H1 2021 RESULTS

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06 ORDER INTAKE OF €10.6BN

07 2021 OUTLOOK CONFIRMED

08 BACKUP SLIDES
H1 2021 ESG & FINANCIAL HIGHLIGHTS

ROBUST SET OF RESULTS IN A CHALLENGING ENVIRONMENT
H1 EXTRA-FINANCIAL HIGHLIGHTS

Carbon neutrality by 2050
45% CO₂ reduction by 2030 - intermediate targets

Valeo joined the new “CAC 40 ESG” index in March 2021

Valeo has managed to avoid any production disruption at OEM level

Appointment of Christophe Perillat as Deputy CEO

Separation of the roles of Chairman of the Board and CEO in January 2022
Q2 FINANCIAL HIGHLIGHTS

Sales
€4,327m

OEM Sales
€3,575m

Aftermarket Sales

up 73% lfl vs. 2020 despite semiconductor shortage

up 63% lfl vs. 2020 thanks to Valeo Service efficiency

up 78% lfl vs. 2020
Outperformance of 24 points thanks to a positive geographic mix

Outperformance* of 24pts vs. 2020

Europe
+9pts

Asia
+5pts

of which China
0pts

North America
+32pts

South America
+56pts

Outperformance* in all Business Groups vs. 2020

Comfort & Driving Assistance
+31pts

Powertrain
+19pts

Thermal
+32pts

Visibility
+17pts

*IHS as of July 16, 2021/CPCA estimates for China
H1 FINANCIAL HIGHLIGHTS

Sales
€8,994m

OEM Sales
€7,512m

Aftermarket Sales

Outperformance* in all regions vs. 2019

Europe
+11pts

Asia
+10pts

of which China
+21pts

North America
+11pts

South America
+25pts

Outperformance* in all Business Groups vs. 2019

Comfort & Driving Assistance
+16pts

Powertrain
+12pts

Thermal
+4pts

Visibility
+4pts

* IHS as of July 16, 2021 / CPCA estimates for China

Up 31% lfl vs. 2020
Down 5% lfl vs. 2019
despite semiconductor shortage

Outperf. of more than 10 pts in all regions vs. 2019

Sales
€8,994m

OEM Sales
€7,512m

Aftermarket Sales

Outperformance* in all regions vs. 2019

Europe
+11pts

Asia
+10pts

of which China
+21pts

North America
+11pts

South America
+25pts

Outperformance* in all Business Groups vs. 2019

Comfort & Driving Assistance
+16pts

Powertrain
+12pts

Thermal
+4pts

Visibility
+4pts

* IHS as of July 16, 2021 / CPCA estimates for China
H1 FINANCIAL HIGHLIGHTS

**EBITDA**
€1,205m

**Operating margin**
(excl. JV & Associates)
€415m

**Net income**
€90m

13.4% as a % of sales

4.6% as a % of sales

1% as a % of sales
H1 FINANCIAL HIGHLIGHTS

Order intake
€10.6BN

Gross R&D expenditure
€851m

Down €207m
Vs 2019

Free cash flow
€145m

Recorded CAPEX
€545m

Down €228m*
Vs 2019

Order intake (VALEO standalone)

*Excl. Impact of IFRS 16
2021 GUIDANCE CONFIRMED

Our base scenario for the top end of our 2021 guidance range is growth in global automotive production of around 9%.

In this context, we confirm for 2021:

- continued outperformance
- financial objectives for margin and cash maintained despite the decline in our assumptions for automotive growth in 2021 and the increase in raw material and semiconductor prices:

<table>
<thead>
<tr>
<th>Published figures</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in €bn)</td>
<td>17.6 - 18.2</td>
<td>16.4</td>
</tr>
<tr>
<td>OEM Sales (in €bn)</td>
<td>14.9 - 15.5</td>
<td>13.8</td>
</tr>
<tr>
<td>EBITDA (as a % of sales)</td>
<td>12.8% - 13.4%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Free cash flow (in €m)</td>
<td>330 - 550</td>
<td>294</td>
</tr>
</tbody>
</table>

- acceleration in growth for the Valeo Siemens eAutomotive joint venture and a reduction in its negative contribution to “Share in net earnings of equity-accounted companies”.

