



Meritor, Inc. Announces Conversion Option for 7.875% Convertible Senior Notes Due 2026

June 29, 2018

TROY, Mich., June 29, 2018 /PRNewswire/ -- Meritor, Inc. (NYSE: **MTOR**) today announced that it is notifying holders of its 7.875% Convertible Senior Notes due 2026 (the "Notes") that they are entitled to convert all or a portion of their Notes at any time beginning July 2, 2018 and prior to the close of business on September 28, 2018 at a rate of 83.3333 shares of common stock per \$1,000 principal amount at maturity of the Notes (representing a conversion price of approximately \$12.00 per share). The Notes are convertible as the closing price of shares of the company's common stock for at least 20 trading days during the 30 consecutive trading-day period ending on June 29, 2018 was greater than 120% of the conversion price in effect on June 29, 2018.

The Notes surrendered for conversion will be settled in cash up to the principal amount at maturity of the Notes and cash, stock or a combination of cash and stock, at the company's election, for the remainder of the conversion value of the Notes in excess of the principal amount at maturity and cash in lieu of any fractional shares, subject to and in accordance with the provisions of the indenture.

The notice of conversion containing information required by the indenture governing the conversion of the Notes was sent to registered holders of the Notes today. Copies of the notice of conversion and additional information relating to the procedure for conversion of the Notes may be obtained from The Bank of New York Mellon Trust Company, N.A., as Trustee and Conversion Agent for the Notes, at:

Issuer & Loan Services / CSD – Reorg
111 Sanders Creek Parkway
East Syracuse, NY 13057
Tel: (315) 414-3362

None of the company, its Board of Directors, or its employees has made or is making any representation or recommendation to any holder as to whether to exercise or refrain from exercising the conversion option.

This announcement does not constitute an offer to buy or sell or the solicitation of an offer to sell or buy securities in any jurisdiction.

About Meritor

Meritor, Inc. is a leading global supplier of drivetrain, mobility, braking and aftermarket solutions for commercial vehicle and industrial markets. With more than a 100-year legacy of providing innovative products that offer superior performance, efficiency and reliability, the company serves commercial truck, trailer, off-highway, defense, specialty and aftermarket customers around the world. Meritor is based in Troy, Mich., United States, and is made up of approximately 8,200 diverse employees who apply their knowledge and skills in manufacturing facilities, engineering centers, joint ventures, distribution centers and global offices in 19 countries. Meritor common stock is traded on the New York Stock Exchange under the ticker symbol MTOR. For important information, visit the company's website at www.meritor.com.

Forward-Looking Statement

This release contains statements relating to future results of the Company that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "estimate," "should," "are likely to be," "will" and similar expressions. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to reliance on major OEM customers and possible negative outcomes from contract negotiations with our major customers, including failure to negotiate acceptable terms in contract renewal negotiations and our ability to obtain new customers; the outcome of actual and potential product liability, warranty and recall claims; our ability to successfully manage rapidly changing volumes in the commercial truck markets and work with our customers to manage demand expectations in view of rapid changes in production levels; global economic and market cycles and conditions; availability and sharply rising costs of raw materials, including steel, and our ability to manage or recover such costs; our ability to manage possible adverse effects on our European operations, or financing arrangements related thereto following the United Kingdom's decision to exit the European Union or, in the event one or more other countries exit the European monetary union; risks inherent in operating abroad (including foreign currency exchange rates, restrictive government actions regarding trade, implications of foreign regulations relating to pensions and potential disruption of production and supply due to terrorist attacks or acts of aggression); risks related to our joint ventures; rising costs of pension benefits; the ability to achieve the expected benefits of strategic initiatives and restructuring actions; our ability to successfully integrate the products and technologies of Fabco Holdings, Inc. and AA Gear Mfg., Inc. and future results of such acquisitions, including its generation of revenue and it being accretive; the demand for commercial and specialty vehicles for which we supply products; whether our liquidity will be affected by declining vehicle productions in the future; OEM program delays; demand for and market acceptance of new and existing products; successful development and launch of new products; labor relations of our Company, our suppliers and customers, including potential disruptions in supply of parts to our facilities or demand for our products due to work stoppages; the financial condition of our suppliers and customers, including potential bankruptcies; possible adverse effects of any future suspension of normal trade credit terms by our suppliers; potential impairment of long-lived assets, including goodwill; potential adjustment of the value of deferred tax assets; competitive product and pricing pressures; the amount of our debt; our ability to continue to comply with covenants in our financing agreements; our ability to access capital markets; credit ratings of our debt; the outcome of existing and any future legal proceedings, including any litigation with respect to environmental, asbestos-related, or other matters; the actual impacts of our modifications to benefits provided to certain former union employee retirees on the Company's balance sheet, earnings and amount of cash payments; possible changes in accounting rules; ineffective internal controls; and other substantial costs, risks and uncertainties, including but not limited to those detailed in our Annual Report on Form 10-K for the year ended September 30, 2017, as amended and from time to time in other filings of the Company with the SEC. These forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law.



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Media Inquiries - Krista Sohm, (248) 435-7115, krista.sohm@meritor.com; Investor Inquiries - Carl Anderson, (248) 435-1588, carl.anderson@meritor.com