

**First Supplement dated 21 November 2022
to the Base Prospectus dated 14 June 2022**



Valeo
Euro 5,000,000,000
Euro Medium Term Note Programme
Due from one month from the date of original issue

This prospectus supplement no. 1 (the “**Prospectus Supplement no. 1**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 14 June 2022 (the “**Base Prospectus**”) prepared by Valeo, *société européenne* (the “**Issuer**” or “**Valeo**”) in connection with its €5,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), which received the approval no. 22-211 on 14 June 2022 by the *Autorité des marchés financiers* (the “**AMF**”). The Base Prospectus as supplemented (including by this Prospectus Supplement no. 1) constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). Terms defined in the Base Prospectus have the same meaning when used in the Prospectus Supplement no. 1.

Application has been made for approval of this Prospectus Supplement no. 1 to the AMF in its capacity as competent authority pursuant the Prospectus Regulation.

This Prospectus Supplement no. 1 has been prepared pursuant to Article 23 of the Prospectus Regulation for the purpose of updating the sections entitled “Documents Incorporated by Reference”, “Description of Valeo” and “General Information” of the Base Prospectus.

Save as disclosed in this Prospectus Supplement no. 1, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus. To the extent there is any inconsistency between (a) any statement in this Prospectus Supplement no. 1 or any statement incorporated by reference into the Base Prospectus by this Prospectus Supplement no. 1, and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Prospectus Supplement no. 1 will be available on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.valeo.com) and copies may be obtained, free of charge, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, and at the specified offices of the Paying Agents.

TABLE OF CONTENTS

| | Page |
|--|-------------|
| DOCUMENTS INCORPORATED BY REFERENCE | 3 |
| DESCRIPTION OF VALEO | 11 |
| GENERAL INFORMATION..... | 45 |
| PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS SUPPLEMENT NO. 1... | 46 |

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “Documents Incorporated by Reference” of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

“This Base Prospectus should be read and construed in conjunction with the following sections identified in the cross-reference table below of the following documents which have been previously published and have been filed with the *Autorité des marchés financiers* (“AMF”) as competent authority in France for the purposes of the EU Prospectus Regulation. Such sections shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

- (i) the sections identified in the cross-reference table below of the [2022 Rapport Financier Semestriel](#) in the French language relating to the Issuer filed with the AMF on 26 July 2022 (the “**2022 HYFR**”);
- (ii) the sections identified in the cross-reference table below of the [2021 Document d'enregistrement universel](#) in the French language relating to the Issuer filed with the AMF on 7 April 2022 under no. D.22-0254, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2021 and the related notes thereto (the “**2021 URD**”);
- (iii) the sections identified in the cross-reference table below of the [2020 Document d'enregistrement universel](#) in the French language relating to the Issuer filed with the AMF on 6 April 2021 under no. D.21-0260, including the audited statutory and consolidated financial statements of the Issuer as at, and for the year ended, 31 December 2020 and the related notes thereto (the “**2020 URD**”);
- (iv) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 14 June 2021 which received approval no. 21-223 from the AMF as well as the [Supplement no. 1](#) dated 23 July 2021, which received approval no. 21-347 from the AMF, (the “**2021 EMTN Conditions**”);
- (v) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 5 July 2017 which received visa no. 17-337 from the AMF, (the “**2017 EMTN Conditions**”);
- (vi) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 3 May 2016 which received visa no. 16-161 from the AMF, (the “**2016 EMTN Conditions**”);
- (vii) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 7 May 2015 which received visa no. 15-178 from the AMF as well as the [Supplement no. 1](#) dated 9 March 2016, which received visa no. 16-073 from the AMF, (the “**2015 EMTN Conditions**”); and
- (viii) the terms and conditions of the notes contained in the [base prospectus](#) of the Issuer dated 23 April 2013 which received visa no. 13-174 from the AMF, (the “**2013 EMTN Conditions**” and together with the 2015 EMTN Conditions, the 2016 EMTN Conditions and the 2017 EMTN Conditions, the “**Previous EMTN Conditions**”).

Free translations in the English language of the 2022 HYFR, the 2021 URD and the 2020 URD are available on the Issuer’s website (www.valeo.com). These documents are available for information purposes only and are not incorporated by reference in this Base Prospectus. The only binding versions are the French language versions.

For as long as any Notes are outstanding, this Base Prospectus, any supplement to this Base Prospectus and all documents incorporated by reference into this Base Prospectus may be obtained, free of charge, (i) at the office of the Fiscal Agent and the Paying Agents set out at the end of this Base Prospectus during normal business hours, (ii) at the registered office of the Issuer during normal business hours, and (iii) on the website of the Issuer (www.valeo.com). Provision of such documents does not constitute a representation that such documents have not been modified or superseded in whole or in part as specified above. Written or oral requests for such documents should be directed to the principal office of BNP Paribas Securities Services in its capacity as Fiscal Agent (as defined in the “Terms and Conditions” of the Notes below) or to the Issuer at its registered office set out at the end of this Base Prospectus. This Base Prospectus and any supplement to this Base Prospectus will also be available on the website of the AMF (www.amf-france.org).

The Final Terms related to Notes admitted to trading on Euronext Paris will be published on the websites of (x) the AMF (www.amf-france.org) and (y) the Issuer (www.valeo.com). If the Notes are admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the

documents incorporated by reference) refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

The following table cross-references the pages of the Documents Incorporated by Reference. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation, as amended, and not referred to in the cross reference list below is either contained in the relevant sections of this Base Prospectus or is not relevant to the investors. Any information not listed in the cross-reference list but included in the documents incorporated by reference is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation, as amended.

| Information incorporated by reference <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i> | 2022 HYFR | 2021 URD | 2020 URD |
|--|--------------------|------------------------------|-----------------|
| 3. RISK FACTORS | | | |
| 3.1 A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed "Risk Factors". | p. 22 | pp. 86 to 97 | - |
| 4. INFORMATION ABOUT THE ISSUER | | | |
| 4.1. History and development of the Issuer | | | |
| 4.1.1. The legal and commercial name of the issuer. | - | p. 462 | - |
| 4.1.2. The place of registration of the issuer, its registration number and legal entity identifier ('LEI'). | - | p. 462 | - |
| 4.1.3. The date of incorporation and the length of life of the issuer, except where the period is indefinite. | - | p. 462 | - |
| 4.1.4. The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus. | - | p. 462 | - |
| 5. BUSINESS OVERVIEW | | | |
| 5.1. Principal activities | | | |
| 5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed. | p. 1 pp. 4 to 5 | pp. 28 to 51 pp. 54 to 76 | - |

| Information incorporated by reference <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i> | 2022 HYFR | 2021 URD | 2020 URD |
|--|-------------------|---|-----------------|
| 5.1.2. The basis for any statements made by the issuer regarding its competitive position. | p.2 pp. 5 to 8 | pp. 29 to 34 pp. 37 to 41 p. 43 pp. 45 to 51 pp. 57 to 76 | - |
| 6. ORGANISATIONAL STRUCTURE | | | |
| 6.1. If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure. | - | p. 55 pp. 464 to 465 | - |
| 6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence. | - | pp. 401 to 408 p. 437 p. 464 | - |

| Information incorporated by reference <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i> | 2022 HYFR | 2021 URD | 2020 URD |
|---|---|---|--|
| 7. TREND INFORMATION | | | |
| 7.1. A description of: (a) any material adverse change in the prospects of the issuer since the date of its last published audited financial statements; and (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document. If neither of the above are applicable then the issuer should include (an) appropriate negative statement(s). | pp. 11 and 12 | pp. 324 to 325 ¹ p. 438 | - |
| 9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES | | | |
| 9.1 Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital. | p.1 p. 13 | p. 13 pp. 108 to 159 | - |
| 10. MAJOR SHAREHOLDERS | | | |
| 10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused. | p. 19 | pp. 449 to 450 | - |
| 10.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change of control of the issuer | - | p. 459 | - |
| 11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES | | | |
| 11.1 Historical Financial Information | | | |
| 11.1.1 Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year. | Condensed interim consolidated financial statements for the six months | Consolidated financial statements pp. 326 to 414 Non consolidated | Consolidated financial statements pp.312 to 398 Non consolidated |

¹ For the avoidance of doubt, Section 5.3.1 (Trends and Outlook – 2022 and 2025 outlook) of the 2021 URD is not incorporated by reference and does not form part of this Base Prospectus.

| Information incorporated by reference <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i> | 2022 HYFR | 2021 URD | 2020 URD |
|---|---|--|---|
| | ended June 30, 2022 pp. 23 to 62 | financial statements pp. 417 to 441 | financial statements pp. 401 to 426 |
| <p>11.1.3 Accounting standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to:</p> <p>(a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/ EU;</p> <p>(b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers.</p> <p>Otherwise the following information must be included in the registration document:</p> <p>(a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information;</p> <p>(b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the issuer in preparing its annual financial statements.</p> | <p>Condensed interim consolidated financial statements for the six months ended June 30, 2022</p> <p>pp. 30 and 32</p> | <p>Consolidated financial statements</p> <p>pp. 332 and 333</p> | <p>Consolidated financial statements</p> <p>p. 318 and 319</p> |
| 11.1.4 Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following: | - | - | - |
| (a) the balance sheet; | - | p. 418 | p. 402 |
| (b) the income statement; | - | p. 417 | p. 401 |

| Information incorporated by reference <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i> | 2022 HYFR | 2021 URD | 2020 URD |
|---|------------------|--|--|
| (c) the accounting policies and explanatory notes. | - | pp. 421 to 438 | pp. 404 to 422 |
| 11.1.5 Consolidated financial statements If the issuer prepared both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document. | pp. 23 to 62 | pp. 326 to 414 | pp. 312 to 398 |
| 11.1.6 The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document | p. 26 | p. 418 | - |
| 11.2.1 The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2006/43/EC and Regulation (EU) No 537/2014. Where Directive 2006/43/EC and Regulation (EU) No 537/2014 do not apply, the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document: (a) a prominent statement disclosing which auditing standards have been applied; (b) an explanation of any significant departures from International Standards on Auditing. | p. 62 | Consolidated financial statements pp. 409 to 414 Non consolidated financial statements pp. 438 to 441 | Consolidated financial statements pp. 393 to 398 Non consolidated financial statements pp. 423 to 426 |
| 11.2.1 (a) Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of | 62 62 | - | - |

| Information incorporated by reference <i>(Annex 7 of the Commission Delegated Regulation (EU) 2019/980)</i> | 2022 HYFR | 2021 URD | 2020 URD |
|---|------------------------|---|-----------------|
| matter must be reproduced in full and the reasons given. | | | |
| 11.2.2 Indication of other information in the registration document which has been audited by the auditors. | - | - | - |
| 11.3 Legal and arbitration proceedings | | | |
| 11.3.1 Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement. | p. 42 pp. 47 and 48 | pp. 95 to 96 p. 354 p. 376 to 377 | - |
| 11.4 Significant change in the Issuer's financial position | | | |
| 11.4.1 A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement. | pp. 34 and 35 | pp. 310 | - |
| 12. MATERIAL CONTRACTS | | | |
| 12.1 A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued | - | p. 454 | - |

The Previous EMTN Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the Previous EMTN Conditions.

| PREVIOUS EMTN CONDITIONS | |
|---------------------------------|----------------|
| 2021 EMTN Conditions | Pages 27 to 71 |
| 2017 EMTN Conditions | Pages 30 to 61 |
| 2016 EMTN Conditions | Pages 34 to 66 |
| 2015 EMTN Conditions | Pages 31 to 61 |
| 2013 EMTN Conditions | Pages 28 to 58 |

DESCRIPTION OF VALEO

The section entitled “Description of Valeo” of the Base Prospectus is hereby completed and includes the following:

On 14 June 2022, the Issuer has published the following press release:

Valeo's third generation LIDAR chosen by Stellantis for its level 3 automation capability

Stellantis has chosen Valeo's third-generation LiDAR to equip multiple models of its different automotive brands from 2024. The Valeo SCALA 3 LiDAR will enable these vehicles to be certified for level 3 automation, allowing drivers to safely take their hands off the steering wheel and their eyes off the road.

As Yves Bonnefont, Chief Software Officer and member of Stellantis' Top Executive Team, explains: "What sets cars apart from others today is the driving experience they offer. Thanks to our L3 autonomous driving solution leveraging Valeo's latest generation LiDAR, we will offer a more enjoyable driving experience and give back time to the driver during their journeys."

Marc Vrecko, President of Valeo's Comfort & Driving Assistance Systems Business Group, commented: "A new chapter in driving assistance systems is being written with our partners at Stellantis. Level 3 vehicle automation can only be achieved with LiDAR technology. Without it, some objects cannot be detected. Yet at this level of autonomy, the system's perception capabilities must be extremely precise. Our third-generation Valeo SCALA LiDAR offers a resolution nearly 50 times that of the second-generation device. The technology comes with unique data collection features, allowing Stellantis to pave the way for new vehicle experiences."