Published figures
02 SUSTAINABLE GROWTH AT THE HEART OF OUR STRATEGY
A LONG-TERM VISION TOWARDS CARBON NEUTRALITY IN 2050
CARBON NEUTRALITY BY 2050

SBTi Target Set

CO₂ EMISSIONS REDUCTION TARGET OF 45% IN 2030

€400m investments over the next 10 years
2030 target: 0.28 Mt CO₂ eq.

Driving our suppliers towards CO₂ emissions reduction
2030 target: 8.1 Mt CO₂ eq.

Mobility decarbonation with our products
2030 target: 19.5 Mt CO₂ eq.

Scope 1&2 -75%

Scope 3 upstream -15%

Scope 3 downstream -50%*

Management compensation aligned with CO₂ emissions reduction targets

*Net 2030 Valeo target = SBTi 2030 absolute value + additional CO₂ reduction yearly realised vs 2019 baseline thanks to Valeo electrification technologies
OUR LEADING ESG PERFORMANCE ACKNOWLEDGED BY ESG RATING AGENCIES

Now a Part of S&P Global

MSCI ESG RATINGS AAA

ISS ESG ethix • climate • oekom

#1*

#1

#1*

#1

#1

#1

CAC 40 ESG INDEX

* excl. tire companies
03 OUTPERFORMANCE OF MORE THAN 10 PTS IN ALL REGIONS VS H1 2019
OUTPERFORMANCE OF MORE THAN 10PTS IN ALL REGIONS

North America
- 18% of Valeo sales
- 9% OEM Sales
- 20% Production*

South America
- 2% of Valeo sales
+ 4% OEM Sales
- 21% Production*

Europe (including Africa)
- 48% of Valeo sales
- 10% OEM Sales
- 21% Production*

Asia
- 32% of Valeo sales
+ 3% OEM Sales
- 7% Production*

China
- 14% of Valeo sales
+ 19% OEM Sales
- 2% Production*

Growth drivers
- CDA
- PTS
- THS
- VIS

*IHS as of July 16, 2021/CPCA estimates for China
OUTPERFORMANCE IN ASIA

Asia
32% of Valeo sales

+3% OEM Sales
-7% Production*

+10pts Outperf.

China
43% of Asian sales

+19% OEM Sales
-2% Production*

+21pts Outperf.

Japan
23% of Asian sales

-10% OEM Sales
-16% Production*

+6pts Outperf.

South Korea
25% of Asian sales

-7% OEM Sales
-11% Production*

+4pts Outperf.

India
4% of Asian sales

+11% OEM Sales
-9% Production*

+20pts Outperf.

*IHS as of July 16, 2021/CPCA estimates for China
Outperformance in all business groups

Powertrain

+12pts

Outperformance

48V

#1 position

Growth opportunities in Transmissions

Hyundai-Kia Tucson, Sportage
48V

Citroën AMI
eDrive 48V

Mercedes EQS
e-Axle

New mobility
(48V)

High voltage
(60V+)

48V

e-Motor

~10%

e-Drive

100%

e-Motor

inverter

Strong growth opportunities in electrification

CO₂ efficiency* vs ICE

*source: McKinsey, compared to ICE basis (130g CO₂/km), tank-to-the-wheel analysis

H1 vs 2019
OUTPERFORMANCE IN ALL BUSINESS GROUPS

Thermal

+4pts

Outperformance

Full set of thermal solutions for electric vehicles

Close to 45% of new order intake in electrification

Sustainable growth opportunities in electrification

Battery thermal management

- Battery cooling system
- Heat pump system

CO₂ efficiency* vs ICE

100%

*Source: McKinsey, compared to ICE brake fuel economy, tank-to-wheel analysis

FlexHeater

VW ID3/4 Battery coolers

Stellantis 208, 2008, Corsa Battery coolers, heat pump

July 22, 2021

H1 vs 2019
OUTPERFORMANCE IN ALL BUSINESS GROUPS

Comfort & Driving Assistance

+16pts
Outperformance

ADAS consolidating
#1 position

Strong momentum in N.A.
and China

Driving safer with ADAS technologies as a structural growth driver

Honda Legend
L2 function w/ only FCAM (Fit)
L3 function w/ Lidar, FCAM and ECUs (Legend)

