

Q1 2025

BORGWARNER

Investor Presentation

# 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 February 6, 2025. 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, commodity availability and pricing, and an inability to achieve expected levels of recoverability in commercial negotiations with customers concerning these costs; competitive challenges from existing and new competitors, including original equipment manufacturer ("OEM") customers; the challenges associated with rapidly changing technologies and our ability to innovate in response; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by wars or other geopolitical conflicts; the ability to identify targets and consummate acquisitions on acceptable terms; failure to realize the expected benefits of acquisitions on a timely basis; the possibility that our 2023 tax-free spin-off of our former Fuel Systems and Aftermarket segments into a separate publicly traded company will not achieve its intended benefits; 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, which is highly cyclical and subject to disruptions; our reliance on major OEM customers; impacts of any future strikes involving any of our OEM customers and any actions such OEM customers take in response; 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, or governmental investigations, including related litigation; 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 U.S. GAAP. Such non-GAAP financial measures are reconciled to their closest U.S. GAAP financial measures in the Appendix. The provision of these comparable U.S. GAAP financial measures in the context of guidance for 2025 is not intended to indicate that BorgWarner is explicitly or implicitly providing projections on those U.S. 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 analyses 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 U.S. 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.

# Executing on Our Vision & Mission



## Our Vision

- A **clean, energy-efficient world**

## Our Mission

- We deliver **innovative and sustainable mobility solutions**

# BorgWarner Today



**65**

Manufacturing  
Locations



**19**

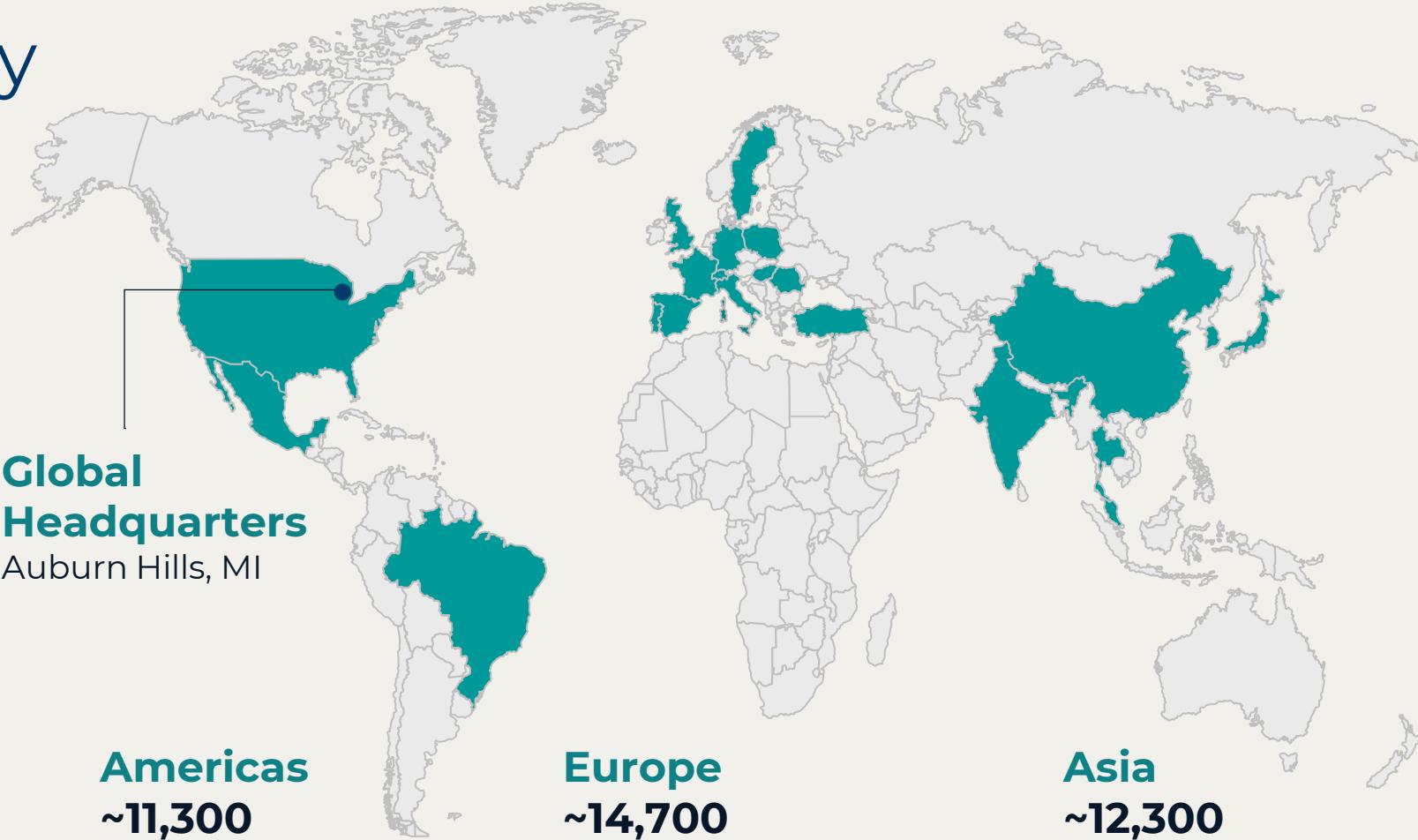
Technical  
Centers



**~38,300**  
Employees

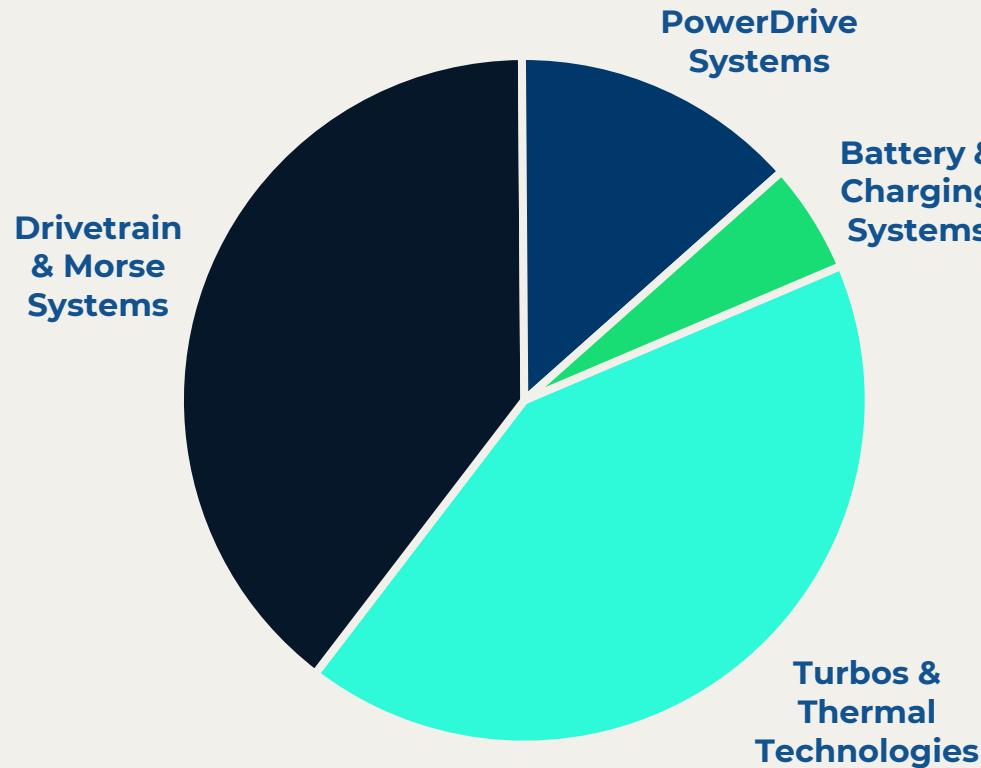


**~8,000**  
Engineers

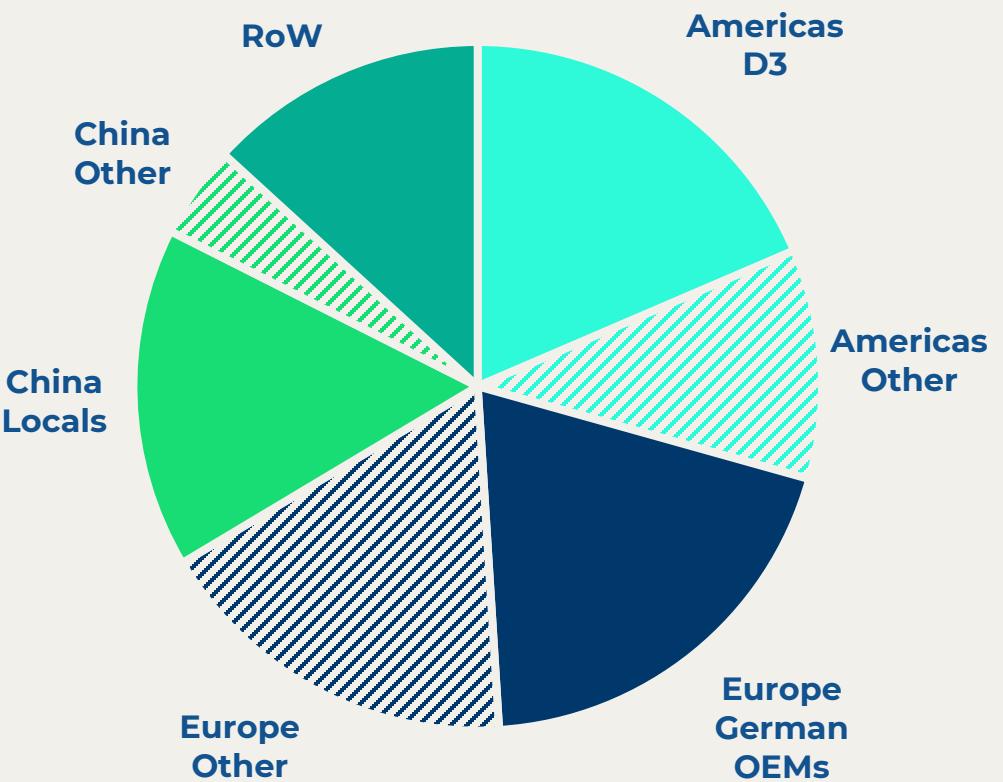


# Sales Resiliency – Strong Diversification Across Products, Customers and Regions

FY 2024 Segment Sales



FY 2024 Regional Sales



# BorgWarner's Strong Value Proposition

- **Strong and resilient product portfolio**
- **#1 or #2 market share in Foundational products, with growing share in several eProducts**
- **Financial strength and discipline**
- **Significant relationships across LV & CV customers**
- **Decentralized operating model creates speed, accountability and agility**



# Focus for 2025 and Beyond

BW

- ▶ **Outgrow our end markets**

by leveraging our core competencies

- ▶ **Build on our existing product portfolio**

through continued organic and inorganic investments

- ▶ **Drive enhanced financial performance**

through margin expansion and cash generation



# 2024 Sustainability Report Highlights

## Innovating Products for Cleaner Mobility



- **87% of 2023 revenue** from EV and emissions-reducing hybrid and combustion products
- **~\$2B in eProduct sales** in 2023

## Acting on Our Commitments



- **32% reduction** in scope 1 and 2 since 2021
- **25% reduction goal of Scope 3** by 2030 versus 2021 baseline
- **Performed above all employee inclusion benchmarks**

