## 2017 HIGHLIGHTS

### P&L

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Year-on-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (€bn)</td>
<td>16.5</td>
<td>18.6</td>
<td>+12%</td>
</tr>
<tr>
<td>OEM Sales (€bn)</td>
<td>14.4</td>
<td>16.1</td>
<td>+12%</td>
</tr>
<tr>
<td>OEM Sales outperformance</td>
<td>+8pts</td>
<td>+5pts</td>
<td>na</td>
</tr>
<tr>
<td>Gross margin (€m)</td>
<td>3,020</td>
<td>3,474</td>
<td>+15%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>18.3%</td>
<td>18.7%</td>
<td></td>
</tr>
<tr>
<td>Net R&amp;D (€m)</td>
<td>956</td>
<td>1,130</td>
<td>+18%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>5.8%</td>
<td>6.1%</td>
<td></td>
</tr>
<tr>
<td>Operating margin* (1) (€m)</td>
<td>1,334</td>
<td>1,477</td>
<td>+11%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>8.1%</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>Net income (€m)</td>
<td>925</td>
<td>1,003</td>
<td>+8%</td>
</tr>
<tr>
<td>excluding a €117m non-recurring expense (as a % of sales)</td>
<td>5.6%</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>Net income (€m) incl. a €117m non-recurring expense relating to the decline in value of deferred tax assets (as a % of sales)</td>
<td>925</td>
<td>886</td>
<td>-4%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>5.6%</td>
<td>4.8%</td>
<td></td>
</tr>
</tbody>
</table>

* Including joint ventures and associates  
(1) see glossary page 77
### 2017 HIGHLIGHTS

#### Order intake

- **Order intake** (1) (excl. Valeo Siemens eAutomotive) (€bn)
  - 2016: 23.6
  - 2017: 27.6
  - Year-on-year: +17%

- **Innovative products** (in % of order intake)
  - 2016: 50%
  - 2017: 50%
  - =

- **Valeo Siemens eAutomotive 2017 (€bn)**
  - 2016: na
  - 2017: 6.1
  - na

- **Valeo Siemens eAutomotive 2017 + 2018 YTD (€bn)**
  - 2016: na
  - 2017: 10.0
  - na

---

(1) See glossary page 77
### 2017 HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Year-on-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA(^{(1)}) (€m)</td>
<td>2,144</td>
<td>2,436</td>
<td>+14%</td>
</tr>
<tr>
<td>CAPEX (€m)</td>
<td>1,249</td>
<td>1,745</td>
<td>+40%</td>
</tr>
<tr>
<td>Free cash flow(^{(1)}) (€m)</td>
<td>661</td>
<td>278</td>
<td>-58%</td>
</tr>
<tr>
<td>Cash conversion rate (FCF/EBITDA)</td>
<td>31%</td>
<td>11%</td>
<td>-20pts</td>
</tr>
<tr>
<td>ROCE(^{(1)})</td>
<td>34%</td>
<td>30%</td>
<td>-4pts</td>
</tr>
<tr>
<td>Net debt(^{(1)})(€m)</td>
<td>537</td>
<td>1,852</td>
<td>+€1,315m</td>
</tr>
<tr>
<td>Proposed 2017 dividend (in €/share)</td>
<td>1.25</td>
<td>1.25</td>
<td>=</td>
</tr>
<tr>
<td>Payout ratio</td>
<td>32%</td>
<td>34%</td>
<td>+2pts</td>
</tr>
</tbody>
</table>

\(^{(1)}\) See glossary page 77
Based on the following assumptions:

- an increase in global automotive production of 1.5% in 2018;
- raw material prices and exchange rates in line with current levels.

The Valeo Group has set the following objectives:

- nominal sales growth of around 8% for 2018;
- in 2018, like-for-like growth in original equipment sales of around 5%, accelerating in the second half ahead of expected double-digit growth in 2019;
- in 2018, operating margin excluding share in net earnings of equity-accounted companies (as a % of sales) in line with 2017, despite the recent rise in (i) raw material prices and (ii) the value of the euro against the main currencies to which the Group is exposed.
as previously noted, the joint venture had a strong order intake of 6.1 billion euros in 2017 and a cumulative 10 billion euros at end-February 2018;

accordingly, the “Share in net earnings of equity-accounted companies” caption will have an impact of around -0.2 points on Valeo’s statement of income in 2018.

**Medium-term objectives:**

By 2022, Valeo Siemens eAutomotive should be delivering:

- sales of more than 2 billion euros,
- a similar EBITDA margin (as a % of sales) to that of Valeo.
CONFIRMING OUR FUTURE HIGH GROWTH POTENTIAL

2017 ORDER INTAKE OF:
€27.6BN AT VALEO (EXCL. VALEO SIEMENS EAUTOMOTIVE), UP 17% YOY
€6.1BN AT VALEO SIEMENS EAUTOMOTIVE
€27.6bn VALEO ORDER INTAKE
€6.1bn VALEO SIEMENS eAUTOMOTIVE ORDER INTAKE IN 2017, A CUMULATIVE €10bn AT END-FEBRUARY

Valeo Group’s order intake to €27.6bn
→ Up 17% year-on-year
→ Up 14% CAGR since 2008

Innovation fueling future organic growth as a % of order intake**

*Reference 2008 (average 2005-2008) → 2017 (excluding Valeo Siemens eAutomotive)
** see glossary page 77 excl. Access Mechanisms between 2005 & 2013 & Valeo Siemens eAutomotive
***Valeo Siemens eAutomotive order intake total amount registered in 2017
****YTD 2018

(1) Products and technologies sold by less than 3 years excl. Valeo Siemens eAutomotive, FTE automotive & Valeo-Kapec
**BOOK TO BILL AT 1.6X (EXCL. VALEO SIEMENS eAUTOMOTIVE)**

**Order intake of €27.6bn**

- **Asia excl. China**: 16%
- **NA**: 2%

**OEM sales of €16.1bn**

- **Europe**: 1.3x
- **China**: 1.9x
- **North America**: 2.5x
- **South America**: 1.5x
- **Group**: 1.5x

<table>
<thead>
<tr>
<th>Region</th>
<th>% of 2017 OEM sales*</th>
<th>Order Intake/annualized OEM sales ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia China</td>
<td>16%</td>
<td>1.9x</td>
</tr>
<tr>
<td>Asia</td>
<td>32%</td>
<td>1.3x</td>
</tr>
<tr>
<td>Europe</td>
<td>16%</td>
<td>1.5x</td>
</tr>
<tr>
<td>NA</td>
<td>2%</td>
<td>2.5x</td>
</tr>
<tr>
<td>Asia excl. China</td>
<td>31% with local Chinese OEMs</td>
<td></td>
</tr>
</tbody>
</table>

- **Group**: 1.6x

% of 2017 order intake*

- **Asia**: 40% €11bn
- **Europe**: 38% with local Chinese OEMs
- **China**: 27% 46%
- **Group**: 31% with local Chinese OEMs

*OEM sales and order intake by destination including joint ventures out of Valeo Siemens eAutomotive.
VALEO SIEMENS eAUTOMOTIVE
€6.1BN OF ORDER INTAKE IN 2017, A CUMULATIVE €10BN AT END-FEBRUARY 2018

Join forces to create a global champion of innovative and affordable high voltage components and systems for Hybrid and Electric Vehicles with a world-class portfolio, excellent customer reputation, engaged employees and solid shareholders’ return on investment by 2020.
STRONG POSITIONING OF VALEO SIEMENS eAUTOMOTIVE IN THE ELECTRIC MARKET

- €6.1bn in 2017
- €10bn in 2017 + 2018 YTD

% of €10bn order intake:
- Electric motor: 51%
- Inverter: 40%
- Charger: 9%

Geographical breakdown for 2017 + 2018 YTD:
- Europe: 49%
- China: 51%
H2 HIGHLIGHTS
SALES UP 12% AS REPORTED, UP 7% LIKE-FOR-LIKE

<table>
<thead>
<tr>
<th>H1 17</th>
<th>H2 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>+16%</td>
<td>+8%</td>
</tr>
<tr>
<td>€m</td>
<td>9,464</td>
<td>9,086</td>
</tr>
</tbody>
</table>

