Valeo signs an agreement to acquire German company Spheros

Paris, December 23, 2015 - Valeo has signed an agreement with Deutsche Beteiligungs AG (DBAG), a listed private equity company, to acquire Spheros, the worldwide leader in air conditioning systems for buses.

With annual revenue of around €250 million, Spheros leverages its technological leadership to supply air conditioning systems to all the main bus manufacturers and major fleet operators. It has a worldwide sales network and a vast industrial footprint, with plants in Germany, Finland, Turkey, the United States, Brazil, China and India.

The acquisition will allow Valeo to extend its thermal management activities to the vibrant bus market, which is expected to grow by more than 5% annually over the coming years, driven by the expansion of public transportation throughout the world at a time of accelerating urbanization.

By joining one of the world's leading thermal systems suppliers for the automotive industry, Spheros, whose margins are higher than Valeo's, will become more competitive in parts procurement and systems design.

This external growth project, which is expected to be accretive from the first year, is part of the strategy presented to the Group's shareholders in March 2015 aiming to introduce new growth drivers particularly in CO₂ emissions reduction systems.

The transaction is subject to the approval of the relevant anti-trust authorities.

"Following on from the peiker acquisition announced on December 21," said Valeo Chief Executive Officer Jacques Aschenbroich, "the acquisition of German company Spheros – a top performer in its markets at the international level – is perfectly aligned with Valeo’s external growth strategy, which is based on acquiring companies whose technological leadership is recognized by their customers and who are leaders in high-growth markets. Spheros’ product portfolio, which is an absolute strategic fit with Valeo’s Thermal Systems Business Group, represents a unique growth driver. We are delighted to welcome Spheros’ 1,100 employees to Valeo."

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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 2014, the Group generated sales of €12.7 billion and invested over 10% of its original equipment sales in research and development. Valeo has 135 plants, 16 research centers, 35 development centers and 15 distribution platforms and employs 82,700 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 activities, please visit our website, www.valeo.com.

For more information, please contact:
Media Relations
Tel: +33 (0)1 40 55 21 75/37 18/21 20
press-contact.mailbox@valeo.com