



Q3 2019 SALES

JACQUES ASCHENBROICH – CHAIRMAN & CEO

Q3 HIGHLIGHTS

- ▶ 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.

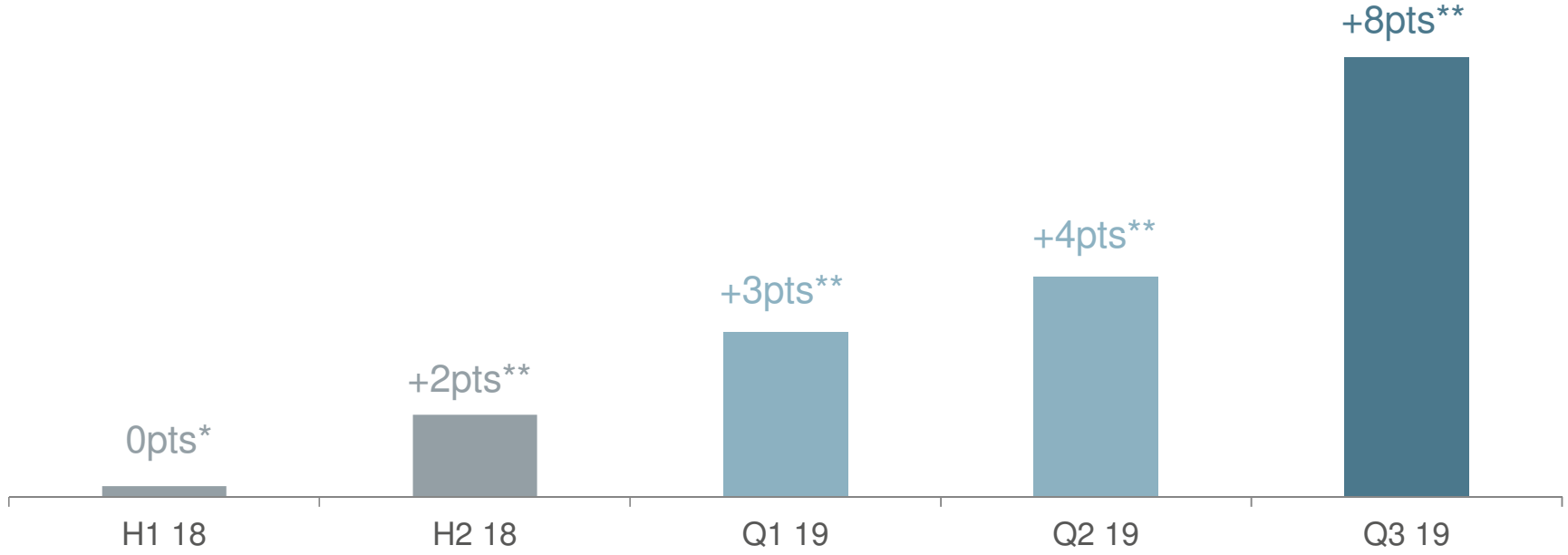
IMPACT OF THE GENERAL MOTORS STRIKE

▶ 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

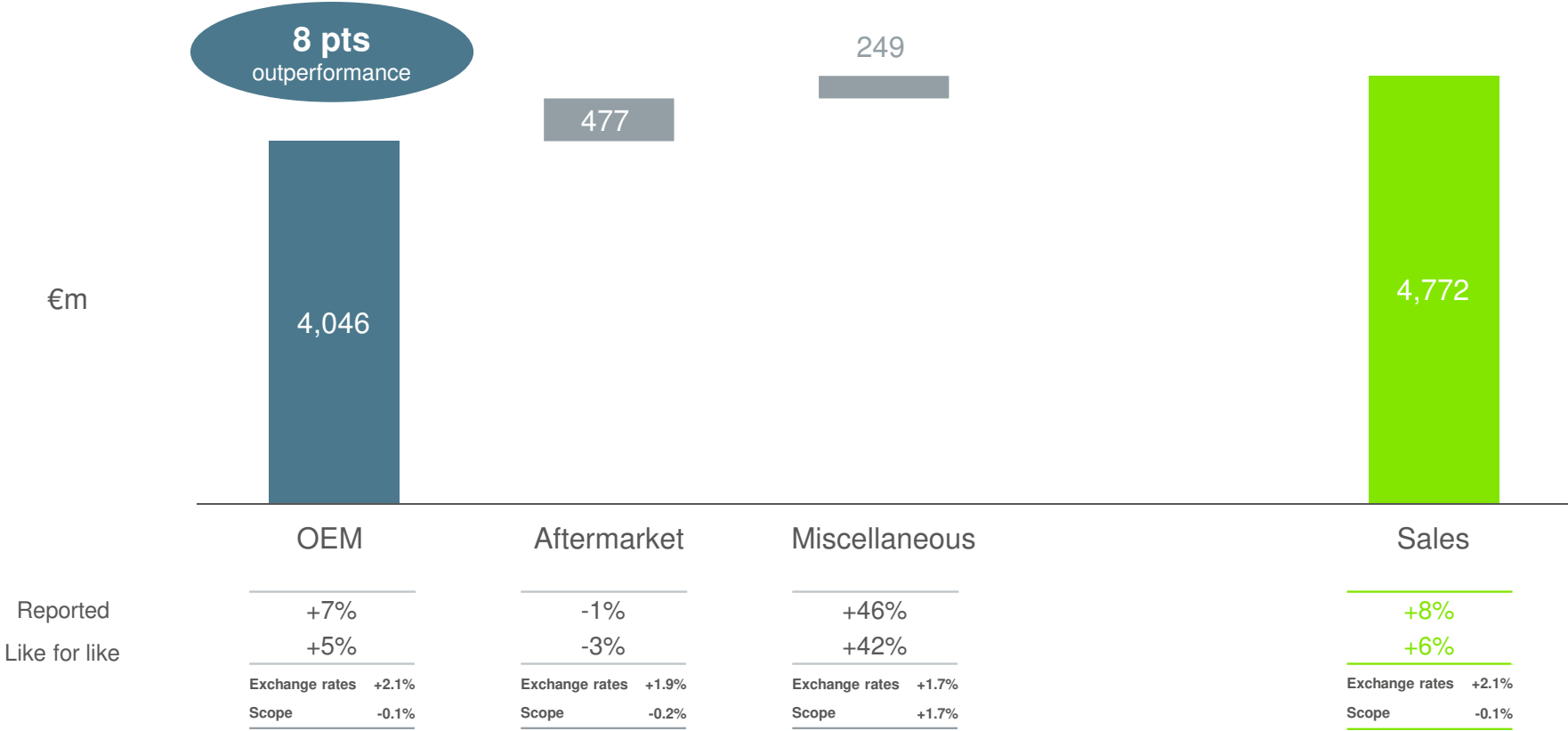
OEM sales outperformance (like for like)
In percentage points



