

Press Release

Munich, June 2, 2020

Knorr-Bremse completes acquisition of R.H. Sheppard Co., Inc.: The acquisition is a major step towards becoming a leading global manufacturer of steering systems for commercial vehicles

- **Knorr-Bremse is taking the next step in becoming a global supplier of commercial vehicle steering systems by acquiring R.H. Sheppard Co., Inc., a leading commercial vehicle steering supplier in the North American market**
- **Knorr-Bremse is further strengthening its position as a global system supplier of integrated steering and braking systems as a basis for driver assistance (DAS) and highly automated driving (HAD) systems**
- **The transaction – valued at USD \$149.5 million – was closed on June 1, 2020**
- **The acquisition of R.H. Sheppard Co., Inc. was transacted by Bendix Commercial Vehicle Systems LLC, Elyria, Ohio, USA, a North America-based subsidiary of Knorr-Bremse and part of the Commercial Vehicle Systems division**
- **Full integration of Sheppard into Bendix and the global Steering business unit of Knorr-Bremse is expected to take 18 to 24 months**

Munich, Germany, June 2, 2020 – Knorr-Bremse, the world’s leading system supplier of braking systems and other technologies for rail and commercial vehicles, today announced that the company closed the acquisition of R.H. Sheppard Co., Inc., Hanover, Pennsylvania, USA (“Sheppard”) on June 1, 2020. The contract was signed on January 30, 2020. The purchase price amounts to USD \$149.5 million. Sheppard is an industry-leading manufacturer of steering systems for commercial vehicles in the North American market. The acquisition of Sheppard marks another important step in Knorr-Bremse’s strategic drive to become a leading global supplier of commercial vehicle steering systems following its earlier acquisition of the Hitachi steering business in 2019.

Knorr-Bremse acquired Sheppard from WABCO Holdings Inc., USA (“WABCO”), which sold Sheppard in connection with the acquisition of WABCO by ZF Friedrichshafen AG. The acquisition of Sheppard was transacted by Bendix Commercial Vehicle Systems LLC, Elyria, Ohio, USA (“Bendix”), a North America-based subsidiary of Knorr-Bremse and part of the Commercial Vehicle Systems division.

“The acquisition of Sheppard is another important step for Knorr-Bremse in our strategic drive to become a leading global supplier of commercial vehicle steering systems. With Sheppard as a leading commercial vehicle steering supplier in the North American market now joining Knorr-Bremse, this opens further opportunities for us as a market leader in braking and driver assistance systems,” said Dr. Peter Laier, Member of the Executive Board of Knorr-Bremse AG responsible for the Commercial Vehicle Systems division. “New advanced driver assistance functions and automated driving solutions require complete control of commercial vehicle dynamics and the related actuators for braking and steering. The combination of Sheppard’s expertise in the field of recirculating ball (RCB) steering systems and Knorr-Bremse’s global brake control expertise and systems know-how forms the ideal basis for the introduction of torque overlay steering (TOS) systems and a broad range of DAS/HAD functions, particularly in the North American market.”

Dr. Laier added, “Our recent acquisitions in the commercial vehicle steering business, including Hitachi CVS Steering in Japan in 2019, the steering-related expansion of our joint venture

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with Dongfeng in China in 2020, and now the acquisition of Sheppard put us among the three leading companies in the global commercial vehicle steering market. We are delighted to welcome Sheppard to the Knorr-Bremse family.”

The transaction involves the entire Sheppard business, including Sheppard’s branded products, manufacturing facilities, sales and service operations, and its interest in joint ventures related to supply and manufacturing. R.H. Sheppard Co., Inc. will now form an operating unit of Bendix and retain use of the Sheppard brand name. The operational integration is expected to take 18 to 24 months to complete.

“Responsiveness and value for our customer is at the heart of Bendix, and R.H. Sheppard,” said Mike Hawthorne, Bendix president and CEO. “Today we begin a new chapter in our story. This is truly an outstanding opportunity to offer an even more comprehensive range of premier products, performance, and expertise to more effectively serve the needs of our North American and global customer base. Adding Sheppard to our business is evidence of our continued commitment to offer products and services that help improve highway safety and advance the path of expanded driver assistance systems, automated driving systems, and enhanced vehicle performance available through system integration.”

Hawthorne noted, “Sheppard has been an integral partner with its commercial vehicle customers in identifying opportunities and designing products to meet their challenges. They’ve built a well-earned reputation based on over eight decades of steering technology development and manufacturing experience. We look forward to working with our new colleagues.”

R.H. Sheppard Co., Inc. was founded in 1937 and manufactures components for the global commercial vehicle and transportation industries. The company develops and manufactures steering systems for commercial vehicles and related products and services to the highest quality standards. In 2019, Sheppard generated sales of around USD 142 million and employed around 800 people.

Knorr-Bremse (ISIN: DE000KBX1006, ticker symbol: KBX) is the global market leader for braking and other rail and commercial vehicle systems. Knorr-Bremse’s products make a decisive contribution to greater safety and energy efficiency on rail tracks and roads around the world. About 29,000 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. In 2019, Knorr-Bremse’s two divisions together generated revenues of EUR 6.9 billion (IFRS). For more than 115 years the company has been the industry innovator, driving innovation in mobility and transportation technologies with an edge in connected system solutions. Knorr-Bremse is one of Germany’s most successful industrial companies and profits from the key global megatrends: urbanization, sustainability, digitization and mobility.

About Bendix Commercial Vehicle Systems LLC

Bendix Commercial Vehicle Systems, a member of Knorr-Bremse, develops and supplies leading-edge active safety technologies, energy management solutions, and air brake charging and control systems and components under the Bendix® brand name for medium- and heavy-duty trucks, tractors, trailers, buses, and other commercial vehicles throughout North America. An industry pioneer, employing more than 3,400 people, Bendix is driven to deliver solutions for improved vehicle safety, performance, and overall operating cost. Contact us at 1-800-AIR-BRAKE (1-800-247-2725) or visit bendix.com. Stay connected and informed through Bendix expert podcasts, blog posts, videos, and other resources at knowledge-dock.com. Follow Bendix on Twitter at twitter.com/Bendix_CVS. Log on and learn from the Bendix experts at brake-school.com. And to learn more about career opportunities at Bendix, visit bendix.com/careers.

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