Valeo's third-generation LiDAR sees everything, even when an object is far ahead, invisible to the human eye. It can identify objects more than 150 meters ahead that neither the human eye, cameras nor radars can, such as a small object with very low reflectivity, for example a tire lying in the road. It recreates a 3D image of the vehicle's surroundings using a point cloud, with an as yet unparalleled resolution for an automotive system. It can map the ground topology and detect road markings.



Valeo LiDAR also features embedded high performance software based on artificial intelligence algorithms, which enables it to steer the vehicle's trajectory, anticipating obstacle-free zones on the road ahead. It can self-diagnose and triggers its cleaning system when its field of vision is obstructed. Like all Valeo LiDAR, the technology is automotive grade, meaning that the data it generates remain fully reliable and accurate in all usage and weather conditions (from -40 up to +85°C). It stands as the key component in a sensor system enabling vehicles to achieve approval for SAE conditional driving automation (level 3), meeting the legal requirements of UN-R157.

Valeo's third generation LiDAR makes driving safer and gives time back to the driver in bothersome driving situations, such as when traveling at low or medium speed in heavy traffic. These challenges are central to the partnership between Stellantis and Valeo. Through its data collection capabilities, this LiDAR will enable new services to be offered to Stellantis' customers.

Valeo is already world number one in advanced driver assistance systems (ADAS), equipping one in three new cars globally with its technologies. It was the first, and to date remains the only, company to produce an automotive LiDAR scanner on an industrial scale. More than 170,000 units have been produced and the technology is protected by more than 500 patents. The Group intends to accelerate even further in this field, as announced in February 2022 with the launch of its Move Up plan, the value creation strategy at the heart of the four megatrends disrupting mobility (electrification, ADAS, reinvention of the interior experience and lighting).

On 28 June 2022, the Issuer has published the following press release:

Valeo signs major contract with the BMW Group in advanced driving assistance systems

Valeo and the BMW Group have entered into a major collaboration for which Valeo will provide the ADAS domain controller, sensors and software for parking and maneuvering for BMW's upcoming platform generation "Neue Klasse"*, due to launch in 2025.

Valeo will develop and produce the ADAS domain controller capable of managing all data flows from all ADAS sensors in BMW Group vehicles based on the "Neue Klasse" platform. All driving assistance functions will be hosted and processed by the Valeo ADAS domain controller, which will be powered by Qualcomm Snapdragon SoCs**. The ADAS domain controller will host Valeo's software platform for low-speed maneuvering, as well as software assets from BMW and Qualcomm for driving automation.

Equipped with some of the most powerful automotive processors in the market, the system being developed by Valeo, BMW Group and Qualcomm is able to obtain real-time mapping and understanding of the car's surroundings as well as the interior of the vehicle. New features and upgrades will be added throughout the car's lifecycle.

Dr. Nicolai Martin, Senior Vice President Driving Experience BMW Group commented: "This collaboration between BMW Group and Valeo builds on the successful products we have been developing together over the last decades. It has been more than 30 years since we launched the BMW Park Distance Control as a world first, and about 15 years since BMW Group began offering its customers multi-camera viewing. Today, the new BMW 7 Series sets the standard for effortless and state-of-the-art driver assistance systems. We look forward to shaping the future together with Valeo through this close collaboration in our next generation for maneuvering and parking solutions."

Marc Vrecko, President of Valeo's Comfort & Driving Assistance Systems Business Group commented: "We are excited and proud to embark on this journey with our long-standing partners at BMW. Beyond the opportunities resulting from our integrated software stack, the domain controller itself is an important cornerstone in our strategy for safer and smarter mobility. BMW "Neue Klasse" will also feature the next generation of Valeo's ultrasonic sensors, the full set of surround view cameras, as well as a new multifunctional interior camera that will contribute to improved safety and create a new level of user experience."

This major contract between BMW and Valeo illustrates the profound transformation taking place in the automotive industry. Advanced Driver Assistance Systems (ADAS) are increasing in volume and allow the car to perceive its surroundings with ever greater precision. Software is increasingly prevalent and essential to managing the car itself as well as its range of sensors. As a result, powerful processors, such as the ADAS domain controller, are key to processing the vast amount of data collected and executing instructions.

* "Neue Klasse": the next generation modular platform for BMW electric vehicles.

** SoC: system on a chip.

On 4 July 2022, the Issuer has published the following press release:

Valeo integrates 100% of Valeo Siemens eAutomotive's share capital into its Powertrain Systems business, creating an electric mobility champion

Today, Valeo acquired Siemens' 50% stake in Valeo Siemens eAutomotive, as provided for in the agreement signed with Siemens on February 9. As a result, Valeo now holds 100% of Valeo Siemens eAutomotive, the leader in high-voltage electrification, which has been integrated into its Powertrain Systems business.

This strategic transaction strengthens Valeo's position as a major player in electrification with a full range of low- and high-voltage electric powertrain solutions covering all uses and needs.

Christophe Périllat, Valeo's Chief Executive Officer, commented: "*Valeo is accelerating in electrification, as announced at the presentation of our Move Up plan. Thanks to this transaction, Valeo has positioned itself better than ever before as a*

leader in electric mobility, with a unique advantage in this fast-accelerating market and with a range of technologies that covers absolutely all needs and uses. This integration makes us even more innovative and competitive. We will benefit from the unique expertise in high-voltage electrification developed by Valeo Siemens eAutomotive's teams. In return, the business will benefit from Valeo's unique ability to innovate and standardize cutting-edge technologies as well as from our operational excellence in mass production. I would like to thank Siemens for their valuable partnership over the past few years."

With Valeo Siemens eAutomotive, Valeo is bringing on board a recognized technological and industrial leader with approximately 4,000 employees, including more than 1,600 engineers, 7 production sites in 4 countries (China, Germany, Hungary and Poland) as well as cutting-edge R&D (laboratories, test benches, simulation tools) and production capacities.

Its electric powertrain systems, motors, inverters and onboard chargers feature on the main platforms of more than 20 automakers⁽¹⁾ and will equip more than 90 electric and plug-in hybrid car models by the end of 2022.

Proving its momentum, Valeo Siemens eAutomotive announced in early June that it had already exceeded its target of more than 4 billion euros in orders for the 2021–2022 period, more than seven months ahead of its roadmap.

The value of the high-voltage electrification market is set to increase significantly in the coming years and will represent 92 billion euros in 2030 (annualized growth of 17.5% over the 2021–2030 period). 40% of this market will be outsourced to automotive suppliers. By 2030, the market for vehicles equipped with high-voltage electric powertrain systems (BEVs and PHEVs) will account for 35% of automotive production worldwide.

The integration of Valeo Siemens eAutomotive will enable Valeo to:

- accelerate its growth;
- accelerate its technological roadmap to offer its customers increasingly high-performance solutions (new 800V silicon carbide-based technologies, co-development and co-production of a rare-earth-free electric motor with Renault and new bidirectional onboard chargers);
- unlock major synergies, with an objective representing a total annual amount of 120 million euros by 2025. These synergies will be achieved progressively, with the full benefit delivered in 2025 (50% in 2023, 75% in 2024 and 100% in 2025).

With this integration, Valeo aims to achieve annual sales growth of more than 12% (pro forma) for its Powertrain Systems business over the 2021–2025 period and to reach sales of more than 8.5 billion euros in 2025 (compared to pro forma sales of 5.4 billion euros in 2021), including roughly 7.5 billion euros in original equipment sales. 80% of the original equipment sales objective for 2025 has already been booked.

The pro forma EBITDA margin for the Powertrain Systems business will increase rapidly from 5.8% in 2021 to more than 8% in 2022 and around 13% in 2026. Pro forma pre-tax free cash flow for this business will break even from 2022, reaching around 350 million euros in 2025 and enabling the new entity to self-finance its growth.

The transaction results in a net cash outflow of 277 million euros for Valeo, representing the acquisition of Siemens' stake on a debt-free basis, financed by the Group's available cash. Net debt increased by around 700 million euros without substantially modifying the overall equilibrium of Valeo's financial position. Valeo expects to reduce its debt from 2023.

Following the transaction and based on IHS production assumptions, Valeo has set the following pro forma objectives for the new Valeo Powertrain Systems Business Group, as already announced:

| | 2022 | 2025 |
|------------------------|---------------|---------------|
| Sales | Around €6.3bn | >€8.5bn |
| EBITDA margin | >8% of sales | >11% of sales |
| Pre-tax free cash flow | Breakeven | Around €350m |

Given the timing of the transaction and an expected 50% reduction in losses for Valeo Siemens eAutomotive in 2022 compared with 2021, the impact of the consolidation of Valeo Siemens eAutomotive on the Group's net income will be less than that recorded in 2021.

The project has been authorized by the relevant antitrust authorities and the relevant employee representative bodies have been informed and consulted.

(1) In series production or under development.

On 26 July 2022, the Issuer has published the following press release:

First-half 2022 results

Resilient performance, strong business momentum and guidance confirmed

- Sales of 9,419 million euros, up by 5%
- Outperformance in all production regions: 3 percentage points worldwide
- Strong growth in aftermarket sales, up 11% year on year on a like-for-like basis
- Free cash flow of 179 million euros
- EBITDA margin at 11.8% of sales and EBIT margin at 2.7% of sales
- Share in net earnings of equity-accounted companies representing a loss of 76 million euros, in line with the objective of halving the losses from Valeo Siemens eAutomotive over the full year
- 2022 guidance confirmed
- Strong business momentum with order intake of 13.1 billion euros for Valeo and 2.9 billion euros for VSeA, validating the growth outlook set out in the Move Up plan and confirming Valeo's status as a committed sustainable mobility player

Christophe Périllat, Valeo's Chief Executive Officer, said:

"The resilience of Valeo's first-half 2022 results in a difficult environment marked by high inflation, the electronic components shortage, lockdown measures in China and the conflict in Ukraine reflects our ability to overcome the major challenges we are currently facing.

Thanks to the excellent work of Valeo's teams, our sales growth outperformed automotive production in all regions worldwide, while our free cash flow generation exceeded expectations at 179 million euros.

We are particularly pleased with the high level of order intake, including several particularly strategic orders in electrification and ADAS, illustrating Valeo's accelerating momentum and the strong growth outlook set out in our Move Up plan.

The integration of Valeo Siemens eAutomotive is progressing as planned and will enable us to achieve the 120 million euros in synergies announced by 2025.

Based on the automotive production estimates published by S&P Global Mobility for the second half of the year, we are confident in our ability to achieve our 2022 guidance. This puts us perfectly in line with our Move Up plan."

First-half 2022 key figures

| | | H1 2022 | H1 2021 | Change |
|---|------------------------------|----------------|-----------------|-------------------|
| Sales | (in €m) | 9,419 | 8,994 | +5% |
| Original equipment sales | (in €m) | 7,813 | 7,512 | +4% |
| Gross margin | (in €m) | 1,589 | 1,586 | —% |
| | (as a % of sales) | 16.9% | 17.6% | -0.7 pts |
| R&D expenditure | (in €m) | (893) | (756) | +18% |
| | (as a % of sales) | (9.5%) | (8.4%) | -1.1 pts |
| Selling and administrative expenses | (in €m) | (438) | (415) | +5.5% |
| | (as a % of sales) | (4.7%) | (4.6%) | -0.1 pts |
| Operating margin excluding share in net earnings of equity-accounted companies | (in €m) (as a % of sales) | 258 2.7% | 415 4.6% | -38% -1.9 pts |
| Share in net earnings of equity-accounted companies | (in €m) (as a % of sales) | (76) (0.8%) | (119) (1.3%) | -36% +0.5 pts |
| Operating margin including share in net earnings of equity-accounted companies* | (in €m) (as a % of sales) | 182 1.9% | 296 3.3% | -39% -1.4 pts |
| Net attributable income (loss) | (in €m) (as a % of sales) | (48) (0.5%) | 90 1.0% | -153% -1.5 pts |
| Basic earnings per share | (in €) | (0.20) | 0.38 | N/A |
| EBITDA* | (in €m) (as a % of sales) | 1,111 11.8% | 1,205 13.4% | -8% -1.6 pts |
| Change in operating working capital | (in €m) | (35) | (218) | N/A |
| Investments in property, plant and equipment and intangible assets | (in €m) | (589) | (570) | +3% |
| Free cash flow* | (in €m) | 179 | 145 | +23% |
| Net debt* | (in €m) | 3,281 | 3,147 | +€134m |

* See financial glossary, page 15.

