FY 2018 RESULTS

JACQUES ASCHENBROICH – CHAIRMAN & CEO
2018 RESULTS IN LINE WITH OCTOBER GUIDANCE THANKS TO COST-SAVING PLAN

<table>
<thead>
<tr>
<th></th>
<th>October 2018 guidance</th>
<th>2018 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth at constant exchange rates</td>
<td>+6%</td>
<td>+6%</td>
</tr>
<tr>
<td>H2 OEM outperformance</td>
<td>+2pts</td>
<td>+3pts</td>
</tr>
<tr>
<td>Operating margin (excl. JV &amp; associates)</td>
<td>6.2% - 6.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>JV &amp; associates</td>
<td>-0.4% - -0.5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>€120m - €150m</td>
<td>€161m</td>
</tr>
</tbody>
</table>
SUCCESSFUL & ACCRETIVE INTEGRATIONS
2018 DIVIDEND OF €1.25/SHARE TO BE PROPOSED AT THE NEXT AGM

**Dividend (€/share)**

- 2010: 0.4
- 2011: 0.47
- 2012: 0.5
- 2013: 0.57
- 2014: 0.73
- 2015: 1.0
- 2016: 1.25
- 2017: 1.25
- 2018: 1.25

**EPS (€/share)**

- 2010: 1.62
- 2011: 1.89
- 2012: 1.68
- 2013: 1.90
- 2014: 2.41
- 2015: 3.11
- 2016: 3.91
- 2017: 3.69
- 2018: 2.30

**EPS excl. non-recurring items (€/share)**

- 2010: 1.62
- 2011: 1.89
- 2012: 1.85
- 2013: 2.17
- 2014: 2.54
- 2015: 3.52
- 2016: 3.98
- 2017: 4.33
- 2018: 2.52

**Payout ratio**

- 2010: 25%
- 2011: 25%
- 2012: 30%
- 2013: 30%
- 2014: 30%
- 2015: 32%
- 2016: 32%
- 2017: 34%
- 2018: 54%

2018 DIVIDEND OF €1.25/SHARE LEADING TO A PAYOUT RATIO OF 54%
GEOPOLITICAL & MACRO ECONOMIC HEADWINDS

**RAW MATERIALS VOLATILITY**

**FOREIGN EXCHANGE VOLATILITY**

**TRADE WAR**

**GEOPOLITICS & EXPORT CONTROLS**

Dedicated mitigation plans

Iran-related activities shutdown

February 21, 2019
AUTOMOTIVE SECTOR IN (R)EVOLUTION

IMPLEMENTATION OF WLTP

Launch of a cost reduction plan in H2 2018

DECLINE IN CHINESE PRODUCTION

~25% of our Valeo engineers are now software engineers

SOFTWARE AND AI

Creation of valeo.ai

NEWCOMERS

New customers & new business models

February 21, 2019
AN INTEGRATED MODEL FULLY CENTERED ON THE 3 AUTOMOTIVE REVOLUTIONS

EXAMPLE OF INTERIOR COCOON

EXAMPLE OF SENSOR CLEANING SYSTEMS
2019 OUTLOOK
STRICT CONTROL OF R&D, SG&A AND CAPEX

ORGANIZATION
- INCREASED STANDARDIZATION
- SOFTWARE PLATFORMS

FOOTPRINT
- MASSIVE SHIFT TO OFFSHORE

EFFICIENCY
- EFFICIENCY PLANS (BY BUSINESS AND PRODUCT)

FOOTPRINT
- ACCELERATION OF SHIFT TO LOW-COST COUNTRIES
- VARIABILIZATION OF COSTS

EFFICIENCY
- NEAR-TERM IMPLEMENTATION OF VALEO PLANT OF THE FUTURE AUTOMATION

CAPEX
- STRICT CONTROL CAPACITY REUSE AND MANAGEMENT
A GRADUAL INCREASE IN LIKE-FOR-LIKE GROWTH AND MARKET OUTPERFORMANCE DURING THE YEAR

- Arrival of new platforms in 2019
- Examples of new products
- +85% Content per car for Valeo leading to +€800m Additional sales in 2019
2019 OUTLOOK

In a context of:

- volatile global automotive production (estimated growth of between 0% and -1% over the year compared with 2018) with a decline in the first half due to the economic environment in China, and an improvement in the second half;
- uncertainty regarding the price of raw materials and electronic components.

The Valeo Group has set the following objectives:

- a stronger market outperformance than in second-half 2018, increasing gradually during the year thanks to the start of production on new contracts, particularly in the camera, electrical and transmission systems, and lighting segments;
- roll-out of a new program to reduce costs by more than 100 million euros and capital expenditure by more than 100 million euros;
- EBITDA growth (in value terms);
- higher free cash flow generation than in 2018;
- operating margin excluding share in net earnings of equity-accounted companies (as a % of sales) of between 5.8% and 6.5%, depending on the trends in automotive production and in the price of raw materials and electronic components;
- a “share in net earnings of equity-accounted companies” line which, as announced, is expected to have a similar impact on Valeo’s 2019 statement of income as it did in 2018.
GROWTH POTENTIAL CONFIRMED

2018 ORDER INTAKE AT 1.7X OEM SALES OR €28.6bn
- €24.2bn OR 1.5X OEM SALES (EXCL. VALEO SIEMENS EAUTOMOTIVE), 10% CAGR SINCE 2013
- €4.4bn AT VALEO SIEMENS EAUTOMOTIVE, A CUMULATIVE €10.5bn AT YEAR-END
**TOTAL ORDER INTAKE OF €28.6bn**

€24.2bn EXCLUDING VALEO SIEMENS EAUTOMOTIVE...

...CONFIRMING VALEO’S FUTURE CAPACITY TO OUTPERFORM AUTOMOTIVE PRODUCTION

Full-year order intake***

€bn

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valeo Siemens eAutomotive</td>
<td>7.1</td>
<td>8.9</td>
<td>9.4</td>
<td>9.6</td>
<td>8.8</td>
<td>11.9</td>
<td>14.1</td>
<td>15.1</td>
<td>14.8</td>
<td>17.5</td>
<td>20.1</td>
<td>23.6</td>
<td>27.6</td>
<td>24.2</td>
</tr>
<tr>
<td>Valeo</td>
<td>6.1</td>
<td>4.4</td>
<td>28.6</td>
<td>33.7</td>
<td>1.4X*</td>
<td>1.6X*</td>
<td>1.6X*</td>
<td>1.6X*</td>
<td>1.9X*</td>
<td>1.7X*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**CAGR**

1.7X* 1.9X* 1.6X* 1.6X* 1.6X* 1.4X*

---

*Order intake / OEM sales ratio
** Reference 2013 → 2018 (excluding Valeo Siemens eAutomotive)
*** See glossary page 83 excluding Access Mechanisms between 2005 & 2013 & Valeo Siemens eAutomotive
ORDER INTAKE/OEM SALES RATIO AT 1.7X (INCL. VALEO SIEMENS eAUTOMOTIVE)

Order intake of €24.2bn

<table>
<thead>
<tr>
<th>Region</th>
<th>% of 2018 order intake*</th>
<th>% of 2018 order intake</th>
<th>Order intake/OEM sales ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>14%</td>
<td>41%</td>
<td>1.8x</td>
</tr>
<tr>
<td>China</td>
<td>25%</td>
<td>43%</td>
<td>2.4x</td>
</tr>
<tr>
<td>Europe</td>
<td>14%</td>
<td>46%</td>
<td>1.4x</td>
</tr>
<tr>
<td>North America</td>
<td>32%</td>
<td>44%</td>
<td>1.1x</td>
</tr>
<tr>
<td>South America</td>
<td>2%</td>
<td>45%</td>
<td>1.0x</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
<td>1.5x</td>
</tr>
<tr>
<td>Incl. Valeo Siemens</td>
<td></td>
<td></td>
<td>1.7x</td>
</tr>
</tbody>
</table>

