WE ARE READY FOR THE ACCELERATION OF OUR JOURNEY

CHRISTOPHE PERILLAT
CHIEF OPERATING OFFICER
WE CONTROL OUR GROWTH...

...WE WILL CONTINUE TO DELIVER...

...AND WE ARE READY FOR OUR ACCELERATED JOURNEY
WHAT WE HAVE ACHIEVED

WHAT WE HAVE DONE: PROFITABLE GROWTH

VALEO ORDER INTAKE in €bn

2010: €8.8 bn
2015: €20.1 bn
2016: €23.6 bn

WHAT WE ARE GOING TO DO: ACCELERATE PROFITABLE GROWTH

VALEO SALES in €bn

2010: €9.6 bn
2016: €16.5 bn
2021: >€27 bn

AND WE WILL CONTINUE TO DELIVER
WHAT WE HAVE ACHIEVED 2010-2016

35 PRODUCTION SITES ADDED
32 SITE EXTENSIONS
A CULTURE OF EXCELLENCE AND IMPROVEMENT BASED ON VALEO 5 AXES

THE 5 AXES FOR CUSTOMER SATISFACTION

ORDER INTAKE
= TRUST
= PERFORMANCE
IN Volvement of Personnel
EXCITEMENT & ENGAGEMENT AT WORK

SMARTER CARS NEED SMART PEOPLE

THE 5 VALEO VALUES
- ETHICS
- TRANSPARENCY
- PROFESSIONALISM
- TEAMWORK
- EMPOWERMENT

SMARTER CARS NEED SMART PEOPLE

In fact, smart engineers, smart design, smart engineers make smarter cars. We are now transforming our workforce and thinking differently. For the benefit of Valeo.
EXCITEMENT & ENGAGEMENT AT WORK

- Communication down the lines
- Leading by example
- Exciting vision
- Decisions consistent with values
- Supporting diversity

Strategic Respect Information Values Role-Model

Favorable Responses

Source: Biennial internal anonymous survey - Towers Watson agency
A HIRING MACHINE AT WORK

+ 39,600 EMPLOYEES SINCE 2010

+ 13,000 ENGINEERS

~ 35,000 SPONTANEOUS APPLICATIONS RECEIVED IN 2016
A HIRING MACHINE AT WORK

CERTIFIED TOP GLOBAL EMPLOYERS
CERTIFIED AS TOP EMPLOYER IN 23 COUNTRIES

INVESTING IN OUR BRAND
AND LEVERAGING ON SOCIAL NETWORKS

LinkedIn
FOLLOWERS

280,000
190,000
109,000

2014 2015 2016
A TRAINING MACHINE AT WORK

CORPORATE TRAININGS
- ETHICS & COMPLIANCE
- 5 AXES

TECHNICAL TRAININGS
- 5 TECHNICAL INSTITUTES
- 1000 TRAININGS AVAILABLE

100% OF OUR EMPLOYEES RECEIVED TRAINING IN 2016
A CULTURE OF EXCELLENCE AND IMPROVEMENT BASED ON VALEO 5 AXES

ORDER INTAKE
= TRUST
= PERFORMANCE
PRODUCT DEVELOPMENT
STRICT FOLLOW-UP OF PROJECT MILESTONES

HIGH LEVEL OF **STANDARDIZATION**

**SYSTEMATIC DESIGN REVIEW, INDEPENDENT FROM PROJECT TEAMS**

**RATIO OF PROJECTS REQUIRING ESCALATION DIVIDED BY FOUR (2016 VS 2012)**

**STRICT FOLLOW-UP OF PROFITABILITY IN LINE WITH EXPECTATIONS**
R&D CHALLENGE: ACCELERATE OUR LOCATION IN LOW COST COUNTRIES