Implementation of the Move Up plan:

- **strong business momentum validating Valeo's growth outlook**
- **integration of Valeo Siemens eAutomotive on July 4, 2022**

In the first six months of 2022, Valeo enjoyed strong business momentum and recorded a significant increase in order intake, which reached 13.1 billion euros or 1.7 times its original equipment sales. In addition, innovations⁽²⁾ accounted for 65% of the order intake. Valeo Siemens eAutomotive's order intake amounted to 2.9 billion euros. The Group is seeing a sharp rise in the average value of orders it receives for ADAS and electrification technologies, driven by a rise in content per vehicle and the increasing use of platforms by OEMs.

In ADAS, Valeo recorded key strategic orders with:

- Stellantis, for its third generation LiDAR (Valeo SCALA 3), whose technical features in terms of resolution and field of view enable vehicles to reach a high level of autonomy (level 3);
- BMW, in a major partnership for which Valeo will supply the ADAS domain controller, sensors (ultrasonic sensors, surround view cameras and a multifunctional interior camera) and software for parking and low-speed maneuvering on the next generation BMW "Neue Klasse" platform due to launch in 2025.

The Group is also seeing its order intake accelerate in the field of electrification:

- Valeo Siemens eAutomotive beat its target of more than 4 billion euros in order intake for high-voltage electrification technologies for the 2021-2022 period. The goal was met more than seven months ahead of its roadmap, attesting to Valeo's momentum in the fast accelerating high-voltage electrification market;
- in the Thermal Systems Business Group, the acceleration of electrification led to new order intake in the area of thermal management for electrified vehicles (battery cooling systems, specific climate control systems for electric vehicles, etc.). In the first half of the year, order intake relating to electrified vehicles accounted for more than 60% of the Business Group's new orders.

In the interior and exterior lighting business (the "lighting everywhere" component of the Move Up plan), Valeo received its first orders for front-end lighting and illumination for automaker badges following the phasing out of radiator grilles on electric vehicles, with the booming electrification market offering automakers new opportunities to liven up their design features.

On July 4, Valeo Siemens eAutomotive was integrated within the Powertrain Systems Business Group. The Business Group intends to harness synergies from the integration, particularly in R&D. The amount of these synergies, estimated in the Move Up plan at 120 million euros on an annual basis by 2025, is confirmed.

Valeo, committed to sustainable mobility for the long term

Positioned in the four megatrends set out in the Move Up plan – acceleration of electrification and ADAS, reinvention of the interior experience and lighting everywhere – and committed to diversity and inclusion, Valeo is in step with the United Nations' key Sustainable Development Goals.

Valeo develops solutions that contribute to significantly reducing greenhouse gas emissions, such as hybrid and electric powertrain systems, including rare earth-free EESM eMotor and 800V SiC technologies. It also manufactures solutions that help improve road safety, with a panel of sensors that is unmatched worldwide, including its most advanced third generation LiDAR.

Valeo's commitment in these areas and those made by the Group in terms of ESG are reflected in its leading position with non-financial rating agencies and its inclusion in the main global ESG indices.

² Products and technologies in series production for less than three years.

Change in sales

In first-half 2022, automotive production contracted by 2% compared to the same period in 2021.

The automotive industry faced a number of challenges during the period:

- disruption in the supply chain for electronic components which, as expected, are showing signs of gradual improvement;
- lockdown measures in China, which had a significant impact on sales in April. Since then, business has recovered rapidly, returning to normal levels in early June;
- the Russia-Ukraine crisis, which affected the activity of certain manufacturers in February and March.

| H1 sales (in millions of euros) | As a % of H1 2022 sales | H1 2022 | vs. H1 2021 | | |
|------------------------------------|----------------------------|--------------|--------------|----------------|------------|
| | | | H1 | LFL* change | Change |
| Original equipment | 83% | 7,813 | 7,512 | +1% | +4% |
| Aftermarket | 12% | 1,140 | 1,030 | +11% | +11% |
| Miscellaneous | 5% | 466 | 452 | —% | +3% |
| H1 total | 100% | 9,419 | 8,994 | +2% | +5% |

* Like for like⁽³⁾.

Consolidated sales of 9,419 million euros in the first half, up 5% compared with the same period in 2021. Changes in exchange rates had a positive 3.4% impact, primarily due to the depreciation of the euro against the US dollar and the Chinese yuan. Changes in Group structure had a negative 0.4% impact for the period.

Original equipment sales increased by 1% on a like-for-like basis despite the decline in automotive production. Thanks to an increase in content per vehicle, the Group was able to more than offset the contraction in global automobile production.

Like-for-like aftermarket sales rose sharply by 11%, buoyed by an attractive offering for customers as well as market momentum.

“Miscellaneous” sales were stable on a like-for-like basis, supported by customer contributions to the Group’s R&D efforts.

First-half 2022 original equipment sales by destination region

| Original equipment sales (in millions of euros) | As a % of H1 2022 sales | H1 2022 | vs. H1 2021 | | |
|--|----------------------------|--------------|--------------|----------------|---------------|
| | | | H1 2021 | LFL* change | Outperf.** |
| Europe & Africa | 45% | 3,548 | 3,606 | -2% | +9 pts |
| Asia, Middle East & Oceania | 32% | 2,485 | 2,379 | +1% | +1 pt |
| o/w China | 15% | 1,184 | 1,022 | +5% | +4 pts |
| o/w Japan | 6% | 505 | 548 | -6% | +8 pts |
| o/w South Korea | 7% | 528 | 583 | -6% | -4 pts |
| o/w India | 1% | 106 | 93 | +9% | -7 pts |
| North America | 21% | 1,614 | 1,390 | +6% | +1 pt |
| South America | 2% | 166 | 137 | +13% | +14 pts |
| H1 total | 100% | 7,813 | 7,512 | +1% | +3 pts |

* Like for like⁽²⁾.

** Based on S&P Global Mobility (formerly IHS Markit) automotive production estimates released on July 15, 2022.

³ See financial glossary, page 15.

First-half 2022 original equipment sales outperformed global automotive production by 3 percentage points (3 percentage points excluding the geographic mix).

Valeo outperformed automotive production in the main production regions:

- **in Europe and Africa**, original equipment sales were down 2% on a like-for-like basis, outpacing automotive production by 9 percentage points, mainly driven by the Comfort and Driving Assistance and Thermal Systems Business Groups;
- **in Asia**, original equipment sales grew by 1% on a like-for-like basis, outpacing automotive production by 1 percentage point:
 - **in China**, like-for-like original equipment sales were up 5%, outperforming automotive production by 4 percentage points. Business was well above pre-crisis levels despite lockdown measures which significantly affected the Group's activity during the second quarter. The Comfort & Driving Assistance Systems Business Group saw a significant acceleration in its camera business with its Chinese and international customers, and the Thermal Systems Business Group benefited from an acceleration in sales to German customers. The Visibility Systems Business Group, however, was negatively impacted by an unfavorable product mix (lower electronics content), while the Powertrain Systems Business Group experienced a decline in its truck business due to an unfavorable basis of comparison (strong growth in first-quarter 2021),
 - **in Japan**, original equipment sales declined by 6% on a like-for-like basis, representing an outperformance of 8 percentage points, driven by a favorable customer mix amid supply chain disruption;
- **in North America**, original equipment sales increased by 6% on a like-for-like basis, outperforming automotive production by 1 percentage point, driven mainly by the ramp-up of numerous projects in ADAS and market share gains with several automakers in powertrains;
- **in South America**, original equipment sales expanded by 13% on a like-for-like basis, outperforming automotive production by 14 percentage points.

First-half 2022 segment reporting

Sales by Business Group

The sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

| Sales by Business Group (in millions of euros) | H1 2022 | vs. H1 2021 | | | |
|---|---------|-------------|-----------------|---------------------|------------|
| | | H1 | Change in sales | Change in OE sales* | Outperf.** |
| Comfort & Driving Assistance Systems*** | 1,958 | 1,779 | +10% | +5% | +7% |
| Powertrain Systems | 2,549 | 2,468 | +3% | -2% | —% |
| Thermal Systems | 2,171 | 2,009 | +8% | +3% | +5% |
| Visibility Systems | 2,639 | 2,662 | -1% | -3% | -1% |

* Like for like⁽⁴⁾.

** Based on S&P Global Mobility (formerly IHS Markit) automotive production estimates released on July 15, 2022.

*** Excluding the Top Column Module business.

The Comfort & Driving Assistance Systems Business Group outperformed global automotive production by 7 percentage points, thanks to the start-up of numerous ADAS projects (particularly for cameras), notably in China and North America, thereby strengthening its position as a world leader.

The Powertrain Systems Business Group performed in line with global automotive production in an environment where vehicles with high-voltage electrical systems are rapidly gaining market share, thereby reducing the relative size of the Powertrain Systems Business Group's target market in its current scope. This trend will reverse thanks to the takeover of Valeo Siemens eAutomotive, whose growth is expected to accelerate in the second half of the year. The Business Group's sales were also affected by the slowdown in its truck business in China and by supply disruptions in Europe (electronic components and wiring harnesses from Ukraine), particularly with its German customers. However, the Business Group gained market share with several manufacturers in North America.

⁴ See financial glossary, page 15.

The Thermal Systems Business Group outperformed global automotive production by 5 percentage points, buoyed by brisk sales of systems for electrified vehicles (battery cooling systems, climate control systems for electric vehicles, etc.) in Europe with German and French customers. The Business Group also benefited in China from an acceleration in sales to German customers.

The Visibility Systems Business Group underperformed global automotive production by 1 percentage point, reflecting an unfavorable product mix (lower electronics content) in Europe and China due to the electronic components crisis and an unfavorable customer mix in Japan.

EBITDA⁽⁵⁾ by Business Group

| EBITDA (in millions of euros and as a % of sales by Business Group) | H1 2022 | H1 2021 | Change |
|--|------------------------------|------------------------------|-------------------------------|
| Comfort & Driving Assistance Systems | 300 15.3% | 298 16.8% | +1% -1.5 pts |
| Powertrain Systems | 287 11.3% | 294 11.9% | -2% -0.6 pts |
| Thermal Systems | 162 7.5% | 241 12.0% | -33% -4.5 pts |
| Visibility Systems | 328 12.4% | 350 13.1% | -6% -0.7 pts |
| Other* | 34 N/A | 22 N/A | +55% N/A |
| Group | 1,111 11.8% | 1,205 13.4% | -8% -1.6 pts |

* Including the Top Column Module business.

Valeo's Business Groups saw their profitability unevenly impacted by high inflation in the first half of the year. **The Thermal Systems Business Group** was hit hardest, due to the lag in obtaining compensation for the increase in prices of aluminum and related components, and low production volumes for certain vehicles in Europe.

All the Business Groups are negotiating compensation with their customers to reduce the impact of inflation (electronic components, raw materials, energy, transportation and salaries) on their earnings. These negotiations also aim to increase the use and frequency of reviews of price indexation clauses provided for in commercial contracts.

At Group level, Valeo confirms that the net impact of the increase in cost of raw materials, energy and transportation in 2022 is expected to amount to 200 million euros.

⁵ See financial glossary, page 15.

First-half 2022 results

In an environment impacted by volume losses due to the shortage of electronic components and lockdown measures in China, as well as by the increase in raw material prices, EBITDA and EBIT margins stood at 11.8% and 2.7% of sales respectively.

| | | H1 2022 | H1 2021 | Change |
|---|-------------------|---------|---------|----------|
| Sales | (in €m) | 9,419 | 8,994 | +5% |
| Gross margin | (in €m) | 1,589 | 1,586 | —% |
| | (as a % of sales) | 16.9% | 17.6% | -0.7 pts |
| EBITDA* | (in €m) | 1,111 | 1,205 | -8% |
| | (as a % of sales) | 11.8% | 13.4% | -1.6 pts |
| Operating margin excluding share in net earnings of equity-accounted companies | (in €m) | 258 | 415 | -38% |
| | (as a % of sales) | 2.7% | 4.6% | -1.9 pts |
| Share in net earnings of equity-accounted companies | (in €m) | (76) | (119) | -36% |
| | (as a % of sales) | (0.8%) | (1.3%) | +0.5 pts |
| Operating margin including share in net earnings of equity-accounted companies* | (in €m) | 182 | 296 | -39% |
| | (as a % of sales) | 1.9% | 3.3% | -1.4 pts |
| Net attributable income (loss) | (in €m) | (48) | 90 | -153% |
| | (as a % of sales) | (0.5%) | 1.0% | -1.5 pts |

* See financial glossary, page 15.

