**DROP THROUGH**

<table>
<thead>
<tr>
<th>(in m€)</th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>Variation YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7,058</td>
<td>9,776</td>
<td>(2,718)</td>
</tr>
<tr>
<td>Operating margin excl. JV &amp; associates</td>
<td>(840)</td>
<td>514</td>
<td>(1,354)</td>
</tr>
<tr>
<td>One-off expenses</td>
<td>457</td>
<td>457</td>
<td></td>
</tr>
<tr>
<td>Capitalized development expenditure</td>
<td>(319)</td>
<td>(400)</td>
<td>81</td>
</tr>
<tr>
<td>Amortization of capitalized of development expenditure</td>
<td>236</td>
<td>184</td>
<td>52</td>
</tr>
<tr>
<td>Operating margin excl. JV &amp; associates restated*</td>
<td>(466)</td>
<td>298</td>
<td>(764)</td>
</tr>
</tbody>
</table>

*Excl. one-off charges and capitalization of development expenditure impact (capitalization less amortization)

**Drop-through of 28%**
**ONE-OFF CHARGES RECORDED IN H1**

<table>
<thead>
<tr>
<th></th>
<th>Operating assets</th>
<th>Investments in start-ups</th>
<th>Top Column Module business</th>
<th>Deferred tax assets</th>
<th>Other operating liabilities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin (€m)</td>
<td>(121)</td>
<td></td>
<td>(31)</td>
<td>(109)</td>
<td>(261)</td>
<td></td>
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<tr>
<td>R&amp;D expenditure (€m)</td>
<td>(198)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Operating margin</td>
<td>(317)</td>
<td>(31)</td>
<td>(109)</td>
<td>(457)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>excluding share in net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>earnings (losses) of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>equity-accounted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>companies (€m)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Share in net earnings</td>
<td></td>
<td>(31)</td>
<td></td>
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<td></td>
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<tr>
<td>(losses) of</td>
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<tr>
<td>companies (€m)</td>
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<tr>
<td>Other income and</td>
<td>(78)</td>
<td></td>
<td></td>
<td>(22)</td>
<td>(90)</td>
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<tr>
<td>expenses* (€m)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(392)</td>
<td>(31)</td>
<td>(53)</td>
<td>(109)</td>
<td>(585)</td>
<td></td>
</tr>
<tr>
<td>Income tax expense*</td>
<td>(6m)</td>
<td>(31)</td>
<td>(53)</td>
<td>(37)</td>
<td>(37)</td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>(392)</td>
<td>(31)</td>
<td>(53)</td>
<td>(37)</td>
<td>(109)</td>
<td>(622)</td>
</tr>
</tbody>
</table>

*In light of the Covid-19 health crisis, the Group assessed the recoverability of its tax loss carryforwards using future taxable profit projections covering a period of five years, prepared based on a revised medium-term business plan. As a result, a write-down of 37 million euros was recognized at June 30, 2020.*
The Group decided to withdraw from the TCM Segment.

The table below reconciles reported consolidated data for H1 2020 with data excluding the TCM business.
### SEGMENT INFORMATION

**H1 2020**

<table>
<thead>
<tr>
<th>(€m)</th>
<th>Comfort &amp; Driving Assistance Systems*</th>
<th>Powertrain Systems</th>
<th>Thermal Systems</th>
<th>Visibility Systems</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● segment (excluding Group)</td>
<td>1,371</td>
<td>1,836</td>
<td>1,535</td>
<td>2,143</td>
<td>173</td>
<td>7,058</td>
</tr>
<tr>
<td>● intersegment (Group)</td>
<td>9</td>
<td>61</td>
<td>25</td>
<td>26</td>
<td>(121)</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>84</td>
<td>91</td>
<td>(31)</td>
<td>75</td>
<td>(17)</td>
<td>202</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(357)</td>
<td>(145)</td>
<td>(168)</td>
<td>(243)</td>
<td>(15)</td>
<td>(928)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>204</td>
<td>166</td>
<td>194</td>
<td>214</td>
<td>19</td>
<td>797</td>
</tr>
<tr>
<td>Segment assets</td>
<td>2,666</td>
<td>3,332</td>
<td>2,700</td>
<td>2,951</td>
<td>247</td>
<td>11,896</td>
</tr>
</tbody>
</table>

