



# Charging Forward

## The Next Decade +

March 2022

## Forward-Looking Statements

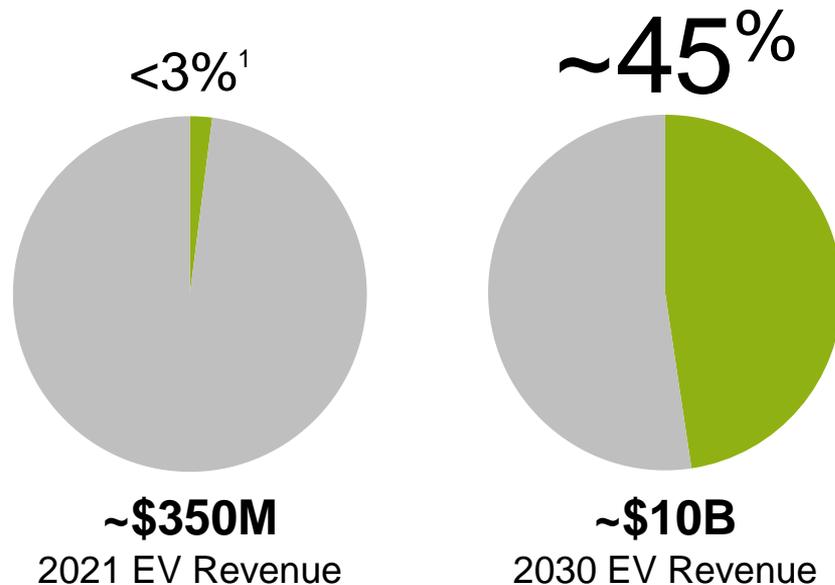
This presentation may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act that are based on management's current outlook, expectations, estimates and projections. Words such as "anticipates," "believes," "continues," "could," "designed," "effect," "estimates," "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 presentation 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.

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# Intentional Growth for a Sustainable Future

- Our **accelerated electrification strategy** is a product of our vision and long-term focus
- Our vision of a **clean, energy-efficient world** is as relevant today as ever
- More aggressively deploying our **organic investments** and **capital** towards electrification

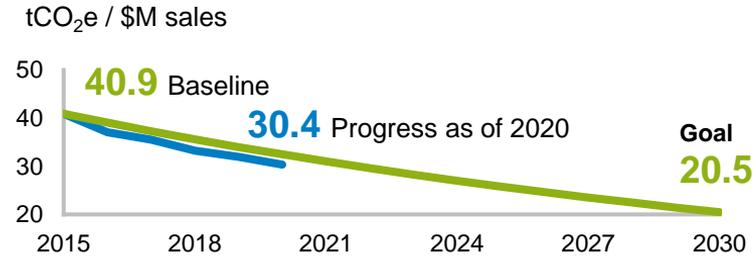
## Revenue from EVs



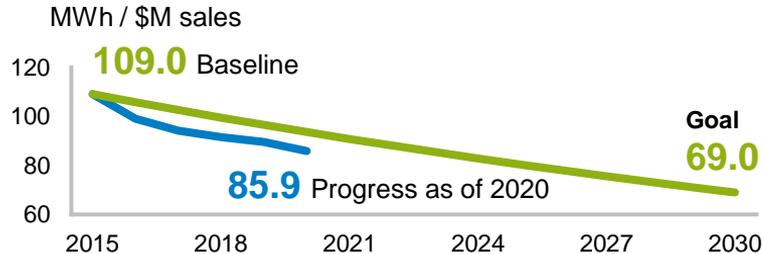
<sup>1</sup> Based on FY21 Actual Sales  
2030 Source: BorgWarner estimate