Gross margin decreased by 0.7 percentage points versus first-half 2021 to 16.9% of sales, breaking down as follows:

- volume effect (negative 0.3 percentage point impact);
- rising raw material and energy prices and transportation costs (negative net 1.3 percentage point impact);
- pay increases (in addition to the increase in 2021) (negative 0.3 percentage point impact);
- partially offset by the product mix and the efficiency program (positive 1.2 percentage point impact).

| | | H1 2022 | H1 2021 | Change |
|--|--|--------------|--------------|-------------|
| Sales | | 9,419 | 8,994 | +5% |
| Gross Research and Development expenditure | | (959) | (851) | +13% |
| | | (10.2%) | (9.5%) | -0.7 pts |
| IFRS impact | | 3 | 46 | -93% |
| Subsidies and grants, and other income | | 63 | 49 | +29% |
| Research and Development expenditure | | (893) | (756) | +18% |
| | | (9.5%) | (8.4%) | -1.1 pts |
| IFRS impact* | | 3 | 46 | -93% |
| | | —% | 0.5% | -0.5 pts |
| Capitalized development expenditure | | 295 | 291 | +1% |
| | | 3.1% | 3.2% | -0.1 pts |
| Amortization, net of the impact of investment subsidies, and impairment losses** | | (292) | (245) | +19% |
| | | (3.1%) | (2.7%) | -0.4 pts |

* Difference between capitalized development expenditure and amortization, net of investment subsidies, and impairment losses.

** Impairment losses recorded in operating margin only.

Research and Development expenditure rose 1.1 percentage points in first-half 2022 to 9.5% of sales.

Net Research and Development expenditure (after taking into account contributions from customers) totaled 669 million euros, or 7.1% of sales, in line with the Move Up plan, which sets a target of approximately 6.5% of sales by 2025.

Gross Research and Development expenditure represented 10.2% of sales, in line with the Group's business and project momentum.

The IFRS impact (the difference between capitalized development expenditure and amortization, net of the impact of investment subsidies, and impairment losses) decreased to zero over the period, thereby underlining the quality of the Group's earnings composition:

- the level of capitalization of Research and Development expenditure was stable at 3.1% of sales;

- amortization was up 0.4 percentage points compared with the first half of 2021, to 3.1% of sales, as a result of the start of production on numerous innovative projects.

Administrative and selling expenses came out 0.1 percentage points higher than in 2021, at 4.7% of sales.

Operating margin excluding the share in net earnings of equity-accounted companies came in at 258 million euros, or 2.7% of sales.

EBITDA margin⁽⁶⁾ came in at 11.8% of sales, in line with 2022 guidance (EBITDA margin of between 11.8% and 12.3% of sales).

The share in net earnings of equity-accounted companies represented a loss of 76 million euros. It takes into account:

- the share in net earnings of the Valeo Siemens eAutomotive joint venture (representing a loss of 82 million euros in the first half of 2022 versus a loss of 124 million euros in the first half of 2021), which is in line with the trajectory set out for its recovery. The reduction in the activity's losses will continue in the second half, thanks in particular to an acceleration in sales and a decrease in Research and Development expenditure. Thanks to this momentum, we confirm that losses for the high-voltage activity should halve in 2022;
- the share in the net earnings of other joint ventures, negatively affected by lockdown measures in China in the second quarter.

Operating margin including the share in net earnings of equity-accounted companies⁽⁵⁾ amounted to 182 million euros, or 1.9% of sales.

Operating income came to 111 million euros. This includes other income and expenses for an overall amount of 71 million euros, of which 32 million euros in impairment charged against Valeo's assets in Russia.

In an environment marked by rising interest rates, cost of debt amounted to 50 million euros (up 28 million euros compared with first-half 2021), following the issue of 700 million euros' worth of bonds in July 2021 and the drawdown of (in two tranches of 300 million euros each, in June 2021 and February 2022) of the 600 million euros in financing granted by the European Investment Bank (EIB).

The effective tax rate was a high 62%, reflecting an unfavorable country mix.

The Group recorded a net attributable loss of 48 million euros for the period, or a negative 0.5% of sales, after deducting non-controlling interests in an amount of 32 million euros.

Return on capital employed (ROCE⁽⁵⁾) and return on assets (ROA⁽⁵⁾) stood at 7% and 4%, respectively.

⁶ See financial glossary, page 15.

Free cash flow generation

| <i>(in millions of euros)</i> | H1 2022 | H1 2021 |
|--|--------------|--------------|
| EBITDA⁽⁶⁾ | 1,111 | 1,205 |
| Change in operating working capital | (35) | (218) |
| Restructuring costs | (17) | (54) |
| Income tax | (139) | (133) |
| Provisions for pensions and other employee benefits | (16) | (7) |
| Net payments for the principal portion of lease liabilities | (50) | (42) |
| Other operating items | (86) | (36) |
| Investments in property, plant and equipment and intangible assets | (589) | (570) |
| - <i>Investments excluding capitalized development expenditure</i> | (337) | (329) |
| - <i>Capitalized development expenditure</i> | (252) | (241) |
| Free cash flow⁽⁶⁾ | 179 | 145 |
| Net financial expenses | (64) | (13) |
| Other financial items | (335) | (188) |
| Net cash flow⁽⁶⁾ | (220) | (56) |

The Group generated free cash flow of 179 million euros in the first half of 2022, chiefly reflecting:

- strictly controlled investments in property, plant and equipment and intangible assets, which amounted to 589 million euros, breaking down as:
 - 337 million euros in investments excluding capitalized development expenditure, or 3.6% of sales,
 - 252 million euros in capitalized development expenditure, or 2.7% of sales;

partially offset by:

- the EBITDA⁽⁶⁾ contribution of 1,111 million euros, down by 94 million euros from the same period in 2021, due to the loss of volumes linked to the shortage of electronic components and lockdown measures in China, as well as the considerable increase in the price of raw materials borne by Valeo;
- the 35 million euro negative change in operating working capital, impacted by the increase in inventories excluding tooling due to (i) the voluntary increase in inventories to supply customers without disruption in response to the semiconductor shortage, (ii) the volatility of customer production, and (iii) ocean freight disruptions leading to an increase in "in transit" inventories. These negative factors are temporary and will reverse as supply chains return to normal conditions.

Net cash flow⁽⁶⁾ was negative at 220 million euros, chiefly comprising 51 million euros for the share buyback program, 35 million euros for dividends paid to non-controlling shareholders of Group subsidiaries, 84 million euros for dividends paid to shareholders of Valeo SE and 112 million euros for loans granted to the Valeo Siemens eAutomotive joint venture.

Net debt⁽⁷⁾

Net debt stood at 3,281 million euros at June 30, 2022 versus 3,147 million euros at December 31, 2021.

At June 30, 2022, the **leverage ratio** (net debt/EBITDA) came out at 1.48x EBITDA and the **gearing ratio** (net debt/stockholders' equity) stood at 89.4% of equity.

⁷ See financial glossary, page 15.

On July 15, 2022, Valeo set up a 12-month bridge-to-bond facility in the form of undrawn credit lines. The facility provides for two six-month extension options exercisable at Valeo's discretion.

Valeo's balanced debt profile and solid liquidity position give it a robust financial structure:

- in February 2021, the European Investment Bank (EIB) approved 600 million euros in financing for Valeo's European Research and Development projects focused on reducing CO₂ emissions and improving active vehicle safety. The Group has drawn down a total amount of 600 million euros, of which 300 million euros was drawn down on February 10, 2022;
- a Euro Medium Term Note (EMTN) financing program for a maximum of 5 billion euros, of which 3.7 billion euros had been drawn at June 30, 2022;
- the average maturity of gross long-term debt stood at 2.8 years at June 30, 2022, compared with 3.1 years at December 31, 2021;
- Valeo has available cash of 3.1 billion euros and a total of 1.8 billion euros in undrawn credit lines.

2022 outlook confirmed

Based on the latest automotive production estimates released by S&P Global on July 15, 2022, current levels of raw material and energy prices, constructive pricing discussions with our customers and the operational efficiencies identified in our plants, we confirm our 2022 financial objectives as published on February 25.

| | 2022* |
|------------------|-------------|
| Sales | 19.2-20.0 |
| EBITDA* | 11.8%-12.3% |
| Operating margin | 3.2%-3.7% |
| Free cash flow* | ~320 |

*Based on:

- the integration of Valeo Siemens eAutomotive at July 4, 2022 following the acquisition by Valeo of the 50% stake held by Siemens in the joint venture;
- S&P Global Mobility (formerly IHS Markit) annual automotive production estimates released in February 2022 reduced by 1.5%, corresponding to around 82.9 million vehicles – falling within the range of 79.9 million to 84.1 million vehicles (with slight growth in the first half of 2022 and more than 10% growth in the second half);
- an expected 50% reduction in Valeo Siemens eAutomotive's losses in 2022 compared to 2021.

Upcoming events

Third-quarter 2022 sales: October 27, 2022

Full-year 2022 results: February 23, 2023

Highlights

Governance

On January 26, 2022, Valeo announced the appointment of Christophe Périllat as Chief Executive Officer in accordance with the succession plan published on October 27, 2020, with Jacques Aschenbroich continuing to serve as Chairman of Valeo's Board of Directors.

On March 30, 2022, the Board of Directors of Valeo acknowledged the decision of the Board of Directors of Orange to appoint Jacques Aschenbroich as Chairman of the Board of Directors of Orange following its General Shareholders' Meeting held on May 19, 2022, subject to his appointment as Director. Jacques Aschenbroich's appointment as Chairman of the Board of Directors of Orange took effect on May 19, 2022. In line with the commitment undertaken by Jacques Aschenbroich, he will continue to act as Director and Chairman of the Board of Directors of Valeo until the appointment of the new Chairman and no later than 2022 year's end. Valeo's Board of Directors, under the guidance of the Governance, Appointments & Corporate Social Responsibility Committee, stepped up the selection process it had already begun.

On July 26, 2022, on the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee, Valeo's Board of Directors unanimously decided to co-opt Alexandre Dayon as an independent director. Alexandre Dayon will replace C. Maury Devine. This co-optation will be submitted for ratification at Valeo's next Ordinary Shareholders' Meeting. The Board of Directors thanks C. Maury Devine for her exceptional contribution to the Board and its specialized Committees since she was appointed as a member of the Board of Directors on April 23, 2015.

Alexandre Dayon will also be a member of the Strategy Committee. A French and American entrepreneur, Alexandre Dayon is currently President and Chief Strategy Officer of Salesforce. Salesforce is an American cloud-based software company listed on Nasdaq and headquartered in San Francisco (United States). Alexandre Dayon's experience in the digital and software sectors, and more generally his knowledge of new technologies and related strategic issues, strengthen the Board of Directors' skill set in these key sectors which have an increasingly significant place in Valeo's strategy. With a career – mainly in the United States but also in France – characterized by the successful creation and development of companies, Alexandre Dayon brings to the Board of Directors his vision of what an entrepreneur and a senior officer should be.

Strategic operations

On February 9, 2022, Valeo announced that it had signed an agreement with Siemens to hold 100% of Valeo Siemens eAutomotive, which will be integrated within Valeo's Powertrain Systems business. The transaction took effect

On July 4, 2022, Siemens' 50% stake in Valeo Siemens eAutomotive was acquired for 277 million euros on a debt-free basis. The impact of the acquisition on Valeo's net debt is around 700 million euros.

On June 7, 2022, Valeo Siemens eAutomotive announced that it had already exceeded its target of more than 4 billion euros in order intake for high-voltage electrification technologies for the 2021-2022 period. The goal was met more than seven months ahead of Valeo's roadmap, attesting to Valeo Siemens eAutomotive's robust momentum in the fast-growing high-voltage electrification market. Orders booked since early 2021 cover end-to-end powertrain assemblies and their components (electric motors, inverters, reducers, onboard chargers and DCDC converters). In particular, they concern the new 800V silicon carbide (SiC) technologies and cover European, Chinese and North American customers.

Medium-term plan: Move Up

On February 25, 2022, during its Investor Day held in Paris, Valeo launched its Move Up plan, a value creation strategy built on the sustainable mobility megatrends.

It also presented its new financial objectives for 2025, including in particular:

- outperformance for original equipment sales of more than 5 percentage points per year on average over the 2021-2025 period;
- EBITDA margin of around 14.5% by 2025;
- free cash flow generation of between 800 million and one billion euros in 2025;
- divestiture of around 500 million euros' worth of non-strategic assets over the term of the plan;
- optimized capital allocation and deleveraging.

Industrial partnership

On February 10, 2022, Valeo announced that it had signed a memorandum of understanding with Renault Group and Valeo Siemens eAutomotive to create a strategic partnership for the design, co-development and manufacture in France of a new-generation automotive electric motor, eliminating the use of rare earths. The three partners will combine their know-how and recognized expertise to design a unique electric powertrain system that is unparalleled worldwide, offering more power on less energy, without the use of rare earths. Under this partnership, each of the three partners will contribute to the development and production of the two key parts of the electric motor: the rotor and the stator.