LARGE R&D EXCELLENCE & EXPERTISE CENTERS ARE LOCATED IN CHENNAI & CAIRO
PROTECTING OUR INNOVATIONS & IP

FILED INITIAL PATENTS

612 639 700 786 1,108 1,406 1,840

THOMSON REUTERS TOP 100
GLOBAL INNOVATORS

INNOVATION ACKNOWLEDGED BY EXPERTS
CONTINUING OUR FOCUS ON INNOVATION

TOTAL DEVELOPMENT EFFORT
AS A PERCENTAGE OF OEM SALES

10.1%  11.1%  11.2%
2010  2016  2021

NET R&D
IN PERCENTAGE OF TOTAL SALES

5.6%  5.8%  ~6%
2010  2016  2021
A CULTURE OF EXCELLENCE AND IMPROVEMENT BASED ON VALEO 5 AXES

THE 5 AXES FOR CUSTOMER SATISFACTION

ORDER INTAKE
= TRUST
= PERFORMANCE
MORE GROWTH FOR OUR SUPPLIERS

A SOURCING MACHINE AT WORK

~240 M€ SOURCED EVERY WEEK

2 TIMES MORE THAN IN 2010

PURCHASING VIRTUOUS CYCLE

INCREASED COMPETITIVENESS

LEVERAGE SUPPLY BASE THROUGH NEW BUSINESS

OUR FUTURE PERFORMANCE IS BUILT IN PROJECTS
A CULTURE OF EXCELLENCE AND IMPROVEMENT
BASED ON VALEO 5 AXES

ORDER INTAKE
= TRUST
= PERFORMANCE
TOTAL QUALITY
BEST IN CLASS IN QUALITY

<4 PPM AT YEAR END 2016

79 AWARDS IN 2016 +32% VS 2015

PPM: Number of defective parts produced per million measured in customer plant
A CULTURE OF EXCELLENCE AND IMPROVEMENT BASED ON VALEO 5 AXES

THE 5 AXES FOR CUSTOMER SATISFACTION

TOTAL QUALITY

PRODUCT DEVELOPMENT

PRODUCTION SYSTEM

INVOLVEMENT OF PERSONNEL

SUPPLIER INTEGRATION

ORDER INTAKE
= TRUST
= PERFORMANCE
PRODUCTION SYSTEM
BETTER USE OF OUR FOOTPRINT & CAPEX

PLANT MASSIFICATION

<table>
<thead>
<tr>
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<th>2016</th>
<th>2021</th>
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<tbody>
<tr>
<td>NUMBER OF PLANTS GENERATING &gt;500M€ / YEAR</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>NUMBER OF PLANTS GENERATING &gt;1B€ / YEAR</td>
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DENSITY (K€/M²)

- 2010: 5.6
- 2016: 7.6
- 2021: 10.0
MORE EFFICIENCY AND COMPETITIVENESS IN OUR PLANTS

DIRECT LABOR AS A PERCENTAGE OF TOTAL SALES

100
92
84

2010 2016 2021

DIRECT LABOR HEADCOUNT IN LOW COST COUNTRIES (%)

56
67
74

2010 2016 2021

BASE 100 2010
BETTER USE OF OUR FOOTPRINT & CAPEX

ALL PRODUCTS RUN ON SAME LINES

- GEN 1
- GEN 2
- GEN 3
- GEN 4 PARK4U®
- GEN 5
- GEN 5 AK

ALL PRODUCTS USE COMMON ASSEMBLY LINES

- ALTERNATOR
- HIGH EFFICIENCY GENERATOR - 12V
- MICRO-HYBRID ISTARS - 12V
- MILD-HYBRID IBSG - 48V
BETTER USE OF OUR FOOTPRINT & CAPEX

CAPEX AS A PERCENTAGE OF SALES

- 2016: 5.8%
- 2021: ~6.0%

TRP
- 2010: 100
- 2016: 105
- 2021: 110

BASE 100 2010
VALEO FACTORY OF THE NEAR FUTURE

TOWARDS E-PROCESSES: 1 PLANT A WEEK

INCREASING AUTOMATION:
+20% 2016 VS. 2015 IN ROBOTICS DENSITY
1 PLANT WITH A DENSITY OF 1 ROBOT FOR 1 MANUFACTURING EMPLOYEE IN 2016
EXTENSIVE USE OF COBOTS

BIG DATA
IN MANUFACTURING

GROUPWISE COBOTIZATION ROLL-OUT

- PTS San Luis Potosí, Mexico
- PTS Izmir, Turkey
- PTS Arles, France
- THG Greensburg, USA
- LTS Liège, Belgium
- TLS Veszprém, Hungary
- TLS Charleroi, France
- VHS Augerès, France
GROUPWISE COBOTIZATION ROLL-OUT

PTS San Luis Potosi, Mexico
PTS Bursa, Turkey
PTS Isle d’Abeau, France
VIS Interlagos, Brazil
THS Greensburg, USA
THS Zebrak, Czechia
THS Alliston, Canada
CDA Sashi, China
CDA Veszprem, Hungary
VIS Chatellerault, France
VIS Angers, France
A SUCCESSFUL TRACK RECORD IN INTEGRATION OF OUR ACQUISITIONS

