VALEO STRENGTHENS ITS LEADERSHIP POSITION IN ELECTRIFICATION

VALEO TO HOLD 100% OF VSeA*

*This project has been unanimously approved by the Board of Directors and its completion is subject to authorization from the relevant antitrust authorities. The relevant employee representative bodies will be informed and consulted.
ACCELERATION AND STRENGTHENING OF VALEO AS A LEADING PLAYER IN POWERTRAIN ELECTRIFICATION

HIGH GROWTH MARKET

- **92B€ (HIGH VOLTAGE)** by 2030
  - out of which
  - **17.5% CAGR 21-30**
  - **40% outsourced market**

VSeA, A MARKET LEADER

Valeo & Siemens have built a **leading and trusted** e-Powertrain company

DEAL TERMS

- This transaction will result in **net price paid by Valeo of 277M€**
- Increase of Valeo **debt by 741M€ at closing**

SIGNIFICANT SYNERGY OBJECTIVES OF 120M€*

- Accelerate in high voltage technology
- Accelerate in competitiveness
- Accelerate in sales
- Deliver a solid financial roadmap

*2025 run rate
THE ELECTRIFICATION OF AUTOMOTIVE MOBILITY IS ACCELERATING. AND SO IS VALEO.

THE INTEGRATION OF VALEO SIEMENS eAUTOMOTIVE STRENGTHENS OUR POSITION AS A CHAMPION IN ELECTRIFICATION.

IT ALSO MAKES US MORE INNOVATIVE, COMPETITIVE AND PROFITABLE AS WE PLAY OUR PART IN DECARBONIZING MOBILITY.

Christophe Périllat
CEO
HIGH GROWTH MARKET
THE TRANSFORMATION OF THE AUTOMOTIVE INDUSTRY TOWARDS E-POWERTRAIN IS ACCELERATING

LIGHT VEHICLE MARKET IN VOLUME

<table>
<thead>
<tr>
<th>Year</th>
<th>ICE Specific</th>
<th>48V Hybrids</th>
<th>Full Hybrids</th>
<th>Plug-in Hybrids</th>
<th>Battery Electric Vehicles</th>
<th>Fuel Cell Electric Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>81%</td>
<td>6%</td>
<td>5%</td>
<td>2%</td>
<td>6%</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>2025</td>
<td>54%</td>
<td>14%</td>
<td>11%</td>
<td>5%</td>
<td>16%</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>2030</td>
<td>35%</td>
<td>16%</td>
<td>14%</td>
<td>6%</td>
<td>29%</td>
<td>&lt; 1%</td>
</tr>
</tbody>
</table>

Source: IHS, Valeo market analysis
HIGH VOLTAGE E-POWERTRAIN WILL GROW BY 17.5% CAGR* 2021-2030
MILD HYBRIDS WILL ALSO GROW BY 15% CAGR 2021-2030

*Compound annual growth rate
40% OF THE HIGH VOLTAGE MARKET OUTSOURCED

40B€

92B€
In 2030

Outsourced
- In-house by OEM
- eMotor
- Inverter
- Reducer
- OBC-DCDC

30% outsourced
eMotor

40% outsourced
Inverter

90% outsourced
OBC*
DCDC

Source: On going quotes & Valeo estimate, McKinsey analysis
*OBC: On Board Charger
VSeA, A MARKET LEADER
SIEMENS & VALEO HAVE SUCCESSFULLY CREATED A TRUSTED E-POWERTRAIN COMPANY

>90 NEW MODELS SUPPLIED BY VSeA UP TO 2022

>4B€ 2021 & 2022 OI AMBITION CONFIRMED

21 brands in series & devt.

