

Press release

Knorr-Bremse Acquires Alstom's Rail Signalling Technology Business in North America

- **Knorr-Bremse is strengthening especially its resilient rail business**
- **The acquisition is accretive from the beginning**
- **By acquiring one of the market leaders in North America, Knorr-Bremse is increasing its overall revenue share in the aftermarket business and the region**
- **By entering the global rail control, command, and signalling (CCS) technology market, the total addressable rail market volume for Knorr-Bremse will increase by up to € 20 billion in the medium term**
- **Acquisition underscores the clear plan for implementing the Group-wide "BOOST 2026" strategy program**
- **Transaction expected to close during summer 2024**

Munich, April 19, 2024 – Knorr-Bremse AG, the global market leader for braking systems and a leading provider of other rail and commercial vehicle systems, today announced its acquisition of the conventional rail signalling technology business of Alstom Signaling North America. With this acquisition, Knorr-Bremse is successfully making an entry into the highly attractive control, command, and signalling (CCS) segment of the rail market. Alstom Signaling is a leading company in North America's CCS market. For the Knorr-Bremse Rail Vehicle Systems division, the acquisition of this profitable business creates new prospects for profitable growth, technological competence, and future digital business models. The transaction is expected to close during summer 2024.

Marc Llistosella, Chief Executive Officer of Knorr-Bremse AG: "This acquisition is good for Knorr-Bremse and will drive our profitable growth further. With it, we are not just building on our highly profitable rail business. Rather, we will also become one of the US market leaders in North America in the rail control, command, and signalling segment, or CCS for short. The transaction pursues a compelling industrial logic and is a very good match for our development and growth path, as we announced in our 'BOOST 2026' strategy program. We at Knorr-Bremse are putting our plans into action. We are delighted that we will soon welcome new colleagues to the Knorr-Bremse team, too."

The acquisition is a significant step in the transformation from a supplier of vehicle systems to a supplier of systems for the entire rail ecosystem, explains **Dr. Nicolas Lange, member of the Knorr-Bremse AG Executive Board and responsible for the Rail Vehicle Systems division:** "For Knorr-Bremse, the acquisition of Alstom Signaling North America means a successful entry to the CCS segment. The CCS market is of approximately € 20 billion globally, making it a highly attractive rail segment. For us as an international systems supplier, the transaction is a substantial step forward in electronics and digitalization in rail infrastructure. Brakes and signalling technology have a critical influence on the safety and capacity of rail transportation. The CCS segment fits into the DNA of the Knorr-Bremse Rail division amazingly."

From today's perspective, it is believed that the acquisition will be accretive right from the outset. The appeal of the CCS market comes from the market entry barriers, resulting from local approval and technology standards; a focus on safety in operation and availability, and large and continuous shares of the aftermarket. Knorr-Bremse has been intimately familiar with this market-specific environment for decades. This will be significant support for the integration of the company and future business development.

Alstom Signaling North America by far has the largest installed base of signal box technology, train detection, and rail crossings, especially in the freight segment, as well as a very large share of the aftermarket. In the future, Knorr-Bremse will be able to offer a CCS technology platform to operators and system providers in North America under one roof. Simultaneously, the acquisition strengthens the position of the Rail Vehicle Systems division in the digitalization business thanks to the access to a large volume of infrastructure data that can be provided to operators as a data service or "software as a service."

A purchase price of around EUR 630 million was agreed. This includes a mid-double-digit million EUR amount for additional expected and highly profitable project business, which should support the revenue growth mid-term. Alstom Signaling North America attained revenues of about EUR 300 million and an EBIT margin of approximately 16% according to the preliminary results in the past fiscal year which ended on March 31, 2024. The acquisition is to be financed from available liquidity and debt and should not affect the credit rating.

Media Contacts:

Alexander Stechert-Mayerhöfer, Head of Corporate Communications

Phone: +49 89 3547 1942, e-mail: alexander.stechert-mayerhoefer@knorr-bremse.com

Investor Relations:

Andreas Spitzauer, Head of Investor Relations

Phone: +49 89 3547 182310, e-mail: andreas.spitzauer@knorr-bremse.com

Knorr-Bremse (ISIN: DE000KBX1006, ticker symbol: KBX) is the global market and technology leader for braking systems and a leading supplier of 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. 33,000 employees at over 100 locations in approximately 30 countries develop and produce innovative solutions and services that meet the highest technological standards. In 2023, Knorr-Bremse's two divisions together generated revenues of approximately € 7.9 billion. For almost 120 years, the company has been at the cutting edge of its industries, driving innovation in mobility and transportation technologies with a leading 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, digitalization, and mobility.