H2
Like-for-like
+9%
+7%
+5%

Exchange rates
Scope
+1.3%
+6.4%
+3.5%
+7.2%

Scope
+6.4%
+7.2%
+6.8%
OEM SALES UP 12% AS REPORTED, UP 7% LIKE-FOR-LIKE

**OEM sales**

H2

*Like-for-like

+9%*

+5%*

+7%*

**€m**

H1 17

8,235

H2 17

7,885

2017

16,120

**Aftermarket**

+5%

+3%

+4%

H1 17

963

H2 17

924

2017

1,887

**Miscellaneous**

+27%

-3%

+9%

H1 17

266

H2 17

277

2017

543

**-0.6PT IMPACT OF SOUTH KOREA IN H2**

Exchange rates

Scope

Scope

Exchange rates

+1.4%

+5.6%

+3.6%

+6.1%

+14%

+11%

+12%

+8%

+6%

+1%

+6.1%

+27%

-3%

+9%

+49%

+7%

+24%
3-POINT OEM SALES OUTPERFORMANCE, INCLUDING -0.6 PT IMPACT OF SOUTH KOREA

H2
Like-for-like

North America
19% of Valeo sales**
Production*** -7%
Outperf. +8pts

South America
2% of Valeo sales**
Production*** +22%
Underperf. -3pts

Europe*
46% of Valeo sales**
Outperf. 0pt

Asia* excl. China
17% of Valeo sales**
Outperf. 0pt

World
Outperf. +3pts

China
16% of Valeo sales**
Outperf. +10pts

OEM sales** +6%
Production*** +4%

OEM sales** +5%
Production*** +5%

OEM sales** +5%
Production*** +2%

OEM sales** +5%
South Korean impact -0.6pts

* Europe including Africa;
Asia including Middle East
** Valeo OEM sales by destination
***LMC estimates released on February 8, 2018 – light vehicle production

February 22, 2018
CONFIDENTIAL
5-POINT OUTPERFORMANCE IN ASIA, INCLUDING – 2.2 PT IMPACT OF SOUTH KOREA

H2
Like-for-like

33% of total sales*

Asia
Production** +2%

Outperf. +5pts

South Korea
Production** -4%

OEM sales* -3%

Underperf. -3pts

India
Production** +6%

OEM Sales*** +8%

Outperf. +2pts

South Korea
Production** -4%

24% of Asian sales*

OEM sales* -3%

OEM sales as reported +73%

Outperf. +7pts

China
Production** +1%

OEM sales* +11%

Outperf. +7pts

49% of Asian sales*

OEM sales** +3%

3% of Asian sales*

OEM sales***

Outperf. +10pts

OEM sales* +8%

Outperf. +5pts

24% of Asian sales*

OEM sales* +3%

5-POINT OUTPERFORMANCE IN ASIA, INCLUDING – 2.2 PT IMPACT OF SOUTH KOREA

*Valeo OEM sales by destination
**LMC estimates released on February 8, 2018 – light vehicle production
***Indian operations
GROSS MARGIN TO 18.9% OF SALES, UP 12% OR €1,713M

H2

As a % of sales

€1,532m

+0.3pts

+0.6pts

-0.2pts

-0.1pts

€1,713m

18.3%

+12%

18.9%

H2 16

Volume & inflation

Operational efficiency improvement

Depreciation linked to growth

Perimeter (mainly Ichikoh)

H2 17

NB: rounded figures
OPERATING MARGIN* TO 8.0% OF SALES, UP 5% OR €723M

As a % of sales

H2 16 | Gross margin | Net R&D | SG&A | JV & Associates | H2 17

8.2% | +0.6pts | -0.4pts | +0.1pts | -0.5pts** | 8.0%

€687m | +5% | €723m

* Including joint ventures and associates  **rounded figure
2017 SALES GROWTH WITH
SALES OF €18.6BN, UP 12% AS REPORTED
UP 7% LIKE-FOR-LIKE

OEM SALES, UP 12% AS REPORTED
UP 7% LIKE-FOR-LIKE, 5-POINT OUTPERFORMANCE, INCLUDING SOUTH KOREAN IMPACT

AFTERMARKET SALES, UP 12% AS REPORTED
UP 4% LIKE-FOR-LIKE
SALES UP 12% AS REPORTED, UP 7% LIKE-FOR-LIKE

2017

Like-for-like

+7%

€m

16,120

1,887

543

Incl. - 0.9 pt impact of South Korea

18,550

Reported

OEM

Aftermarket

Miscellaneous

Total sales

+12%

+12%

+24%

+12%

FY 16

14,403

1,679

437

16,519

Exchange rates

-1.1%

-1.3%

-0.9%

-1.1%

Scope

+6.1%

+10.1%

+16.1%

+6.8%
5-POINT OEM SALES OUTPERFORMANCE, INCLUDING - 0.9 PT IMPACT OF SOUTH KOREA

2017
Like-for-like

North America
Production*** -4%

20% of Valeo sales**
OEM sales** +4%
Outperf. +8pts

South America
Production***+22%

2% of Valeo sales**
OEM sales** +16%
Underperf. -6pts

Europe*
Production*** +3%

47% of Valeo sales**
OEM sales** +6%
Outperf. +3pts

Asia* excl. China
Production***+4%

16% of Valeo sales**
OEM sales** +4%
Outperf. 0pt

China
Production***+2%

15% of Valeo sales**
OEM sales** +17%
Outperf. +15pts

World
Production***+2%

Outperf. +5pts

South
Korean
impact
-0.9pts

* Europe including Africa;
Asia including Middle East
** Valeo OEM sales by destination
***LMC estimates released on February 8, 2018 – light vehicle production

February 22, 2018
CONFIDENTIAL

5-POINT OEM SALES OUTPERFORMANCE, INCLUDING - 0.9 PT IMPACT OF SOUTH KOREA

2017
Like-for-like

North America
Production*** -4%

20% of Valeo sales**
OEM sales** +4%
Outperf. +8pts

South America
Production***+22%

2% of Valeo sales**
OEM sales** +16%
Underperf. -6pts

Europe*
Production*** +3%

47% of Valeo sales**
OEM sales** +6%
Outperf. +3pts

Asia* excl. China
Production***+4%

16% of Valeo sales**
OEM sales** +4%
Outperf. 0pt

China
Production***+2%

15% of Valeo sales**
OEM sales** +17%
Outperf. +15pts

World
Production***+2%

Outperf. +5pts

South
Korean
impact
-0.9pts

* Europe including Africa;
Asia including Middle East
** Valeo OEM sales by destination
***LMC estimates released on February 8, 2018 – light vehicle production

February 22, 2018
CONFIDENTIAL
7-POINT OUTPERFORMANCE IN ASIA, INCLUDING – 3.5 PT IMPACT OF SOUTH KOREA

2017

Like-for-like

31% of total sales*

Asia
Production** +3%
OEM sales** +10%
Outperf. +7pts

South Korea
Production** -3%
OEM sales* +1%
South Korean impact -15.4pts
Outperf. +4pts

China
Production** +2%
OEM sales* +17%
Outperf. +15pts

India
Production** +8%
OEM Sales*** +14%
Outperf. +6pts

Japan
Production** +5%
OEM sales* +2%
25% of Asian sales*
Outper. +7pts

23% of total sales*

OEM sales as reported +83%

* Valeo OEM sales by destination
** LMC estimates released on February 8, 2018 – light vehicle production
*** Indian operations
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>US</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Mexico</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>China</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>SA</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Asia excl. China</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Eastern Europe &amp; Africa</td>
<td>16%</td>
<td>15%</td>
</tr>
</tbody>
</table>

54% in Asia & emerging countries in 2016
57% in Asia & emerging countries in 2017
BALANCED CUSTOMER PORTFOLIO

% of OEM sales

2016

- French*: 15%
- American: 22%
- Asian: 27%
- Other: 6%
- German**: 30%

2017

- French*: 14%
- American: 19%
- Asian: 33%
- Other: 6%
- German**: 28%

*Including Opel
**Excluding Opel
## GROWTH IN THE 4 BUSINESS GROUPS

<table>
<thead>
<tr>
<th></th>
<th>As a % of Group sales</th>
<th>Total sales growth (year-on-year)</th>
<th>OEM sales growth (like-for-like)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDA*</td>
<td>19%</td>
<td>+7%**</td>
<td>+6%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>23%</td>
<td>+7%</td>
<td>+4%</td>
</tr>
<tr>
<td>Thermal</td>
<td>27%</td>
<td>+8%***</td>
<td>+9%</td>
</tr>
<tr>
<td>Visibility</td>
<td>31%</td>
<td>+25%****</td>
<td>+7%</td>
</tr>
<tr>
<td>Group</td>
<td>100%</td>
<td>+12%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

