

**Q3 2020
SALES**



JACQUES ASCHENBROICH
CHAIRMAN & CEO



SMART TECHNOLOGY FOR SMARTER MOBILITY

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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

**Q3
2020**

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

Q3
2020

OEM sales
outperformance

0pts

€m



OEM



Aftermarket



Miscellaneous



Sales

Reported
Like for like

	-7%
	-5%
Exchange rates	-2.5%
Scope	+0.1%

	-6%
	-2%
Exchange rates	-4.0%
Scope	0.0%

	-24%
	-22%
Exchange rates	+3.8%
Scope	-5.7%

	-8%
	-6%
Exchange rates	-2.6%
Scope	+0.1%

STRONG RECOVERY IN Q3 AS COMPARED TO Q2

VALEO'S GROWTH IN LINE WITH THE MARKET

Q3
2020

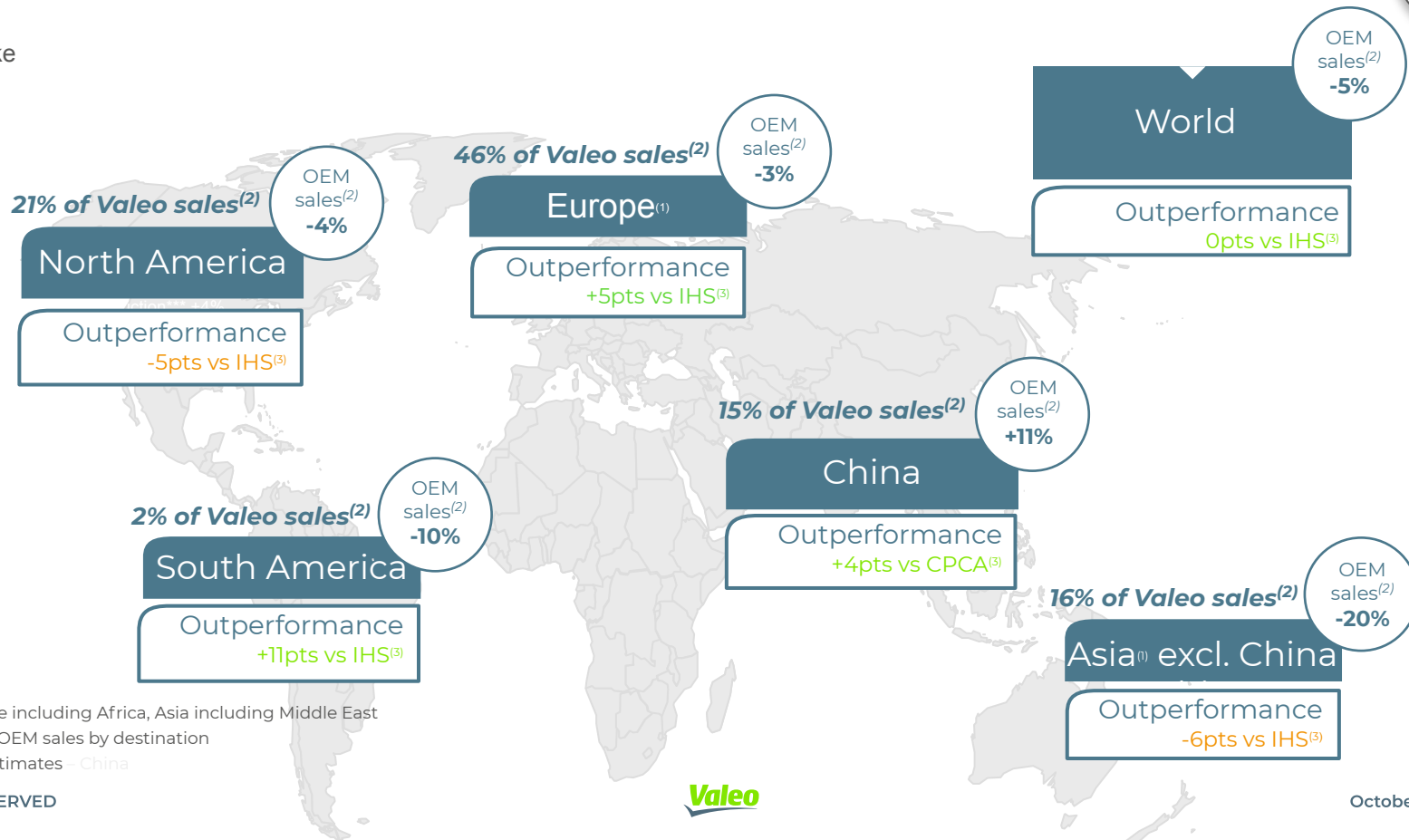
- Europe, strong performance driven by 48V, ADAS and lighting systems;
- China, strong performance driven by ADAS and lighting systems;
- North America, negative base effect (outperformance of 14 pts in 2019) and unfavorable customer mix (exposure to Nissan);
- Asia excluding China:
 - Japan, unfavorable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

