Q3 2020
SALES

JACQUES ASCHENBROICH
CHAIRMAN & CEO

Valeo
SMART TECHNOLOGY FOR SMARter MOBILITY
01 HEALTH PROTECTION, OUR 1ST PRIORITY

02 STRONG RECOVERY IN Q3 AS COMPARED TO Q2

03 AAA ESG RATING CONFIRMED BY MSCI

04 STRONG LIQUIDITY POSITION

05 2020 OUTLOOK

06 BACKUP SLIDES
01 HEALTH PROTECTION, OUR 1ST PRIORITY
PROTECTING THE HEALTH OF VALEO’S EMPLOYEES
OUR 1st PRIORITY

A reinforced protocol has been implemented:

- As a worldwide mandatory standard;
- ensuring maximum protection for all employees;
- audited and valid as long as the virus is active.

Allowing our sites to operate in normal conditions
02  STRONG RECOVERY IN Q3 AS COMPARED TO Q2

FY OUTPERFORMANCE ESTIMATED AT AROUND 5PTS
STRONG RECOVERY IN Q3 AS COMPARED TO Q2
VALEO’S GROWTH IN LINE WITH THE MARKET

QUARTER ON QUARTER SALES GROWTH UP 70%
WITHOUT MAJOR OPERATIONAL ISSUES
VALEO’S GROWTH IN LINE WITH THE MARKET FY OUTPERFORMANCE ESTIMATED AT AROUND 5PTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Reported</th>
<th>Like for like</th>
<th>OEM</th>
<th>Aftermarket</th>
<th>Miscellaneous</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>-8%</td>
<td>-6%</td>
<td>3,751</td>
<td>-7%</td>
<td>-6%</td>
<td>4,389</td>
</tr>
<tr>
<td>Like for like</td>
<td>-5%</td>
<td>-2%</td>
<td>448</td>
<td>-6%</td>
<td>-4%</td>
<td>190</td>
</tr>
<tr>
<td>Exchange rates</td>
<td>-2.5%</td>
<td>-4.0%</td>
<td>-24%</td>
<td>+3.8%</td>
<td>-6%</td>
<td>-8%</td>
</tr>
<tr>
<td>Scope</td>
<td>+0.1%</td>
<td>+0.0%</td>
<td>0.0%</td>
<td>-5.7%</td>
<td>+0.1%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

OEM sales outperformance

€m

Q3 2020
STRONG RECOVERY IN Q3 AS COMPARED TO Q2
VALEO’S GROWTH IN LINE WITH THE MARKET

- Europe, strong performance driven by 48V, ADAS and lighting systems;
- China, strong performance driven by ADAS and lighting systems;
- North America, negative base effect (outperformance of 14 pts in 2019) and unfavorable customer mix (exposure to Nissan);
- Asia excluding China:
  - Japan, unfavorable customer mix (exposure to Nissan);
  - South Korea, temporary unfavorable product mix with Hyundai;
- Strong performance in South America.

Outperformance of around 5 pts in 2020
Like for like

**North America**
- 46% of Valeo sales
- OEM sales +6%
- Production +4%
- Outperformance -5pts vs IHS

**Europe**
- 21% of Valeo sales
- OEM sales -4%
- Outperformance +5pts vs IHS

**South America**
- 2% of Valeo sales
- OEM sales -10%
- Outperformance +11pts vs IHS

**China**
- 15% of Valeo sales
- OEM sales +11%
- Outperformance +4pts vs CPCA

**Asia excl. China**
- 16% of Valeo sales
- OEM sales -20%
- Outperformance -6pts vs IHS

**World**
- Outperformance 0pts vs IHS
- OEM sales -5%

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

**Outperformance**
- +5pts vs IHS
- 0pts vs IHS
- +11pts vs IHS
- +4pts vs CPCA
- -6pts vs IHS

**GROWTH IN LINE WITH THE MARKET**
4PTS OUTPERFORMANCE IN CHINA

Like for like

31% of Valeo sales\(^{(2)}\)