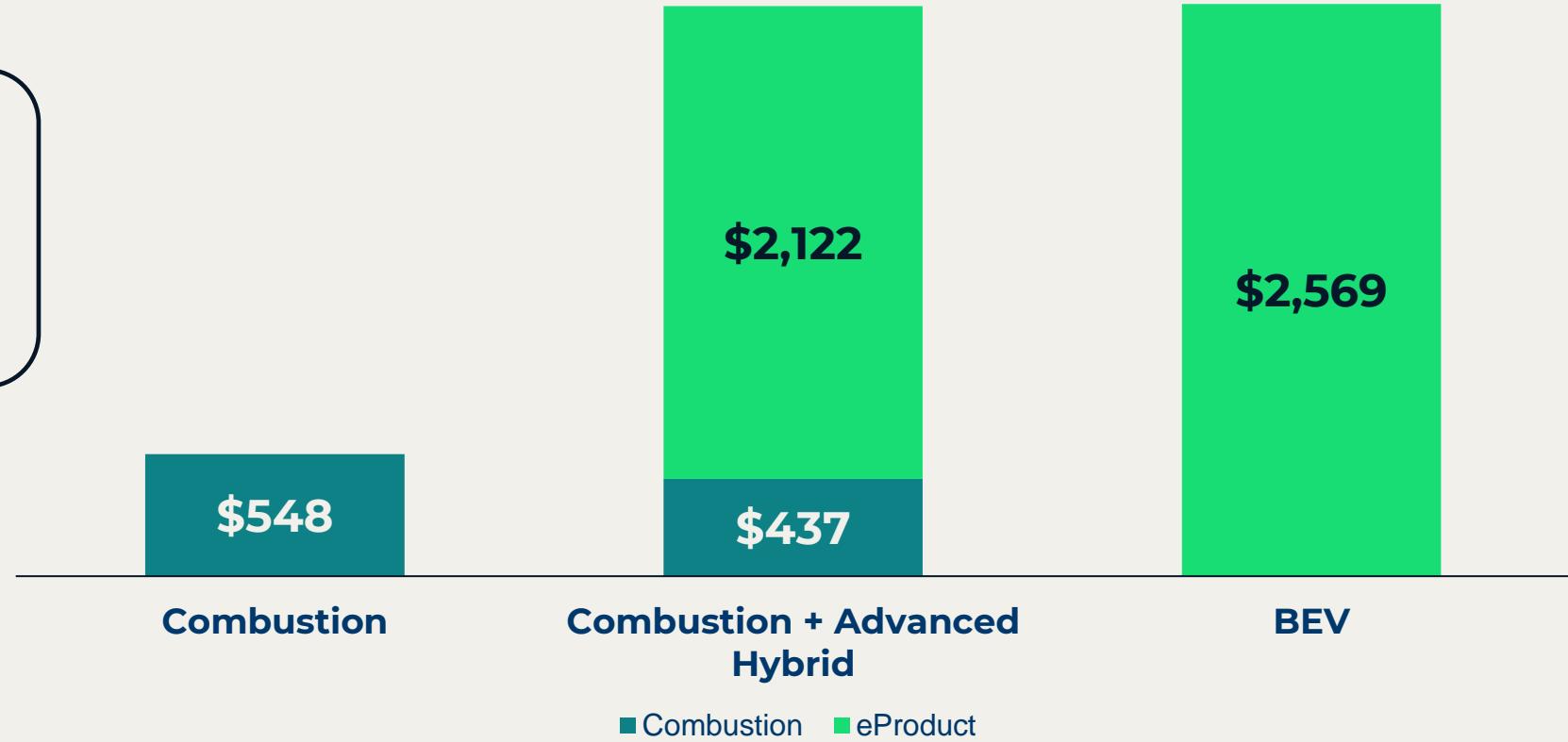
## Investing in People



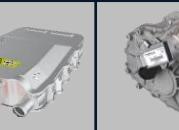
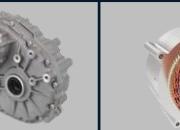
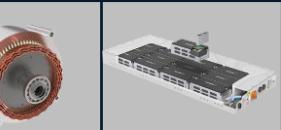
- **Expanded trainings to help** our ICE engineers **transition to eProducts**
- **64%** of leadership positions were filled by internal candidates