OEM sales of €16.5bn

<table>
<thead>
<tr>
<th>Region</th>
<th>% of 2018 OEM sales*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>2%</td>
</tr>
<tr>
<td>Asia</td>
<td>34%</td>
</tr>
<tr>
<td>Asia excl. China</td>
<td>19%</td>
</tr>
<tr>
<td>China</td>
<td>15%</td>
</tr>
<tr>
<td>Europe</td>
<td>32% with local Chinese OEMs</td>
</tr>
<tr>
<td>NA excl. China</td>
<td>16%</td>
</tr>
<tr>
<td>Asia</td>
<td>34%</td>
</tr>
</tbody>
</table>

*OEM sales and order intake by destination including joint ventures but excluding Valeo Siemens eAutomotive
INNOVATION FUELING ORGANIC GROWTH

Valeo order intake

Artificial Intelligence by Valeo

> €1bn order intake: AI-enriched surround view & automated parking systems with object and pedestrian detection features

€1bn order intake for robotaxis

Increasing order intake for cross-Business Group systems

OI CAGR 2013-2018: +10%

*Products and technologies sold by less than 3 years excl. Valeo Siemens eAutomotive
Q4 2018 SALES
TOTAL SALES OF €4.8bn, UP 1% AT CONSTANT EXCHANGE RATES
DOWN 2% LIKE FOR LIKE

H2 2018 SALES
TOTAL SALES OF €9.3bn, UP 3% AT CONSTANT EXCHANGE RATES
DOWN 1% LIKE FOR LIKE

OEM SALES UP 2% AT CONSTANT EXCHANGE RATES
DOWN 2% LIKE FOR LIKE

AFTERMARKET SALES UP 7% AT CONSTANT EXCHANGE RATES
UP 2% LIKE FOR LIKE

February 21, 2019
Q4 18 SALES UP 1% AT CONSTANT EXCHANGE RATES
DOWN 2% LIKE FOR LIKE

Q4 18
At constant exchange rates

-1%  +3%  +37%

212

487

€m

4,135

4,834

Like for like

OEM  Aftermarket  Miscellaneous  Sales

-3%  +1%  +28%  -2%

+0%  +2%  +23%  +1%

Q4 17  4,134  Q4 17  478  Q4 17  173  Q4 17  4,785
Exchange rates  +0.5%  Exchange rates  -1.3%  Exchange rates  -14.5%  Exchange rates  +0.3%
Scope  +2.8%  Scope  +2.6%  Scope  +9.4%  Scope  +2.6%
H2 18 SALES UP 3% AT CONSTANT EXCHANGE RATES
DOWN 1% LIKE FOR LIKE

At constant exchange rates

+2%  
+7%  
+22%  
+3%

OEM
8,039

Aftermarket
969

Miscellaneous
314

Sales
9,322

Like for like

-2%  
+2%  
+16%  
-1%

Reported

-2%  
+2%  
+16%  
-1%

H2 17  
H2 17  
H2 17  
H2 17

Exchange rates +0.2%  
Exchange rates -1.8%  
Exchange rates -8.9%  
Exchange rates +0.0%

Scope +4.1%  
Scope +4.5%  
Scope +6.1%  
Scope +3.9%

February 21, 2019
3-POINT OEM SALES OUTPERFORMANCE IN H2 (LIKE FOR LIKE)

Q4 & H2 18
At constant exchange rates

OEM sales €m

Q4 18
H2 18
2018
4,135
8,039
16,667

Reported

Exchange rates
Scope

0%
+0.5%
+2.8%

+2%
Exchange rates
Scope

+0.2%
+4.1%

+3%
Exchange rates
Scope

+2.1%
+5.2%

Outperformance
OEM sales growth
Like for like

+3pts
-3%

+3pts
-2%

+1.5pts
+0%

February 21, 2019
3-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

H2 18

Like for like

North America

- 21% of Valeo sales
- OEM sales +6%
- Outperformance +4pts vs IHS

Europe (1)

- 44% of Valeo sales
- OEM sales (-4%)
- Outperformance +1pt vs IHS

Asia (1) excl. China

- 19% of Valeo sales
- OEM sales +4%
- Outperformance +4pts vs IHS

South America

- 2% of Valeo sales
- OEM sales +8%
- Outperformance +11pts vs IHS

World

- Outperformance +3pts vs IHS

China

- 14% of Valeo sales
- OEM sales -16%
- Outperformance -3pts vs CPCA

(1) Europe including Africa; Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates

February 21, 2019
IN ASIA, 1-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

H2 18
Like for like

33% of total sales\(^{(1)}\)

Asia

OEM sales\(^{(1)}\)
-6%

Outperformance
+1pt vs IHS\(^{(2)}\)

26% of Asian sales\(^{(1)}\)

Japan

OEM sales\(^{(1)}\)
+11%

Outperformance
+11pts vs IHS\(^{(2)}\)

23% of Asian sales\(^{(1)}\)

South Korea

OEM sales\(^{(1)}\)
-3%

Outperformance
-7pts vs IHS\(^{(2)}\)

41% of Asian sales\(^{(1)}\)

China

OEM sales\(^{(1)}\)
-16%

Outperformance
-3pts vs CPCA\(^{(2)}\)

4% of Asian sales\(^{(1)}\)

India

OEM Sales\(^{(1)}\)
+12%

Outperformance
+10pts vs IHS\(^{(2)}\)

(1) Valeo OEM sales by destination
(2) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
## H2 2018 SALES BY BUSINESS GROUP

### At constant exchange rates

<table>
<thead>
<tr>
<th>Business Group</th>
<th>Total sales (in €m)</th>
<th>Reported Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>1,797</td>
<td>+3%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>2,426</td>
<td>+14%*</td>
</tr>
<tr>
<td>Thermal</td>
<td>2,448</td>
<td>+2%</td>
</tr>
<tr>
<td>Visibility</td>
<td>2,715</td>
<td>-5%</td>
</tr>
</tbody>
</table>

### Total sales

- Comfort & Driving Assistance: 1,797 €m
- Powertrain: 2,426 €m
- Thermal: 2,448 €m
- Visibility: 2,715 €m

### Outperformance

- OEM sales (like for like):
  - +2% increase

### Powertrain negatively impacted by:
- WLTP in Europe
- Customer mix in China
- Manual transmission in Korea

### Visibility negatively impacted by:
- WLTP in Europe
- Customer mix in China
- Delays in SOP

* Including FTE automotive & Valeo-Kapec

February 21, 2019
2018 TOTAL SALES

TOTAL SALES OF €19.3bn, UP 6% AT CONSTANT EXCHANGE RATES
UP 1% LIKE FOR LIKE

OEM SALES UP 6% AT CONSTANT EXCHANGE RATES
UP 0% LIKE FOR LIKE, 1.5-POINT OUTPERFORMANCE

AFTERMARKET SALES UP 10% AT CONSTANT EXCHANGE RATES
UP 4% LIKE FOR LIKE
2018 SALES UP 6% AT CONSTANT EXCHANGE RATES
UP 1% LIKE FOR LIKE

2018 At constant exchange rates

<table>
<thead>
<tr>
<th>EURm</th>
<th>+6%</th>
<th>+10%</th>
<th>+14%</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,667</td>
<td>2,010</td>
<td>584</td>
<td>19,261</td>
</tr>
</tbody>
</table>

Like for like
- OEM: +0%
- Aftermarket: +4%
- Miscellaneous: +7%
- Sales: +1%

Reported
- 2017:
  - OEM: Exchange rates -2.1%, Scope +5.2%
  - Aftermarket: Exchange rates -3.3%, Scope +6.0%
  - Miscellaneous: Exchange rates -6.6%, Scope +7.2%
  - Sales: Exchange rates -2.2%, Scope +5.1%
1.5-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

2018

At constant exchange rates

+9%

+2%

+6%

OEM sales €m

8,628

8,039

16,667

H1 18

H2 18

2018

Reported

Outperformance

OEM sales growth Like for like

+1pt

+3pts

+1.5pts

+3%

+2%

+3% -2% +0%

Exchange rates -4.3% +0.2% -2.1%

Scope +6.3% +0.1% +5.2%

February 21, 2019
1.5-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

2018
Like for like

**North America**
- 20% of Valeo sales
- Outperformance +3pts vs IHS
- OEM sales +2%

**South America**
- 2% of Valeo sales
- Outperformance +15%

**Europe**
- 46% of Valeo sales
- Outperformance +1 pt vs IHS

**Asia excl. China**
- 19% of Valeo sales
- Outperformance +5pts vs IHS

**World**
- 13% of Valeo sales
- Outperformance -3pts vs CPCA
- OEM sales +0%

**China**
- 13% of Valeo sales
- Outperformance -8%

---

(1) Europe including Africa; Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
IN ASIA, 1-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

