



Q3 2016 Sales

Jacques Aschenbroich
Chairman and CEO

October 20, 2016

Q3 highlights

Sustained sales growth

Sales of €4bn

+16% as reported
+12% like-for-like⁽¹⁾

OEM sales of €3.5bn

+16% as reported
+12% like-for-like⁽¹⁾

OEM sales outperformance

Growth⁽¹⁾

Outperformance⁽²⁾

World	+12%	+7pts
Europe	+9%	+10pts
China	+39%	+16pts
Asia (excluding China)	+7%	+7pts
North America	+7%	+4pts
South America	+10%	+25pts

Aftermarket sales of €0.4bn

+8% as reported
+5% like-for-like⁽¹⁾

⁽¹⁾ Constant Group structure and exchange rates.
⁽²⁾ Versus automotive production

YTD sales figures

Sustained
sales growth

Sales of €12.1bn

+13% as reported
+11% like-for-like⁽¹⁾

OEM sales of €10.6bn

+14% as reported
+12% like-for-like⁽¹⁾

OEM sales outperformance

Growth⁽¹⁾

Outperformance⁽²⁾

World	+12%
Europe	+12%
China	+20%
Asia (excluding China)	+10%
North America	+9%
South America	-1%

+9pts
+9pts
+9pts
+11pts
+6pts
+16pts

Aftermarket sales of €1.3bn

+5% as reported
+6% like-for-like⁽¹⁾

(1) Constant Group structure and exchange rates.
(2) Versus automotive production

2016 outlook

Based on a revision from 2.5% to 3% of the growth forecast for global automotive production in 2016:

- We are raising our full-year 2016 target operating margin to around 8% (as a percentage of sales), despite the increase in net R&D expenditure to fuel the Group's future growth, and are also confirming our objective of achieving strong sales growth, outperforming the market in the main production regions, including China.



Sustained sales growth

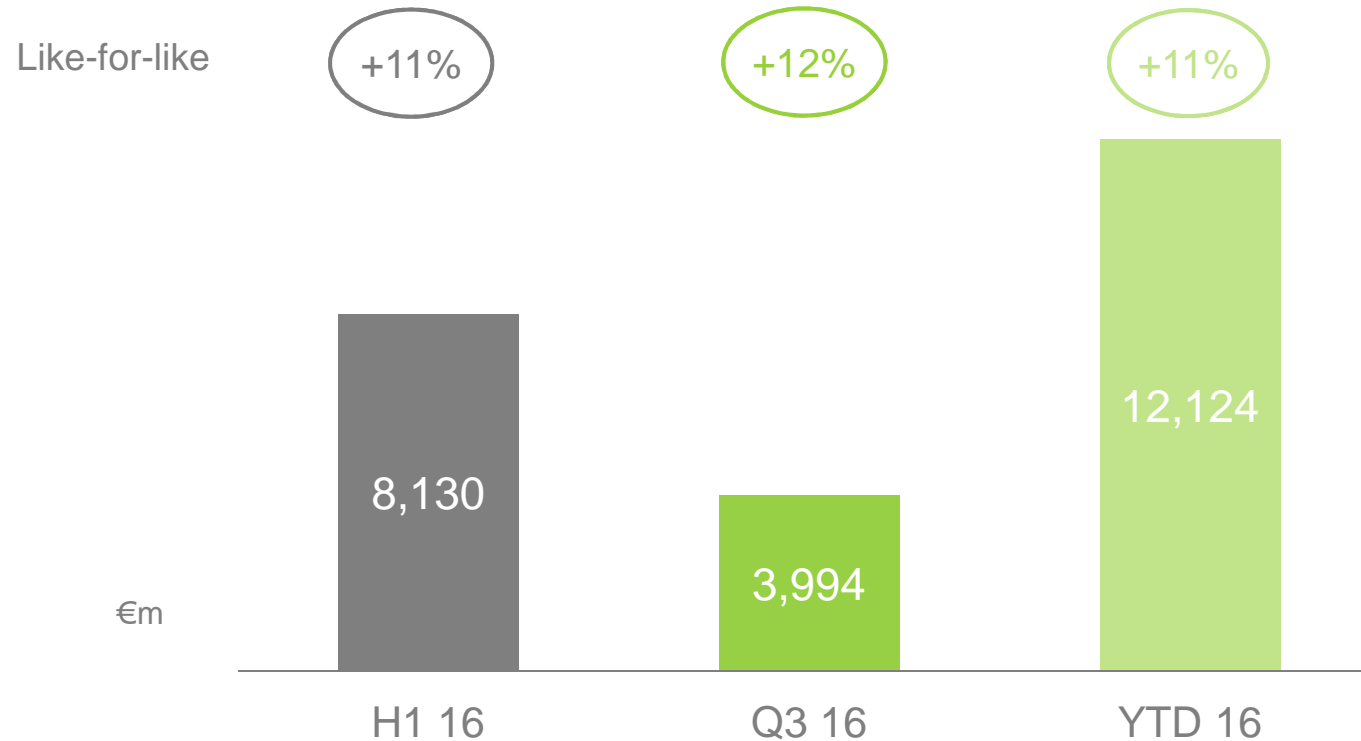
with, in Q3

Sales of €4bn, up 16% as reported
up 12% like-for-like

OEM sales up 16% as reported
7-point outperformance, up 12% like-for-like

Aftermarket sales up 8% as reported
up 5% like-for-like

Sustained Q3 sales up 16% as reported, up 12% like-for-like YTD sales up 13% as reported, up 11% like-for-like



