

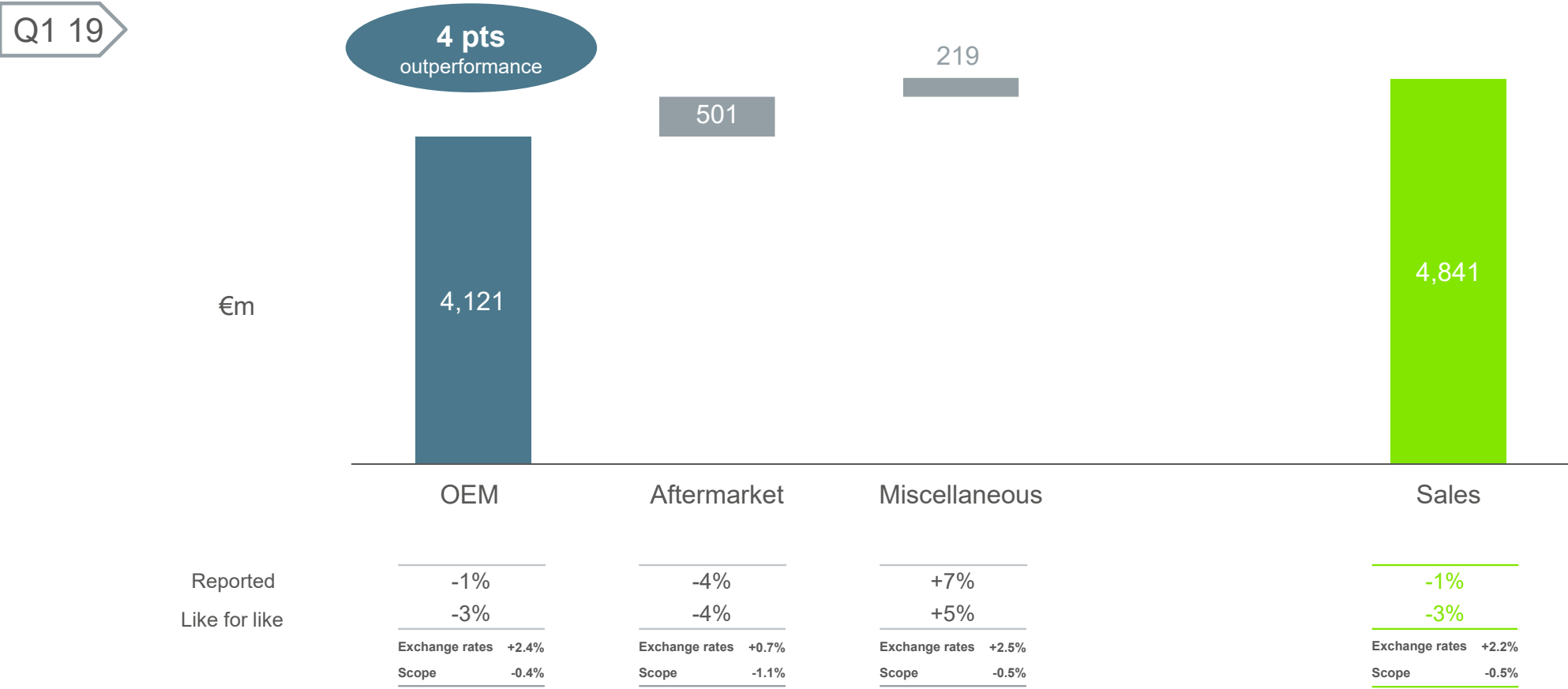


Q1 2019 SALES

JACQUES ASCHENBROICH – CHAIRMAN & CEO

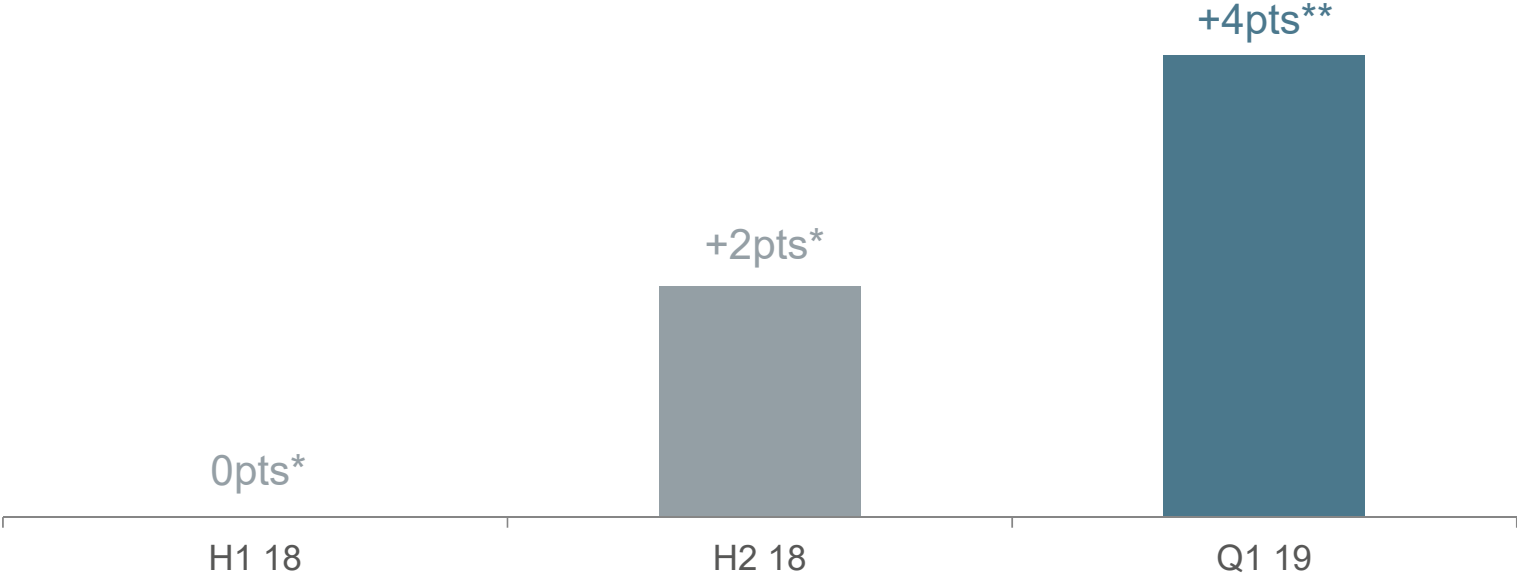
April 25, 2019