+13 new brands*

*in RFQ & RFI
SIEMENS & VALEO HAVE SUCCESSFULLY CREATED A LEADING E-POWERTRAIN COMPANY

>1600 R&D ENGINEERS

>100 M€ INVESTMENTS IN R&D INFRASTRUCTURE*

>2000 PATENTS

>350 M€ PRODUCTION CAPACITY INVESTMENTS

eDrive / eMotor

>1.5 Mu/y

Power Electronics (Inverter - OBC - DCDC)

>4 Mu/y

*Laboratories, benches, system and software validation factories, simulation toolchains

INVESTMENTS IN R&D INFRASTRUCTURE*
IT IS NOW TIME FOR VALEO TO INTEGRATE VSeA IN 2022
VALEO WILL HOLD 100% OF VSeA AFTER JULY 2022

THIS TRANSACTION WILL RESULT IN NET PRICE PAID BY VALEO OF 277 M€

1,101 M€ DEBT OWED BY VSeA TO SIEMENS REPAID AT CLOSING

-824 M€ EQUITY PRICE

= 277 M€

NET PRICE TO BE PAID BY VALEO TO SIEMENS
VALEO WILL HOLD 100% OF VSeA AFTER JULY 2022

MANAGEABLE & TEMPORARY INCREASE OF VALEO DEBT BY

741 M€

345 M€*
ELIMINATION ON CONSOLIDATION OF THE OUTSTANDING BALANCE OF LOANS GRANTED BY VALEO TO VALEO SIEMENS eAUTOMOTIVE

+ 119 M€ LEASES
+ 277 M€ PRICE
=
741 M€

NET DEBT INCREASE

*This amount is already accounted for by the rating agencies
THE INTEGRATION OF VSeA CREATES A NEW CHAMPION IN ELECTRIFICATION POWERTRAIN

ACCELERATE IN HIGH VOLTAGE TECHNOLOGY

ACCELERATE IN COMPETITIVENESS

ACCELERATE IN SALES

DELIVER A SOLID FINANCIAL ROADMAP
THE INTEGRATION OF VSeA CREATES A NEW CHAMPION IN ELECTRIFICATION POWERTRAIN

ACCELERATE IN HIGH VOLTAGE TECHNOLOGY

ACCELERATE IN COMPETITIVENESS

ACCELERATE IN SALES

DELIVER A SOLID FINANCIAL ROADMAP
VALEO & RENAULT AGREE ON A MAJOR COOPERATION ON MOTOR
IN COMPLEMENT OF VSeA MOTOR PORTFOLIO, TOGETHER WITH RENAULT, WE WILL DEVELOP THE BEST RARE EARTH FREE ELECTRIC MOTOR OF THE INDUSTRY

VALEO STATOR TECHNOLOGY

RARE EARTH-FREE EESM** MOTOR

Rare Earth

up to 3%

Efficiency improvement*

RENAULT ROTOR TECHNOLOGY

*vs Best in class current eMotor efficiency on WLTP
**Electrically Excited Synchronous Motor
TOGETHER WITH ST MICROELECTRONICS, WE WILL DEVELOP THE BEST IN CLASS MODULAR 800V SiC SWITCHING CELL

POWER MODULE

INTEGRATED CO-DESIGN of the power module (ST) in the switching cell (VSeA)

VALEO INVERTER

up to 5% efficiency improvement*
- 40% weight

INCREASED COMPETITIVENESS DUE TO VALUE CHAIN INTEGRATION

2025 SOP TARGET

SCALABLE DESIGN to address full power range up to 300kW

ARCHITECTURE compatible with 400V SiC

* 800V SiC vs 400V IGBT inverter efficiency on WLTP
OUR OBC/DCDC IS BEST IN CLASS

VEHICLE TO GRID BI-DIRECTIONAL TECHNOLOGY INSIDE

VALEO OBC GEN4

- > 96% efficiency
- - 40% packaging*
- up to 2 kW/L power density

1st AWARD

* GEN4 OBC vs. GEN3
ACCELERATE IN HIGH VOLTAGE TECHNOLOGY

ACCELERATE IN COMPETITIVENESS

ACCELERATE IN SALES

DELIVER A SOLID FINANCIAL ROADMAP
COST SYNERGY OBJECTIVES & OPTIMIZATION
120 M€ RUN RATE IN 2025*

R&D SYNERGY OBJECTIVES & OPTIMIZATION
70 M€

NON R&D SYNERGY OBJECTIVES & OPTIMIZATION
50 M€

*New Powertrain Business Group perimeter
SIGNIFICANT OBJECTIVE OF R&D OPTIMIZATION