2018
Like for like

32% of total sales

Asia

Outperformance +1pt vs IHS

26% of Asian sales

Japan

Outperformance +9pts vs IHS

23% of Asian sales

South Korea

Outperformance +1pt vs IHS

42% of Asian sales

China

Outperformance -3pts vs CPCA

42% of Asian sales

India

Outperformance +14pts vs HIS

4% of Asian sales

OEM sales

-1%

(1) Valeo OEM sales by destination
(2) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales

2017

- Western Europe: 32%
- Eastern Europe & Africa: 15%
- Asia excl. China: 15%
- China: 15%
- Mexico: 10%
- SA: 2%

57% in Asia & emerging countries

2018

- Western Europe: 31%
- Eastern Europe & Africa: 15%
- Asia excl. China: 19%
- China: 13%
- Mexico: 10%
- SA: 2%
- US: 11%
- SA: 2%

59% in Asia & emerging countries
DIVERSE CUSTOMER PORTFOLIO

% of OEM sales

2017

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

2018

German 29%
Asian 34%
American** 18%
French* 13%
Other 6%

* Including Opel
** Excluding Opel
2018 SALES BY BUSINESS GROUP

At constant exchange rates

- Comfort & Driving Assistance: +3%
- Powertrain: +20%*
- Thermal: +3%
- Visibility: 0%**

Total sales in €m
- Comfort & Driving Assistance: 3,638
- Powertrain: 5,059
- Thermal: 4,996
- Visibility: 5,703

Reported
- Comfort & Driving Assistance: +1%
- Powertrain: +18%*
- Thermal: +0%
- Visibility: -2%**

Outperformance
- OEM sales: +4pts
- Like for like: +3%

Visually negatively impacted by:
- WLTP in Europe
- Customer mix in China
- Manual transmission in Korea

Powertrain negatively impacted by:
- WLTP in Europe
- Customer mix in China
- Manual transmission in Korea
- Delays in SOP

* Including FTE automotive & Valeo-Kapec
** Including Ichikoh
OPERATING MARGIN EXCL. JV & ASSOCIATES
OF €1,203M OR 6.3% OF SALES

NET INCOME
OF €546M OR 2.9% OF SALES
GROSS MARGIN OF €3,674M OR 19.2% OF SALES

As a % of sales

---

Execution of costs savings and capex reduction plan in line with guidance

---

NB: rounded figures
STRICT CONTROL OF R&D EXPENDITURE, AT 8.2% OF SALES
IN LINE WITH 2018 DESPITE CHALLENGING ENVIRONMENT IN H2

R&D expenditure
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Capitalized Development Expenditure (€m)</th>
<th>Capitalized Development Expenditure as % of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>577</td>
<td>3.1%</td>
</tr>
<tr>
<td>2018</td>
<td>716</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Amortization and impairment of capitalized development expenditure (net of subsidies)
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Amortization and Impairment (€m)</th>
<th>Amortization and Impairment as % of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>262</td>
<td>1.4%</td>
</tr>
<tr>
<td>2018</td>
<td>308</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Peak of capitalization impact in 2018
STRICT CONTROL OF SG&A EXPENSES AT 4.8% OF SALES, STABLE DESPITE CHALLENGING ENVIRONMENT IN H2

SG&A
In €m and as a % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Selling expenses</th>
<th>Admin. expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>€303m*</td>
<td>3.2%</td>
</tr>
<tr>
<td>2018</td>
<td>€316m*</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

- 4.8% of which 0.1% of PPA
- 4.8% of which 0.2% of PPA

*Including PPA (Purchase Price Allocation) - selling expenses of €20m in 2017 and of €39m in 2018 represented by customer relationships

H2 17

<table>
<thead>
<tr>
<th>Expenses</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>€436</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

H2 18

<table>
<thead>
<tr>
<th>Expenses</th>
<th>% of Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>€422*</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

*excl. scope impacts

February 21, 2019
OPERATING MARGIN EXCL. JV & ASSOCIATES OF €1,203M OR 6.3% OF SALES

As a % of sales

Execution of costs savings and capex reduction plan in line with guidance

* Rounded figures
### OPERATING MARGIN* OF €1,203M OR 6.3% OF SALES

<table>
<thead>
<tr>
<th></th>
<th>H2 17</th>
<th>H2 18</th>
<th>▲</th>
<th>Total sales (€m)</th>
<th>2017</th>
<th>2018</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total sales</strong></td>
<td>9,051</td>
<td>9,261</td>
<td>+2%</td>
<td>18,484</td>
<td>19,124</td>
<td>+4%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>1,894</td>
<td>1,676</td>
<td>-12%</td>
<td>3,832</td>
<td>3,674</td>
<td>-4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20.9%</td>
<td>18.1%</td>
<td>-280bps</td>
<td>20.7%</td>
<td>19.2%</td>
<td>-150bps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(733)</td>
<td>(786)</td>
<td>+7%</td>
<td>(1,494)</td>
<td>(1,560)</td>
<td>+4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.1%</td>
<td>8.5%</td>
<td>-40bps</td>
<td>8.1%</td>
<td>8.2%</td>
<td>-10bps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(436)</td>
<td>(442)</td>
<td>-1%</td>
<td>(890)</td>
<td>(911)</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.8%</td>
<td>4.8%</td>
<td></td>
<td>4.8%</td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D expenditure</strong></td>
<td>725</td>
<td>448</td>
<td>-38%</td>
<td>1,448</td>
<td>1,203</td>
<td>-17%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.0%</td>
<td>4.8%</td>
<td>-320bps</td>
<td>7.8%</td>
<td>6.3%</td>
<td>-150bps</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(9)</td>
<td>(83)</td>
<td>na</td>
<td>(111)**</td>
<td>na</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.1)%</td>
<td>(0.9)%</td>
<td>-80bps</td>
<td>0.1%</td>
<td>(0.6)%</td>
<td>-70bps</td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>716</td>
<td>365</td>
<td>-49%</td>
<td>1,468</td>
<td>1,092</td>
<td>-26%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>7.9%</td>
<td>3.9%</td>
<td>-400bps</td>
<td>7.9%</td>
<td>5.7%</td>
<td>-220bps</td>
<td></td>
</tr>
</tbody>
</table>