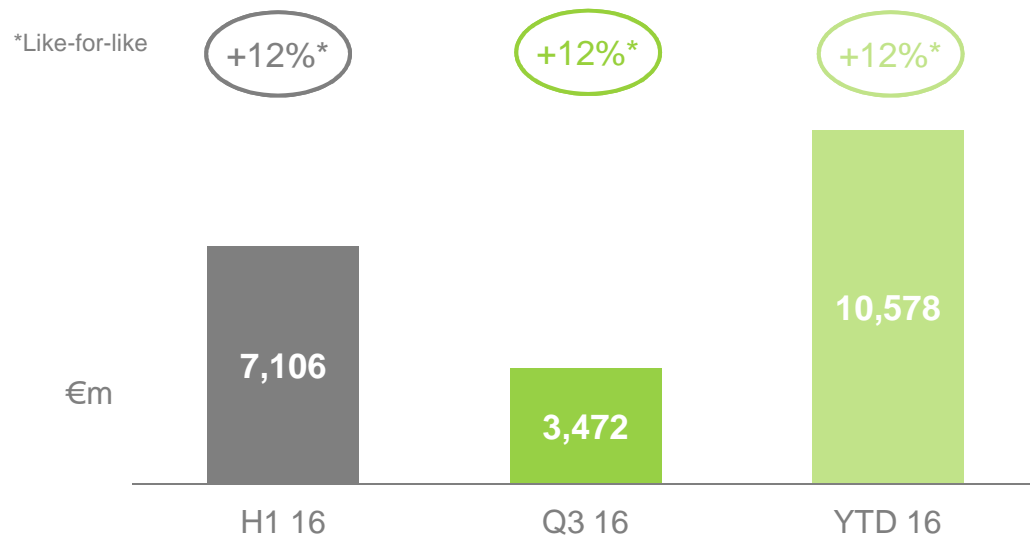
Reported

Period	Reported Growth	2015 Sales	Exchange rates	Scope
H1-2015	+11%	7,298	-1.8%	+2.4%
Q3-2015	+16%	3,449	0.0%	+4.0%
YTD-2015	+13%	10,747	-1.2%	+2.9%

Sustained Q3 OEM sales up 16% as reported, up 12% like-for-like

Aftermarket sales up 8% as reported, up 5% like-for-like

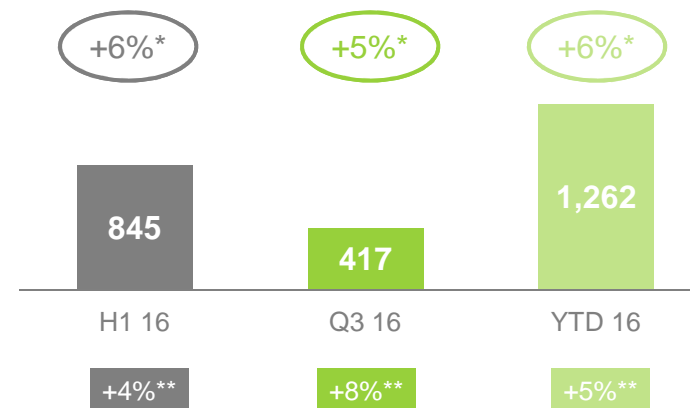
OEM sales



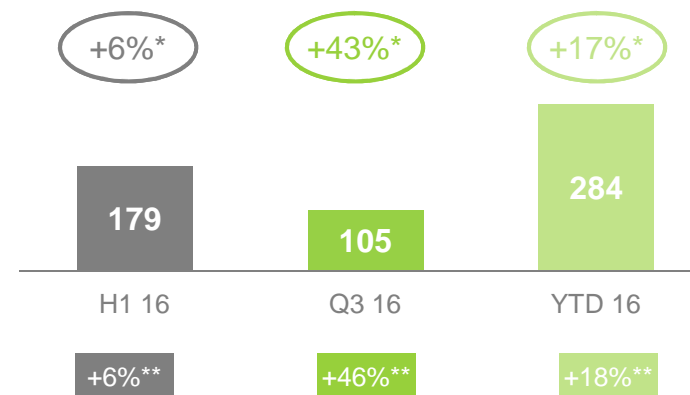
**Reported

Period	Reported Growth	2015 Value	Exchange Rates	Scope
H1-2015	+13%**	6,316	-1.6%	+2.6%
Q3-2015	+16%**	2,990	+0.1%	+4.1%
YTD-2015	+14%**	9,306	-1.1%	+3.2%