4 POINTS OEM SALES OUTPERFORMANCE IN A DIFFICULT ENVIRONMENT



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

DAIMLER



Examples of new products

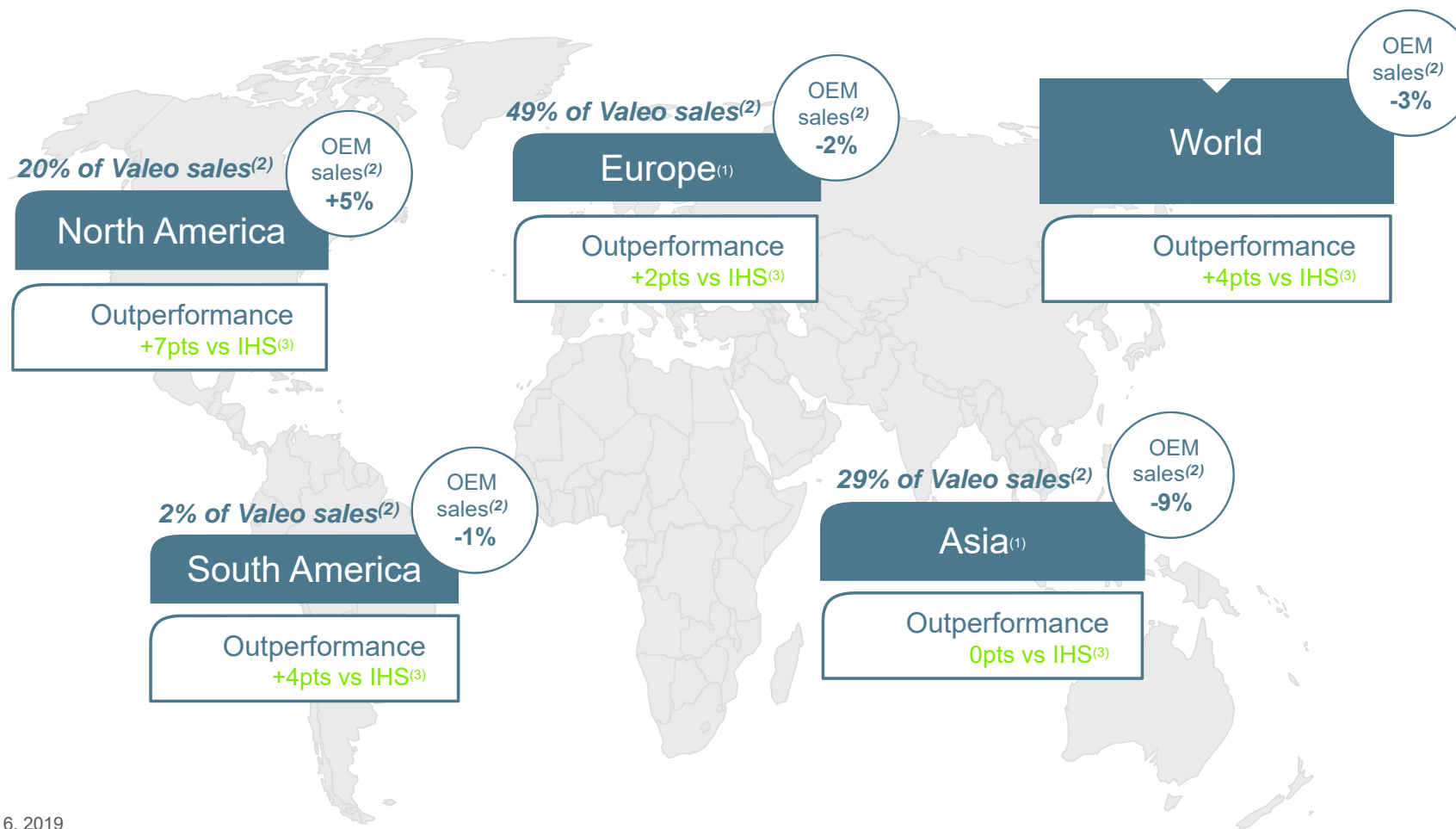