Ford F-150
Ultrasonic sensors
360 View Camera System

Cameras
Ultrasonic sensor
LIDAR
Controller unit

H1 vs 2019
OUTPERFORMANCE IN ALL BUSINESS GROUPS

Visibility

+4pts

Outperformance

#1 worldwide

Lighting as a pillar for style and communication

Pedestrians and driver protection shows growth opportunities

- Audi A3
  Headlamp with matrix beam
  Pixelated daytime running lights

- Cadillac Escalade
  matrix beam headlight

- Pixel lighting
- Matrix beam
- Sensor cleaning
H1 EBITDA MARGIN OF 13.4% THANKS TO OPERATIONAL EFFICIENCY DESPITE A DIFFICULT ENVIRONMENT
RESILIENT GROSS MARGIN
DESPITE SALES DROP OF €782M

As a % of sales

Impact of lower revenues and increase in fixed costs / depreciation, as a % of sales

Mitigated by industrial efficiency

H1 2021
€207M REDUCTION IN GROSS R&D EXPENDITURE
A STRUCTURAL CHANGE THANKS TO TECHNOLOGICAL PLATFORMS AND COST REDUCTION EFFORT...

Gross R&D expenditure
In €m & as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>1,058</td>
<td>851</td>
</tr>
<tr>
<td>%</td>
<td>10.8%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

-20%
-130BPS

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

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>400</td>
<td>291</td>
</tr>
<tr>
<td>%</td>
<td>4.1%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Down 90bps
IFRS impact -180bps

Amortization and impairment of capitalized development expenditure
(net of subsidies)

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>H1 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>186</td>
<td>252</td>
</tr>
<tr>
<td>%</td>
<td>1.9%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Up 90bps

...MITIGATING IFRS IMPACT
As a % of sales

- H1 19: 5.3%
- Gross margin: -0.3%
- R&D expenditure: -0.4%
- SG&A: 0%
- H1 21: 4.6%

*Excl. JV & Associates
INCREASE IN EBITDA MARGIN OF 90BPS
DESPITE SALES DROP OF €782M

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2021</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales (€m)</td>
<td>9,776</td>
<td>8,994</td>
<td>-8%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,754</td>
<td>1,586</td>
<td>-10%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>17.9%</td>
<td>17.6%</td>
<td>-30bps</td>
</tr>
<tr>
<td>R&amp;D expenditure</td>
<td>(785)</td>
<td>(756)</td>
<td>-4%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>(8.0)%</td>
<td>(8.4)%</td>
<td>-40bps</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>(455)</td>
<td>(415)</td>
<td>-9%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>(4.6)%</td>
<td>(4.6)%</td>
<td>0bps</td>
</tr>
<tr>
<td>Operating margin excl. JV &amp; associates</td>
<td>514</td>
<td>415</td>
<td>-19%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>5.3%</td>
<td>4.6%</td>
<td>-70bps</td>
</tr>
<tr>
<td>JV &amp; associates</td>
<td>(107)</td>
<td>(119)</td>
<td>+11%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>(1.1)%</td>
<td>(1.3)%</td>
<td>+20bps</td>
</tr>
<tr>
<td>Operating margin incl. JV &amp; associates</td>
<td>407</td>
<td>296</td>
<td>-27%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>4.2%</td>
<td>3.3%</td>
<td>-90bps</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,218</td>
<td>1,205</td>
<td>-1%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>12.5%</td>
<td>13.4%</td>
<td>+90bps</td>
</tr>
</tbody>
</table>

**Gross margin**
Operational efficiency leading to gross margin at 17.6%, in line with 2019 despite drop of €782m in sales

**Operating margin**
Large decrease in gross R&D expenditure (-130bps), thanks to technological platforms
Drop of R&D capitalization impact (-180bps)
Strict control of SG&A at 4.6% of sales

**JV & associates**
Acceleration in the ramp-up for key platforms expected in H2
## H1 NET INCOME OF €90M OR 1.0% OF SALES