*IHS estimates
** IHS estimates - China Passenger Car Association (CPCA) estimates for China

8 POINTS OEM SALES OUTPERFORMANCE IN A CHALLENGING ENVIRONMENT

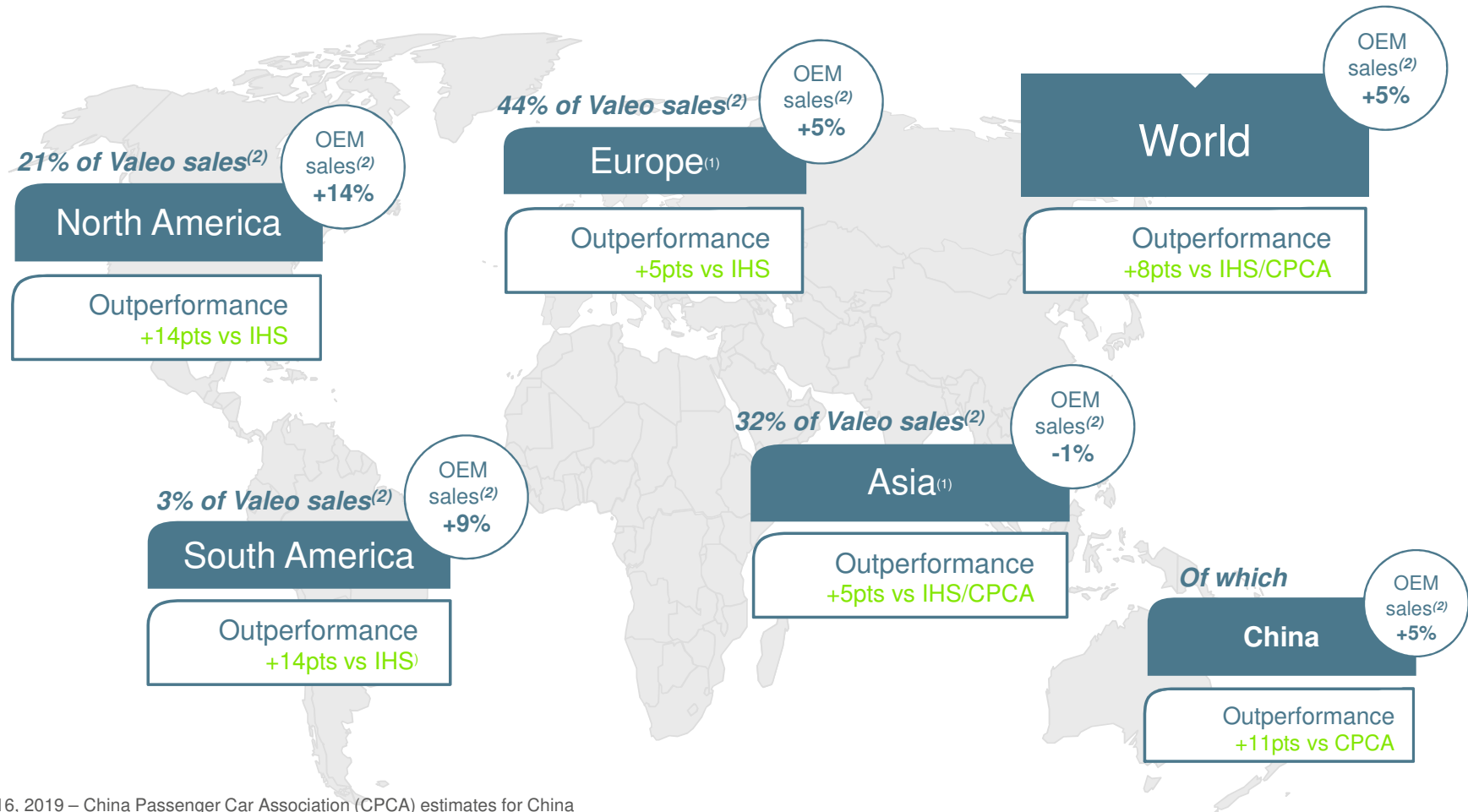
Q3 19



8 POINTS OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

Q3 19

Like for like



(1) Europe including Africa;
Asia including Middle East

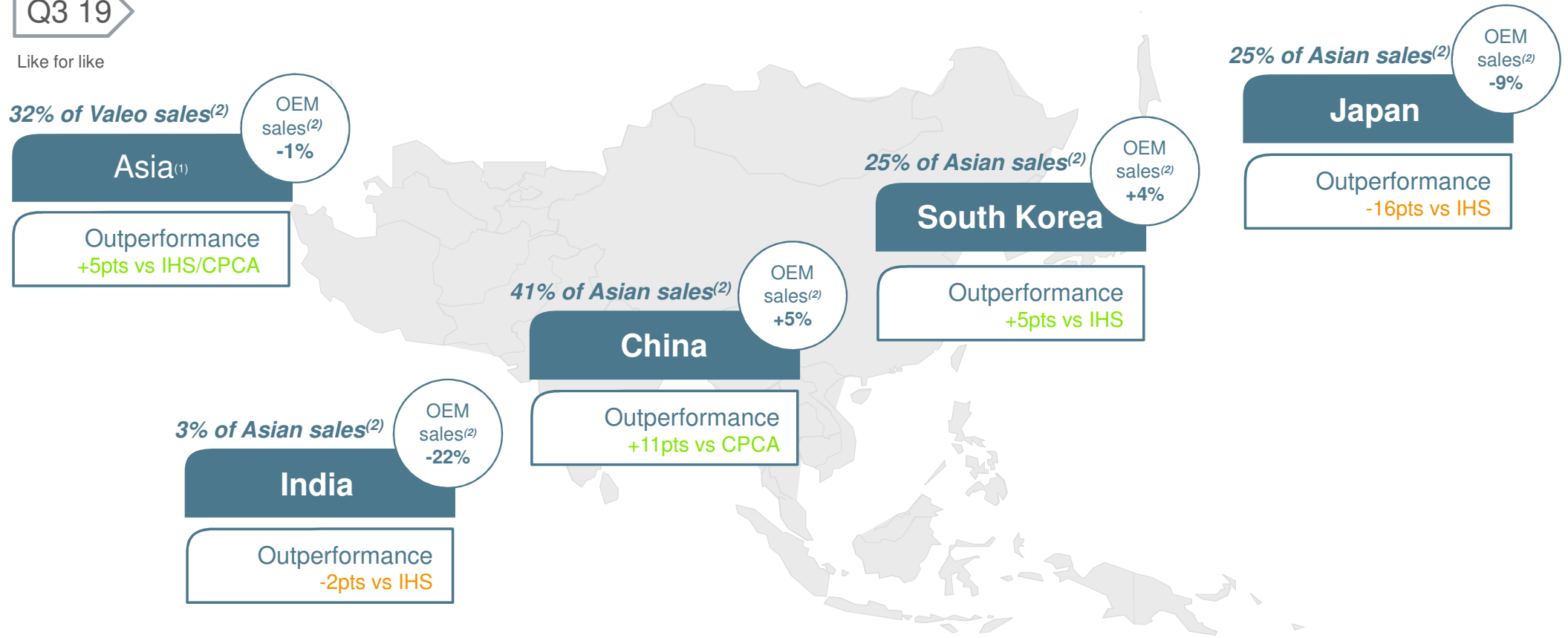
(2) Valeo OEM sales by destination