Asia \(^{(1)}\)

Outperformance -3pts vs IHS\(^{(3)}\)

23% of Asian sales\(^{(2)}\)

China

50% of Asian sales\(^{(2)}\)

Outperformance +11%

3% of Asian sales\(^{(2)}\)

India

Outperformance +1pt vs IHS\(^{(3)}\)

21% of Asian sales\(^{(2)}\)

Japan

Outperformance -10pts vs IHS\(^{(3)}\)

31% of Valeo sales\(^{(2)}\)

Asia \(^{(1)}\)

Outperformance -7%

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

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

\(^{3}\) IHS estimates – China Passenger Car Association (CPCA) estimates for China
03 4PTS OUTPERFORMANCE YTD
4PTS OUTPERFORMANCE

OEM sales outperformance

+4pts

€m

9,614

1,272

561

11,447

Reported

Like for like

OEM

-22%

-21%

Exchange rates

-0.7%

Scope

+0.1%

Aftermarket

-14%

-13%

Exchange rates

-1.7%

Scope

0.0%

Miscellaneous

-30%

-30%

Exchange rates

-4.0%

Scope

+3.6%

Total sales

-21%

-21%

Exchange rates

-0.8%

Scope

+0.1%

YTD 2020
YTD OUT PERFORMANCE IN ALL PRODUCTION REGIONS

Like for like

- North America: 19% of Valeo sales(2) with -25% OEM sales(2)
  - Outperformance +1pt vs IHS(3)
- Europe: 47% of Valeo sales(2) with -23% OEM sales(2)
  - Outperformance +7pts vs IHS(3)
- South America: 2% of Valeo sales(2) with -26% OEM sales(2)
  - Outperformance +15pts vs IHS(3)
- China: 14% of Valeo sales(2) with -1% OEM sales(2)
  - Outperformance +12pts vs CPCA(3)
- Asia excl. China: 18% of Valeo sales(2) with -24% OEM sales(2)
  - Outperformance +2pts vs IHS(3)
- World: -21% OEM sales(2)
  - Outperformance +4pts vs IHS(3)

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(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
5PTS OUTPERFORMANCE IN ASIA

Like for like

32% of Valeo sales\(^{(2)}\)

**Asia\(^{(1)}\)**

Outperformance
+5pts vs IHS\(^{(3)}\)

-15%

**India**

3% of Asian sales\(^{(2)}\)

Outperformance
+4pts vs IHS\(^{(3)}\)

-34%

**China**

44% of Asian sales\(^{(2)}\)

Outperformance
+12pts vs CPCA\(^{(3)}\)

-1%

**South Korea**

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

Outperformance
-6pts vs IHS\(^{(3)}\)

-20%

**Japan**

24% of Asian sales\(^{(2)}\)

Outperformance
-3pts vs IHS\(^{(3)}\)

-25%

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\(^{(1)}\) Asia including Middle East
\(^{(2)}\) Valeo OEM sales by destination
\(^{(3)}\) IHS estimates – China Passenger Car Association (CPCA) estimates for China
YTD OUTPERFORMANCE IN ALL BUSINESS GROUPS
MAINLY DRIVEN BY ADAS, ELECTRIC SYSTEMS AND LIGHTING

Outperformance

YTD total sales in €m

- Comfort & Driving Assistance*: +8pts
- Powertrain: +4pts
- Thermal: +1pt
- Visibility: +4pts

YTD 2020

Group €11.4bn
- CDA*: 31%
- Powertrain: 22%
- Thermal: 27%
- Visibility: 20%

YTD total sales

- 2,253
- 3,046
- 2,577
- 3,491

Total reported sales

- -18%
- -20%
- -26%
- -22%

OEM sales

- Like for like

-17%
-21%
-24%
-21%

*excl. TCM
04 STRONG LIQUIDITY POSITION
STRONG LIQUIDITY POSITION AT END OF JUNE 2020

€2.3BN IN UNDRAWN CREDIT LINES

- €2.3bn in undrawn credit lines;
- Liquidity position:
  - €2.1bn in cash and cash equivalent;
  - 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).
AAA ESG RATING CONFIRMED BY MSCI
**MSCI CONFIRMED VALEO’S BEST IN CLASS “AAA” RATING**

**GREENER & SAFER MOBILITY AT THE HEART OF OUR STRATEGY**

- “The company falls into the highest scoring range relative to global peers.
- Governance practices are generally well aligned with shareholder interests.
- Opportunities in clean tech: high proportion of revenues from Energy Efficiency products.”

