

June 15, 2022

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Harry Husted – Chief Technology Officer

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# 2022 Deutsche Bank Global Auto Conference



 **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," "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.

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: 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; potential disruptions in the global economy caused by Russia's invasion of Ukraine; 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 acquisitions of AKASOL AG and Santroll's light vehicle eMotor business 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 presentation to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

# Non-GAAP Financial Measures

This presentation contains information about BorgWarner's financial results that is not presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Such non-GAAP financial measures are reconciled to their closest GAAP financial measures in the Appendix. The provision of these comparable GAAP financial measures for 2022 is not intended to indicate that BorgWarner is explicitly or implicitly providing projections on those GAAP financial measures, and actual results for such measures are likely to vary from those presented. The reconciliations include all information reasonably available to the company at the date of this presentation and the adjustments that management can reasonably predict.

Management believes that these non-GAAP financial measures are useful to management, investors, and banking institutions in their analysis of the Company's business and operating performance. Management also uses this information for operational planning and decision-making purposes.

Non-GAAP financial measures are not and should not be considered a substitute for any GAAP measure. Additionally, because not all companies use identical calculations, the non-GAAP financial measures as presented by BorgWarner may not be comparable to similarly titled measures reported by other companies.

# Progress Report

## CHARGING FORWARD STRATEGY



ORGANIC  
EV  
GROWTH

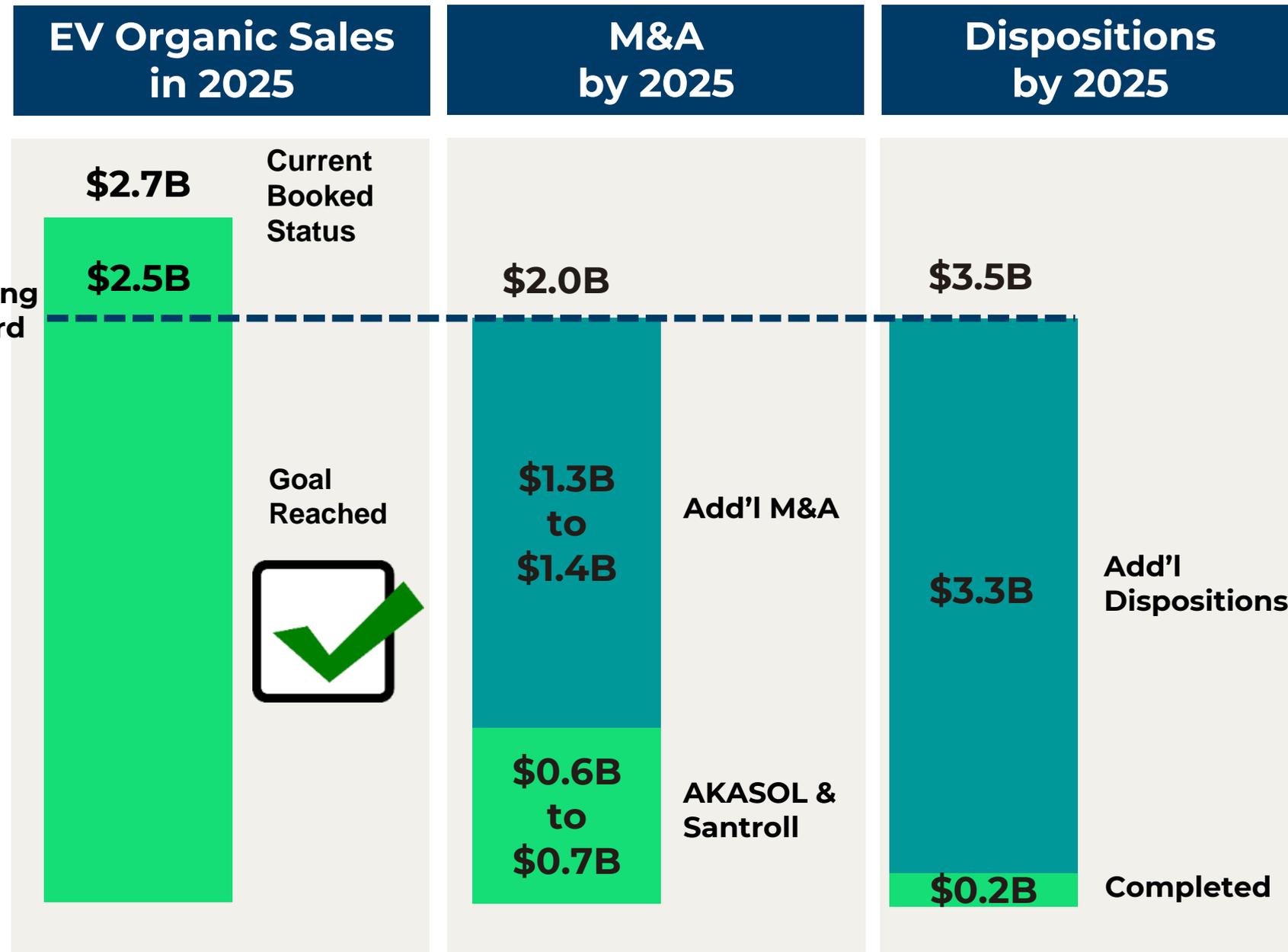


EV  
FOCUSED  
M&A



OPTIMIZE  
COMBUSTION  
PORTFOLIO

Charging  
Forward  
Goals



# eCV Battery Pack Technology Supporting Growth

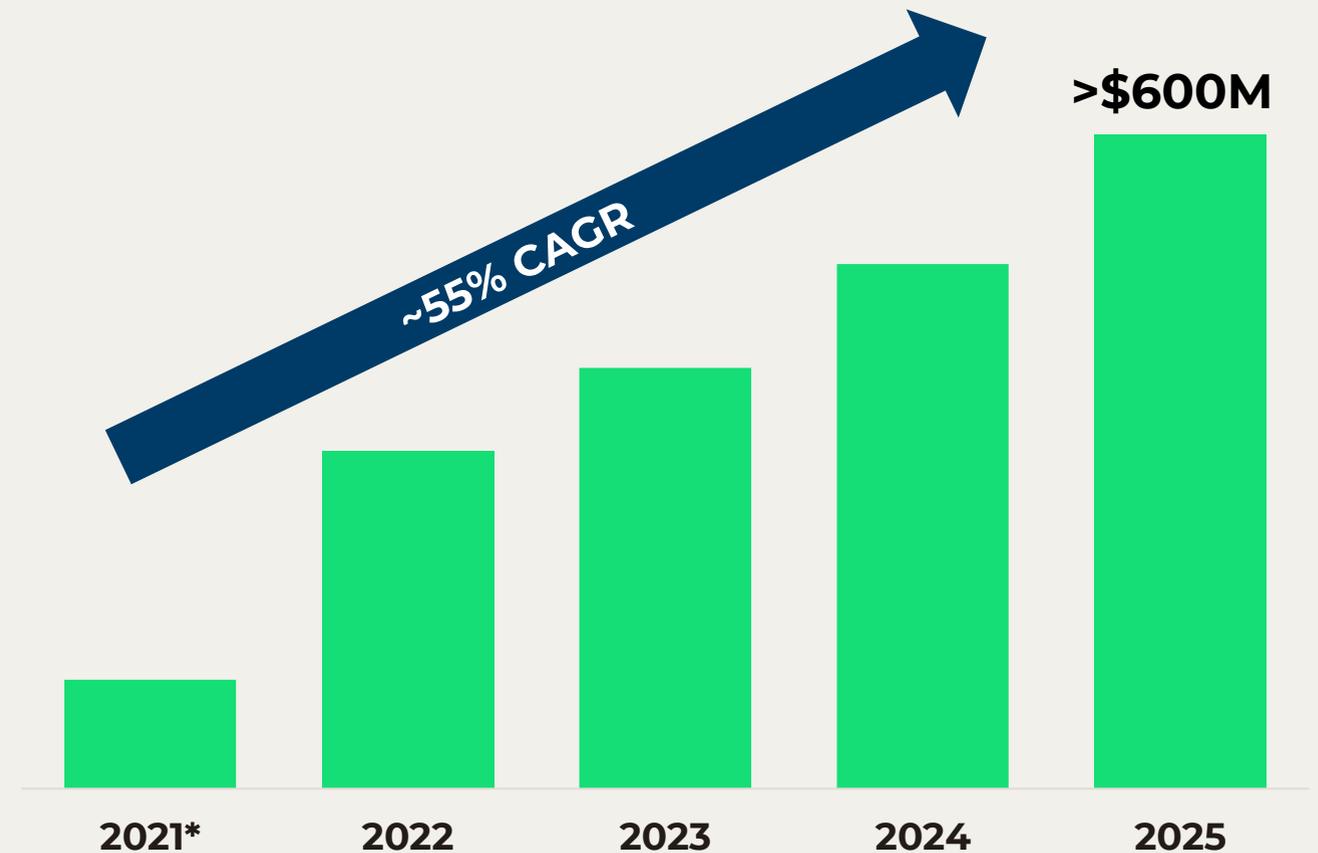


## Product Highlights

- Pioneer in electric Commercial Vehicle batteries
- High energy density – highly efficient packaging
- Multi-pack system solutions, tailored to application
- Structural ruggedness and cycle life for the eCV environment

