



# Q3 2015 Sales

Jacques Aschenbroich – CEO

October 21, 2015

# Q3 highlights

## Outperformance by production region and by Business Group

Sales of €3.4bn

OEM sales of €3bn

+12% as reported  
+7% like-for-like <sup>(1)</sup>

+13% as reported  
+7% like-for-like <sup>(1)</sup>

### Growth\*

World OEM sales	+7%
Europe	+13%
China	+1%
Asia (excluding China)	+2%
North America	+3%
South America	-18%

\*like-for-like

### Outperformance\*\*

+6pts

+8pts

+6pts

+1pt

-3pts

+2pts

\*\*vs automotive production

Aftermarket sales of €0.4bn

+6% as reported  
+4% like-for-like <sup>(1)</sup>

<sup>(1)</sup> Constant Group structure and exchange rates.

# 2015 outlook

Based on the following key assumptions for full-year 2015:

- Automotive production growth consistent with LMC estimates:
  - World: between 1% and 2%
  - Europe (excl. Russia): around 7%
  - China: between 0% and 2%
- Raw material prices and currencies in line with current levels

Valeo confirms its upwardly revised guidance of July 27, 2015:

- Sales growth outperformance in the main production regions including China
- Operating margin\* (as a % of sales) higher than 2014 with a slight increase in operating margin\* (as a % of sales) in the second half of 2015 as compared to the first half

\* Including joint ventures and associates in accordance with new IFRS standards

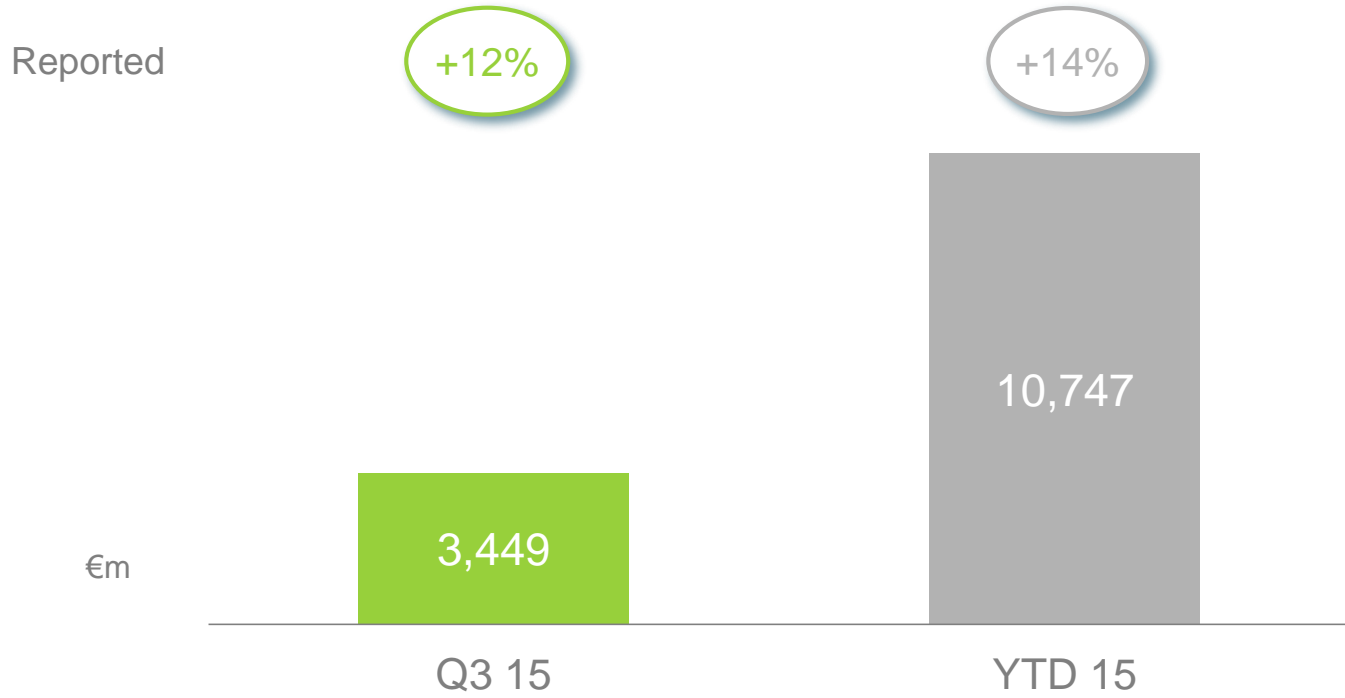
Sales of €3.4bn, up 12% as reported,  
up 7% like-for-like