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2021</th>
<th>▲</th>
</tr>
</thead>
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<tr>
<td><strong>Total Sales (€m)</strong></td>
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<td>8,994</td>
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</tr>
<tr>
<td><strong>Operating margin incl. JV &amp; associates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>4.2%</td>
<td>3.3%</td>
<td>-90bps</td>
</tr>
<tr>
<td><strong>Other income &amp; expenses</strong></td>
<td>(30)</td>
<td>(29)</td>
<td>-3%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>(0.3)%</td>
<td>(0.3)%</td>
<td>0bps</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>377</td>
<td>267</td>
<td>-29%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>3.9%</td>
<td>3.0%</td>
<td>-90bps</td>
</tr>
<tr>
<td><strong>Cost of net debt</strong></td>
<td>(37)</td>
<td>(28)</td>
<td>-24%</td>
</tr>
<tr>
<td><strong>Other financial income &amp; expenses</strong></td>
<td>(4)</td>
<td>6</td>
<td>na</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td>336</td>
<td>245</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>(130)</td>
<td>(114)</td>
<td>-12%</td>
</tr>
<tr>
<td><strong>Effective tax rate</strong></td>
<td>(29)%</td>
<td>(31)%</td>
<td>na</td>
</tr>
<tr>
<td><strong>Non-controlling interests and other</strong></td>
<td>(44)</td>
<td>(41)</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>162</td>
<td>90</td>
<td>-44%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>1.7%</td>
<td>1.0%</td>
<td>-70bps</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>0.68</td>
<td>0.38</td>
<td>-44%</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>12%</td>
<td>13%</td>
<td>na</td>
</tr>
<tr>
<td><strong>ROA</strong></td>
<td>6%</td>
<td>7%</td>
<td>na</td>
</tr>
</tbody>
</table>
05 H1 FCF OF €145M
INCREASE IN EBITDA MARGIN OF 90BPS DESPITE SALES DROP OF €782M

In €m and as a % of sales

<table>
<thead>
<tr>
<th>Business Groups</th>
<th>H1 19</th>
<th>H1 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>15.6%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>12.4%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Thermal</td>
<td>11.2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Visibility</td>
<td>10.7%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Group</td>
<td>12.5%</td>
<td>13.4%</td>
</tr>
</tbody>
</table>

H1 19: 1,218  
H1 21: 1,205

12.5%  
13.4%
NEGATIVE WORKING CAPITAL IMPACT DUE TO INVENTORY INCREASE TO SECURE DELIVERIES TO CUSTOMER

AROUND €200M OF INVENTORY INCREASE IN ORDER TO SECURE DELIVERIES TO OUR CUSTOMERS IN A DIFFICULT ENVIRONMENT (SHORTAGE OF ELECTRONIC COMPONENTS)

THIS TEMPORARY INCREASE WILL REVERSE ONCE THE SITUATION NORMALIZES
RECORDED CAPEX* DOWN €228M

In €m and as a % of sales

-€228m*

-38%

IFRS 16** €22m

597

H1 19

IFRS 16** €176m

369

H1 21

IFRS 16**

H1 19

6.1%

-200bps

H1 21

4.1%

* Excl. Capitalized R&D & IFRS 16
**Leases for the future Group headquarter and for the lab building of CDA activities
## H1 FREE CASH FLOW AT €145M

