COMFORT & DRIVING ASSISTANCE SYSTEMS’ ACCELERATION

MARC VRECKO
COMFORT & DRIVING ASSISTANCE SYSTEMS BUSINESS GROUP PRESIDENT

JOACHIM MATHE
DRIVING ASSISTANCE SYSTEMS R&D AND PRODUCT MARKETING DIRECTOR
A UNIQUE ORGANIZATION FOCUSED ON USER EXPERIENCE

THE ONLY PLAYER PROVIDING AUTOMATED, CONNECTED AND INTUITIVE HUMAN MACHINE INTERFACE SOLUTIONS
A UNIQUE AND CONSISTENT OFFER FOR THE AUTOMATED CAR

FULL ADAS TECHNOLOGIES AND SYSTEM OFFER FOR AUTOMATED CARS

NEW USER EXPERIENCE THROUGH INTUITIVE CONTROLS

FULL CONNECTIVITY FROM SHORT DISTANCE TO CLOUD

A COMPLETE TECHNOLOGY PORTFOLIO FOR AUTOMATED CAR, CONNECTED CAR, INTUITIVE HUMAN MACHINE INTERFACE PRODUCTS AND SYSTEMS
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS
KEY FIGURES (END OF 2016)

**TOTAL SALES**
€3.4 BN

**EBITDA**
14.7% OF SALES

17,400 EMPLOYEES

25 PRODUCTION SITES

17 COUNTRIES

18 RESEARCH & DEVELOPMENT CENTERS
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS
WORLDWIDE PRESENCE (END OF 2016)

**NORTH AMERICA**

- 17% SALES
- 10% HEADCOUNT

**SOUTH AMERICA**

- 0% SALES
- 0% HEADCOUNT

**EUROPE**

- 62% SALES
- 58% HEADCOUNT

**CHINA**

- 10% SALES
- 13% HEADCOUNT

**ASIA EXCL. CHINA**

- 11% SALES
- 19% HEADCOUNT
## VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS

**OUR COMMITMENT IN 2015, WHAT WE ACHIEVED IN 2016**

<table>
<thead>
<tr>
<th>COMMITTED IN 2015</th>
<th>ACHIEVED IN 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNUAL GROWTH OVER 2014 - 2020 PERIOD</td>
<td>10%</td>
</tr>
<tr>
<td>2016 EBITDA MARGIN IMPROVEMENT FROM 14.5% IN 2014 TO 17.5% IN 2020</td>
<td>20.6%</td>
</tr>
<tr>
<td>2016 EBITDA</td>
<td>14.7%</td>
</tr>
</tbody>
</table>
WE ARE AHEAD OF THE PLAN ANNOUNCED IN MARCH 2015
OVERPERFORMING THE MARKET
WITH OUR INNOVATIONS

GROWTH ENGINES*

TRADITIONAL PRODUCTS

Source: Valeo

*Strategic products and services that are positioned in growing markets or generate a significant increase in Group sales
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS’ GROWTH IS FUELED BY SIMULTANEOUS INNOVATION WAVES
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS’ GROWTH IS FUELED BY SIMULTANEOUS INNOVATION WAVES

MORE AUTOMATED

MORE CONNECTED

MORE INTUITIVE
AUTOMATED DRIVING VALEO ROADMAP

PRIVATE OWNERSHIP

- Highway Assist
- Traffic Jam Assist
- Remote Parking

- Highway Pilot
- Traffic Jam Pilot
- Home Zone Parking

FLEET SERVICE

- Robot Truck
- B-Road Pilot
- Robot Taxi
- Connected Parking

WAVE

1. Traditional OEM
2. Partial Automation
3. Conditional Automation
4. High Automation
5. Full Automation

New Mobility Player
Traditional OEM

Fully Automated Driving
NEW MOBILITY PRIVATE OWNERSHIP VS FLEET-OPERATED MOBILITY

PERSONAL MOBILE LIVING SPACE
(OWNERSHIP)

PRIVATE OWNERSHIP

MOBILITY ON DEMAND
(SERVICE)