* Comfort & Driving Assistance  **Including peiker  ***Including Spheros  ****Including Ichikoh

**POWERTRAIN**
Incl. - 4.6pt impact of South Korea
GROSS MARGIN
UP 15% TO €3,474M OR 18.7% OF SALES

OPERATING MARGIN*
UP 11% TO €1,477M OR 8.0% OF SALES

NET INCOME EXCL. A €117M NON-RECURRING EXPENSE RELATING TO THE DECLINE IN VALUE OF DEFERRED TAX ASSETS
UP 8% TO €1,003M OR 5.4% OF SALES

NET INCOME INCL. A €117M NON-RECURRING EXPENSE RELATING TO THE DECLINE IN VALUE OF DEFERRED TAX ASSETS
DOWN 4% TO €886M OR 4.8% OF SALES

* Including joint ventures and associates
GROSS MARGIN AT 18.7% OF SALES, UP 15% TO €3,474M

As a % of sales

€3,020m

+15%

€3,474m

-0.2pts -0.1pts +0.2pts

18.3% 18.7%

2016 2017

Volume & inflation Operational efficiency improvement Depreciation linked to growth Perimeter (mainly Ichikoh)/exchange rates

NB: rounded figures
### STABLE “R&D TOTAL DEVELOPMENT EFFORT/ORDER INTAKE” RATIO

<table>
<thead>
<tr>
<th></th>
<th>2012-2015 average</th>
<th>2016-2017 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D TDE* (€bn)</td>
<td>1.1</td>
<td>1.8</td>
</tr>
<tr>
<td>R&amp;D TDE*/order intake (%)</td>
<td>6.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Innovation /order intake (%)</td>
<td>33</td>
<td>50</td>
</tr>
</tbody>
</table>

*R&D Total Development Effort
NET R&D EXPENDITURE, TO 6.1% OF SALES

Capitalized development expenditure
In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>437</td>
<td>577</td>
</tr>
<tr>
<td>% of sales</td>
<td>2.6%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Amortization and impairment of capitalized development expenditure
In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>253</td>
<td>267</td>
</tr>
<tr>
<td>% of sales</td>
<td>1.5%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Net R&D
In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>956</td>
<td>1,130</td>
</tr>
<tr>
<td>% of sales</td>
<td>5.8%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

+18% +30bps

CAPITALIZED DEVELOPMENT EXPENDITURE TO 3.1% OF SALES
to sustain record high order intake with improving profitability
SG&A EXPENSES STABLE AT 4.8% OF SALES

On a like-for-like basis, SG&A at 4.7% of sales and Admin. expenses at 3.1% of sales.
OPERATING MARGIN* TO 8.0% OF SALES, UP 11% OR €1,477M

As a % of sales

€1,334m → €1,477m
+11%

2016  | Gross margin  | Net R&D  | SG&A  | JV & Associates  | 2017
8.1%  | +0.4pts       | -0.3pts | +0.0pts | -0.2pts          | 8.0%

* Including joint ventures and associates
OPERATING MARGIN* TO 8.0% OF SALES, UP 11% OR €1,477M

<table>
<thead>
<tr>
<th></th>
<th>H2 16</th>
<th>H2 17</th>
<th>▲</th>
<th>Total sales (€m)</th>
<th>2016</th>
<th>2017</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (€m)</td>
<td>8,389</td>
<td>9,086</td>
<td>+8%</td>
<td>16,519</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,532</td>
<td>1,713</td>
<td>+12%</td>
<td>3,020</td>
<td>3,474</td>
<td>+15%</td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>18.3%</td>
<td>18.9%</td>
<td>+60bps</td>
<td>18.3%</td>
<td>18.7%</td>
<td>+40bps</td>
<td></td>
</tr>
<tr>
<td>Net R&amp;D expenditure</td>
<td>471</td>
<td>548</td>
<td>+16%</td>
<td>956</td>
<td>1,130</td>
<td>+18%</td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>5.6%</td>
<td>6.0%</td>
<td>+40bps</td>
<td>5.8%</td>
<td>6.1%</td>
<td>+30bps</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>407</td>
<td>435</td>
<td>+7%</td>
<td>791</td>
<td>889</td>
<td>+12%</td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>4.9%</td>
<td>4.8%</td>
<td>-10bps</td>
<td>4.8%</td>
<td>4.8%</td>
<td>=</td>
<td></td>
</tr>
<tr>
<td>Of Which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling expenses</td>
<td>134</td>
<td>153</td>
<td>+14%</td>
<td>258</td>
<td>302</td>
<td>+17%</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>273</td>
<td>282</td>
<td>+3%</td>
<td>533</td>
<td>587</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Operating margin excl. JV &amp; Associates</td>
<td>654</td>
<td>730</td>
<td>+12%</td>
<td>1,273</td>
<td>1,455</td>
<td>+14%</td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>7.8%</td>
<td>8.0%</td>
<td>+20bps</td>
<td>7.7%</td>
<td>7.8%</td>
<td>+10bps</td>
<td></td>
</tr>
<tr>
<td>JV &amp; Associates</td>
<td>33</td>
<td>-7</td>
<td>na</td>
<td>61</td>
<td>22</td>
<td>-64%</td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>0.4%</td>
<td>-0.1%</td>
<td>-50bps</td>
<td>0.4%</td>
<td>0.1%</td>
<td>-30bps</td>
<td></td>
</tr>
<tr>
<td>Operating margin incl. JV &amp; Associates</td>
<td>687</td>
<td>723</td>
<td>+5%</td>
<td>1,334</td>
<td>1,477</td>
<td>+11%</td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>8.2%</td>
<td>8.0%</td>
<td>-20bps</td>
<td>8.1%</td>
<td>8.0%</td>
<td>-10bps</td>
<td></td>
</tr>
</tbody>
</table>

* Including joint ventures and associates
## NET INCOME TO 4.8% OF SALES, DOWN 4% TO €886M

### Key Figures

<table>
<thead>
<tr>
<th></th>
<th>H2 16</th>
<th>H2 17</th>
<th>▲</th>
<th>2016</th>
<th>2017</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (€m)</td>
<td>8,389</td>
<td>9,086</td>
<td>+8%</td>
<td>16,519</td>
<td>18,550</td>
<td>+12%</td>
</tr>
<tr>
<td>Operating margin incl. JV &amp; Associates As a % of sales</td>
<td>687</td>
<td>723</td>
<td>+5%</td>
<td>1,334</td>
<td>1,477</td>
<td>+11%</td>
</tr>
<tr>
<td>Operating margin incl. JV &amp; Associates As a % of sales</td>
<td>8.2%</td>
<td>8.0%</td>
<td>-20bps</td>
<td>8.1%</td>
<td>8.0%</td>
<td>-10bps</td>
</tr>
<tr>
<td>Other income &amp; expenses As a % of sales</td>
<td>687</td>
<td>723</td>
<td>-4500%</td>
<td>(33)</td>
<td>(67)</td>
<td>+103%</td>
</tr>
<tr>
<td>Other income &amp; expenses As a % of sales</td>
<td>0.0%</td>
<td>-0.5%</td>
<td>-50bps</td>
<td>-0.2%</td>
<td>-0.4%</td>
<td>+20bps</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>626</td>
<td>621</td>
<td>-1%</td>
<td>1,172</td>
<td>1,290</td>
<td>+10%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(92)</td>
<td>(195)</td>
<td>+112%</td>
<td>(189)</td>
<td>(325)</td>
<td>+72%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>15.5%</td>
<td>31.1%</td>
<td>+15.6pts</td>
<td>17%</td>
<td>26%</td>
<td>+11pts</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(31)</td>
<td>(46)</td>
<td>+48%</td>
<td>(58)</td>
<td>(79)</td>
<td>+36%</td>
</tr>
<tr>
<td>Net income As a % of sales</td>
<td>503</td>
<td>380</td>
<td>-24%</td>
<td>+180bps</td>
<td>925</td>
<td>886</td>
</tr>
<tr>
<td>Net income As a % of sales</td>
<td>6.0%</td>
<td>4.2%</td>
<td>+180bps</td>
<td>5.6%</td>
<td>4.8%</td>
<td>-80bps</td>
</tr>
<tr>
<td>Net income excl. non-recurring items As a % of sales</td>
<td>940</td>
<td>1,040</td>
<td>+11%</td>
<td>5.7%</td>
<td>5.6%</td>
<td>-10bps</td>
</tr>
</tbody>
</table>