QUICK MOVE TO VALEO CORE IT SYSTEM
ERP
SHOP FLOOR MANAGEMENT
FINANCE, PURCHASING AND HUMAN RESOURCES SYSTEMS

ACCESS TO
VALEO SUPPLIERS AND COMPETITIVE PURCHASING PRICE
VALEO CUSTOMER BASE AND VALEO FRONT OFFICE

INTEGRATION TO VALEO CULTURE
TRAINING TO OUR 5 AXES AND IMPLEMENTATION OF ALL VALEO METHODOLOGIES

SYNERGIES QUICKER THAN EXPECTED FOR:
A CULTURE OF EXCELLENCE AND IMPROVEMENT BASED ON VALEO 5 AXES

ORDER INTAKE
= TRUST
= PERFORMANCE
THE 5 AXES FOR CUSTOMER SATISFACTION
WE ARE AN ACCELERATING AFTERMARKET COMPANY
VALEO OEM GROWTH IN THE PAST 6 YEARS...
... IS FUELING THE FUTURE GROWTH OF AFTERMARKET
VALEO OEM GROWTH IN THE PAST 6 YEARS...
... IS FUELING THE FUTURE GROWTH OF AFTERMARKET

AND WE ALREADY SEE THE EFFECTS:
IT IS ACCELERATING

2015  2016
+3.1%  +5.4%

AFTERMARKET SALES VARIATION LIKE FOR LIKE
WE ARE AN AFTERMARKET COMPANY
ACCELERATING EVERYWHERE

AFTERMARKET SALES
GROWTH FUELED
BY ASIA & AMERICA

2010  1450  ASIA
       200  EUROPE
            50  AMERICA
      1700

2016

AFTERMARKET SALES
ACCELERATING EVERYWHERE

2016  1700  ASIA
     500*  EUROPE
          100  AMERICA
       2800*

* Including acquisitions
WE ARE AN AFTERMARKET COMPANY
ACCELERATING IN PRODUCTS

RANGE COVERAGE IS IMPROVING
IN ALL REGIONS FOR ALL PRODUCTS
>45,000 IAM ACTIVE PART NUMBERS
+7700 NEW PRODUCTS IN 2017
14 PRODUCT LINES FOR PASSENGER CARS
11 PRODUCT LINES FOR INDUSTRIAL VEHICLES
WE ARE AN AFTERMARKET COMPANY ACCELERATING IN SERVICES

93% CUSTOMER SERVICE RATE
32 DISTRIBUTION PLATFORMS
DELIVERING IN 150 COUNTRIES
64% DELIVERED IN EXPRESS*
91% DELIVERED IN 48H*

(*) EUROPE	NEW IN 2017
WE ARE AN AFTERMARKET COMPANY
ACCELERATING IN QUALITY

1% RETURN RATE
"VALEO MADE" ADAPTABLES
BEST QUALITY FOR ALTERNATIVE RANGES

WE SHARE THE SAME OPERATIONAL EXCELLENCE AS IN OEM
WE ARE AN AFTERMARKET COMPANY ACCELERATING IN CAPEX & RESOURCES

GLOBAL PRODUCTION FOOTPRINT
66% OF OUR SITES INVOLVED IN AFTERMARKET
OVER 350 DEDICATED R&D ENGINEERS FOR AFTERMARKET NEW PRODUCTS AND FOR RANGE COVERAGE
STRONG AFTERMARKET REMANUFACTURING KNOW HOW
INVESTMENT IN DEDICATED AFTERMARKET PRODUCTION SITES
WE ARE AN AFTERMARKET COMPANY ACCELERATING IN OUR BRAND AND IP

WE ARE DETERMINED TO DEVELOP AND DEFEND OUR BRAND, OUR IP AND OUR KNOW-HOW, EVERYWHERE & EVERY TIME

EXAMPLES IN CHINA

26 RAIDS WITH SEIZURE IN 2016

EXAMPLES IN LIGHTING, WIPERS & THERMAL

13 PROCEDURES LAUNCHED AGAINST PIRATES IN 2016
WE ARE AN AFTERMARKET COMPANY
ACCELERATING IN NEW TERRITORIES

ACCELERATING
IN DATA SCIENCES & DATA ANALYTICS

LEVERAGING
OUR RECENT ACQUISITIONS

ACCELERATING
IN DIGITAL COMMUNICATION
WE ARE READY TO DELIVER 2016-2021

SALES IN €BN

16.5 >27

2016 2021
WE ARE READY FOR THE ACCELERATION OF OUR JOURNEY
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.