On June 21, 2022, Valeo announced that it had signed a memorandum of understanding with Atul Greentech Private Limited and Honda Powerpack Energy Private Limited, through which it will electrify three-wheelers in India. Whether it be small electric urban vehicles, electric motorcycles or scooters, autonomous last-mile delivery droids or e-bikes, Valeo is accelerating its growth in the new mobility markets. Valeo will supply the 48V electric powertrain systems and powertrain control unit for Atul's electric three-wheelers, which will run on Honda's swappable battery solution. Atul's upcoming all-electric cargo and passenger three-wheelers will soon be launched in India. This accelerated time-to-market is one of the key benefits of the partnership. In addition, Valeo will provide technological support to facilitate the integration of the electrical system into vehicles.

Products/technologies and patents

On January 4, 2022, Valeo was named a CES® 2022 Innovation Awards Honoree for its UV Air Purifier, the world's most powerful air sterilization system for bus and coach cabins. Upon activation, the system eliminates, in a single airflow cycle, more than 95% of viruses, including Covid-19, as well as any bacteria or mold present in the air circulating in the cabin. The Valeo-designed modules are effective throughout the vehicle's journey with passengers on board.

On February 16, 2022, 14 months after the launch of its initiative to create a range of motors for electric bikes, Valeo announced that it had won the trust of 14 bicycle manufacturers, the first customers for its electric assistance technology, combining efficiency, intelligence, comfort, robustness and ease of use. At a time when cities are being transformed to encourage low-carbon mobility – through zero-emission zones, investments in cycling infrastructure and the provision of car-share fleets – the electric bike is an ideal urban transportation solution. Whether it be small electric urban vehicles, electric motorcycles or scooters, autonomous last-mile delivery droids or e-bikes, Valeo is accelerating its growth in the new mobility markets.

On March 3, 2022, Valeo received the Honda Supplier Award in the Development category for its contribution to the world's first SAE (Society of Automotive Engineers) Level 3 Automated Driving System authorized for commercial use. Valeo widely contributed to this unique achievement, by supplying a high-performance onboard control unit as well as most of the sensors used to achieve Level 3 functionality. The Honda Legend is equipped with no less than five Valeo SCALA® 3D LiDARs and two front cameras observe the car's surroundings. Valeo also provides the brains of the technology – the hardware and software – which combine and process the data collected.

On March 22, 2022, it was announced that Valeo SCALA® 2, Valeo's second-generation LiDAR – "the technology that sees what the human eye, cameras and radars cannot see" – was to play an important role in the Mercedes-Benz DRIVE PILOT system for conditionally automated driving (SAE-Level 3).

Valeo SCALA® also:

- measures the distance to surrounding objects to the nearest centimeter, by calculating the time it takes its laser beam to travel to an obstacle and back again. This enables it to build a complete 3D map of the vehicle's surroundings and anticipate open space where the car can drive safely;
- distinguishes between static and moving objects, by capturing their shape and position. SCALA 2 can also measure their speed and keep tracking them, even when they are no longer in the driver's line of sight;
- spots small or hard-to-see objects, for example a tire that has fallen on the road;
- uses a specific algorithm to recognize road markings based on their contrast with the road;
- transforms the raw data from the sensor into useful data by eliminating any data that could alter its calculations, filtering the information to validate only relevant data;
- cancels out any "echoes" caused by raindrops on its light pulse;
- uses its software to self-troubleshoot: its cleaning and heating system is triggered whenever its field of vision is blocked, for example by dust or ice.

Valeo's LiDAR is the successful combination of hardware (high-precision mechanics, optics and electronics) and software (algorithms and artificial intelligence) which make it reliable, sharp and intelligent. Valeo is the world leader in ADAS, with one out of every three vehicles produced worldwide equipped with its technologies including ultrasonic sensors, cameras and radars, as well as the first automotive-grade LiDAR on the market.

On June 14, 2022, Stellantis announced it had chosen Valeo's third-generation LiDAR to equip multiple models of its different automotive brands from 2024. The Valeo SCALA 3 LiDAR will enable these vehicles to be certified for level 3 automation, allowing drivers to safely take their hands off the steering wheel and their eyes off the road. The third-generation Valeo SCALA LiDAR offers a resolution 50 times that of the second-generation device and can identify abandoned objects, such as a tire, more than 150 meters ahead that neither cameras, radars, nor even the driver's eye can. The SCALA 3 LiDAR makes driving safer and gives time back to the driver in bothersome driving situations, such as when traveling at low or medium speed in heavy traffic. These challenges are central to the partnership between Stellantis and Valeo, as are the device's data collection capabilities.

On June 14, 2022, Valeo was ranked the world's leading French patent applicant, with 1,777 patents issued in one year, including 46% in France, according to the rankings published by France's intellectual property institute (INPI), which lists the first applications granted by the world's main patent offices. Valeo also came third in the 2021 ranking of patent applicants in France, with a total of 721 patents. Its innovations are now protected by a portfolio of almost 35,000 patents worldwide.

On June 28, 2022, Valeo signed a major contract with the BMW Group for which Valeo will provide the ADAS domain controller, sensors and software for parking and low-speed maneuvering on the next generation BMW "Neue Klasse" platform due to launch in 2025. Valeo will develop and produce the ADAS domain controller capable of managing all data

flows from all sensors in BMW Group vehicles based on the "Neue Klasse" platform. The platform will also feature the next generation of Valeo's ultrasonic sensors, the full set of surround view cameras, as well as a new multifunctional interior camera that will contribute to improved safety and create a new level of user experience.

Other financial operations

On March 24, 2022, Valeo announced a share buyback program to cover performance share plans and the allotment of shares to employees via an investment services provider. On May 13, 2022, Valeo acquired 3,031,189 shares at an average price of 16.4952 euros.

Financial 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 net 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.

Appendices

Second-quarter 2022 sales

| Q2 sales (in millions of euros) | As a % of Q2 2022 sales | Q2 2022 | vs. Q2 2021 | | |
|------------------------------------|----------------------------|--------------|--------------|-------------|------------|
| | | | Q2 | LFL* change | Change |
| Original equipment | 83% | 3,881 | 3,575 | +4% | +9% |
| Aftermarket | 12% | 561 | 522 | +7% | +7% |
| Miscellaneous | 5% | 224 | 230 | -7% | -3% |
| Q2 total | 100% | 4,666 | 4,327 | +4% | +8% |

* Like for like⁽⁸⁾.

Second-quarter 2022 original equipment sales by destination region

| Original equipment sales (in millions of euros) | As a % of Q2 2022 sales | Q2 2022 | vs. Q2 2021 | | |
|---|----------------------------|--------------|--------------|-------------|---------------|
| | | | Q2 | LFL* change | Outperf.** |
| Europe & Africa | 46% | 1,781 | 1,710 | +3% | +8 pts |
| Asia, Middle East & Oceania | 31% | 1,184 | 1,143 | -1% | +1 pt |
| o/w China | 14% | 546 | 504 | -2% | +4 pts |
| o/w Japan | 6% | 240 | 254 | -2% | +13 pts |
| o/w South Korea | 7% | 263 | 280 | -2% | -6 pts |
| o/w India | 1% | 53 | 43 | +17% | -15 pts |
| North America | 21% | 824 | 657 | +12% | 0 pt |
| South America | 2% | 92 | 65 | +26% | +13 pts |
| Q2 total | 100% | 3,881 | 3,575 | +4% | +4 pts |

* Like

for

like⁽⁷⁾.

** Based on S&P Global Mobility (formerly IHS Markit) automotive production estimates released on July 15, 2022.

Second-quarter 2022 sales by Business Group

| Sales by Business Group (in millions of euros) | Q2 2022 | vs. Q2 2021 | | | |
|---|---------|-------------|-----------------|---------------------|------------|
| | | Q2 | Change in sales | Change in OE sales* | Outperf.** |
| Comfort & Driving Assistance Systems*** | 983 | 861 | +14% | +8% | +8 pts |
| Powertrain Systems | 1,238 | 1,177 | +5% | +2% | +2 pts |
| Thermal Systems | 1,092 | 986 | +11% | +6% | +6 pts |
| Visibility Systems | 1,284 | 1,265 | +2% | +1% | +1 pts |

* Like for like⁽⁷⁾.

** Based on S&P Global Mobility (formerly IHS Markit) automotive production estimates released on July 15, 2022.

*** Excluding the Top Column Module business.

⁸ See financial glossary, page 15.

Balanced geographic positioning and customer portfolio

| Production regions | H1 2022 | H1 2021 |
|------------------------------------|-------------|-------------|
| Western Europe | 31% | 33% |
| Eastern Europe & Africa | 15% | 16% |
| China | 16% | 14% |
| Asia excluding China | 16% | 17% |
| United States & Canada | 8% | 8% |
| Mexico | 12% | 11% |
| South America | 2% | 1% |
| Total | 100% | 100% |
| Asia and emerging countries | 61% | 59% |

| Customers | H1 2022 | H1 2021 |
|--------------|-------------|-------------|
| German | 30% | 32% |
| Asian | 31% | 32% |
| American | 19% | 17% |
| French | 14% | 14% |
| Other | 6% | 5% |
| Total | 100% | 100% |

On 26 July 2022, the Issuer has published the following press release:

Co-optation to Valeo's Board of Directors

At its meeting held on July 26, 2022, and on the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee, Valeo's Board of Directors unanimously decided to co-opt Alexandre Dayon as an independent director. Alexandre Dayon will replace C. Maury Devine, who resigned from her office effective that same day. He will serve out her remaining term of office, i.e. until the end of the Annual Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2024.

The Board of Directors thanks C. Maury Devine for her exceptional contribution to the Board and its specialized Committees since she was appointed as a member of the Board of Directors on April 23, 2015.

Alexandre Dayon will also be a member of the Strategic Committee.

A French and American entrepreneur, Alexandre Dayon is currently President and Chief Strategy Officer of Salesforce. Salesforce is an American cloud-based software company listed on Nasdaq and headquartered in San Francisco (United States). Alexandre Dayon's experience in the digital and software sectors, and more generally his knowledge of new technologies and related strategic issues, strengthen the Board of Directors' skill set in these key sectors which have an increasingly significant place in Valeo's strategy. With a career – mainly in the United States but also in France – characterized by the successful creation and development of companies, Alexandre Dayon brings to the Board of Directors his vision of what an entrepreneur and a senior officer should be.

The co-optation of Alexandre Dayon as director will be submitted for ratification at Valeo's next Ordinary Shareholders' Meeting.

On 19 September 2022, the Issuer has published the following press release:

Valeo announces a new edition of its employee share offering

In February 2022, Valeo presented its new strategic plan Move Up, which positions the Group as a key player in the major transformations in the sustainable mobility of tomorrow. Within the framework of this plan, leveraging its positioning in the electrification and driver assistance markets, the Group aims to accelerate its growth and improve its financial performance, guaranteeing strong value creation for the benefit of all its stakeholders, including shareholders.

It is in this context that Valeo is launching once again this year its share subscription offering reserved for Group employees. This operation, offered to around 90,000 employees eligible for the offer in 20 countries, aims to associate them over the long term with the Group's results and development. The capital increase and the delivery of Valeo shares in the framework of the offer are expected to take place on November 17, 2022. The main terms and conditions of this operation are detailed below.

ISSUER

Valeo, a French *Société Européenne* with a share capital of EUR **242 574 781** having its registered office at 100 rue de Courcelles – 75017 Paris – France, and registered in the trade registry of Paris under number 552 030 967 (the “Company”)

Listed on Euronext Paris (France)

ISIN code: FR0013176526 FR

PURPOSE OF THE OFFERING

This plan is part of the development of the employee shareholding policy of Valeo in France and abroad with the goal of involving employees in the performance and development of the Group.

CONTEXT OF THE OFFER – SECURITIES OFFERED

The offer is proposed pursuant to Articles L. 3332-18 et seq. of the French Labor Code, in the context of the French group savings plan (*plan d'épargne de groupe, PEG*) and the International group savings plan (*plan d'épargne de groupe international, PEGI*) of Valeo. The subscription of shares is made on the basis of the Company's shareholder's authorization given by the 24th resolution of the Extraordinary General meeting of shareholders held on May 26, 2021. Employees subscribing to the offering outside of France will benefit from the grant of shares for free on the basis of 25th resolution of the Extraordinary General meeting of shareholders of May 26, 2021.

The share subscription offering covers a maximum of 1,200,000 Valeo shares with a nominal value of EUR 1 per share.

The shares will bear immediate dividend entitlements and will be fully fungible with existing shares upon their issuance.

SUBSCRIPTION TERMS

Beneficiaries of the offering

The offering is open to employees having seniority of at least three months, acquired consecutively or not, between January 1, 2021 and the last day of the subscription period with a Valeo Group company member of the PEG or the PEGI, as the case may be. The scope of implementation of the offering comprises the following countries: France, Belgium, Brazil, China, Czech Republic, Egypt, Germany, Hungary, India, Ireland, Italy, Malaysia, Mexico, Poland, Romania, South Korea, Spain, Thailand, Turkey and USA.