**H1 2019**

<table>
<thead>
<tr>
<th>(€m)</th>
<th>Comfort &amp; Driving Assistance Systems*</th>
<th>Powertrain Systems</th>
<th>Thermal Systems</th>
<th>Visibility Systems</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● segment (excluding Group)</td>
<td>1,772</td>
<td>2,503</td>
<td>2,301</td>
<td>2,968</td>
<td>232</td>
<td>9,776</td>
</tr>
<tr>
<td>● intersegment (Group)</td>
<td>38</td>
<td>62</td>
<td>29</td>
<td>46</td>
<td>(175)</td>
<td>0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>283</td>
<td>319</td>
<td>262</td>
<td>324</td>
<td>30</td>
<td>1,218</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(285)</td>
<td>(155)</td>
<td>(137)</td>
<td>(189)</td>
<td>(19)</td>
<td>(785)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>272</td>
<td>205</td>
<td>259</td>
<td>256</td>
<td>27</td>
<td>1,019</td>
</tr>
<tr>
<td>Segment assets</td>
<td>3,501</td>
<td>2,766</td>
<td>3,064</td>
<td>3,013</td>
<td></td>
<td>12,344</td>
</tr>
</tbody>
</table>

*excl. TCM
Valeo order intake corresponds to business awarded by automakers during the period (including joint ventures accounted for based on Valeo’s share in net equity) less any cancellations, based on Valeo’s best reasonable estimates in terms of volumes, selling prices and project lifespans. *Unaudited indicator.*

Like for like (or LFL): the currency impact is calculated by multiplying sales for the current period by the exchange rate for the previous period. The Group structure impact is calculated by (i) eliminating, for the current period, sales of companies acquired during the period, (ii) adding to the previous period full-year sales of companies acquired in the previous period, and (iii) eliminating, for the current period and for the comparable period, sales of companies sold during the current or comparable period.

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

Net attributable income excluding non-recurring items corresponds to net attributable income adjusted for “other income and expenses” net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.

EBITDA corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.

Free cash flow corresponds to net cash from operating activities after taking into account acquisitions and disposals of property, plant and equipment and intangible assets, and net payments relating to the principal portion of lease liabilities, excluding the change in non-recurring sales of receivables.

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

Net debt comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term financing and short-term bank borrowings and overdrafts, less loans and other long-term financial assets, cash and cash equivalents, short-term investments not included in cash and cash equivalents and the fair value of derivative instruments hedging foreign currency and interest rate risks associated with these items.
INVESTOR RELATIONS

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Website: www.valeo.com

CONTACTS
SHARE INFORMATION

Share Data
- Bloomberg Ticker: FR FP
- Reuters Ticker: VLOF.PA
- ISIN Number: FR 0013176526
- Shares outstanding as of June 30, 2020: 241,036,743

ADR Data
- Ticker/trading symbol: VLEEEY
- CUSIP Number: 919134304
- Exchange: OTC
- Ratio (ADR: ord): 1:2
- Depositary Bank: J.P. Morgan
- Contact at J.P. Morgan – ADR: Jim Reeves
- Broker relationship desk: +1 212-622-2710
SAFE HARBOUR STATEMENT

Statements contained in this document, which are not historical fact, constitute “forward-looking statements”. These statements include projections and estimates and their underlying assumptions, statements regarding projects, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Even though Valeo’s Management feels that the forward-looking statements are reasonable as at the date of this document, investors are put on notice that the forward-looking statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo’s control, which could cause actual results and events to differ materially from those expressed or projected in the forward-looking statements. Such factors include, among others, the Company’s ability to generate cost savings or manufacturing efficiencies to offset or exceed contractually or competitively required price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks resulting from the investigations currently being carried out by the antitrust authorities as identified in the Universal Registration Document, risks which relate to being a supplier in the automotive industry and to the development of new products and risks due to certain global and regional economic conditions. Also included are environmental and industrial risks, risks associated with the Covid-19 epidemic, as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (Autorité des marchés financiers – AMF), including those set out in the “Risk Factors” section of the 2019 Universal Registration Document registered with the AMF on April 28, 2020 (under number D.20-0385).

The Company assumes no responsibility for any analyses issued by analysts and any other information prepared by third parties which may be used in this document. Valeo does not intend or assume any obligation to review or to confirm the estimates of analysts or to update any forward-looking statements to reflect events or circumstances which occur subsequent to the date of this document.