

AMERICAN AUTOMOTIVE SUMMIT 20 25

Rethinking the Automotive Development Cycle: Competing with Speed and Scale in a global market

Thierry MAHE - VP Power Thermal Americas



100 years of innovation, 100 years of inventing, producing and widely deploying new solutions

An innovative partner and a
time-tested expert in change
management

1923-1950



Birth and
growth

1950-1980



Revolution-
izing the
industry

1980-2000

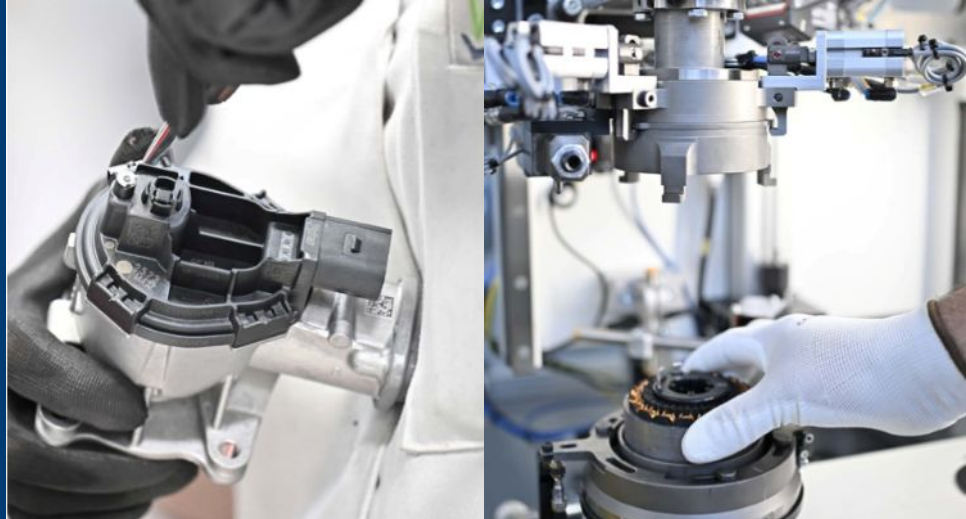


One unified
international
brand

2000-2025



New, more
sustainable
technologies



VALEO'S AMBITION, AS A TECH COMPANY, IS TO PLAY A MAJOR ROLE IN TOMORROW'S MOBILITY

At the heart of today's environmental and social issues, future mobility must contribute to the well-being and safety of citizens and consumers.

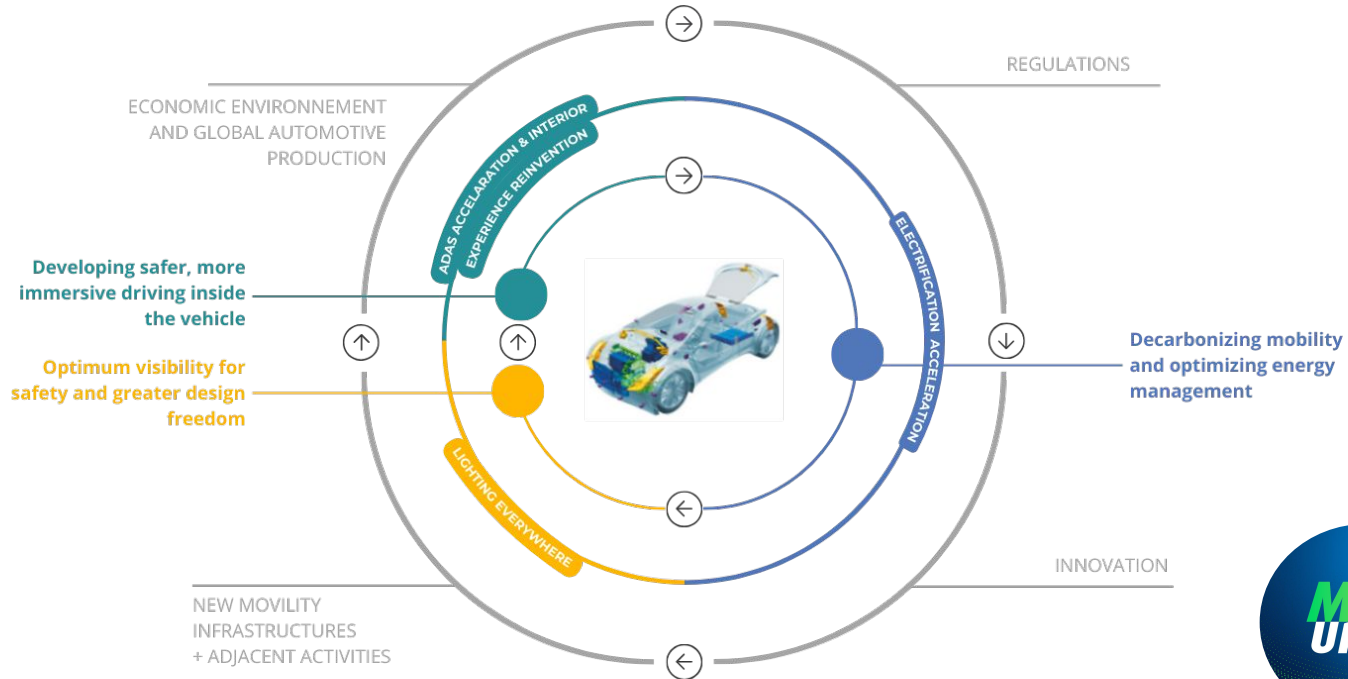
We will achieve our ambition thanks to our unique positioning and technological leadership in areas that are at the heart of the transformation of the automotive industry and sustainable mobility, across the globe.