OEM sales, up 13% as reported,  
up 7% like-for like, a 6-point outperformance

Aftermarket sales, up 6% as reported,  
up 4% like-for-like

# Total sales up 12% as reported, up 7% like-for-like

## YTD sales up 14% as reported, up 6% like-for-like



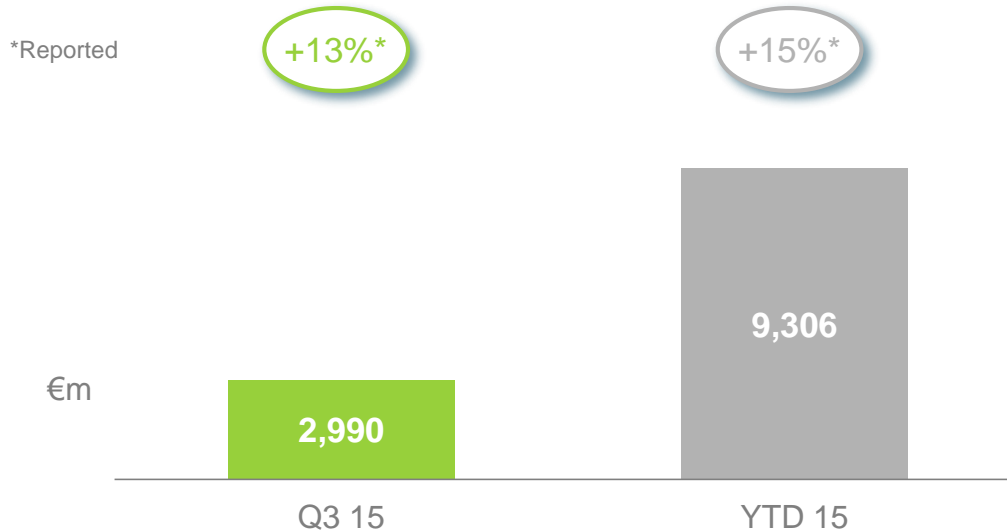
Category	Q3 15	YTD 15	
Like-for-like	+7%	+6%	
Q3-2014	3,069	YTD-2014	9,416
Exchange rates	+5.9%	Exchange rates	+7.7%
Scope	+0.0%	Scope	+0.2%

# OEM sales up 13% as reported, up 7% like-for-like

## Aftermarket up 6% as reported, up 7% like-for-like

### Aftermarket

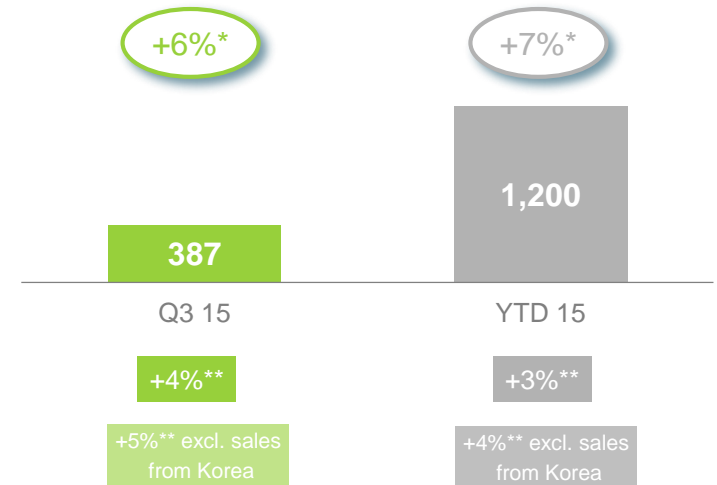
### OEM sales



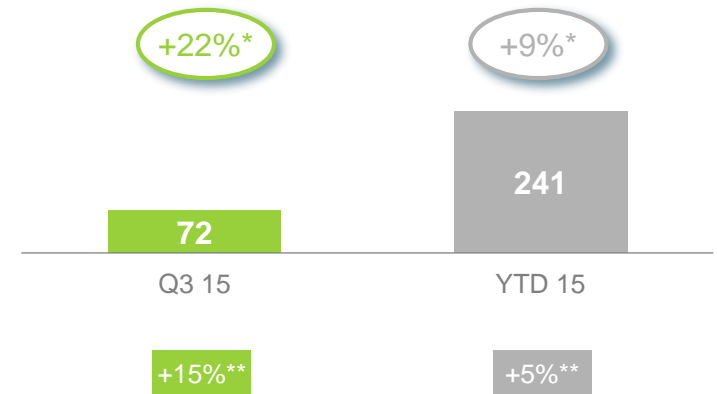
\*\*Like-for-like

Period	Sales (€m)	Change (**)
Q3-2014	2,644	+7%**
Exchange rates	+6.3%	
Scope	0.0%	
YTD-2014	8,076	+7%**
Exchange rates	+8.1%	
Scope	+0.4%	