# This Evolution Is Consistent with Our Commitment to Sustainability

## GHG: 50% Intensity Reduction by 2030



## Energy: 37% Intensity Reduction by 2030



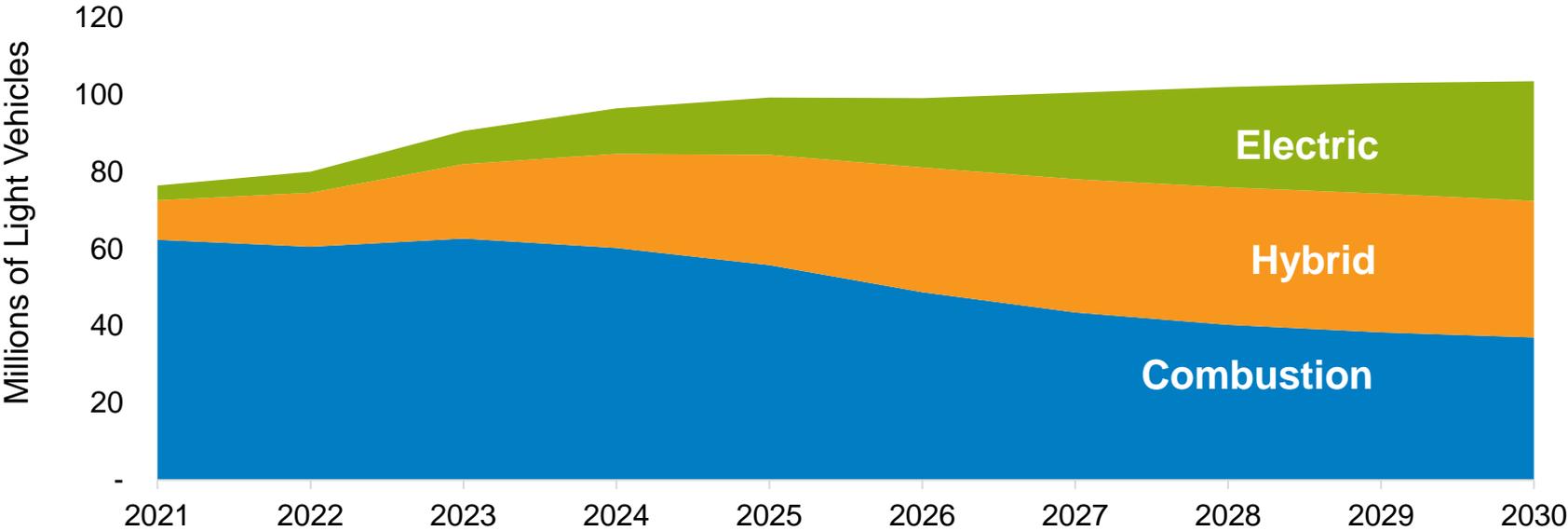
## Our sustainability objectives go hand in hand with our strategy to generate financial results

- Committed to **carbon neutrality\*** by 2035 focusing on renewable and energy efficiency
- Providing **Scope 3 emissions** commentary
- Disclosures aligned with **SASB, TCFD and GRI**
- We disclose **environmental KPIs**

\* Includes Scope 1 & 2 emissions

# Now is the Optimal Time to Accelerate BorgWarner's Shift toward Electrification

*Estimated industry steady shift from internal combustion vehicles to electric ones*



Source: BorgWarner Estimates

## CHARGING FORWARD STRATEGY



ORGANIC EV  
GROWTH



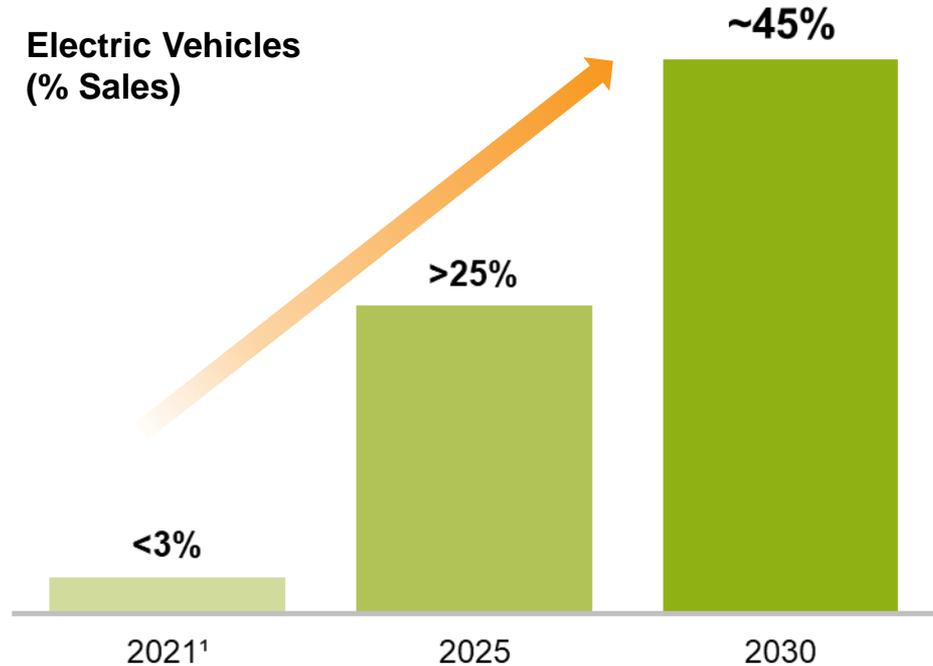
EV  
FOCUSED  
M&A



OPTIMIZE  
COMBUSTION  
PORTFOLIO

# 2021-2025: Accelerating Our Shift to EVs

Electric Vehicles  
(% Sales)