+85%
Content per car
for Valeo
leading to
+€800m
Additional sales
in 2019

4 POINTS OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

Q1 19

Like for like

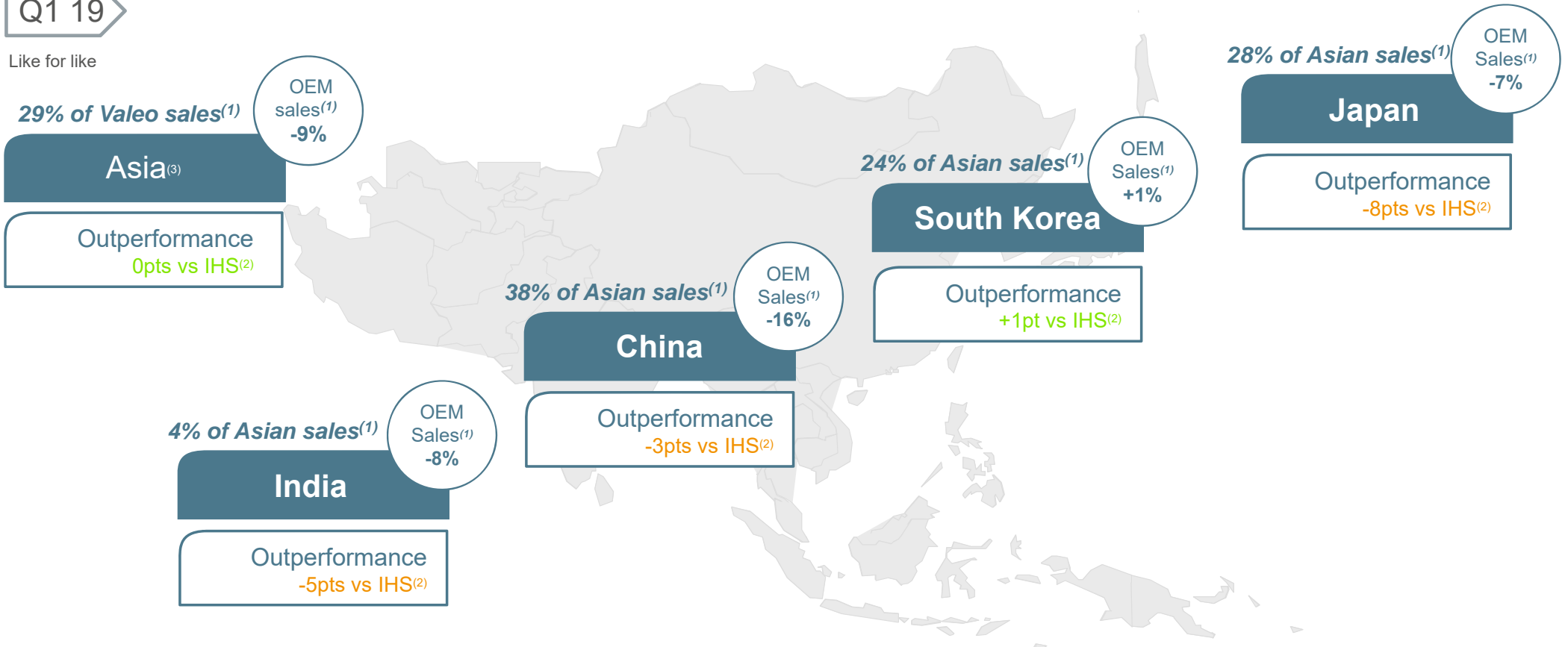


(1) Europe including Africa; Asia including Middle East
 (2) Valeo OEM sales by destination
 (3) IHS estimates released on April 16, 2019

