

VALEO

INVESTOR DAY

— London **2017** —

COMFORT & DRIVING ASSISTANCE SYSTEMS' ACCELERATION

MARC VRECKO

COMFORT & DRIVING ASSISTANCE SYSTEMS
BUSINESS GROUP PRESIDENT

JOACHIM MATHES

DRIVING ASSISTANCE SYSTEMS
R&D AND PRODUCT MARKETING DIRECTOR

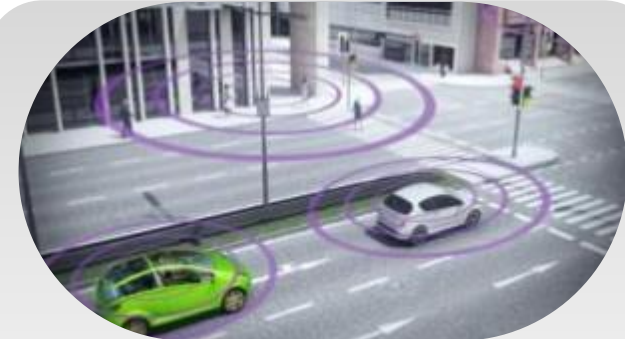
A UNIQUE ORGANIZATION FOCUSED ON USER EXPERIENCE



AUTOMATED CAR



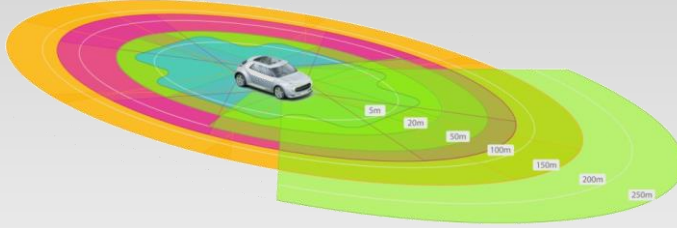
INTUITIVE CONTROLS



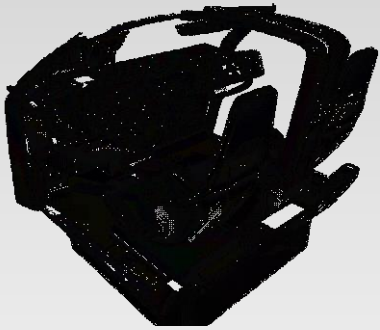
CONNECTED CAR

**THE ONLY PLAYER PROVIDING AUTOMATED,
CONNECTED AND INTUITIVE HUMAN MACHINE INTERFACE SOLUTIONS**

A UNIQUE AND CONSISTENT OFFER FOR THE AUTOMATED CAR



FULL ADAS TECHNOLOGIES AND SYSTEM
OFFER FOR AUTOMATED CARS



NEW USER EXPERIENCE
THROUGH INTUITIVE CONTROLS

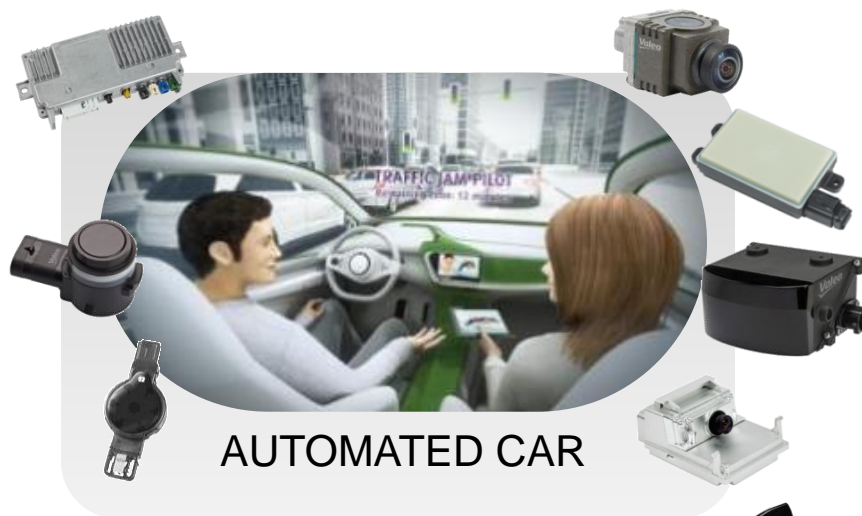


FULL CONNECTIVITY FROM
SHORT DISTANCE TO CLOUD

**A COMPLETE TECHNOLOGY PORTFOLIO FOR AUTOMATED CAR,
CONNECTED CAR, INTUITIVE HUMAN MACHINE INTERFACE PRODUCTS AND SYSTEMS**

IN DRIVING ASSISTANCE

#1 WORLDWIDE



IN INTERIOR CONTROLS

#2 WORLDWIDE



INTUITIVE CONTROLS



IN TELEMATICS

#2 WORLDWIDE



CONNECTED CAR

VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS

KEY FIGURES (END OF 2016)

TOTAL SALES

€3.4 BN



17,400
EMPLOYEES



25
PRODUCTION
SITES

EBITDA

14.7 % OF SALES



17
COUNTRIES



18
RESEARCH &
DEVELOPMENT
CENTERS

VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS

WORLDWIDE PRESENCE (END OF 2016)

