

Press release

Stronger strategic focus on renewable energies and heat pump technologies

- **New business unit: Heat Pumps and Renewable Energies, and strengthening of research and development**
- **Highly efficient gas technologies continue to be an important pillar of the Vaillant Group**
- **Reduction of development capacities in fuel cell engineering**
- **Digitalisation as a growth driver**

Frankfurt am Main / Remscheid, 14 March 2017 – The 2015 UN Climate Change Conference in Paris provides a new and ambitious basis for global endeavours to protect the world's climate. The aim is to decarbonise the energy supply almost completely by 2050. The convention gives each country a clear mandate to implement this target in full through its national climate protection plans and activities. Set against this background, the Vaillant Group is focusing its strategic orientation more closely than ever on technologies based on renewable resources as energy media. This includes, in particular, highly efficient heat pumps which run on environmental heat and electricity. "Being technological trendsetters, our medium-term aim is to assume a leading international position, not just with efficient gas-fired boilers, but also in our business with heat pumps," said Dr Carsten Voigtländer, CEO of the Vaillant Group, at the company's press conference at the ISH trade fair in Frankfurt am Main.

New business unit and strengthening of research and development

To achieve this goal, the Vaillant Group is now set to consolidate its renewable energy activities in a specially dedicated new business unit entitled Heat Pumps and Renewable Energies. Development activities, too, will focus on this area more than ever before. By 2021 the company wants to be a full-scale supplier of heat pumps. The portfolio will be strategically expanded, so that the Vaillant Group can offer suitably tailored products and services in response to a wide range of customer needs, geographical requirements and

sizes of buildings. As well as expanding the development capacities needed for this purpose, the company is investing €54 million in the construction of a state-of-the-art research and development centre at its headquarters in Remscheid.

Highly efficient gas technologies continue to be an important pillar of the Vaillant Group

Efficient gas-based systems will continue to play a major role in the heating market. Condensing technology will still be an important part of the product portfolio, particularly as a module in highly efficient, networked systems that are based on renewable energy sources, storage technologies and smart energy management. “We see efficient, well-established and cost-effective gas-based solutions as important technologies for the energy revolution in buildings,” stressed Voigtländer.

Reduction of development capacities in fuel cell engineering

In view of decarbonisation targets in the political arena and the Vaillant Group’s resulting strategic focus, the company will now reduce its development capacities in fuel cell technology and suspend the launch of its fuel cell heater for single-family houses for the time being. At the moment property owners are not in a position to run such fuel cell heaters at a sufficient level of cost effectiveness. Should there be a fundamental change in circumstances and if the demand for fuel cell heaters rises substantially, then the Vaillant Group will respond accordingly.

Digitalisation as a growth driver

While focusing its product portfolio strategy on changing market conditions, the Vaillant Group is also continuing to push ahead with its digitalisation. In doing so, it is concentrating particularly on increasing the connectivity of its product portfolio as well as on business models using digital services, web-based sales models and the networking of product development and manufacturing processes. “We’re going to push ahead,” said Voigtländer, “with digitalisation as a strategic source of growth. We’re already offering our customers network-ready products and matching services. In addition, we’re continuing to expand our digital communications, sales and service channels.”

VAILLANT GROUP

The **Vaillant Group** is an internationally active company based in Remscheid, Germany, which operates in the fields of heating, ventilation and air-conditioning technology. As one of the global market and technology leaders, the Vaillant Group develops and manufactures customised products, systems and services to provide a comfortable living environment. Its product portfolio ranges from efficient heating devices based on conventional energy sources to system solutions for using renewable energy. In the financial year 2015, the company, which has been family-owned since its foundation in 1874, generated sales of around 2.4 billion euros with its workforce of over 12,000.

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