ASIA GLOBALLY IN LINE WITH A WEAK MARKET

Q1 19

Like for like

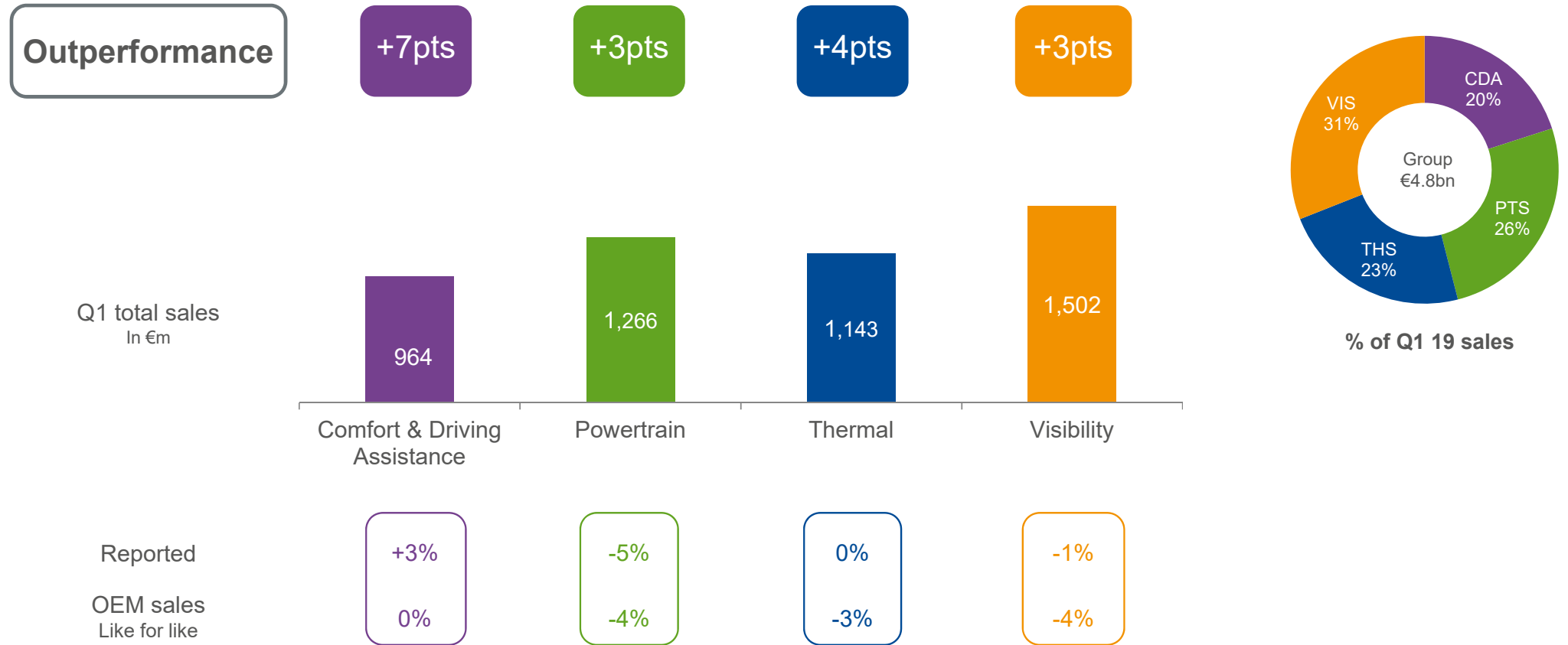


(1) Valeo OEM sales by destination

(2) IHS estimates released on April 16, 2019

(3) Asia including Middle East

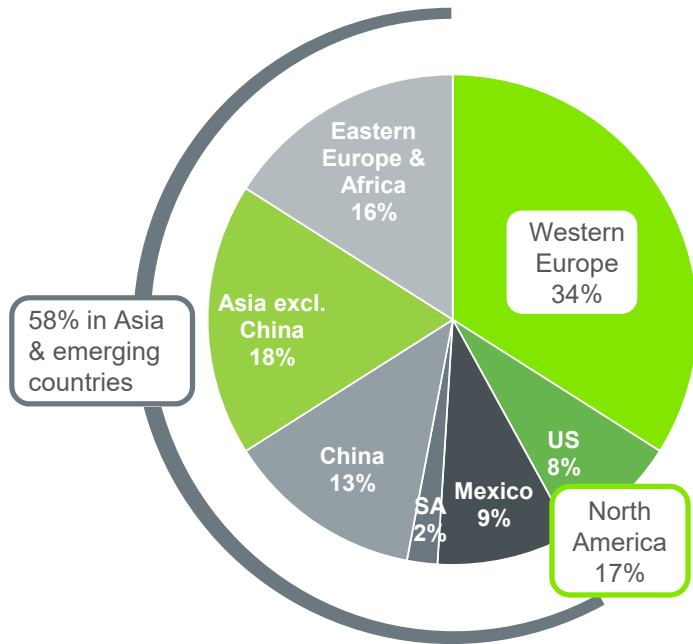
EVERY BUSINESS GROUP IS OUTPERFORMING THE MARKET



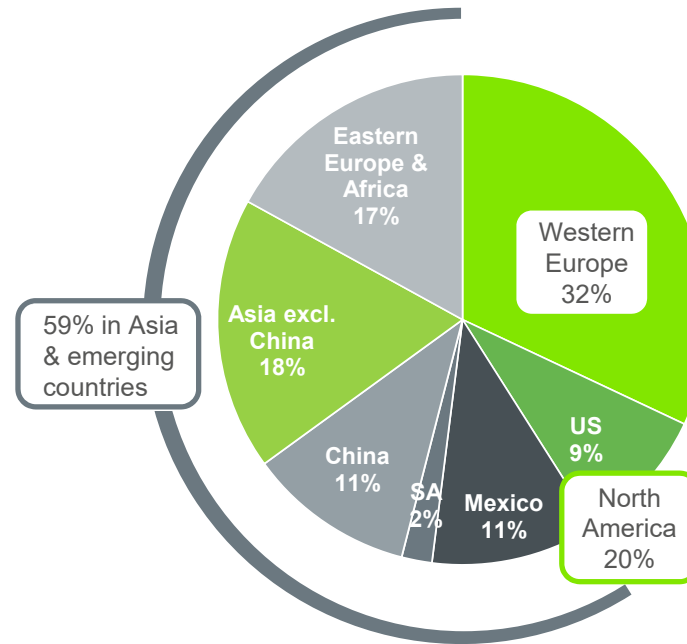
