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Groupe PSA and Punch Powertrain Expand Strategic Partnership in Electrification

- **Agreement to establish second Joint Venture**
- **New Joint Venture to design, manufacture and supply state of the art components and sub-systems for the future generation of the electrified transmission (e-DCT¹)**
- **e-DCT will equip Groupe PSA's mild hybrid electric (MHEV) and plug-in hybrid electric (PHEV) vehicles and carmakers globally**

Groupe PSA and Punch Powertrain have signed an agreement to establish a second Joint Venture and expand their strategic partnership in the field of [electrification](#), to contribute to fight against climate change.

Punch Powertrain holds majority control in the new Joint 61/39 Venture, which will design, manufacture, and supply Punch Powertrain's breakthrough DT2² dual clutch transmission for the industry's next generation of mild hybrid electric (MHEV) and plug-in hybrid electric (PHEV) vehicles. The business will initially supply Groupe PSA's global operations and aims to supply other vehicle manufacturers worldwide. The Joint Venture agreement is subject to customary regulatory approvals.

"Our clear manufacturing strategy is to have a vertical integration of components, particularly key technologies such as electrified powertrains. We have understood that the future is much more than reducing emissions. The challenge ahead of us is electrification at affordable cost, aligned with our raison d'être (Central Purpose)" said Olivier Bourges, Executive Vice President, Programs and Strategy and Member of the Managing Board.

"We are delighted to launch this second Joint Venture Agreement with Groupe PSA, Europe's second largest car manufacturer," said Jorge Solis, Chief Executive Officer, Punch Powertrain. *"Over the past 45 years, Punch Powertrain has continuously pioneered innovative and cost-effective transmission technologies. This new venture will spearhead the industrialization of our next generation of transmissions for hybrid electric vehicles for Groupe PSA and other carmakers worldwide."*

Punch Powertrain will contribute its DT2-related business unit, including world-class engineering, manufacturing, and support functions to the new entity which is expected to be operational by the third quarter 2020. Punch Powertrain will also transfer its current DT2-related facilities in Sint-Truiden, Belgium, and Eindhoven, the Netherlands. In turn, Groupe PSA will make a cash investment in the Joint Venture.

The new Joint Venture, "Punch Powertrain PSA e-transmissions", will supply Punch Powertrain's innovative, ultra-efficient and compact automatic transmissions. Known as the DT2, this cost-efficient dual clutch transmission is the first in the industry to integrate an electric motor in a mild hybrid electric vehicle.

¹ e-DCT ; electrified Dual Clutch Transmission

² Dual Clutch Transmission by Punch Powertrain, available in 48V, plug-in hybrid or conventional variants.

This latest Joint Venture will supply one of the industry's first 48V solutions to equip mild hybrid electric vehicles (MHEV), resulting in significant fuel savings and reduction in CO₂ emissions, compared to regular internal combustion engine powered vehicles.

A high voltage variant of the DT2 is designed for plug-in hybrid electric vehicles (PHEV) and allows full electrically powered driving.

In April 2019 Groupe PSA and Punch Powertrain originally signed an agreement to establish their first Joint Venture "Punch Powertrain PSA e-transmissions assembly". This Joint Venture will assemble the future generation of electrified transmissions (e-DCT) at Groupe PSA's facility in Metz, France, starting in 2022. This breakthrough transmission will equip Groupe PSA's next generation of hybrid vehicles.

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About Groupe PSA

Groupe PSA designs unique automotive experiences and delivers mobility solutions to meet all customer expectations. The Group has five car brands, Peugeot, Citroën, DS, Opel and Vauxhall and provides a wide array of mobility and smart services under the Free2Move brand. Its 'Push to Pass' strategic plan represents a first step towards the achievement of the Group's vision to be "a global carmaker with cutting-edge efficiency and a leading mobility provider sustaining lifetime customer relationships". An early innovator in the field of [autonomous and connected cars](#), Groupe PSA is also involved in financing activities through Banque PSA Finance and in automotive equipment via Faurecia.-

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About Punch Powertrain

Punch Powertrain nv is an independent global automotive supplier of innovative and energy efficient powertrains. The company builds on more than 45 years of excellence in the development and production of world-class transmission technologies, offering continuously variable transmissions (CVTs), dual clutch transmissions (DCTs), as well as hybrid and electric drivetrains for car makers worldwide. Punch Powertrain is headquartered in Sint-Truiden, Belgium, and has more than 2,000 employees. The company operates five R&D centers and three manufacturing facilities in Europe and China. For more information visit www.punchpowertrain.com