This positioning and leadership are rooted in our **expertise**, **innovations** and **operational excellence**. They are driven by our values and business culture, oriented toward serving our customers, employees, shareholders and the regions in which we operate.



VALEO IS A POWERFUL MOTOR OF THIS REVOLUTION

We are taking concrete and rapid actions to anticipate tomorrow



POWER



- ELECTRIFICATION ACCELERATION (HEV, PHEV, EREV, BEV)
- GLOBAL ELECTRICAL & THERMAL ENERGY MANAGEMENT
- EFFICIENCY & PERFORMANCE SOFTWARE ENABLER FOR DIFFERENTIATION

Valeo anSWer

BRAIN



- ADAS ACCELERATION
- SOFTWARE DEFINED VEHICLE
- REINVENTION OF INTERIOR EXPERIENCE
- SOFTWARE DEFINED VEHICLE SOFTWARE & DIGITAL SERVICES

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LIGHT



- LIGHTING EVERYWHERE FOR STYLE & INTERACTION
- COMMUNICATION & CLEANING FOR SAFETY & AUTOMATION
- SOFTWARE

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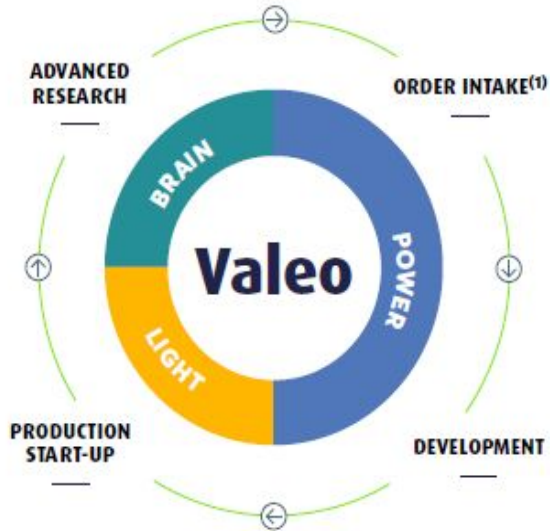
SERVICE



- SUPPLYING REPLACEMENT PARTS AND SERVICES TO CAR DEALERSHIP NETWORKS AND THE INDEPENDENT AFTERMARKET.

Valeo anSWer

VALEO SUPPLY CHAIN POSITIONING



SUPPLIERS

Components and raw materials: electronic and electrical components, resins, plastics and ferrous and non-ferrous metals

CUSTOMERS

ORIGINAL EQUIPMENT

Automakers for the original equipment market: equipment assembly on production platforms

AFTERMARKET

Car dealerships and independent service center chains for the aftermarket: equipment sales and repair and other services

