

Press Release

Munich, January 30, 2020

Knorr-Bremse to acquire R.H. Sheppard Co., Inc. in the United States as the next milestone on its way to become a global manufacturer of steering systems for commercial vehicles

- Agreement to acquire R.H. Sheppard Co., Inc., Hanover, USA, for a purchase price of USD 149.5 million signed today
- The company is one of the leading manufacturers of steering systems for commercial vehicles in the U.S.
- Knorr-Bremse is setting a further milestone on its way to become a global manufacturer of steering systems for commercial vehicles
- Following the acquisition of the commercial vehicle steering division of Hitachi Automotive Systems in Japan in spring 2019, Knorr-Bremse is further strengthening its position as a global supplier of integrated steering and braking systems as a basis for driver assistance (DAS) and highly automated driving (HAD)

Munich, January 30, 2020 – Knorr-Bremse, the global market leader for braking and other systems for rail and commercial vehicles, strengthens its position in steering systems for commercial vehicles and today signed an agreement to acquire R.H. Sheppard Co., Inc., USA (“Sheppard”). Sheppard is one of the leading manufacturers of steering systems for commercial vehicles on the North American market. With the acquisition of Sheppard, Knorr-Bremse is broadening its international position in the field of steering systems, having already achieved a major expansion in Asia with the acquisition of the commercial vehicle steering division of Hitachi Automotive Systems in Japan in spring 2019.

Knorr-Bremse is to acquire Sheppard from WABCO Holdings Inc., USA (“WABCO”) which is selling Sheppard in connection with the proposed takeover of WABCO by ZF Friedrichshafen AG (“ZF”). The agreed purchase price was USD 149.5 million. The closing of the acquisition of Sheppard by Knorr-Bremse is subject to closing conditions and regulatory approvals and is contingent upon the closing of the ZF acquisition of WABCO. Closing is expected in the first half of 2020.

“For Knorr-Bremse the acquisition of Sheppard is another important step in our strategy to become a global manufacturer of steering systems for commercial vehicles. With integrated steering and braking systems for commercial vehicles, we can realize globally expanded functions in driver assistance and automated driving together with our customers and leverage cost potential through system integration,” explains Dr. Peter Laier, Member of the Executive Board of Knorr-Bremse AG responsible for the Commercial Vehicle Systems division.

Sheppard’s expertise brings optimal base for automated driving

Complete control over the transverse and longitudinal forces of a commercial vehicle is a necessary prerequisite for system solutions in driver assistance and automated driving solutions. The combination of Sheppard’s expertise in the field of recirculating ball steering systems (RCB) and Knorr-Bremse’s global system know-how form an optimal basis for the

introduction of torque overlay steering systems (TOS) and functions of driver assistance and automated driving, particularly in the North American market.

The acquisition will be carried out by Bendix Commercial Vehicle Systems LLC, Elyria, USA, an indirect subsidiary of Knorr-Bremse AG and part of the Commercial Vehicle Systems Division. In 2018, Sheppard generated sales of around USD 146 million and employed around 800 people.

Customized system solutions for North American trucks and buses

“Sheppard is an ideal addition to the product portfolio. As a leading commercial vehicle supplier in North America, Bendix will be even better able to respond to the requirements of North American customers in the different market segments. This is how tailor-made system solutions for North American trucks and buses become possible,” says Michael J. Hawthorne, Bendix president & CEO.

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.

About Knorr-Bremse

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 28,500 employees at over 100 sites in more than 30 countries use their skills and motivation to satisfy customers worldwide with products and services. In 2018, Knorr-Bremse’s two divisions together generated sales of 6.6 billion euros. 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 mega trends: urbanization, eco-efficiency, digitization and automated driving.

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