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



(1) Asia including Middle East

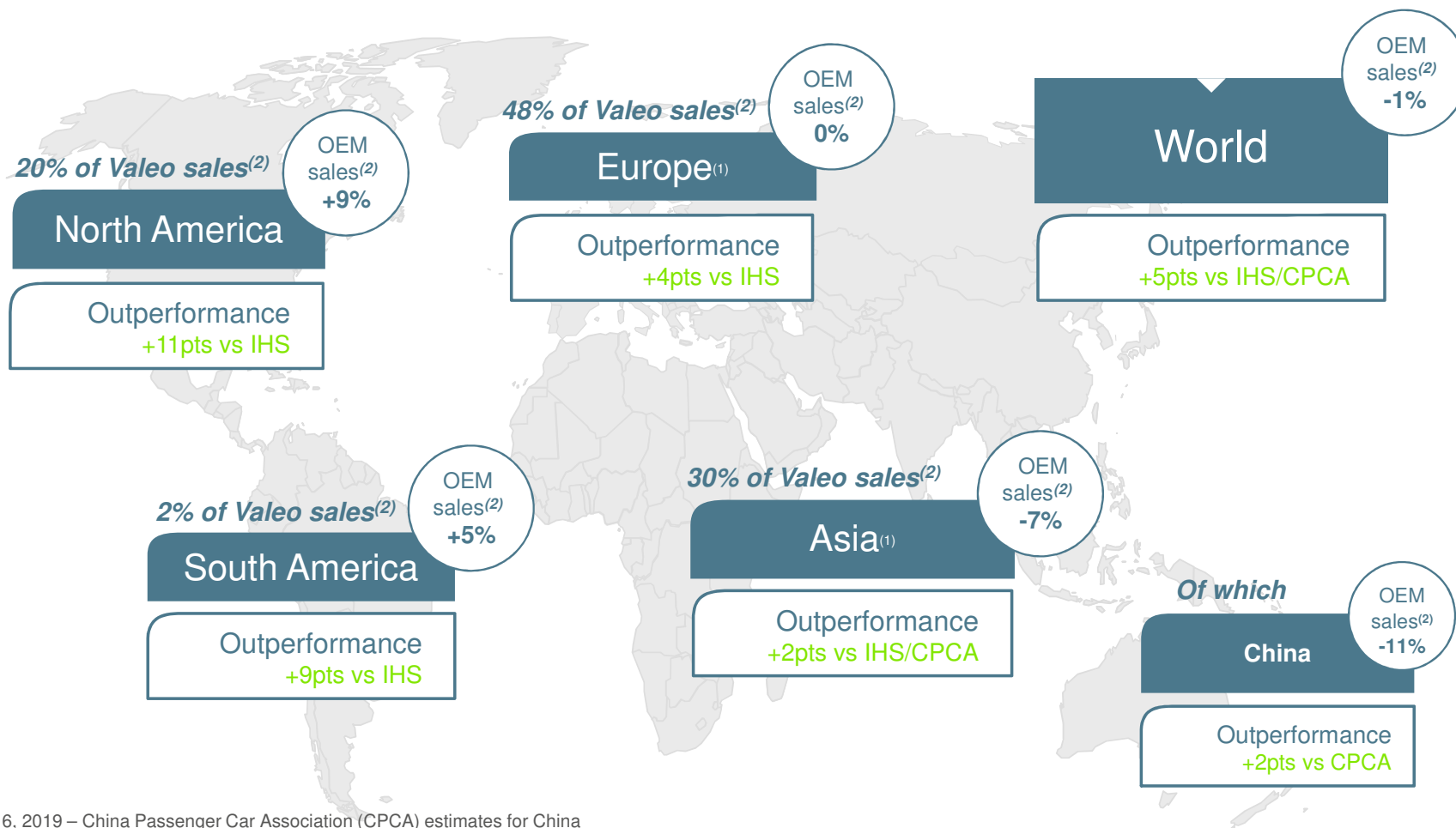
(2) Valeo OEM sales by destination

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



(1) Europe including Africa;
Asia including Middle East

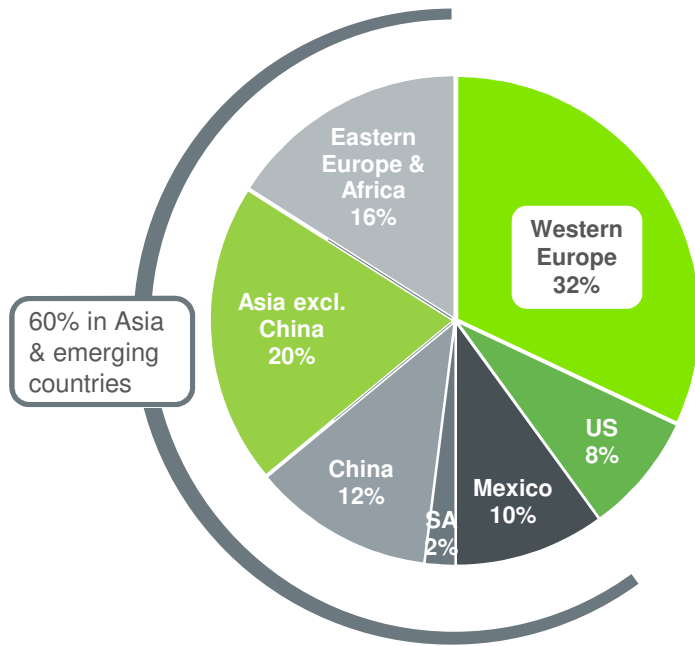
(2) Valeo OEM sales by destination

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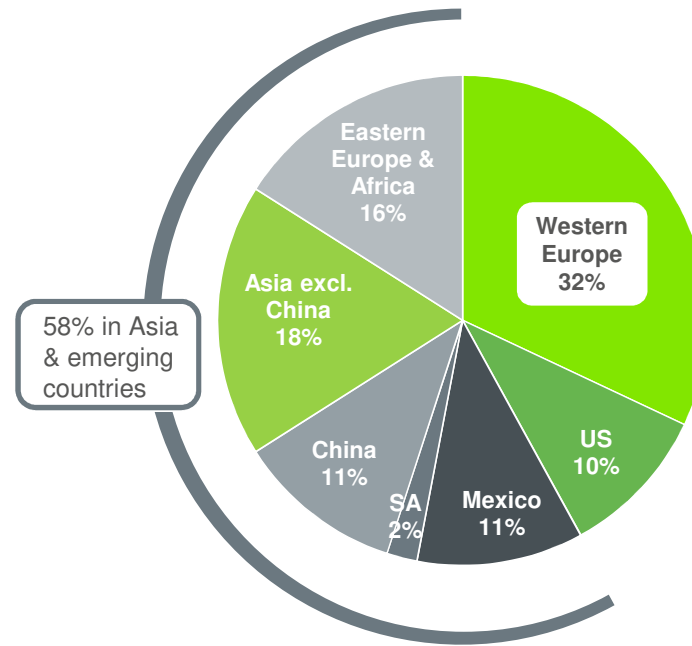
BALANCED GEOGRAPHIC POSITIONING