### Notes

- **€117M TAX NON-RECURRING EXPENSE** relating to the decline in value of deferred tax assets following US tax reform.
- **NET INCOME UP 8% TO €1,003M OR 5.4% OF SALES, excl. this non-recurring charge**
## EXCL. NON-RECURRING ITEMS, EPS UP 10%

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (€m)</td>
<td>925</td>
<td>886</td>
<td>-4%</td>
</tr>
<tr>
<td>EPS</td>
<td>€3.91</td>
<td>€3.72</td>
<td>-5%</td>
</tr>
<tr>
<td>Net income (€m)</td>
<td>940</td>
<td>1,040</td>
<td>+11%</td>
</tr>
<tr>
<td>(excluding non-recurring items)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>€3.98</td>
<td>€4.37</td>
<td>+10%</td>
</tr>
</tbody>
</table>

**EXCL. NON-RECURRING ITEMS** *(incl. a €117m non-recurring expense relating to the decline in value of deferred tax assets), EPS UP 10%*
ROCE AT 30% AND ROA AT 19%

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>€16.5bn</td>
<td>€18.6bn</td>
</tr>
<tr>
<td>Operating margin*</td>
<td>8.1%</td>
<td>8.0%</td>
</tr>
<tr>
<td>ROCE(^{(1)})</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>ROA(^{(1)})</td>
<td>21%</td>
<td>19%</td>
</tr>
</tbody>
</table>

*incl. joint ventures & associates

(1) See glossary page 77
CASH CONVERSION RATE AT 11% OF EBITDA
FREE CASH FLOW GENERATION OF €278M
EBITDA TO 13.1% OF SALES, UP 14% OR +0.1 PTS

In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA</td>
<td>14.5</td>
<td>14.7</td>
<td>14.5</td>
</tr>
<tr>
<td>Powertrain</td>
<td>12.8</td>
<td>13.3</td>
<td>13.2</td>
</tr>
<tr>
<td>Thermal</td>
<td>10.7</td>
<td>10.0</td>
<td>10.8</td>
</tr>
<tr>
<td>Visibility</td>
<td>12.4</td>
<td>13.9</td>
<td>13.2</td>
</tr>
<tr>
<td>Group</td>
<td>12.7</td>
<td>13.0</td>
<td>13.1</td>
</tr>
</tbody>
</table>
RECORDED CAPEX (INCLUDING CAPITALIZED R&D) 10.3% OF SALES UP 210BPS OR €1,902M

As a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex*</th>
<th>Capitalized R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>8.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>2017</td>
<td>10.3%</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

40% INCREASE IN RECORDED CAPEX supporting record high order intake and sales growth acceleration from H2 2018

*excluding capitalized R&D
### FREE CASH FLOW GENERATION OF €278M

<table>
<thead>
<tr>
<th></th>
<th>H2 16</th>
<th>H2 17</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>1,097</td>
<td>1,221</td>
<td>2,144</td>
<td>2,436</td>
</tr>
<tr>
<td>Operating working capital</td>
<td>40</td>
<td>64</td>
<td>76</td>
<td>19</td>
</tr>
<tr>
<td>Restructuring &amp; antitrust</td>
<td>(34)</td>
<td>(28)</td>
<td>(52)</td>
<td>(105)</td>
</tr>
<tr>
<td>Other operating items (incl. taxes)</td>
<td>(130)</td>
<td>(167)</td>
<td>(258)</td>
<td>(327)</td>
</tr>
<tr>
<td>Of which: Taxes</td>
<td>(124)</td>
<td>(115)</td>
<td>(257)</td>
<td>(265)</td>
</tr>
<tr>
<td>Pensions</td>
<td>(37)</td>
<td>(29)</td>
<td>(48)</td>
<td>(27)</td>
</tr>
<tr>
<td><em><em>Cash from operating activities</em> (€m)</em>*</td>
<td>973</td>
<td>1,090</td>
<td>1,910</td>
<td>2,023</td>
</tr>
<tr>
<td>Capex (incl. capitalized R&amp;D) outflow</td>
<td>(651)</td>
<td>(911)</td>
<td>(1,249)</td>
<td>(1,745)</td>
</tr>
<tr>
<td><em><em>Free cash flow</em> (€m)</em>*</td>
<td>322</td>
<td>179</td>
<td>661</td>
<td>278</td>
</tr>
<tr>
<td>Interest</td>
<td>(6)</td>
<td>(2)</td>
<td>(58)</td>
<td>(63)</td>
</tr>
<tr>
<td>Other financial items</td>
<td>(96)</td>
<td>(562)</td>
<td>(992)</td>
<td>(1,007)</td>
</tr>
<tr>
<td><strong>Net cash flow (€m)</strong></td>
<td>220</td>
<td>(385)</td>
<td>389</td>
<td>(792)</td>
</tr>
<tr>
<td><strong>Net debt (€m)</strong></td>
<td>537</td>
<td>1,852</td>
<td>537</td>
<td>1,852</td>
</tr>
</tbody>
</table>

*excluding sale of trade receivables

+14% at 13.1% of sales

+40%

11% of EBITDA

Out of which:
- €537m relative mainly to Ichikoh, FTE Automotive & Valeo-Kapec’s acquisitions
- €317m of dividends paid
STRONG BALANCE SHEET
DEBT RATIOS

Net financial debt over EBITDA

Shareholders’ equity and net debt

Net debt / EBITDA covenant of 3.25

Leverage 0.25x

Leverage 0.48x

Leverage 0.76x

Net debt (€m) excluding minority interests

Shareholders’ equity (€m)

LT Outlook ST

Moody’s Baa2 Stable Prime-2

S&P BBB Stable A-2
## DEBT MATURITY PROFILE

The Debt Maturity Profile displays the outstanding debt by maturity date, amount, and coupon rate. The profile includes:

<table>
<thead>
<tr>
<th>Date</th>
<th>Maturity</th>
<th>Outstanding Amount</th>
<th>Coupon</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2018</td>
<td>EMTN</td>
<td>€273m</td>
<td>4.875%</td>
</tr>
<tr>
<td>Nov 2018</td>
<td>BEI loan</td>
<td>USD 25.75m</td>
<td>6M USD Libor +1.9%</td>
</tr>
<tr>
<td>Nov 2019</td>
<td>Euro PP</td>
<td>€350m</td>
<td>0%</td>
</tr>
<tr>
<td>June 2021</td>
<td>Convertible bond</td>
<td>USD 575m</td>
<td>0%</td>
</tr>
<tr>
<td>Sept. 2022</td>
<td>EMTN</td>
<td>€600m</td>
<td>0.375%</td>
</tr>
<tr>
<td>Jan 2023</td>
<td>EMTN</td>
<td>€500m</td>
<td>0.625%</td>
</tr>
<tr>
<td>Jan 2024</td>
<td>EMTN</td>
<td>€700m</td>
<td>3.25%</td>
</tr>
<tr>
<td>Mar 2026</td>
<td>EMTN</td>
<td>€600m</td>
<td>1.625%</td>
</tr>
</tbody>
</table>

The average maturity of the debt is 4.8 years.
DIVIDEND & OUTLOOK
2017 DIVIDEND OF €1.25/SHARE TO BE PROPOSED AT THE NEXT AGM

2017 DIVIDEND OF €1.25/SHARE LEADING TO A PAYOUT RATIO OF 34%, UP 2PTS
Based on the following assumptions:

- an increase in global automotive production of 1.5% in 2018;
- raw material prices and exchange rates in line with current levels.

