



## **BorgWarner to Acquire Santroll's Light Vehicle eMotor Business**

- *Expected to strengthen electric propulsion systems leadership*
- *Complementary, market leading vertical integration capabilities*
- *Closing expected in late first quarter 2022*

Auburn Hills, Michigan, February 15, 2022 – BorgWarner Inc. (NYSE: BWA), Santroll Electric Auto and Santroll Automotive Components today announced that they have signed an Equity Transfer Agreement (ETA) under which BorgWarner will acquire Santroll Automotive Components, a carve-out of Santroll's eMotor business, for up to ¥1.4 billion, comprised of a closing payment of ¥1.1 billion and an earnout of up to ¥0.3 billion. The transaction will be funded primarily with existing cash balances.

Based in Tianjin, China, Santroll designs and manufactures hairpin and concentrated-winding technology eMotors for use in light vehicles. Santroll supplies its patented technology to the Chinese OEM market. With nearly 400 full-time employees, Santroll brings manufacturing equipment design capabilities and proven automation expertise that have allowed it to secure business relationships with many leading customers in China.

The acquisition is expected to strengthen BorgWarner's vertical integration, scale, and portfolio breadth in light vehicle e-motors while allowing for increased speed to market. The closing is expected in late first quarter 2022 and is subject to satisfaction of customary closing conditions.

"The eMotor remains an important element of BorgWarner's electric vehicle growth strategy," said Frédéric Lissalde, President and CEO of BorgWarner. "Santroll will bring patented eMotor technology that will complement the breadth of our existing eMotor line. Together, we expect to build a differentiating vertically integrated production capability that creates scale while delivering enhanced solutions to our customers."

## 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 93 locations in 22 countries, the company employs approximately 49,000 people worldwide. For more information, please visit [borgwarner.com](http://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. 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; commodities availability and pricing; 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 pandemic, including additional production disruptions; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; the possibility that the proposed acquisition of Santroll's light vehicle eMotor business will not be consummated; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions on a timely basis including our recent acquisition of AKASOL AG and our 2020 acquisition of Delphi Technologies PLC; the ability to identify appropriate combustion portfolio businesses for disposition and consummate planned dispositions on acceptable terms; 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; 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 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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