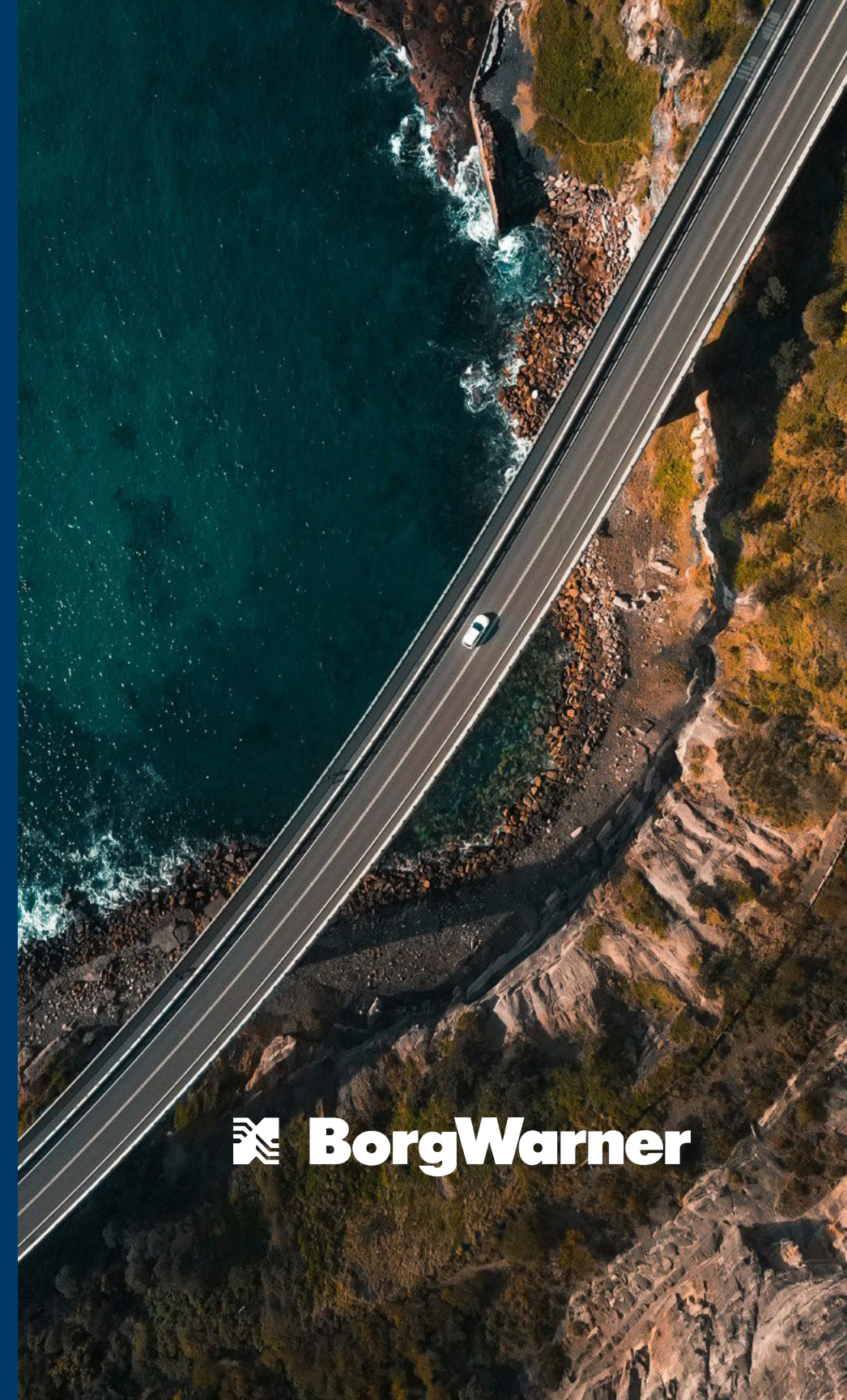


Daniel Kennel, January 2023

29th Annual Automotive Insights Symposium – Manufacturing addresses EV affordability



