

Timken to Acquire BEKA Lubrication, Expanding Its Global Leadership in Automatic Lubrication Systems

NORTH CANTON, Ohio, Sept. 16, 2019 — The Timken Company (NYSE: TKR), a world leader in engineered bearings and power transmission products, has reached an agreement to acquire BEKA Lubrication (BEKA), a leading global supplier of automatic lubrication systems, for approximately \$165 million. The company serves a diverse range of industrial sectors including wind, food and beverage, rail, on- and off-highway and other process industries. BEKA sales are expected to be around \$135 million for the full year 2019.

“The acquisition of BEKA expands our global leadership in the highly attractive automatic lubrication systems market sector, increases our geographic scale and market coverage in Europe and Asia and will create new opportunities to serve wind and other industrial end markets more fully,” said Richard G. Kyle, Timken president and chief executive officer. “BEKA is a premier brand and technical leader, and like our Groeneveld business, offers automatic and central lubrication systems that reduce operating costs and extend equipment life. We expect to realize significant synergies, margin expansion and revenue growth opportunities through the combined Groeneveld-BEKA business.”

Family owned and operated since its founding in 1927, BEKA is headquartered in Pegnitz, Germany. The company employs approximately 900 people, with manufacturing, research and development based in Germany, and assembly facilities and sales offices around the world.

Timken first entered the automatic lubrication market in 2013 with the acquisition of Interlube and then significantly expanded its portfolio and global reach through the acquisition of Groeneveld in 2017. With the acquisition of BEKA, Timken will become the world’s second largest producer of industrial automatic lubrication systemsⁱ, which displace manual lubrication methods to improve equipment life and reliability, while reducing the total cost of ownership. The transaction advances the company’s strategy, which is focused on growing its leadership position in engineered bearings while diversifying Timken’s portfolio into adjacent products and markets.

The privately negotiated transaction is subject to regulatory review approval in Germany, and is expected to close during the fourth quarter of this year. It will be funded with cash and existing debt facilities. Timken expects the transaction to be accretive to earnings in 2020.

About The Timken Company

The Timken Company (NYSE: TKR; www.timken.com) designs a growing portfolio of engineered bearings and power transmission products. With more than a century of knowledge and innovation, we continuously improve the reliability and efficiency of

global machinery and equipment to move the world forward. Timken posted \$3.6 billion in sales in 2018 and employs more than 18,000 people globally, operating from 35 countries.

Certain statements in this release (including statements regarding the company's estimates and expectations) that are not historical in nature are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, the statements regarding the company's expectations regarding realization of synergies, margin expansion, accretion and the timing of the closing of this transaction are forward-looking. The company cautions that actual results may differ materially from those projected or implied in forward-looking statements due to a variety of important factors, including: the inability to successfully acquire and integrate the newly acquired business into the company's operations or achieve the expected synergies associated with the acquisition; and adverse changes in the markets served by the newly acquired business. Additional factors are discussed in the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended Dec. 31, 2018, quarterly reports on Form 10-Q and current reports on Form 8-K. Except as required by the federal securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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ⁱ Based on industry estimates.