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales



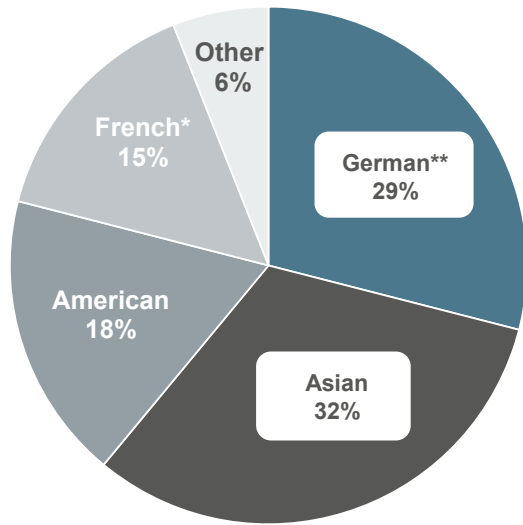
Q1 2018



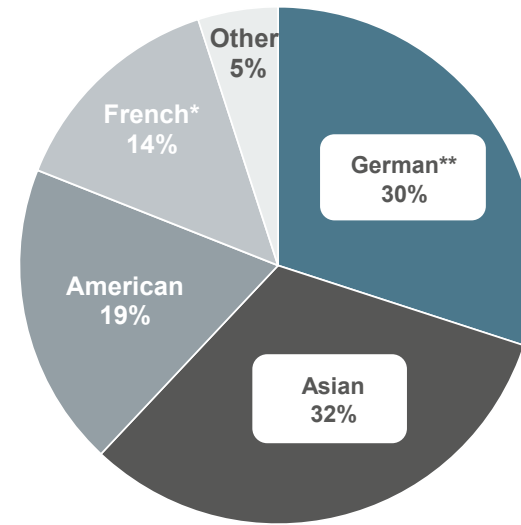
Q1 2019

BALANCED CUSTOMER PORTFOLIO

% of OEM sales



Q1 2018



Q1 2019

* Including Opel
**Excluding Opel

2019 OUTLOOK: GUIDANCE UNCHANGED

April 25, 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.