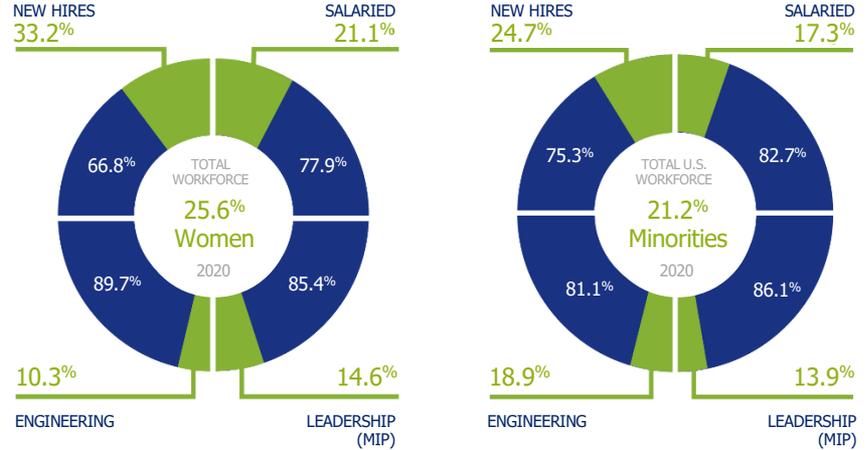
<sup>1</sup> Based on FY21 Actual Sales  
2025 & 2030 Source: BorgWarner estimates

# We Empower Our Diverse Teams

## Decentralized org structure



## Employee Diversity



## Board Diversity



Diversity data shown is as of December 31st, 2020; Board of Directors demographics reflect current members, as of June 2021

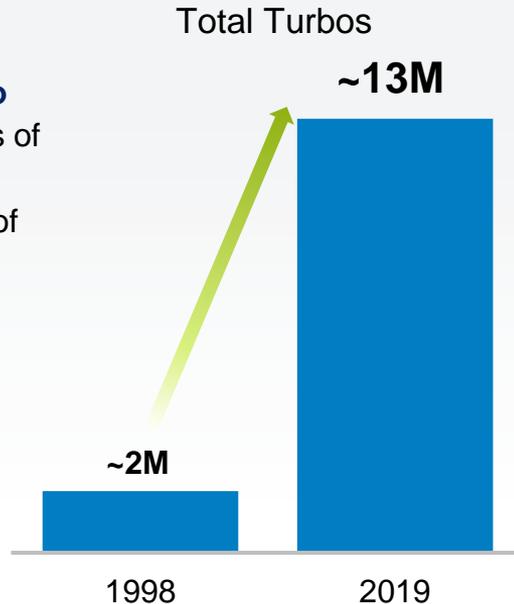
MIP defined as Management Incentive Plan participants

# We Know How to Evolve to Meet Tomorrow's Needs

Decades of leadership through strategic evolution — and our next phase is underway

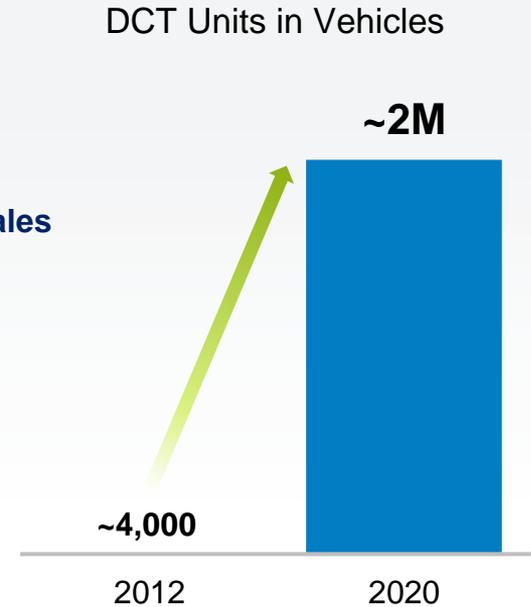
## Late 1990s

BorgWarner **pivots to turbos** through series of strategic acquisitions, including the merger of 3K and Schwitzer