**Of which:**
- Valeo Siemens eAutomotive = €(147)m
- Chinese joint ventures = €33m

* Excluding joint ventures and associates
NET INCOME OF €546M OR 2.9% OF SALES

<table>
<thead>
<tr>
<th></th>
<th>H2 17</th>
<th>H2 18</th>
<th>▲</th>
<th>2017</th>
<th>2018</th>
<th>▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (€m)</td>
<td>9,051</td>
<td>9,261</td>
<td>+2%</td>
<td>18,484</td>
<td>19,124</td>
<td>+4%</td>
</tr>
<tr>
<td>Operating margin incl. JV &amp; Associates</td>
<td>716</td>
<td>365</td>
<td>▲-49%</td>
<td>1,468</td>
<td>1,092</td>
<td>▲-26%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>7.9%</td>
<td>3.9%</td>
<td>▲-400bps</td>
<td>7.9%</td>
<td>5.7%</td>
<td>▲-220bps</td>
</tr>
<tr>
<td>(43)</td>
<td>(38)</td>
<td>▲-12%</td>
<td>+10bps</td>
<td>(66)</td>
<td>(56)</td>
<td>▲-15%</td>
</tr>
<tr>
<td>(0.5)%</td>
<td>(0.4)%</td>
<td></td>
<td></td>
<td>(0.4)%</td>
<td>(0.3)%</td>
<td>▲+10bps</td>
</tr>
<tr>
<td>Operating income</td>
<td>673</td>
<td>327</td>
<td>▲-51%</td>
<td>1,402</td>
<td>1,036</td>
<td>▲-26%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>7.4%</td>
<td>3.5%</td>
<td>▲-390bps</td>
<td>7.6%</td>
<td>5.4%</td>
<td>▲-220bps</td>
</tr>
<tr>
<td>(37)</td>
<td>(34)</td>
<td>▲-8%</td>
<td>-68%</td>
<td>(75)</td>
<td>(66)</td>
<td>▲-12%</td>
</tr>
<tr>
<td>(22)</td>
<td>(7)</td>
<td></td>
<td></td>
<td>(47)</td>
<td>(25)</td>
<td>▲-47%</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>614</td>
<td>286</td>
<td>▲-53%</td>
<td>1,280</td>
<td>945</td>
<td>▲-26%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(195)</td>
<td>(149)</td>
<td>▲-24%</td>
<td>(324)</td>
<td>(303)</td>
<td>▲-7%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>31.3%</td>
<td>40.4%</td>
<td>▲+9.1pts</td>
<td>25.7%</td>
<td>28.7%</td>
<td>▲+3pts</td>
</tr>
<tr>
<td>(46)</td>
<td>(44)</td>
<td>▲-4%</td>
<td></td>
<td>(79)</td>
<td>(96)</td>
<td>▲+22%</td>
</tr>
<tr>
<td>Non-controlling interests and other</td>
<td>373</td>
<td>93</td>
<td>▲-75%</td>
<td>877</td>
<td>546</td>
<td>▲-38%</td>
</tr>
<tr>
<td>Net income</td>
<td>4.1%</td>
<td>1.0%</td>
<td>▲-310bps</td>
<td>4.7%</td>
<td>2.9%</td>
<td>▲-180bps</td>
</tr>
</tbody>
</table>
EXCLUDING NON-RECURRING ITEMS, EPS DOWN 42%

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (€m)</td>
<td>877</td>
<td>546</td>
<td>-38%</td>
</tr>
<tr>
<td>EPS</td>
<td>€3.7</td>
<td>€2.3</td>
<td>-38%</td>
</tr>
<tr>
<td>Net income (€m) (excluding non-recurring items)</td>
<td>1,031</td>
<td>599</td>
<td>-42%</td>
</tr>
<tr>
<td>EPS (excluding non-recurring items)</td>
<td>€4.3</td>
<td>€2.5</td>
<td>-42%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>--------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Total sales</td>
<td>18,484</td>
<td>19,124</td>
<td></td>
</tr>
<tr>
<td>Operating margin*</td>
<td>1,468</td>
<td>1,092</td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>29%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>ROA</td>
<td>19%</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

* Including joint ventures and associates
EBITDA OF €2,410M OR 12.6% OF SALES
FREE CASH FLOW GENERATION OF €161M
EBITDA OF €2,410M OR 12.6% OF SALES

In €m and as a % of sales

<table>
<thead>
<tr>
<th>Business Groups</th>
<th>2017*</th>
<th>2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>14.2</td>
<td>14.0</td>
</tr>
<tr>
<td>Powertrain</td>
<td>13.0</td>
<td>13.1</td>
</tr>
<tr>
<td>Thermal</td>
<td>11.5</td>
<td>10.8</td>
</tr>
<tr>
<td>Visibility</td>
<td>12.9</td>
<td>11.1</td>
</tr>
<tr>
<td>Group</td>
<td>13.2</td>
<td>12.6</td>
</tr>
</tbody>
</table>

*As a % of sales
STRICT CONTROL OF CAPEX*

In €m and as a % of sales

2018

2017: 7.2% (–20bps)  
2018: 7.0%

2017: 1,325  
2018: 1,337 (+1%)

* Excluding capitalized R&D

February 21, 2019
## FREE CASH FLOW GENERATION OF €161M

<table>
<thead>
<tr>
<th></th>
<th>H2 17</th>
<th>H2 18</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>1,218</td>
<td>1,069</td>
<td>2,431</td>
<td>2,410</td>
</tr>
<tr>
<td><strong>Change in operating working capital</strong></td>
<td>66</td>
<td>(28)</td>
<td>228</td>
<td>228</td>
</tr>
<tr>
<td><strong>Restructuring &amp; antitrust</strong></td>
<td>(166)</td>
<td>(13)</td>
<td>129</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Other operating items (incl. taxes)</strong></td>
<td>(115)</td>
<td>(34)</td>
<td>129</td>
<td>(326)</td>
</tr>
<tr>
<td><strong>Of which: Taxes</strong></td>
<td>(29)</td>
<td></td>
<td>(29)</td>
<td>(265)</td>
</tr>
<tr>
<td><em><em>Cash from operating activities</em> (€m)</em>*</td>
<td>1,090</td>
<td>1,155</td>
<td>2,023</td>
<td>2,186</td>
</tr>
<tr>
<td><strong>Capex (incl. capitalized R&amp;D) outflow</strong></td>
<td>(911)</td>
<td>(1,030)</td>
<td>(1,745)</td>
<td>(2,025)</td>
</tr>
<tr>
<td><em><em>Free cash flow</em> (€m)</em>*</td>
<td>179</td>
<td>125</td>
<td>278</td>
<td>161</td>
</tr>
<tr>
<td><strong>Cash conversion rate</strong></td>
<td>15%</td>
<td>12%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>(2)</td>
<td>(5)</td>
<td>(63)</td>
<td>(58)</td>
</tr>
<tr>
<td><strong>Other financial items</strong></td>
<td>(562)</td>
<td>(169)</td>
<td>(1,007)</td>
<td>(701)</td>
</tr>
<tr>
<td><strong>Net cash flow (€m)</strong></td>
<td>(385)</td>
<td>(49)</td>
<td>(792)</td>
<td>(598)</td>
</tr>
<tr>
<td><strong>Net debt (€m)</strong></td>
<td>1,842</td>
<td>2,248</td>
<td>1,842</td>
<td>2,248</td>
</tr>
</tbody>
</table>

*excluding sale of trade receivables

- **at 12.6% of sales**
- **+8%**
- **+16%**

Of which:
- €324m in dividends paid
- €118m in share buybacks
STRONG BALANCE SHEET
**DEBT RATIOS**

### Net debt to EBITDA

![Bar chart showing net debt to EBITDA ratios for Dec 31, 2017, June 30, 2018, and Dec 31, 2018.]

- **Dec 31, 2017**: 1,842 (Net debt) / 2,431 (12-month rolling EBITDA) = **0.76x Leverage**
- **June 30, 2018**: 2,291 (Net debt) / 2,559 (12-month rolling EBITDA) = **0.90x Leverage**
- **Dec 31, 2018**: 2,248 (Net debt) / 2,410 (12-month rolling EBITDA) = **0.93x Leverage**

*Net debt/EBITDA covenant of 3.25*

### Shareholders’ equity and net debt

<table>
<thead>
<tr>
<th>Date</th>
<th>Net debt (€m)</th>
<th>Shareholders’ equity (€m) excluding non-controlling interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2017</td>
<td>1,842</td>
<td>4,388</td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>2,291</td>
<td>4,522</td>
</tr>
<tr>
<td>Dec 31, 2018</td>
<td>2,248</td>
<td>4,571</td>
</tr>
</tbody>
</table>

- **Net debt (€m)**
- **Shareholders’ equity (€m) excluding non-controlling interests**

- **Gearing**
  - **42%** (Dec 31, 2017)
  - **51%** (June 30, 2018)
  - **49%** (Dec 31, 2018)

### Credit Ratings

- **Moody’s**: Baa2, Negative, Prime-2
- **S&P**: BBB, Stable, A-2

### Net debt/EBITDA covenant of 3.25

February 21, 2019
DEBT MATURITY PROFILE

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Outstanding amount</th>
<th>Coupon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro PP</td>
<td>Nov 2019</td>
<td>€350m</td>
</tr>
<tr>
<td>Convertible bond</td>
<td>June 2021</td>
<td>USD 575m</td>
</tr>
<tr>
<td>EMTN</td>
<td>Sept. 2022</td>
<td>€600m</td>
</tr>
<tr>
<td>EMTN</td>
<td>January 2023</td>
<td>€500m</td>
</tr>
<tr>
<td>EMTN</td>
<td>January 2024</td>
<td>€700m</td>
</tr>
<tr>
<td>EMTN</td>
<td>June 2025</td>
<td>€600m</td>
</tr>
<tr>
<td>EMTN</td>
<td>March 2026</td>
<td>€600m</td>
</tr>
</tbody>
</table>