MSCI, August 2020

In 2021, long-term carbon neutrality plan to be disclosed with new mid-term sustainability targets

* incl. VSeA

** excl. tire companies
06 2020 OUTLOOK
EBITDA margin revised upward to more than 12% in H2
Focus on Free Cash Flow Generation

Key Levers

- EBITDA margin improvement;
- Positive change in the net balance of accounts and notes receivable and payable;
- Tight management of inventories;
- Strict control of CAPEX.

Free cash flow revised upward to more than 600 million euros in 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 any significant adverse impact on production, supply chain and market evolution of a second wave of Covid-19.

Based on this scenario, i.e., a fall of 3% in automotive production in H2, the Group has set itself the following objectives:

FY 2020:

- Outperformance of around 5 percentage pts;
- Reduced losses for the Valeo Siemens eAutomotive joint venture compared with the second half of 2019 (in line with expectations of a slight reduction in losses in 2020).

H2 2020: financial objectives revised upward

- EBITDA margin representing more than 12% of sales (up from “representing around 10% of sales”);
- Free cash flow exceeding 600 million euros (up from “exceeding 400 million euros”).
07 BACKUP SLIDES
CUSTOMER PORTFOLIO

% of OEM sales

YTD 19

German: 31%
Asian: 32%
American: 13%
French: 5%
Other: 19%

YTD 20

German: 31%
Asian: 32%
American: 13%
French: 5%
Other: 19%
GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales

YTD 19

YTD 20

Western Europe 32%

58% in Asia & emerging countries

58% in Asia & emerging countries

Western Europe 32%

US

Mexico

SA

China

Asia

Eastern Europe
PERFORMANCE BY BUSINESS GROUP

**Q3 total sales**

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Outperformance</th>
<th>3Q 2020 Total Sales in €m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance*</td>
<td>+2pts</td>
<td>873</td>
</tr>
<tr>
<td>Powertrain</td>
<td>-2pts</td>
<td>1,149</td>
</tr>
<tr>
<td>Thermal</td>
<td>0pts</td>
<td>1,017</td>
</tr>
<tr>
<td>Visibility</td>
<td>0pts</td>
<td>1,322</td>
</tr>
</tbody>
</table>

Total reported sales:

- **OEM sales:**
  - -5%
  - -3%

- **Like for like:**
  - -8%
  - -7%
  - -10%
  - -9%

*excl. TCM

Group €4.4bn

**% of Q3 20 sales**

- **Comfort & Driving Assistance:** 30%
- **Powertrain:** 20%
- **Thermal:** 23%
- **Visibility:** 27%

VALEO RESERVED

October 27, 2020 | 27
The Group decided to withdraw from the TCM Segment.

The table below reconciles reported consolidated data for Q3 2020 with data excluding the TCM business.

<table>
<thead>
<tr>
<th></th>
<th>Group (in €m)</th>
<th>TCM</th>
<th>Excluding TCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,389</td>
<td>(55)</td>
<td>4,334</td>
</tr>
<tr>
<td>Original equipment sales</td>
<td>3,751</td>
<td>(49)</td>
<td>3,702</td>
</tr>
</tbody>
</table>
CONTACTS

INVESTOR RELATIONS

VALEO
43, rue Bayen
F-75848 Paris Cedex 17
France

Thierry Lacorre
E-mail: valeo.corporateaccess.mailbox@valeo.com
Website: www.valeo.com
**Share Information**

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

**ADR Data**
- Ticker/trading symbol: VLEEY
- 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).

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