The 5 Axes operational excellence model



RETHINKING THE DEVELOPMENT CYCLE



⇒ an enhanced insight with
Dominik SPORNA
Chief Customer Engineer
Valeo Power

RETHINKING THE DEVELOPMENT CYCLE

INTRODUCTION



MARKET DISRUPTION CAUSED BY EVs

- New Entrants Set New Pace in a descriptive way



SHORTER PRODUCT DEVELOPMENT

- From 40-50 to 24 months
- Forcing innovation & costs effectiveness

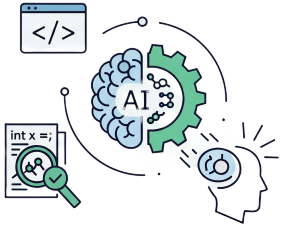


BENEFITS & RISKS

- Faster time to market but with high manufacturing risks

SHORTENING THE DEVELOPMENT CYCLE

TECHNOLOGY AND DIGITALIZATION



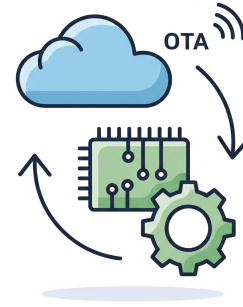
ARTIFICIAL INTELLIGENCE (AI)

- Powerful tools assisting daily work



VIRTUAL VALIDATION AND TESTING

- Continuous improved modeling & duration
- Multiple iteration in weeks instead of months



DECOUPLED HARDWARE & SOFTWARE

- Separating hardware and software timelines
- New features through OTA update

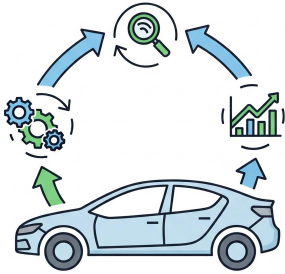


INTEGRATED DIGITAL TOOLCHAINS

- Seamless data flow between departments

SHORTENING THE DEVELOPMENT CYCLE

ORGANIZATIONAL AND PROCESS CHALLENGES



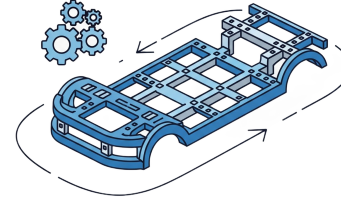
AGILE DEVELOPMENT METHODS

- More interactive development methods
- Multiple short iterations



STRONG SUPPLIERS COLLABORATION

- Early development with suppliers helps to identify cost & development efficiencies



SIMPLIFIED PRODUCTS PORTFOLIO

- Reduced number of product variants
- Modular design approach



FLEXIBLE AND LEAN GOUVERNANCE

- Quick decision making is a key

SHORTENING THE DEVELOPMENT CYCLE

BENEFITS



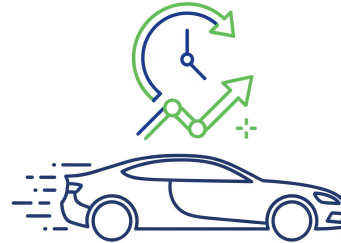
FASTER TIME TO MARKET

- First on the market with new product or technologies



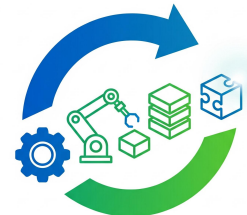
COMPETITIVE ADVANTAGE

- Stand out for the company
- Capturing market



ENHANCED CUSTOMER SATISFACTION

- Product & features are continuously being improved

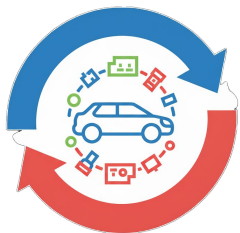


INCREASED EFFICIENCY AND PRODUCTIVITY

- Increased gradual automation
- Components reuse

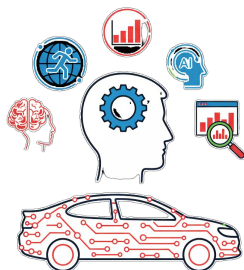
SHORTENING THE DEVELOPMENT CYCLE

CHALLENGES AND RISKS



SOFTWARE AND SYSTEM COMPLEXITY

- Continuous complexity increase that might be a hurdle for legacy systems



STRESS ON RESOURCES & TALENT SHORTAGE

- Multiple iterations put pressure on resources
- New set of skills required in the software development areas



INCREASED FINANCIAL PRESSURE

- Higher risk taken during development cycle



SUSTAINABILITY PARADOX

- Environmental impact of faster vehicles turn over

SHORTENING THE DEVELOPMENT CYCLE

INTERACTION WITH THE AUDIENCE

Q&A Session

Thank you for attending!
We're happy to answer your questions



SMART TECHNOLOGY
FOR SMARTER MOBILITY