Average maturity: 4.6 years
MEDIUM-TERM TARGET UPDATE
MEDIUM-TERM TARGET UPDATE

➤ Valeo’s growth model unchanged
  ➤ In the long term
    ➢ Relevant positioning of the Group and an array of state-of-the-art technologies in the areas of electric, autonomous and connected vehicles;
    ➢ A capacity for constant innovation grounded in the synergies between our 4 Business Groups.
  ➤ In 2019
    ➢ Improvement in like-for-like growth and outperformance versus automotive production during the year

➤ MT target update
  ➤ The trends in the automotive market and in raw material prices in 2018 and the projections for 2019 lead us to revise the assumptions used to determine our medium-term outlook, as presented at our Investor Day in February 2017. The Group will publish its new medium-term objectives during the Investor Day to be held before the end of the year.
BACK-UP

- IFRS 16
- IFRS 15 & IFRS 9
- Q4 2018 sales (non IFRS 15)
- Q4, H2 & FY 2018 sales (IFRS 15)
- Business Group information

February 21, 2019
## IMPACTS OF IFRS 16

<table>
<thead>
<tr>
<th>Standards, amendments and interpretations</th>
<th>IFRS 16 – Leases</th>
<th>Effective as of January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Presentation and general principles</strong></td>
<td>On January 13, 2018, the IASB published IFRS 16 – “Leases”. IFRS 16 will replace IAS 17 and the related IFRIC and SSC interpretations. IFRS 16 introduces major changes in the principles for measuring, recognizing and presenting leases in the financial statements of lessees. As of January 1, 2019, IFRS 16 requires lessees to recognize most leases using a single accounting model, i.e., the same model as that used to recognize finance leases under IAS 17. The lessee will recognize:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- a non-current asset representing its right to use the leased asset, in the consolidated statement of financial position;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- a financial liability representing its obligation to pay for the right to use the asset, in the consolidated statement of financial position;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- amortization of the right-of-use asset and interest expenses on the lease liability, in the consolidated statement of income.</td>
<td></td>
</tr>
</tbody>
</table>
The Group is currently finalizing its assessment of the impact of applying IFRS 16 on its consolidated financial statements, based on the leases identified and an analysis of their main terms and conditions. Valeo has lease contracts for land and buildings (production facilities, warehouses and offices) which are currently accounted for as operating leases and for which it will be required to recognize a right-of-use asset under IFRS 16.

The main measures included in IFRS 16 to simplify application and adopted by the Group are:

- exclusion of short-term leases;
- exclusion of leases of low-value assets.

The potential impact at the transition date on the 2019 consolidated financial statements, based on the budget and on the lease contracts in force at the transition date, are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Nature of impact</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>Increase</td>
<td>440 million euros – 480 million euros</td>
</tr>
<tr>
<td>Lease liabilities/Net debt</td>
<td>Increase</td>
<td>440 million euros – 480 million euros</td>
</tr>
<tr>
<td>2019 EBITDA(^{(1)})</td>
<td>Improvement</td>
<td>0.4 to 0.5 percentage points</td>
</tr>
<tr>
<td>2019 financial income and expenses(^{(1)})</td>
<td>Deterioration</td>
<td>Additional financial expense of around 20 million euros</td>
</tr>
<tr>
<td>2019 net income before taxes(^{(1)})</td>
<td>-</td>
<td>Minimal</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Estimated cumulative impact at end-December 2019 of contracts restated as part of the January 1, 2019 transition to IFRS 16, based on the 2019 budget.

The above data are indicative and the actual amounts may differ after the transition options have been finalized and IFRS 16 has been adopted or due to the new leases that may be signed during 2019.

A reconciliation of future minimum lease payments on operating leases under IAS 17 with estimated lease liabilities that will be recognized by the Group under IFRS 16 is presented in Note 6.5.
IMPACTS OF IFRS 16

Application by the Group

Valeo will apply IFRS 16 using the modified retrospective approach. This simplified approach does not require restatement of financial statements published before the date IFRS 16 is first applied. Within the scope of its transition to IFRS 16, the Group has elected the following main options to simplify application:

- exclusion of leases with a residual term of 12 months or less at the transition date, along with leases of low-value assets;
- application of IFRS 16 only to contracts previously identified as leases;
- use of the initial lease term to determine the discount rate at the transition date;
- exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.
IFRS 15 & IFRS 9
A press release covering the impacts of the application of IFRS 15 and IFRS 9 on 2017 comparative information was published on July 17, 2018.

The press release is also available on Valeo’s website:

https://www.valeo.com/fr/publications-presentations/
The impacts of the application of IFRS 15 – “Revenue from Contracts with Customers” on 2018 sales are as follows:

- the external cost of components imposed by customers, which was previously accounted for in original equipment sales, is now presented as a deduction from “Raw materials consumed”. This reclassification results in a 521 million euro reduction in original equipment sales for 2018 (425 million euros for 2017) and mainly concerns the Thermal Systems Business Group’s front-end module operations;

- customer contributions to Research and Development (including prototypes), which were previously presented as a deduction from “Research and Development expenditure”, are now presented in sales under “Miscellaneous”. This reclassification to sales represents an amount of 384 million euros for 2018 (359 million euros for 2017).
### 2018 COMPARATIVE INFORMATION

#### SALES BY TYPE

<table>
<thead>
<tr>
<th></th>
<th>Before IFRS 15</th>
<th>Fourth-quarter</th>
<th>Second-half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions of euros)</td>
<td>2018*</td>
<td>2017 LFL change</td>
<td>Reported change</td>
</tr>
<tr>
<td>Original equipment</td>
<td>4 135</td>
<td>4 134</td>
<td>-3%</td>
<td>0%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>487</td>
<td>478</td>
<td>+1%</td>
<td>+2%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>212</td>
<td>173</td>
<td>+28%</td>
<td>+23%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4 834</td>
<td>4 785</td>
<td>-2%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

* 2018 data are presented in accordance with the same accounting principles as those used in the 2017 consolidated financial statements published in February 2018, i.e., before the application of IFRS 15 (unaudited data).

** Like for like (constant Group structure and exchange rates)(1).

<table>
<thead>
<tr>
<th></th>
<th>Under IFRS 15</th>
<th>Fourth-quarter</th>
<th>Second-half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions of euros)</td>
<td>2017</td>
<td>LFL change</td>
<td>Reported change</td>
</tr>
<tr>
<td>Original equipment</td>
<td>3 990</td>
<td>4 020</td>
<td>-4%</td>
<td>-1%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>487</td>
<td>478</td>
<td>+1%</td>
<td>+2%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>350</td>
<td>284</td>
<td>+26%</td>
<td>+23%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4 827</td>
<td>4 782</td>
<td>-2%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

* 2017 data differ from the data presented in the 2017 consolidated financial statements published in February 2018, since they have been adjusted to reflect the impact of applying IFRS 15.

** Like for like (constant Group structure and exchange rates)(1).

<table>
<thead>
<tr>
<th></th>
<th>Impact of IFRS 15</th>
<th>Fourth-quarter</th>
<th>Second-half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions of euros)</td>
<td>2017</td>
<td>LFL change</td>
<td>Reported change</td>
</tr>
<tr>
<td>Original equipment</td>
<td>-145</td>
<td>-114</td>
<td>-1 pt</td>
<td>-1 pt</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>0</td>
<td>0</td>
<td>0 pts</td>
<td>0 pts</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>138</td>
<td>111</td>
<td>-2 pts</td>
<td>0 pts</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-7</td>
<td>-3</td>
<td>0 pts</td>
<td>0 pts</td>
</tr>
</tbody>
</table>

* Like for like (constant Group structure and exchange rates)(1).
## 2018 COMPARATIVE INFORMATION
### ORIGINAL EQUIPMENT SALES BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Fourth-quarter</th>
<th>Second-half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018*</td>
<td>2017*</td>
<td>LFL change**</td>
</tr>
<tr>
<td><strong>Europe &amp; Africa</strong></td>
<td>1 830</td>
<td>1 904</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Asia, Middle East &amp; Oceania</strong></td>
<td>1 367</td>
<td>1 384</td>
<td>-8%</td>
</tr>
<tr>
<td>of which China**</td>
<td>571</td>
<td>702</td>
<td>-21%</td>
</tr>
<tr>
<td>excluding China**</td>
<td>766</td>
<td>652</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>855</td>
<td>751</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>South America</strong></td>
<td>83</td>
<td>95</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>4 135</td>
<td>4 134</td>
<td>-3%</td>
</tr>
</tbody>
</table>

*2018 data are presented in accordance with the same accounting principles as those used in the 2017 consolidated financial statements published in February 2018, i.e., before the application of IFRS 15 (unaudited data).