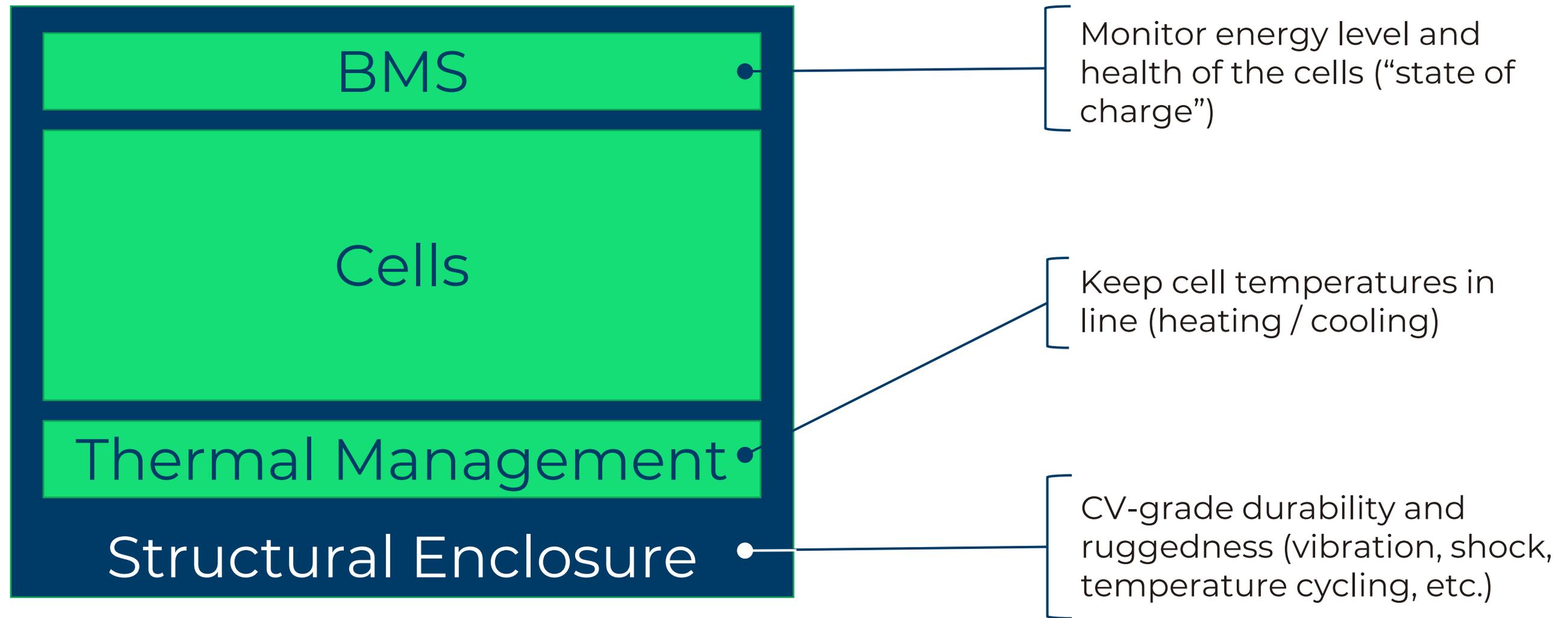
**Modular, efficient solutions for eCV**

Estimated Battery Pack Sales  
\$ in Millions



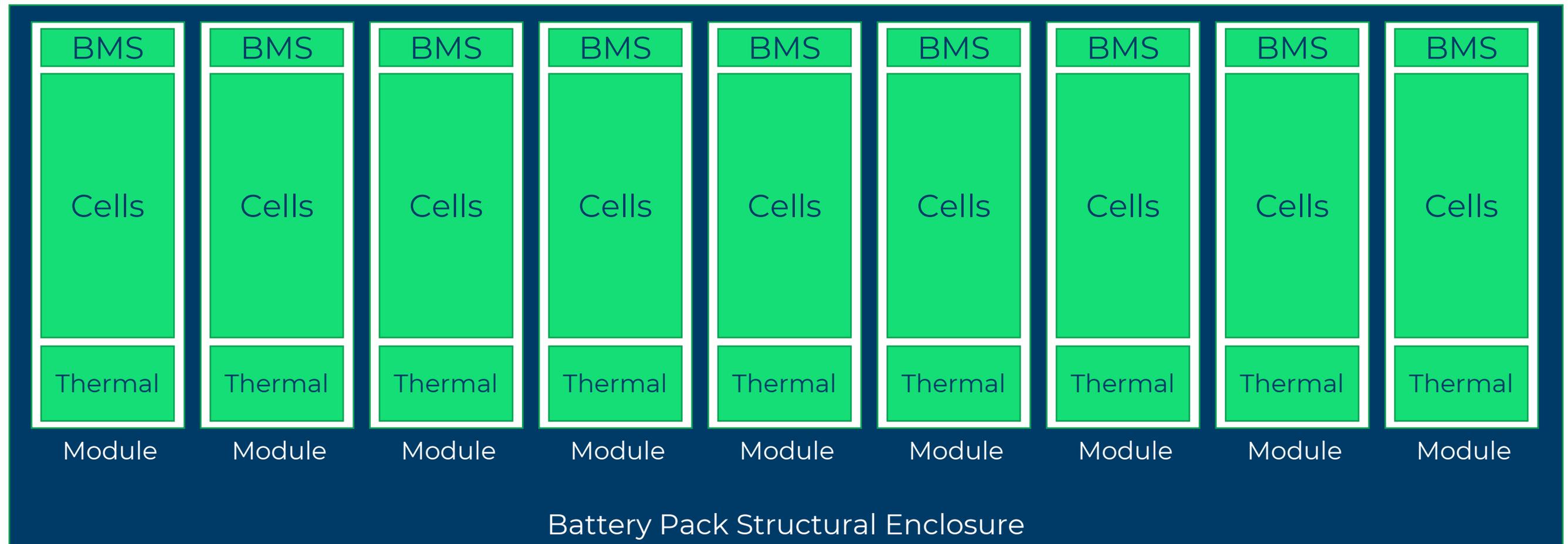
\* Note: estimated full-year 2021 sales including pre-AKASOL transaction

