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Valeo announces the signing of an agreement to acquire German FTE automotive, a leading company in transmission technologies

Paris, June 2, 2016 – Valeo has signed an agreement with Bain Capital Private Equity, owner of FTE automotive, to purchase 100% of FTE automotive for a purchase price corresponding to € 819.3 million, representing an estimated Ebitda multiple of 8 times for 2016.

FTE automotive, headquartered in Germany, is a leading producer of clutch and gear actuators. Its product portfolio and customer base are highly complementary to Valeo's. The FTE automotive acquisition will allow Valeo to expand its offering of active actuation systems for transmissions, a strategic and fast-growing market driven by dual clutch technology and the growth of hybrid vehicles. FTE automotive will also strengthen Valeo's aftermarket business. The acquisition of FTE automotive is expected to be accretive from the first year.

In 2015, FTE automotive generated around €500 million in sales, of which a third in the aftermarket business, and 30% outside Europe. The company has 3,700 employees and a diversified industrial footprint in eight countries, including Germany, the Czech Republic, Slovakia, Mexico and China.

The transaction is subject to the approval of the European and Brazilian anti-trust authorities and is expected to close in the fourth quarter of 2016 or in the first quarter of 2017.

Commenting on the acquisition, Jacques Aschenbroich, Valeo Chairman and Chief Executive Officer said: *"The acquisition of FTE automotive is perfectly aligned with Valeo's CO₂ emission reduction strategy. FTE automotive is a fast-growing company and a technological leader with a proven ability to combine growth and profitability. It will strengthen Valeo's Powertrain Systems Business Group. We are looking forward to welcoming FTE's 3 700 employees to Valeo"*.



Communiqué de presse Press release

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO₂ emissions and to the development of intuitive driving. In 2015, the Group generated sales of €14.5 billion and invested over 10% of its original equipment sales in research and development. Valeo has 134 plants, 17 research centers, 35 development centers and 15 distribution platforms, and employs 82,800 people in 30 countries worldwide.

Valeo is listed on the Paris stock exchange and is a member of the CAC 40 index.

For more information about the Valeo Group and its businesses, please visit our website, www.valeo.com

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