29th Annual Automotive Insights Symposium – Manufacturing addresses EV affordability
Electric Vehicles (% Sales)

- 2021¹: <3%
- 2025: >25%
- 2030: ~45%

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

Goal Reached

$2.0B

$1.1B Add'l M&A

$0.9B AKASOL, Santroll, Rhombus & SSE*

EV Organic Sales in 2025

M&A by 2025

* 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

Source: BorgWarner estimate.
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
• 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.