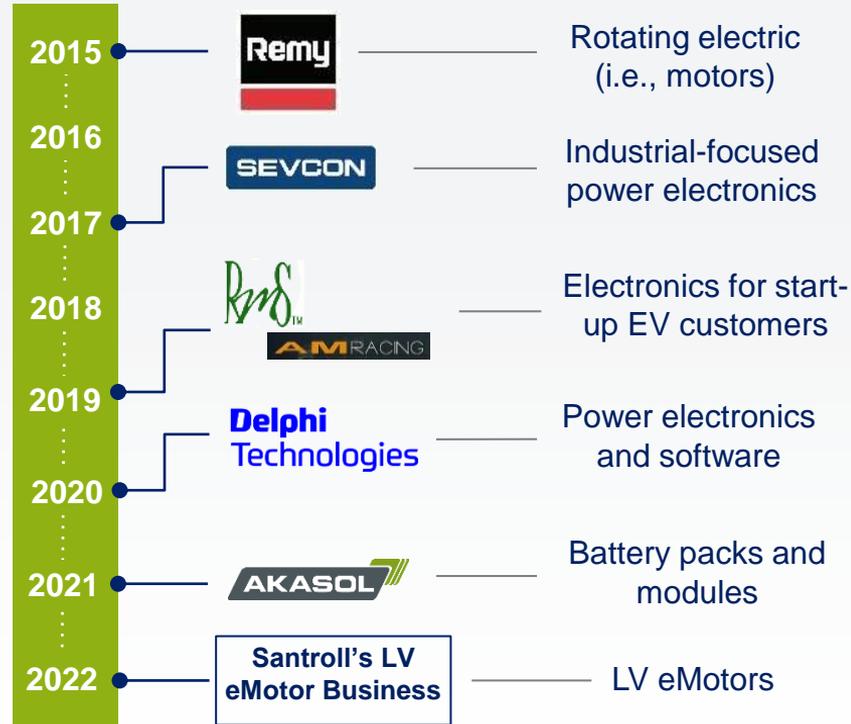


## 2010s

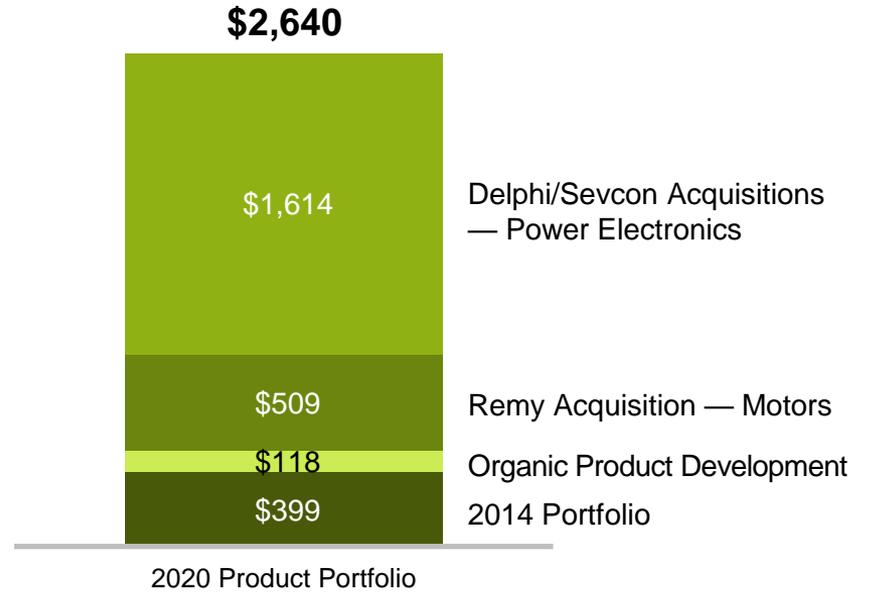
BorgWarner **significantly accelerates dual clutch module sales** in China through wholly-owned and joint ventures



