

Danfoss A/S
Date: January 27, 2021

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation (EU) 596/2014 (“Market Abuse Regulation”) and is disclosed in accordance with the Issuer’s obligations under Article 17 of the Market Abuse Regulation.

Danfoss preparing divestment to meet regulatory requirements in connection with the acquisition of Eaton Hydraulics

According to announcement of January 21, 2020, Danfoss has entered into an agreement to acquire Eaton’s hydraulics business. The transaction is subject to customary closing conditions and regulatory approvals.

As a necessary pre-requisite for receiving regulatory approvals from the European Commission and the U.S. Department of Justice to maintain fair competitive levels and close our Eaton Hydraulics acquisition, Danfoss is required to create and divest the stand-alone business unit, White Drive Motors & Steering.

The new business unit will be effective February 1, 2021 and will include operations and products at three Danfoss locations in Hopkinsville, Kentucky, U.S.; Wroclaw, Poland; and Parchim, Germany; in addition to three product lines from Eaton Hydraulics.

All together this includes approximately 800 employees.

This announcement contains forward-looking statements about the expected closing of the acquisition. These statements should be used with caution and are subject to various risks and uncertainties, some of which are outside of the company’s control. Factors that could cause these statements to become untrue include possible delay or failure of the satisfaction of all closing conditions. We do not assume any obligation to update these forward-looking statements.

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