### Aftermarket



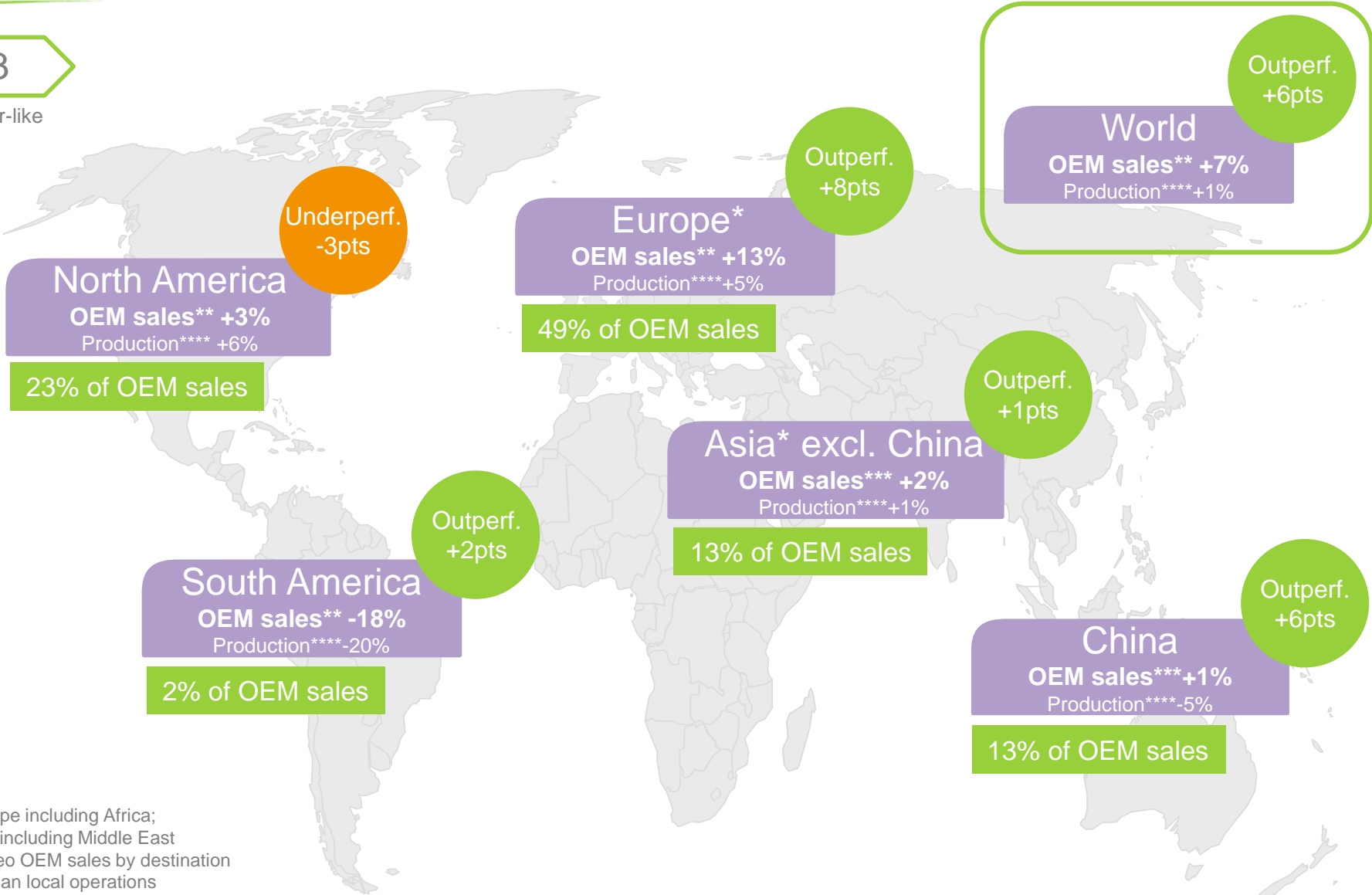
### Miscellaneous



# OEM sales outpaced the global market by 6 percentage points

Q3

Like-for-like



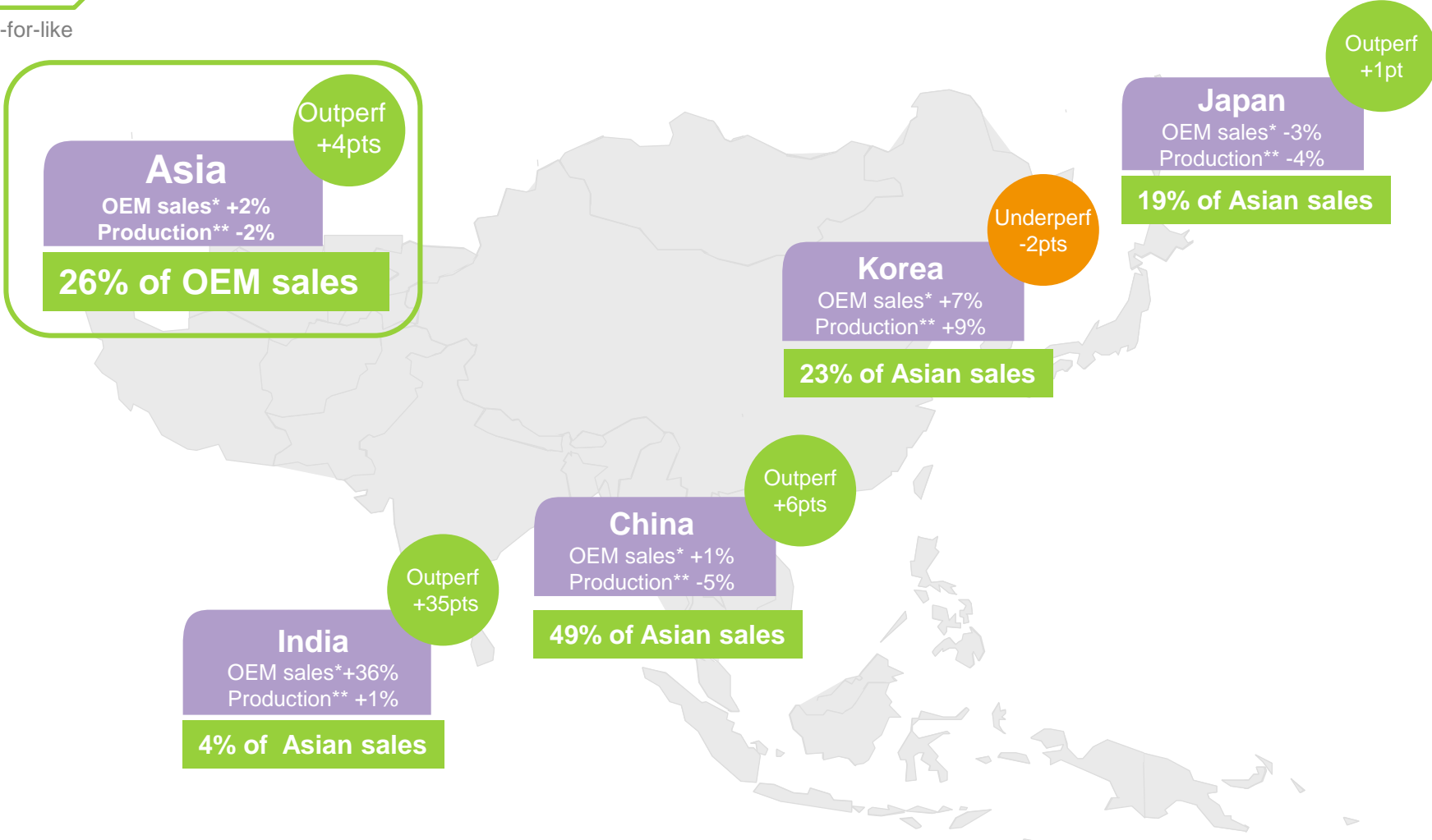
\* Europe including Africa;  
 Asia including Middle East  
 \*\* Valeo OEM sales by destination  
 \*\*\* Asian local operations  
 \*\*\*\* LMC estimates – light vehicle production