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

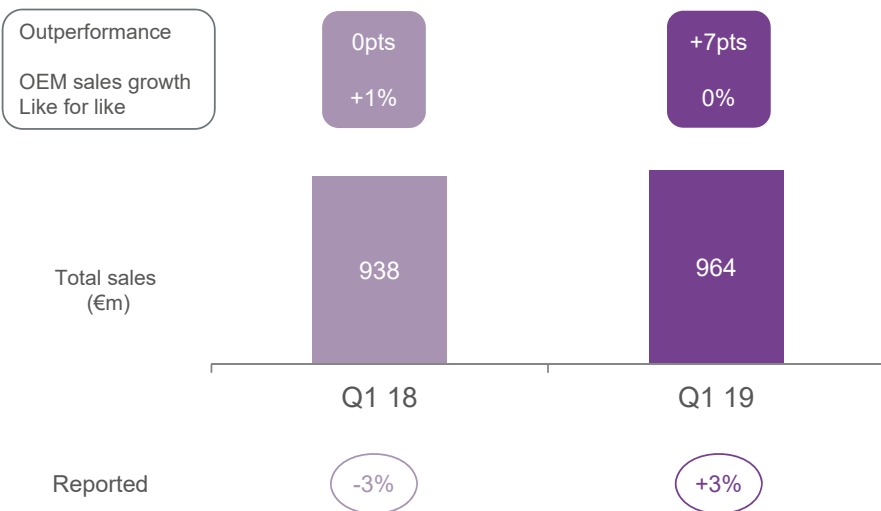
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▶ IFRS 16

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BUSINESS GROUP INFORMATION

COMFORT & DRIVING ASSISTANCE SYSTEMS



Market share* and competitors:

- Comfort & Driving Assistance:
Valeo no. 2

Continental + Valeo + Bosch + Visteon ~ 46%*

* 2018 Valeo estimate

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

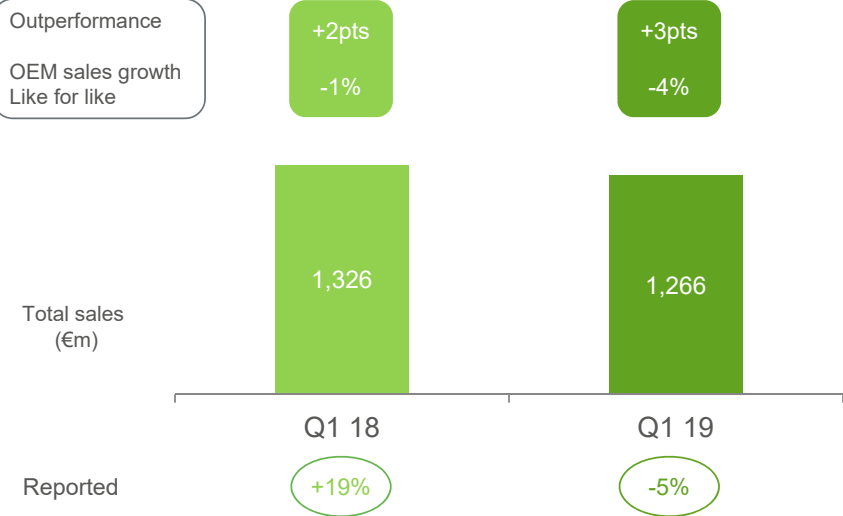
Key growth drivers:

- 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 NHTSA 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

POWERTRAIN SYSTEMS



Market share* and competitors:
 - Valeo no. 1
 Valeo + Denso + Luk + Melco ~ 47%*