Aftermarket sales

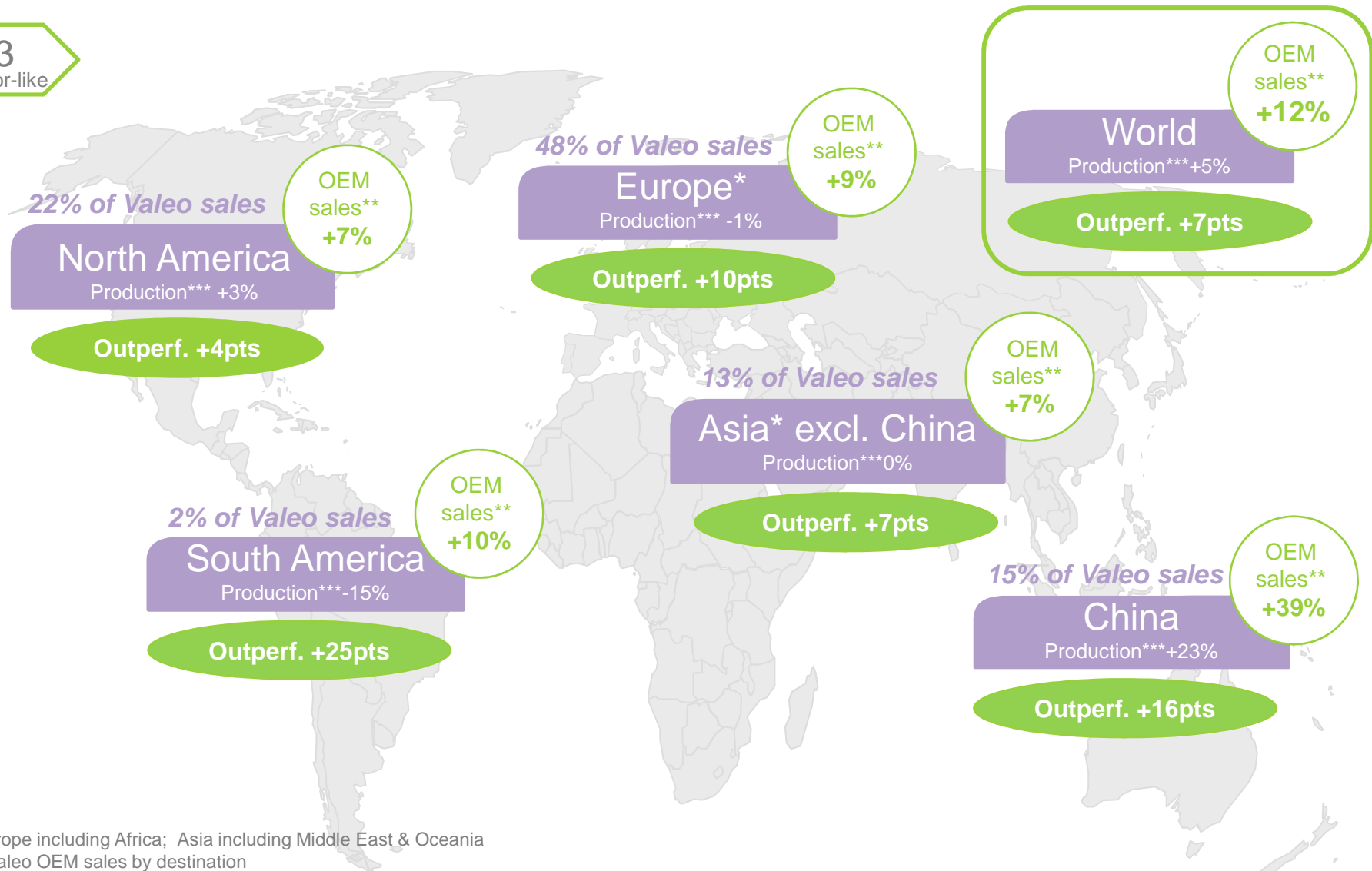


Miscellaneous



Sustained OEM sales growth in Q3 leading to a strong outperformance in all production regions

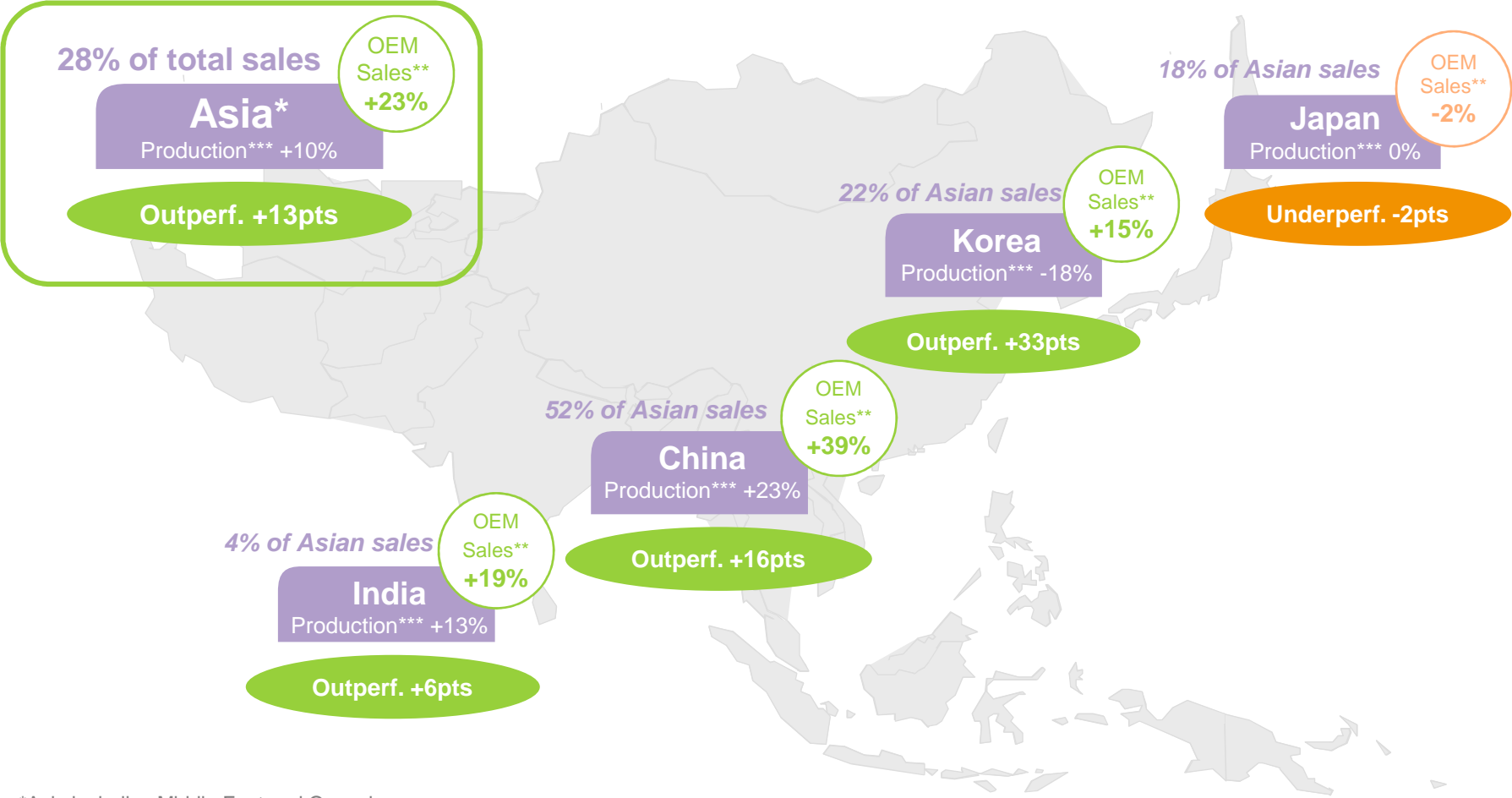
Q3
Like-for-like



*Europe including Africa; Asia including Middle East & Oceania
 ** Valeo OEM sales by destination
 ***LMC estimates – light vehicle production