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>1,218</td>
<td>1,205</td>
</tr>
<tr>
<td>Change in operating working capital</td>
<td>230</td>
<td>(218)</td>
</tr>
<tr>
<td>Restructuring &amp; social costs</td>
<td>(10)</td>
<td>(54)</td>
</tr>
<tr>
<td>Other operating items (incl. taxes)</td>
<td>(235)</td>
<td>(218)</td>
</tr>
<tr>
<td>of which: Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>(152)</td>
<td>(133)</td>
</tr>
<tr>
<td>IFRS 16 leases</td>
<td>(46)</td>
<td>(42)</td>
</tr>
<tr>
<td><em><em>Cash from operating activities</em> (€m)</em>*</td>
<td>1,203</td>
<td>715</td>
</tr>
<tr>
<td>CAPEX (excl. capitalized R&amp;D)</td>
<td>(566)</td>
<td>(279)</td>
</tr>
<tr>
<td>Capitalized R&amp;D</td>
<td>(400)</td>
<td>(291)</td>
</tr>
<tr>
<td><em><em>Free cash flow</em> (€m)</em>*</td>
<td>237</td>
<td>145</td>
</tr>
<tr>
<td>Interest</td>
<td>(56)</td>
<td>(13)</td>
</tr>
<tr>
<td>Other financial items</td>
<td>(447)</td>
<td>(188)</td>
</tr>
<tr>
<td><strong>Net cash flow (€)</strong></td>
<td>(266)</td>
<td>(56)</td>
</tr>
<tr>
<td><strong>Net debt (€m)</strong></td>
<td>2,877</td>
<td>3,147</td>
</tr>
</tbody>
</table>

*Excl. sale of trade receivables

### EBITDA
Improvement in efficiency
Large decrease of cash R&D due to technological platforms

### Working Capital
Negative working capital impact due to around €200m of inventory increase to secure deliveries to our customers

### CAPEX cashout (CAPEX incl. Capitalized R&D)
€570m, down €396m

### Net debt
Leverage ratio of 1.25x
LEVERAGE RATIO OF 1.25x EBITDA CLOSE TO PRE CRISIS LEVEL

<table>
<thead>
<tr>
<th></th>
<th>Leverage</th>
<th>Gearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt to EBITDA</td>
<td>1.25x</td>
<td>94%</td>
</tr>
<tr>
<td>Covenant of 3.5x</td>
<td>2.73x</td>
<td>61%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>12-month rolling EBITDA (€m)</th>
<th>Net debt (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2019</td>
<td>2,817</td>
<td>2,496</td>
</tr>
<tr>
<td>Jun 30, 2020</td>
<td>1,480</td>
<td>1,505</td>
</tr>
<tr>
<td>Dec 31, 2020</td>
<td>2,944</td>
<td>1,505</td>
</tr>
<tr>
<td>Jun 30, 2021</td>
<td>3,147</td>
<td>2,508</td>
</tr>
</tbody>
</table>

Shareholders’ equity and net debt

<table>
<thead>
<tr>
<th></th>
<th>Net debt (€m)</th>
<th>Shareholders’ equity (€m) excluding non-controlling interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2019</td>
<td>2,817</td>
<td>3,272</td>
</tr>
<tr>
<td>Jun 30, 2020</td>
<td>4,629</td>
<td>3,348</td>
</tr>
<tr>
<td>Dec 31, 2020</td>
<td>2,944</td>
<td>3,226</td>
</tr>
<tr>
<td>Jun 30, 2021</td>
<td>3,147</td>
<td>3,348</td>
</tr>
</tbody>
</table>

Leverage

<table>
<thead>
<tr>
<th></th>
<th>Leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Baa3</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BB+</td>
</tr>
</tbody>
</table>

Outlook

<table>
<thead>
<tr>
<th></th>
<th>LT</th>
<th>Outlook</th>
<th>ST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Baa3</td>
<td>Negative</td>
<td>Prime-3</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>BB+</td>
<td>Stable</td>
<td>B</td>
</tr>
<tr>
<td>Duration (Y)</td>
<td>Maturity</td>
<td>Outstanding amount</td>
<td>Coupon</td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>--------------------</td>
<td>--------</td>
</tr>
<tr>
<td>EMTN</td>
<td>5</td>
<td>Sept. 2022</td>
<td>€600m</td>
</tr>
<tr>
<td>EMTN</td>
<td>6</td>
<td>Jan. 2023</td>
<td>€500m</td>
</tr>
<tr>
<td>Schuldschein loan</td>
<td>4</td>
<td>Apr. 2023</td>
<td>€115m</td>
</tr>
<tr>
<td>Schuldschein loan</td>
<td>4</td>
<td>Apr. 2023</td>
<td>€221m</td>
</tr>
<tr>
<td>EMTN</td>
<td>10</td>
<td>Jan. 2024</td>
<td>€700m</td>
</tr>
<tr>
<td>Schuldschein loan</td>
<td>6</td>
<td>Apr. 2025</td>
<td>€90m</td>
</tr>
<tr>
<td>Schuldschein loan</td>
<td>6</td>
<td>Apr. 2025</td>
<td>€122m</td>
</tr>
<tr>
<td>EMTN</td>
<td>7</td>
<td>June 2025</td>
<td>€600m</td>
</tr>
<tr>
<td>EMTN</td>
<td>10</td>
<td>Mar. 2026</td>
<td>€600m</td>
</tr>
<tr>
<td>EIB loan</td>
<td>8</td>
<td>Repayment from 2024 until June 2029</td>
<td>€600m*</td>
</tr>
</tbody>
</table>