NORTH AMERICA

17% SALES
10% HEADCOUNT



SOUTH AMERICA

0% SALES
0% HEADCOUNT

EUROPE

62% SALES
58% HEADCOUNT



CHINA

10% SALES
13% HEADCOUNT



ASIA EXCL. CHINA

11% SALES
19% HEADCOUNT

VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS

OUR COMMITMENT IN 2015, WHAT WE ACHIEVED IN 2016

COMMITTED IN 2015

ANNUAL GROWTH OVER
2014 - 2020 PERIOD

10%

EBITDA MARGIN IMPROVEMENT
FROM 14.5% IN 2014 TO

17.5%

IN 2020

ACHIEVED IN 2016

ANNUAL GROWTH FROM
2014 TO 2016

20.6%

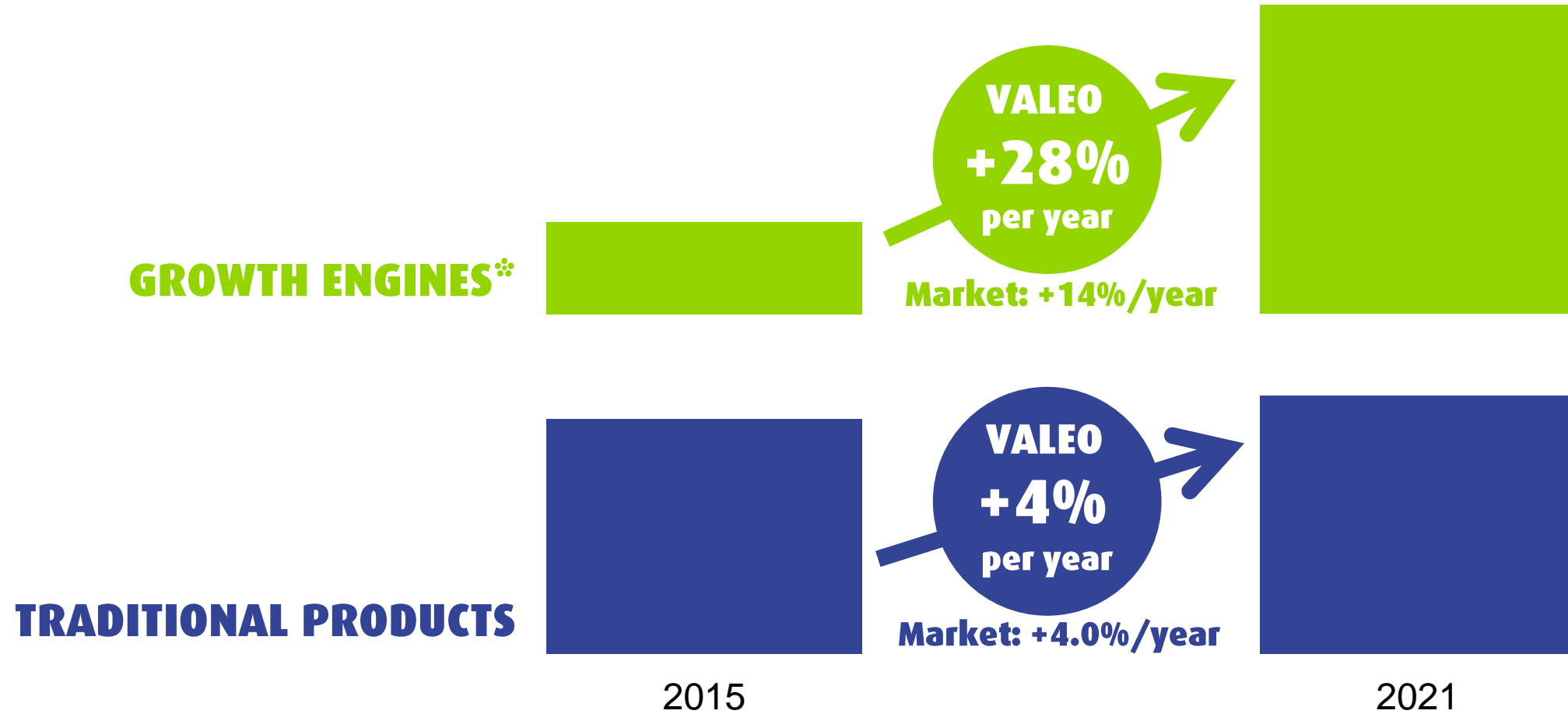
2016 EBITDA

14.7%



**WE ARE AHEAD
OF THE PLAN ANNOUNCED
