

Goldman Sachs 2020 Global Automotive Conference



December 4, 2020

 **BorgWarner**

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 (including instances where "E" immediately precedes a year)," "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" in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2019 ("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 in 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 presentation. 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: uncertainties regarding the extent and duration of impacts of matters associated with COVID-19/coronavirus, including additional production disruptions; the failure to realize the expected benefits of the acquisition of Delphi Technologies PLC that the Company completed on October 1, 2020; 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; our reliance on major OEM customers; commodities availability and pricing; supply disruptions; fluctuations in interest rates and foreign currency exchange rates; availability of credit; our dependence on key management; 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, tariffs, in the countries in which we operate; and the other risks, including by way of example, pandemics and quarantines, 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. 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 presentation to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

Propulsion Systems Leader, Well Positioned for the Future

- Executing balanced propulsion strategy



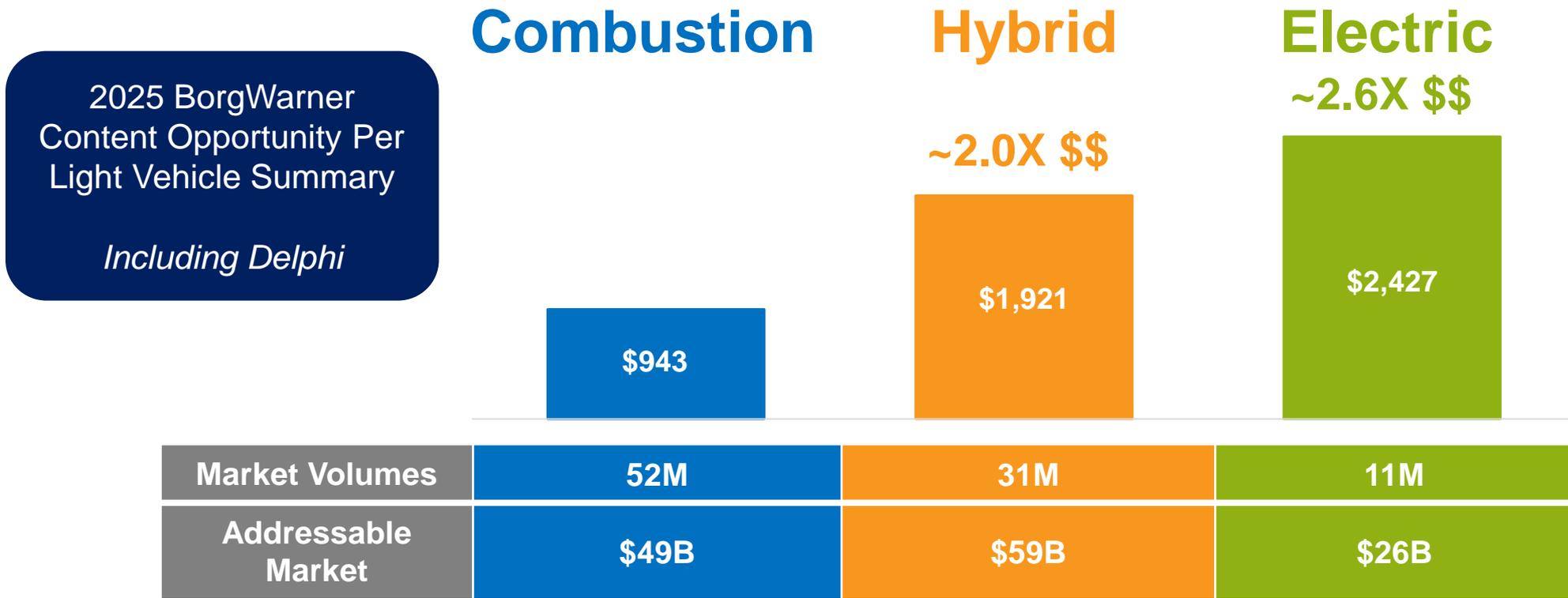
- Track record of strong financial performance
 - Consistent, sustained outgrowth
 - Top quartile margins
 - Strong cash flow generation
- Product leadership drives our business

OUR VISION

A clean, energy-efficient world



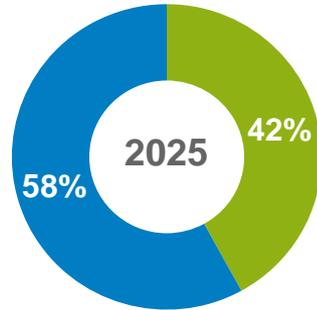
Significantly Higher Content Opportunities in Hybrid & Electric