CHARGING FORWARD STRATEGY



ORGANIC EV GROWTH

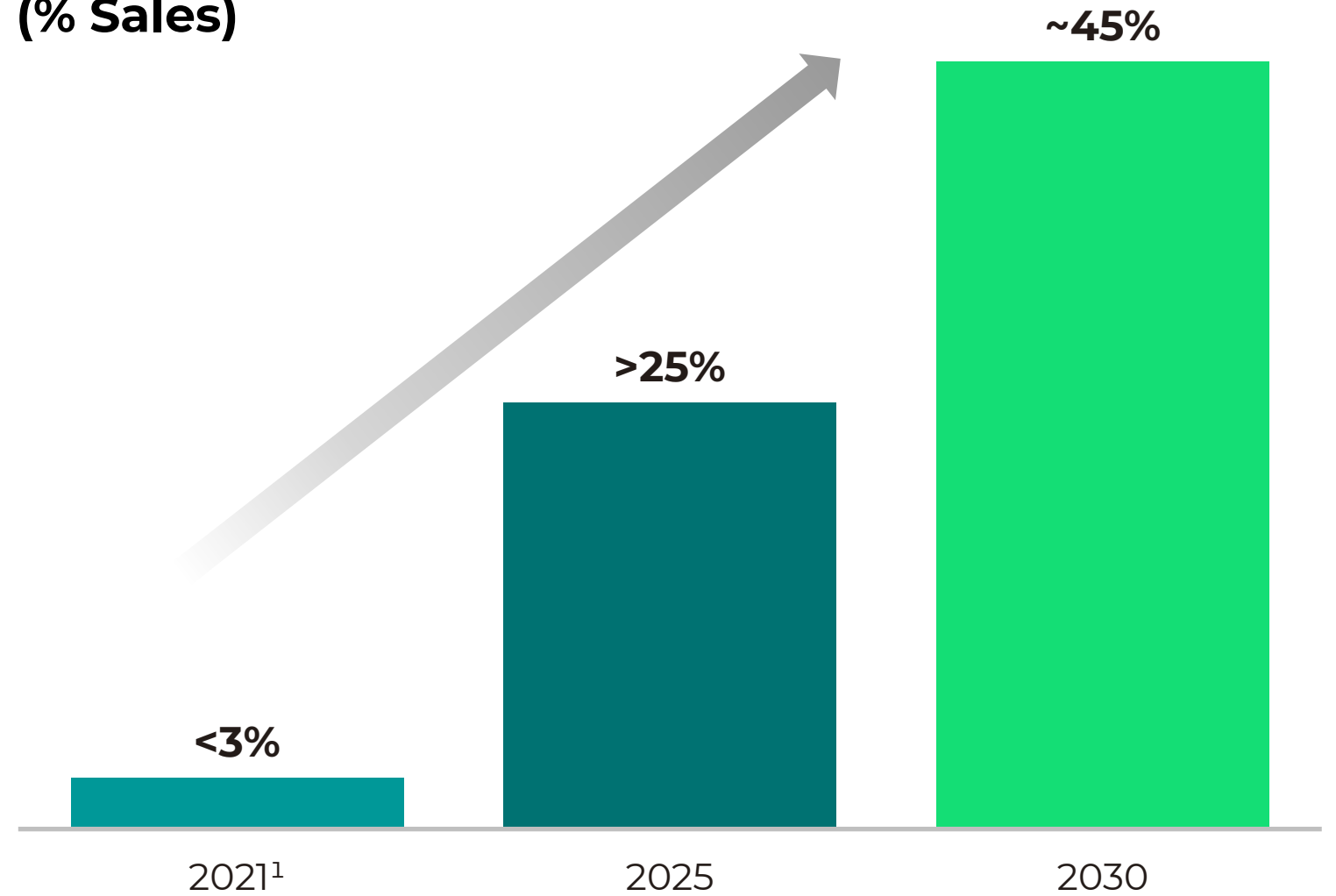


EV FOCUSED M&A



OPTIMIZE COMBUSTION PORTFOLIO

Electric Vehicles (% Sales)



¹ Based on FY21 Actual Sales
2025 & 2030 Source: BorgWarner estimates.

