



## Cummins Closes on its Acquisition of Hydrogenics

September 9, 2019

### Hydrogenics Strengthens Cummins' Fuel Cell Capabilities & Adds New Hydrogen Production Technologies

COLUMBUS, Ind.--(BUSINESS WIRE)--Sep. 9, 2019-- Cummins Inc. (NYSE: CMI) today announced that it closed on the previously announced acquisition of fuel cell and hydrogen production technologies provider Hydrogenics Corporation.

"We are thrilled to welcome the Hydrogenics employees to the Cummins family," said Tom Linebarger, Chairman and CEO, Cummins Inc. "Hydrogenics is one of the world's premier fuel cell and hydrogen production technologies providers and their expertise and innovative approach will strengthen Cummins' fuel cell capabilities. This is another step forward as we continue to invest in a broad range of clean, fuel-efficient and high-performing products and technologies that deliver value to our customers."

Cummins began developing its fuel cell capabilities more than 20 years ago and the acquisition of Hydrogenics with Air Liquide's support accelerates Cummins' ability to further innovate and scale hydrogen fuel cell technologies across a range of commercial markets. Owning both fuel cell and hydrogen generation from electrolysis capabilities will enable the company to offer a full, differentiated hydrogen solution, from start to finish, seamlessly integrated for customers.

"Air Liquide and Cummins have a shared vision of the key role that hydrogen plays in the energy transition. As a shareholder, and more widely as a company, Air Liquide is highly supportive of a hydrogen-based society," said Pierre Etienne Franc, CEO, The Hydrogen Company. "The two global companies, leaders in their sector, have complementary expertise in the development of hydrogen energy. Thanks to Cummins' investment, we believe Hydrogenics technologies will be able to accelerate significantly their development."

Hydrogenics will report under Cummins' Electrified Power Business Segment, led by Thad Ewald, Vice President – Corporate Strategy, and its operations will continue to be headquartered in Mississauga, Canada. Founded in 2018, the Electrified Power business designs and manufactures fully electric and hybrid powertrain systems along with innovative components and subsystems to serve commercial markets as they adopt electrification. To date, the business has introduced complete electrified powertrain solutions in six markets across seven applications and continues to launch market leading products with customers across the world.

The acquisition was completed for \$15.00 per share, representing an enterprise value of approximately \$290 million and follows the approval of Hydrogenics shareholders, the receipt of approvals from the Ontario Superior Court of Justice, and satisfaction of other customary closing conditions. Air Liquide will own approximately 19 percent of the company while Cummins maintains an approximately 81 percent ownership and will fully consolidate the entity in its financial statements. Hydrogenics will be delisted from the Toronto Stock Exchange and the NASDAQ upon receipt of the final required approvals.

Cummins continues to project that the company will return 75 percent of operating cash flow to shareholders this year in the form of dividends and share repurchases.

### About Cummins

Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service a broad portfolio of power solutions. The company's products range from diesel and natural gas engines to hybrid and electric platforms, as well as related technologies, including battery systems, fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana (U.S.A.), since its founding in 1919, Cummins employs approximately 62,600 people committed to powering a more prosperous world through three global corporate responsibility priorities critical to healthy communities: education, environment and equality of opportunity. Cummins serves customers in approximately 190 countries and territories through a network of approximately 600 company-owned and independent distributor locations and over 7,600 dealer locations and earned about \$2.1 billion on sales of \$23.8 billion in 2018. See how Cummins is powering a world that's Always On by accessing news releases and more information at <https://www.cummins.com/always-on>. Follow Cummins on Twitter at [www.twitter.com/cummins](http://www.twitter.com/cummins) and on YouTube at [www.youtube.com/cumminsinc](http://www.youtube.com/cumminsinc).

### Forward-looking disclosure statement

Information provided in this release that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our forecasts, guidance, preliminary results, expectations, hopes, beliefs and intentions on strategies regarding the future. These forward-looking statements include, without limitation, statements relating to our plans and expectations for our revenues and EBITDA percentage for the full year of 2019, and our plans for Hydrogenics. Our actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to: any adverse results of our internal review into our emissions certification process and compliance with emissions standards; a sustained slowdown or significant downturn in our markets; changes in the engine outsourcing practices of significant customers; the development of new technologies that reduce demand for our current products and services; increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emissions standards around the world; product recalls; policy changes in international trade; the United Kingdom's (U.K.) decision to end its membership in the European Union; lower than expected acceptance of new or existing products or services; a slowdown in infrastructure development and/or depressed commodity prices; supply shortages and supplier financial risk, particularly from any of our single-sourced suppliers; exposure to potential security breaches or other disruptions to our information technology systems and data security; a major customer experiencing financial distress; the actions of, and income from, joint ventures and other investees that we do not directly control; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions and divestitures and related uncertainties of entering such transactions;; competitor activity; increasing competition, including increased global competition among our customers in emerging markets; foreign currency exchange rate

changes; variability in material and commodity costs; political, economic and other risks from operations in numerous countries; changes in taxation; global legal and ethical compliance costs and risks; aligning our capacity and production with our demand; product liability claims; increasingly stringent environmental laws and regulations; future bans or limitations on the use of diesel-powered products; the price and availability of energy; the performance of our pension plan assets and volatility of discount rates; labor relations; changes in accounting standards; our sales mix of products; protection and validity of our patent and other intellectual property rights; the outcome of pending and future litigation and governmental proceedings; continued availability of financing, financial instruments and financial resources in the amounts, at the times and on the terms required to support our future business; and other risks detailed from time to time in our SEC filings, including particularly in the Risk Factors section of our 2018 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the SEC, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

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