OEM sales by production region

% of OEM sales



2018

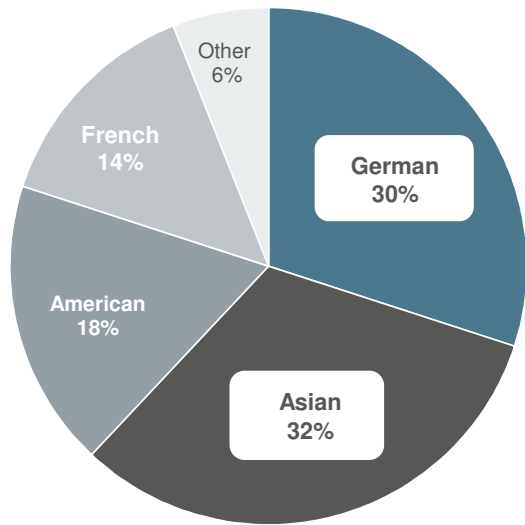


YTD September

2019

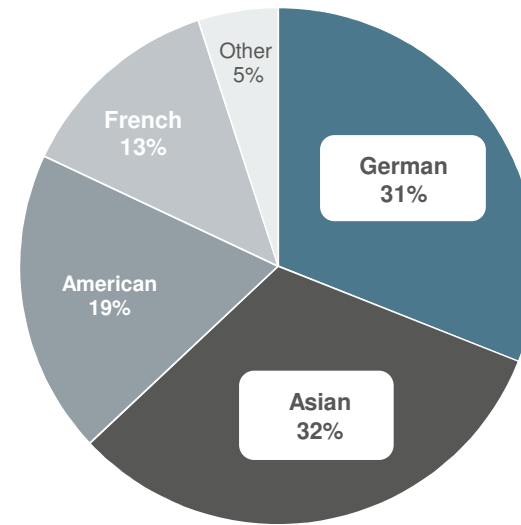
DIVERSE CUSTOMER PORTFOLIO

% of OEM sales



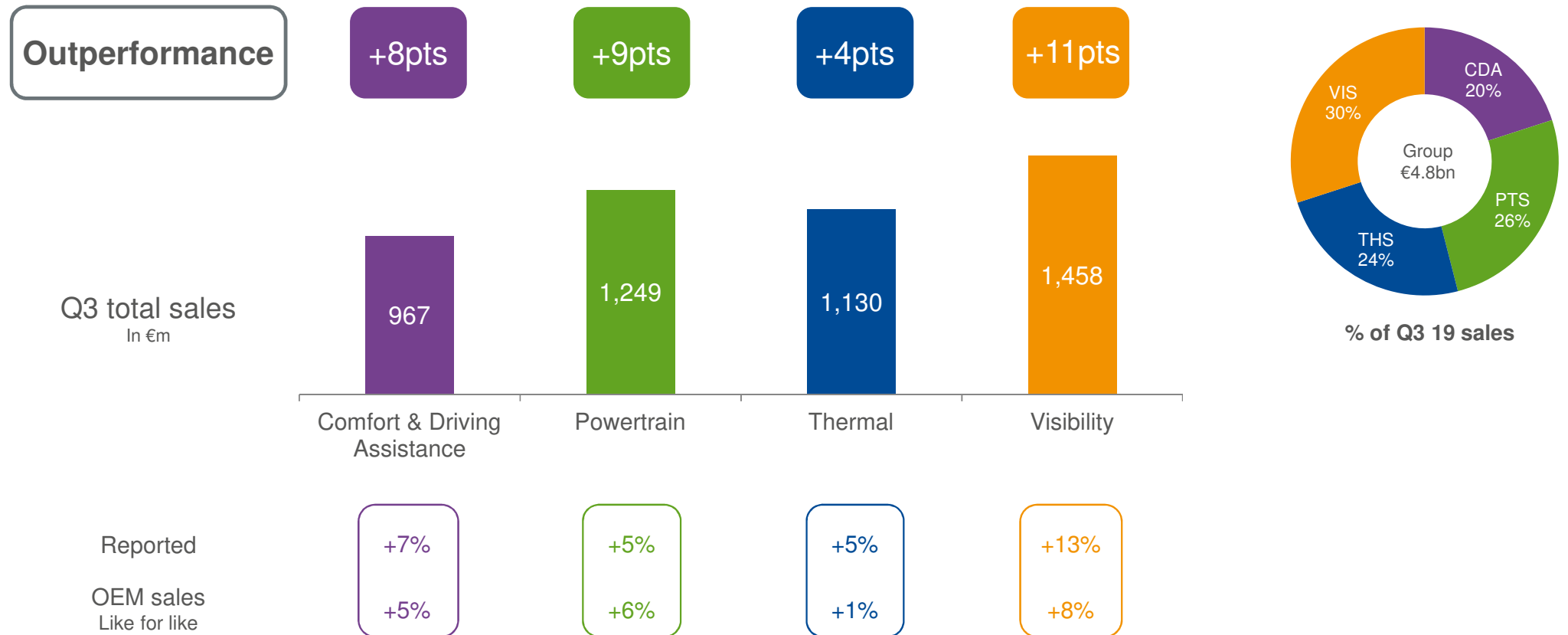
2018

YTD September

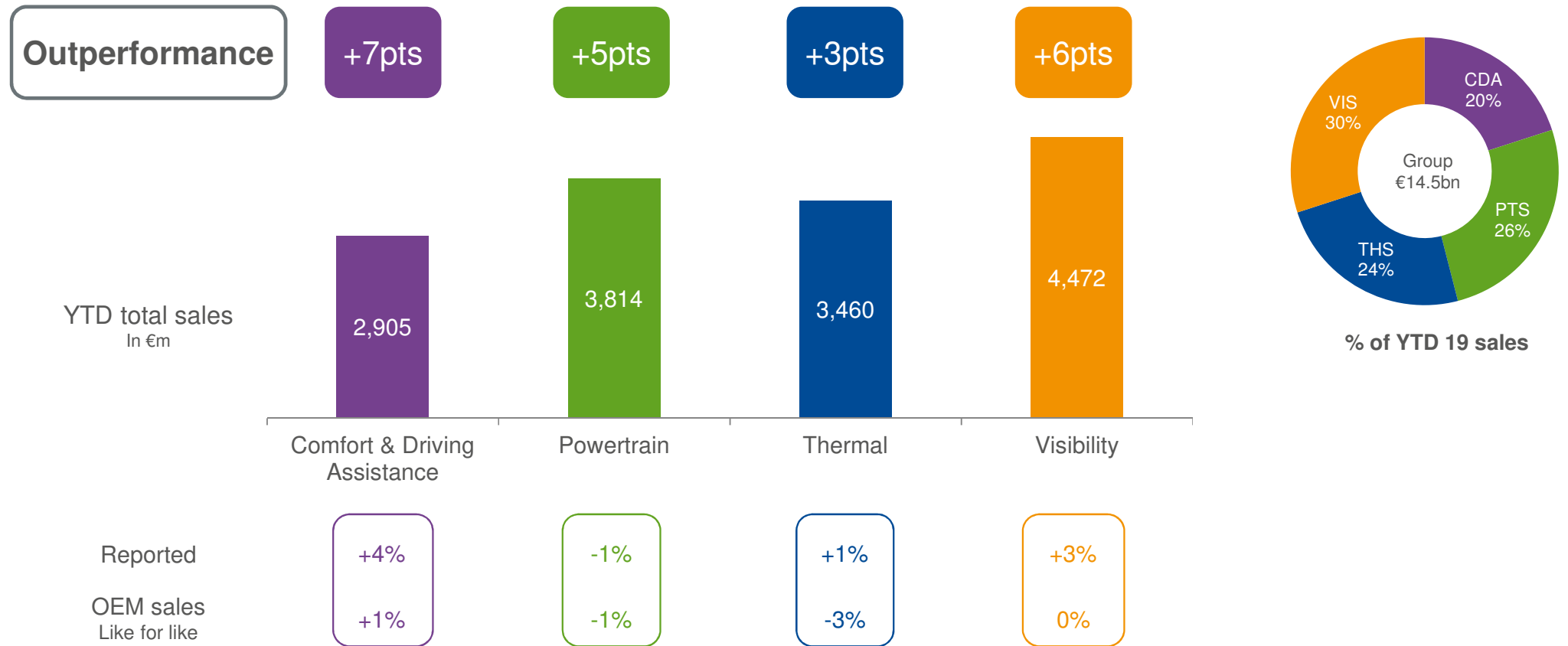