13-point outperformance in Asia

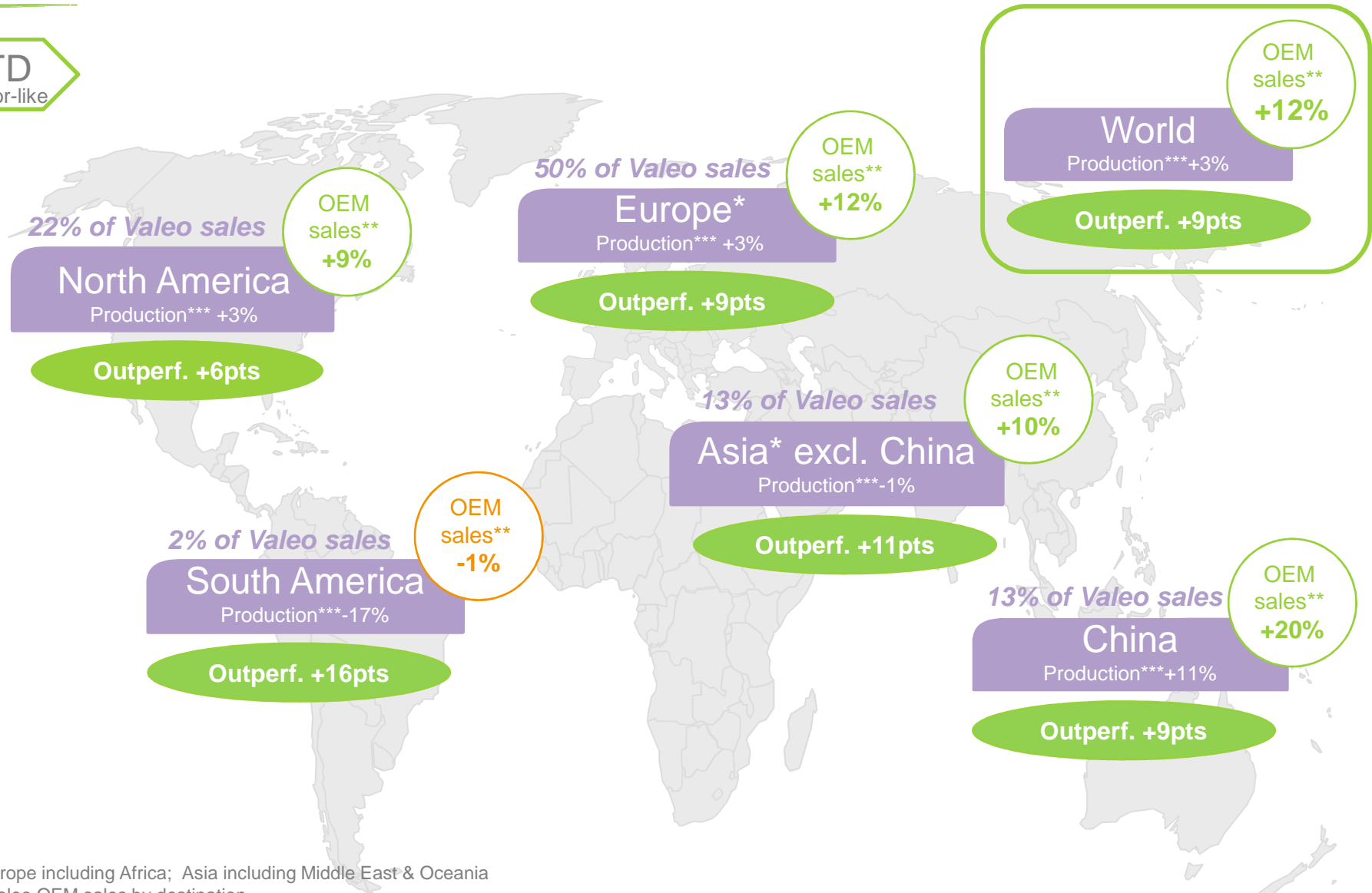
Q3
Like-for-like



*Asia including Middle East and Oceania
 **Valeo OEM sales by destination
 ***LMC estimates – light vehicle production