The offer is also open in France to former employees in retirement or pre-retirement and who have kept assets in the PEG since their departure from the group.

Subscription formula

Employees may subscribe shares either through the company shareholding fund (fonds commun de placement d'entreprise, FCPE) "Shares4U Relais 2022" intended to merge with the FCPE "Valeorizon" after the approval of the Supervisory board of the FCPE and of the AMF, or, in some countries, through direct shareholding. The employee's investment will fluctuate in the same manner as the price of the Valeo share, both as it increases or decreases.

The share subscription allows employees subscribing in the context of the PEG to benefit from a matching contribution from their employer.

Outside of France, employees will be awarded conditional shares for free according to the terms and conditions of the plan rules adopted by the Company. The free shares are existing shares of Valeo which have been repurchased by the Company.

Custody of shares – Exercise of voting rights

Subscription is carried out through an FCPE or, in certain countries, by direct shareholding.

When the shares are subscribed through an FCPE, the voting rights are exercised by the Supervisory Board (conseil de surveillance) of the FCPE.

With regard to the shares subscribed for directly, the voting rights are exercised by the subscribers.

Subscription price

The subscription price was set on September 16, 2022 at **15.17 euros**. It corresponds to the average of opening prices of Valeo shares on 20 trading days from August 19, 2022 to September 15, 2022 inclusive, after a discount of 20%.

Subscription period

The beneficiaries may subscribe to the offering from September 19, 2022 (inclusive) to October 7, 2022 (inclusive).

Lock-up of the shares

Subject to specific provisions applicable in certain countries, the FCPE units as well as the shares subscribed directly will be subject to a locked period of 5 years as provided for in the PEG (up to May 31, 2027 inclusive) and the PEGI (up to June 30, 2027 inclusive, and for Belgium until November 16, 2027 inclusive), except in the event of a case providing for early release as provided for in Articles L. 3332-25 and R. 3324-22 of the French Labor Code, and as applicable in different countries of implementation of the offering.

CAPITAL INCREASE AND LISTING OF SHARES

The capital increase and the delivery of Valeo shares under the offer are expected to take place on November 17, 2022. An application for listing on Euronext Paris of the Valeo shares issued in the context of this offering will be filed as soon as possible following the capital increase on the same line of listing as the existing shares.

LEGAL NOTICE

This press release should not be considered as an offer or solicitation for the subscription of Valeo shares. The offering is strictly reserved to the beneficiaries mentioned in this press release and will be implemented only in countries where such an offering has been registered or notified to the competent local authorities and/or following the approval of a prospectus by the competent local authorities or in consideration of exemption from the requirement to prepare a prospectus or to proceed to registration or notification of the offering. The shares have not and will not be registered under the U.S. Securities Act of 1933 or the laws of any state or territory of the United States.

More generally, the offering will only be conducted in countries where all procedures of registering and/or notifications have been completed and the necessary authorizations have been obtained.

On 12 October 2022, the Issuer has published the following press release:

Valeo announces two record order intakes for its thermal systems dedicated to the electrification of vehicles - The Group's orders amount to more than 4 billion euros since the beginning of the year

This September, Valeo secured record order once again, signing a contract with Stellantis in the field of thermal comfort for electric cars. The Group has supplied the automaker with a heat pump solution since 2019 and will provide a new generation of the technology for its next electric platform. More compact and easy to integrate, the latest heat pump will offer the best power and cooling efficiency on the market, enabling fast battery charging and ensuring passenger thermal comfort.

In August, Valeo also signed a contract with another major European automaker. Under the agreement, Valeo will supply electric vehicle air conditioning units and front-end cooling modules for the automaker's major electric platform. This combination of technologies is the quietest on the market, a criterion that is all the more important in electric vehicles since drivers can hear noises that would usually be drowned out in an internal combustion engine vehicle.

Also in September, Valeo secured further orders for its thermal systems designed for electric vehicles. For example, the Group recently signed a contract with a major Chinese automaker for its Smart Heat Pump: a new, ultra-compact, fully integrated smart heat pump module comprising valves, pumps and exchangers. Series production of the technology will begin in 2023. The Smart Heat Pump was developed by Valeo to enhance the energy efficiency of electric vehicles, reduce the weight of the thermal system and minimize integration costs for automakers.

In the field of battery cooling systems, a major contract was signed with an important European automaker. Valeo has also booked orders for electric heating solutions with four customers in China and Europe, and for electric compressors for two major electric platforms.

Since the beginning of 2022, Valeo has secured more than 4 billion euros in orders for its thermal systems dedicated to vehicle electrification, a 100% increase compared with the same period in 2021. In five years, the Group has secured a total of 11.4 billion euros in order intake in this field, which now accounts for 70% of the company's thermal systems orders.

This order intake is fresh proof that Valeo is accelerating, as announced during the presentation of the Move Up strategic plan. They are attributable to the key role that thermal systems play in electric vehicle performance. In particular, electric vehicles need to find the right balance between performance, travel range and passenger comfort. In winter, for example, the use of electric heating reduces travel range by more than 40% at an outdoor temperature of -7°C. The challenge for thermal systems is therefore to provide passenger comfort without compromising driving range.

Valeo has developed smart thermal systems that, in addition to providing passenger comfort, also enable fast battery charging, optimize battery performance and cool the vehicle's electric powertrain (i.e., the motor and the electronics). With this technology, Valeo's solutions cover all aspects of thermal and electric energy management.

Francisco Moreno, President of Valeo's Thermal Systems Business Group, said: *"By 2025, electric vehicles thermal systems will be worth 2.5 more than those made for internal combustion engine vehicles. The excellent sales performance since the beginning of the year shows that this acceleration is already underway and that, in line with our Move Up strategy, Valeo is shifting its electrification efforts into higher gear."*

Valeo, the world's second largest supplier of thermal systems, has a comprehensive portfolio of technologies for electric vehicles. Already worth 6.3 billion euros in 2021, the electric vehicle thermal

systems market is set to more than triple in the next five years, to represent 21 billion euros in 2025 and nearly 40 billion euros by 2030.

On 19 October 2022, the Issuer has published the following press release:

Valeo and SRG Global® enter a strategic alliance

Paris, October 19, 2022 – Valeo and SRG Global have entered into a strategic alliance agreement, to provide the next generations of exterior illuminated front panels to the automotive industry.

The combination of SRG Global’s and Valeo’s respective expertise will lead to new innovative solutions, enabling highly integrated and stylized exterior lighting systems for automakers in North America and Europe.

Valeo is a world leader in Visibility Systems, which include Lighting and Wiping Systems. They are a powerful lever for improving style, performance and safety on the road. As part of this mission, they are undergoing a profound revolution and are playing an increasingly important role in vehicles, both inside and outside the cabin. Lighting systems are now everywhere: they inform, guide, alert and accompany the driver on a daily basis.

SRG Global is one of the world’s leading manufacturers of high value coatings on plastic for the automotive and commercial truck industries. From grilles to emblems and nameplates, moldings, bezels and other trim pieces; from injection molding to painting and plating; SRG Global consistently delivers products and processes that exceed customer requirements and reflect a deep understanding of brand character.

“We have already collaborated with Valeo on several projects, so we have established a strong partnership and we know that both organizations work very effectively together. We are excited about the wider opportunities this formal agreement will create, enabling us to better serve our customers by providing new and innovative products,” said Mike Lee, President of SRG Global.

Maurizio Martinelli, President, Valeo Visibility Systems Business Group, added: *“I look forward to enforcing this strategic partnership that puts Valeo and SRG Global among the biggest players in the automotive exterior front central area that will grow with vehicle electrification. I am confident that the teamwork and the complementarity between Valeo Lighting Systems and SRG Global will improve customer satisfaction and bring additional business opportunities to both parties.”*

For further information about SRG Global, visit www.srgglobal.com

For further information about Valeo visit www.valeo.com/en/visibility-systems



Mike Lee, President of SRG Global and Maurizio Martinelli, President, Valeo Visibility Systems Business Group

About SRG Global®

SRG Global, a Guardian company, is one of the world's leading manufacturers of high value coatings on plastic for the automotive and commercial truck industries with a manufacturing presence in major world regions including North America, Western and Central Europe and Asia. SRG Global is headquartered in Troy, Mich., USA. Through its Innovation Center in Taylor, Mich, USA, and its global advanced development process, SRG Global works to enhance manufacturing processes and accelerates development and delivery of the next generation of coating technologies and subsystems. SRG Global engineers solutions for greater surface durability, structural integrity, enhanced functionality, vehicle efficiency and design flexibility. The result is the development of innovative exterior and interior products and processes that create value for customers and consumers and a positive impact in our environment and society. Beyond the finish™.

About Valeo

As a technology company and partner to all automakers and new mobility players, Valeo is innovating to make mobility cleaner, safer and smarter. Valeo has technological and industrial leadership in electrification, ADAS, reinvention of the onboard experience and lighting. These four areas are vital to the transformation of mobility and will drive the Group's growth in the coming years. Valeo is listed on the Paris Stock Exchange. Valeo in figures: In 2021, the Group generated sales of 17.3 billion euros and invested 12% of its original equipment sales in R&D. At December 31, 2021, Valeo had 184 plants, 21 research centers, 43 development centers and 16 distribution platforms, and employed 103,300 people in 31 countries worldwide.

On 20 October 2022, the Issuer has published the following press release:

TotalEnergies and Valeo partner to innovate battery cooling in electric vehicles and reduce their carbon footprint

TotalEnergies and Valeo announce that they have signed an agreement to develop an innovative way of cooling electric vehicle batteries using a new, very high-performance dielectric fluid. Not only would this innovation improve the way electric vehicles are used, but it would also reduce their carbon footprint.

With current technology, fluids cannot be used to cool the battery from within. But TotalEnergies has developed a new, innovative dielectric coolant that can be in direct contact with battery cells. Valeo will contribute its expertise in the related thermal systems to design and build the best solution to integrate the coolant within the electric vehicle battery pack, thereby optimizing performance by conditioning it at the right temperature.

Research conducted under the agreement will enable Valeo to reduce the weight of the thermal systems used to cool vehicle batteries – greatly improving the overall weight, travel range and carbon footprint of electric vehicles – and improve safety in response to battery fire risk.

To address these needs and respond to other challenges such as comfort and electric powertrain efficiency, Valeo has developed comprehensive, smart, low-carbon thermal management systems adapted to charging intensity and speed. And the collaborative research program with TotalEnergies will enable it to optimize them even further.

“The dielectric fluid developed by TotalEnergies rounds out our TotalEnergies QUARTZ EV Fluid range aimed at electric mobility. It is a unique and innovative solution that aims to contribute to the decarbonization of the electric mobility sector – one of the company's strategic priorities. What's more, the technological advantage our product offers in terms of safety, one of our core values, makes it even more unique” commented Philippe Charleux, Senior Vice President, Lubricants & Specialties at TotalEnergies. *“We are very pleased to be partnering with Valeo, with whom we share the same ambitions of accelerating the development of sustainable mobility solutions and achieving carbon neutrality.”*

Francisco Moreno, President of Valeo’s Powertrain Systems Business Group, commented: *“Helping to reduce the impact of mobility is central to Valeo's strategy. Technologies that contribute to reducing CO2 emissions now account for 60% of Group sales, and Valeo plans to continue expanding its portfolio of solutions that promote low-carbon mobility. This research partnership with TotalEnergies is an opportunity to create an innovative solution that will further accelerate consumer take-up of electric vehicles.”*

As well as improving battery thermal management, the program is an opportunity to optimize electric powertrains in all areas where combining dielectric fluid with thermal systems can be beneficial.

About TotalEnergies

TotalEnergies is a global multi-energy company that produces and markets energies: oil and biofuels, natural gas and green gases, renewables and electricity. Its 100,000+ employees are committed to energy that is ever more affordable, cleaner, more reliable and accessible to as many people as possible. Active in more than 130 countries, TotalEnergies puts sustainable development in all its dimensions at the heart of its projects and operations to contribute to the well-being of people.

About Valeo

As a technology company and partner to all automakers and new mobility players, Valeo is innovating to make mobility cleaner, safer and smarter. Valeo enjoys technological and industrial leadership in electrification, driving assistance systems, reinvention of the interior experience and lighting. These four areas are vital to the transformation of mobility and will drive the Group’s growth in the coming years. Valeo is listed on the Paris Stock Exchange. Valeo in figures: In 2021, the Group generated sales of 17.3 billion euros and invested 12% of sales in R&D. At December 31, 2021, Valeo had 184 plants, 21 research centers, 43 development centers and 16 distribution platforms, and employed 103,300 people in 31 countries worldwide.