# A Battery Pack is More Than Just Cells

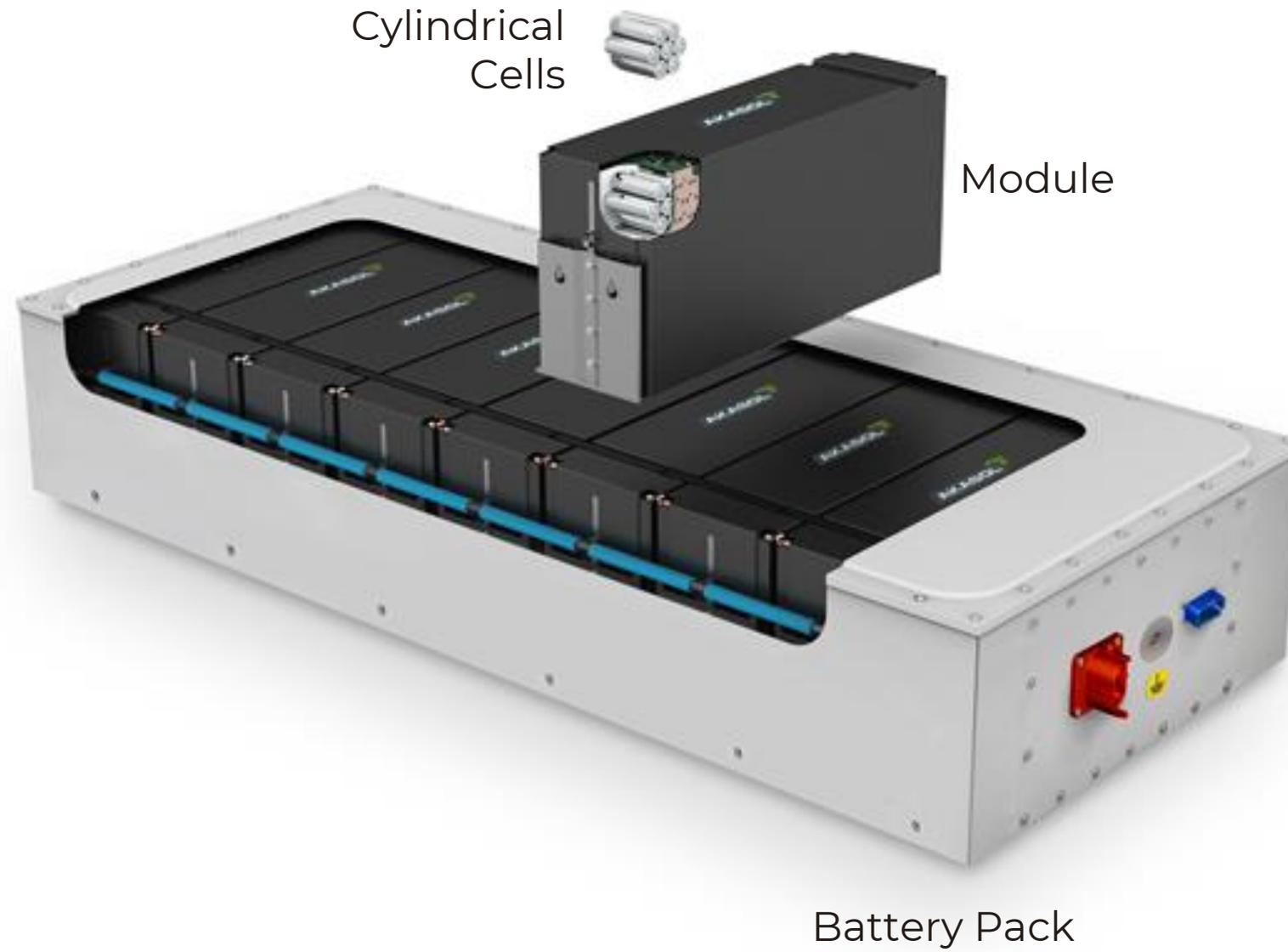


# Modularity for Manufacturing Efficiency

## Battery Pack