Sources: BorgWarner TAM; IHS Markit, KGP. Excludes: Romeo Power Battery JV opportunities, Service & Aftermarket

Electric Vehicle Component Sourcing Opportunity

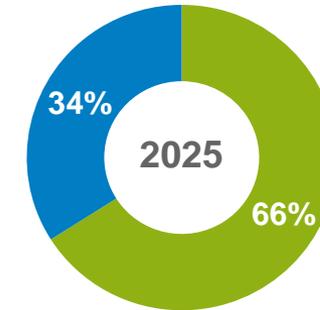
Electric Drive Motor



Addressable outsourced market: \$3.3B in 2025

■ OEM In-House ■ Suppliers

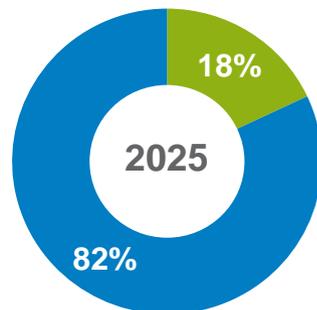
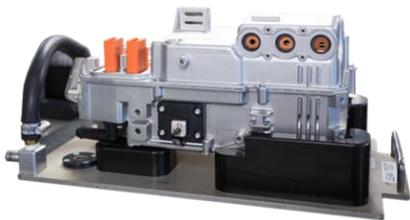
Gearbox



Addressable outsourced market: \$1.5B in 2025

■ OEM In-House ■ Suppliers

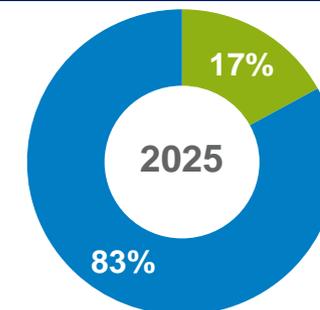
Inverter



Addressable outsourced market: \$4.4B in 2025

■ OEM In-House ■ Suppliers

On-Board Charger, DC-DC Converter & Battery Pack Controller



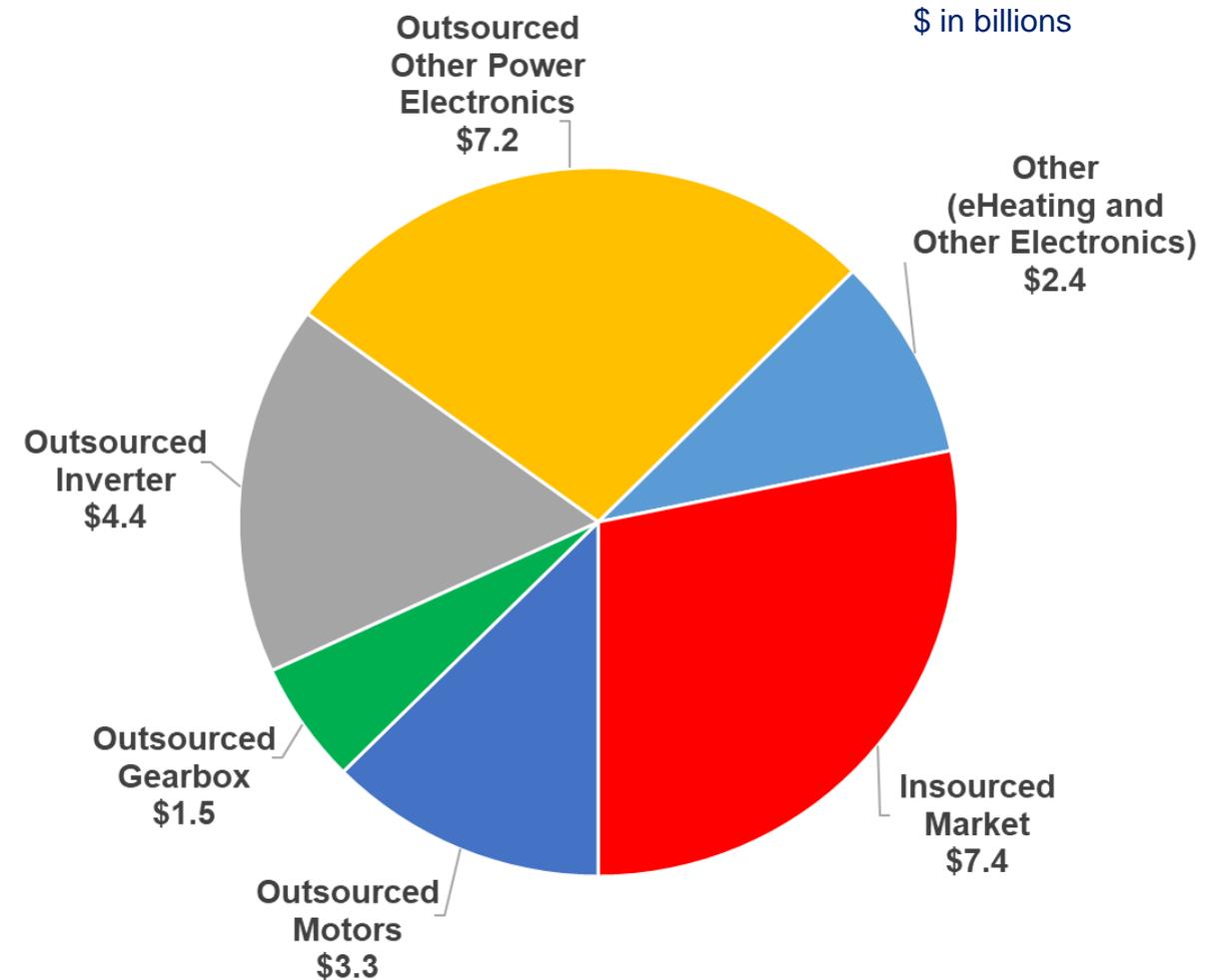
Addressable outsourced market: \$7.2B in 2025

