



Press Release

## **MARELLI forms strategic partnerships with Highly Group**

【SAITAMA, Japan - August 30, 2019】

Leading automotive supplier MARELLI is delighted to announce that it has entered into a strategic partnership with China-based Shanghai Highly (Group) Co., Ltd. (Highly). Under the terms of the deal, MARELLI has agreed an Equity Transfer Agreement with Johnson Controls-Hitachi Air Conditioning (JCH) to acquire equity interest in Shanghai Highly New Energy Technology Co., Ltd. (HNET), a joint venture between Highly and JCH. The transaction is estimated to complete in Q3 2019.

This investment provides MARELLI with greater access to the Chinese market and will facilitate even greater investment in electrification technologies, both of which form a key part of the company's future growth strategy. HNET is headquartered in Shanghai and was established in 2016. As a growing manufacturer of Electric Driven Compressors (EDC) for passenger and commercial vehicles, the collaboration will enable MARELLI to strengthen its own EDC business, which is an essential system for electric vehicle thermal solutions.

In addition to the investment in HNET, MARELLI and Highly have agreed a Memorandum of Intent of Cooperation (the Memorandum) to establish a joint venture, which will be created in order to operate the business currently owned by MARELLI for compressors and heating, ventilation & air conditioning (HVAC). The Memorandum is an intention agreement of the transaction, and the definitive final agreement is subject to further negotiation with the aim of signing in January 2020.

Beda Bolzenius, CEO, MARELLI, said, "Today's announcement takes MARELLI another step closer to achieving its goal of becoming a globally diversified tier one supplier. Highly's position as a leading manufacturer of compressors for household and commercial air conditioners and EDC for new energy vehicles, combined with MARELLI's reputation for innovation and manufacturing excellence will ensure that this is a collaboration that can deliver complementary growth both within China as well as globally. The partnership will provide exciting new opportunities for employees and through achieving greater synergies, we can deliver even greater value to customers."



Zheng Jiandong, President of Highly, said, “Highly’s vision is to make the joint venture with MARELLI a world-leading supplier of vehicle thermal management system.”

#### **About MARELLI**

MARELLI is a progressive, open-minded and truly global partner who inspires you to go further. MARELLI brings together two successful global automotive manufacturers from Italy and Japan, with a world-leading reputation for innovation and manufacturing excellence (Monozukuri). MARELLI operates out of 170 facilities and R&D centers across Europe, Japan, the Americas, and Asia Pacific, and has operational headquarters in Saitama, Japan and Corbetta, Italy.

#### **About Highly**

Highly is a global leader in the R&D and manufacturing of core components for home appliances, new energy vehicles, and heating and cooling products. Highly’s five core products are compressors, motors, automobile parts, drive controls, and heating and cooling. Its products have reached millions of families in 165 countries and regions around the world. Highly’s air-conditioning compressor is ranked No. 3 in the world, and its refrigeration motors and EDCs for new energy vehicles are leading the market. With its headquarters located in Shanghai, China, Highly currently has 13 plants and 14 R&D and technology service centers around the world.