**Like for like (constant Group structure and exchange rates).

### Impact of IFRS 15

<table>
<thead>
<tr>
<th>Region</th>
<th>Fourth-quarter</th>
<th>Second-half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018*</td>
<td>2017*</td>
<td>LFL change**</td>
</tr>
<tr>
<td><strong>Europe &amp; Africa</strong></td>
<td>-34</td>
<td>0</td>
<td>0 pt</td>
</tr>
<tr>
<td><strong>Asia, Middle East &amp; Oceania</strong></td>
<td>-34</td>
<td>-1 pt</td>
<td>-1 pt</td>
</tr>
<tr>
<td>of which China**</td>
<td>-16</td>
<td>-2 pt</td>
<td>-2 pt</td>
</tr>
<tr>
<td>excluding China**</td>
<td>-1</td>
<td>-1 pt</td>
<td>-1 pt</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>-84</td>
<td>-1 pt</td>
<td>-1 pt</td>
</tr>
<tr>
<td><strong>South America</strong></td>
<td>0</td>
<td>0</td>
<td>0 pt</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>-145</td>
<td>-1 pt</td>
<td>-1 pt</td>
</tr>
</tbody>
</table>

*Like for like (constant Group structure and exchange rates) 

**Like for like (constant Group structure and exchange rates) (1) .
### 2018 COMPARATIVE INFORMATION

**SALES BY BUSINESS GROUP (INCLUDING INTERSEGMENT SALES)**

<table>
<thead>
<tr>
<th></th>
<th>Before IFRS 15</th>
<th>Under IFRS 15</th>
<th>Impact of IFRS 15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fourth-quarter</td>
<td>Second-half</td>
<td>Full-year</td>
</tr>
<tr>
<td></td>
<td>2018*</td>
<td>2017</td>
<td>2018*</td>
</tr>
<tr>
<td><strong>Comfort &amp; Driving Assistance Systems</strong></td>
<td>917</td>
<td>894</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td>1 347</td>
<td>1 174</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Powertrain Systems</strong></td>
<td>1 286</td>
<td>1 252</td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>1 433</td>
<td>1 500</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td>4 834</td>
<td>4 785</td>
<td>+1%</td>
</tr>
</tbody>
</table>

**Before IFRS 15 (in millions of euros)**

<table>
<thead>
<tr>
<th></th>
<th>Fourth-quarter</th>
<th>Second-half</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comfort &amp; Driving Assistance Systems</strong></td>
<td>962</td>
<td>932</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Powertrain Systems</strong></td>
<td>1 287</td>
<td>1 193</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Thermal Systems</strong></td>
<td>1 152</td>
<td>1 166</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Visibility Systems</strong></td>
<td>1 457</td>
<td>1 526</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td>4 827</td>
<td>4 782</td>
<td>+1%</td>
</tr>
</tbody>
</table>

2018 data are presented in accordance with the same accounting principles as those used in the 2017 consolidated financial statements published in February 2018, i.e., before the application of IFRS 15 (unaudited data).

**Like for like (constant Group structure and exchange rates)**

2017 data differ from the data presented in the 2017 consolidated financial statements published in February 2018, since they have been adjusted to reflect the impact of applying IFRS 15.

*Like for like (constant Group structure and exchange rates)*

February 21, 2019
Q4 SALES (NON IFRS 15)
Q4 18

3-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

North America

44% of Valeo sales\(^{(2)}\)

Outperformance
+6pts vs IHS\(^{(3)}\)

21% of Valeo sales\(^{(2)}\)

Outperformance
+8%

19% of Valeo sales\(^{(2)}\)

Outperformance
+6%

2% of Valeo sales\(^{(2)}\)

Outperformance
+4pts vs IHS\(^{(3)}\)

Europe\(^{(1)}\)

Outperformance
-1pt vs IHS\(^{(3)}\)

14% of Valeo sales\(^{(2)}\)

Outperformance
-4pts vs CPCA\(^{(3)}\)

China

World

Outperformance
+3pts vs IHS\(^{(3)}\)

Outperformance
+6%

Outperformance
+3pts vs IHS\(^{(3)}\)

Outperformance
1pt vs IHS\(^{(3)}\)

Outperformance
-1pt vs IHS\(^{(3)}\)

Outperformance
4pts vs IHS\(^{(3)}\)

(1) Europe including Africa; Asia including Middle East

(2) Valeo OEM sales by destination

(3) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates

Non-IFRS 15
IN ASIA, 0-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

Q4 18
Like for like

33% of total sales

Asia
Outperformance: -8%

China
Outperformance: -7%

India
Outperformance: -3pts vs IHS

South Korea
Outperformance: 0pts vs IHS

Japan
Outperformance: +11pts vs IHS

26% of Asian sales

Outperformance: +14%

OEM sales

Outperformance:

3% of Asian sales

Outperformance: -7%

OEM sales

Outperformance:

Valeo OEM sales by destination

IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates

February 21, 2019
### Q4 2018 SALES BY BUSINESS GROUP

#### At constant exchange rates

<table>
<thead>
<tr>
<th>Business Group</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>+2%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>+7%*</td>
</tr>
<tr>
<td>Thermal</td>
<td>+1%</td>
</tr>
<tr>
<td>Visibility</td>
<td>-5%</td>
</tr>
</tbody>
</table>

#### Total sales in €m

<table>
<thead>
<tr>
<th>Business Group</th>
<th>€m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>917</td>
</tr>
<tr>
<td>Powertrain</td>
<td>1,247</td>
</tr>
<tr>
<td>Thermal</td>
<td>1,268</td>
</tr>
<tr>
<td>Visibility</td>
<td>1,433</td>
</tr>
</tbody>
</table>

#### Reported

<table>
<thead>
<tr>
<th>Business Group</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM sales</td>
<td>+3%</td>
</tr>
<tr>
<td>Like for like</td>
<td>+6%*</td>
</tr>
<tr>
<td>Outperformance</td>
<td>+1%</td>
</tr>
<tr>
<td></td>
<td>-5%</td>
</tr>
</tbody>
</table>

#### OEM sales

- **Like for like**: +2%, +8pts
- **Outperformance**: -5%, +1pt, -2%, +4pts, -7%, -1pt

*Including FTE automotive & Valeo-Kapec
Q4, H2 & FY 2018 SALES (IFRS 15)
Q4 2018 SALES UP 1% AT CONSTANT EXCHANGE RATES
DOWN 2% LIKE FOR LIKE

At constant exchange rates

-1%  +3%  +23%  +1%

OEM  Aftermarket  Miscellaneous  Sales

3,990  487  350  4,827

Like for like

-4%  +1%  +26%  -2%

OEM  Aftermarket  Miscellaneous  Sales

Reported

-1%  +2%  +23%  +1%

Exchange rates +0.5% Exchange rates -1.3% Exchange rates +0.1% Exchange rates +0.3%
Scope +3.0% Scope +2.0% Scope -3.0% Scope +2.5%
1-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE )

Q4 18

Like for like

19% of Valeo sales(2)

North America

Outperformance
+5pts vs IHS(3)

46% of Valeo sales(2)

Europe(1)

Outperformance
-1pt vs IHS(3)

20% of Valeo sales(2)

Asia(1) excl. China

Outperformance
+2pts vs IHS(3)

13% of Valeo sales(2)

China

Outperformance
-5pts vs CPCA(3)

