

MORE EXPERTISE, STRONGER FUTURE

# ELECTRONICS WITH HEART

**A walk through the production hall in Motilla del Palancar/Spain, a good hour west of Valencia. Humming. Beeping. Countless colorful lights flashing. Focused people stand or sit by high-tech machines.**

**While time follows a leisurely pace in the Spanish location, the electronic modules on this assembly line are heading into the future.**

**All of a sudden, one of the employees points to two boxes. On one, MAHLE is written in large letters; on the other, Nagares. She taps on both names, then, using the thumb and index finger of both hands, forms a heart and holds it out to the visitors. Only one symbol of the smooth integration of the Spanish company Nagares into the MAHLE Group. In the following interview with the four managers responsible for substantially driving forward the expansion of MAHLE Electronics in Spain, we talk about a growing partnership with a great deal of passion, about trust, and about one shared vision.**

**Johann Meier**  
*Managing Director of  
MAHLE Electronics*



**Luis Felipe Rodríguez**  
*Head of Research & Development at  
MAHLE Electronics*



**Alfredo Pérez**  
*Head of Project Management at  
MAHLE Electronics*



**Juan Diego Navalón**  
*Head of Sales & Marketing at  
MAHLE Electronics*





**MAHLE and Nagares—  
first and foremost, this is a  
long-term partnership. What was the  
reason behind joining forces?**

**JOHANN MEIER** The collaboration between MAHLE and Nagares began in 1997 as a conventional customer-supplier relationship. If you work together successfully on a daily basis, that builds trust. In 2016, we concentrated our activities relating to electric main and auxiliary drives globally in the Mechatronics division. We wanted to add the field of electronics to this division in order to strengthen our competence in electrification and electric drives. To achieve this, we sought the best partner. And found it with Nagares.

**JUAN DIEGO NAVALÓN** For some time, it had felt as if we were more than just a supplier. MAHLE was one of our best customers. When MAHLE approached us, we were not even looking for a buyer. But then we started to think about the future of Nagares. We had an attractive range of products for the mobility of tomorrow, numerous well-known customers, and a good positioning on the market. But we were approaching our limit in terms of growth.

**LUIS FELIPE RODRÍGUEZ** In fact, we had reached a point at which customers were hesitating to entrust us with large-volume orders, because they thought that we did not have sufficient capacity.

**ALFREDO PÉREZ** At that time, Nagares was already working at its maximum speed, highest volumes, and at the limits of its development capabilities. The size and complexity of the market made us realize that it was time to continue our growth through a partnership.

We knew that MAHLE was a perfect fit for our company. We are flexible, agile, and quick. These are ideal characteristics for winning projects. If we join forces with an industry giant like MAHLE, which plans far into the future, it is the perfect combination.

**What is so special about the contribution of MAHLE Electronics to the MAHLE family?**

**PÉREZ** There are two benefits. First, we have outstanding expertise in power electronics. We manufacture a variety of products for the automotive industry, including control units and power electronics for electric auxiliary components and thermal management systems, as well as power converters for e-mobility solutions. Second, we are pragmatic, decisive, and trust our intuition.

Allow me to relate a short anecdote to illustrate this. What ultimately made us a successful supplier to

the e-mobility sector goes back to a single decision made by our founder, Herminio Navalón, in 2008. This was the time of the most recent economic crisis, and our production facility was closed for two weeks in November because

we didn't have any orders. Juan and I were in Paris, meeting a customer. This customer asked us whether we would be prepared to supply him with the products that he needed for his new electric vehicles. For us, this would be a risk and a large investment. Nobody knew if it would work. Afterwards, we returned to Motilla and found Herminio in his development workshop. We told him that our customer was building new vehicles and looking for a supplier willing to invest in order to join him on the journey into e-mobility. Herminio did not hesitate for a second. "We're on board!" It was a major decision at the most difficult time. This intuitive, gut feeling is typical of us.

Alfredo Pérez

»We have outstanding expertise in power electronics and we are pragmatic, decisive, and trust our intuition.«

*Well-trained employees and enthusiasm for our products are key to MAHLE's success at its production location in Motilla del Palancar/Spain.*

**Jennifer Moreno**

**»I am preparing the components that will be placed on the electronic module. I have been working in this area for seven years – I was recruited from another production line. Whether Nagues or MAHLE, we all want the same things: to do a good job and to grow. We are pleased about the change, and I'm looking forward to having even more nice colleagues.«**



*MAHLE Electronics manufactures control units and power electronics for electric auxiliary components and thermal management systems as well as power converters for e-mobility solutions for the automotive industry.*



*With the acquisition, the MAHLE Group has strengthened its competence in the field of e-mobility systems.*



## How will you make sure that MAHLE Electronics continues to be successful under the umbrella of the MAHLE family?

**MEIER** We want to be one of the world's leading partners to the automotive industry in the area of power electronics. We are on course for rapid growth. And we must grow quickly, but without losing our strengths: total customer focus and enthusiasm for our products. At our development location in Valencia, we will recruit additional employees for these future tasks.