The Valeo Group has set the following objectives:

- nominal sales growth of around 8% for 2018;
- in 2018, like-for-like growth in original equipment sales of around 5%, accelerating in the second half ahead of expected double-digit growth in 2019;
- in 2018, operating margin excluding share in net earnings of equity-accounted companies (as a % of sales) in line with 2017, despite the recent rise in (i) raw material prices and (ii) the value of the euro against the main currencies to which the Group is exposed.
as previously noted, the joint venture had a strong order intake of 6.1 billion euros in 2017 and a cumulative 10 billion euros at end-February 2018;

accordingly, the “Share in net earnings of equity-accounted companies” caption will have an impact of around -0.2 points on Valeo’s statement of income in 2018.

Medium-term objectives:

By 2022, Valeo Siemens eAutomotive should be delivering:

- sales of more than 2 billion euros,
- a similar EBITDA margin (as a % of sales) to that of Valeo.
TABLE OF CONTENT

- Business Groups
- Q4 17
- Statement of income
- 2021 mid-term plan
- SRI
4 BALANCED & COHERENT BUSINESS GROUPS
WITH MARKET-LEADING POSITIONS & GROWTH POTENTIAL
COMFORT & DRIVING ASSISTANCE

Key growth drivers:
- 3 main macro-economical trends confirmed with cars more autonomous, more connected and more intuitive
- Supported by increasingly stringent regulatory and certifications environment (Euro NCAP in Europe and NTHSA in the US)
- Leading to further take increase for existing innovative products (including cameras, displays, sensors, …)
- Positive impact of full integration of peiker activities acquired in Q1 2016

Latest business developments:
- Another record order intake with over 6x order intake sales ratio for active safety products, over 2x order intake sales ratio for TCU, record order intake level in China and in the US
- Safety activity order intake covering laser scanner, front camera, radar, automated parking systems and products
- Acquisition of 33% stake in Kuantic, European leading operator of mobility solutions for car fleets
- First order of MovInBlue systems with European car rentals companies
- Start of production of our laser scanner product (Scala) in H2 2017 with a major European OEM
- Acquisition of gestigon, 3D gesture monitor SW German company

2017 key figures:
- Sales: €3.6bn (19% of Group sales)
- EBITDA: 14.5% (21% of Group EBITDA)
- 22,900 employees
- 27 production units
- 10 development centers
- 8 research centers

Market share* and competitors:
- Comfort & Driving Assistance: Valeo no.2
  Continental + Valeo + Bosch ~ 74%*
- Driving Assistance: Valeo no.1
  Valeo + Continental + Bosch ~ 47%*

* Valeo estimate

COMFORT & DRIVING ASSISTANCE

OEM sales
Like-for-like change

Total sales (€m)  
H1 17 1,837  +11%
H2 17 1,753  +3%
2017 3,590  +7%

Total sales - change as reported

February 22, 2018
51 CONFIDENTIAL
Powertrain Systems

Key growth drivers: Objective of reducing CO\(_2\) emissions and fossil fuel consumption based on 3 priorities for engines:
- Downsizing/Downspeeding
- Gearbox automation
- Powertrain electrification and development of low (12V, 48V) and high voltage

Latest business developments:
- Major contracts won by the Valeo Siemens eAutomotive joint venture in Europe and China for the electric and hybrid vehicles
- Significant contract for torque converters in North America and Asia
- New contracts for 48 V and Istars
- Acquisition of FTE automotive, effective November 1st 2017
- Creation of Valeo-Kapec joint venture with Korean partner PHC, effective December 1st 2017

2017 key figures:
- Sales: €4.3bn (23% of Group sales)
- EBITDA: 13.2% (23% of Group EBITDA)
- 25,000 employees
- 55 production units
- 13 development centers
- 7 research centers

Market share* and competitors:
- Electrical Systems: Valeo no.1
  Valeo + Denso + Bosch/ZMJ ~ 70%*
- Transmission Systems: Valeo no.2
  Luk + Valeo + Exedy + ZF Sachs ~ 75%*

*Valeo estimate

OEM sales
Like-for-like change
Total sales (£m)

<table>
<thead>
<tr>
<th></th>
<th>H1 17</th>
<th>H2 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,163</td>
<td>2,137</td>
<td>4,300</td>
</tr>
<tr>
<td>Change</td>
<td>+8%</td>
<td>+6%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

*Valeo estimate

February 22, 2018
**THERMAL SYSTEMS**

<table>
<thead>
<tr>
<th>Total sales (€m)</th>
<th>H1 17</th>
<th>H2 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM sales</td>
<td>2,594</td>
<td>2,409</td>
<td>5,003</td>
</tr>
<tr>
<td>Like-for-like change</td>
<td>+15%</td>
<td>+7%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

2017 key figures:
- Sales: €5.0bn (27% of Group sales)
- EBITDA: 10.8% (22% of Group EBITDA)
  - 24,200 employees
  - 62 production units
  - 10 development centers
  - 3 research centers

Market share* and competitors:
Thermal Systems: Valeo no.2
Denso + Valeo + Hanon + Mahle ~ 54%*

*Valeo estimate

Key growth drivers:
- Innovative solutions to comply with new regulations on gas pollutants and fuel consumption
- Thermal solutions for Electrified vehicles (PHEV/EV)
- Innovative solutions for in-vehicle air quality management

Latest business developments:
New contracts with major automakers worldwide took Thermal Systems order intake for 2017 to an all-time high, above 2016 figures
Especially in Europe and China, with several awards from German automakers
- New order for heat pump system with production in China
- New order for electrical driven compressor with production in China. With these orders, Valeo is demonstrating its capability for advanced technology in this field
- New order on HVAC for electric vehicles with Valeo brushless motor and high voltage PTC
- New orders on air quality with Chinese automakers
- First order on Valeo brushless motor for fan system
- Intensive development plans with many customers on future generations of electric vehicles, to optimize the size, performance and cost of future solutions
VISIBILITY SYSTEMS

2017 key figures:
- Sales: €5.8bn (31% of Group sales)
- EBITDA: 13.2% (32% of Group EBITDA)
- 37,200 employees
- 49 production units
- 15 development centers
- 5 research centers

Market share* and competitors:
- Lighting Systems: Valeo no.1
  Valeo + Koito + Magnetti Marelli ~ 58%*
- Wiper Systems: Valeo no.1
  Valeo + Denso + Bosch ~ 67%*

*Valeo estimate

Key growth drivers in H2 2017:
- Consolidation of Ichikoh Group in Visibility since February 2017
- Increasing LED take rate, in particular in the B&C Segment with PSA (Crossland X, 3008 & 5008), Volkswagen (Passat, Polo), Audi A3, Seat (Leon, Ibiza, Ateca, Arona), Renault (Megane, Talisman) and Geely (Boyue)
- Increasing LED content with ADB on premium vehicles with BMW, Volvo and Volkswagen (Arteon) and the Laser on JLR Velar

Latest business developments:
- Continuous order intake increase on LED in North America (Dodge RAM, GM T1 facelift) and with ADB in Europe (VW Golf & T6, Audi A3, Renault XFD\(^2\)) and China (VW Passat, Geely platforms)
- Growth in interior lighting business; selective zoning with Daimler and RGB ambient with Volvo
- Award of Fusion/Mondeo and introduction of Aquablade for Mondeo/S-Max/Galaxy confirms strategic alignment with Ford
- 4-poles electronized motors perceived as competitive in the market
- Interest for brushless motor is growing, especially for electrical vehicles
- Growing interest on sensor cleaning activity

OEM sales
Like-for-like change

Total sales (€m)
H1 17  H2 17  2017
2,953  2,855  5,808
+29%  +21%  +25%

+11%  +4%  +7%

Total sales - change as reported

Key figures:

2017 key figures:
- Sales: €5.8bn (31% of Group sales)
- EBITDA: 13.2% (32% of Group EBITDA)
- 37,200 employees
- 49 production units
- 15 development centers
- 5 research centers

Market share* and competitors:
- Lighting Systems: Valeo no.1
  Valeo + Koito + Magnetti Marelli ~ 58%*
- Wiper Systems: Valeo no.1
  Valeo + Denso + Bosch ~ 67%*