# Modularity Enables Derivative Products



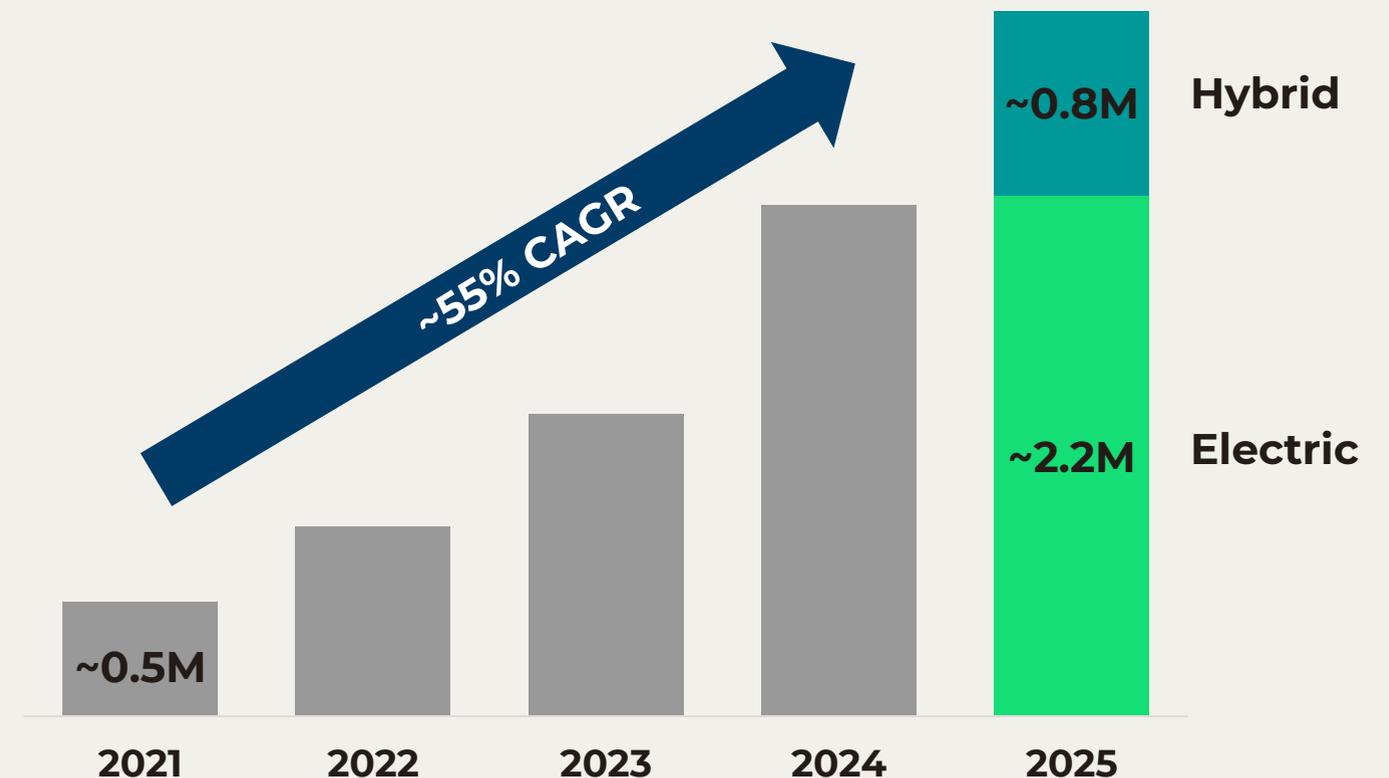
# Positioned to be #1 Non-Captive Inverter Producer by 2025