Sustained OEM sales growth leading to a 9-point outperformance

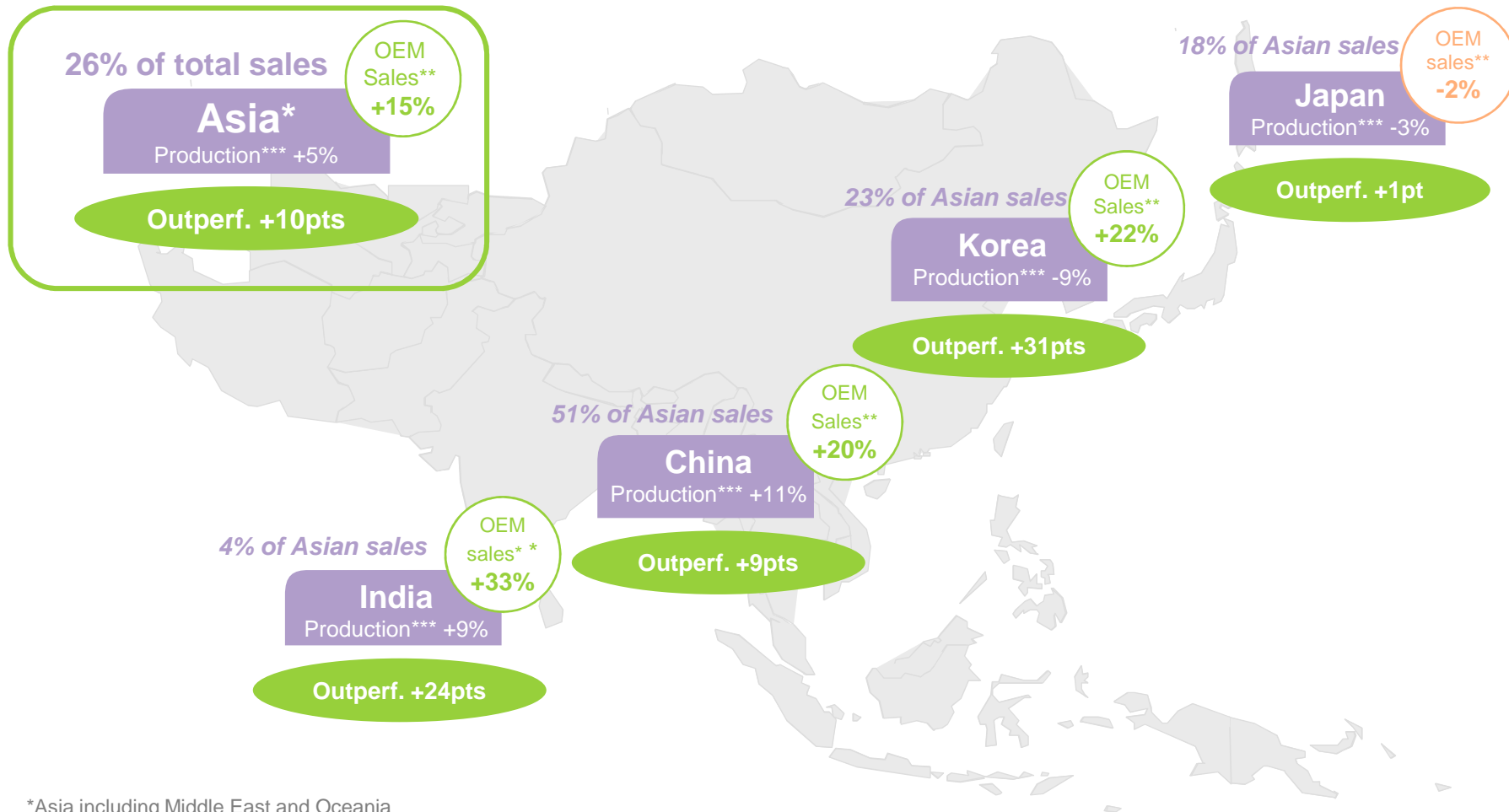
YTD
Like-for-like



* Europe including Africa; Asia including Middle East & Oceania
 ** Valeo OEM sales by destination
 ***LMC estimates – light vehicle production

Outperformance in all Asian countries

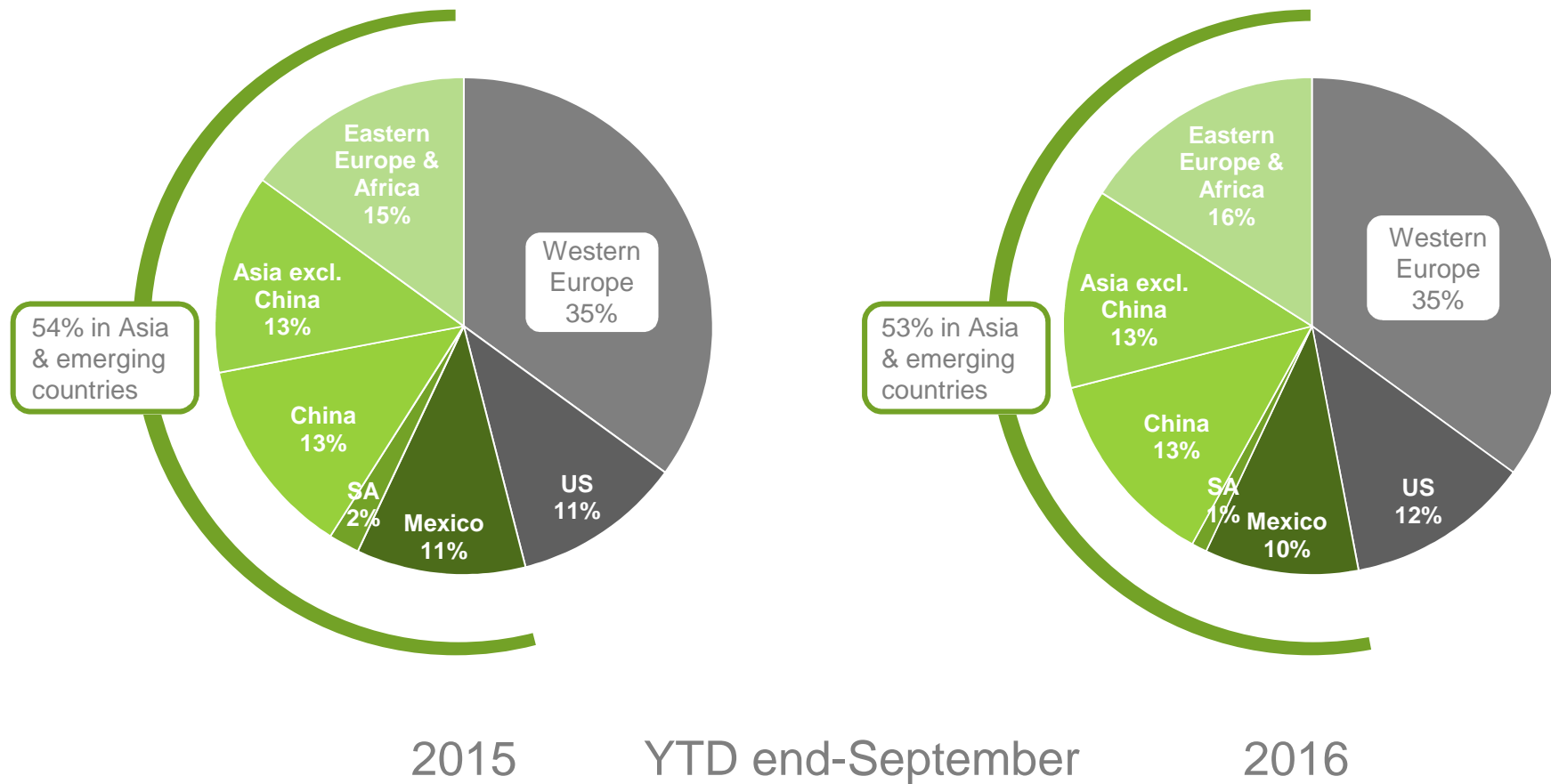
YTD
Like-for-like



*Asia including Middle East and Oceania
 **Valeo OEM sales by destination
 ***LMC estimates – light vehicle production

