Q3 2019 SALES
JACQUES ASCHENBROICH – CHAIRMAN & CEO
In line with our projections

- Increasing outperformance in all Business Groups and all production regions including China;
- Cost (> €100m) and capex (increased to ~ €200m) reduction plans;
- Share in net earnings of equity-accounted companies expected to have a similar impact (in €m) in H2 as in H1, due to Valeo Siemens eAutomotive and a challenging environment in China;
- Free cash flow generation supported by capex reduction.

As part of an ongoing review of its business portfolio, Valeo has decided to withdraw from its top column module product line.
One-off impact of the GM strike

- One-off effect estimated at around -€160 in sales and around -€50m in operating margin;
- Guidance confirmed for operating margin excluding the impact of the GM strike.
OUTPERFORMANCE ACCELERATION THANKS TO START OF PRODUCTION ON NEW CONTRACTS

OEM sales outperformance (like for like)
In percentage points

*IHS estimates
** IHS estimates - China Passenger Car Association (CPCA) estimates for China
8 POINTS OEM SALES OUTPERFORMANCE IN A CHALLENGING ENVIRONMENT

Q3 19

8 pts outperformance

€m

4,046

OEM

477

249

Aftermarket

Miscellaneous

4,772

Sales

Reported

Like for like

+7%

+5%

Exchange rates +2.1%
Scope -0.1%

-1%

-3%

Exchange rates +1.9%
Scope -0.2%

+46%

+42%

Exchange rates +1.7%
Scope +1.7%

+8%

+6%

Exchange rates +2.1%
Scope -0.1%

October 24, 2019
8 POINTS OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

Q3 19
Like for like

North America

21% of Valeo sales
OEM sales
+14%
Outperformance
+14pts vs IHS

Europe

44% of Valeo sales
OEM sales
+5%
Outperformance
+5pts vs IHS

Asia

32% of Valeo sales
OEM sales
-1%
Outperformance
+5pts vs IHS/CPCA

South America

3% of Valeo sales
OEM sales
+9%
Outperformance
+14pts vs IHS

China

Of which
Outperformance
+11pts vs CPCA

World

Outperformance
+8pts vs IHS/CPCA

(1) Europe including Africa;
Asia including Middle East
(2) Valeo OEM sales by destination
IHS estimates released on October 16, 2019 – China Passenger Car Association (CPCA) estimates for China
IN CHINA, BACK TO POSITIVE OEM SALES OUTPERFORMANCE (+ 11 POINTS)

Q3 19

Like for like

32% of Valeo sales(2)  
Asia(1)  
OEM sales(2)  
-1%  
Outperformance  
+5pts vs IHS/CPCA

41% of Asian sales(2)  
China  
OEM sales(2)  
+5%  
Outperformance  
+5pts vs IHS/CPCA

3% of Asian sales(2)  
India  
OEM sales(2)  
-22%  
Outperformance  
-2pts vs IHS

25% of Asian sales(2)  
South Korea  
OEM sales(2)  
+4%  
Outperformance  
+5pts vs IHS

25% of Asian sales(2)  
Japan  
OEM sales(2)  
-9%  
Outperformance  
-16pts vs IHS

(1) Asia including Middle East  
(2) Valeo OEM sales by destination  
IHS estimates released on October 16, 2019 – China Passenger Car Association (CPCA) estimates for China
5 POINTS OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

YTD 19

Like for like

North America
- 20% of Valeo sales
- OEM sales +9%
- Outperformance +11pts vs IHS

Europe
- 48% of Valeo sales
- OEM sales 0%
- Outperformance +4pts vs IHS

South America
- 2% of Valeo sales
- OEM sales +5%
- Outperformance +9pts vs IHS

Asia
- 30% of Valeo sales
- OEM sales -7%
- Outperformance +2pts vs IHS/CPCA

World
- OEM sales -1%
- Outperformance +5pts vs IHS/CPCA

Of which
- China
  - OEM sales
  - Outperformance +2pts vs CPCA

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

October 24, 2019
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales

2018

- Western Europe: 32%
- Eastern Europe & Africa: 16%
- US: 8%
- China: 12%
- Mexico: 10%
- Asia excl. China: 20%
- 60% in Asia & emerging countries

YTD September

- Western Europe: 32%
- Eastern Europe & Africa: 16%
- US: 10%
- China: 11%
- Mexico: 11%
- Asia excl. China: 18%
- 58% in Asia & emerging countries

2019

- Western Europe: 32%
- Eastern Europe & Africa: 16%
- US: 10%
- China: 11%
- Mexico: 11%
- Asia excl. China: 18%
- 58% in Asia & emerging countries
DIVERSE CUSTOMER PORTFOLIO

