



## PRESS RELEASE

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# **Valeo announces two record order intakes for its thermal systems dedicated to the electrification of vehicles - The Group's orders amount to more than 4 billion euros since the beginning of the year**

This September, Valeo secured record order once again, signing a contract with Stellantis in the field of thermal comfort for electric cars. The Group has supplied the automaker with a heat pump solution since 2019 and will provide a new generation of the technology for its next electric platform. More compact and easy to integrate, the latest heat pump will offer the best power and cooling efficiency on the market, enabling fast battery charging and ensuring passenger thermal comfort.

In August, Valeo also signed a contract with another major European automaker. Under the agreement, Valeo will supply electric vehicle air conditioning units and front-end cooling modules for the automaker's major electric platform. This combination of technologies is the quietest on the market, a criterion that is all the more important in electric vehicles since drivers can hear noises that would usually be drowned out in an internal combustion engine vehicle.

Also in September, Valeo secured further orders for its thermal systems designed for electric vehicles. For example, the Group recently signed a contract with a major Chinese automaker for its Smart Heat Pump: a new, ultra-compact, fully integrated smart heat pump module comprising valves, pumps and exchangers. Series production of the technology will begin in 2023. The Smart Heat Pump was developed by Valeo to enhance the energy efficiency of electric vehicles, reduce the weight of the thermal system and minimize integration costs for automakers.

In the field of battery cooling systems, a major contract was signed with an important European automaker. Valeo has also booked orders for electric heating solutions with four customers in China and Europe, and for electric compressors for two major electric platforms.

Since the beginning of 2022, Valeo has secured more than 4 billion euros in orders for its thermal systems dedicated to vehicle electrification, a 100% increase compared with the same period in 2021. In five years, the Group has secured a total of 11.4 billion euros in order intake in this field, which now accounts for 70% of the company's thermal systems orders.

This order intake is fresh proof that Valeo is accelerating, as announced during the presentation of the Move Up strategic plan. They are attributable to the key role that thermal systems play in electric vehicle performance. In particular, electric vehicles need to find the right balance between performance, travel range and passenger comfort. In winter, for example, the use of electric heating reduces travel range by more than 40% at an outdoor temperature of -7°C. The challenge for thermal systems is therefore to provide passenger comfort without compromising driving range.

Valeo has developed smart thermal systems that, in addition to providing passenger comfort, also enable fast battery charging, optimize battery performance and cool the vehicle's electric powertrain



(i.e., the motor and the electronics). With this technology, Valeo's solutions cover all aspects of thermal and electric energy management.

Francisco Moreno, President of Valeo's Thermal Systems Business Group, said: *"By 2025, electric vehicles thermal systems will be worth 2.5 more than those made for internal combustion engine vehicles. The excellent sales performance since the beginning of the year shows that this acceleration is already underway and that, in line with our Move Up strategy, Valeo is shifting its electrification efforts into higher gear."*

Valeo, the world's second largest supplier of thermal systems, has a comprehensive portfolio of technologies for electric vehicles. Already worth 6.3 billion euros in 2021, the electric vehicle thermal systems market is set to more than triple in the next five years, to represent 21 billion euros in 2025 and nearly 40 billion euros by 2030.

As a technology company, Valeo is a partner to all automakers worldwide and to new actors in mobility, working together to create mobility that is cleaner, safer and smarter through its innovations. Valeo is a technological and industrial leader in electrification, driving assistance systems, the reinvention of the interior experience and lighting. These four areas, which are essential to the transformation of mobility, will drive the Group's growth in the coming years. Valeo is listed on the Paris Stock Exchange. In 2021, Valeo generated 17.3 billion euros in sales and invested 12% of its original equipment sales in R&D. As of Dec. 31, 2021, Valeo has 103,300 employees in 31 countries, 184 production sites, 21 research centers, 43 development centers and 16 distribution platforms.

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