

# BORGWARNER

## BorgWarner Announces Cash Tender Offers for up to \$500 Million in Aggregate Purchase Price of Senior Notes

Auburn Hills, Michigan, August 28, 2023 – BorgWarner Inc. (NYSE: BWA) (the “Company”) today announced that it has commenced tender offers to purchase for cash the debt securities issued by the Company listed in the table below (collectively, the “Securities” and each a “series”).

Title of Security	CUSIP No.	Principal Amount Outstanding	Acceptance Priority Level <sup>(1)</sup>	U.S. Treasury Reference Security	Bloomberg Reference Page	Fixed Spread	Early Tender Payment <sup>(2)(3)</sup>
3.375% Senior Notes due 2025	099724AJ5	\$500,000,000	1	4.75% due July 31, 2025	PX1	+60 bps	\$50
5.000% Senior Notes due 2025	099724AM8 / U0560UAA0	\$775,896,000	2	4.75% due July 31, 2025	PX1	+70 bps	\$50

(1) The offers with respect to the Securities are subject to the Aggregate Tender Cap (as defined below) of \$500,000,000.

(2) Per \$1,000 principal amount.

(3) The Total Consideration (as defined below) for Securities validly tendered at or prior to the Early Tender Date (as defined below) and accepted for purchase will be calculated using the applicable Fixed Spread, which is inclusive of the Early Tender Payment (as defined below).

The tender offers consist of offers to purchase for cash, on the terms and conditions set forth in the offer to purchase, dated August 28, 2023 (as it may be amended or supplemented from time to time, the “Offer to Purchase”), Securities up to an amount corresponding to an aggregate Total Consideration (as defined below) and/or Late Tender Consideration (as defined below), as applicable, (in each case excluding Accrued Interest (as defined below)) payable in respect of Securities validly tendered equal to \$500,000,000 (the “Aggregate Tender Cap”), payable upon settlement for all Securities purchased in the tender offers.

The Company reserves the right, but is under no obligation, to increase, decrease or eliminate the Aggregate Tender Cap at any time and without extending the applicable Withdrawal Deadline (as defined below), subject to applicable law. Any such change may be significant. Accordingly, holders should not tender any Securities that they do not wish to be accepted in a tender offer. The amount of each series of Securities that will be purchased will be determined in accordance with the acceptance priority levels set forth in the table above without exceeding the Aggregate Tender Cap and may be prorated as described in the Offer to Purchase. The Company refers investors to the Offer to Purchase for the complete terms and conditions of the tender offers.

The tender offers will expire at 5:00 p.m., New York City time, on September 26, 2023 or, in each case, any other date and time to which the Company extends the applicable tender offer (such date and time, as it may be extended with respect to a tender offer, the applicable “Expiration Date”), unless earlier terminated. Holders of Securities must validly tender and not validly withdraw their Securities at or prior to 5:00 p.m., New York City time, on September 11, 2023 (such date and time, as it may be extended with respect to a tender offer, the applicable “Early Tender Date”), to be eligible to receive the Total Consideration, which is inclusive of an amount in

cash equal to the amount set forth in the table above under the heading "Early Tender Payment" (the "Early Tender Payment"). If a holder validly tenders Securities after the applicable Early Tender Date but at or prior to the applicable Expiration Date, then the holder will only be eligible to receive the applicable Late Tender Consideration (as defined below) plus Accrued Interest.

The applicable consideration (the "Total Consideration") offered per \$1,000 principal amount of each series of Securities validly tendered, and not validly withdrawn, and accepted for purchase pursuant to the applicable tender offer will be determined in accordance with the formula set forth in the Offer to Purchase by reference to the applicable fixed spread for such series specified in the table above plus the applicable yield based on the bid-side price of the applicable U.S. Treasury Reference Security specified in the table above at 9:00 a.m., New York City time, on September 12, 2023. The "Late Tender Consideration" is equal to the Total Consideration minus the Early Tender Payment.

Each tender offer will expire on the applicable Expiration Date. Except as set forth below, payment for Securities that are validly tendered at or prior to the Expiration Date will be made on a date promptly following the Expiration Date, which payment date is currently anticipated to be September 28, 2023, the second business day after the Expiration Date. The Company reserves the right, in its sole discretion, to make payment for Securities that are validly tendered at or prior to the Early Tender Date on an earlier settlement date, which, if applicable, is currently anticipated to be September 14, 2023, the third business day after the Early Tender Date. Securities validly tendered at or prior to the Early Tender Date will be accepted for purchase in priority to other Securities validly tendered after the Early Tender Date, even if such Securities validly tendered after the Early Tender Date have a higher Acceptance Priority Level than Securities validly tendered at or prior to the Early Tender Date.

Holders will also receive accrued and unpaid interest on Securities validly tendered and accepted for purchase from the applicable last interest payment date up to, but not including, the applicable settlement date ("Accrued Interest").

Tendered Securities may be withdrawn at or prior to, but not after, 5:00 p.m., New York City time, on September 11, 2023, unless extended or otherwise required by applicable law (the "Withdrawal Deadline"). Subject to applicable law, the Company may extend the Early Tender Date without extending the Withdrawal Deadline with respect to a tender offer. The tender offers are subject to the satisfaction or waiver of certain conditions as set forth in the Offer to Purchase. The tender offers are not subject to minimum tender conditions.

### **Information Relating to the Tender Offers**

The Offer to Purchase is being distributed to holders beginning today. Deutsche Bank Securities Inc. is the dealer manager for the tender offers. Investors with questions regarding the tender offers may contact Deutsche Bank Securities Inc. at (866) 627-0391 (toll free) or (212) 250-2955 (collect). Global Bondholder Services Corporation is the tender and information agent for the tender offers and can be contacted at (212) 430-3774 or toll-free at (855) 654-2015.

### **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.

BorgWarner unveiled a new logo underscoring the progress the company has made in its eMobility transformation through the execution of its Charging Forward strategy. The new logo is a visual representation of the company's transformation – future-focused, dynamic and signals a new chapter in BorgWarner's long and proud history.

## **Forward-Looking Statements**

This press release contains 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 press 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 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 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 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 under 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 press release to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.