% of OEM sales

2018

YTD September

2019
EVERY BUSINESS GROUP OUTPERFORMED THE MARKET IN Q3

Outperformance

+8pts  +9pts  +4pts  +11pts

Q3 total sales

Comfort & Driving Assistance 1,249  Powertrain 1,130  Visibility 1,458

% of Q3 19 sales

Reported

Comfort & Driving Assistance +7%  Powertrain +5%  Thermal +5%  Visibility +13%

OEM sales

Comfort & Driving Assistance +5%  Powertrain +6%  Thermal +1%  Visibility +8%

Group €4.8bn

CDA 20%  VIS 30%  PTS 26%  THS 24%
EVERY BUSINESS GROUP OUTPERFORMED THE MARKET YTD

Outperformance

<table>
<thead>
<tr>
<th>Product Line</th>
<th>YTD sales (€m)</th>
<th>% of YTD 19 sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>2,905</td>
<td>CDA 20%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>3,814</td>
<td>VIS 30%</td>
</tr>
<tr>
<td>Thermal</td>
<td>3,460</td>
<td>THS 24%</td>
</tr>
<tr>
<td>Visibility</td>
<td>4,472</td>
<td></td>
</tr>
</tbody>
</table>

Reported

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Year-on-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance</td>
<td>+4%</td>
</tr>
<tr>
<td>Powertrain</td>
<td>-1%</td>
</tr>
<tr>
<td>Thermal</td>
<td>+1%</td>
</tr>
<tr>
<td>Visibility</td>
<td>+3%</td>
</tr>
</tbody>
</table>

OEM sales

<table>
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<th>Year-on-Year Change</th>
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</tr>
<tr>
<td>Thermal</td>
<td>-3%</td>
</tr>
<tr>
<td>Visibility</td>
<td>0%</td>
</tr>
</tbody>
</table>
2019 OUTLOOK
2019 OUTLOOK

Valeo is confirming its 2019 guidance (excluding the one-off impact of the General Motors strike), despite the 6% decline in automotive production (versus a previously projected decrease of 4%):

- **accelerating outperformance over the course of the year**, driven by the start of production on projects in the camera, electrification systems and lighting segments;

- continued roll-out of the program, announced in February, to reduce costs by more than 100 million euros and **capital expenditure by around 200 million euros (compared with more than 100 million euros previously)**, the main impact of which is expected to be felt in the second half;

- **EBITDA growth** (in value terms);

- operating margin excluding share in net earnings of equity-accounted companies (as a % of sales) of between 5.8% and 6.5%, **excluding the one-off impact of the General Motors strike in North America**;

- a “share in net earnings of equity-accounted companies” line which is expected to have a similar impact (in millions of euros) on Valeo’s statement of income in the second half as it did in the first half, due to the Valeo Siemens eAutomotive joint venture and to the challenging environment in China;

- continued free cash flow generation in the second half.

The one-off cost of the General Motors strike is currently estimated at around 160 million euros in sales terms and around 50 million euros in operating margin terms.
BACK-UP

- YTD sales
- Business Group information
5 POINTS OEM SALES OUTPERFORMANCE IN A CHALLENGING ENVIRONMENT

YTD 19

OEM
- Reported: +1%  
  - Exchange rates: +2.0%  
  - Scope: -0.3%  
- Like for like: -1%

Aftermarket
- Reported: -3%  
  - Exchange rates: +0.9%  
  - Scope: -0.2%  
- Like for like: -3%

Miscellaneous
- Reported: +29%  
  - Exchange rates: +2.1%  
  - Scope: 0.0%  
- Like for like: +27%

Sales
- Reported: +2%  
  - Exchange rates: +1.8%  
  - Scope: -0.1%  
- Like for like: 0%
5 POINTS OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

YTD 19
Like for like

North America
- 20% of Valeo sales\(^{(2)}\)
- OEM sales\(^{(2)}\) +9%
- Outperformance +11pts vs IHS

Europe\(^{(1)}\)
- 48% of Valeo sales\(^{(2)}\)
- Outperformance +4pts vs IHS

Asia\(^{(1)}\)
- 30% of Valeo sales\(^{(2)}\)
- Outperformance +2pts vs IHS/CPCA

World
- 48% of Valeo sales\(^{(2)}\)
- OEM sales\(^{(2)}\) 0%
- Outperformance +5pts vs IHS/CPCA

South America
- 2% of Valeo sales\(^{(2)}\)
- OEM sales\(^{(2)}\) +5%
- Outperformance +9pts vs IHS

China
- OEM sales\(^{(2)}\) -11%
- Outperformance +2pts vs CPCA

Outperformance:
- Europe +4pts vs IHS
- Asia +2pts vs IHS/CPCA
- World +5pts vs IHS/CPCA

(1) Europe including Africa; Asia including Middle East
(2) Valeo OEM sales by destination
IHS estimates released on October 16, 2019 – China Passenger Car Association (CPCA) estimates for China
IN CHINA, BACK TO POSITIVE OEM SALES OUTPERFORMANCE (+ 2 POINTS)

YTD 19
Like for like

30% of Valeo sales (2)
Asia (1)
OEM sales (2) -7%
Outperformance +2pts vs IHS/CPCA