2019

EVERY BUSINESS GROUP OUTPERFORMED THE MARKET IN Q3



EVERY BUSINESS GROUP OUTPERFORMED THE MARKET YTD



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

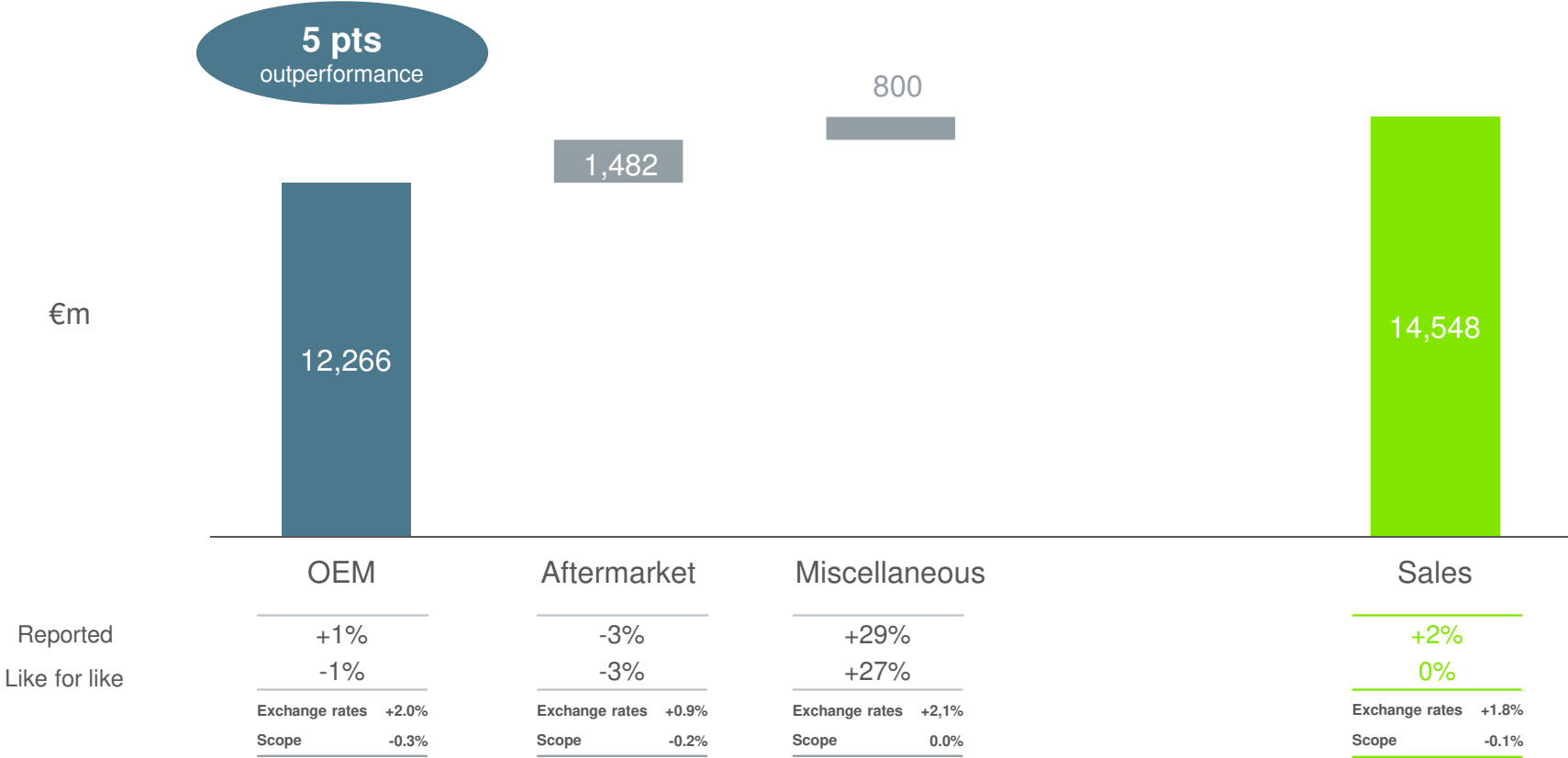
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▶ Business Group information