## Product Highlights

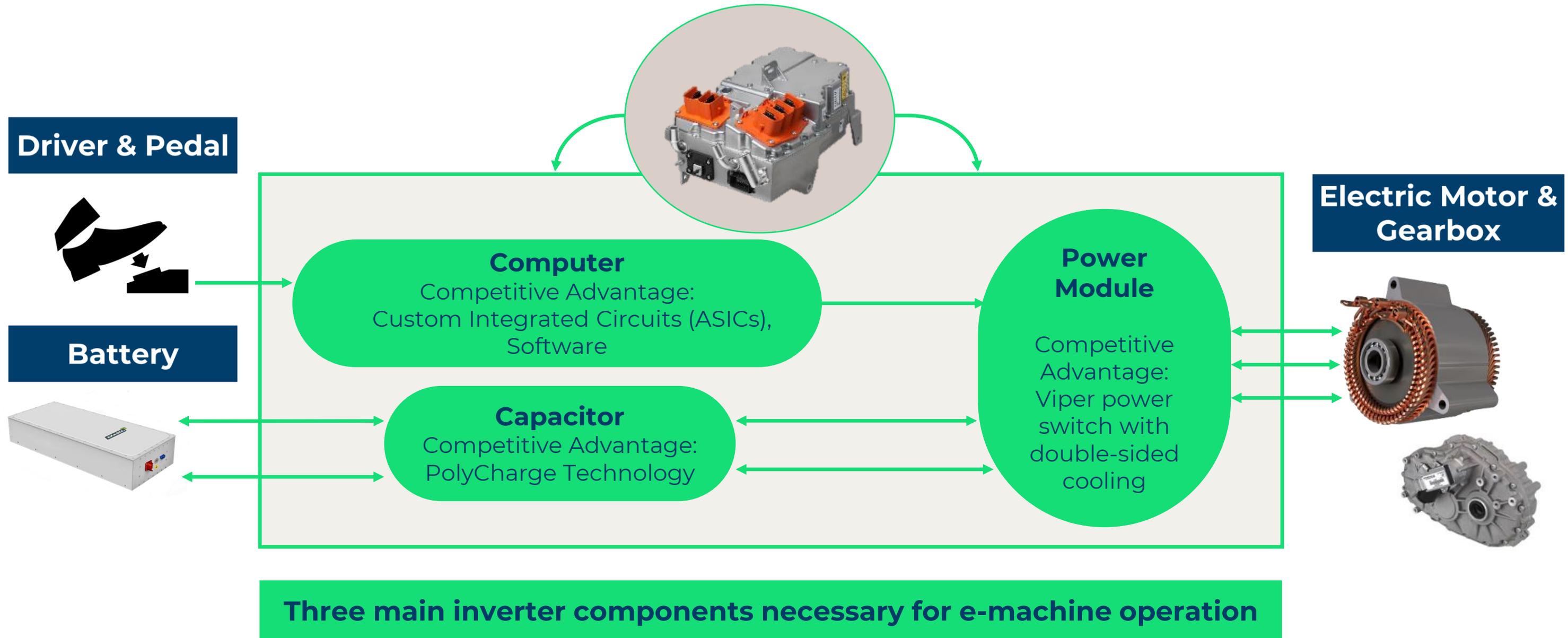
- Efficient speed to market with products covering 400V and 800V, silicon and silicon carbide
- Proprietary inverter power module design
- Vertical integration:
  - Power modules, integrated circuit development and full software capability in house

**Have secured ~\$2.1 billion in inverter sales in 2025 with additional opportunities being actively pursued**

## Estimated Booked Inverter Volumes

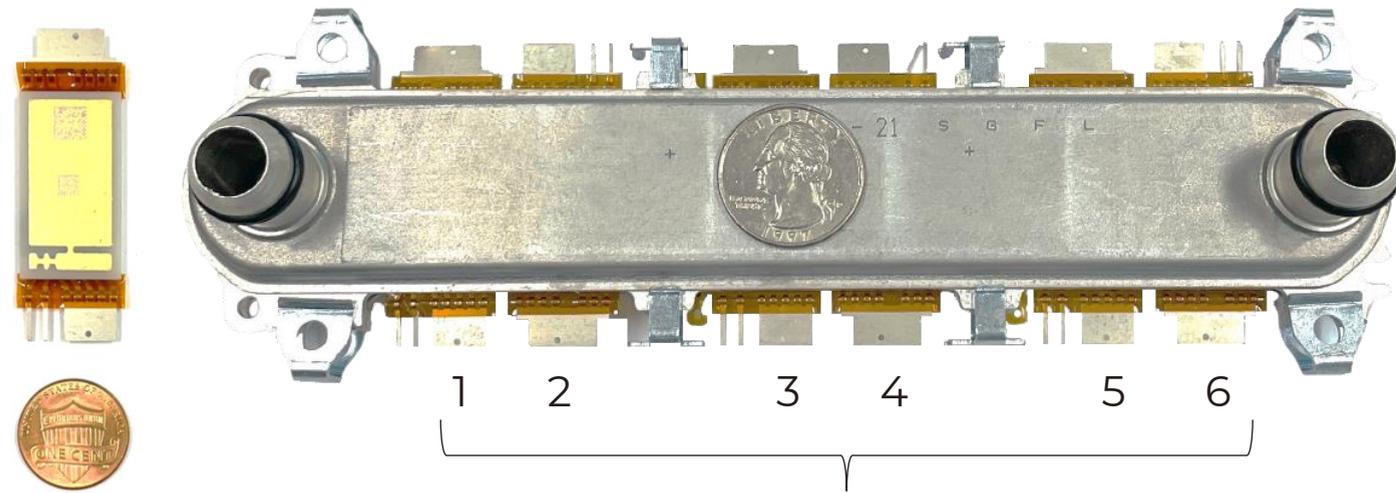


# What Does an Inverter Do, and What's Inside?



# Driving Inverter Market Innovation

## Proprietary Power Module Design



Six Power Transistors

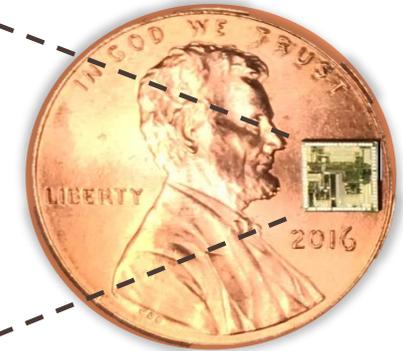
### Competitive Advantages

- Very Compact
- Double-sided cooling: 2X better heat transfer
- Zero wire bonds – higher reliability