R&D SYNERGIES OBJECTIVES = 0.8PT
(70M€ IN 2025)

R&D OPERATIONAL LEVERAGE = 3.4PT

REALLOCATE R&D INNOVATION EFFORT

- CUT EXPENSES FOR “ICE” SPECIFIC & LOW VOLTAGE PRODUCTS
- ACCELERATE IN HIGH VOLTAGE

R&D EXPENSES IN % OF SALES OF NEW POWERTRAIN BUSINESS GROUP PROFORMA

2021: 11.6%
2022: 9.4%
2025: 7.4%
ACCELERATE IN HIGH VOLTAGE TECHNOLOGY

ACCELERATE IN COMPETITIVENESS

ACCELERATE IN SALES

DELIVER A SOLID FINANCIAL ROADMAP
WE ACCELERATE IN SALES THANKS TO VSeA INTEGRATION

MORE
CUSTOMER PROXIMITY

MORE
INNOVATIVE

MORE
COMPETITIVE
ACCELERATE IN HIGH VOLTAGE TECHNOLOGY

ACCELERATE IN COMPETITIVENESS

ACCELERATE IN SALES

DELIVER A SOLID FINANCIAL ROADMAP
HIGH VOLTAGE & MILD HYBRID SALES WILL BOOM WHILE POWERTRAIN ICE SPECIFIC SALES REMAINS SOLID THANKS TO AFTERMARKET

NEW POWERTRAIN BUSINESS GROUP SALES (B€)

<table>
<thead>
<tr>
<th></th>
<th>2021*</th>
<th>2025**</th>
<th>2030**</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4</td>
<td>&gt;8.5</td>
<td>&gt;11</td>
<td></td>
</tr>
</tbody>
</table>

80% % booked ratio in 2025

OUR POWERTRAIN ICE SPECIFIC SALES REMAIN SOLID THANKS TO AFTERMARKET AND WILL FINANCE OUR TRANSFORMATION.

MILD HYBRID SALES WILL ALSO GROW IN THE NEXT DECADE. IT IS AN ASSET TO ACCELERATE OUR HIGH VOLTAGE ACTIVITIES.

HIGH VOLTAGE SALES WILL BE BOOSTED THANKS TO VSeA INTEGRATION.

*Sales PTS proforma, including aftermarket distribution
**Sales after non strategic assets divestiture & based on IHS volume
LONGER TERM AMBITION OF PROFITABILITY AT GROUP LEVEL

PTS WITH VSeA INTEGRATION FROM JULY 2022
- +13.4%
- +9.4%
- +12.2%
- +10.4%
- >11%
- ~13%

PTS PROFORMA(VSeA @100%)
- +5.8%
- +0.9%
- +5.8%
- +8.2%

Net losses of VSeA in 2022 halved vs 2021

EBITDA AS % OF SALES
THE NEW POWERTRAIN SYSTEMS BUSINESS GROUP (AFTER INTEGRATION OF VSeA) WILL BE CASH BREAKEVEN AS OF 2022

FREE CASH FLOW BEFORE TAX IN M€
Proforma PTS + 100% VSeA

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>-234</td>
</tr>
<tr>
<td>2020</td>
<td>-280</td>
</tr>
<tr>
<td>2021</td>
<td>-191</td>
</tr>
<tr>
<td>2022</td>
<td>0</td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>~350</td>
</tr>
</tbody>
</table>
VALEO STRENGTHENS ITS LEADERSHIP POSITION IN ELECTRIFICATION
SAFE HARBOR 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 and,

▪ complete acquisition by Valeo of Siemens’ shareholding interest in Valeo Siemens eAutomotive which is subject to information and consultation of employee representative bodies and authorization of the competent antitrust authorities.

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.

This project has been unanimously approved by the Board of Directors and its completion is subject to authorization from the relevant antitrust authorities. The relevant employee representative bodies will be informed and consulted.
STAY TUNED!
WE WILL START SHORTLY...