20

5 POINTS OEM SALES OUTPERFORMANCE IN A CHALLENGING ENVIRONMENT

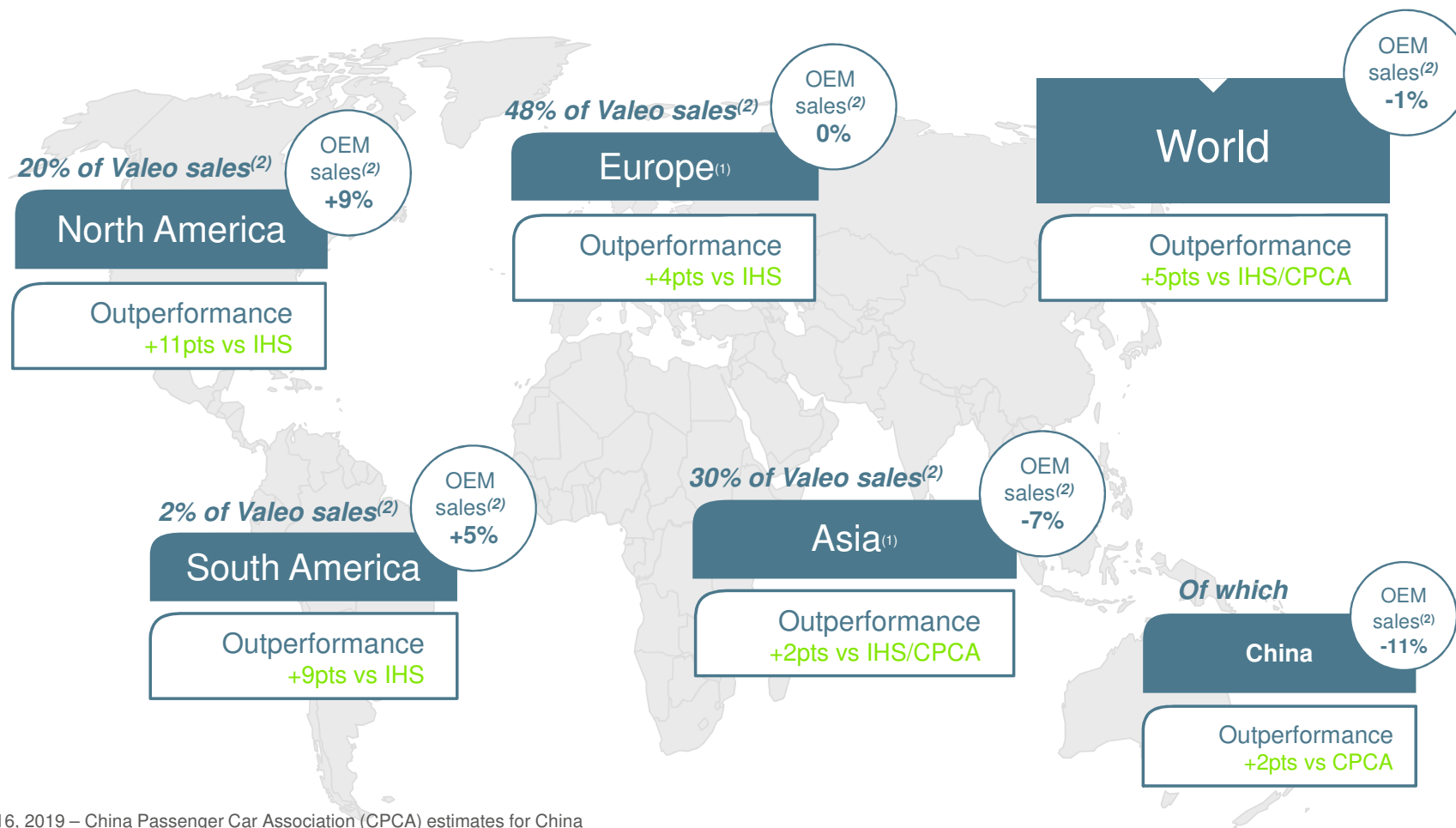
YTD 19



5 POINTS OEM SALES OUTPERFORMANCE (LIKE FOR LIKE)

YTD 19

Like for like

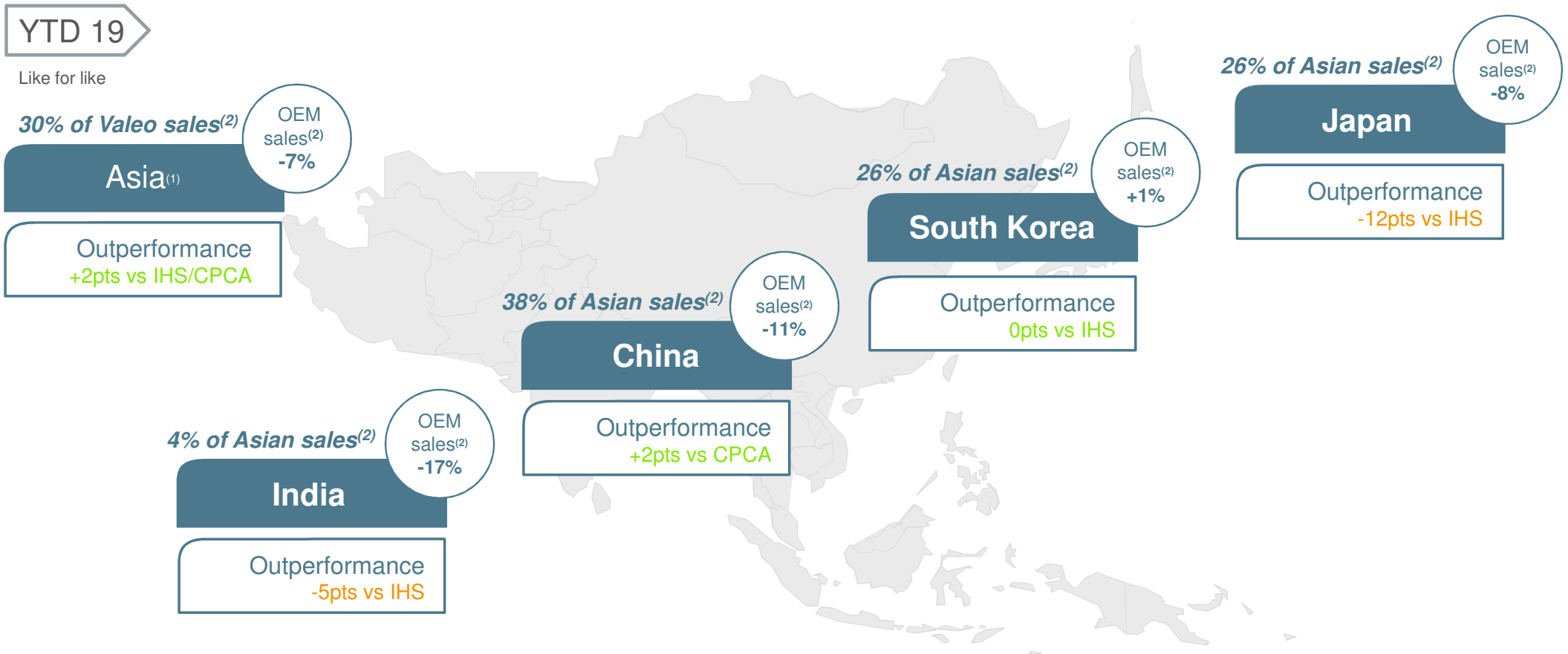