IN MARCH 2015**

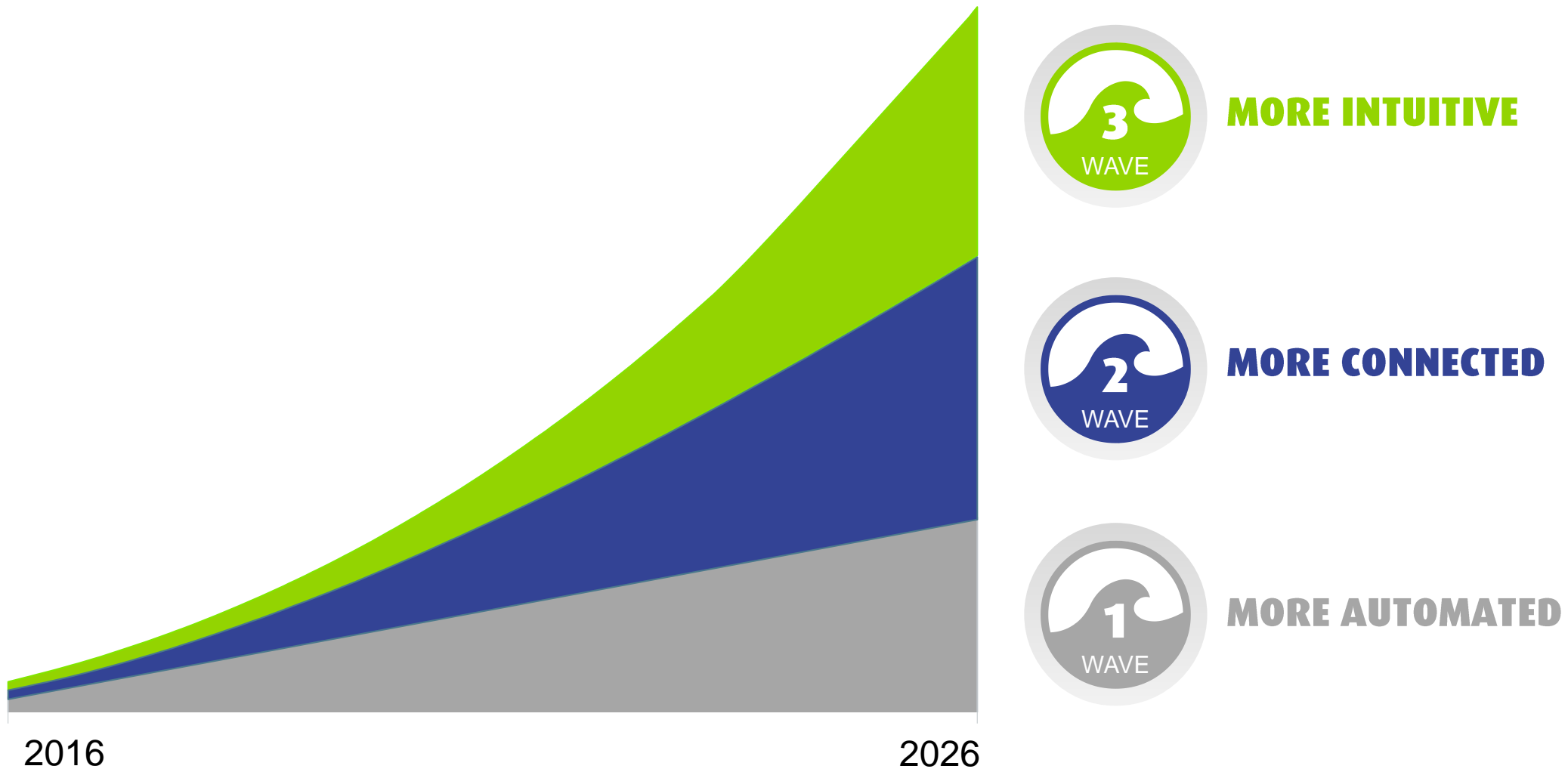
OVERPERFORMING THE MARKET WITH OUR INNOVATIONS



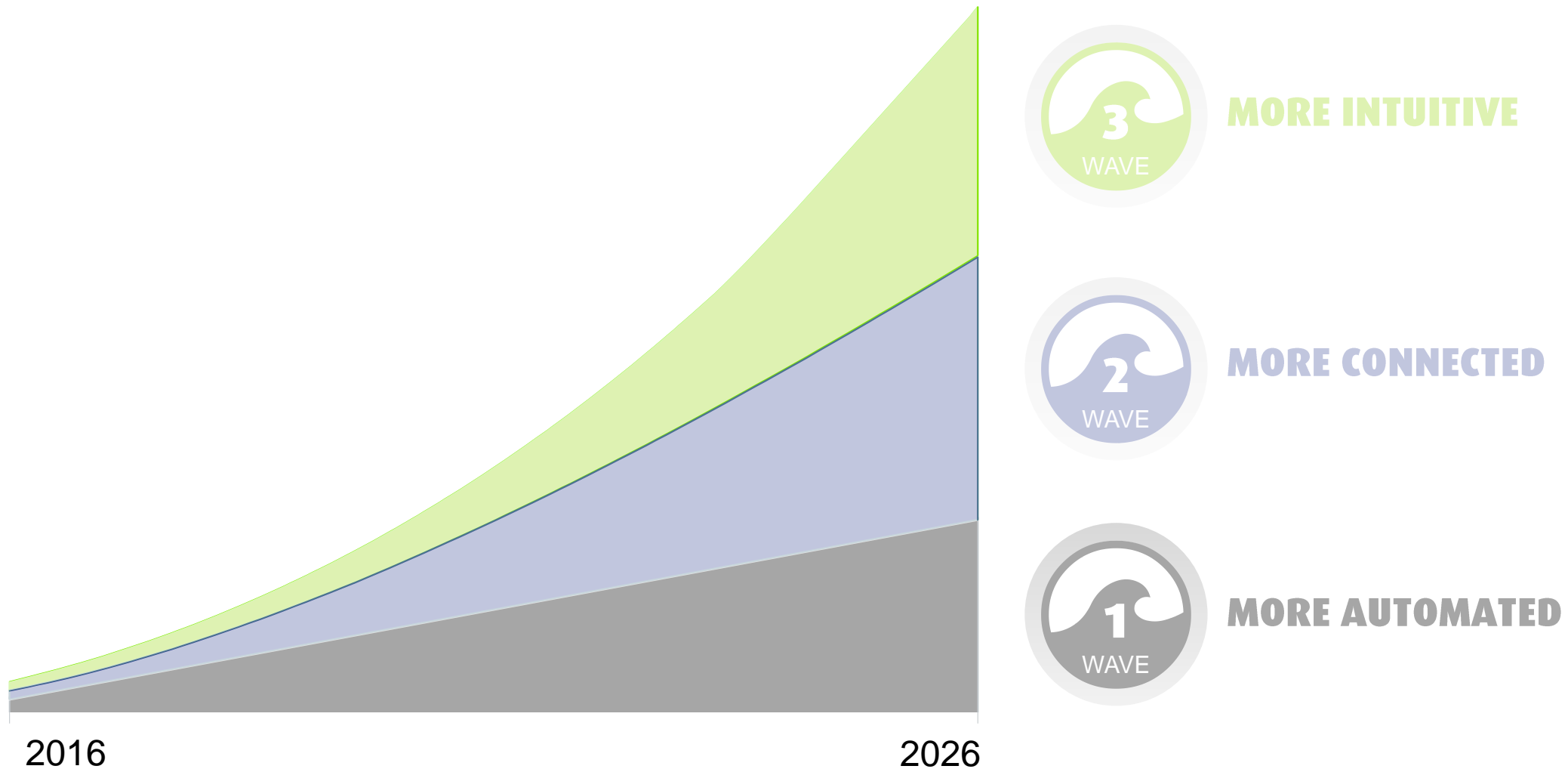
Source: Valeo

*Strategic products and services that are positioned in growing markets or generate a significant increase in Group sales

VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS' GROWTH IS FUELED BY **SIMULTANEOUS INNOVATION WAVES**



VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS' GROWTH IS FUELED BY **SIMULTANEOUS INNOVATION WAVES**



AUTOMATED DRIVING VALEO ROADMAP



Traditional OEM