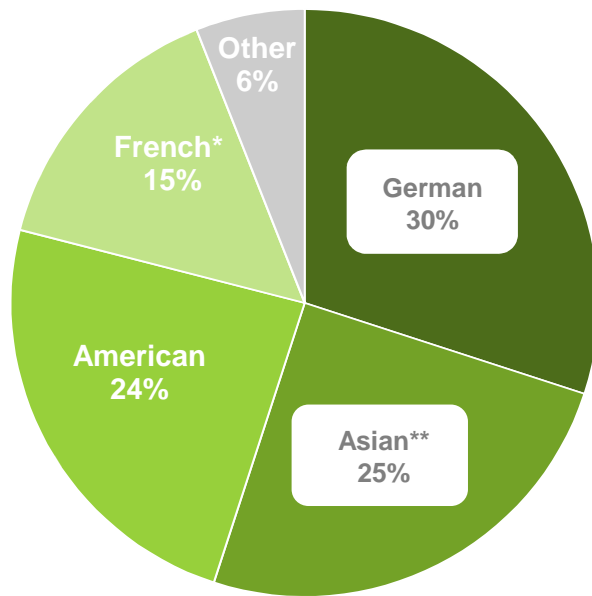
Balanced geographic positioning

OEM sales by production region



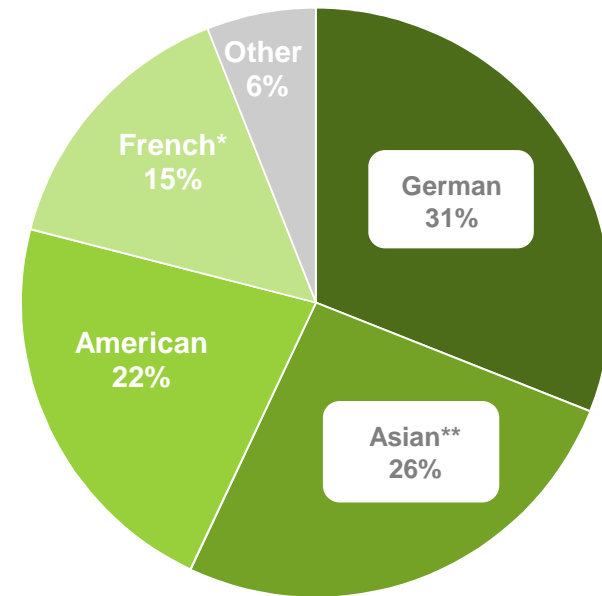
Balanced customer portfolio

% of OEM sales



2015

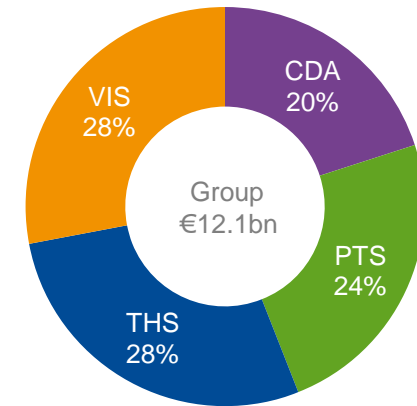
YTD end-September



2016

* Excluding Nissan
** Including Nissan

Sustained Q3 growth in the 4 Business Groups



% YTD 2016 sales

	YTD sales growth (year-on-year)	OEM sales growth (like-for-like)			Performance
		H1	Q3	YTD	
CDA*	+24%	+16%	+12%	+15%	↘
Powertrain	+6%	+8%	+11%	+9%	↗
Thermal	+12%	+9%	+10%	+9%	↗
Visibility	+11%	+14%	+16%	+15%	↗
Group	+13%	+12%	+12%	+12%	→

* Comfort & Driving Assistance



2016 outlook

2016 outlook

Based on a revision from 2.5% to 3% of the growth forecast for global automotive production in 2016:

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Share Information

Share Data

▪ Bloomberg Ticker	FR FP
▪ Reuters Ticker	VLOF.PA
▪ ISIN Number	FR 0013176526
▪ Shares outstanding as of September 30, 2016	238,387,620

ADR Data

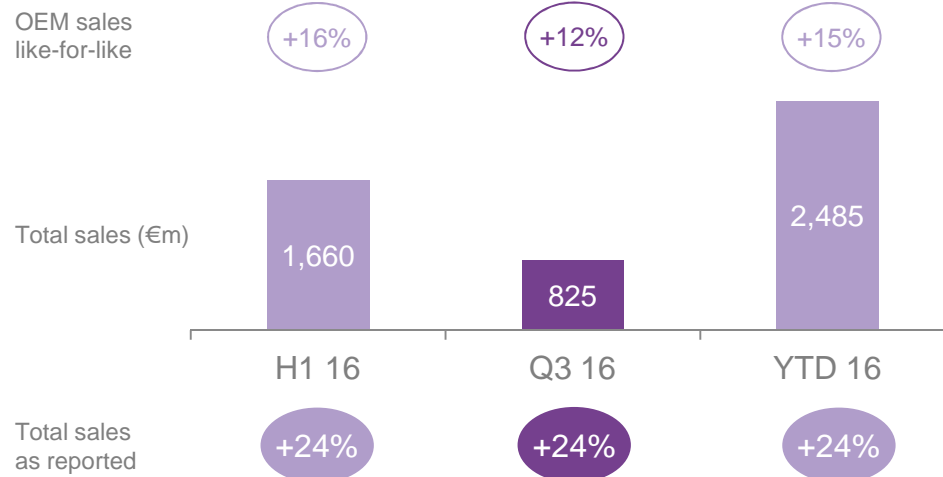
▪ Ticker/trading symbol	VLECY
▪ CUSIP Number	919134304
▪ Exchange	OTC
▪ Ratio (ADR: ord)	1:2
▪ Depository Bank	J.P. Morgan
▪ Contact at J.P. Morgan – ADR broker relationship desk	Jim Reeves +1 212-622-2710