(1) Europe including Africa;
Asia including Middle East

(2) Valeo OEM sales by destination

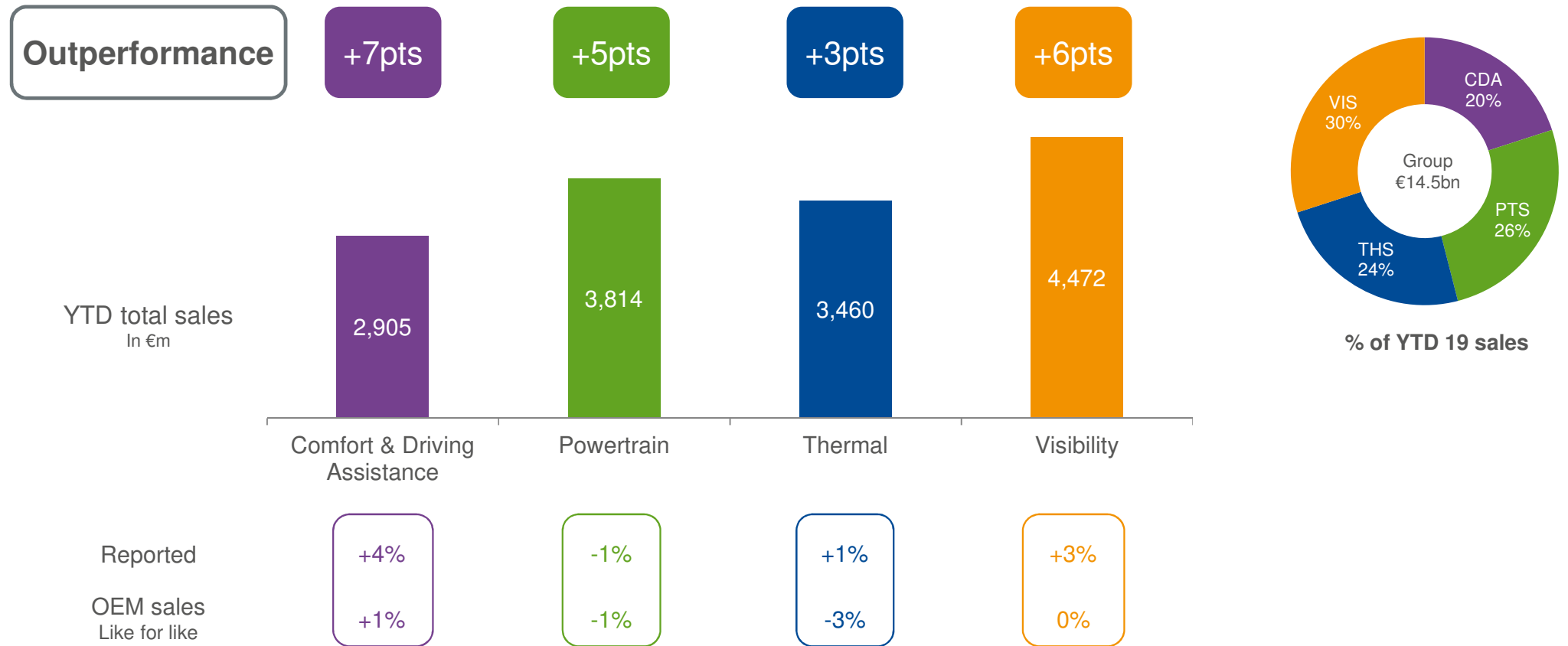
IHS estimates released on October 16, 2019 – China Passenger Car Association (CPCA) estimates for China