## Custom Integrated Circuits



Electronics  
Circuitry

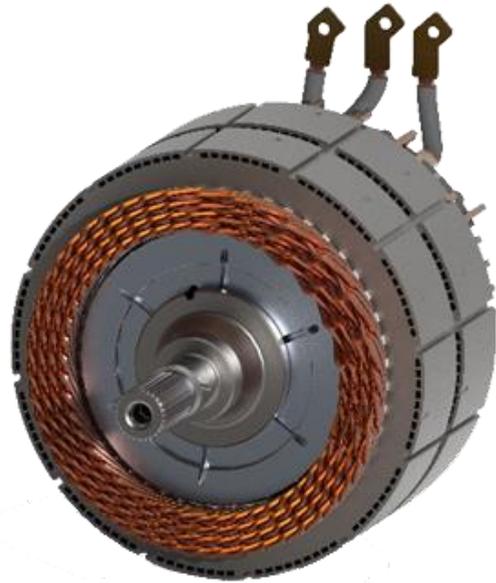


Silicon  
"die"

### Benefits

- Reduced size and cost
- Added functionality
- Effective IP protection

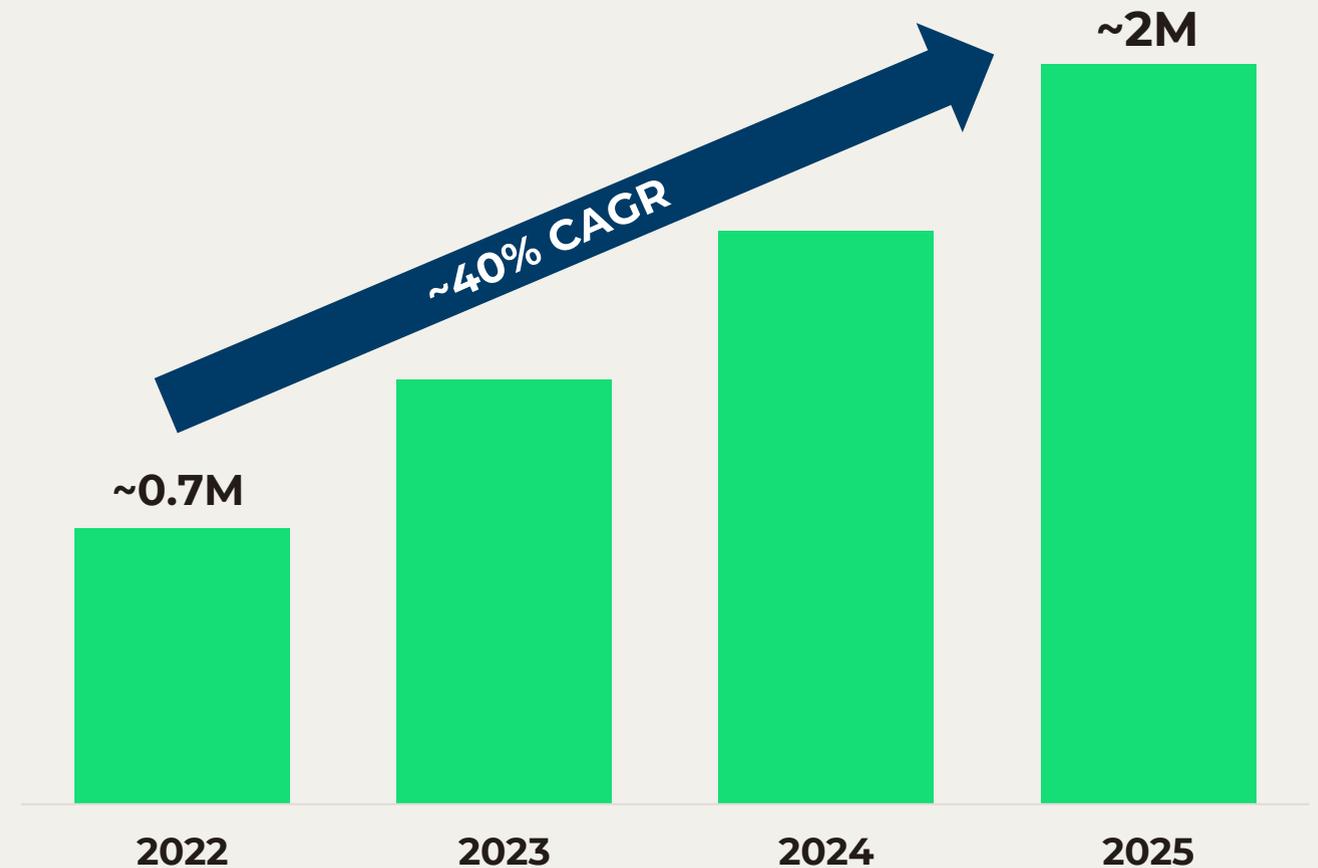
# eMotor Business Continues to Grow



## Product Highlights

- Flat-wire high-voltage hairpin designs bring higher efficiency as well as superior power and torque density
- In-house design of manufacturing equipment enables an optimized product and process
- 400V and 800V capabilities with awarded business across voltages, size / torque capacities, and passenger car / CV

Estimated Booked eMotor Volumes  