■ OEM In-House ■ Suppliers

2025 Electric Vehicle Addressable Market Breakdown

- Power Electronics outsourcing strong increasing trend
- Motor outsourcing relatively flat through 2025
- Sub-components insourced market represent additional opportunity

More 70% of Electric Vehicle Addressable Market Expected to be Outsourced



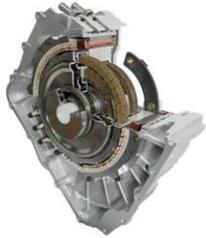
2020 Awards Across Electrification Product Portfolio



Hybrid



Electric



Triple-clutch P2 Module & Electro-Hydraulic Control Unit

- With ChangAn launching in 2020



eTurbo™

- Award with European based OEM launching in 2022



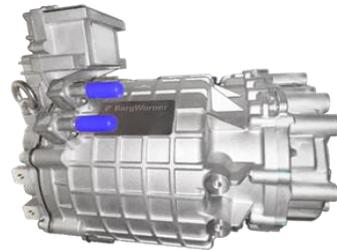
High Voltage Coolant Heater

- With major European premium OEM launching in 2023



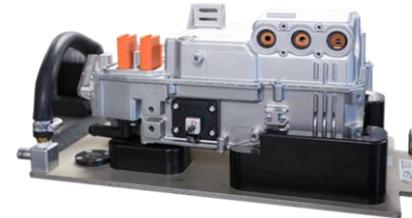
Integrated Drive Module (iDM)

- for Ford's new all-electric Mustang Mach-E SUV



Electric Drive Modules (eDM)

- for electric JMC-Ford and two other NEV manufacturers in China



800-Volt Inverter

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



eTurbo™

- with European-based OEM expected to launch in 2023

Customer Engagement in Electrification

- Customer meetings on combined electrification offering already underway
- Plans to meet with customers representing 70% of global industry volume over the four months post closing
- Pursuing **both** full system and individual component opportunities

Well positioned for expected industry activity over next 12-24 months

Illustrative Sample of Pursuit Opportunities

Individual Component Pursuits		Synergy Related Pursuits	
Customers	Products	Customers	Products
Customer 1	Inverter	Customer A	P2
	Inverter		BEV iDM
Customer 2	Inverter		BEV iDM
	Inverter	Customer B	BEV iDM
Customer 3	Inverter		BEV iDM
Customer 4	Inverter	Customer C	BEV iDM
Customer 5	Inverter	Customer D	BEV iDM
Customer 6	Motor	Customer E	P2
Customer 7	Inverter		BEV iDM
Customer 8	Inverter	Customer F	P2
		Customer G	DHT Inverter
Customer 9	Converter / OnBoard Charger	Customer H	48V P4
	Inverter		P1
Customer 10	Motor	Customer I	Motor + Inverter
Customer 11	Motor	Customer J	BEV Motor
Customer 12	Motor	Customer K	BEV iDM
		Customer L	P2

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