# OEM sales outpaced the Asian market by 4 percentage points

Q3

Like-for-like



\*Asian local operations  
\*\*LMC estimates – light vehicle production

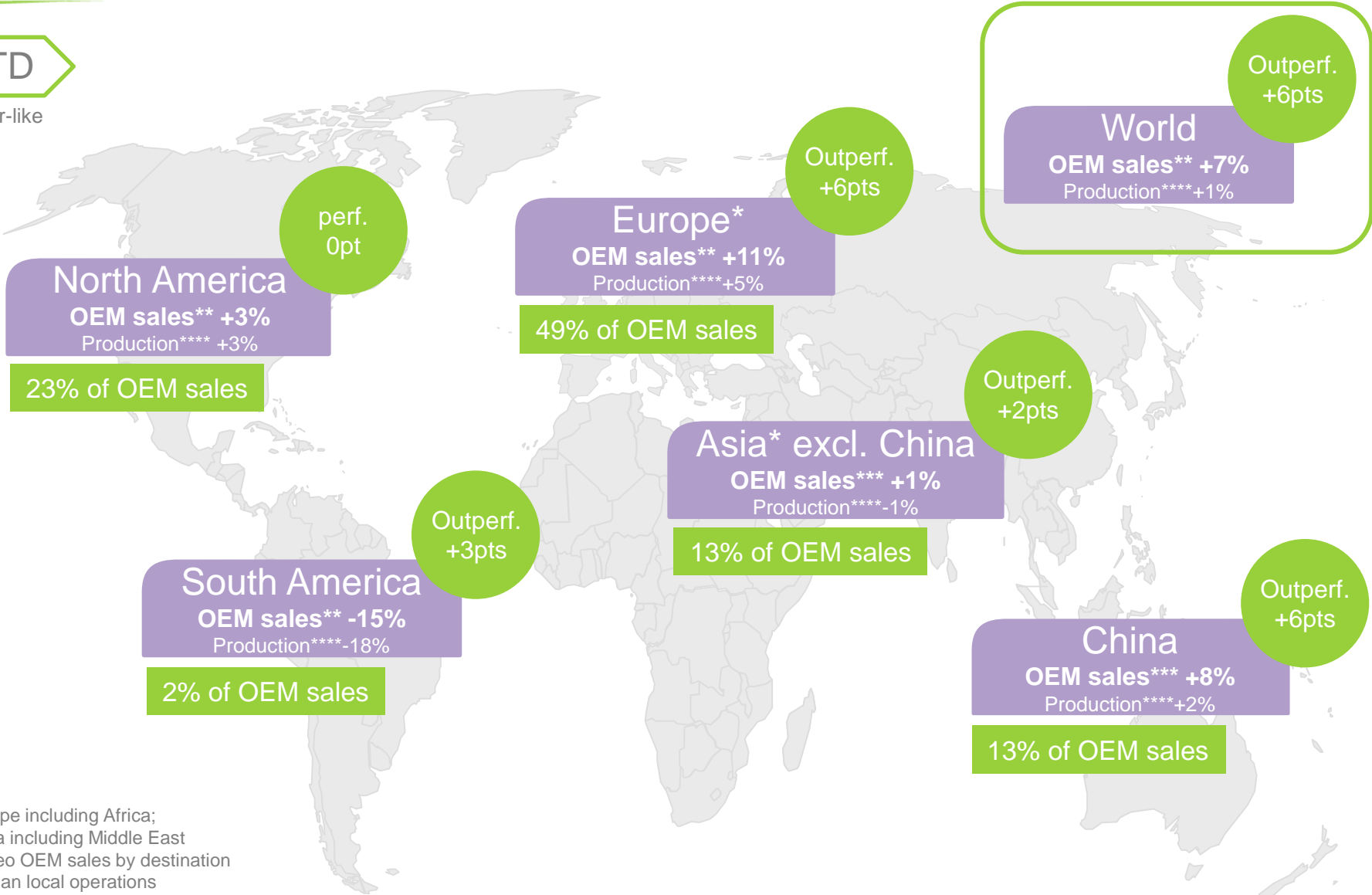




# OEM sales outpaced the global market by 6 percentage points

YTD

Like-for-like



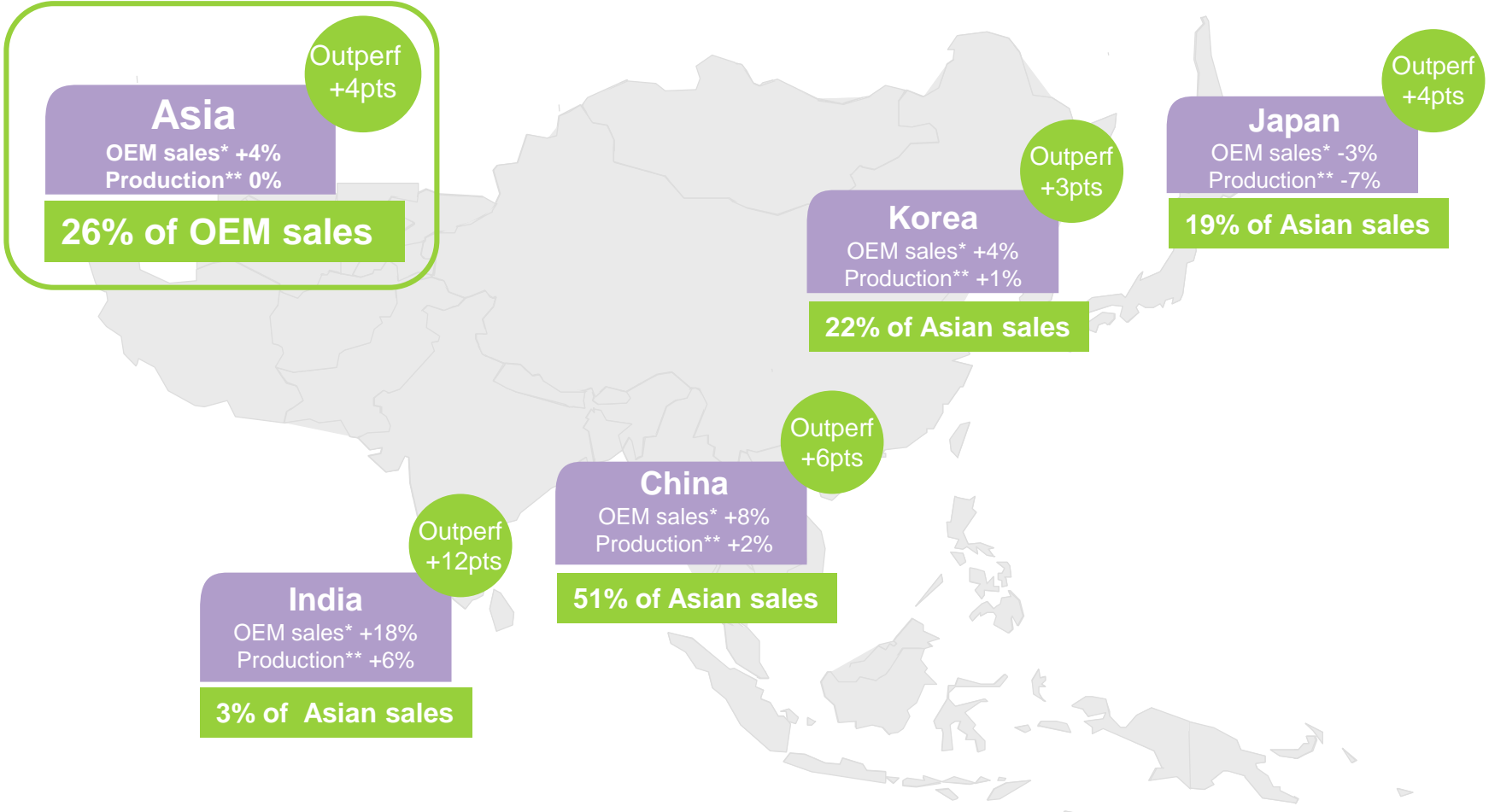
\* Europe including Africa;  
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# Above-market growth in all Asian countries