On 27 October 2022, the Issuer has published the following press release:

Strong 33% growth in sales as reported in third-quarter 2022

- Sales up 33% as reported to 5,259 million euros
- Original equipment sales up 24% on a like-for-like basis and up 26% on a pro forma basis()
- Acceleration in High-Voltage sales (formerly Valeo Siemens eAutomotive), up 61% to 321 million euros
- ADAS original equipment sales up 53% on a like-for-like basis
- Aftermarket sales up 9% on a like-for-like basis
- Integration of the High-Voltage business, in line with the Move Up plan
- 2022 guidance confirmed

Christophe Périllat, Valeo’s Chief Executive Officer, said:

“The strong sales growth in third-quarter 2022, in an environment still affected by the electronic components shortage, reflects Valeo’s ability to grow. I would like to thank all of Valeo’s teams for their commitment.

Our sales on a reported basis, including the High-Voltage business, grew by 33%. The High-Voltage business, which is now integrated within our Powertrain Systems Business Group, accelerated sharply over the quarter, as expected, with growth reaching 61%. In addition, our ADAS business once again enjoyed strong momentum, growing by more than 50%. Lastly, the quarter saw record order intake in thermal systems for electric vehicles.

Based on the automotive production estimates released by S&P Global Mobility for the fourth quarter of the year and forecast energy prices, we are confident in our ability to achieve our 2022 guidance.”

Strong 33% growth in sales as reported in third-quarter 2022⁽⁹⁾

Integration of the High-Voltage business (formerly Valeo Siemens eAutomotive), which posted sharp 61% growth over the quarter

In the third quarter, automotive production was up 27% compared to the same period in 2021, benefiting from a favorable basis of comparison as a result of the electronic components shortage that hit the automotive industry supply chain hard in third-quarter 2021.

| Q3 sales (in millions of euros) | As a % of sales | 2022 | | vs. 2021 | | | |
|------------------------------------|--------------------|--------------|--------------------------|--------------|-------------|-------------|---------------------------|
| | | Q3 sales | of which High-Voltage | Q3 2021 | Change | LFL* change | Pro forma LFL** change |
| Original equipment | 85% | 4,474 | 305 | 3,183 | +41% | +24% | +26% |
| Aftermarket | 11% | 573 | 3 | 520 | +10% | +9% | +9% |
| Miscellaneous | 4% | 212 | 13 | 261 | -19% | -26% | -25% |
| Total | 100% | 5,259 | 321 | 3,964 | +33% | +19% | +21% |

*Like for like ⁽¹⁰⁾

**Third-quarter 2021 adjusted for the High-Voltage business (formerly Valeo Siemens eAutomotive) ⁽³⁾

⁹Year-to-date sales, page 10

¹⁰See Financial Glossary, page 8

Consolidated sales totaled 5,259 million euros, in the third quarter, up 33% compared to the same period in 2021.

Changes in exchange rates had a positive 6% impact, primarily due to the depreciation of the euro against the US dollar and the Chinese yuan.

Changes in Group structure had a positive 8% impact, mainly due to the integration of the High-Voltage business as of July 1, 2022. The fast-growing business posted sales of 321 million euros in the third quarter, an increase of 61% compared to 2021.

Like for like, Group sales grew by 19%. On a pro forma basis (third-quarter 2021 adjusted for the High-Voltage business), sales growth was 21% (see details in the appendix).

Like-for-like original equipment sales rose sharply by 24%, buoyed by the strong recovery in global automotive production compared to the same period in 2021. On a pro forma basis⁽²⁾, like-for-like growth was 26% (see details in the appendix).

Aftermarket sales also accelerated sharply, up 9% on a like-for-like basis, benefiting from the increased number and age of vehicles on the road, a more attractive offering with a shift towards more value-added products (transmissions systems kit), and the impact of price increases.

“Miscellaneous” sales (tooling and customer contributions to R&D) contracted by 26% like for like.

Strong growth in original equipment sales in all production regions

| Original equipment sales (in millions of euros) | As a % of sales | Q3 2022 | vs. 2021 | | | |
|--|-----------------|--------------|--------------|-------------|---------------|-----------------------|
| | | | Q3 2021 | LFL* change | Outperf ** | Pro-forma outperf.*** |
| Europe & Africa | 42% | 1,877 | 1,337 | +26% | +5 pts | +8 pts |
| Asia, Middle East & Oceania | 35% | 1,578 | 1,152 | +21% | -9 pts | -7 pts |
| o/w China | 19% | 867 | 548 | +23% | -8 pts | -3 pts |
| o/w Japan | 6% | 284 | 240 | +24% | +1 pts | +1 pts |
| o/w South Korea | 6% | 259 | 245 | +7% | -13 pts | -13 pts |
| o/w India | 1% | 50 | 53 | -18% | -51 pts | -47 pts |
| North America | 21% | 918 | 632 | +26% | +2 pts | +2 pts |
| South America | 2% | 101 | 62 | +42% | +9 pts | +9 pts |
| Total | 100% | 4,474 | 3,183 | +24% | -3 pts | -1 pts |

* Like for like⁽¹⁾

**S&P Global Mobility automotive production estimates released on October 14, 2022

***Third-quarter 2021 adjusted for the High-Voltage business (formerly Valeo Siemens eAutomotive)⁽⁴⁾

In the third quarter, original equipment sales recorded strong like-for-like growth in all automotive production regions:

- **in Europe and Africa**, original equipment sales were up 26%, outperforming automotive production by 5 percentage points, mainly driven by the Comfort & Driving Assistance Systems Business Group (ADAS/camera business) and the Thermal Systems Business Group, with sales of systems for electrified vehicles (battery cooling systems, climate control systems for electric vehicles, etc.) to German and French customers. On a pro forma basis⁽⁴⁾, the Group outperformed automotive production

¹See Financial Glossary, page 8

by 8 percentage points, buoyed by the positive contribution of the acceleration of the High-Voltage business. However, the Visibility Systems Business Group was negatively impacted by an unfavorable product mix (lower electronics content);

- **in Asia**, original equipment sales increased by 21%, underperforming automotive production by 9 percentage points. The year-on-year performance was impacted by an unfavorable basis of comparison in certain Asian countries (strong outperformance in third-quarter 2021 in Japan, South Korea and India). On a pro forma basis⁽⁴⁾, the underperformance was 7 percentage points (a 2 point improvement), reflecting the High-Voltage business' growth in China;
 - **in China**, original equipment sales expanded by 23%, underperforming automotive production by 8 percentage points (a 3 point underperformance on a pro forma basis⁽⁴⁾). The Comfort & Driving Assistance Systems Business Group saw a significant acceleration in its ADAS/camera business with its Chinese and international customers. However, the Powertrain Systems Business Group was affected by a slowdown in its truck business and the Visibility Systems Business Group was penalized by an unfavorable customer and product mix (lower electronics content);
 - **in Japan**, original equipment sales grew by 24%, outperforming global automotive production by 1 percentage point, impacted by an unfavorable basis of comparison and an unfavorable customer mix amid supply chain disruption;
 - **in South Korea**, original equipment sales rose by 7%, underperforming automotive production by 13 percentage points, due to an unfavorable basis for comparison (strong outperformance in third-quarter 2021, linked to the start-up of production on a project in the transmission segment);
 - **in India** (1% of sales), the Group was significantly below automotive production, as a result of an unfavorable customer mix (under-exposure to domestic customers) and an unfavorable basis for comparison (outperformance of 50 percentage points in third-quarter 2021);
- **in North America**, original equipment sales climbed by 26%, outperforming automotive production by 2 percentage points (a 2 point outperformance on a pro forma basis⁽⁵⁾), mainly driven by the ramp-up of numerous projects in ADAS/cameras with a North American automaker and the start-up of production for a low-voltage electrical systems contract for a Japanese automaker. However, the Thermal Systems Business Group was negatively impacted by the end of a front-end modules contract with a Japanese automaker;
- **in South America**, original equipment sales surged by 42%, outperforming automotive production by 9 percentage points.

Strong growth across all Business Groups in third-quarter 2022

The sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

| Sales by Business Group (in millions of euros) | Q3 2022 | Q3 2021 | vs. 2021 | | Outperf.** |
|---|---------|---------|-----------------|---------------------|------------|
| | | | Change in sales | Change in OE sales* | |
| Comfort & Driving Assistance Systems*** | 1,120 | 794 | +41% | +36% | +9 pts |
| Powertrain Systems | 1,580 | 1,080 | +46% | +18% | -9 pts |
| Thermal Systems | 1,192 | 928 | +28% | +26% | -1 pts |
| Visibility Systems | 1,322 | 1,126 | +17% | +19% | -8 pts |

*Like for like⁽¹²⁾

**S&P Global Mobility automotive production estimates released on October 14, 2022

***Excluding the TCM (Top Column Module) business

The Comfort & Driving Assistance Systems Business Group outperformed global automotive production by 9 percentage points, thanks to strong momentum in ADAS (53% increase in original equipment sales on a like-for-like basis) that was chiefly driven by the camera business in Europe, China and North America, thereby strengthening its position as a world leader. Sales of technologies linked to the reinvention of the interior experience grew by 10% on a like-for-like basis.

To date, Valeo has produced around 13 million front cameras since the business was first created.

The Powertrain Systems Business Group underperformed global automotive production by 1 percentage point on a pro forma basis⁽⁵⁾. The fast growth of the newly-integrated High-Voltage business in Europe and China (up 61% compared to 2021) lifted the performance of the Powertrain Systems Business Group by 8 percentage points versus automotive production (from a 9 point underperformance excluding the High-Voltage business to a 1 point underperformance on a pro forma basis⁽⁵⁾). The Business Group also benefited from the start-up of production for a low-voltage electrical systems contract in North America. However, sales were affected by a slowdown in China (excluding High-Voltage), particularly its truck business. In South Korea, sales were negatively impacted by an unfavorable basis for comparison (strong outperformance in third-quarter 2021, linked to the start-up of production on a project in the transmission segment).

On July 4, 2022, the High-Voltage business was integrated into the Powertrain Systems Business Group, in line with the Move Up plan.

During the quarter, the Powertrain Systems Business Group presented the first prototype of an electric motor that is free from rare earth-metals, developed jointly with Renault. The Business Groups also launched production of its bike motor. More than 20 customers have already placed orders for the motor, which represents an important step in the Group's commitment to new forms of mobility.

The Thermal Systems Business Group underperformed automotive production by 1 percentage point, buoyed by brisk sales of systems for electrified vehicles (battery cooling systems, climate control systems for electric vehicles, etc.) in Europe with German and French customers. However, the Thermal Systems Business Group was negatively impacted by an unfavorable customer mix in China and the end of a front-end modules contract with a Japanese automaker in North America.

¹²See Financial Glossary, page 8

On October 12, 2022, Valeo announced record order intake with two contracts for its thermal systems dedicated to the electrification of vehicles (press release: [Click here](#)):

- a record order for our heat pump solution, placed by Stellantis for its next electric platform,
- a major order placed by a leading European automaker, under which Valeo will supply electric vehicle air conditioning units and front-end cooling modules for its major electric platform.

Since the beginning of 2022, the Thermal Systems Business Group has secured more than 4 billion euros in orders for its thermal systems dedicated to vehicle electrification, accounting for 70% of all thermal systems orders.

The Visibility Systems Business Group underperformed global automotive production by 8 percentage points, reflecting an unfavorable product mix (lower electronics content) in Europe and China due to the electronic components crisis and an unfavorable customer mix in Japan and China.

During the quarter, the Visibility Systems Business Group booked its first orders for front panels (grilles) illuminated with its LED technology and started production of rear lights equipped with new OLED technology for a premium German automaker.

2022 guidance confirmed

Based on the latest automotive production estimates released by S&P Global on October 14, 2022, current levels of raw material and forecast energy prices, constructive pricing discussions with our customers and the operational efficiencies identified in our plants, we confirm our 2022 financial objectives as published on February 25.

| | 2022 |
|--|---------------|
| Sales (in billions of euros) | 19.2 - 20.0 |
| EBITDA* (as a % of sales) | 11.8% - 12.3% |
| Operating margin (as a % of sales) | 3.2% - 3.7% |
| Free cash flow* (in millions of euros) | ~320 |

*

Based on:

- the integration of Valeo Siemens eAutomotive at July 4, 2022 following the acquisition by Valeo of the 50% stake held by Siemens in the joint venture;
- S&P Global Mobility (formerly IHS Markit) annual automotive production estimates released in February 2022 reduced by 1.5%, corresponding to around 82.9 million vehicles – falling within the range of 79.9 million to 84.1 million vehicles (with slight growth in the first half of 2022 and more than 10% growth in the second half);
- an expected 50% reduction in Valeo Siemens eAutomotive's losses in 2022 compared to 2021.

Upcoming events:

Full-year 2022 results: February 23, 2023

Highlights

ESG

On January 26, 2022, Valeo announced the appointment of Christophe Périllat as Chief Executive Officer in accordance with the succession plan published on October 27, 2020, with Jacques Aschenbroich continuing to serve as Chairman of Valeo's Board of Directors.