New Mobility Player
Traditional OEM

PRIVATE OWNERSHIP

FLEET SERVICE



HIGHWAY



URBAN



PARKING

Highway Assist

Highway Pilot

Robot Truck

Traffic Jam Assist

Traffic Jam Pilot

B-Road Pilot

Robot Taxi

Remote Parking

Home Zone Parking

Connected Parking



Fully
Automated
Driving

2 Partial
Automation

3 Conditional
Automation

4 High
Automation

5 Full
Automation

NEW MOBILITY PRIVATE OWNERSHIP VS FLEET-OPERATED MOBILITY



PERSONAL MOBILE LIVING SPACE
(OWNERSHIP)



PRIVATE OWNERSHIP

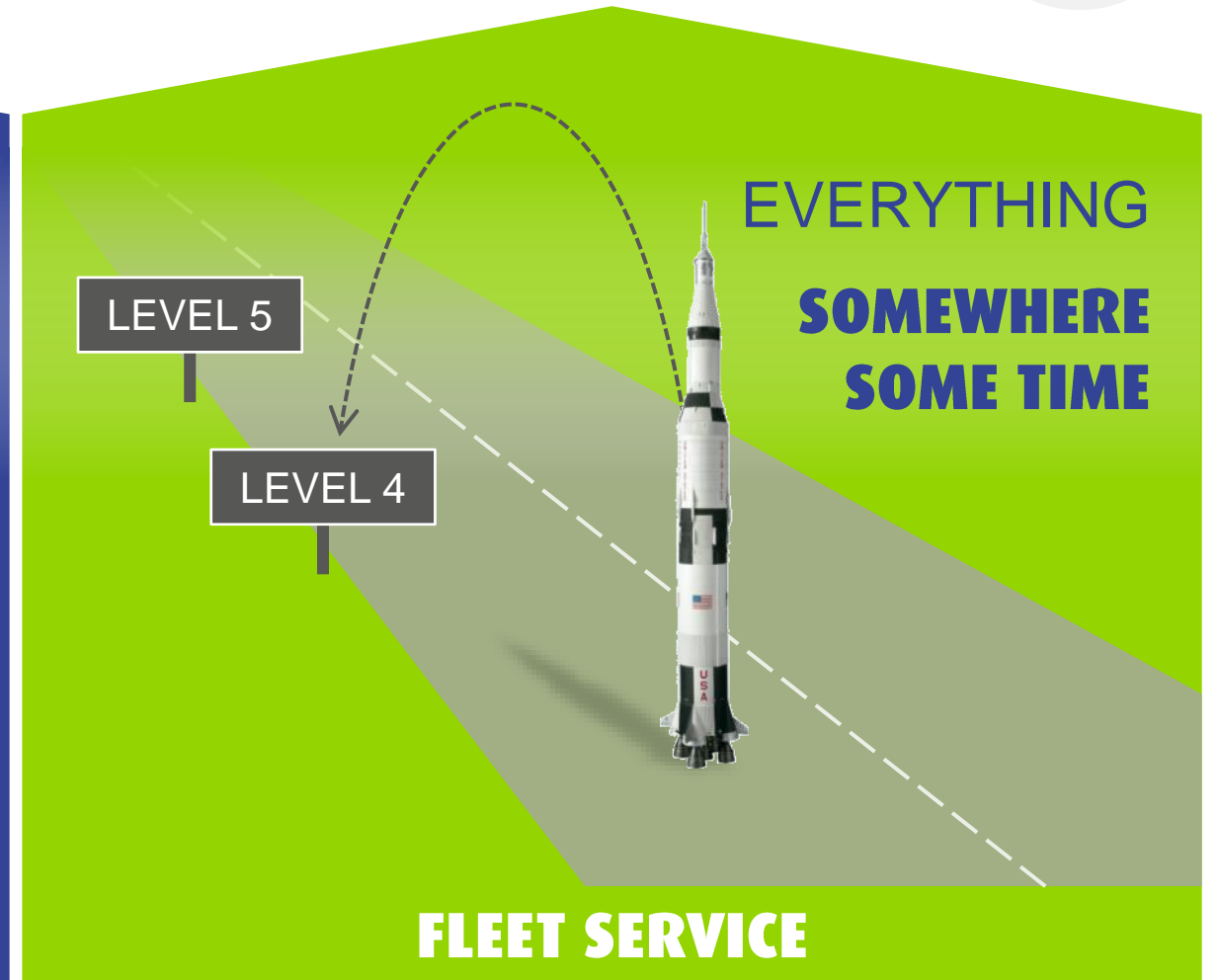
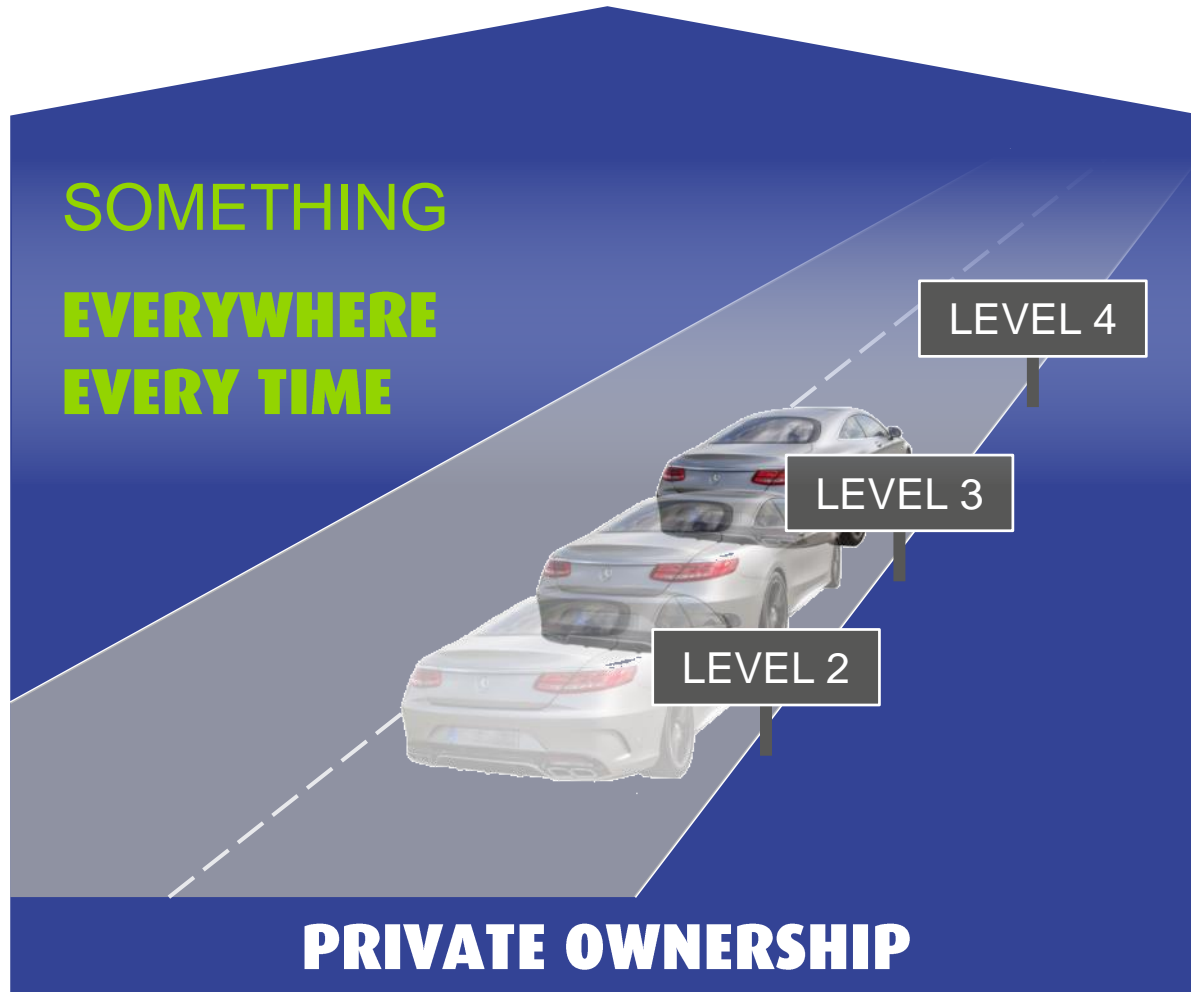