YTD

Like-for-like



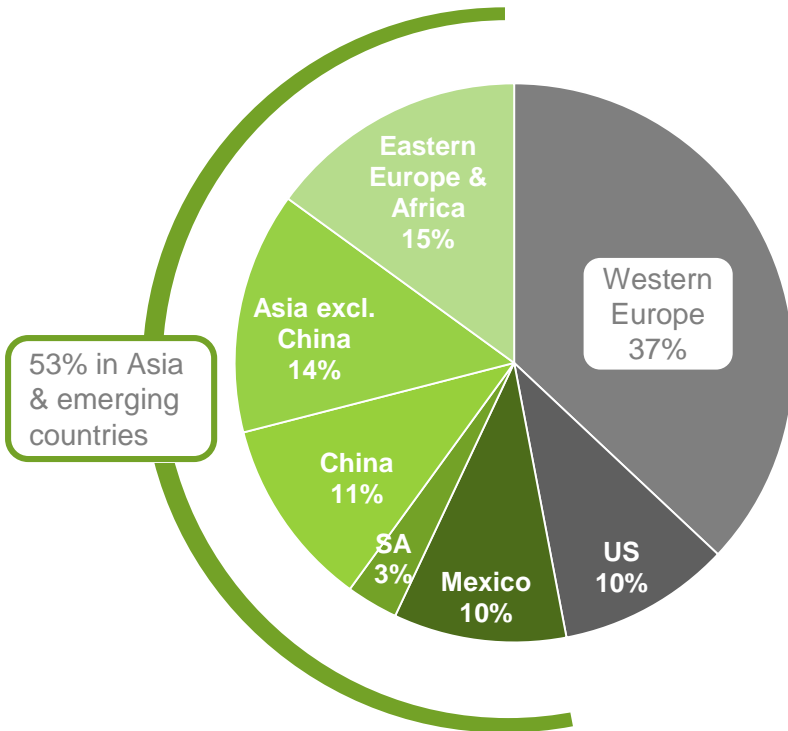
\*Asian local operations  
\*\*LMC estimates – light vehicle production