*Valeo estimate
**GROWTH IN THE 4 BUSINESS GROUPS**

<table>
<thead>
<tr>
<th>Business Group</th>
<th>2017 Total Sales Growth (year-on-year)</th>
<th>OEM Sales Growth (like-for-like)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>H2</td>
</tr>
<tr>
<td>CDA*</td>
<td>+7%**</td>
<td>+6%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>+7%</td>
<td>+3% South Korean impact -3.6 pts</td>
</tr>
<tr>
<td>Thermal</td>
<td>+8%***</td>
<td>+7%</td>
</tr>
<tr>
<td>Visibility</td>
<td>+25%****</td>
<td>+4%</td>
</tr>
<tr>
<td>Group</td>
<td>+12%</td>
<td>+5%</td>
</tr>
</tbody>
</table>

* Comfort & Driving Assistance  **Including peiker  ***Including Spheros  ****Including Ichikoh

**Group**: €18.6bn

% 2017 sales

- VIS 31%
- CDA 19%
- PTS 23%
- THS 27%

**February 22, 2018**

CONFIDENTIAL
EBITDA TO 13.1% OF SALES, UP 14% OR €2,436M

In €m and as a % of sales

<table>
<thead>
<tr>
<th></th>
<th>2015 FY</th>
<th>2016 FY</th>
<th>2017 H1</th>
<th>2017 H2</th>
<th>2017 FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA</td>
<td>14.5</td>
<td>14.7</td>
<td>14.5</td>
<td>14.6</td>
<td>14.5</td>
</tr>
<tr>
<td>Powertrain</td>
<td>12.8</td>
<td>13.3</td>
<td>12.8</td>
<td>13.6</td>
<td>13.2</td>
</tr>
<tr>
<td>Thermal</td>
<td>10.7</td>
<td>10.0</td>
<td>10.3</td>
<td>11.3</td>
<td>10.8</td>
</tr>
<tr>
<td>Visibility</td>
<td>12.4</td>
<td>13.9</td>
<td>13.3</td>
<td>13.1</td>
<td>13.2</td>
</tr>
<tr>
<td>Group</td>
<td>12.7</td>
<td>13.0</td>
<td>12.8</td>
<td>13.4</td>
<td>13.1</td>
</tr>
</tbody>
</table>

February 22, 2018
### SEGMENT INFORMATION

#### 2017

<table>
<thead>
<tr>
<th>(£m)</th>
<th>Comfort &amp; Driving Assistance Systems</th>
<th>Powertrain Systems</th>
<th>Thermal Systems</th>
<th>Visibility Systems</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16,519</td>
</tr>
<tr>
<td>● segment (excluding Group)</td>
<td>3,565</td>
<td>4,220</td>
<td>4,953</td>
<td>5,712</td>
<td>100</td>
<td>18,484</td>
</tr>
<tr>
<td>● intersegment (Group)</td>
<td>25</td>
<td>80</td>
<td>50</td>
<td>96</td>
<td>(251)</td>
<td>66</td>
</tr>
<tr>
<td>EBITDA</td>
<td>522</td>
<td>566</td>
<td>539</td>
<td>767</td>
<td>42</td>
<td>2,436</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(412)</td>
<td>(212)</td>
<td>(204)</td>
<td>(279)</td>
<td>(23)</td>
<td>(1,130)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>537</td>
<td>390</td>
<td>430</td>
<td>508</td>
<td>37</td>
<td>1,902</td>
</tr>
<tr>
<td>Segment assets</td>
<td>2,273</td>
<td>3,361</td>
<td>2,252</td>
<td>2,549</td>
<td>143</td>
<td>10,578</td>
</tr>
</tbody>
</table>

#### 2016

<table>
<thead>
<tr>
<th>(£m)</th>
<th>Comfort &amp; Driving Assistance Systems</th>
<th>Powertrain Systems</th>
<th>Thermal Systems</th>
<th>Visibility Systems</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16,519</td>
</tr>
<tr>
<td>● segment (excluding Group)</td>
<td>3,343</td>
<td>3,975</td>
<td>4,622</td>
<td>4,545</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>● intersegment (Group)</td>
<td>20</td>
<td>52</td>
<td>23</td>
<td>104</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>496</td>
<td>534</td>
<td>463</td>
<td>645</td>
<td>6</td>
<td>2,144</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(334)</td>
<td>(183)</td>
<td>(184)</td>
<td>(235)</td>
<td>(20)</td>
<td>(956)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>342</td>
<td>357</td>
<td>302</td>
<td>330</td>
<td>30</td>
<td>1,361</td>
</tr>
<tr>
<td>Segment assets</td>
<td>1,981</td>
<td>2,107</td>
<td>2,024</td>
<td>2,028</td>
<td>83</td>
<td>8,223</td>
</tr>
</tbody>
</table>
### QUARTERLY INFORMATION (IN €M)

#### Sales by segment

<table>
<thead>
<tr>
<th></th>
<th>Q1-13</th>
<th>Q2-13</th>
<th>Q3-13</th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
<th>Q1-15</th>
<th>Q2-15</th>
<th>Q3-15</th>
<th>Q4-15</th>
<th>Q1-16</th>
<th>Q2-16</th>
<th>Q3-16</th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>Q3-17</th>
<th>Q4-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance Systems</td>
<td>623</td>
<td>569</td>
<td>515</td>
<td>531</td>
<td>552</td>
<td>572</td>
<td>573</td>
<td>614</td>
<td>657</td>
<td>679</td>
<td>663</td>
<td>721</td>
<td>794</td>
<td>866</td>
<td>825</td>
<td>877</td>
<td>938</td>
<td>899</td>
<td>859</td>
<td>894</td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>774</td>
<td>817</td>
<td>752</td>
<td>818</td>
<td>848</td>
<td>848</td>
<td>798</td>
<td>843</td>
<td>948</td>
<td>978</td>
<td>877</td>
<td>959</td>
<td>983</td>
<td>1,028</td>
<td>966</td>
<td>1,051</td>
<td>1,105</td>
<td>1,058</td>
<td>963</td>
<td>1,174</td>
</tr>
<tr>
<td>Thermal Systems</td>
<td>818</td>
<td>885</td>
<td>832</td>
<td>837</td>
<td>880</td>
<td>934</td>
<td>934</td>
<td>1,007</td>
<td>1,039</td>
<td>992</td>
<td>1,036</td>
<td>1,063</td>
<td>1,186</td>
<td>1,140</td>
<td>1,255</td>
<td>1,312</td>
<td>1,282</td>
<td>1,157</td>
<td>1,252</td>
<td></td>
</tr>
<tr>
<td>Visibility Systems</td>
<td>733</td>
<td>762</td>
<td>711</td>
<td>764</td>
<td>876</td>
<td>925</td>
<td>856</td>
<td>957</td>
<td>1,022</td>
<td>1,072</td>
<td>967</td>
<td>1,124</td>
<td>1,119</td>
<td>1,176</td>
<td>1,102</td>
<td>1,252</td>
<td>1,458</td>
<td>1,495</td>
<td>1,355</td>
<td>1,500</td>
</tr>
<tr>
<td>Total sales</td>
<td>2,927</td>
<td>3,017</td>
<td>2,792</td>
<td>2,926</td>
<td>3,112</td>
<td>3,235</td>
<td>3,069</td>
<td>3,309</td>
<td>3,581</td>
<td>3,717</td>
<td>3,449</td>
<td>3,797</td>
<td>3,917</td>
<td>4,213</td>
<td>3,994</td>
<td>4,395</td>
<td>4,767</td>
<td>4,697</td>
<td>4,301</td>
<td>4,785</td>
</tr>
</tbody>
</table>

