



Innovative Vehicle Solutions

PRESS RELEASE

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Haldex submits an antitrust complaint against its largest shareholder to the European Commission

- Knorr-Bremse's shareholding restricts competition in breach of EU law

Haldex submits a complaint against its largest shareholder, German brake systems' manufacturer Knorr-Bremse, with the European Commission's Directorate-General for Competition, as well as with the Brazilian Competition Authority (the Administrative Council for Economic Defense). Haldex's complaint concerns Knorr-Bremse's ongoing shareholding in Haldex and its detrimental effects on competition in several brake systems' markets where Knorr-Bremse is in a dominant position.

"While it may of course seem puzzling that a company expresses concerns about who their largest shareholders are, this can be explained by the fact that the shareholding of Knorr-Bremse in Haldex has made it more difficult for the company to operate and introduce innovative solutions in the brake systems' industry. This affects both Haldex's appeal as an investment opportunity and Haldex's relationship with its customers and ultimately consumers. We, therefore, believe that this situation distorts competition in the industry as a whole," says Haldex's Chairman Jörgen Durban.

Haldex has been experiencing a complicated ownership situation ever since 2016, when German manufacturers ZF Group and Knorr-Bremse, both active in the truck components industry, became Haldex's two largest shareholders as a result of takeover attempts. Customers have expressed concerns about this ownership structure as it distorts market conditions. Similarly, potential investors are skeptical about engaging with Haldex due to Knorr-Bremse's shareholding.

After ZF Group announced in Spring 2019 its intention to acquire Wabco, Haldex made a submission to the European Commission seeking an upfront divestiture of ZF Group's shareholding in Haldex

because the acquisition would have given the ZF Group control over both Wabco and Haldex, which are competitors in a number of brake systems and components markets. In September 2019, ZF Group sold its 20% stake in Haldex during the European Commission's review of ZF Group's proposed acquisition of Wabco.

Haldex is now taking a step further and seeks a ruling as to whether its largest shareholder's interest in Haldex is compatible with European competition law, given Knorr-Bremse's dual role as Haldex's largest shareholder and a direct competitor with a dominant position.

Contrary to what one would expect, the ownership issue has become, if anything, even more important since ZF sold its stake in Haldex. There are currently rapid developments in the industry, where strategic partnerships are replacing the conventional customer-supplier relationship. This is partly due to the fact that the industry is focusing on finding solutions for complex challenges such as electrification of the transport industry and autonomous driving.

"Haldex is frequently discussing such collaborations with other industrial players and customers but finds itself in a disadvantageous position having one of its competitors as its largest shareholder. Furthermore, the current situation also pushes our share price down, resulting in a lower valuation. Consequently, it makes it more expensive for Haldex to attract investments and launch new innovative products," says Jörgen Durban.

Haldex does not want to speculate about the European Commission's assessment of its complaint but remains hopeful about its outcome given the highly concentrated nature of the brake systems' markets for heavy trucks and trailers and Knorr-Bremse's dominant position in several of these markets.

"If the European Commission comes to the same conclusion as the financial market, namely that Knorr-Bremse's shareholding is primarily a means to diminish Haldex's opportunities for development, we hope the Commission will take action on the basis of European Competition rules," says Jörgen Durban.

For further information, contact Jörgen Durban, chairman of the board. Phone: +46 418-476000

This information is information that Haldex AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 10:30 p.m. (CET) on February 13, 2020.

About Haldex

Over 100 years of powerful innovation gives Haldex unsurpassed expertise when it comes to braking systems and air suspension systems for heavy trucks, trailers and buses. We live and breathe our business with the goal to deliver robust and technically superior solutions which is founded in a deep insight in our customer's reality. Through focusing on our core competences and the passion we all share, we achieve the agility and flexibility that the market demands. Innovative collaborations aren't only the core of our products, but our philosophy. Our 2300 employees, spread out across four continents, challenge the conventional on a daily basis in order to secure that the products we deliver create a unique value to our customers and the end users. We are listed on Nasdaq Stockholm and have a turnover of approx. 5 billion SEK.