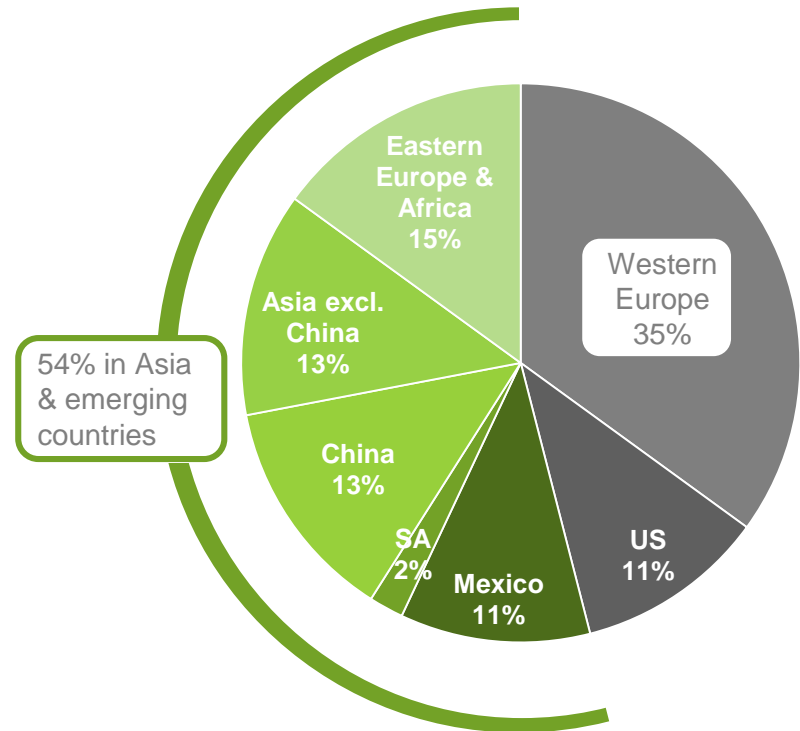
# Geographic repositioning

## Western Europe down 2 percentage points

### OEM sales by production region



2014

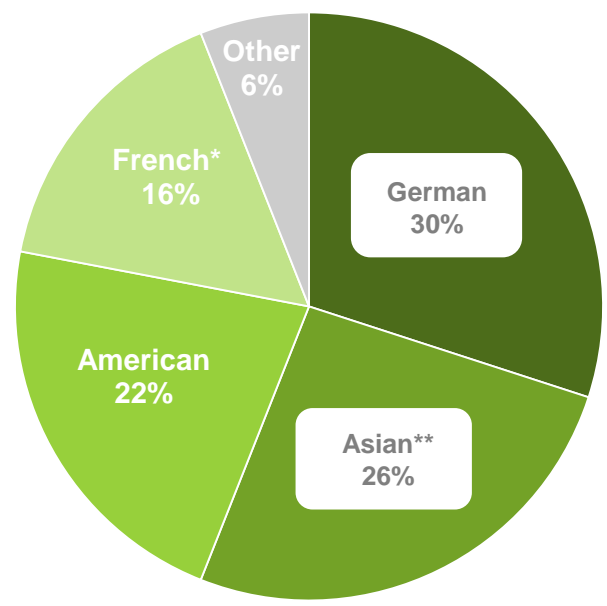


YTD end-September

2015

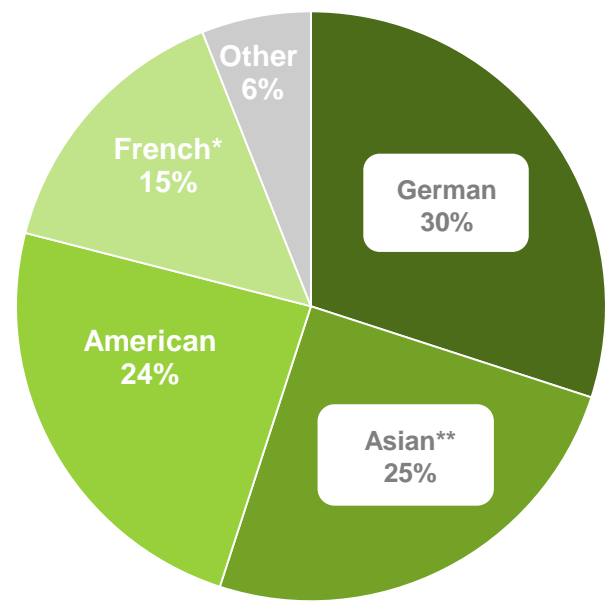
# Balanced customer portfolio

% of OEM sales



2014

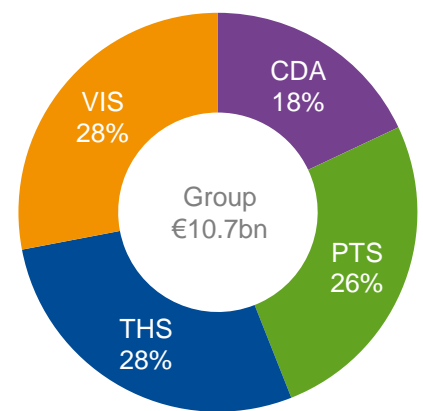
YTD end-September



2015

\* Excluding Nissan  
\*\* Including Nissan

# Above-market growth in all Business Groups



% YTD 2015 sales

	YTD total sales growth (year-on-year)	OEM sales growth (like-for-like)	
		Q3	YTD
CDA*	+18%	+12%	+13%
Powertrain	+12%	+8%	+6%
Thermal	+12%	+3%	+3%
Visibility	+15%	+6%	+8%

\* Comfort & Driving Assistance

# 2015 outlook

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\* Including joint ventures and associates in accordance with new IFRS standards

## Investor Relations

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# Share Information

## Share Data

• Bloomberg Ticker	FR FP
• Reuters Ticker	VLOF.PA
• ISIN Number	FR 000130338
• Shares outstanding as of September 30, 2015	79,462,540

## ADR Data

• Ticker/trading symbol	VLECY
• CUSIP Number	919134304
• Exchange	OTC
• Ratio (ADR: ord)	1:2
• Depository Bank	J.P. Morgan
• Contact at J.P. Morgan – ADR broker relationship desk	Jim Reeves +1 212-622-2710

# Back-up

# Quarterly information

In €m (2014 restated in accordance with IFRIC 21)

## ■ Sales by segment

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15
Comfort & Driving Assistance Systems	623	569	515	531	552	572	573	614	657	679	663