GROWTH IN LINE WITH THE MARKET

Q3
2020

Like for like

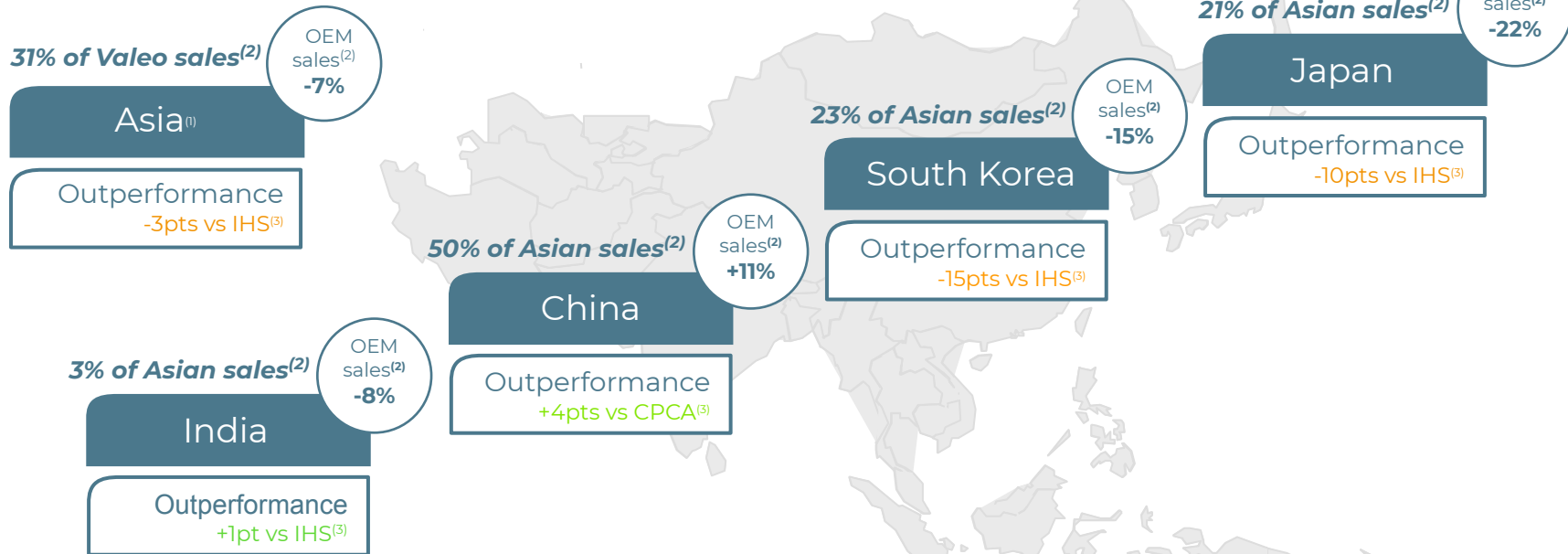


(1) Europe including Africa, Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates - China