MOBILITY ON DEMAND
(SERVICE)

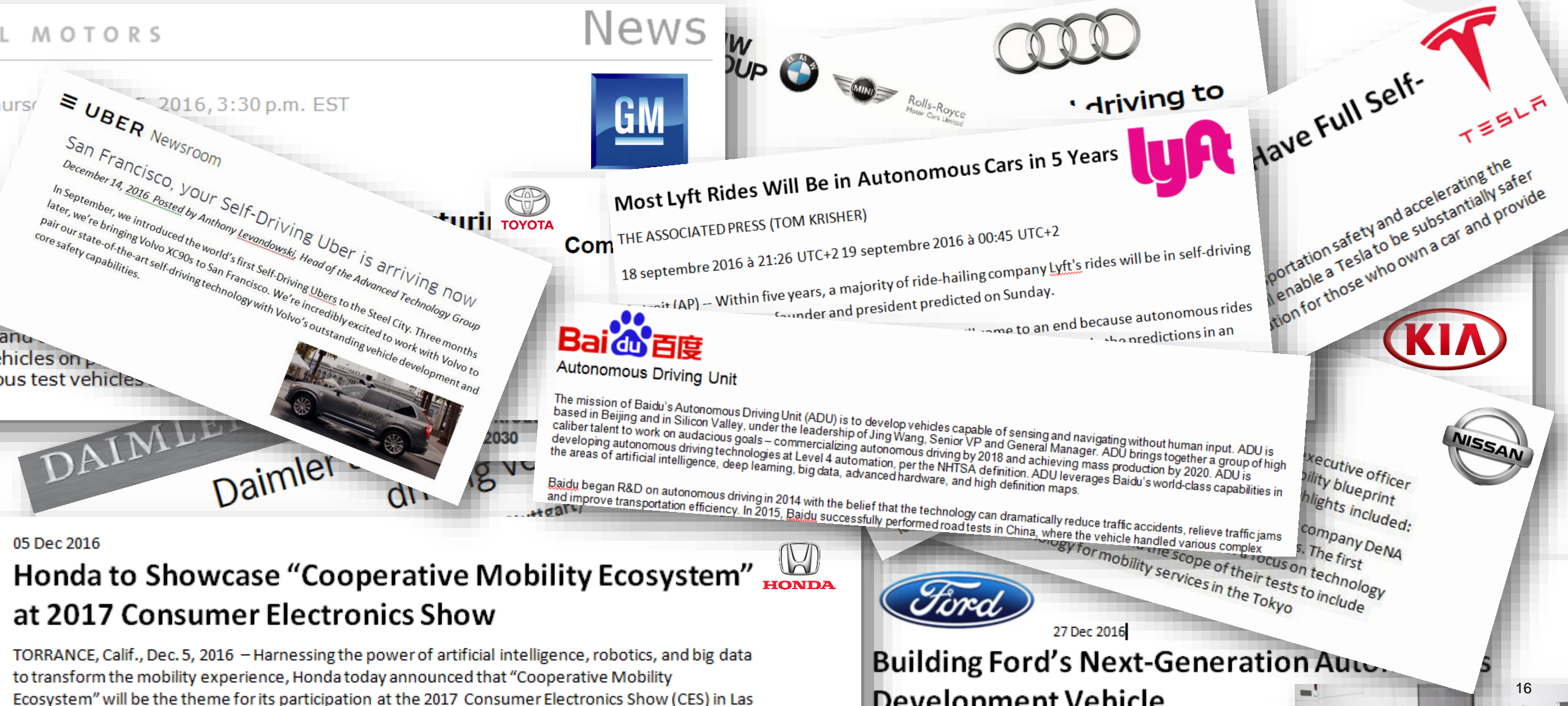


FLEET SERVICE

NEW MOBILITY STEP BY STEP EVOLUTION VS MOON SHOT APPROACH



MAJOR OEMs AND NEW MOBILITY PLAYERS TARGET FULLY-AUTOMATED VEHICLES





**SENSORS ARE
THE FOUNDATION OF
AUTOMATED DRIVING**

SENSORS ARE THE FOUNDATION OF **AUTOMATED DRIVING**



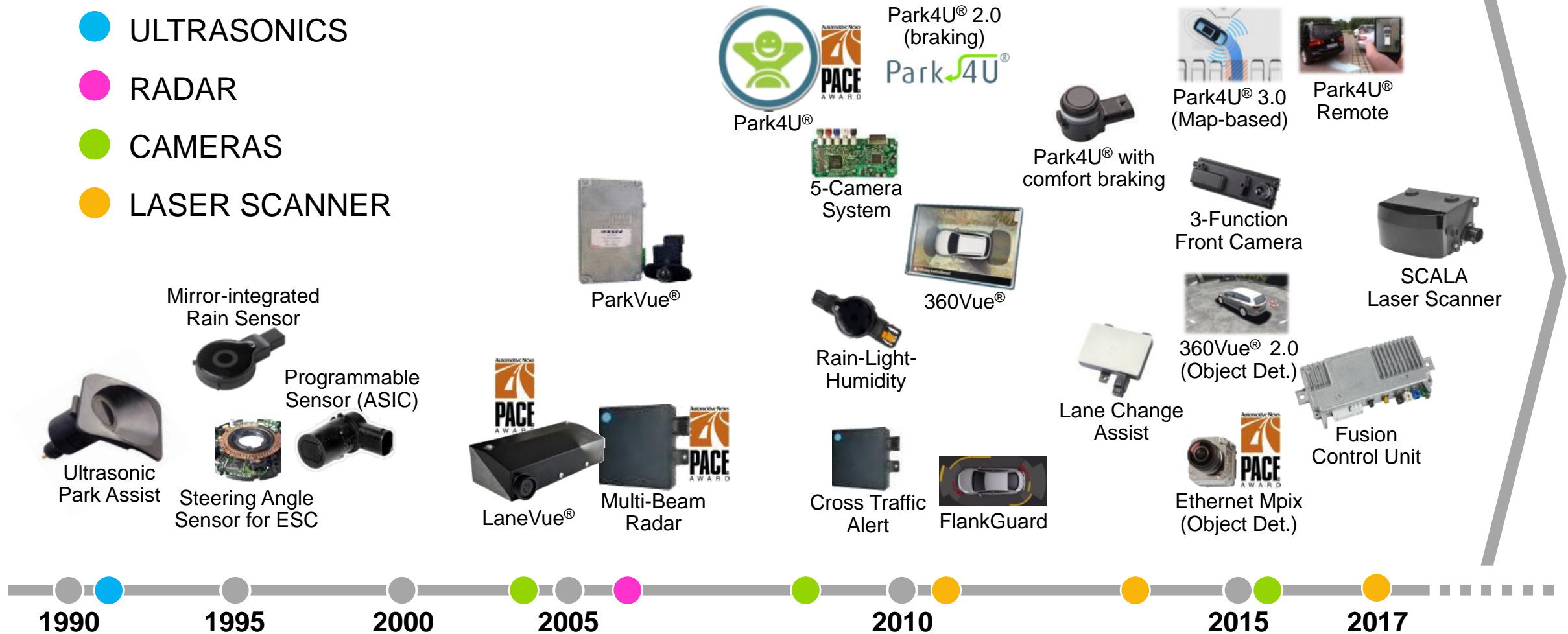
- TELEMATICS
- ULTRASONICS
- RADAR
- CAMERAS
- LASER SCANNER



VALEO HAS BUILT THE BROADEST SENSORS PORTFOLIO IN THE AUTOMOTIVE INDUSTRY



- ULTRASONICS
- RADAR
- CAMERAS
- LASER SCANNER



VALEO HAS BUILT THE BROADEST SENSORS PORTFOLIO **IN THE AUTOMOTIVE INDUSTRY**



RAIN
SENSOR



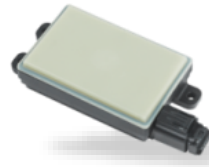
ULTRASONIC
SYSTEMS



SURROUND
CAMERA



FRONT
CAMERA



RADAR
COCOON



SOLID-STATE
LIDAR



LASER
SCANNER



FUSION
CONTROLLERS



1990 - 2016

**700 MILLION
SENSORS PRODUCED**

2017 - 2021

**MORE THAN 1 BILLION
TO PRODUCE**

AND PROVIDES THE MOST EXTENSIVE PERCEPTION COCOONS