(including in iDM)



# Integrated Drive Module: All Under One Roof

**Class-leading Inverter**  
Physical integration eliminates phase cables

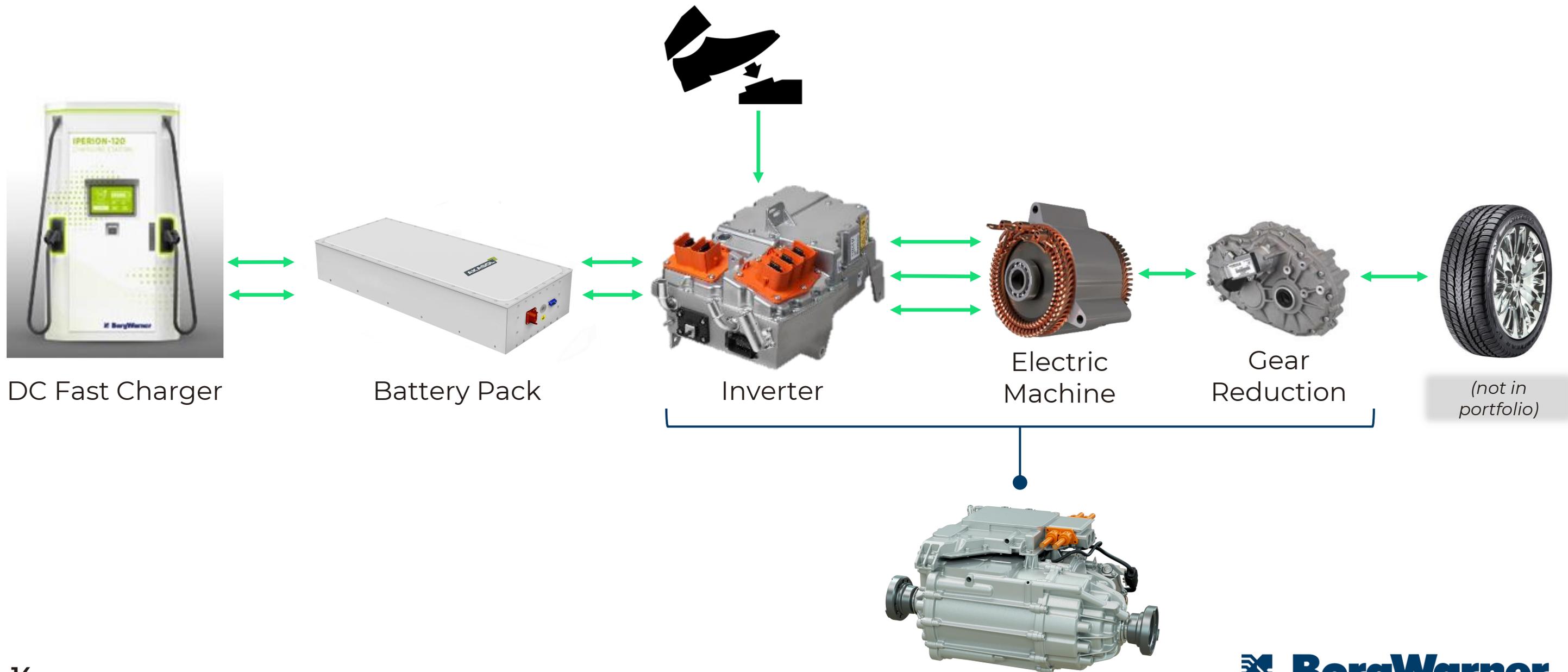
Integrated  
Oil Cooler  
and Park Lock  
Actuator



**Electric Machine**  
Power-dense designs using rectangular hairpin windings  
Oil cooled end turns - higher continuous power  
Product and process co-designed for efficient assembly

**Gear Reduction**  
Quiet, efficient

# Major Propulsion System Elements are Now in Portfolio



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**THANK  
YOU**

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