IN CHINA, BACK TO POSITIVE OEM SALES OUTPERFORMANCE (+ 2 POINTS)



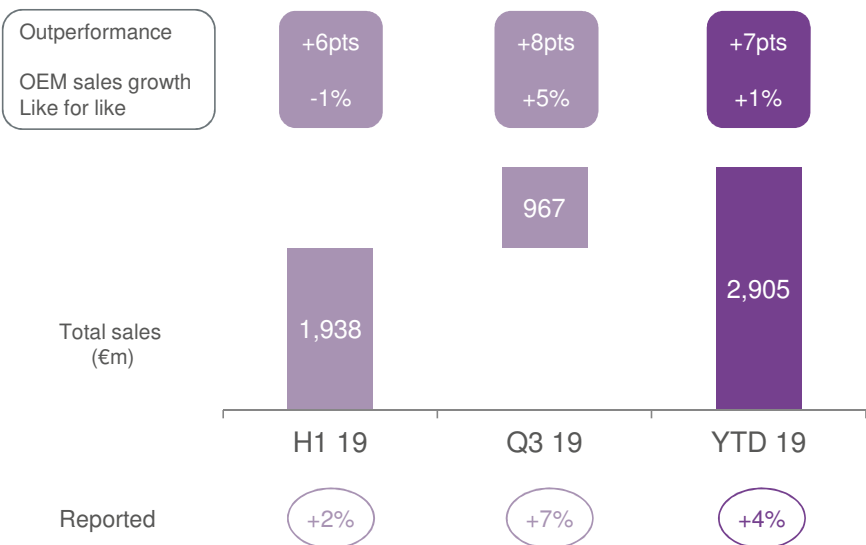
(1) Asia including Middle East
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EVERY BUSINESS GROUP OUTPERFORMED THE MARKET YTD



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 Valeo estimate

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

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 NHTSA 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

POWERTRAIN SYSTEMS



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 Valeo estimate

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

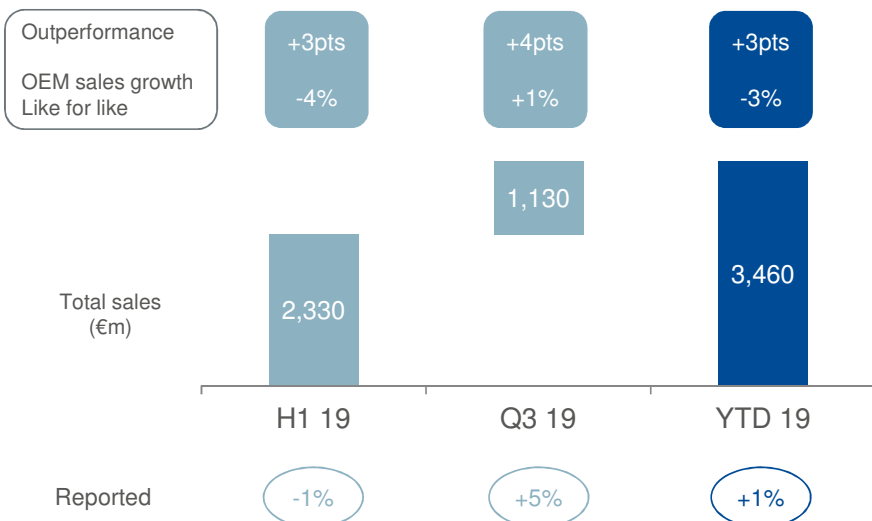
Key growth drivers: Objective of reducing CO₂ emissions and fossil fuel consumption through 3 priorities for engines:

- 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

THERMAL SYSTEMS



Market share* and competitors:

Thermal Systems: Valeo no. 2
Denso + Valeo + Hanon + Mahle ~ 54%*

*2018 Valeo estimate

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

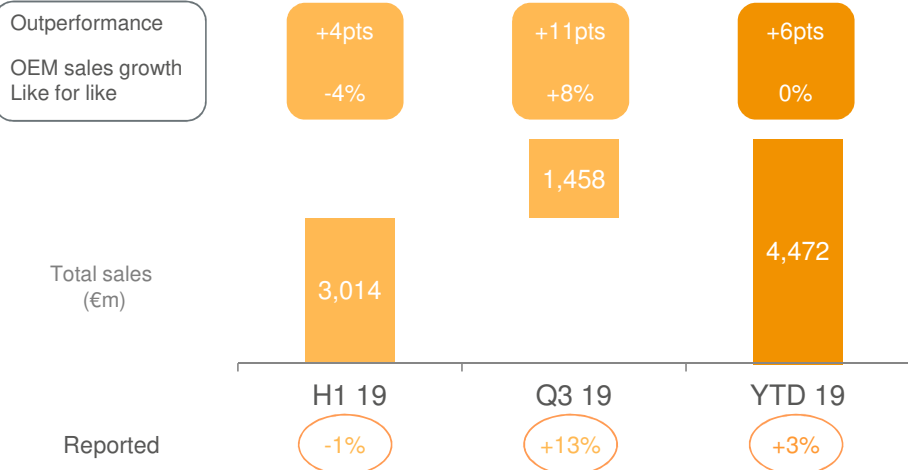
Key growth drivers:

- 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

VISIBILITY SYSTEMS



Market share* and competitors:

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

*2017 Valeo estimate

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:

- 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

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 September 30, 2019	241,036,743

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).

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SMART TECHNOLOGY
FOR SMARTER CARS