World

Outperformance
+2pts vs IHS(3)

OEM sales(2)

World

-4%

Outperformance

2pts vs IHS(3)

1pt vs IHS

Europe

-5%

Europe(1)

Outperformance

OEM sales(2)

13% of Valeo sales(2)

Asia(1) excl. China

Outperformance

+2pts vs IHS(3)

North America

Outperformance

+5pts vs IHS(3)

Outperformance

+7%

19% of Valeo sales(2)

OEM sales(2)

South America

Outperformance

-6%

2% of Valeo sales(2)

OEM sales(2)

46% of Valeo sales(2)

OEM sales(2)

(1) Europe including Africa;
Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
IN ASIA, -1-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

Q4 18

Like for like

33% of total sales\(^{(1)}\)

OEM sales\(^{(1)}\)

-9%

Outperformance

-1pt vs IHS\(^{(2)}\)

Asia

24% of Asian sales\(^{(1)}\)

Outperformance

-20pts vs IHS\(^{(2)}\)

South Korea

41% of Asian sales\(^{(1)}\)

OEM sales\(^{(1)}\)

0%

Outperformance

-20pts vs IHS\(^{(2)}\)

China

26% of Asian sales\(^{(1)}\)

OEM sales\(^{(1)}\)

+10%

Outperformance

+7pts vs IHS\(^{(2)}\)

Japan

3% of Asian sales\(^{(1)}\)

OEM sales\(^{(1)}\)

-7%

Outperformance

-3pts vs IHS\(^{(2)}\)

India

Outperformance

-22%

Outperformance

-5pts vs CPCA\(^{(2)}\)

China

(1) Valeo OEM sales by destination
(2) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
Q4 2018 SALES BY BUSINESS GROUP

At constant exchange rates

- Comfort & Driving Assistance: +3%
- Powertrain: +8%*
- Thermal: -2%
- Visibility: -5%**

Total sales in €m

- Comfort & Driving Assistance: €962
- Powertrain: €1,287
- Thermal: €1,152
- Visibility: €1,457

Reported

- Comfort & Driving Assistance: +3%
- Powertrain: +8%*
- Thermal: -1%
- Visibility: -5%**

OEM sales

- Like for like: +2%
- Outperformance: +8pts

Outperformance

- Powertrain: -5%
- Thermal: -5%
- Visibility: -7%

* Including FTE automotive & Valeo-Kapec
** Including Ichikoh

% of Q4 2018 sales

- VIS 30%
- THS 24%
- PTS 26%
- CDA 20%

Group €4.8bn

February 21, 2019
H2 2018 SALES UP 2% AT CONSTANT EXCHANGE RATES
DOWN 2% LIKE FOR LIKE

- OEM: 969 €m (Like for like: -3%, Reported: +1%)
- Aftermarket: 771 €m (Like for like: +2%, Reported: +5%)
- Miscellaneous: 521 €m (Like for like: +13%, Reported: +15%)
- Sales: 9,261 €m (Like for like: -2%, Reported: +2%)

February 21, 2019
2-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

H2 18

Like for like

- **Europe**
  - 46% of Valeo sales
  - OEM sales
  - Outperformance +1pt vs IHS

- **World**
  - Outperformance +2pts vs IHS

- **North America**
  - 19% of Valeo sales
  - OEM sales
  - Outperformance +3pts vs IHS

- **South America**
  - 2% of Valeo sales
  - OEM sales
  - Outperformance +7pts vs IHS

- **Asia (excl. China)**
  - 20% of Valeo sales
  - OEM sales
  - Outperformance +2pts vs IHS

- **China**
  - 13% of Valeo sales
  - OEM sales
  - Outperformance -4pts vs CPCA

(1) Europe including Africa; Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates

February 21, 2019
IN ASIA, 0-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

H2 18
Like for like

33% of total sales(1)
Asia

Outperformance 0pts vs IHS(2)

outperformance +8pts vs IHS(2)

26% of Asian sales(1)
Japan

Outperformance +8pts vs IHS(2)

OEM sales(1)
+8%

24% of Asian sales(1)
South Korea

Outperformance -7pts vs IHS(2)

OEM sales(1)
-3%

40% of Asian sales(1)
China

Outperformance -4pts vs CPCA(2)

OEM sales(1)
-17%

4% of Asian sales(1)
India

Outperformance +11pts vs IHS(2)

Outperformance +11pts vs IHS(2)

(1) Valeo OEM sales by destination
(2) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
H2 2018 SALES BY BUSINESS GROUP

At constant exchange rates

+3%  +15%*  -1%  -5%

Total sales in €m

Comfort & Driving Assistance
1,867

Powertrain
2,477

Thermal
2,228

Visibility
2,753

Reported

+3%  +14%*  0%  -5%

OEM sales

+2%  -3%  -3%  -6%

Like for like

+7pts  +2pts  +2pts  -1pt

Outperformance

+2pts

* Including FTE automotive & Valeo-Kapec
2018 SALES UP 6% AT CONSTANT EXCHANGE RATES
0% LIKE FOR LIKE

At constant exchange rates

- OEM: +5%
- Aftermarket: +10%
- Miscellaneous: +9%

Total: +6%

€m

OEM: 16,146
Aftermarket: 2,010
Miscellaneous: 968
Total: 19,124

Like for like

- OEM: +0%
- Aftermarket: +4%
- Miscellaneous: +7%

Reported

- Exchange rates: -2.0%
- Scope: +5.3%

- Exchange rates: -3.3%
- Scope: +6.0%

- Exchange rates: -1.7%
- Scope: +1.9%

- Exchange rates: -2.1%
- Scope: +5.2%

February 21, 2019
1-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

- **North America**: 18% of Valeo sales (2), OEM sales (2) +1%, Outperformance +2pts vs IHS (3)
- **South America**: 2% of Valeo sales (2), OEM sales (2) +15%, Outperformance +12pts vs IHS (3)
- **Europe**: 48% of Valeo sales (2), OEM sales (2) +0%, Outperformance +1pt vs IHS (3)
- **Asia (1) excl. China**: 19% of Valeo sales (2), OEM sales (2) +4%, Outperformance +3pts vs IHS (3)
- **China**: 13% of Valeo sales (2), OEM sales (2) -10%, Outperformance -5pts vs CPCA (3)
- **World**: Outperformance +1pt vs IHS (3)

---

(1) Europe including Africa; Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
IN ASIA 0-POINT OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

2018

- **Japan**: 26% of Asian sales
  - OEM sales +7%
  - Outperformance +7pts vs IHS

- **South Korea**: 24% of Asian sales
  - OEM sales -1%
  - Outperformance +1pt vs IHS

- **China**: 41% of Asian sales
  - OEM sales -10%
  - Outperformance -5pts vs CPCA

- **India**: 4% of Asian sales
  - OEM sales +21%
  - Outperformance +14pts vs IHS

- **Asia**: 32% of total sales
  - OEM sales -2%
  - Outperformance 0pts vs IHS

---

(1) Valeo OEM sales by destination
(2) IHS estimates released on January 16, 2019 – In China, China Passenger Car Association (CPCA) estimates
**2018 SALES BY BUSINESS GROUP**

At constant exchange rates:

- **Comfort & Driving Assistance**: +3%
- **Powertrain**: +20%*
- **Thermal**: +1%
- **Visibility**: 0%**

**Total sales** in €m:

- Comfort & Driving Assistance: 3,766
- Powertrain: 5,141
- Thermal: 4,569
- Visibility: 5,783

**Reported**:

- **OEM sales (Like for like)**:
  - +2%
  - +18%*
  - -2%
  - -2%**

**Outperformance**:

- **OEM sales**:
  - +3%
  - 0%
  - -1%
  - -2%
  - +4pts
  - +1pt
  - 0pts
  - -1pt

* Including FTE automotive & Valeo-Kapec
** Including Ichikoh

**Group €19.1bn**

- VIS: 30%
- CDA: 19%
- PTS: 27%
- THS: 24%

**% of 2018 sales**
BUSINESS GROUP INFORMATION
### COMFORT & DRIVING ASSISTANCE

At constant exchange rates

<table>
<thead>
<tr>
<th></th>
<th>H1 18</th>
<th>H2 18</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales (€m)</td>
<td>1,841</td>
<td>1,797</td>
<td>3,638</td>
</tr>
</tbody>
</table>

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

**2018 key figures:**
- Sales: €3.6bn (19% of Group sales)
- EBITDA: 14.0% (22% of Group EBITDA)
- 24,600 employees
- 27 plants
- 10 development centers
- 8 research centers

* 2017 Valeo estimate

**Key growth drivers:**
- 3 main macro-economic trends confirmed with cars more autonomous, more connected and more intuitive
- Supported by increasingly stringent regulatory and certification environment (Euro NCAP in Europe and NTHSA in the US)
- Leading to further increase in take-up of existing innovative products (including cameras, displays, sensors, etc.)