#### Sales by type

<table>
<thead>
<tr>
<th></th>
<th>Q1-13</th>
<th>Q2-13</th>
<th>Q3-13</th>
<th>Q4-13</th>
<th>Q1-14</th>
<th>Q2-14</th>
<th>Q3-14</th>
<th>Q4-14</th>
<th>Q1-15</th>
<th>Q2-15</th>
<th>Q3-15</th>
<th>Q4-15</th>
<th>Q1-16</th>
<th>Q2-16</th>
<th>Q3-16</th>
<th>Q4-16</th>
<th>Q1-17</th>
<th>Q2-17</th>
<th>Q3-17</th>
<th>Q4-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aftermarket</td>
<td>375</td>
<td>374</td>
<td>361</td>
<td>377</td>
<td>376</td>
<td>377</td>
<td>366</td>
<td>400</td>
<td>413</td>
<td>387</td>
<td>399</td>
<td>411</td>
<td>434</td>
<td>417</td>
<td>417</td>
<td>487</td>
<td>476</td>
<td>446</td>
<td>478</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>82</td>
<td>76</td>
<td>83</td>
<td>100</td>
<td>59</td>
<td>103</td>
<td>59</td>
<td>119</td>
<td>68</td>
<td>101</td>
<td>72</td>
<td>69</td>
<td>110</td>
<td>105</td>
<td>156</td>
<td>106</td>
<td>160</td>
<td>104</td>
<td>173</td>
<td></td>
</tr>
<tr>
<td>Total sales</td>
<td>2,927</td>
<td>3,017</td>
<td>2,792</td>
<td>2,926</td>
<td>3,112</td>
<td>3,235</td>
<td>3,069</td>
<td>3,309</td>
<td>3,581</td>
<td>3,717</td>
<td>3,449</td>
<td>3,797</td>
<td>3,917</td>
<td>4,213</td>
<td>3,994</td>
<td>4,395</td>
<td>4,767</td>
<td>4,697</td>
<td>4,301</td>
<td>4,785</td>
</tr>
</tbody>
</table>
Q4 SALES UP 9% AS REPORTED, UP 4% LIKE-FOR-LIKE

Like-for-like

- +4%
- +5%
- +7%

€m

- Q4 17: 4,785
- H2 17: 9,086
- 2017: 18,550

Reported

- Q4 16: +9%
- H2 16: +8%
- FY 16: +12%

Q4 16:
- 4,395
- Exchange rates: -3.7%
- Scope: +8.4%

H2 16:
- 8,389
- Exchange rates: -3.5%
- Scope: +7.2%

FY 16:
- 16,519
- Exchange rates: -1.1%
- Scope: +6.8%
Q4 OEM SALES UP 8% AS REPORTED, UP 4% LIKE-FOR-LIKE

### OEM sales

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>H2 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>4,134</td>
<td>7,885</td>
<td>16,120</td>
</tr>
</tbody>
</table>

**Like-for-like**

- +4%*
- +5%*
- +7%*

**Reported**

- **+8%**
- +8%**
- +12%**

### Aftermarket

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>H2 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>478</td>
<td>924</td>
<td>1,887</td>
</tr>
</tbody>
</table>

**Like-for-like**

- +4%*
- +3%*
- +4%*

**Reported**

- +15%**
- +11%**
- +12%**

### Miscellaneous

<table>
<thead>
<tr>
<th></th>
<th>Q4 17</th>
<th>H2 17</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>173</td>
<td>277</td>
<td>543</td>
</tr>
</tbody>
</table>

**Like-for-like**

- +5%*
- -3%*
- +9%*

**Reported**

- +13%**
- +7%**
- +24%**

---

*Exchange rates and scope contributions to sales growth.*
3-PT OEM SALES OUTPERFORMANCE, INCLUDING - 0.2 PT IMPACT OF SOUTH KOREA

Q4
Like-for-like

North America
Production*** -5%

18% of Valeo sales
OEM sales** +1%
Outperf. +6pts

South America
Production*** +18%

2% of Valeo sales
OEM sales** +20%
Outperf. +2pts

Europe*
Production*** +6%

46% of Valeo sales
OEM sales** +6%
Outperf. 0pt

Asia* excl. China
Production*** -1%

17% of Valeo sales
OEM sales** -3%
Underperf. -2pts

China
Production*** 0%

17% of Valeo sales
OEM sales** +8%
Outperf. +8pts

World
Production*** +1%

17% of Valeo sales
OEM sales** +4%
Outperf. +3pts

South Korean impact -0.2pts

* Europe including Africa;  
Asia including Middle East  
** Valeo OEM sales by destination  
***LMC estimates released on February 8, 2018 – light vehicle production
3-PT OUTPERFORMANCE IN ASIA, INCLUDING - 0.5 PT IMPACT OF SOUTH KOREA

Q4
Like-for-like

34% of total sales
Asia
Production** 0%
Outperf. +3pts

OEM sales** +3%
South Korean impact -0.5pts

22% of Asian sales
Japan
Production** +3%
22% of Asian sales
OEM sales* -11%

18% of Asian sales
South Korea
Production** -21%
18% of Asian sales
Underperf. -14pts

2% of Asian sales
India
Production** +8%
3% of Asian sales
Outperf. +16pts

Outperf. +8pts
OEM sales* +8%
China
Production** 0%

51% of Asian sales
South Korean impact -2.4pts

3% of Asian sales
India
Production** +8%
Outperf. +18pts

Outperf. +18pts
OEM sales* +0%
China
Production** 0%

64%
OEM sales as reported

* Valeo OEM sales by destination
** LMC estimates released on February 8, 2018 – light vehicle production
*** Indian operations
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,944</td>
<td>5,718</td>
<td>6,347</td>
<td>6,378</td>
<td>7,298</td>
<td>7,246</td>
<td>8,130</td>
<td>8,389</td>
<td>9,464</td>
<td>9,086</td>
</tr>
<tr>
<td>Gross margin</td>
<td>1,011</td>
<td>998</td>
<td>1,080</td>
<td>1,123</td>
<td>1,280</td>
<td>1,293</td>
<td>1,488</td>
<td>1,532</td>
<td>1,761</td>
<td>1,713</td>
</tr>
<tr>
<td>R&amp;D expenditure, net</td>
<td>(318)</td>
<td>(296)</td>
<td>(350)</td>
<td>(335)</td>
<td>(402)</td>
<td>(395)</td>
<td>(485)</td>
<td>(471)</td>
<td>(582)</td>
<td>(548)</td>
</tr>
<tr>
<td>Selling &amp; administrative expenses</td>
<td>(318)</td>
<td>(311)</td>
<td>(326)</td>
<td>(330)</td>
<td>(363)</td>
<td>(353)</td>
<td>(384)</td>
<td>(407)</td>
<td>(454)</td>
<td>(435)</td>
</tr>
<tr>
<td>Share in net earnings of equity-accounted companies</td>
<td>8</td>
<td>18</td>
<td>32</td>
<td>19</td>
<td>23</td>
<td>33</td>
<td>28</td>
<td>33</td>
<td>29</td>
<td>(7)</td>
</tr>
<tr>
<td>Operating margin incl. share in net earnings of equity-accounted companies</td>
<td>383</td>
<td>409</td>
<td>436</td>
<td>477</td>
<td>538</td>
<td>578</td>
<td>647</td>
<td>687</td>
<td>754</td>
<td>723</td>
</tr>
<tr>
<td>Other income &amp; expenses</td>
<td>(41)</td>
<td>(26)</td>
<td>(34)</td>
<td>(20)</td>
<td>(21)</td>
<td>(96)</td>
<td>(34)</td>
<td>(23)</td>
<td>(44)</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>342</td>
<td>383</td>
<td>402</td>
<td>457</td>
<td>517</td>
<td>482</td>
<td>613</td>
<td>688</td>
<td>731</td>
<td>679</td>
</tr>
<tr>
<td>Cost of net debt</td>
<td>(49)</td>
<td>(49)</td>
<td>(47)</td>
<td>(44)</td>
<td>(43)</td>
<td>(41)</td>
<td>(43)</td>
<td>(40)</td>
<td>(37)</td>
<td>(36)</td>
</tr>
<tr>
<td>Other financial income and expenses</td>
<td>(21)</td>
<td>(25)</td>
<td>(20)</td>
<td>(26)</td>
<td>(26)</td>
<td>(9)</td>
<td>(24)</td>
<td>(22)</td>
<td>(25)</td>
<td>(22)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>272</td>
<td>309</td>
<td>335</td>
<td>387</td>
<td>448</td>
<td>432</td>
<td>546</td>
<td>626</td>
<td>669</td>
<td>621</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(68)</td>
<td>(45)</td>
<td>(65)</td>
<td>(64)</td>
<td>(80)</td>
<td>(26)</td>
<td>(97)</td>
<td>(92)</td>
<td>(130)</td>
<td>(195)</td>
</tr>
<tr>
<td>Income from continuing operations</td>
<td>204</td>
<td>264</td>
<td>270</td>
<td>323</td>
<td>368</td>
<td>406</td>
<td>449</td>
<td>534</td>
<td>539</td>
<td>426</td>
</tr>
<tr>
<td>Non-strategic activities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net income for the period</td>
<td>204</td>
<td>264</td>
<td>270</td>
<td>323</td>
<td>368</td>
<td>406</td>
<td>449</td>
<td>534</td>
<td>539</td>
<td>426</td>
</tr>
<tr>
<td>Net income</td>
<td>190</td>
<td>249</td>
<td>256</td>
<td>306</td>
<td>344</td>
<td>385</td>
<td>422</td>
<td>503</td>
<td>506</td>
<td>380</td>
</tr>
</tbody>
</table>
3 REVOLUTIONS IN THE AUTOMOTIVE INDUSTRY