# Content Opportunity Per Vehicle (COPV) Increases from Combustion to Advanced Hybrids and BEVs

Est. 2027  
BorgWarner Content  
Opportunity Per  
Light Vehicle  
Summary

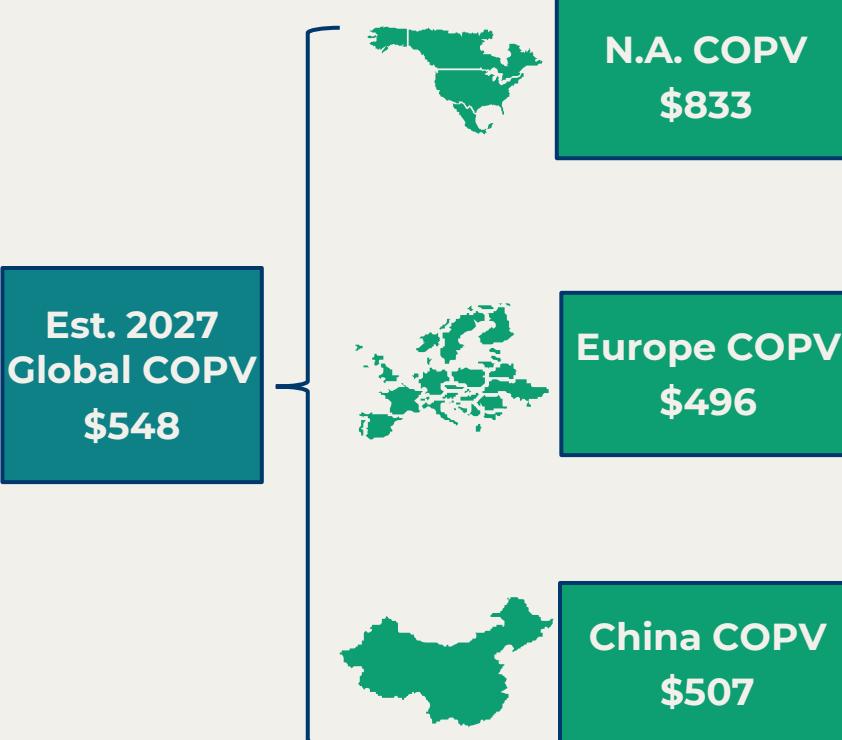


# Resilient Product Portfolio Well-Positioned for Growth

Foundational Products						eProducts					
Turbos	AWD/4WD	Intake & EGRs	ECUs	Engine Timing	Transmission Products	Inverters	Other Power Electronics	Thermal Mgt.	EV Gearboxes	Electric Drive Motors	Battery Systems
											
Combustion	✓	✓	✓	✓	✓						
Hybrid	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Electric						✓	✓	✓	✓	✓	✓

# Believe Foundational Portfolio Positioned for Outgrowth

## 2027 Estimated Combustion Content Opportunity Per Light Vehicle (COPV)



## 2024 Foundational Sales ~\$12 Billion



# Strong Foundation From Core Market-Leading Technologies Supports EV Growth

## Supporting Customers

Supporting customers with **access to critical technology as they execute their own transitions to EV**

## Enhancing Capabilities

Core design, manufacturing and engineering capabilities applicable to **electric vehicles**

## Strong Financial Profile

**Top-quartile<sup>1</sup> profitability and strong cash generation** supporting investment in EV technologies

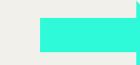
## Continuity of Technologies and Capabilities

### Foundational

#### Air and Thermal Management



*Example:*  
EGR Modules



#### Thermal Management

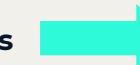


HV Coolant Heaters

#### Drivetrain



*Example:*  
Transfer Cases



#### Drivetrain and Vehicle Dynamic



Integrated Drive Modules

#### Engine and Transmission Controllers



*Example:*  
Electronic Control Units



#### Power Electronics and Electronics



Inverters

# Recent Foundational Awards



## Variable Cam Timing (VCT)

- Award with a major East Asian OEM for multiple next-generation hybrid and gasoline engines
- Production expected to begin in 2026



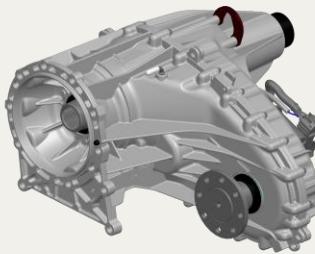
## Turbocharger Extension

- Award for four turbocharger platforms with a major North American-based OEM
- I4 and V6 engines for their SUV and truck platforms
- Production expected to begin in 2027



## Transfer Cases

- Award to supply two types of transfer cases with SAIC Maxus for use in export vehicles
- Production expected to begin in third quarter 2026



## Transfer Case Extension

- Two transfer case awards with a major North American OEM for their next generation full-size pickup trucks
- Production expected to begin in 2027 and 2028



## High Performance Turbocharger

- Award with General Motors for its Chevrolet Corvette ZR1 sports car platform
- Expected to be the largest passenger car twin turbocharger on the market