Average maturity: 3.2 years

- €2.3bn (1.9 year) Undrawn credit lines
- €2.3bn Cash & cash equivalents

* Second 300 million euro line signed on July 15, 2021
06 VALEO ORDER INTAKE OF €10.6BN

VALEO SIEMENS eAUTOMOTIVE ORDER INTAKE OF €1.1BN
VALEO’S ORDER INTAKE OF €10.6BN

Order intake (Valeo standalone basis) & book to bill
In €bn

11.1
Book to bill
1.3x
H1 2019

10.6
Book to bill
1.4x
H1 2021
FOCUS ON HIGH VOLTAGE ELECTRIFICATION

Valeo Siemens eAutomotive
Good momentum with growing opportunities

€1.1BN
YTD 2021 ORDER INTAKE

€4BN ORDER INTAKE
OVER THE PERIOD 2021/2022

eThermal
around 45% of thermal orders

€1BN
YTD 2021 ORDER INTAKE

€5.2BN+ CUMULATED
ORDER INTAKE* IN ELECTRIFICATION

Valeo eThermal technologies

Valeo Siemens eAutomotive technologies

*End of June 2021
FOCUS ON **ADAS**

We confirm our leadership in ADAS technologies

*From 2018 to end of June 2021*
2021 OUTLOOK CONFIRMED
2021 GUIDANCE CONFIRMED

Our base scenario for the top end of our 2021 guidance range is growth in global automotive production of around 9%.

In this context, we confirm for 2021:

- continued outperformance
- financial objectives for margin and cash maintained despite the decline in our assumptions for automotive growth in 2021 and the increase in raw material and semiconductor prices:

<table>
<thead>
<tr>
<th>Published figures</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in €bn)</td>
<td>17.6 - 18.2</td>
<td>16.4</td>
</tr>
<tr>
<td>OEM Sales (in €bn)</td>
<td>14.9 - 15.5</td>
<td>13.8</td>
</tr>
<tr>
<td>EBITDA (as a % of sales)</td>
<td>12.8% - 13.4%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Free cash flow (in €m)</td>
<td>330 - 550</td>
<td>294</td>
</tr>
</tbody>
</table>

- acceleration in growth for the Valeo Siemens eAutomotive joint venture and a reduction in its negative contribution to “Share in net earnings of equity-accounted companies”.