* 2018 Valeo estimate

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

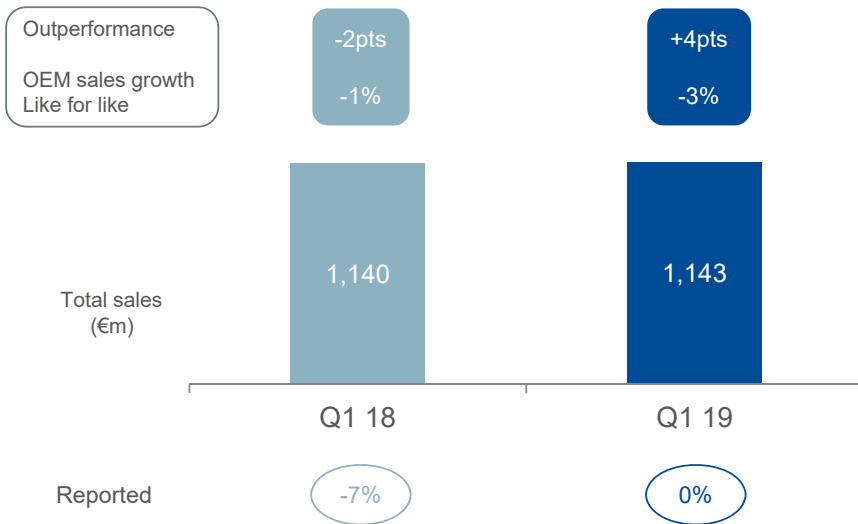
Key growth drivers: Objective of reducing CO₂ emissions and fossil fuel consumption through 3 priorities for engines:

- 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

THERMAL SYSTEMS



Market share* and competitors:

Thermal Systems: Valeo no. 2
Denso + Valeo + Hanon + Mahle ~ 55%*

*2018 Valeo estimate

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

Key growth drivers:

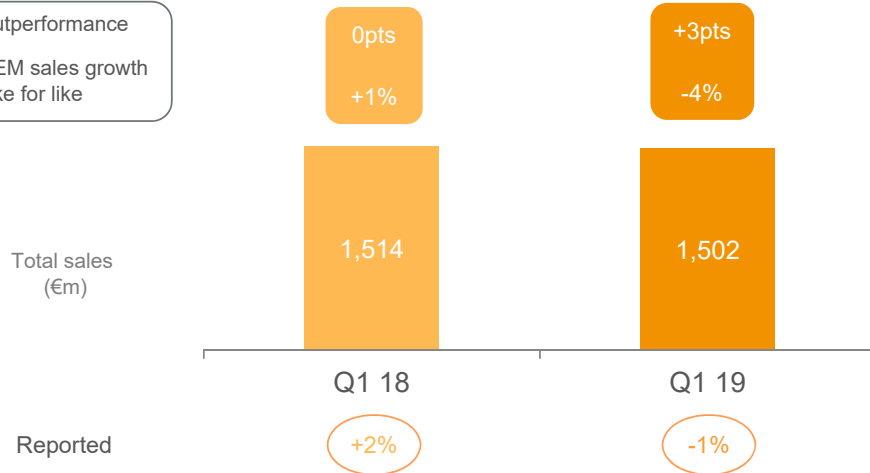
- Thermal solutions for electrified vehicles

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

VISIBILITY SYSTEMS

Outperformance
OEM sales growth
Like for like



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 Valeo estimate

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

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

April 25, 2019

IMPACTS OF IFRS 16 – EFFECTIVE AS OF JANUARY 1, 2019

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:

Item	Nature of impact	Estimated amount
Property, plant and equipment	Increase	440 million euros – 480 million euros
Lease liabilities/Net debt	Increase	440 million euros – 480 million euros
2019 EBITDA ⁽¹⁾	Improvement	0.4 to 0.5 percentage points
2019 financial income and expenses	Deterioration	Additional financial expense of around 20 million euros
2019 net income before taxes*	-	Minimal

* 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



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SHARE INFORMATION

Share Data

• Bloomberg Ticker	FR FP
• Reuters Ticker	VLOF.PA
• ISIN Number	FR 0013176526
• Shares outstanding as of March 31, 2019	240,253,100

ADR Data

• Ticker/trading symbol	VLECY
• CUSIP Number	919134304
• Exchange	OTC
• Ratio (ADR: ord)	1:2
• Depository Bank	J.P. Morgan
• Contact at J.P. Morgan – ADR broker relationship desk	Jim Reeves +1 212-622-2710

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.



SMART TECHNOLOGY
FOR SMARTER CARS