4PTS OUTPERFORMANCE IN CHINA

Q3
2020

Like for like



(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

YTD
2020

OEM sales
outperformance

+4pts

1,272

561

11,447

€m

9,614

Reported
Like for like

OEM	
Exchange rates	-0.7%
Scope	+0.1%

Aftermarket	
Exchange rates	-1.7%
Scope	0.0%

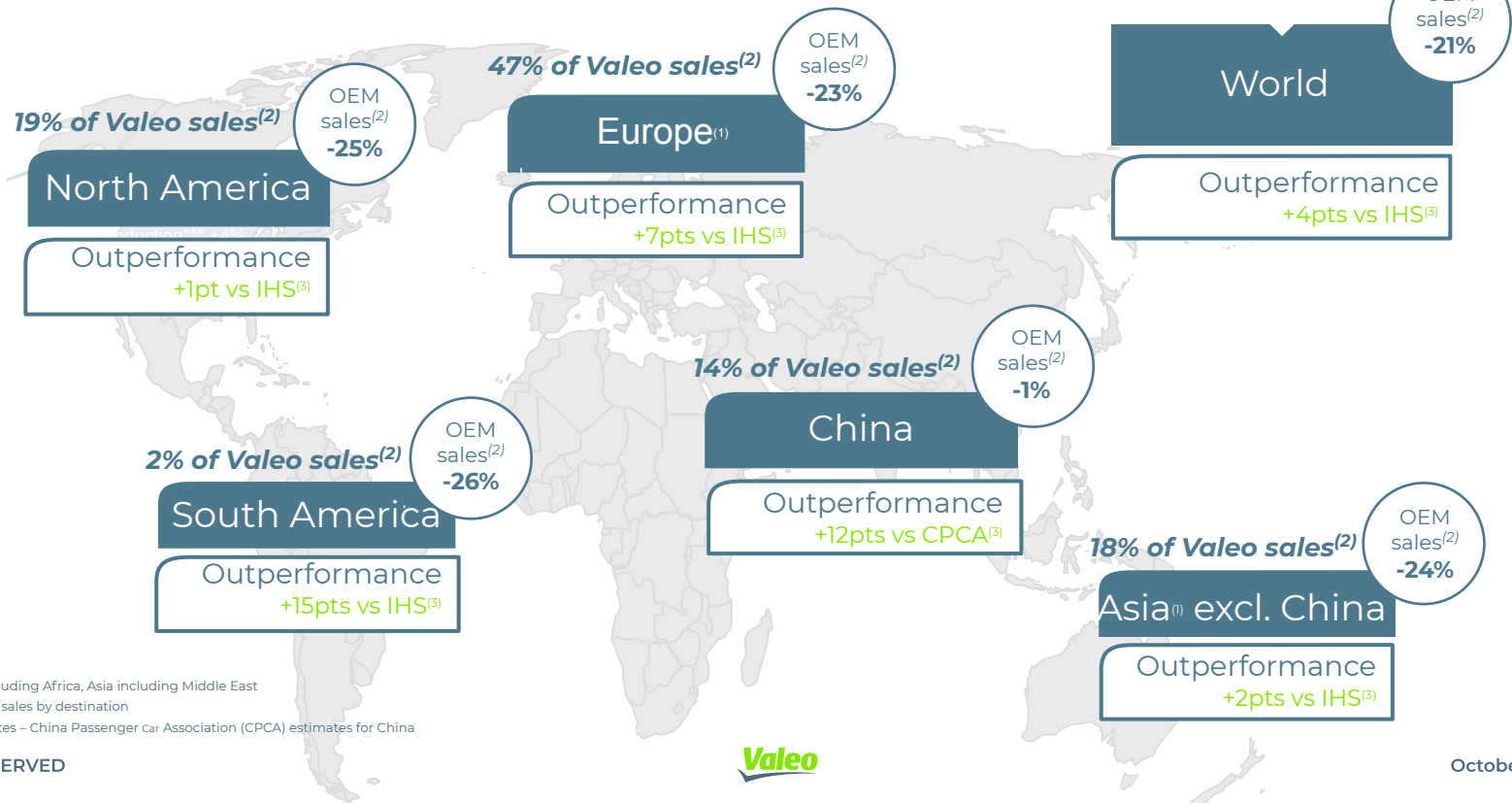
Miscellaneous	
Exchange rates	-4.0%
Scope	+3.6%