Back-up

Comfort & Driving Assistance Systems

Sales performance



H1 2016 key figures:

- Sales: €1.7bn (20% of Group sales)
- EBITDA: 14.5% (23% of Group EBITDA)

2015 key figures:

- 15,300 employees
- 26 production units
- 8 development centers
- 9 research centers

Market share* and competitors:

- Driving Assistance: Valeo no.1
Valeo + Bosch + Continental ~ 55%*
- Interior Controls: Valeo no.2
Visteon + Valeo + Continental > 35%*

Key growth drivers:

- Expansion, particularly in emerging countries
- Increasingly stringent regulatory and certification environment (Euro NCAP in Europe and NHTSA in the US)
- Innovation driven market: active safety, interface between drive and vehicle controls, telematics

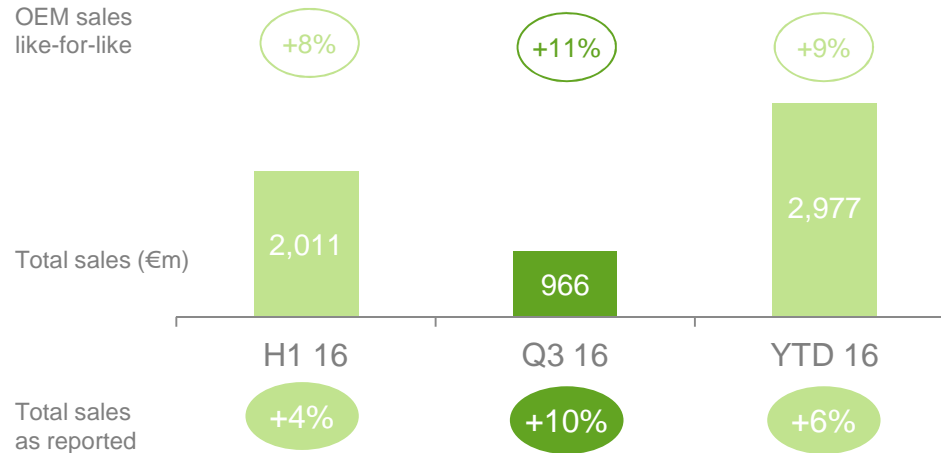
Latest business developments:

- Acquisition of peiker, a tech leader in connected vehicle solutions
- First contracts in 2016 with European and American OEMs, with Valeo Front Cameras powered by MobilEye EyeQ processors
- A number of new orders worldwide for the 360Vue 3D "bowl view" system
- Preliminary contact with a leading global automakers for the Sightstream (camera system that replaces the traditional rear-view mirror)
- First order for the Head-up Display from a European automaker

* Valeo estimate

Powertrain Systems

Sales performance



H1 2016 key figures:

- Sales: €2.0bn (25% of Group sales)
- EBITDA: 12.7% (25% of Group EBITDA)

2015 key figures:

- 19,400 employees
- 36 production units
- 15 development centers
- 6 research centers

Market share* and competitors:

- Transmission Systems: Valeo no.2
Luk + Valeo + ZF Sachs = 45%*
- Electrical Systems: Valeo no.1
Valeo + Denso + Bosch = 76%*

Key growth drivers:

Objective of reducing CO₂ emissions and fossil fuel consumption based on 3 priorities for engines:

- Powertrain electrification and development of 12V, 48V and 300V+ hybrid solutions
- Downsizing /Downspeeding
- Gearbox automation

Latest business developments:

- Antitrust clearance obtained and creation of the JV with Siemens planned on Dec 1st.
- The acquisition of FTE is expected to be closed in Q4 2016 or Q1 2017.
- Several new orders for i-StARS (India) and 48V in Europe and China.
- Significant orders for the dual clutch in Asia (wet) and Europe.

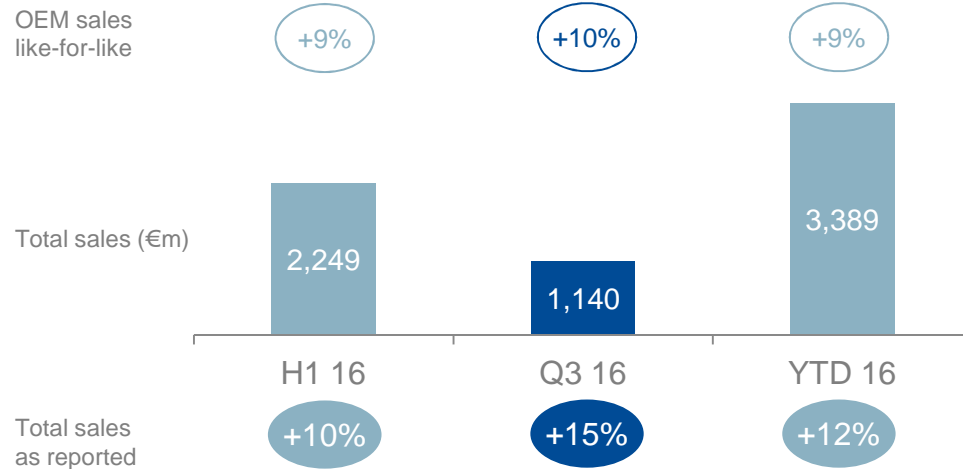
*Valeo estimate

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Thermal Systems

Sales performance



H1 2016 key figures:

