



## ZF signs definitive agreement to acquire WABCO

- **ZF and WABCO to form a leading global integrated systems provider for commercial vehicle technology with combined sales of approximately €40 billion**
- **Complementary capabilities of both companies to create added value for ZF's commercial vehicle customers**
- **ZF to acquire WABCO for \$136.50 per share for a total equity value of approximately \$7 billion**
- **Closing expected for early 2020**
- **Planned acquisition approved by ZF's Management Board and Supervisory Board and WABCO's Board of Directors**

**Friedrichshafen. ZF Friedrichshafen AG, a leading global technology group and supplier of mobility systems for passenger cars, commercial vehicles and industrial technology, today announced that it has entered into a definitive agreement to acquire WABCO (NYSE: WBC) for \$136.50 per share. The planned acquisition has been approved by ZF's Management Board and Supervisory Board and WABCO's Board of Directors. Together, ZF and WABCO will form a leading global integrated mobility systems provider for commercial vehicles, creating added value for ZF's commercial vehicle customers. The combined company will have sales of approximately €40 billion.**

WABCO is a leading global supplier of braking control systems, technologies and services that improve safety, efficiency and connectivity of commercial vehicles including trucks, buses and trailers. Its diverse products and services include integrated braking systems and stability control, air suspension systems, transmission automation controls, as well as aerodynamics, telematics, and fleet management solutions. WABCO, which is listed on the New York Stock Exchange (NYSE), generated €3.3 billion in revenues in 2018 and has some 16,000 employees in 40 countries.



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**Wolf-Henning Scheider**, CEO of ZF, said: “We believe that, together with WABCO, ZF can form the world’s leading integrated systems provider for commercial vehicle technology, creating long-term value and security for its customers, employees and owners. For ZF the acquisition of a specialist and leader for commercial vehicle braking systems means adding a stable and growing business segment and enables our existing commercial vehicle division to expand its expertise in vehicle dynamics control. This will create the foundation for ZF to offer comprehensive systems for safe and automated mobility solutions for passengers and goods to our customers. This is also in the best interest of our owners, the Zeppelin Foundation and the Dr. Jürgen and Irmgard Ulderup Foundation, as the transaction will result in a sustainable strengthening of ZF.”

**Jacques Esculier**, Chairman and CEO of WABCO, said: “Joining forces with highly respected ZF will create a leading global technology company well positioned to capitalise on future demand for autonomous, efficient and connected commercial vehicles. We have a long history of successful collaboration to develop innovative technologies with ZF with both companies sharing an uncompromising drive for excellence, passion for innovation, and exceptional customer focus.”

**Combination of successful and complementary business lines**

The planned acquisition is part of ZF’s Next Generation Mobility strategy and will expand the company’s expertise to include commercial vehicle braking solutions for the first time. This plays a central role for the control of automated driving functions – including emergency braking manoeuvres of trucks and trailers. Following the acquisition, customers of both companies will have a partner in ZF who can offer them a fully integrated system approach, new drive systems for E-Mobility and autonomous driving functions. ZF expects that automated driving functions will primarily be implemented for commercial vehicles and in areas with low complexity and traffic (e.g. factory sites, airports, agriculture). The combination of both businesses is expected to further accelerate the development of new technologies to enable autonomous



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commercial vehicle functions, making ZF less dependent on the economic cycle of the passenger car industry.

The planned strategic acquisition of WABCO is consistent with ZF's goal to develop and deliver technology solutions that make cars and commercial vehicles see, think and act in order to reduce emissions and increase road safety. While ZF already has sensor systems and computing technology for its "see" and "think" competence, together with WABCO ZF will in future be completing the portfolio for commercial vehicle technologies to offer solutions to allow vehicles to "act". ZF is already a leading supplier in the area of steering and driveline technology.

Dr. Konstantin Sauer, CFO of ZF, said: "The intended strategic acquisition of WABCO comes at a good time for ZF. Following the successful integration of TRW, ZF has significantly reduced its debt levels. In fact, we overachieved in delivering our debt reduction targets. WABCO is a healthy and growing company with a strong cash flow profile that makes it a seamless fit with ZF and supports the implementation of our strategy."

*The transaction is subject to regulatory approvals, other customary closing conditions and shareholder approval with more than 50 percent of WABCO's outstanding shares. ZF expects to close the transaction in the beginning of 2020.*

*Due to the cash flow profile of both parties, ZF expects to reduce financial leverage significantly again following the completion of the transaction.*

We invite you to participate in today's **media call** with ZF Friedrichshafen CEO Wolf-Henning Scheider and CFO Dr. Konstantin Sauer at 3 p.m. CET. Access: <https://slidesync.com/WwvzJm7vIE>



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Caption:

The ZF Forum in Friedrichshafen, Germany is the headquarters of ZF Friedrichshafen AG.

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**ZF Friedrichshafen AG**

ZF is a global leader in driveline and chassis technology as well as active and passive safety technology. The company has a global workforce of 146,000 with approximately 230 locations in some 40 countries. In 2017, ZF achieved sales of €36.4 billion and as such, is one of the largest automotive suppliers worldwide.

ZF enables vehicles to see, think and act. The company invests more than six percent of its sales in research and development annually – in particular for the development of efficient and electric drivelines and also in striving for a world without accidents. With its broad portfolio, ZF is advancing mobility and services for passenger cars, commercial vehicles and industrial technology applications.

For further press information and photos please visit: [www.zf.com](http://www.zf.com)

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This communication is for information purposes only and does not constitute a solicitation of a proxy, nor shall there be any such solicitation in any jurisdiction in which such solicitation would be unlawful prior to applicable filings and/or qualification under

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