FLEET SERVICE
NEW MOBILITY STEP BY STEP EVOLUTION VS MOON SHOT APPROACH

EVERYTHING vs EVERYTHING

EVERYWHERE vs SOMEWHERE

EVERY TIME vs SOME TIME

PRIVATE OWNERSHIP vs FLEET SERVICE

LEVEL 2

LEVEL 3

LEVEL 4

LEVEL 5

SOMETHING

WAVE
MAJOR OEMs AND NEW MOBILITY PLAYERS TARGET FULLY-AUTOMATED VEHICLES

Honda to Showcase “Cooperative Mobility Ecosystem” at 2017 Consumer Electronics Show

TORRANCE, Calif., Dec. 5, 2016 — Harnessing the power of artificial intelligence, robotics, and big data to transform the mobility experience, Honda today announced that “Cooperative Mobility Ecosystem” will be the theme for its participation at the 2017 Consumer Electronics Show (CES) in Las Vegas, Jan. 5-8, 2017. The Honda exhibit, located in the Central Hall of the Las Vegas Convention Center, will feature a number of new and upcoming products, including the all-new 2017 Honda Civic Sedan and Coupe, the 2017 Honda CR-V,以及 the latest developments in Honda's mobility and connected-car technologies. Honda is also showing a prototype of Honda's new self-driving vehicle system, which is a high-definition video surveillance system that uses cameras, radar and LIDAR sensors to scan the road and surrounding environment, allowing the vehicle to make decisions and take appropriate actions to avoid potential collisions. Honda's self-driving vehicle system is designed to be able to handle a variety of driving scenarios, including urban, rural, and highway environments.
SENSORS ARE THE FOUNDATION OF AUTOMATED DRIVING
SENSORS ARE THE FOUNDATION OF AUTOMATED DRIVING

- **TELEMATICS**
- **ULTRASONICS**
- **RADAR**
- **CAMERAS**
- **LASER SCANNER**
VALEO HAS BUILT THE BROADEST SENSORS PORTFOLIO IN THE AUTOMOTIVE INDUSTRY

- **ULTRASONICS**
- **RADAR**
- **CAMERAS**
- **LASER SCANNER**

- **LaneVue®**
- **ParkVue®**
- **360Vue®**
- **Park4U®**
- **FlankGuard**
- **Cross Traffic Alert**
- **Lane Change Assist**
- **Ethernet Mpix**
- **Fusion Control Unit**
- **SCALA Laser Scanner**
- **360Vue® 2.0 (Object Det.)**
- **360Vue® 3.0 (Map-based)**
- **Park4U® with comfort braking**
- **Park4U® 2.0 (braking)**
- **5-Camera System**
- **Programmable Sensor (ASIC)**
- **Ultrasonic Park Assist**
- **Steering Angle Sensor for ESC**
- **Mirror-integrated Rain Sensor**

Timeline:
- **1990**
- **1995**
- **2000**
- **2005**
- **2010**
- **2015**
- **2017**
VALEO HAS BUILT THE BRODEST SENSORS PORTFOLIO IN THE AUTOMOTIVE INDUSTRY

RAIN SENSOR  ULTRASONIC SYSTEMS  SURROUND CAMERA  FRONT CAMERA  RADAR COCOON  SOLID-STATE LIDAR  LASER SCANNER  FUSION CONTROLLERS

1990 - 2016
700 MILLION SENSORS PRODUCED

2017 - 2021
MORE THAN 1 BILLION TO PRODUCE
AND PROVIDES THE MOST EXTENSIVE PERCEPTION COCOONS
VALEO’S LEADERSHIP IN PERCEPTION
FOCUS ON LASER SCANNERS

VALEO SCALA® COCOON

VALEO AWARDED SOP 2019

SCALA GENERATION 1
ROTATING MIRROR

SCALA GENERATION 2
ROTATING MIRROR
ENLARGED FIELD OF VIEW

SCALA GENERATION 3
SOLID-STATE

VALEO AWARDED PRE-DEVELOPMENT CONTRACT

FIRST-IN-PRODUCTION WITH SCALA 1 IN 2017
PRODUCTION AWARDS FROM 3 CUSTOMER GROUPS TO DATE
VALEO’S LEADERSHIP IN PERCEPTION