On Track to Achieve ~\$4B EV Revenue by 2025

~\$3.1B

Current Booked Status

\$2.5B

\$2.0B

Charging
Forward
Goals



Goal
Reached

\$1.1B

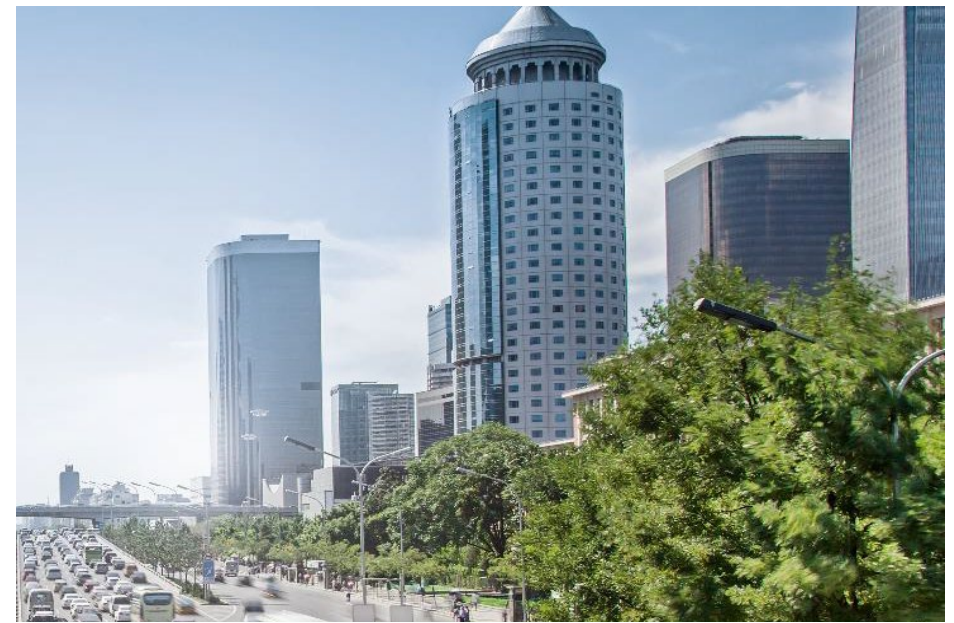
Add'l M&A

\$0.9B

AKASOL
Santroll,
Rhombus &
SSE*

EV Organic Sales in 2025

M&A by 2025



2021



Battery packs and
modules

2022

SANTROLL®
LV eMotors



DC Fast Charging

* SSE closing is expected in first quarter 2023, subject to satisfaction of customary closing conditions.