Total sales	
Exchange rates	-0.8%
Scope	+0.1%

YTD OUTPERFORMANCE IN ALL PRODUCTION REGIONS

YTD 2020

Like for like

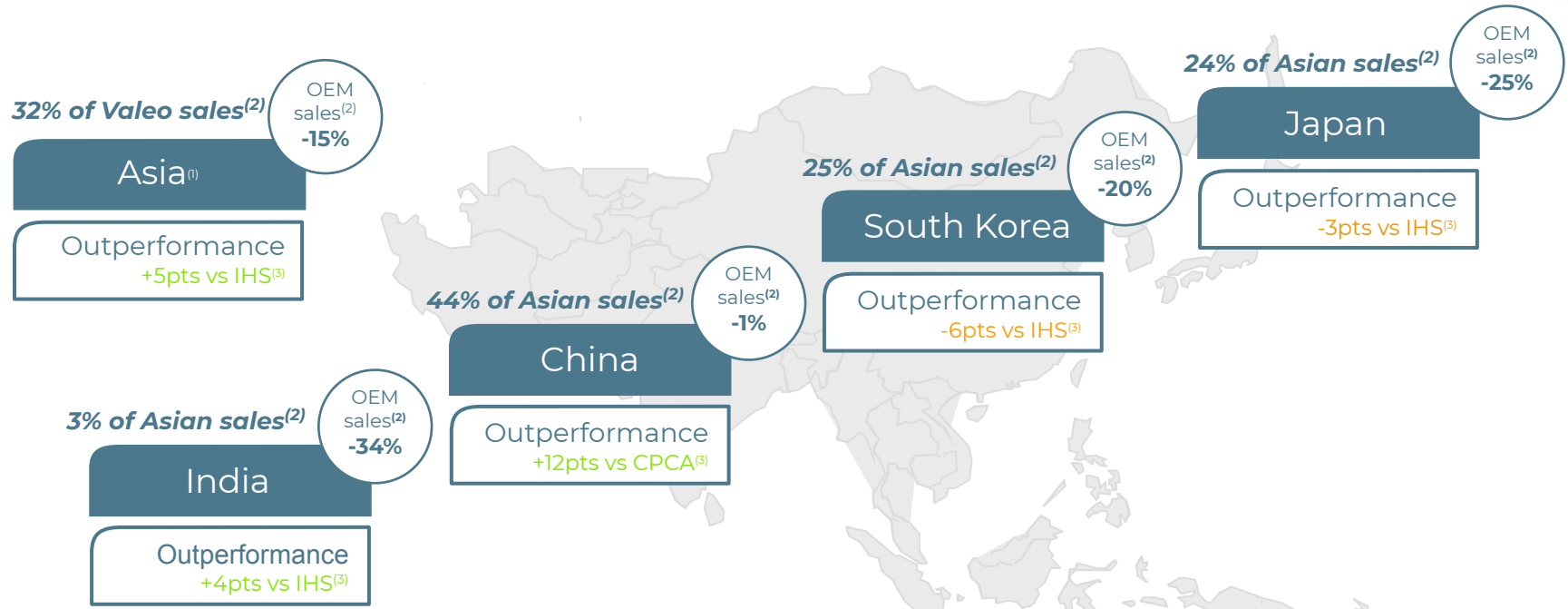


(1) Europe including Africa, Asia including Middle East
 (2) Valeo OEM sales by destination
 (3) IHS estimates – China Passenger Car Association (CPCA) estimates for China

5PTS OUTPERFORMANCE IN ASIA

YTD
2020

Like for like



(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

YTD
2020

Outperformance

+8pts

+4pts

+1pt

+4pts

YTD total sales
In €m



Comfort & Driving Assistance*



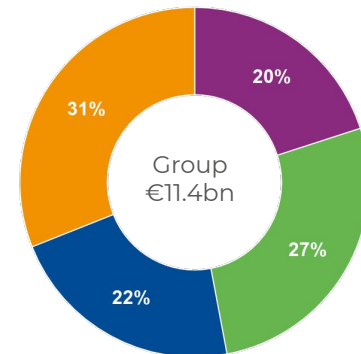
Powertrain



Thermal



Visibility



● CDA* ● Powertrain ● Thermal ● Visibility

% of YTD 20 sales

Total reported sales

-18%

-17%

OEM sales
Like for like

-20%

-21%

-26%

-24%

-22%

-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).