NAVYA INDUSTRIAL PARTNER IN ROBOT SHUTTLE

- Telematics
- Ultrasonics
- Radar
- Cameras
- Laser Scanner

SION, SWITZERLAND • PERTH, AUSTRALIA • LYON, FRANCE • MCITY (ANN ARBOR), U.S. • LAS VEGAS, U.S.
LEADERSHIP IN PERCEPTION
AS FOUNDATION FOR AUTOMATED DRIVING

DRIVING POLICY

ENVIRONMENT MAP / MODEL
(SENSOR FUSION)

SENSORS

Artificial Intelligence Hybrid Cloud

Fusion Controllers

Driv4U
Cruise4U
Park4U
SEVERAL MISSIONS FOR AUTOMATION IN PROGRESS

COVERING ALL LEVELS OF AUTOMATION

- Cruise 4U
- Drive 4U
- Park 4U®

- Highway Assist
- Traffic Jam Assist
- Traffic Jam Pilot
- B-Road Pilot
- Connected Parking
- Home Zone Parking
- Remote Parking
- Highway Pilot
- Robot Truck
- Robot Taxi

2 Partial Automation
3 Conditional Automation
4 High Automation
5 Full Automation
### SEVERAL MISSIONS FOR AUTOMATION IN PROGRESS

<table>
<thead>
<tr>
<th><strong>Park4U® Remote</strong></th>
<th><strong>Valeo Cruise4U</strong></th>
<th><strong>Drive4U</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>PARK YOUR CAR WITH YOUR SMARTPHONE</td>
<td>HANDS-OFF DRIVING ON THE HIGHWAY</td>
<td>HIGH AUTOMATION IN URBAN ENVIRONMENT</td>
</tr>
<tr>
<td>2016 IN PRODUCTION</td>
<td>2016 USA AND EU TOUR, 24H PÉRIPHÉRIQUE</td>
<td>2017</td>
</tr>
</tbody>
</table>

**OVER 125,000 KM COVERED IN AUTOMATED MODE ON TWO CONTINENTS**
SEVERAL MISSIONS
FOR AUTOMATION IN PROGRESS

PARTIAL AUTOMATION
Automation in certain situations
Driver remains responsible

~500 € / car
16 sensors, control unit

Today’s ADAS architecture, upgraded sensor set

CONDITIONAL AUTOMATION
Automation in certain situations
Driver doesn’t have to supervise

~1,500 € / car
>20 sensors, control unit, driver monitoring, telematics

Centralized architecture, Connected, Redundant Sensing, Driver Monitoring

HIGH/FULL AUTOMATION
Automation for an entire trip
Potentially driverless

~5,000 € / car
>30 sensors, control unit (incl. AI), interior monitoring, telematics

Artificial Intelligence based System, Multi-SOC, Triple redundant cocoon

SCALABLE PERCEPTION CAPABILITY SUPPORTING
A MODULAR ARCHITECTURE DESIGN

Valeo driving assistance Content per CAR - Based on 2016 products (Price & technology)
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS’ GROWTH IS FUELED BY SIMULTANEOUS INNOVATION WAVES

MORE AUTOMATED

MORE CONNECTED

MORE INTUITIVE

1 WAVE

2 WAVE

3 WAVE

2016

2026
A UNIQUE ECOSYSTEM

Valeo & gemalto

propose a unique secured Virtual Key in smartphone

Valeo & Capgemini

deploy the 1st industrial offer for car sharing to address Corporate Fleets and Car Rental

Mov’InBlue™

AWARDED SOP 2017

SECURED VIRTUAL KEY TO CREATE NEW VALUE FOR OEMs AND SOLUTION FOR NEW MOBILITY
VALEO PEIKER TELEMATICS
A LEADER IN CONNECTED CARS

VALEO PEIKER IN FIGURES

#2 WORLDWIDE

14% MARKET SHARE

1,000 EMPLOYEES WORLDWIDE (INCL. 300 ENGINEERS)