Powertrain Systems	774	817	752	818	848	848	798	843	948	978	877
Thermal Systems	818	885	832	837	880	934	889	934	1,007	1,039	992
Visibility Systems	733	762	711	764	876	925	856	957	1,022	1,072	967
Total sales	2,927	3,017	2,792	2,926	3,112	3,235	3,069	3,309	3,581	3,717	3,449

## ■ Sales by type

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15
Original Equipment	2,470	2,567	2,348	2,449	2,677	2,755	2,644	2,814	3,113	3,203	2,990
Aftermarket	375	374	361	377	376	377	366	376	400	413	387
Miscellaneous	82	76	83	100	59	103	59	119	68	101	72
Total sales	2,927	3,017	2,792	2,926	3,112	3,235	3,069	3,309	3,581	3,717	3,449

# Comfort & Driving Assistance Systems

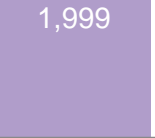
## Sales performance

Total sales - change as reported

+16%

+18%

Total sales (€m)



Q3 15

YTD 15

OEM sales Like-for-like change

+12%

+13%

### 2014 key figures:

- Sales: €2.3bn (18% of Group sales)
- EBITDA: 14.5% (22% of Group EBITDA)
- 14,195 employees
- 25 production units
- 8 development centers
- 9 research centers

### Market share\* and competitors:

- Driving Assistance: Valeo no.1  
Valeo + Bosch + Continental ~ 50%\*
- Interior Controls: Valeo no.1  
Valeo + Kostal + Tokai Rika > 25%\*

### Key growth drivers:

- Development of solutions for connected and autonomous vehicles (Valeo first automotive supplier to present a product comparable to the Valet Park4U® driving assistance system)
- Change in regulations: mandatory rear camera in the U.S. as from May 2016 (100% applicable in 2018)