ULTRASONIC
SYSTEMS



SURROUND VIEW
CAMERA



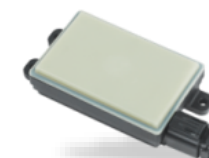
FUSION
CONTROLLERS



LASER
SCANNER



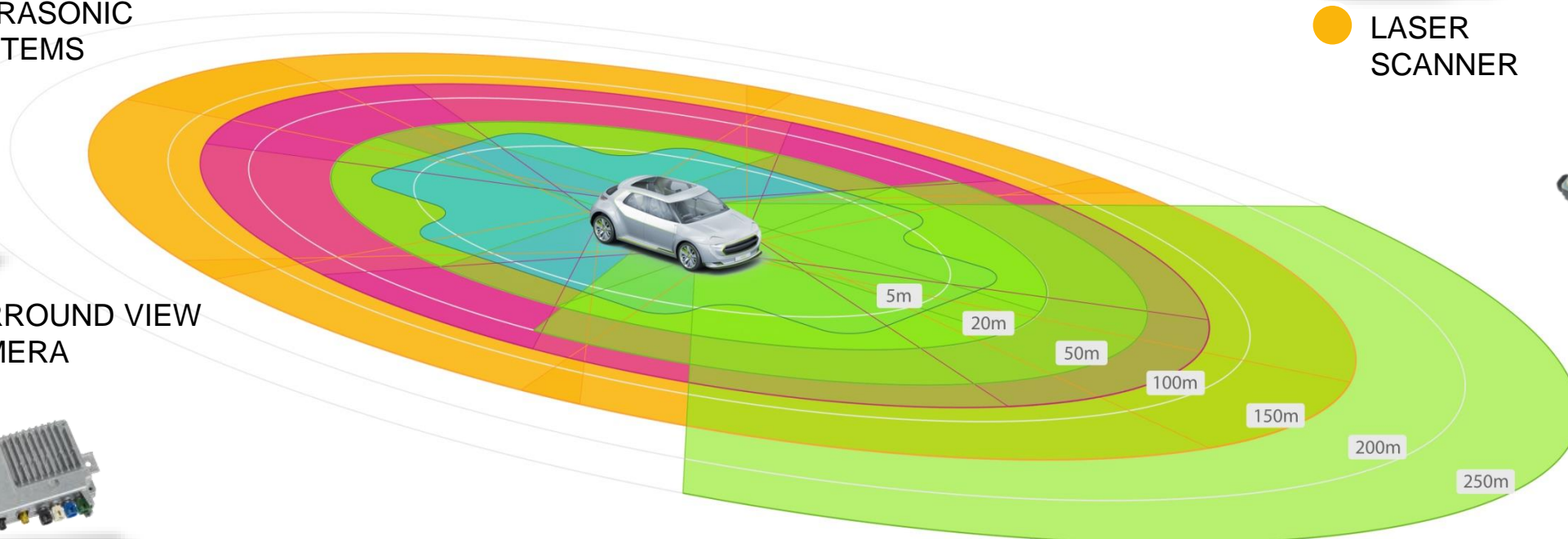
SOLID-STATE
LiDAR



RADAR
COCOON



FRONT
CAMERA



VALEO'S LEADERSHIP IN PERCEPTION

FOCUS ON LASER SCANNERS



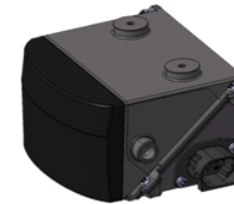
VALEO SCALA® COCOON



VALEO
AWARDED
SOP 2017

SCALA GENERATION 1

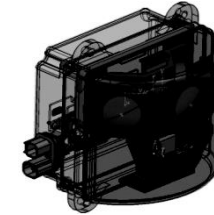
ROTATING MIRROR



VALEO
AWARDED
SOP 2019

SCALA GENERATION 2

ROTATING MIRROR
ENLARGED
FIELD OF VIEW



VALEO
AWARDED
PRE-DEVELOPMENT
CONTRACT

SCALA GENERATION 3

SOLID-STATE

FIRST-IN-PRODUCTION WITH SCALA 1 IN 2017
PRODUCTION AWARDS FROM 3 CUSTOMER GROUPS TO DATE

VALEO'S LEADERSHIP IN PERCEPTION

NAVYA INDUSTRIAL PARTNER IN ROBOT SHUTTLE

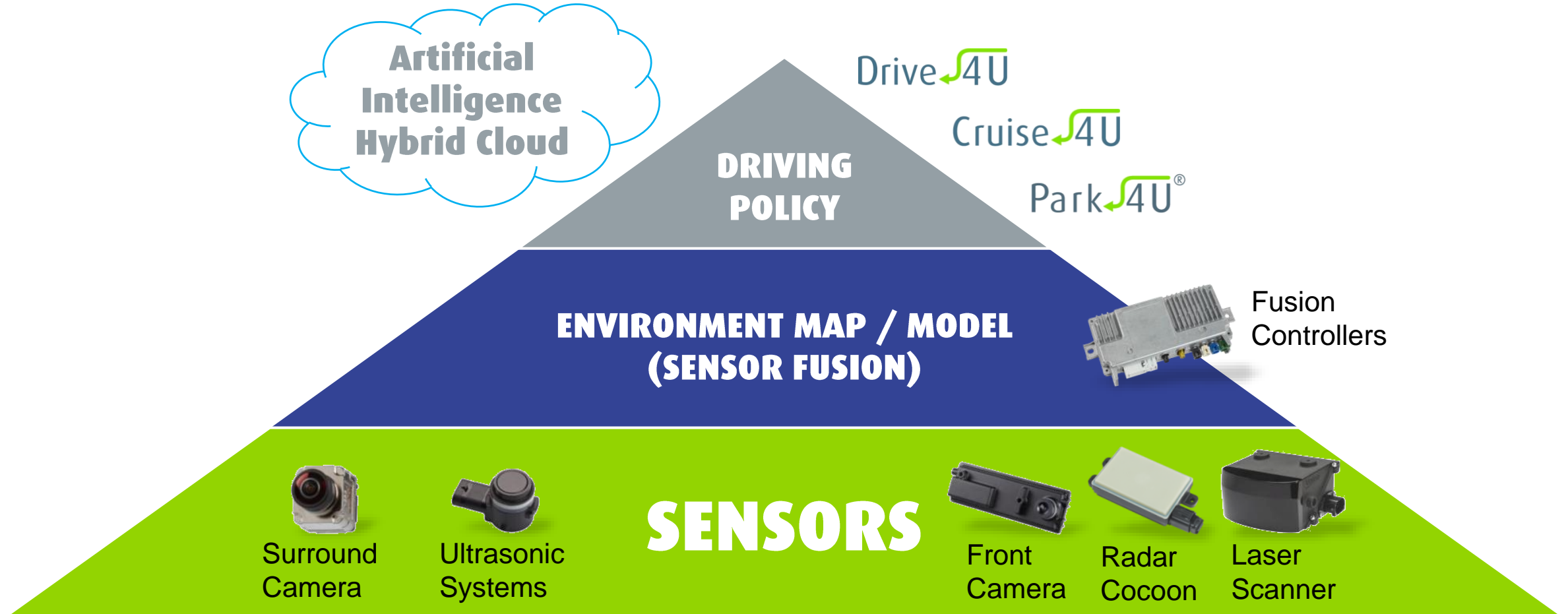


- Telematics
- Ultrasonics
- Radar
- Cameras
- Laser Scanner

SION, SWITZERLAND • PERTH, AUSTRALIA • LYON, FRANCE • MCITY (ANN ARBOR), U.S. • LAS VEGAS, U.S.