4% of Asian sales (2)
India
OEM sales (2) -17%
Outperformance -5pts vs IHS

38% of Asian sales (2)
China
OEM sales (2) -11%
Outperformance +2pts vs CPCA

26% of Asian sales (2)
South Korea
OEM sales (2) +1%
Outperformance 0pts vs IHS

26% of Asian sales (2)
Japan
OEM sales (2) -8%
Outperformance -12pts vs IHS

(1) Asia including Middle East
(2) Valeo OEM sales by destination
IHS estimates released on October 16, 2019 – China Passenger Car Association (CPCA) estimates for China
EVERY BUSINESS GROUP OUTPERFORMED THE MARKET YTD

Outperformance

+7pts  +5pts  +3pts  +6pts

YTD total sales

Comfort & Driving Assistance
2,905

Powertrain
3,814

Thermal
3,460

Visibility
4,472

Reported

OEM sales

Like for like

+4%

+1%

-1%

-1%

+1%

-3%

+3%

+1%

0%

% of YTD 19 sales

Group €14.5bn

CDA 20%

VIS 30%

PTS 26%

THS 24%

€14.5bn

19
BUSINESS GROUP INFORMATION
COMFORT & DRIVING ASSISTANCE

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

* 2018 Valeo estimate

Key growth drivers:
- Confirmation of 3 main macro economic trends supporting CDA growth with cars more autonomous, more connected and more intuitive
- Increasingly stringent regulatory and certifications environment as booster for take rate increase (Euro NCAP in Europe and NTHSA in the US) for our innovative products portfolio (including cameras, lidar, displays, interior monitoring, telematics, ...)

Latest business developments:
- Strong order intake trend for active safety and camera related products and systems
- Major milestone achieved in LIDAR 2nd generation for SOP 2020.
- Validation of Front Camera production by another customer
- 1st Driver Monitoring system order in production

Outperformance
OEM sales growth
Like for like

Total sales (€m)

<table>
<thead>
<tr>
<th></th>
<th>H1 19</th>
<th>Q3 19</th>
<th>YTD 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+2%</td>
<td></td>
<td></td>
<td>+4%</td>
</tr>
<tr>
<td>+6pts</td>
<td>+8pts</td>
<td>+7pts</td>
<td></td>
</tr>
<tr>
<td>-1%</td>
<td>+5%</td>
<td>+1%</td>
<td></td>
</tr>
</tbody>
</table>

Reported

+2% +7% +4%
POWERTRAIN SYSTEMS

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:
- Major contracts won in 48V in Europe.
- New awards in Dual mass flywheels in Europe
- New orders in Torque Converters in Asia
- New awards in Nafta for alternators and restarters
- New contracts won in Europe and Asia for sensors

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

* 2018 Valeo estimate
**THERMAL SYSTEMS**

**Outperformance**
- OEM sales growth
  - Like for like

**Total sales (€m)**
- H1 19: 2,330
- Q3 19: 1,130
- YTD 19: 3,460

**Reported**
- H1 19: -1%
- Q3 19: +5%
- YTD 19: +1%

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**Key growth drivers:**
- Thermal solutions for Electrified vehicles

**Latest business developments:**
- Good level of Order Intake with Toyota, PSA Group, FCA Group
- Many opportunities ongoing with Alliance
- Key award of Q3: Hyundai System award in Asia (full AC loop), first major award for THS with Hyundai

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

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**2018 key figures:**
- Sales: €5.0bn (26% of Group sales)
- EBITDA: 10.6% (20% of Group EBITDA)
- 24,700 employees
- 64 plants
- 10 development centers
- 3 research centers

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*2018 Valeo estimate
VISIBILITY SYSTEMS

Outperformance
OEM sales growth
Like for like

Total sales (€m)

H1 19
Q3 19
YTD 19

3,014
1,458
4,472

+4pts
+11pts
+6pts

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

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

Key growth drivers:
● Pixel 32 launched on Passat B8 PA, Matrix launched on BMW X1 & Opel Corsa (first B-seg mainstream with Matrix)
● Life Extension on several programs, 100% LED lighting coming to B-seg
● Increasing content in Interior Lighting & Welcome light with premium customers

Latest business developments:
● OLED RL awarded with German premium
● BiLED 18 segments awarded on German mainstream programs, BiLite awarded
● Monolithic: on-going RFQ with German OEM
● Growth on new decorative lamps with German, Japanese customers: logo & grille lamps, carpet light gen 2, etc
● Interior decorative lamps awarded with CDA for premium German OEM, RFQ with German OEMs
● Well positioned to provide integrated sensor cleaning solutions for roof top modules: first businesses awarded
● Increasing interest in Centricam
● OEMs becoming more interested in brushless motor concept for weight reduction

*2017 Valeo estimate
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SHARE INFORMATION

Share Data

- Bloomberg Ticker: FR FP
- Reuters Ticker: VLOF.PA
- ISIN Number: FR 0013176526
- Shares outstanding as of September 30, 2019: 241,036,743

ADR Data

- Ticker/trading symbol: VLEEEY
- CUSIP Number: 919134304
- Exchange: OTC
- Ratio (ADR: ord): 1:2
- Depositary Bank: J.P. Morgan
- Contact at J.P. Morgan – ADR broker relationship desk: Jim Reeves
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SAFE HARBOR STATEMENT

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