



NEWS RELEASE

# PHINIA Announces Definitive Agreement to Acquire SEM

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AUBURN HILLS, Mich.--(BUSINESS WIRE)-- PHINIA Inc. (NYSE: PHIN), a leader in premium fuel systems, electrical systems, and aftermarket solutions, today announced it has entered into a definitive agreement for PHINIA to acquire all of the issued and outstanding shares of Swedish Electromagnet Invest AB (publ) ("SEM"). Founded in 1915, SEM is a prominent provider of advanced natural gas, hydrogen and other alternative fuel ignition systems, injector stators and linear position sensors primarily for the commercial vehicle, industrial, and off-highway markets.

Under the terms of the agreement, PHINIA will pay \$47 million (452 million Swedish krona) for the acquisition of SEM, which is expected to generate approximately \$50 million of annual revenue and approximately \$10 million of annual adjusted EBITDA. The transaction, which is subject to customary closing conditions, is expected to close in the third quarter of 2025.

PHINIA expects the acquisition to enhance PHINIA's product portfolio and strategy, enabling the company to explore adjacent market opportunities and provide customers with a wider range of products and turnkey solutions. This move not only strengthens PHINIA's commitment to sustainability but also establishes the company as a key player in the transition towards alternative fuel technologies.

Brady Ericson, President and Chief Executive Officer of PHINIA, commented "SEM's product portfolio complements PHINIA's business by adding over a century of industrial experience and expertise in advanced ignition solutions for on- and off-road commercial and industrial engines. The acquisition aligns with PHINIA's strategy of exploring alternative, carbon-neutral, and carbon-free fuels, and expanding its presence in the commercial vehicle, industrial, and aftermarket sectors. This positions PHINIA to lead the development of zero- and lower-carbon solutions,



supporting our journey towards carbon neutrality.”

PHINIA and SEM’s complementary portfolios broaden the range of technical solutions PHINIA can bring to its customers. In particular, the combination of PHINIA’s Engine Management System experience and SEM’s significant experience with advanced ignition systems strengthens PHINIA’s position as a full system provider. Adding ignition systems to the existing PHINIA portfolio of fuel system components, electronics, software, and calibration capabilities will bring further opportunities to optimize the combustion process and strengthen PHINIA’s value proposition. Both organizations’ demonstrated experience with hydrogen internal combustion creates additional value as PHINIA prepares for a carbon-free future by providing robust, high-performance products to the market.

## About PHINIA

PHINIA is an independent, market-leading, premium solutions and components provider, with over 100 years of manufacturing expertise and industry relationships and a strong brand portfolio that includes DELPHI®, DELCO REMY® and HARTRIDGE™. With over 12,500 employees across 43 locations in 20 countries, PHINIA is headquartered in Auburn Hills, Michigan, USA.

Across commercial vehicles and industrial applications (medium-duty and heavy-duty trucks, buses and other off-highway construction, marine, agricultural and aerospace and defense), light commercial vehicles (vans and trucks) and light passenger vehicles (passenger cars, mini-vans, cross-overs and sport-utility vehicles), we develop fuel systems, electrical systems, and aftermarket solutions designed to keep combustion engines operating at peak performance, while at the same time investing in advanced technologies to unlock the potential of alternative fuels.

By providing what the market needs today to become more efficient and sustainable, while also developing innovative products and solutions to contribute to lower carbon mobility, we are the partner of choice for a diverse array of customers – powering our shared journey toward a cleaner tomorrow.

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(DELCO REMY is a registered trademark of General Motors LLC, licensed to PHINIA Technologies Inc.)

**Forward-Looking Statements:** This press release contains forward-looking statements within the meaning of U.S. federal securities laws. Forward-looking statements are statements other than historical fact that provide current expectations or forecasts of future events based on certain assumptions and are not guarantees of future performance. Forward-looking statements use words such as “anticipate,” “believe,” “continue,” “could,” “designed,” “effect,” “estimate,” “evaluate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “likely,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” and other words of similar

meaning.

Forward-looking statements are subject to risks, uncertainties, and factors relating to our business and operations, all of which are difficult to predict and which could cause our actual results to differ materially from the expectations expressed in or implied by such forward-looking statements. Risks, uncertainties, and factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to: adverse changes in general business and economic conditions, including recessions, adverse market conditions or downturns impacting the vehicle and industrial equipment industries; our ability to deliver new products, services and technologies in response to changing consumer preferences, increased regulation of greenhouse gas emissions, and acceleration of the market for electric vehicles; competitive industry conditions; failure to identify, consummate, effectively integrate or realize the expected benefits from acquisitions or partnerships; pricing pressures from original equipment manufacturers (OEMs); inflation rates and volatility in the costs of commodities used in the production of our products; changes in U.S. and foreign administrative policy, including changes to existing trade agreements and any resulting changes in international trade relations; our ability to protect our intellectual property; failure of or disruption in our information technology infrastructure, including a disruption related to cybersecurity; our ability to identify, attract, retain and develop a qualified global workforce; difficulties launching new vehicle programs; failure to achieve the anticipated savings and benefits from restructuring and product portfolio optimization actions; extraordinary events, including natural disasters or extreme weather events, fires or similar catastrophic events, political disruptions, terrorist attacks, pandemics or other public health crises, and acts of war; risks related to our international operations; the impact of economic, political, social and market conditions on our business in China; our reliance on a limited number of OEM customers; supply chain disruptions; work stoppages, production shutdowns and similar events or conditions; governmental investigations and related proceedings regarding vehicle emissions standards, including the ongoing investigation into diesel defeat devices; current and future environmental, health and safety, human rights and other laws and regulations; the impacts of climate change, regulations related to climate change and various stakeholders' emphasis on climate change and other related matters; compliance with and changes in other laws and regulations; liabilities related to product warranties, litigation and other claims; tax audits and changes in tax laws or tax rates taken by taxing authorities; impairment charges on goodwill and indefinite-lived intangible assets; the impact of changes in interest rates and asset returns on our pension funding obligations; the impact of restrictive covenants and other requirements on our financial and operating flexibility pursuant to the agreements governing our indebtedness; risks relating to the spin-off from our former parent, including our ability to achieve some or all of the benefits that we expect to achieve from the spin-off, a determination that the spin-off does not qualify as tax-free for U.S. federal income tax purposes, and our or our former parent's failure to perform under, or additional disputes that may arise between the parties relating to, various transaction agreements executed in connection with the spin-off; and other risks and uncertainties described in our reports filed from time to time with the Securities and Exchange Commission.

We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Projected adjusted EBITDA is a forward-looking non-GAAP financial measure. A reconciliation to the most directly comparable GAAP financial measure is not provided because we are unable to provide such reconciliation without unreasonable effort.

## PHINIA

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