Published figures
08 BACKUP SLIDES
TOTAL SALES OF €4,327M

OEM
-13%
-10%
-3%
0%

Aftermarket
+4%
+9%
-6%
0%

Miscellaneous
-31%
-28%
+1%
0%

Total sales
-12%
-9%
-3%
0%

Like for like

Reported

Exchange rates
Scope
TOTAL SALES OF €4,327M

€m

OEM

3,575

+73%
+78%
Exchange rates -5%
Scope 0%

Aftermarket

522

+57%
+63%
Exchange rates -6%
Scope 0%

Miscellaneous

230

+35%
+37%
Exchange rates -2%
Scope -1%

Total sales

4,327

+68%
+73%
Exchange rates -5%
Scope 0%
OEM SALES BY REGION

North America
18% of Valeo sales
-15% OEM Sales
-25% Production*

Europe (including Africa)
48% of Valeo sales
-14% OEM Sales
-25% Production*

South America
2% of Valeo sales
-4% OEM Sales
-27% Production*

Asia
32% of Valeo sales
0% OEM Sales
-8% Production*

China
14% of Valeo sales
+17% OEM Sales
+2% Production*

*IHS as of July 16, 2021/CPCA estimates for China
OEM SALES BY REGION

**North America**
18% of Valeo sales
+164% OEM Sales
+132% Production*

**South America**
2% of Valeo sales
+357% OEM Sales
+301% Production*

**Europe**
(including Africa)
48% of Valeo sales
+99% OEM Sales
+90% Production*

**Asia**
32% of Valeo sales
+29% OEM Sales
+24% Production*

**China**
14% of Valeo sales
-3% OEM Sales
-3% Production*

*IHS as of July 16, 2021/CPCA estimates for China
TOTAL SALES OF €8,994M

**OEM**
- Reported: -9%
- Like for like: -6%
- Exchange rates: -3%
- Scope: 0%

**Aftermarket**
- -8%
- +8%
- Exchange rates: -5%
- Scope: 0%

**Miscellaneous**
- -18%
- -15%
- Exchange rates: +4%
- Scope: 0%

**Total sales**
- Reported: -8%
- Like for like: -5%
- Exchange rates: -3%
- Scope: 0%

H1 vs 2019

**TOTAL SALES**
- 7,512
- 1,030
- 452
- 8,994
TOTAL SALES OF €8,994M

- OEM: Reported +28%, Like for like +32%
  - Exchange rates: -4%
  - Scope: 0%

- Aftermarket: +25%
  - Exchange rates: -5%
  - Scope: 0%

- Miscellaneous: +22%
  - Exchange rates: +1%
  - Scope: 0%

- Total sales: +27%, +31%
  - Exchange rates: -4%
  - Scope: 0%
OEM SALES BY REGION

North America
18% of Valeo sales
+40% OEM Sales
+32% Production*

Europe
(including Africa)
48% of Valeo sales
+32% OEM Sales
+30% Production*

South America
2% of Valeo sales
+57% OEM Sales
+62% Production*

Asia
32% of Valeo sales
+26% OEM Sales
+28% Production*

China
14% of Valeo sales
+26% OEM Sales
+28% Production*

*IHS as of July 16, 2021/CPCA estimates for China
GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales

H1 19

59% in Asia & emerging countries

Western Europe 32%

18%

11%

9%

11%

H1 21

59% in Asia & emerging countries

Western Europe 33%

16%

17%

14%

11%

8%
CUSTOMER PORTFOLIO

% of OEM sales

H1 19

- German: 31%
- Asian: 31%
- Others: 19%

H1 21

- German: 32%
- Asian: 32%
- Others: 17%
## REDUCTION IN GROSS R&D EXPENDITURE MITIGATING DECREASE IN IFRS IMPACT

<table>
<thead>
<tr>
<th>In million of euros and as a % of sales</th>
<th>H1 2019</th>
<th>H1 2021</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Research and Development expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>-(1,058)</td>
<td>-(851)</td>
<td>-20%</td>
</tr>
<tr>
<td></td>
<td>-(10.8)%</td>
<td>-(9.5)%</td>
<td>-130bps</td>
</tr>
<tr>
<td>IFRS impact</td>
<td>214</td>
<td>39</td>
<td>-82%</td>
</tr>
<tr>
<td>Subsidies and grants, and other income</td>
<td>59</td>
<td>56</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Research &amp; Development expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>-(785)</td>
<td>-(756)</td>
<td>-4%</td>
</tr>
<tr>
<td></td>
<td>-(8.0)%</td>
<td>-(8.4)%</td>
<td>-40bps</td>
</tr>
<tr>
<td><strong>IFRS impact</strong></td>
<td>214</td>
<td>39</td>
<td>-82%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>2.2%</td>
<td>0.4%</td>
<td>-180bps</td>
</tr>
<tr>
<td>Capitalized development expenditure</td>
<td>400</td>
<td>291</td>
<td>-27%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>4.1%</td>
<td>3.2%</td>
<td>-90bps</td>
</tr>
<tr>
<td>Amortization and impairment of capitalized development expenditure(^{(1)})</td>
<td>-(184)</td>
<td>-(252)</td>
<td>+35%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>-(1.9)%</td>
<td>-(2.8)%</td>
<td>-90bps</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Solely impairment losses recorded in operating margin.
H1 BOOK TO BILL AT 1.4 TIMES OEM SALES
Excluding Top Column Modules

