

BorgWarner Announces Completion of PHINIA Spin-Off

Auburn Hills, Michigan, July 3, 2023 – BorgWarner Inc. (NYSE: BWA) today announced the successful completion of the spin-off of its Fuel Systems and Aftermarket segments into a separate, publicly-traded company named PHINIA (NYSE: PHIN).

“A tremendous amount of work has gone into bringing us to where we are today,” said Frédéric Lissalde, President and Chief Executive Officer, BorgWarner Inc. Two years ago, BorgWarner announced *Charging Forward*, the company’s strategy to accelerate its transition to electrification. That strategy included the disposition of \$3B to \$4B in combustion-related revenue by 2025. The completion of the spin-off of PHINIA combined with the 2022 sale of the [North American controls business](#) represents the completion of this key pillar of the *Charging Forward* strategy. “This important step allows both BorgWarner and PHINIA to focus on and continue to pursue their respective strategies. We wish the PHINIA team the best as they begin their own journey as a new, independent company,” said Lissalde.

At BorgWarner’s recent Investor Relations Day at the New York Stock Exchange on June 6, 2023, *Charging Forward 2027* was unveiled. This next phase of the strategy focuses on further advancing BorgWarner’s position as a technology leader in eProducts and maximizing the value of its foundational portfolio. As part of *Charging Forward 2027*, the company established 2027 targets of achieving more than \$10 billion in eProduct revenue, delivering approximately 7% adjusted operating margin on its eProduct portfolio, and sustaining its strong foundational operating margins. Presentation materials and the webcast of the event can be found on borgwarner.com/investors.

Evercore acted as BorgWarner’s lead financial advisor for the spin-off, and BofA Securities, Inc. also acted as a financial advisor. Foley & Lardner LLP and Freshfields Bruckhaus Deringer provided legal advice to the company.

About BorgWarner

For more than 130 years, BorgWarner has been a transformative global product leader bringing successful mobility innovation to market. Today, we're accelerating the world's transition to eMobility — to help build a cleaner, healthier, safer future for all.

Forward Looking Statements: This release may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management's current outlook, expectations, estimates and projections. Words such as "anticipates," "believes," "continues," "could," "designed," "effect," "estimates," "evaluates," "expects," "forecasts," "goal," "guidance," "initiative," "intends," "may," "outlook," "plans," "potential," "predicts," "project," "pursue," "seek," "should," "target," "when," "will," "would," and variations of such words and similar expressions are intended to identify such forward-looking statements. Further, all statements, other than statements of historical fact, contained or incorporated by reference in this release that we expect or anticipate will or may occur in the future regarding our financial position, business strategy and measures to implement that strategy, including changes to operations, competitive strengths, goals, expansion and growth of our business and operations, plans, references to future success and other such matters, are forward-looking statements. Accounting estimates, such as those described under the heading "Critical Accounting Policies and Estimates" in Item 7 of our most recently filed Annual Report on Form 10-K ("Form 10-K"), are inherently forward-looking. All forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Forward-looking statements are not guarantees of performance, and the Company's actual results may differ materially from those expressed, projected or implied in or by the forward-looking statements.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Forward-looking statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed, projected or implied in or by the forward-looking statements. These risks and uncertainties, among others, include: supply disruptions impacting us or our customers, such as the current shortage of semiconductor chips that has impacted original equipment manufacturer ("OEM") customers and their suppliers, including us; commodity availability and pricing, and an inability to achieve expected levels of recoverability in commercial

negotiations with customers concerning these costs; competitive challenges from existing and new competitors including OEM customers; the challenges associated with rapidly changing technologies, particularly as relates to electric vehicles, and our ability to innovate in response; uncertainties regarding the extent and duration of impacts of matters associated with the COVID 19/coronavirus pandemic, including additional production disruptions; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by Russia's invasion of Ukraine; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions on a timely basis; the possibility that the spin-off transaction will not achieve its intended benefits; the failure to promptly and effectively integrate acquired businesses; the potential for unknown or inestimable liabilities relating to the acquired businesses; our dependence on automotive and truck production, both of which are highly cyclical and subject to disruptions; our reliance on major OEM customers; fluctuations in interest rates and foreign currency exchange rates; our dependence on information systems; the uncertainty of the global economic environment; the outcome of existing or any future legal proceedings, including litigation with respect to various claims, or governmental investigations, including related litigation; future changes in laws and regulations, including, by way of example, taxes and tariffs, in the countries in which we operate; impacts from any potential future acquisition or disposition transactions; and the other risks noted in reports that we file with the Securities and Exchange Commission, including Item 1A, "Risk Factors" in our most recently filed Form 10-K and/or Quarterly Report on Form 10-Q. We do not undertake any obligation to update or announce publicly any updates to or revisions to any of the forward-looking statements in this release to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

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