# Leveraging Existing Footprint to Support eProduct Growth



**North America**
**Europe**
**China/ROW**

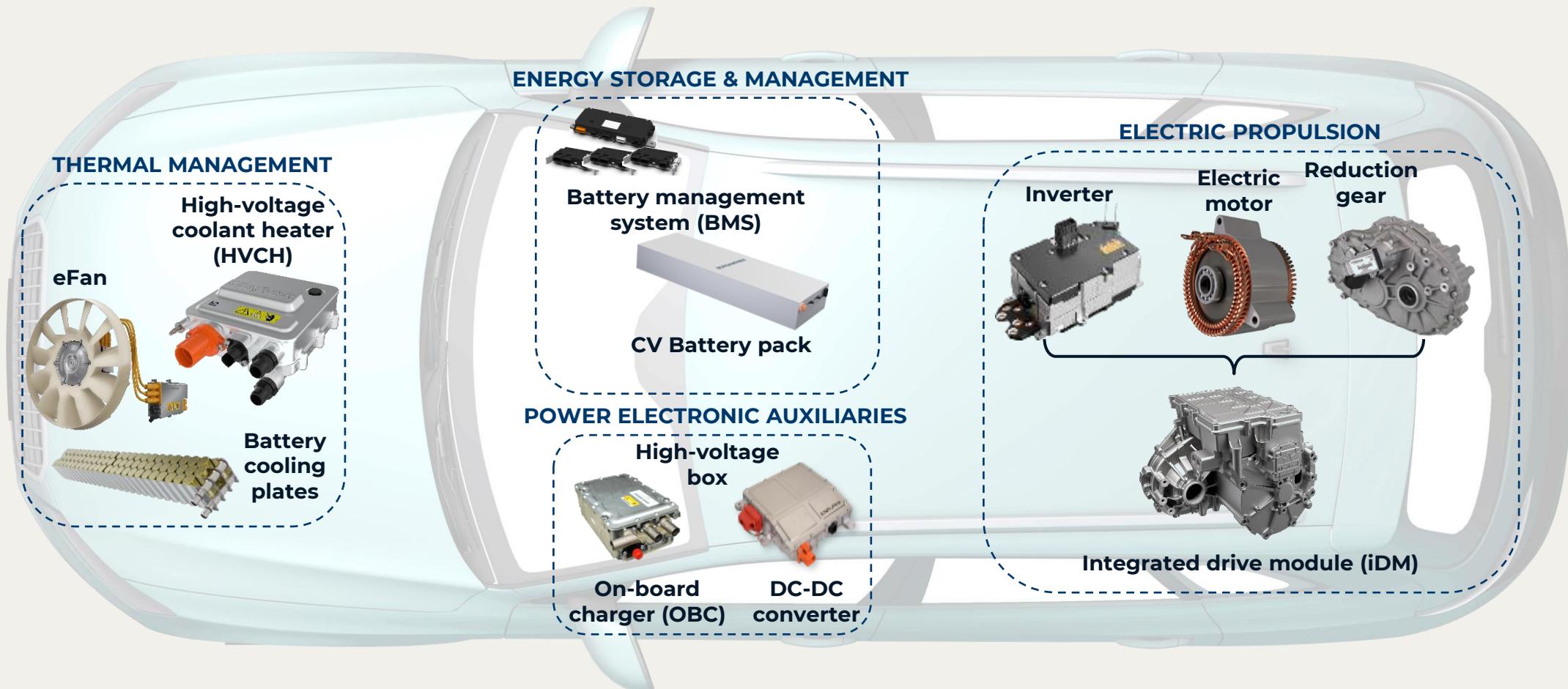
Plant Location	eProduct	SOP
SLP, Mexico	eMotor & iDM assembly	2021
Cadillac, MI, US	HV Heaters	2022
Seneca, SC, US	Battery Packs	2024
Additional Facility	eFan	2025
Additional Facility	Battery Coolers	2026

Plant Location	eProduct	SOP
Landskrona, Sweden	eMotors	2018
Viana, Portugal	HV Heaters	2021
Blonie, Poland	Inverters	2023
x2 Additional Facilities	eFan	2024-2025
x2 Additional Facilities	Battery & PE Coolers	2025-2026