On March 30, 2022, the Board of Directors of Valeo acknowledged the decision of the Board of Directors of Orange to appoint Jacques Aschenbroich as Chairman of the Board of Directors of Orange following its General Shareholders' Meeting held on May 19, 2022, subject to his appointment as Director.

On July 26, 2022, on the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee, Valeo's Board of Directors unanimously decided to co-opt Alexandre Dayon as an independent director. Alexandre Dayon will replace C. Maury Devine.

On July 17, 2022, the non-financial rating agency Sustainalytics upgraded Valeo's rating from 10.7 to 10.6 (the lower rating being the better). Valeo is ranked second in the "Auto Components" category, with a "Low Risk" ESG risk rating.

Strategic operations

On February 9, 2022, Valeo announced that it had signed an agreement with Siemens to hold 100% of Valeo Siemens eAutomotive.

On June 7, 2022, Valeo Siemens eAutomotive announced that it had already exceeded its target of more than 4 billion euros in order intake for high-voltage electrification technologies for the 2021-2022 period.

On July 4, 2022, Valeo integrated 100% of Valeo Siemens eAutomotive's share capital, creating a champion of electric mobility.

Medium term plan: Move Up

On February 25, 2022, during its Investor Day held in Paris, Valeo launched its Move Up plan, a value creation strategy built on the sustainable mobility megatrends.

Industrial partnership

On February 10, 2022, Valeo announced that it had signed a memorandum of understanding with Renault Group and Valeo Siemens eAutomotive to create a strategic partnership for the design, co-development and manufacture in France of a new-generation automotive electric motor.

On June 21, 2022, Valeo announced that it had signed a memorandum of understanding with Atul Greentech Private Limited and Honda Powerpack Energy Private Limited, through which it will electrify three-wheelers in India.

On July 8, 2022, Valeo and the French National Centre for Scientific Research (CNRS) signed a framework agreement to accelerate research and innovation in future mobility.

On September 13, 2022, Valeo and the French Alternative Energies and Atomic Energy Commission (CEA) announced that they had signed an agreement to collaborate on advanced research in power electronics.

On October 19, 2022, Valeo and SRG Global[®] entered into a strategic alliance agreement to provide the next generation of exterior illuminated front panels to the automotive industry.

On October 20, 2022, TotalEnergies and Valeo announced that they had signed an agreement to develop an innovative way of cooling electric vehicle batteries using a new, very high-performance dielectric fluid.

Products/technologies and patents

On January 4, 2022, Valeo was named a CES® 2022 Innovation Awards Honoree for its UV Air Purifier, the world's most powerful air sterilization system for bus and coach cabins.

On February 16, 2022, 14 months after the launch of its initiative to create a range of motors for electric bikes, Valeo announced that it had won the trust of 14 bicycle manufacturers, the first customers for its electric assistance technology.

On March 3, 2022, Valeo received the Honda Supplier Award in the Development category for its contribution to the world's first SAE (Society of Automotive Engineers) Level 3 Automated Driving System authorized for commercial use.

On March 22, 2022, it was announced that Valeo SCALA® 2, Valeo's second-generation LiDAR – “the technology that sees what the human eye, cameras and radars cannot see” – would be integrated in the Mercedes-Benz DRIVE PILOT system for conditionally automated driving (SAE-Level 3).

On June 14, 2022, Stellantis announced that it had chosen Valeo's third-generation LiDAR to equip multiple models of its different automotive brands from 2024.

On June 14, 2022, Valeo was once again ranked as the world's leading French patent applicant.

On June 28, 2022, Valeo signed a major contract with the BMW Group in advanced driving assistance systems.

On July 12, 2022, Valeo announced that it was taking part in Eurobike 2022 where it would be presenting Valeo Cyclee, its innovative 48V electric assistance system for all types of bicycle.

On September 15, 2022, Valeo announced that it was taking part in IAA Transportation 2022, where it would be showcasing its technologies dedicated to the transportation of goods and people.

On September 20, 2022, Valeo won an Automotive News PACE Award for its innovative Pendulum Gen. 2.

On October 12, 2022, Valeo announced record order intake with two contracts for its thermal systems dedicated to the electrification of vehicles.

On October 13, 2022, Valeo announced that it was taking part in the 89th “Mondial de l'Auto” (Paris Motor Show) being held at the Porte de Versailles exhibition center from October 17 to 23, 2022.

Financing activities and financial ratings

On March 24, 2022, Valeo announced a share buy-back program.

On October 12, 2022, Moody's confirmed Valeo's “Baa3/P3” long- and short-term issuer ratings, changing its outlook to “negative”.

Financial glossary

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.

Pro forma sales: third-quarter 2021 sales adjusted for the High-Voltage business (formerly Valeo Siemens eAutomotive).

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

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 net payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

Appendices

Third-quarter 2022 sales - Pro forma

| Q3 pro forma sales* (in millions of euros) | As a % of sales | Q3 2022 | vs. 2021 | | |
|---|-----------------|--------------|--------------|--------------|-------------|
| | | | Q3 2021 | LFL** change | Change |
| Original equipment | 85% | 4,474 | 3,364 | +26% | +33% |
| Aftermarket | 11% | 573 | 522 | +9% | +10% |
| Miscellaneous | 4% | 212 | 268 | -25% | -21% |
| Total | 100% | 5,259 | 4,154 | +21% | +27% |

*Third-quarter 2021 adjusted for the High-Voltage business (formerly Valeo Siemens eAutomotive)

**Like for like

Third-quarter 2022 original equipment sales by destination region - Pro forma

| Pro forma original equipment sales* (in millions of euros) | As a % of sales | Q3 2022 | vs. 2021 | | |
|---|-----------------|--------------|--------------|--------------|---------------|
| | | | Q3 2021 | LFL** change | Outperf.*** |
| Europe & Africa | 42% | 1,877 | 1,453 | +29% | +8 pts |
| Asia, Middle East & Oceania | 35% | 1,578 | 1,218 | +23% | -7 pts |
| o/w China | 19% | 867 | 613 | +28% | -3 pts |
| o/w Japan | 6% | 284 | 240 | +24% | +1 pts |
| o/w South Korea | 6% | 259 | 245 | +7% | -13 pts |
| o/w India | 1% | 50 | 54 | -14% | -47 pt |
| North America | 21% | 918 | 631 | +26% | +2 pts |
| South America | 2% | 101 | 62 | +42% | +9 pts |
| Total | 100% | 4,474 | 3,364 | +26% | -1 pts |

*Third-quarter 2021 adjusted for the High-Voltage business (formerly Valeo Siemens eAutomotive)

**Like for like

***S&P Global Mobility automotive production estimates released on October 14, 2022

Year-to-date 2022 sales

| Sales (in millions of euros) | As a % of sales | YTD 2022 | vs. 2021 | | |
|---------------------------------|-----------------|---------------|---------------|-------------|-------------|
| | | | YTD 2021 | LFL* change | Change |
| Original equipment | 84% | 12,287 | 10,695 | +8% | +15% |
| Aftermarket | 12% | 1,713 | 1,550 | +11% | +11% |
| Miscellaneous | 4% | 678 | 713 | -10% | -5% |
| Total | 100% | 14,678 | 12,958 | +7% | +13% |

*Like for like

Year-to-date 2022 original equipment sales by destination region

| Original equipment sales (in millions of euros) | As a % of sales | YTD 2022 | vs. 2021 | | |
|--|-----------------|---------------|---------------|-------------|---------------|
| | | | YTD 2021 | LFL* change | Outperf.** |
| Europe & Africa | 44% | 5,425 | 4,943 | +5% | +8 pts |
| Asia, Middle East & Oceania | 33% | 4,063 | 3,531 | +7% | -3 pts |
| o/w China | 17% | 2,051 | 1,570 | +11% | 0 pts |
| o/w Japan | 6% | 789 | 788 | +3% | +6 pts |
| o/w South Korea | 6% | 787 | 828 | -2% | -7 pts |
| o/w India | 1% | 156 | 146 | -1% | -25 pts |
| North America | 21% | 2,532 | 2,022 | +12% | +1 pt |
| South America | 2% | 267 | 199 | +22% | +12 pts |
| Total | 100% | 12,287 | 10,695 | +8% | +1 pts |

*Like for like

**S&P Global Mobility automotive production estimates released on October 14, 2022

Year-to-date 2022 sales by Business Group

| Sales by Business Group (in millions of euros) | YTD 2022 | vs. 2021 | | | |
|---|----------|----------|-----------------|-----------------------------------|--------|
| | | YTD 2021 | Change in sales | Change in OE sales* Outperf.** | |
| Comfort & Driving Assistance Systems*** | 3,078 | 2,573 | +20% | +14% | +7 pts |
| Powertrain Systems | 4,129 | 3,548 | +16% | +4% | -3 pts |
| Thermal Systems | 3,363 | 2,937 | +15% | +10% | +3 pts |
| Visibility Systems | 3,961 | 3,788 | +5% | +3% | -4 pts |

*Like for like

**S&P Global Mobility automotive production estimates released on October 14, 2022

***Excluding the TCM (Top Column Module) business

Balanced geographic positioning and customer portfolio

| Production regions | YTD 2022 | YTD 2021 | Change |
|------------------------------------|-----------------|-----------------|---------------|
| Western Europe | 29% | 31% | -2 pts |
| United States & Canada | 8% | 8% | — pts |
| Asia and emerging countries | 63% | 61% | 2 pts |
| Asia excluding China | 15% | 17% | -2 pts |
| China | 18% | 15% | +3 pts |
| Eastern Europe & Africa | 16% | 16% | — pts |
| Mexico | 12% | 11% | +1 pts |
| South America | 2% | 2% | — pts |
| Customer portfolio | | | |
| German | 31% | 31% | — pts |
| Asian | 31% | 33% | -2 pts |
| American | 19% | 18% | +1 pts |
| French | 14% | 14% | — pts |
| Other | 5% | 4% | +1 pts |

GENERAL INFORMATION

The paragraph (3) of the section entitled “General Information” of the Base Prospectus is deleted and replaced by the following:

(3) *Corporate authorisations*

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the Programme, including the resolution of the Board of Directors (*conseil d'administration*) of the Issuer passed on 24 February 2022 authorizing the update of the Programme.

The Board of Directors (*conseil d'administration*) of the Issuer authorised on 24 February 2022 its Chief Executive Officer (*Directeur Général*) to issue bonds (*obligations*) under the Programme up to a maximum aggregate amount of €5 billion within the limits set by the Board of Directors (*conseil d'administration*).

The paragraph (5) of the section entitled “General Information” of the Base Prospectus is deleted and replaced by the following:

(5) *No significant change in the financial performance or financial position of the Issuer or the Group*

Save as disclosed in this Base Prospectus (including the Documents Incorporated by Reference), there has been no significant change in the financial performance or financial position of the Issuer or the Group since 30 September 2022.

The paragraph (6) of the section entitled “General Information” of the Base Prospectus is deleted and replaced by the following:

(6) *Conflicts of interests*

As the date hereof, there are not potential conflicts of interest between the private interests or other duties of members of the board of directors of the Issuer and the duties they owe to the Issuer.

The paragraph (7) of the section entitled “General Information” of the Base Prospectus is deleted and replaced by the following:

(7) *Legal and arbitration proceedings*

Save as disclosed in this Base Prospectus (including the Documents Incorporated by Reference), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of 12 months prior to the date of this Base Prospectus which, to the Issuer's knowledge, may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.

The paragraph (11) of the section entitled “General Information” of the Base Prospectus is deleted and replaced by the following:

(11) *Statutory auditors*

Ernst & Young et Autres, 1/2, place des Saisons, 92400 Courbevoie – Paris La Défense, France and Mazars, Exaltis - 61, rue Henri Régnault, 92400 Courbevoie, France have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the two financial years ended 31 December 2021 and 31 December 2020 and issued a limited review report on the half-year financial information of the Issuer for the period ended 30 June 2022. The limited review report on the half-year financial information of the Issuer for the period ended 30 June 2022 contains an observation set out on page 62 of the 2022 HYFR. Ernst & Young et Autres and Mazars are members of the French professional body *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE
PROSPECTUS SUPPLEMENT NO. 1**

Person responsible for this Prospectus Supplement no. 1

Christophe Périllat, Chief Executive Officer.

Declaration by person responsible for this Prospectus Supplement no. 1

I declare, to the best of my knowledge, that the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Paris, 21 November 2022

Valeo

100, rue de Courcelles
75173 Paris Cedex 17 France

Duly represented by Christophe Périllat
Chief Executive Officer



This Prospectus Supplement no. 1 has been approved on 21 November 2022 by the AMF in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Prospectus Supplement no. 1 after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the Issuer.

This Prospectus Supplement no. 1 has been given the following approval number: 22-456.