05 AAA ESG RATING CONFIRMED BY MSCI

MSCI CONFIRMED VALEO'S BEST IN CLASS "AAA" RATING

GREENER & SAFER
MOBILITY AT THE HEART OF
OUR STRATEGY

SAFER
(36%)



GREENER
(57%)

* incl. VSeA

#1

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

- “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

#1**

ROBECOSAM
We are Sustainability Investing.

#1

Corporate Knights

#1**

ISS ESG

** excl. tire companies

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

06 2020 OUTLOOK

STRONG ACTION PLAN TO VARIABILIZE COSTS

EBITDA MARGIN GUIDANCE

EBITDA margin revised upward
to more than 12% in H2

FOCUS ON FREE CASH FLOW GENERATION

KEY LEVERS

Free cash flow revised upward
to more than 600 million euros in H2

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

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).

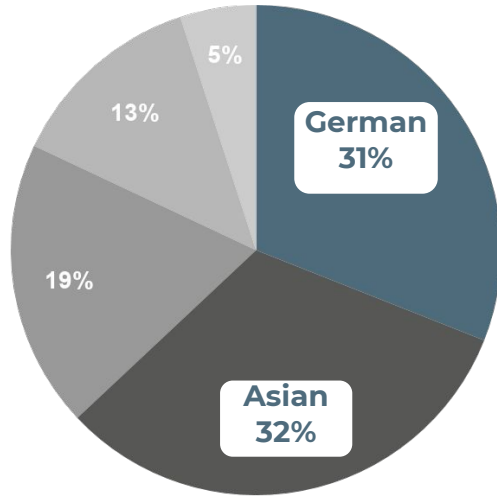
H2 2020: financial objectives revised upward