MOBILITY & DIGITAL

ELECTRIFICATION & SMART ENGINES

AUTONOMOUS & CONNECTED CAR
THERE IS NO SINGLE SOLUTION IN ELECTRIFICATION
EACH SOLUTION WILL ENABLE TO INCREASE THE PTS CONTENT PER CAR

LOW VOLTAGE SOLUTIONS (12V & 48V)

- CITY
  - ZERO EMISSION (ZE) AREAS
  - SHORT TRIPS
  - EASY PLUG-IN
- SMALL
  - LOW COST
  - ALREADY LOW CO₂
  - COMMUTERS
- MEDIUM LARGE
  - ALTERNATIVE TO DIESEL
  - PRICE CONSTRAINT
  - COMMUTERS

LOW POWER BEV
(Battery Electric Vehicle)
12V MILD HYBRID
48V MILD HYBRID

PHEV
(Plug-In Hybrid Vehicle)
HIGH POWER BEV
(Battery Electric Vehicle)

HIGH VOLTAGE SOLUTIONS

- PREMIUM
  - LONG HAUL
  - HIGH EMISSIONS
  - HIGH PRICE
  - NEED TO ENTER ZE AREAS
- HIGH POWER
  - PERFORMANCE
  - ACCELERATION
  - GREEN LUXURY
COMFORT & DRIVING ASSISTANCE SYSTEMS: WELL POSITIONED ON AUTONOMOUS AND CONNECTED CARS
4 BALANCED & COHERENT BUSINESS GROUPS
WITH MARKET-LEADING POSITIONS & GROWTH POTENTIAL
OUR 4 BUSINESS GROUPS ARE FUELED BY SUCCESSIVE INNOVATION WAVES

VISIBILITY SYSTEMS
- Experience of travelling
- Reinvention of wiper systems
- Generalization of LEDs

POWERTRAIN SYSTEMS
- Electrification high power
- Electrification medium power 12V & 48V
- Smart engines & transmissions

COMFORT & DRIVING ASSISTANCE
- More intuitive
- More connected
- More automated

THERMAL SYSTEMS
- Health & well-being
- Electric vehicle range & reliability
- Internal combustion engine emissions decrease

ELECTRIFICATION
- High power
- Medium power 12V & 48V

SMART ENGINES & TRANSMISSIONS

February 22, 2018
PROFITABILITY
EBITDA BY BUSINESS GROUP

VISIBILITY SYSTEMS

2016

2021

~€7.7 BILLION SALES*

CAGR: >10%

~14% EBITDA*

* INCLUDING ICHIKOH

POWERTRAIN SYSTEM

2016

2021

~€8.0 BILLION SALES*

CAGR: >14%

~15% EBITDA*

* INCLUDING VALEO-KAEPS & FTE JV CONSOLIDATED ON EQUITY

COMFORT & DRIVING ASSISTANCE SYSTEMS

2016

2021

~€3.4 BILLION SALES

14.7% EBITDA

CAGR: >10%

~17% EBITDA

THERMAL SYSTEM

2016

2021

~€4.6 BILLION SALES

10.0% EBITDA

CAGR: >7%

~13% EBITDA
A WELL-BALANCED GEOGRAPHICAL PORTFOLIO*

![Graph showing geographical portfolio for 2016 and 2021 with regions and their percentages. Choice of regions includes Europe, North America, South America, China, Asia w/o China.]

* OEM sales by destination
A WELL-BALANCED CUSTOMER PORTFOLIO

2016

GERMAN: 27%
AMERICAN: 15%
FRENCH: 36%
ASIAN: 22%
OTHERS: 6%

2021

GERMAN: 28%
AMERICAN: 18%
FRENCH: 36%
ASIAN: 11%
OTHERS: 7%
VALEO’S VIRTUOUS CIRCLE

- **M&A**
- **Profitability & Cash**
- **R&D Increase**
- **Profitability Improvement and G&A Decrease**
- **Innovation**
- **Sales Growth**
- **Order Intake Growth**
- **Synergies**
## MID-TERM FINANCIAL TARGETS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SALES (€bn)</strong></td>
<td>16.5</td>
<td>18.5</td>
<td>&gt; 27</td>
</tr>
<tr>
<td><em><em>EBITDA</em> (as a % of sales)</em>*</td>
<td>13.0%</td>
<td>13.1%</td>
<td>~15%</td>
</tr>
<tr>
<td><em><em>OPERATING MARGIN</em> (as a % of sales)</em>*</td>
<td>8.1%</td>
<td>8.0%</td>
<td>~9.0%</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW (€m)</strong></td>
<td>0.7</td>
<td>0.3</td>
<td>3.7 over the 2017-2021 period</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>34%</td>
<td>30%</td>
<td>~30%</td>
</tr>
<tr>
<td><strong>ROA</strong>*</td>
<td>21%</td>
<td>19%</td>
<td>&gt;20%</td>
</tr>
</tbody>
</table>

* Including joint Ventures and associates
** 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.
Products that directly or indirectly contribute to reducing CO\textsubscript{2} emissions accounted for more than 50% of Valeo’s original equipment sales in 2016.
CONTACTS

Investor Relations

Valeo
43, rue Bayen
F-75848 Paris Cedex 17
France

Thierry Lacorre
E-mail: thierry.lacorre@valeo.com
Website: www.valeo.com
**SHARE INFORMATION**

### Share Data

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomberg Ticker</td>
<td>FR FP</td>
</tr>
<tr>
<td>Reuters Ticker</td>
<td>VLOF.PA</td>
</tr>
<tr>
<td>ISIN Number</td>
<td>FR 0013176526</td>
</tr>
<tr>
<td>Shares outstanding as of December 29, 2017</td>
<td>239,653,121</td>
</tr>
</tbody>
</table>

### ADR Data

<table>
<thead>
<tr>
<th>Item</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker/trading symbol</td>
<td>VLEEY</td>
</tr>
<tr>
<td>CUSIP Number</td>
<td>919134304</td>
</tr>
<tr>
<td>Exchange</td>
<td>OTC</td>
</tr>
<tr>
<td>Ratio (ADR: ord)</td>
<td>1:2</td>
</tr>
<tr>
<td>Depositary Bank</td>
<td>J.P. Morgan</td>
</tr>
<tr>
<td>Contact at J.P. Morgan – ADR broker</td>
<td>Jim Reeves +1 212-622-2710</td>
</tr>
<tr>
<td>relationship desk</td>
<td></td>
</tr>
</tbody>
</table>
GLOSSARY

1) **Order intake** corresponds to business awarded by automakers during the period (including joint ventures accounted for based on Valeo's share in net equity) less any cancellations, based on Valeo's best reasonable estimates in terms of volumes, selling prices and project lifespans. *Unaudited indicator.*

2) **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, and (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.

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

4) **Net attributable income excluding non-recurring items** corresponds to net attributable income adjusted for “other income and expenses” net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.

5) **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.

6) **ROA**, or return on assets, corresponds to operating income divided by capital employed (including investments in equity-accounted companies) including goodwill.

7) **EBITDA**, which 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 received from equity-accounted companies.

8) **Free cash flow** corresponds to net cash from operating activities (excluding the change in non-recurring sales of receivables) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

9) **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 investments without a change in control, and (iii) changes in non-recurring sales of receivables.

10) **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.
SAFE HARBOR STATEMENT

Statements contained in this document, 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 document, 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, 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 2016 Registration Document registered with the AMF on March 24, 2017 (under no. D.17-0226).

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 document. 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 document.