Profitability on EV Portfolio Expected to Improve as Programs Launch



Current profitability already reflects elevated R&D spending for EVs

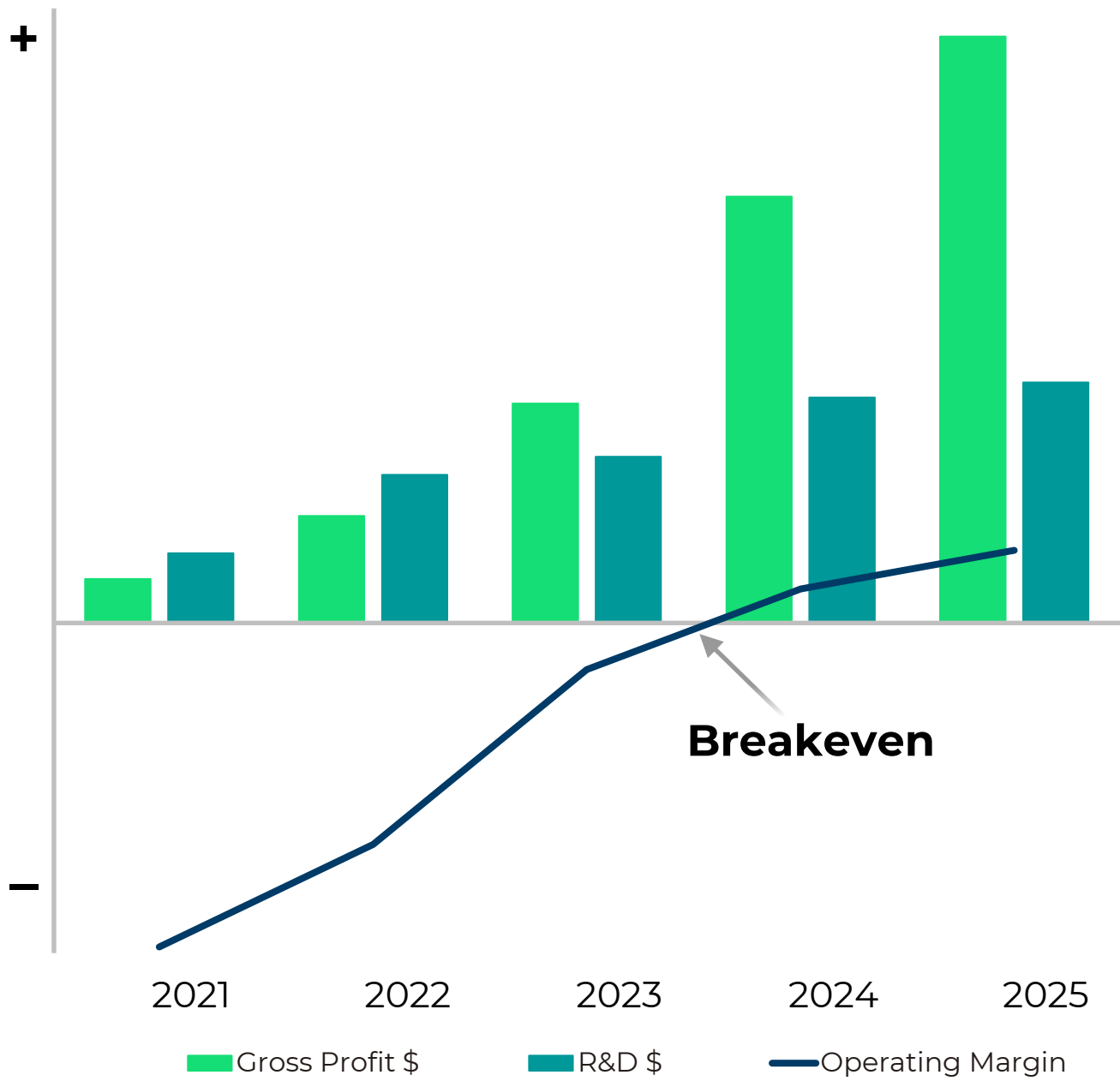


Growth in R&D spending not commensurate with sales trajectory



Improving gross margin reflects expected incremental margins on increasing sales

Estimated EV Profitability Characteristics



Source: BorgWarner estimate.



CHARGING FORWARD STRATEGY

ORGANIC EV
GROWTH

EV
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PORTFOLIO

How can Automotive suppliers influence EV affordability?

- ✓ Master the transformation
- ✓ Dedicated platforms / products
- ✓ Scale, scale, scale
- ✓ Operational excellence
- ✓ Keep pushing the limits
- ✓ Create infrastructure
- ✓ Improve cost structures
- ✓ Smart investments

CHARGING FORWARD STRATEGY



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OPTIMIZE
COMBUSTION
PORTFOLIO

- We have both the **strategies** and **execution capabilities to help transforming** the industry
- Our actions through 2025 are expected to achieve **~45% of revenue from EV by 2030**, with potential for more to come
- Only suppliers with **product leadership** and **operational excellence** have a **sustainable** impact on **EV affordability**