Q1 2019 SALES

JACQUES ASCHENBROICH – CHAIRMAN & CEO
4 POINTS OEM SALES OUTPERFORMANCE IN A DIFFICULT ENVIRONMENT

Q1 19

4 pts outperformance

€m

Reported
Like for like

OEM
Aftermarket
Miscellaneous
Sales

-1%
-3%

-4%
-4%

+7%
+5%

-1%
-3%

Exchange rates +2.4%
Scope -0.4%

Exchange rates +0.7%
Scope -1.1%

Exchange rates +2.5%
Scope -0.5%

Exchange rates +2.2%
Scope -0.5%

4,121
501
219
4,841
OUTPERFORMANCE IMPROVEMENT THANKS TO NEW CONTRACTS START OF PRODUCTION

Like for like
In percentage points

*IHS estimates – In China, China Passenger Car Association (CPCA) estimates  **IHS estimates
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
North America

- OEM sales: +6%
- Production: +4%

Europe

- Outperformance: +2pts vs IHS
- OEM sales: -2%

Asia

- Outperformance: +4pts vs IHS
- OEM sales: -9%

South America

- Outperformance: +7pts vs IHS
- OEM sales: +5%

World

- Outperformance: +4pts vs IHS
- OEM sales: -3%

49% of Valeo sales
29% of Valeo sales
2% of Valeo sales
20% of Valeo sales

(1) Europe including Africa; Asia including Middle East
(2) Valeo OEM sales by destination
(3) IHS estimates released on April 16, 2019

April 25, 2019
ASIA GLOBALLY IN LINE WITH A WEAK MARKET

Q1 19
Like for like

29% of Valeo sales
Asia
Outperformance
0pts vs IHS

24% of Asian sales
South Korea
Outperformance
+1pt vs IHS

38% of Asian sales
China
Outperformance
-3pts vs IHS

4% of Asian sales
India
Outperformance
-5pts vs IHS

28% of Asian sales
Japan
Outperformance
-8pts vs IHS

(1) Valeo OEM sales by destination
(2) IHS estimates released on April 16, 2019
(3) Asia including Middle East
EVERY BUSINESS GROUP IS OUTPERFORMING THE MARKET

Outperformance

+7pts  
+3pts  
+4pts  
+3pts

Q1 total sales
In €m

Comfort & Driving Assistance
964

Powertrain
1,266

Thermal
1,143

Visibility
1,502

Reported
OEM sales
Like for like

+3%
0%

-5%
-4%

0%
-3%

-1%
-4%

+3%  
-5%  
0%  
-1%
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales

Q1 2018

- US: 9%
- Mexico: 11%
- SA: 2%
- China: 11%
- Asia excl. China: 18%
- Eastern Europe & Africa: 16%
- North America: 20%

Q1 2019

- US: 8%
- Mexico: 9%
- SA: 2%
- China: 13%
- Asia excl. China: 18%
- Eastern Europe & Africa: 17%
- North America: 17%

58% in Asia & emerging countries

59% in Asia & emerging countries
BALANCED CUSTOMER PORTFOLIO

% of OEM sales

Q1 2018

Q1 2019

* Including Opel
**Excluding Opel

American 19%
French* 14%
Other 5%
German** 29%
Asian 32%

American 18%
French* 15%
Other 6%
German** 30%
Asian 32%
2019 OUTLOOK: GUIDANCE UNCHANGED
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.

2019 objectives unchanged:

- 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 the program, announced in February, 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.
BACK-UP

- Business Group information
- IFRS 16
BUSINESS GROUP INFORMATION
COMFORT & DRIVING ASSISTANCE SYSTEMS

Outperformance
OEM sales growth
Like for like

Total sales
(€m)

Reported

Market share* and competitors:
- Comfort & Driving Assistance:
  Valeo no. 2
  Continental + Valeo + Bosch + Visteon ~ 46%*

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

* 2018 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 covering laser scanner, front camera and radar
- New customer for Valeo’s laser scanner products line (5 up to now)
- Confirmation on existing trend for higher take rate of existing innovation products
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:

- New business acquisitions in 48V in China
- New orders from Indian customers for Valeo Siemens eAutomotive
- New contracts in torque converters in China
- New contracts in transmissions with trucks manufacturers in Europe