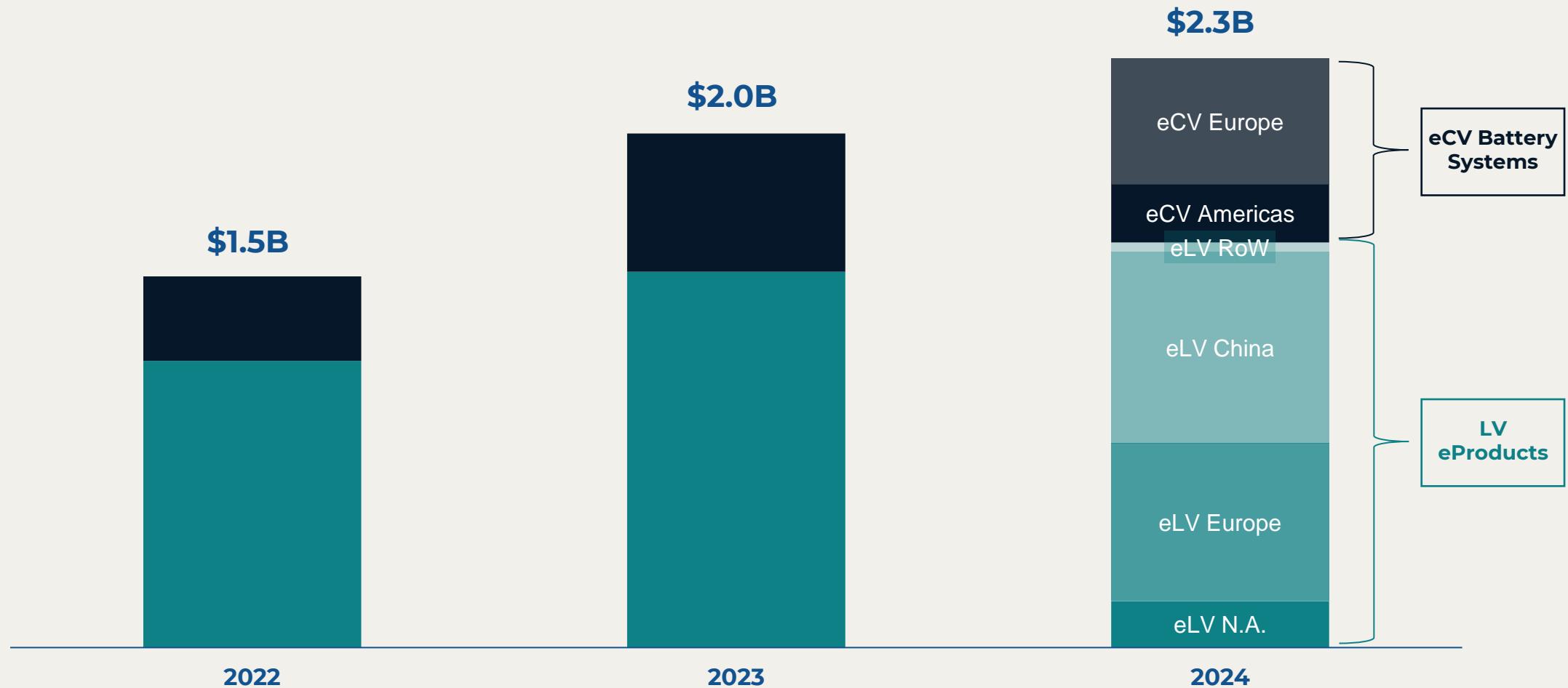
Plant Location	eProduct	SOP
Jiangshan, China	HV Heaters	2021
Wuhan, China	eMotor & iDM assembly	2022
Changnyeong, Korea	eMotor & iDM assembly	2023

**Utilizing Existing Manufacturing Facilities to Support eProduct Growth**

# Our Investments Have Resulted in a Wide-Ranging Electric Vehicle System Portfolio



# eProduct Sales Growth Despite Volatile End Markets



# Winning eProduct Awards with OEMs Around the World

## North America

### Est. eProduct Launches Since 2024

Product	SOP Year
HV Inverter	2024
Generator Inverter	2024
800V Inverter	2025
HV eFan	2025
Battery Cooling Plate	2025
800V HV Coolant Heater	2025
400V HV Coolant Heater	2025
800V HV Coolant Heater	2026
800V Onboard Charger	2027
HV eFan	2027

## Europe

### Est. eProduct Launches Since 2024

Product	SOP Year
HV eFan	2024
CV Battery System	2024
eTVD	2024
800V Inverter	2025
800V Inverter	2025
800V Inverter	2025
Battery Cooling Plate	2025
HV eFan	2025
Electric Cross Differential (eXD)	2026

## China/ROW

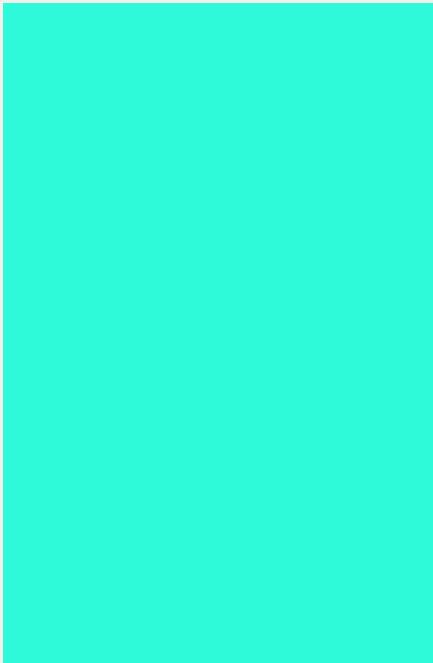
### Est. eProduct Launches Since 2024

Product	SOP Year
800V HV Coolant Heater	2024
400V iDM	2024
Hybrid iDM	2024
eMotor Rotor/Stator	2024
Boosted Dual Inverter	2024
eTVD	2024
Electric Cross Differential (eXD)	2024
800V eMotor	2025
Inverter + eMotor	2025
Comb. Inverter & DC/DC Converter	2025
HV Coolant Heater	2025
HV Coolant Heater	2025
400V eMotor	2025
eMotor	2025
eMotor	2025
Electric Cross Differential (eXD)	2026
eMotor	2026
HV Coolant Heater	2028