OEM sales of €7.5bn

- North America: €1.4bn, 18%
- Europe: €3.5bn, 47%
- Asia excl. China: €2.5bn, 33%
- China: 18%

Order intake of €10.6bn

- North America: €1.7bn, 16%
- Asia excl. China: €3.2bn, 31%
- China: 52%
- Europe: €5.5bn, 52%

% of H1 2021 OEM sales*

- Asia: 47%
- North America: 18%
- Europe: 47%
- Asia excl. China: 33%
- China: 18%

% of H1 2021 order intake*

- Asia: 33%
- North America: 18%
- Europe: 47%
- Asia excl. China: 16%
- China: 47%

*OEM sales and order intake by destination incl. joint ventures but excluding Valeo Siemens eAutomotive, excl. TCM
The Group decided to withdraw from the TCM Segment.

The table below reconciles reported consolidated data excluding the TCM business.

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>TCM*</th>
<th>H1 2021 excluding TCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8,994</td>
<td>103</td>
<td>8,891</td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,586</td>
<td>7</td>
<td>1,579</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>17.6%</td>
<td>6.8%</td>
<td>17.8%</td>
</tr>
<tr>
<td>R&amp;D expenditure</td>
<td>(756)</td>
<td>(9)</td>
<td>(747)</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>(8.4%)</td>
<td>(8.7%)</td>
<td>(8.4%)</td>
</tr>
<tr>
<td>Selling and administrative expenses</td>
<td>(415)</td>
<td>(5)</td>
<td>(410)</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>(4.6%)</td>
<td>(4.9%)</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>Operating margin excluding share in net earnings (losses) of equity-accounted companies</td>
<td>415</td>
<td>(7)</td>
<td>422</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>4.6%</td>
<td>(6.0%)</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

* Including intercompany transactions.
## SEGMENT INFORMATION

### H1 2021

<table>
<thead>
<tr>
<th></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><strong>Sales:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>segment (excluding Group)</td>
<td>1,767</td>
<td>2,403</td>
<td>1,980</td>
<td>2,632</td>
<td>212</td>
<td>8,994</td>
</tr>
<tr>
<td>intersegment (Group)</td>
<td>12</td>
<td>65</td>
<td>29</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>298</td>
<td>294</td>
<td>241</td>
<td>22</td>
<td>(136)</td>
<td>0</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(268)</td>
<td>(150)</td>
<td>(131)</td>
<td>(16)</td>
<td>(756)</td>
<td></td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>280</td>
<td>144</td>
<td>131</td>
<td>71</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Segment assets</strong></td>
<td>2,678</td>
<td>3,304</td>
<td>2,650</td>
<td>2,828</td>
<td>280</td>
<td>11,740</td>
</tr>
</tbody>
</table>

### H1 2019

<table>
<thead>
<tr>
<th></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><strong>Sales:</strong></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><strong>EBITDA</strong></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>71</td>
<td>1,019</td>
</tr>
<tr>
<td><strong>Segment assets</strong></td>
<td>2,703</td>
<td>3,501</td>
<td>2,766</td>
<td>3,064</td>
<td>310</td>
<td>12,344</td>
</tr>
</tbody>
</table>

*excl. TCM
GLOSSARY

- **Order intake** corresponds to business awarded by automakers during the period to Valeo, and to joint ventures and associates based on Valeo’s share in net equity, (except Valeo Siemens eAutomotive, for which 100% of orders are taken into account), 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.

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

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

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

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

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

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

INVESTOR RELATIONS

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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 June 30, 2021: 241,717,403

### 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. It is also exposed to environmental and industrial risks, risks associated with the Covid-19 epidemic, including risks related to the Group’s supply of electronic components and the rise in raw material prices, 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 2020 Universal Registration Document registered with the AMF on April 6, 2021 (under number D.21-0260).

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 issued by analysts or to update any forward-looking statements to reflect events or circumstances which occur subsequent to the date of this document.