LEADERSHIP IN PERCEPTION

AS FOUNDATION FOR AUTOMATED DRIVING



SEVERAL MISSIONS FOR AUTOMATION IN PROGRESS



COVERING ALL LEVELS OF AUTOMATION



SEVERAL MISSIONS FOR AUTOMATION IN PROGRESS



Park4U® Remote

PARK YOUR CAR
WITH YOUR SMARTPHONE



2016
IN PRODUCTION

Valeo Cruise4U

HANDS-OFF DRIVING
ON THE HIGHWAY



2016
USA AND EU TOUR,
24H PÉRIPHÉRIQUE

Drive4U

HIGH AUTOMATION
IN URBAN ENVIRONMENT



2017

**OVER 125,000 KM COVERED
IN AUTOMATED MODE ON TWO CONTINENTS**

SEVERAL MISSIONS FOR AUTOMATION IN PROGRESS



PARTIAL AUTOMATION

Automation in certain situations
Driver remains responsible

~500 € / car

16 sensors, control unit

Today's ADAS architecture,
upgraded sensor set

CONDITIONAL AUTOMATION

Automation in certain situations
Driver doesn't have to supervise

~1,500 € / car

>20 sensors, control unit,
driver monitoring, telematics

Centralized architecture, Connected,
Redundant Sensing, Driver Monitoring

HIGH/FULL AUTOMATION

Automation for an entire trip
Potentially driverless

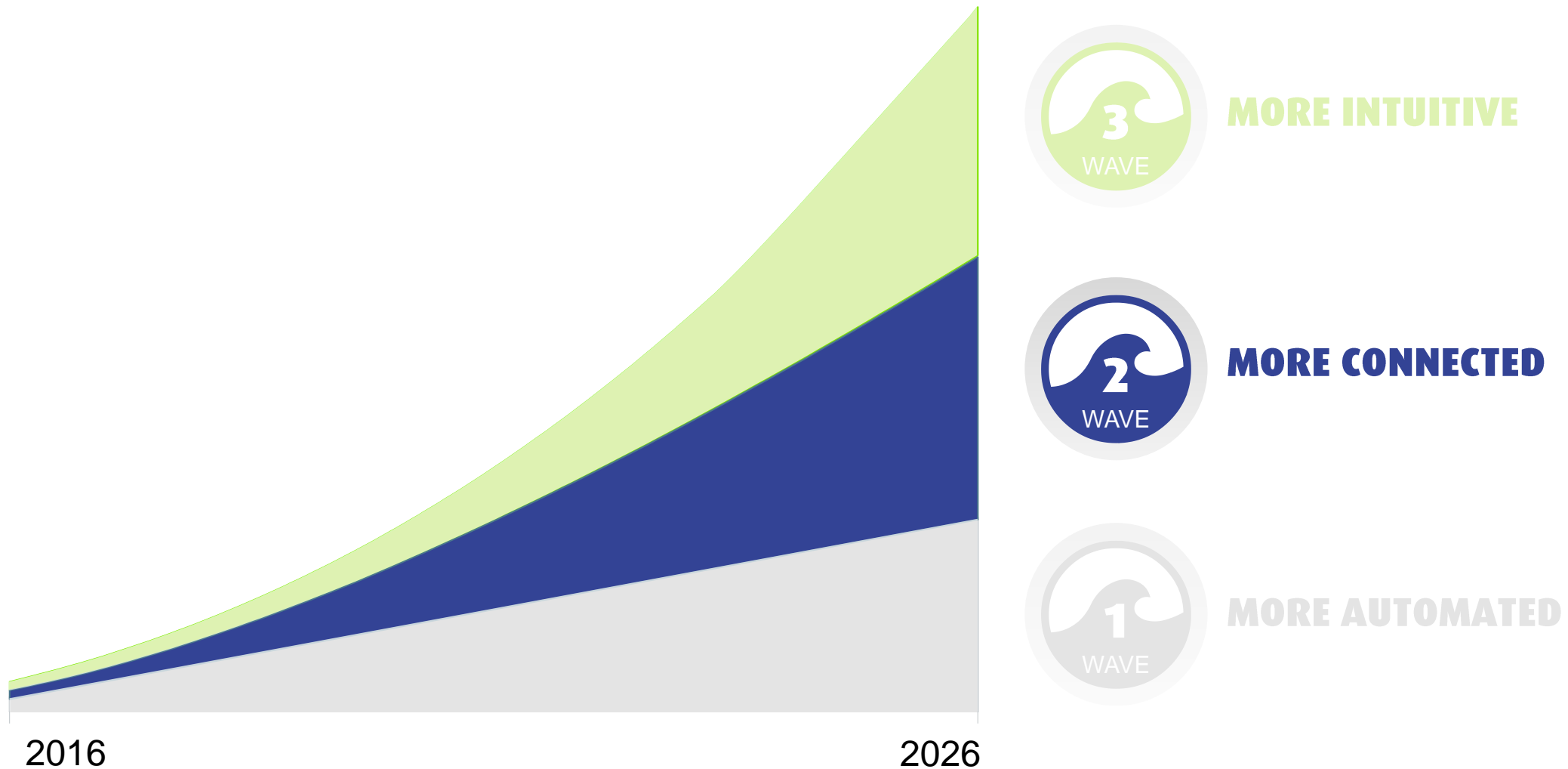
~5,000 € / car

>30 sensors, control unit (incl. AI),
interior monitoring, telematics

Artificial Intelligence based System,
Multi-SOC, Triple redundant cocoon

**SCALABLE PERCEPTION CAPABILITY SUPPORTING
A MODULAR ARCHITECTURE DESIGN**

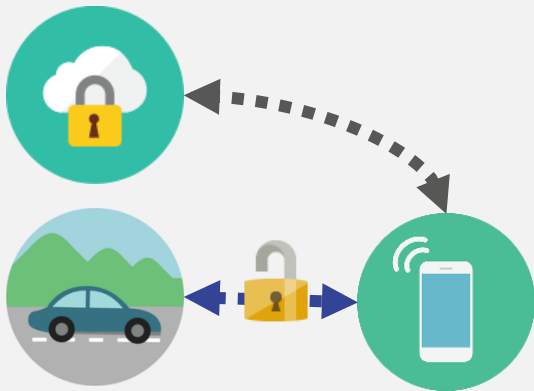
VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS' GROWTH IS FUELED BY **SIMULTANEOUS INNOVATION WAVES**



CONNECTIVITY BOOSTS MOBILITY



VALEO InBlue® VIRTUAL KEY



A UNIQUE ECOSYSTEM



propose a unique secured Virtual Key in smartphone



deploy the 1st industrial offer for car sharing to address Corporate Fleets and Car Rental

Mov'InBlue™



AWARDED
SOP 2017



**SECURED VIRTUAL KEY TO CREATE NEW VALUE FOR OEMs
AND SOLUTION FOR NEW MOBILITY**

VALEO PEIKER TELEMATICS

A LEADER IN CONNECTED CARS



VALEO PEIKER IN FIGURES

#2
WORLDWIDE

14%
MARKET
SHARE

1.000
EMPLOYEES
WORLDWIDE

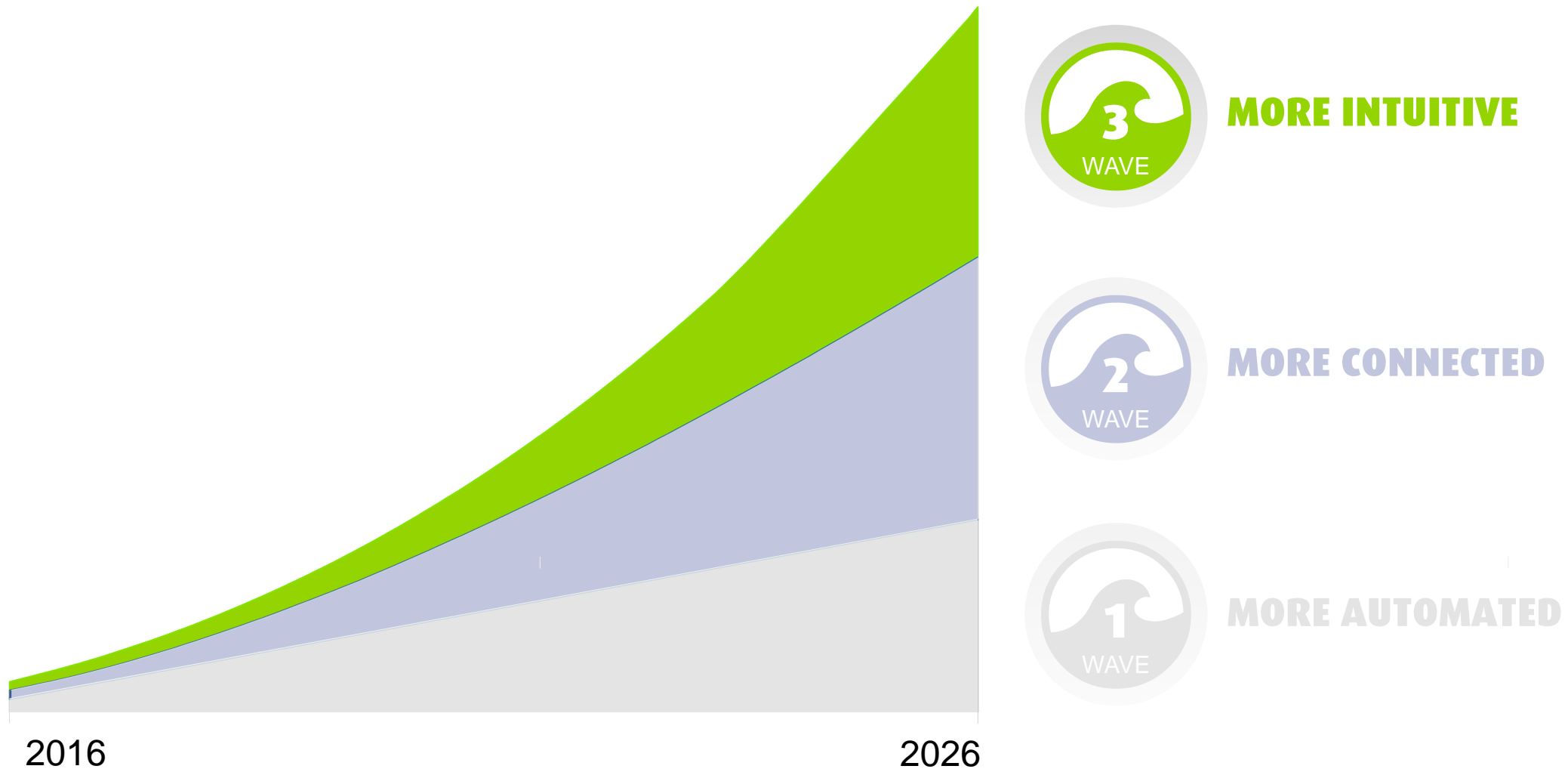
(INCL. 300
ENGINEERS)



- SOLUTIONS FOR TELEMATICS APPLICATIONS
- PLATFORM FOR PROPRIETARY NAD
- FAST AND RELIABLE DATA EXCHANGE BETWEEN VEHICLE AND ITS SURROUNDINGS
- ECALL (MANDATORY IN THE EU BY 2018)