# Strong Liquidity and Free Cash Flow Generation Supported Return of Capital to Shareholders

**\$1,033M**

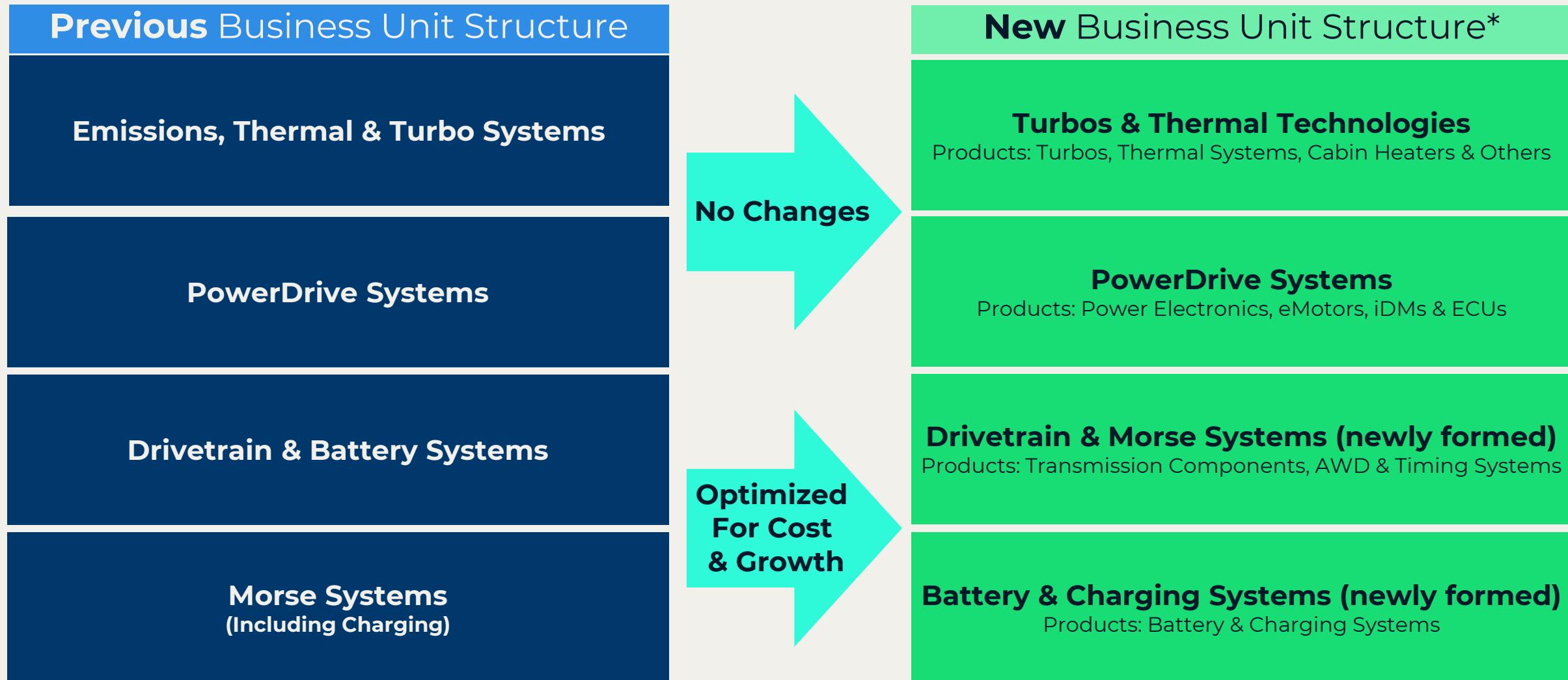


Buybacks Completed 2020 through 2024

## BorgWarner's Disciplined Return of Capital to Shareholders

<b>Since 2020</b>	
Buybacks	>\$1 billion
Shareholder Dividends	~\$696 million
Market Cap of PHINIA at Spin-off	~\$1.7 billion
<b>Total Capital Returned</b>	<b>~\$3.4 billion</b>

# New Structure Drives Synergies, Increases Go To Market Strategy and Reporting Transparency



# APPENDIX

# Innovation Driving Technology Leadership in Inverters

