



BorgWarner Sells Water Valley, Mississippi Facility to Atar Capital

- *Divestiture consistent with BorgWarner's Charging Forward Strategy*

Auburn Hills, Michigan, January 5, 2022 – BorgWarner Inc. ("BorgWarner") has sold its Water Valley, Mississippi facility to Atar Capital. The sale is consistent with Project Charging Forward, BorgWarner's accelerated electrification strategy which the Company announced in March 2021. Outlined in this strategy is a target to dispose of \$3 billion to \$4 billion in annual revenues from its combustion portfolio by 2025 with approximately \$1 billion of that targeted to be executed by late 2022.

The Water Valley sale encompasses the manufacturing facility and the associated solenoid, transmission control module and stop/start accumulator system business located there. Full year sales of the Water Valley business for 2021 are expected to be approximately \$180 million. The transaction was completed on December 31, 2021. The consideration consisted of \$42 million in cash and notes and up to \$30 million in potential earn out payments. The Company expects to incur a U.S. GAAP loss on the sale, which is not expected to be material.

About BorgWarner

BorgWarner Inc. (NYSE: BWA) is a global product leader in delivering innovative and sustainable mobility solutions for the vehicle market. Building on its original equipment expertise, BorgWarner also brings market-leading product and service solutions to the global aftermarket. With manufacturing and technical facilities in 96 locations in 22 countries, the company employs approximately 50,000 people worldwide. For more information, please visit borgwarner.com.

Forward-Looking Statements: This press 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. In particular, the statements concerning the Company's divestiture targets are forward-looking statements. 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 press 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 the ability to identify appropriate combustion portfolio businesses for disposition and consummate planned dispositions on acceptable terms; uncertainties regarding the extent and duration of impacts of matters associated with the COVID-19/coronavirus pandemic; the uncertainty of the global economic environment; and the other risks, including, by way of example, pandemics and quarantines, noted in reports that we file with the Securities and Exchange Commission, including Item 1A, "Risk Factors" in our most recently-filed Annual Report on 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 press release to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

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