**Freudenberg Secures Majority Interest in XALT Energy**

***Ownership equity allows sealing company to pursue growth in lithium-ion battery and fuel cell products and services***

**Plymouth, Mich. (USA), Feb. 4, 2019 – Freudenberg Sealing Technologies has become majority stakeholder of XALT Energy, a Midland, Mich.-based global developer and manufacturer of lithium-ion technology solutions targeted for heavy-duty mobility applications. In March 2018, Freudenberg announced it had acquired a 31 percent ownership stake in XALT Energy through a multi-million dollar investment in its operations. Now, increasing demands for lithium-ion battery technology that specifically targets commercial vehicles as well as marine and rail applications has prompted Freudenberg to acquire a more than 50 percent share of the battery manufacturer. With this additional multi-million dollar investment, XALT Energy is able to revitalize production capabilities at the company’s Midland production plant and to intensify its research and development efforts into new mobility technologies. Additionally, Freudenberg has a standing agreement to acquire all remaining shares of XALT Energy over the next few years.**

“We are pleased that this investment provides a much needed capital boost to XALT Energy and also puts Freudenberg in the driver’s seat. This acquisition is a crucial part of our future business strategy to transform as a supplier into a market leader of new mobility technologies and services,” said Claus Moehlenkamp, CEO of Freudenberg Sealing Technologies. “As our customers transition to lithium-ion battery and fuel cell powertrain options, our investment in XALT Energy will enhance our ability to supply them with materials, products and systems solutions that meet new, complex technical challenges. We are delighted with this strategic venture.”

XALT Energy specializes in applying lithium-ion technology to large-scale, high-energy, high-power storage solutions for industries including commercial transportation, rail, marine, industrial operations and automotive. The company’s 460,000-square-foot automated assembly facility in Midland includes advanced clean rooms and produces cells, packs, modules and management controls and software for lithium-ion power systems. The company also operates a research and development laboratory in Pontiac, Mich.

Under Freudenberg’s oversight, the XALT Energy name will remain and become an affiliated brand of the global group headquartered in Germany. Freudenberg has also appointed Jeff Michalski to take over leadership of XALT Energy from retiring CEO Richard Cundiff III. Michalski, a long-standing Freudenberg executive, has extensive experience handling global acquisitions and market expansion for the company.

Freudenberg and XALT Energy have already entered into strategic partnership agreements to provide advanced lithium-ion battery systems to heavy-duty segment leaders such as New Flyer of America for transit buses. In 2018, Freudenberg agreed to work with a leading provider of electrical power distribution and automation for the marine industry to explore battery solutions for its applications.

XALT Energy is also working with automotive OEMs, including Fiat Chrysler Automobiles, Ford Motor Co. and General Motors Corp. (GM), through the U.S. Advanced Battery Consortium LLC. In September 2018, the Consortium announced it would partner with XALT to develop a 12-volt, Lithium Manganese Oxide-Lithium Titanate Start-Stop battery system. Recently, GM also announced it was using XALT battery systems in an experimental electric drag racer, the eCOPO Chevrolet Camaro concept vehicle.

Moehlenkamp outlined Freudenberg Sealing Technologies plans to pursue parallel business strategies during the Center for Automotive Research Management Briefing Seminars (CAR MBS) conference in 2018. The company will continue to invest in technologies and materials that help industries achieve lower friction, lighter weight, fewer emissions, longer service life and safer operating conditions for internal combustion powertrain systems. At the same time, it has launched a Battery and Fuel Cell Division tasked with developing advanced technology solutions for new mobility scenarios. The investment in XALT Energy will help anchor these new activities, he said.

“We continue to see evidence that the entire global mobility landscape – from passenger vehicles, heavy-duty trucks and buses to railroad transportation and marine shipping operations – is shifting to incorporate new powertrain technologies including lithium-ion batteries and fuel cells,” Moehlenkamp said. “We are committed to supporting this transition through investments like the one we made in XALT Energy, as well as through research and development, technology transfer between our divisions and rigorous application of quality, testing and service protocols that provide value to our customers.”

For more on Freudenberg Sealing Technologies’ E-Mobility solutions go to: <https://www.fst.com/expertise/e-mobility>.

*Images: FSTimg\_XALT Energy\_2019.zip*

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**About Freudenberg Sealing Technologies**

Freudenberg Sealing Technologies is a longstanding technology expert and market leader in sealing technology and electric mobility solutions worldwide. With its unique materials and technology expertise, the company is a proven supplier for demanding products and applications, as well as a development and service partner to customers in the automotive industries and in general industries. In 2017, Freudenberg Sealing Technologies generated sales of about €2.3 billion and employed approximately 15,000 people.

In the Americas, Freudenberg-NOK Sealing Technologies runs the business operations of Freudenberg Sealing Technologies. The company is a joint venture between Freudenberg and NOK Corp. in Japan, is headquartered in Plymouth, Mich. and operates more than 20 facilities across the Americas. More information at [www.fst.com.](file:///\\plymfs\common\Corporate%20PR\Press%20Releases%20&%20Media%20Alerts,%20Backgrounders\2018\Corporate\www.fst.com.%20)

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