# We've Grown Our Electrification Portfolio Deliberately over Time



## Est. 2025 Content Opportunity per eLV

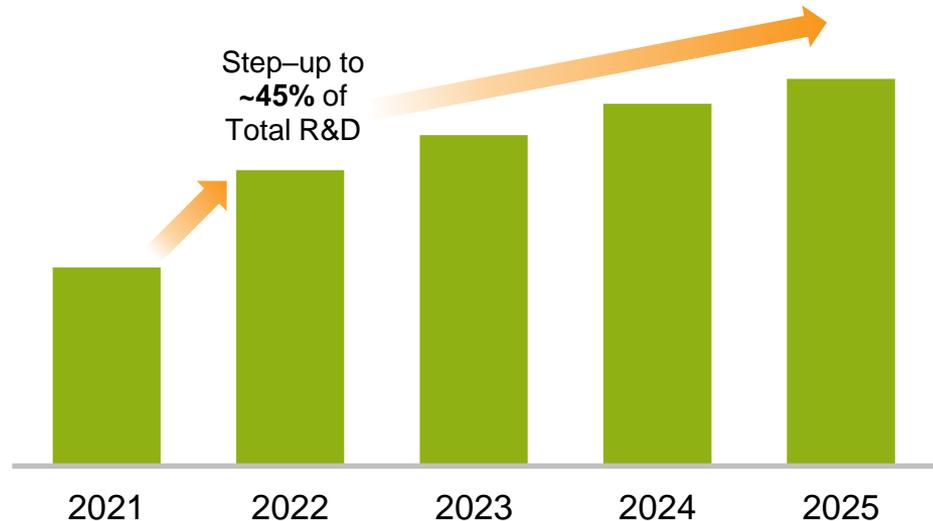


# ...And Our Organic Investment Strategy Will Also Play a Major Role in Advancing eLV...

## Organic Investment Strategy

- >\$3B over next 5 years on combined R&D and capital spending for eProducts
- eProducts approaching 50% of R&D before acquisitions by 2025
- Organic spending supplemented with up to \$5B in M&A

## Estimated R&D Spend for EV (\$M)



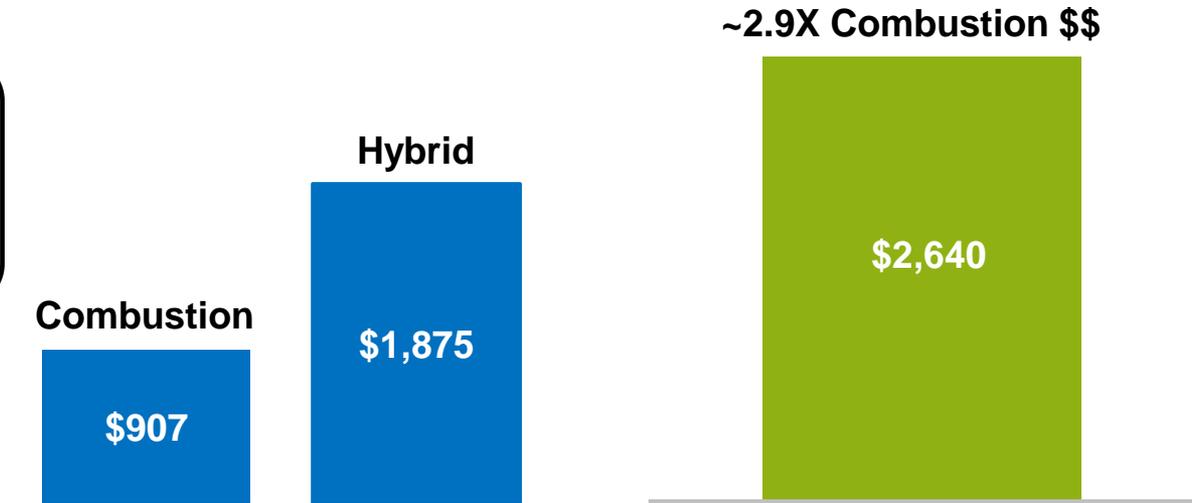
Source: BorgWarner March 2022 estimate

# ...Such That We're Well Positioned to Seize Market Opportunity

## Combustion Based

## Electric

Est. 2025 BorgWarner Content Opportunity Per Light Vehicle Summary



Sources: BorgWarner TAM; IHS Markit, KGP. Excludes: AKASOL battery pack opportunities, Service & Aftermarket