- Sales: €2.2bn (27% of Group sales)
- EBITDA: 10.1% (22% of Group EBITDA)

2015 key figures:

- 20,100 employees
- 48 production units
- 10 development centers
- 3 research centers

Market share* and competitors:

Thermal Systems: Valeo joint no.2
Denso + Valeo + Mahle + Hanon = 56%*

Key growth drivers:

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

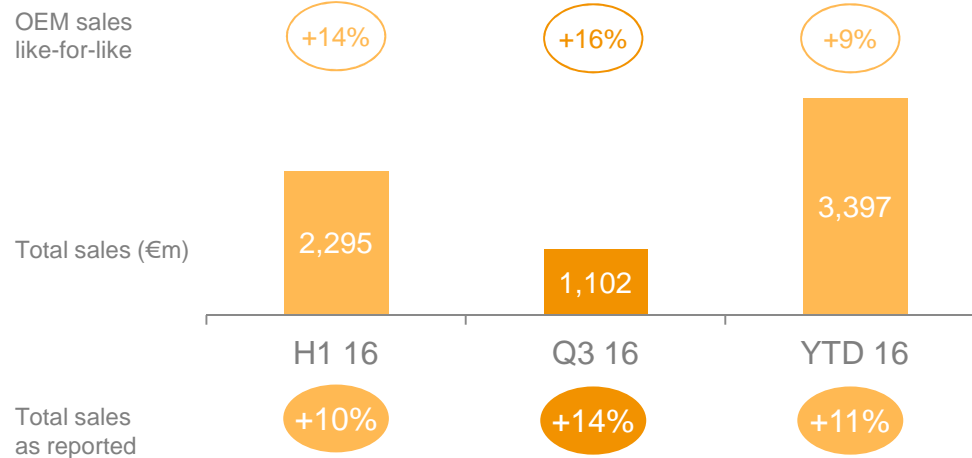
Latest business developments:

- Acquisition of Spheros: a market leader in the fast-growing air conditioning market for buses
- Record order intake particularly in China and in North America
- Engine cooling module: big orders with new generation of high-performing radiators and condensers
- Battery thermal management: start of production of new generation chiller and a significant order from an American automaker
- New generation of air intake modules sold to a German customer
- First electrical compressor and first heat pump awards

*Valeo estimate

Visibility Systems

Sales performance



H1 2016 key figures:

- Sales: €2.3bn (28% of Group sales)
- EBITDA: 13.9% (30% of Group EBITDA)

2015 key figures:

- 26,300 employees
- 35 production units
- 15 development centers
- 5 research centers

Market share* and competitors:

- Lighting Systems: Valeo no.2
Koito + Valeo-Ichikoh + Magnetti Marelli > 55%*
- Wiper Systems: Valeo no.1
Valeo + Bosch + Denso = 71%*

Key growth drivers in H1 2016:

- Increasing LED take rate, in particular in the B&C Segment with VW (Passat), Renault (Megane), Infiniti (Q30), Audi (A3/Q2)
- Increasing LED content on premium vehicles with Volvo (XC90) and Jaguar (XJ)
- Increasing Wiper market share in China, with Ford and VW

Latest business developments:

- Continuous order intake increase on LED with Matrix/Pixel Front Lighting in Europe (VW Passat, Opel Adam, LR Evoque, Ford Kuga), North America (GM Sierra, Silverado HD, Ford Edge, Toyota Rav 4) and China (Passat CC, FCA Jeep, Nissan Sylphy)
- Re-entered Mercedes Panel in Europe in Front and Rear Lighting
- Further development in Interior Lighting business with BMW and Renault
- Development of Electronic transversal drivers (ZKW, Ichikoh)
- Valeo AquaBlade Wiper technology selected for premium vehicles, Wet Arm technology awarded at 2 new customers
- 4 poles electronised Motors technology introduced for 3 new customers in Europe, North America and China
- Growing interest in sensor cleaning activity

*Valeo estimate

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	Q4-15	Q1-16	Q2-16	Q3-16
Comfort & Driving Assistance Systems	623	569	515	531	552	572	573	614	657	679	663	721	794	866	825
Powertrain Systems	774	817	752	818	848	848	798	843	948	978	877	959	983	1,028	966
Thermal Systems	818	885	832	837	880	934	889	934	1,007	1,039	992	1,036	1,063	1,186	1,140
Visibility Systems	733	762	711	764	876	925	856	957	1,022	1,072	967	1,124	1,119	1,176	1,102
Total sales	2,927	3,017	2,792	2,926	3,112	3,235	3,069	3,309	3,581	3,717	3,449	3,797	3,917	4,213	3,994

■ 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	Q4-15	Q1-16	Q2-16	Q3-16
Original Equipment	2,470	2,567	2,348	2,449	2,677	2,755	2,644	2,814	3,113	3,203	2,990	3,294	3,437	3,669	3,472
Aftermarket	375	374	361	377	376	377	366	376	400	413	387	399	411	434	417
Miscellaneous	82	76	83	100	59	103	59	119	68	101	72	104	69	110	105
Total sales	2,927	3,017	2,792	2,926	3,112	3,235	3,069	3,309	3,581	3,717	3,449	3,797	3,917	4,213	3,994

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 25, 2016 (under no. D.16-0211). With respect to risks relating to legal actions resulting from antitrust investigations, Valeo has set aside USD 8,750,000 to pay for settlement agreements entered into with automotive end users and automotive dealers. If approved by the court, these settlements will terminate the two U.S. air conditioning systems class action lawsuits brought by end users and automotive dealers against Valeo. Valeo has not admitted to any wrongdoing or liability in connection with these settlements.

The company assumes no responsibility for any analyses issued by analysts and any other information prepared by third parties which may be used in this press release. Valeo does not intend or assume any obligation to review or to confirm the estimates of analysts or to update any Forward-Looking Statements to reflect events or circumstances which occur subsequent to the date of this press release.



Automotive technology, naturally