### Latest business developments:

- 360Vue 3D "bowl view" launched end of 2014
- Exclusive technology cooperation agreement (fusion of sensors, front camera with Laser Scanner) with Mobileye in March 2015
- New Renault Espace center stack display
- First Telematic Control Unit to be launched in 2015 and 3 other projects awarded

\* Valeo estimate



# Powertrain Systems

## Sales performance

Total sales -  
change as  
reported

+10%

+12%

Total sales (€m)

877

2,803

Q3 15

YTD 15

OEM sales  
Like-for- like  
change

+8%

+6%

2014 key figures:

- Sales: €3.3bn (26% of Group sales)
- EBITDA: 12.3% (27% of Group EBITDA)
  
- 18,412 employees
- 37 production units
- 16 development centers
- 5 research centers

Market share\* and competitors:

- Transmission Systems: Valeo no.2  
Luk + Valeo + ZF Sachs = 45%\*
- Electrical Systems: Valeo no.1  
Valeo + Denso + Bosch > 70%\*

## Key growth drivers:

Objective of reducing CO<sub>2</sub> emissions and fossil fuel consumption based on 3 priorities for engines:

- Downsizing /Downspeeding
- Automatic gearbox
- Electrification

## Latest business developments:

- Pace award for the Efficient alternator
- Dual clutch: two launches in Asia
- Several order intakes in 48 volt in Europe and Asia
- Electric supercharger start of production in Q1 2016
- Power electronics: start of production of a charger on Volvo XC90 and of an inverter on Renault Zoe.

# Thermal Systems

## Sales performance

Total sales -  
change as  
reported

+12%

+12%

Total sales (€m)

992

3,038

Q3 15

YTD 15

OEM sales  
Like-for-like  
change

+3%

+3%

2014 key figures:

- Sales: €3.6bn (28% of Group sales)
- EBITDA: 11.1% (26% of Group EBITDA)
  
- 19,359 employees
- 44 production units
- 8 development centers
- 3 research centers

Market share\* and competitors:

- Thermal Systems: Valeo no.2
- Denso + Mahle + Valeo + Hanon ~ 65%\*

Key growth drivers:

- Innovative solutions to comply with new regulations on gas pollutants and fuel consumption
- Thermal solutions for Electrified vehicles (PHEV/EV)

Latest business developments:

- Engine cooling module: big orders with new generation of high performing radiator
- Battery thermal management: start of production of chiller new generation and several orders for German & Chinese carmakers
- Water condenser: new order for German carmakers on major platforms

\*Valeo estimate

October 21, 2015 | 22



# Visibility Systems

## Sales performance

Total sales -  
change as  
reported

+13%

+15%

Total sales (€m)

967

3,061

Q3 15

YTD 15

OEM sales  
Like-for- like  
change

+6%

+8%

### 2014 key figures:

- Sales: €3.6bn (28% of Group sales)
- EBITDA: 10.6% (25% of Group EBITDA)
  
- 24,912 employees
- 36 production units
- 15 development centers
- 5 research centers

### Market share\* and competitors:

- Lighting Systems: Valeo no.2  
Koito + Valeo + Magnetti Marelli > 55%\*
- Wiper Systems: Valeo no.1  
Valeo + Bosch + Denso > 75%\*

### Key growth drivers:

- Automakers' widespread implementation of lighting systems with LED low beam, high beam or daytime running lights
- Growing interest in electronic wiper systems and Aquablade® wiper technology

### Latest business developments:

- 3 BeamAtic PremiumLED (Glare-free high beam) at 3 different customers
- First FullLED headlamp equipping a pure Chinese car
- First BeamAtic PremiumLED (Glare-free high beam) made-in-China
- Valeo AquaBlade® technology, as well as electronized motors have been chosen for the Mercedes GLE and Tesla X
- Presentation at IAA of new "Clean4U" technology (defrosting and debugging of windshield).

# Safe Harbor Statement

Statements contained in this press release, which are not historical fact, constitute "Forward-Looking Statements". These statements include projections and estimates and their underlying assumptions, statements regarding projects, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Even though Valeo's management feels that the Forward-Looking Statements are reasonable as at the date of this press release, investors are put on notice that the Forward-Looking Statements are subject to numerous factors, risks and uncertainties that are difficult to predict and generally beyond Valeo's control, which could cause actual results and events to differ materially from those expressed or projected in the Forward-Looking Statements. Such factors include, among others, the Company's ability to generate cost savings or manufacturing efficiencies to offset or exceed contractually or competitively required price reductions. The risks and uncertainties to which Valeo is exposed mainly comprise the risks resulting from the investigations currently being carried out by the anti-trust authorities as identified in the Registration Document and risks relating to legal action resulting from such investigations, risks which relate to being a supplier in the automotive industry and to the development of new products and risks due to certain global and regional economic conditions. Also included are environmental and industrial risks as well as risks and uncertainties described or identified in the public documents submitted by Valeo to the French financial markets authority (Autorité des marchés financiers – AMF), including those set out in the "Risk Factors" section of Valeo's Registration Document registered with the AMF on March 27, 2015 (under no. D.15-0220).

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Automotive technology, naturally