# Recent Awards Across EV Product Portfolio



## 800-Volt Inverter

- with a premium European OEM on next-generation BEVs expected to launch in 2024



## 800-volt Electric Motor

- with a large global commercial vehicle EV customer launching in 2024



## Third Generation Battery System

- with GILLIG, a leading North American bus manufacturer, expected to launch in 2023



## 800V SiC Inverters

- Award for European inverter with a German OEM, expected to launch in early 2025



## Integrated Drive Module (iDM)

- with Hyundai Motor Group for EVs expected to launch in 2023



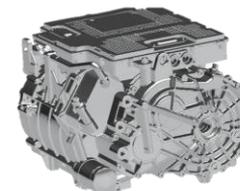
## 800V SiC Inverters

- with major Chinese electric vehicle program expected to launch in 2023



## High-voltage SiC Inverter

- Award for North American inverter program with a Global OEM, expected launch in 2024



## 800V Integrated Drive Modules (iDM)

- with a Chinese luxury NEV brand expected to launch in 2023

# Progress Report

## CHARGING FORWARD STRATEGY



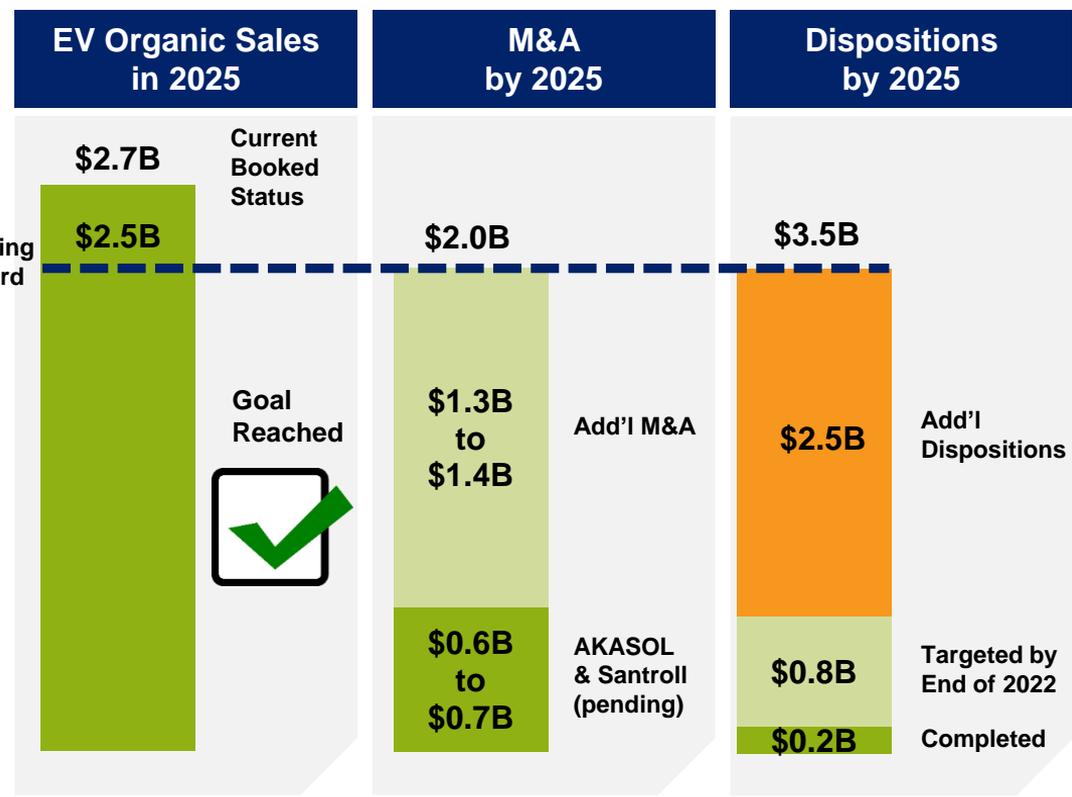
ORGANIC EV GROWTH



EV FOCUSED M&A



OPTIMIZE COMBUSTION PORTFOLIO



## CHARGING FORWARD STRATEGY



ORGANIC EV  
GROWTH



EV  
FOCUSED  
M&A



OPTIMIZE  
COMBUSTION  
PORTFOLIO

- We have both the **strategies** and **execution capabilities to lead** the industry
- **Sustainability is core** with a commitment to **carbon neutrality by 2035**
- Our actions through 2025 are expected to achieve **~45% of revenue from EV by 2030**, with potential for more to come