**CONNECTIVITY IS KEY FOR AUTONOMOUS DRIVING, VALEO PEIKER
ADDING CRUCIAL BRICKS WITH ITS TECHNOLOGICAL LEADERSHIP**

VALEO COMFORT & DRIVING ASSISTANCE SYSTEMS' GROWTH IS FUELED BY **SIMULTANEOUS INNOVATION WAVES**



UNIQUE INTERIOR EXPERIENCE

MULTI SENSORIAL, DIGITAL, SCALABLE, PERSONALIZED, PREDICTIVE



THS

Thermal comfort,
air quality, scents
health care and
well-being



CDA

Camera, Human Machine
Interface & Driver Monitoring

VIS

Interior lighting,
wipers



**Mobius immersive
Cockpit**

INTUITIVE CONTROLS: FROM TRADITIONAL SWITCHES TO **IMMERSIVE COCKPIT**



DRIVER MONITORING

DROWSINESS, DISTRACTION,
IDENTIFICATION



VALEO
AWARDED
SOP 2019

MOBIUS IMMERSIVE COCKPIT



INTERIOR MONITORING

3D GESTURE, POSTURE



VALEO
AWARDED
SOP 2019

gestigon



**BOOST TIME TO MARKET
AND CREATE VALUE**

**ORGANIC GROWTH COMPLEMENTED
BY BOLT-ON ACQUISITIONS
AND PARTNERSHIPS
WITHIN A STRONG ECOSYSTEM**

COMFORT & DRIVING ASSISTANCE SYSTEMS KNOW HOW TO INTEGRATE KEY COMPETENCIES AND CREATE LEADERS

Connaught
Electronics



2007



2011



2016

AMBITION

Sales over 80M€ in 2010

Complementarities expected with
CDA products portfolio

AMBITION

Boosting our presence in Japan
and reinforcing our relationship
with Japanese OEMs

AMBITION

Boosting our presence in
Germany and in connectivity

REALIZED

#1 WW

> 4 b€ cumulated Order Intake
full integration in CDA systems
and sensors suite

Strong Ireland base maintained
while leveraging Group worldwide
R&D and manufacturing footprint

REALIZED

#2 WW

Accretive first year
Asia over 25% of CDA sales and
Japanese OEMs are CDA second
most important customers

REALIZED

#2 WW

More than 500 M€ order intake
in telematics within the 12 first
months
Accretive first year with a cash
generation significantly higher
than expected

COMFORT & DRIVING ASSISTANCE SYSTEMS KNOW HOW TO INTEGRATE KEY COMPETENCIES AND CREATE LEADERS



2015

AMBITION

Front Camera Partnership
Fusion Exclusive development



2016



2017

AMBITION

1st industrial offer for B2B
carsharing solutions
Leverage partners know-how



2016

AMBITION

Provide Artificial Intelligence
technology solutions
Agile development to boost new
products' time to market

VALEO
AWARDED

REALIZED

>1B€ Order Intake with major
OEMs
Highly promising results in Front
Camera & Laser Scanner Fusion



Mov'InBlue™

VALEO
AWARDED

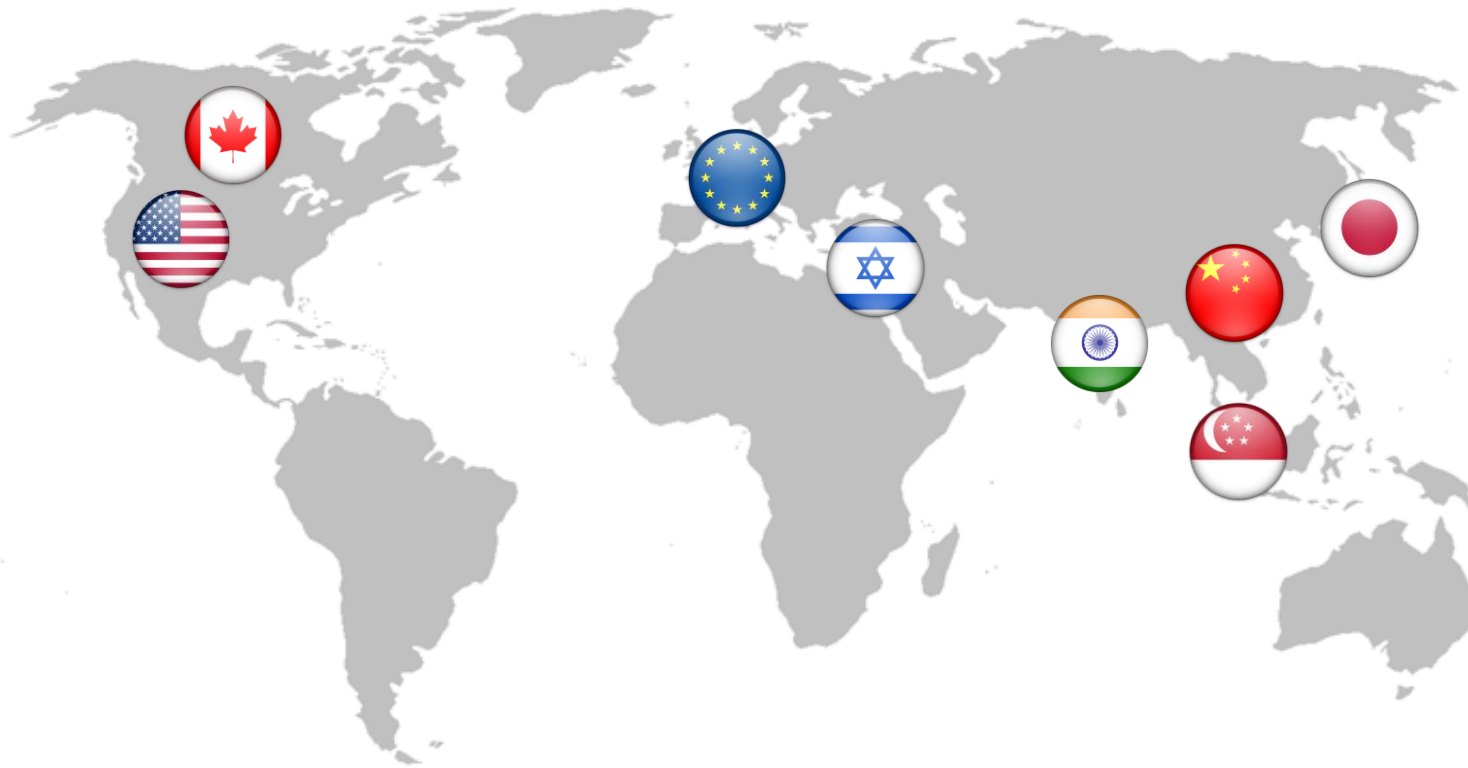
REALIZED

Full digital carsharing user
experience
Agile development in a Start-up
mindset
5 Customers in France and
Germany, 2 in Production

REALIZED

5 Proof of Concepts ongoing with
major OEMs in North America,
Europe and Asia
New agile and innovative
development skills

OPEN INNOVATION AND ECOSYSTEM OF PARTNERS TO BOOST TIME TO MARKET



COMFORT & DRIVING ASSISTANCE SYSTEMS BUSINESS GROUP IS ACCELERATING

COMFORT
& DRIVING
ASSISTANCE
SYSTEMS

€3.4
BILLION SALES

14.7%
EBITDA

2021

~€5.5
BILLION SALES

CAGR: >10%

~17%
EBITDA

2016

SAFE HARBOR STATEMENT

Statements contained in this press release, 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 press release, 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 and risks relating to legal action resulting from such investigations, 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 Valeo's Registration Document registered with the AMF on March 26, 2016 (under no. D.16-0211).

Valeo has recognized an expense of 99 million euros in its consolidated financial statements to cover the main risks resulting from investigations currently being carried out by the antitrust authorities, as identified in the Registration Document, and risks relating to legal action resulting from such investigations.

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 press release. 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 press release.

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