- 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

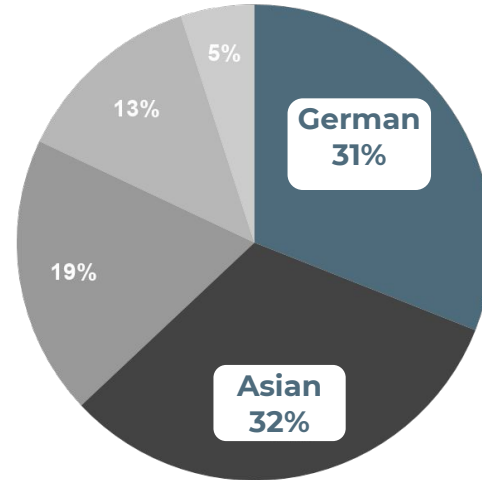
CUSTOMER PORTFOLIO

% of OEM sales



YTD 19

- German
- Asian
- American
- French
- Other

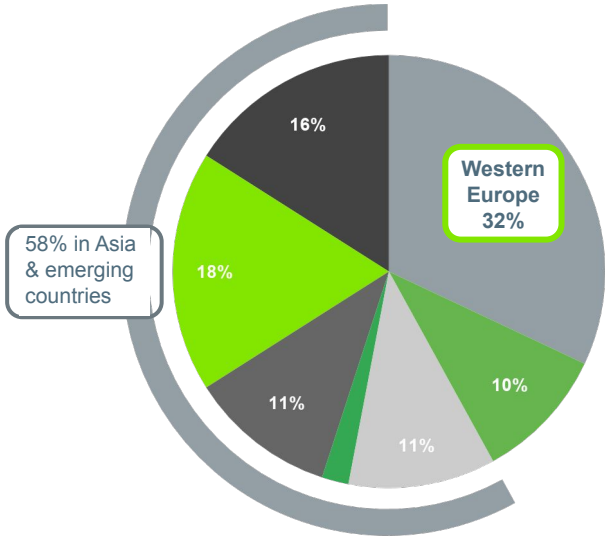


YTD 20

GEOGRAPHIC POSITIONING

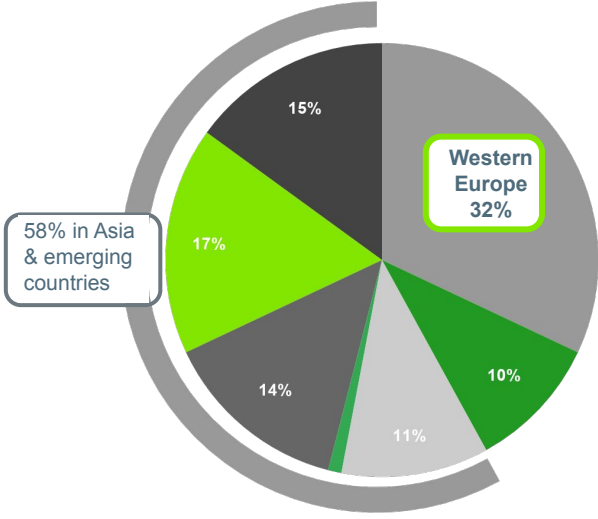
OEM sales by production region

% of OEM sales



YTD 19

- Western Europe
- US
- Mexico
- SA
- China
- Asia
- Eastern Europe



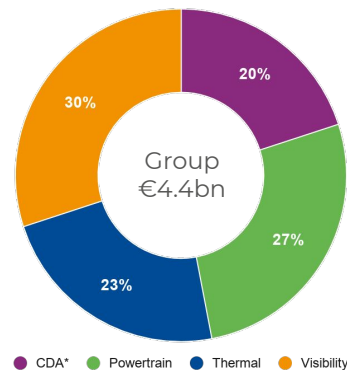
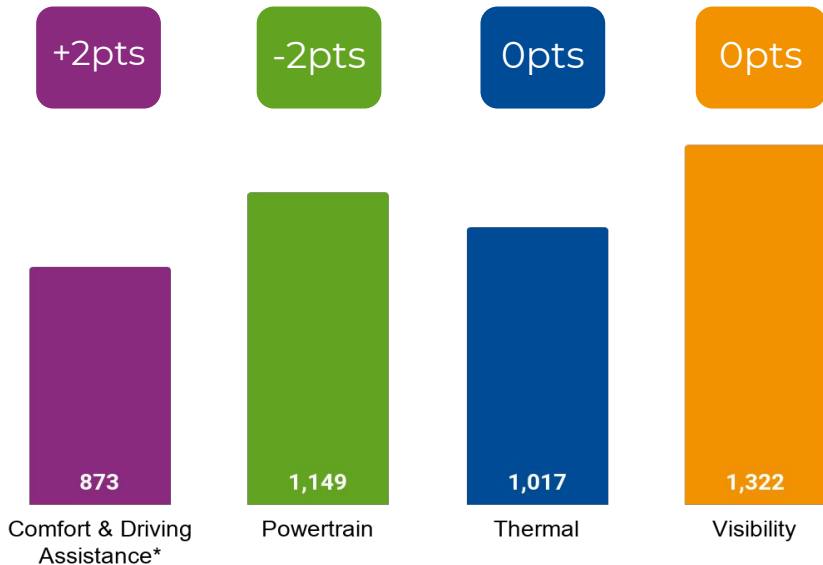
YTD 20

PERFORMANCE BY BUSINESS GROUP

Q3
2020

Outperformance

Q3 total sales
In €m



Total reported sales

OEM sales
Like for like



*excl. TCM

RECONCILIATION OF VALEO AND TOP COLUMN MODULE (TCM) DATA

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.

		Group	TCM	Excluding TCM
Sales	(in €m)	4,389	(55)	4,334
Original equipment sales	(in €m)	3,751	(49)	3,702

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

CONTACTS

SHARE INFORMATION

Share Data

- Bloomberg Ticker
- Reuters Ticker
- ISIN Number
- Shares outstanding as of September 30, 2020

FR FP
VLOF.PA
FR 0013176526
241,036,743

ADR Data

- Ticker/trading symbol
- CUSIP Number
- Exchange
- Ratio (ADR: ord)
- Depository Bank
- Contact at J.P. Morgan – ADR
- Broker relationship desk

VLEEY
919134304
OTC
1:2
J.P. Morgan
Jim Reeves
+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.



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FOR SMARTER MOBILITY