Outperformance
OEM sales growth
Like for like

Total sales (€m)

Q1 18 | Q1 19
---|---
1,326 | 1,266

Reported

+19% | -5%

2018 key figures:

- Sales: €5.1bn (26% of Group sales)
- EBITDA: 13.1% (28% of Group EBITDA)
- 23,700 employees
- 55 plants
- 16 development centers
- 8 research centers

Market share* and competitors:

- Valeo no. 1
Valeo + Denso + Luk + Melco ~ 47%*

* 2018 Valeo estimate
THERMAL SYSTEMS

Key growth drivers:
- Thermal solutions for electrified vehicles

Latest business developments: Some significant new awards, especially for TCC and TFE, namely:
- Award of HVAC 100% market share (including Avtovaz) for Entry platform Renault Russia, helping consolidating our strong position in Russia
- Award Toyota Europe AC loop business (TCC, TCP, TPT)
- Award of FEM with German and American Customers
- Award of High Voltage Heater for Electric vehicle in China - Award of HVAC for Japan market

---

Market share* and competitors:
Thermal Systems: Valeo no. 2
Denso + Valeo + Hanon + Mahle ~ 55%*

2018 key figures:
- Sales: €5.0bn (26% of Group sales)
- EBITDA: 10.8% (20% of Group EBITDA)
- 24,500 employees
- 64 plants
- 10 development centers
- 3 research centers

*2018 Valeo estimate

Outperformance
OEM sales growth
Like for like

Total sales (€m)

Q1 18
1,140

Q1 19
1,143

Reported

-7%

0%

April 25, 2019
VISIBILITY SYSTEMS

Outperformance
OEM sales growth
Like for like

Total sales (€m)

Q1 18
Q1 19

1,514
1,502

Reported

+2%
+1%
+3pts
-4%

Market share* and competitors:
- Lighting Systems: Valeo no. 1
  Valeo + Koito + Magnetti Marelli + Hella ~ 65%*
- Wiper Systems: Valeo no. 1
  Valeo + Denso + Bosch + Mitsuba ~ 65%*

2018 key figures:
- Sales: €5.7bn (29% of Group sales)
- EBITDA: 11.1% (27% of Group EBITDA)
- 36,900 employees
- 49 plants
- 16 development centers
- 4 research centers

*2018 Valeo estimate

Key growth drivers:
- Generalization of LEDs across all vehicle segments
- Valeo wipers replaced by Wiper Systems in order to be consistent with the format
- Intuitive interior lighting

Latest business developments:
- Pixel 32 launch on VW Passat B8 facelift with high take rate
- Favorable mix on several recent launches
- Increasing content in interior lighting & welcome lights on Volvo 40 & 60 clusters, Audi Q3, BMW G2X & PSA R8
- Lighting for autonomous vehicles: contract awarded for IR illuminator, on-going RFQs for interior & exterior lighting
- Growth on new decorative lamps with German and Japanese customers: logo & grille lamp, carpet light gen 2, etc.
- 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
IFRS 16 IMPACT
On January 13, 2016, the IASB published IFRS 16 – “Leases”. IFRS 16 introduces major changes in the principles for measuring, recognizing and presenting leases in the financial statements of lessees. 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.

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>Estimated amount</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(^\text{TM})</td>
<td>Improvement</td>
<td>0.4 to 0.5 percentage points</td>
</tr>
<tr>
<td>2019 financial income and expenses(^\ast)</td>
<td>Deterioration</td>
<td>Additional financial expense of around 20 million euros</td>
</tr>
<tr>
<td>2019 net income before taxes(^\ast)</td>
<td>-</td>
<td>Minimal</td>
</tr>
</tbody>
</table>

\(^\ast\) 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 to the 2018 consolidated financial statements, included in the 2018 Registration Document.
CONTACTS

Investor Relations

Valeo
43, rue Bayen
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>Details</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 March 31, 2019</td>
<td>240,253,100</td>
</tr>
</tbody>
</table>

#### ADR Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</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 relationship desk</td>
<td>Jim Reeves</td>
</tr>
<tr>
<td></td>
<td>+1 212-622-2710</td>
</tr>
</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 2018 Registration Document registered with the AMF on March 29, 2019 (under number D.19-0224).

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.