- SOLUTIONS FOR TELEMATICS APPLICATIONS
- PLATFORM FOR PROPRIETARY NAD
- FAST AND RELIABLE DATA EXCHANGE BETWEEN VEHICLE AND ITS SURROUNDINGS
- ECALL (MANDATORY IN THE EU BY 2018)

CONNECTIVITY IS KEY FOR AUTONOMOUS DRIVING, VALEO PEIKER ADDING CRUCIAL BRICKS WITH ITS TECHNOLOGICAL LEADERSHIP
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS’ GROWTH IS FUELED BY SIMULTANEOUS INNOVATION WAVES

MORE AUTOMATED

MORE CONNECTED

MORE INTUITIVE
UNIQUE INTERIOR EXPERIENCE
MULTI SENSORIAL, DIGITAL, SCALABLE, PERSONALIZED, PREDICTIVE

**THS**
Thermal comfort, air quality, scents health care and well-being

**VIS**
Interior lighting, wipers

**CDA**
Camera, Human Machine Interface & Driver Monitoring

**Mobius immersive Cockpit**
INTUITIVE CONTROLS: FROM TRADITIONAL SWITCHES TO IMMERSIVE COCKPIT

DRIVER MONITORING
DROWSINESS, DISTRACTION, IDENTIFICATION

MOBIUS IMMERSIVE COCKPIT

INTERIOR MONITORING
3D GESTURE, POSTURE

VALEO AWARDED SOP 2019
BOOST TIME TO MARKET AND CREATE VALUE

ORGANIC GROWTH COMPLEMENTED BY BOLT-ON ACQUISITIONS AND PARTNERSHIPS WITHIN A STRONG ECOSYSTEM
COMFORT & DRIVING ASSISTANCE SYSTEMS KNOW HOW TO INTEGRATE KEY COMPETENCIES AND CREATE LEADERS

**AMBITION**

Connaught Electronics [CEL] 2007

**AMBITION**

Sales over 80M€ in 2010
Complementarities expected with CDA products portfolio

Niles [Japan] 2011

**AMBITION**

Boosting our presence in Japan and reinforcing our relationship with Japanese OEMs

Peiker [a Valeo brand] 2016

**AMBITION**

Boosting our presence in Germany and in connectivity

---

**REALIZED**

> 4 b€ cumulated Order Intake full integration in CDA systems and sensors suite
Strong Ireland base maintained while leveraging Group worldwide R&D and manufacturing footprint

**REALIZED**

Accretive first year
Asia over 25% of CDA sales and Japanese OEMs are CDA second most important customers

**REALIZED**

More than 500 M€ order intake in telematics within the 12 first months
Accretive first year with a cash generation significantly higher than expected

---

#1 WW

#2 WW

#2 WW
COMFORT & DRIVING ASSISTANCE SYSTEMS KNOW HOW TO INTEGRATE KEY COMPETENCIES AND CREATE LEADERS

**AMBITION**
Front Camera Partnership
Fusion Exclusive development

**AMBITION**
1st industrial offer for B2B carsharing solutions
Leverage partners know-how

**AMBITION**
Provide Artificial Intelligence technology solutions
Agile development to boost new products’ time to market

**REALIZED**
>1B€ Order Intake with major OEMs
Highly promising results in Front Camera & Laser Scanner Fusion

**REALIZED**
Full digital carsharing user experience
Agile development in a Start-up mindset
5 Customers in France and Germany, 2 in Production

**REALIZED**
5 Proof of Concepts ongoing with major OEMs in North America, Europe and Asia
New agile and innovative development skills
OPEN INNOVATION AND ECOSYSTEM OF PARTNERS TO BOOST TIME TO MARKET
COMFORT & DRIVING ASSISTANCE SYSTEMS BUSINESS GROUP IS ACCELERATING

2016

€3.4 BILLION SALES

14.7% EBITDA

2021

~€5.5 BILLION SALES

CAGR: >10%

~17% EBITDA
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 antitrust 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 26, 2016 (under no. D.16-0211).

Valeo has recognized an expense of 99 million euros in its consolidated financial statements to cover the main risks resulting from investigations currently being carried out by the antitrust authorities, as identified in the Registration Document, and risks relating to legal action resulting from such investigations.

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.