**NAVALÓN** Although we now number several hundred employees, we still operate like a start-up company: quickly, with short decision paths, and, above all, with a close relationship with our customers. This ensures that each of our employees is extremely motivated. We want to maintain this dynamic.

## And what do your customers think about this?

**MEIER** I experienced an eye-opening moment when I traveled with Juan Diego and Luis Felipe to visit one of our largest customers—a location comprising 15,000 development engineers. Despite the sheer size of the site, we couldn't go 20 meters without someone speaking to us. People know each other; they trust each other. The customer quickly got to the heart of the matter: "In large companies with established standards and processes, it generally takes longer to solve problems. In Valencia, you only need to make one call, and they immediately start looking for a solution to the problem. Everyone works in a very agile and flexible manner." This is a strength that we want to maintain in the future.

## What are the biggest challenges with respect to the fundamental change that is currently taking place in the automotive industry?

**MEIER** We supply the entire electric powertrain with control units, power converters, and power electronics for electric motors. The range that we want to offer is initially quite straightforward. The largest challenge in terms of the market, however, is that there are not yet any dominant architectures in e-mobility. Today, some operate at 400 volts, others at 800 volts. If you look at China, the largest market for e-mobility, they are talking about 100 volts. We need to consider very carefully where and how we are investing.

**NAVALÓN** The whole industry is changing. It is like that time, one hundred years ago, when the first car was built. Nobody knows exactly which kind of technology will win through, or when. There is no standard yet, but a wealth of possibilities.

**PÉREZ** For this reason, MAHLE is working with four possible future scenarios. This exceptional forward thinking and risk management make the company flexible and are ideal preparation for the future.

**RODRÍGUEZ** In the process, however, we must not lose sight of one thing: Developments must be made

in step with our customers. They must be tailor-made to suit them. After all, our customers face the same challenge. Our role is to serve them and thus ultimately find future solutions.

**MEIER** That is precisely our unique selling proposition, now and in the future too: to develop tailor-made solutions in close proximity to the customer.

Johann Meier

»We want to be one of the world's leading partners to the automotive industry in the area of power electronics.«

## Where will these tailor-made solutions be developed in the future?

**RODRÍGUEZ** We are in the process of expanding our development location in Valencia to become a competence center for electronics. Just a few months ago, we bought additional buildings for this purpose. In the future, we want to offer our developers some space to carry out creative work, to think, and to relax here. Everyone can put forward their ideas. People automatically work better in an environment that they are happy in.

**NAVALÓN** In this respect, Valencia is a very appealing location. This expansion will attract new employees. Anyone who wants to make a difference in the future can see that we are creating just the place to do this.

**MEIER** The message from MAHLE Electronics to its employees is clear: here, you will have the space to realize your career potential and grow as a person.

## Having the right and, above all, qualified employees is crucial to a company's success. How do you intend to attract these employees to Valencia?

**PÉREZ** We established a relationship with the Polytechnic University of Valencia many years ago and contribute to the Chair of Electrical Engineering. As a result, we regularly come into contact with suitable, motivated students and strive to get these young people excited about us while they are still studying.

**MEIER** We actively search for professionals and experts with very specific skills. We are lucky that Valencia is an attractive place to live. Potential employees are proactive in approaching us.

**RODRÍGUEZ** And our recruitment policy is always based on a single premise: the right candidates simply need to know more than me. This keeps me on my toes. At the same time, I want to give each of our employees the utmost support so that he or she can carry out his or her job to perfection.

## Where will MAHLE Electronics be in a few years' time?

**RODRÍGUEZ** In the future, it will remain the task of MAHLE Electronics to bring our customers' ideas to life. Often, our customers' specifications are initially difficult to implement. Accordingly, it is our job to turn the demands of our customers into something that can be realized. We will continue to outperform our competition in this respect and thereby help our customers to shine with products that surpass the usual standard in terms of know-how and quality.

**PÉREZ** And we must continue to internationalize, in order to be wherever our customers are. That goes without saying.

**MEIER** We want to carry on winning lots of projects and cooperate with well-known customers. We want to grow quickly and healthily, but without losing our DNA and our customer focus.

We want to become a global supplier for e-mobility and make our mark around the world. The automotive industry is changing at an incredible pace. And e-mobility is just one possibility when it comes to future mobility concepts. The combustion engine will also continue to have a reason to exist. At MAHLE Electronics, we will seize our opportunities. For our employees and for our customers.

## Many thanks for the interview!

Luis Felipe Rodríguez

»In the future, it will remain the task of MAHLE Electronics to bring our customers' ideas to life.«

*To continue its successful growth and to be  
a good partner to its customers without losing its DNA—  
that is the goal of MAHLE Electronics.*

**Cristina Hernández Pérez**

**»I started here as a trainee, having previously lived in Paris.  
At first, I only intended to stay for six months and  
gain experience. That was eight years ago. I love my job.  
And everyone here loves a challenge. We want competition.  
The more value we can create for our customers, the  
more progress we make at a personal level.«**

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