**Latest business developments:**
- Another record order intake with orders for active safety products representing 6.3x sales, orders for camera viewing & systems representing over 1.9x sales
- Safety activity order intake covering laser scanner, front camera and radar
POWERTRAIN SYSTEMS

At constant exchange rates

Total sales (€m)

H1 18 | H2 18 | 2018
---|---|---
2,633 | 2,426 | 5,059

Reported

OEM sales growth

Like for like
- +22%
- +14%
- +20%

Outperformance
- +3%
- -4%
- +1%
- +1%
- 0%

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%

2018 key figures:
- Sales: €5.0bn (26% of Group sales)
- EBITDA: 13.1% (28% of Group EBITDA)
- 24,400 employees
- 55 plants
- 13 development centers
- 7 research centers

* 2017 Valeo estimate

Key growth drivers: Objective of reducing CO₂ emissions and fossil fuel consumption through 3 priorities for engines:
- Cleaner engines
- Gearbox automation
- Powertrain electrification and development of low (12V, 48V) and high voltage

Latest business developments:
- Recovery in sales with Hyundai Group vs 2017- negative impact of WLTP in Europe
- New contracts in active actuators for automatic transmissions in Europe and Asia
- Significant contracts for High Voltage technology at VSeA
- New orders for Istars and 48V obtained in Europe and Asia
- New orders for Torque Converters (automatic transmissions) in Asia and North America, and for Dual mass flywheels in Europe and Asia
THERMAL SYSTEMS

2018 key figures:
- Sales: €5.0bn (26% of Group sales)
- EBITDA: 10.6% (20% of Group EBITDA)

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

Key growth drivers:
- Thermal solutions for Electrified vehicles
- Innovative solutions to comply with new regulations on gas pollutants and fuel consumption

Latest business developments:
- Several new contracts, especially in Q4, took THS order intake to a level comparable to 2017 full year record before application of IFRS 15
- Almost all PGs achieved the desired level of order intake, with particular good result for TFE
- Best order intake result with Renault-Nissan, but also strong achievement with PSA, Daimler and VW Groups
- Strong yearly achievement for new orders for battery thermal management with French and German customers

*2017 Valeo estimate
**VISIBILITY SYSTEMS**

At constant exchange rate

<table>
<thead>
<tr>
<th>Total sales (€m)</th>
<th>H1 18</th>
<th>H2 18</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>2,988</td>
<td>2,715</td>
<td>5,703</td>
</tr>
<tr>
<td>OEM sales growth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Like for like</td>
<td>+1%</td>
<td>-5%</td>
<td>0%</td>
</tr>
<tr>
<td>Outperformance</td>
<td>+1%</td>
<td>-6%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

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

**2018 key figures:**
- Sales: €5.7bn (29% of Group sales)
- EBITDA: 11.1% (27% of Group EBITDA)
- 37,300 employees
- 49 plants
- 15 development centers
- 5 research centers

**Key growth drivers:**
- Increasing LED take rate in all segments with Toyota (Alphard, Avalon, Corolla), VW (Polo, T-Roc, Arteon), Audi A3, Q2 & A1, SEAT (Leon, Ibiza, Ateca, Arona & now Tarraco), Renault (Megane, Talisman) and Geely (Boyue)
- Increasing LED content with ADB Matrix on DS 3 (D34), Mini F56 LCI, Ford Edge, Toyota Alphard & Corolla, …
- Increasing content in Interior Lighting with Ambient Lighting on Volvo 40 & 60 clusters, Audi Q3, BMW G2X & PSA R8

**Latest business developments:**
- Continuous order intake increase with LED platforms modules (PeopLED, Thin Lens) in North America (GM T1 Silverado and Nissan Titan) and with Matrix / Pixel in Europe (JLR, Renault) and China (VW Teramont, Geely)
- LED transverse drivers awarded at VW Group
- Growth with Interior Lighting business: Selective Zoning with Daimler on S-Class and RGB Ambient with Volvo
- Valeo received significant award for sensor cleaning from traditional volume car maker
- Valeo wipers positioned to provide production and assembly know how for roof top modules integrating various sensor functions and cleaning system. Strategy has been confirmed with first business award
- OEMS becoming more interested in brushless motor concept for weight reduction

*2017 Valeo estimate
## SEGMENT INFORMATION

### 2018

<table>
<thead>
<tr>
<th>Segment Information</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><strong>Sales:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• segment (excluding Group)</td>
<td>3,741</td>
<td>5,036</td>
<td>4,517</td>
<td>5,699</td>
<td>131</td>
<td>19,124</td>
</tr>
<tr>
<td>• Intersegment (Group)</td>
<td>25</td>
<td>105</td>
<td>52</td>
<td>84</td>
<td>(266)</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>528</td>
<td>674</td>
<td>495</td>
<td>642</td>
<td>71</td>
<td>2,410</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(556)</td>
<td>(319)</td>
<td>(285)</td>
<td>(377)</td>
<td>(23)</td>
<td>(1,560)</td>
</tr>
<tr>
<td>Investments in property, plant &amp; equipment &amp; intangible asset</td>
<td>582</td>
<td>458</td>
<td>454</td>
<td>538</td>
<td>21</td>
<td>2,053</td>
</tr>
<tr>
<td>Segment assets</td>
<td>2,683</td>
<td>3,495</td>
<td>2,526</td>
<td>2,838</td>
<td>141</td>
<td>11,683</td>
</tr>
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</table>

### 2017

<table>
<thead>
<tr>
<th>Segment Information</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><strong>Sales:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• segment (excluding Group)</td>
<td>3,576</td>
<td>4,272</td>
<td>4,973</td>
<td>5,563</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></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>525</td>
<td>564</td>
<td>536</td>
<td>764</td>
<td>42</td>
<td>2,431</td>
</tr>
<tr>
<td>Research &amp; Development expenditure, net</td>
<td>(518)</td>
<td>(272)</td>
<td>(286)</td>
<td>(395)</td>
<td>(23)</td>
<td>(1,494)</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>
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<tr>
<td>Segment assets</td>
<td>2,271</td>
<td>3,519</td>
<td>2,251</td>
<td>2,544</td>
<td>144</td>
<td>10,729</td>
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</tbody>
</table>
1) **Order intake** corresponds to business awarded by automakers during the period (including joint ventures, other than Valeo Siemens eAutomotive, 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, (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** 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 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 equity interests 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.
CONTACTS

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F-75848 Paris Cedex 17
France

Thierry Lacorre
E-mail: valeo.corporateaccess.mailbox@valeo.com
Website: www.valeo.com
## SHARE INFORMATION

### Share Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Information</th>
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<tbody>
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<td>Reuters Ticker</td>
<td>VLOF.PA</td>
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<tr>
<td>ISIN Number</td>
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<td>Shares outstanding as of December 31, 2018</td>
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### ADR Data

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<td>Ticker/trading symbol</td>
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<td>CUSIP Number</td>
<td>919134304</td>
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<td>Exchange</td>
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<tr>
<td>Ratio (ADR: ord)</td>
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<tr>
<td>Depositary Bank</td>
<td>J.P. Morgan</td>
</tr>
<tr>
<td>Contact at J.P. Morgan – ADR broker relationship desk</td>
<td>Jim Reeves</td>
</tr>
<tr>
<td></td>
<td>+1 212-622-2710</td>
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</tbody>
</table>
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 the 2017 Registration Document registered with the AMF on March 29, 2018 (under number D.18-0208).

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