



BorgWarner Announces Intent to Spin Off Fuel Systems & Aftermarket Segments

Would Create Two Leading, Focused Companies Positioned to Drive Value Creation

BorgWarner e-Propulsion & Drivetrain and Air Management Segments

Leader in Electrification with Focused ICE Business

\$12.3B[^]

2022E REVENUE

13.7%

AIR MANAGEMENT 2022 9MO SEGMENT ADJUSTED OPERATING MARGIN

6.9%

E-PROPULSION & DRIVETRAIN 2022 9MO SEGMENT ADJUSTED OPERATING MARGIN

NewCo Fuel Systems and Aftermarket Segments

Leader in Fuel Systems and Aftermarket Distribution

\$3.3B[^]

2022E REVENUE

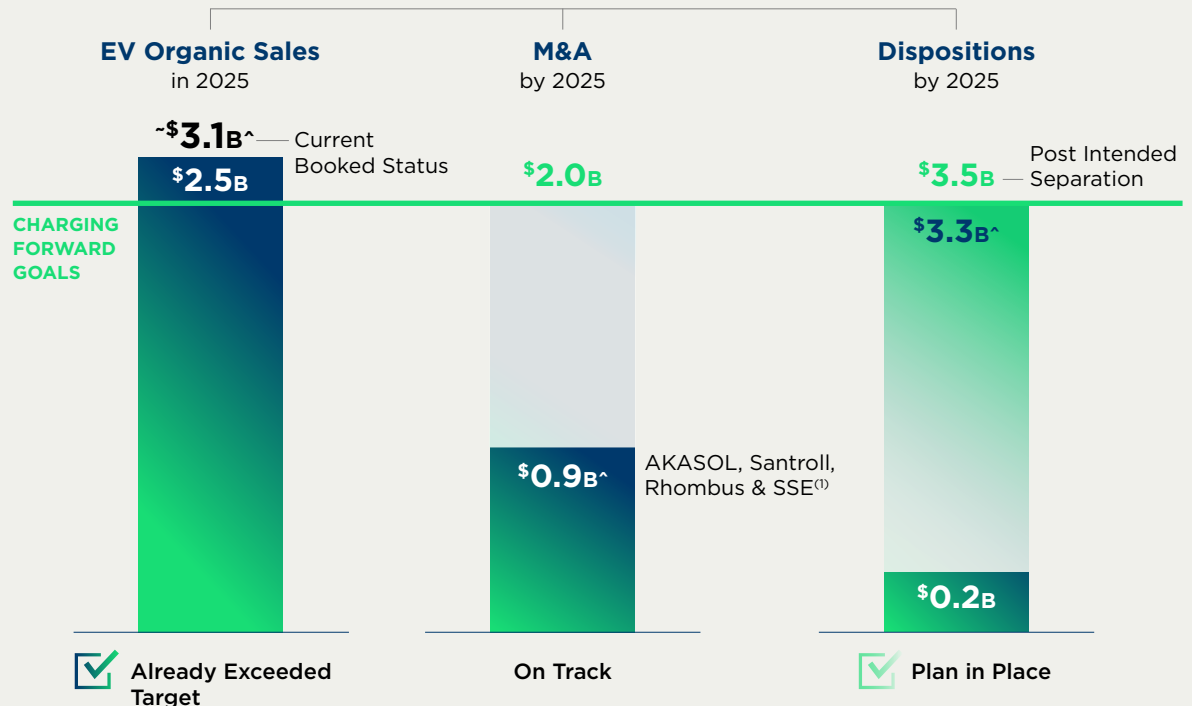
14.5%

AFTERMARKET 2022 9MO SEGMENT ADJUSTED OPERATING MARGIN

11.3%

FUEL SYSTEMS 2022 9MO SEGMENT ADJUSTED OPERATING MARGIN

Accelerating our EV Strategy and “Charging Forward” Objectives



TRANSACTION DETAILS[^]

- Upon completion, BorgWarner shareholders would own shares of both companies
- Intended to qualify as a tax-free spin-off for U.S. federal income tax purposes
- Expected to close in late 2023, subject to satisfaction of customary conditions

Note: Segment Adj. Op. Margin does not include impact of corporate cost allocation or standalone costs.

Note: The midpoint of BorgWarner's 2022 guidance provided on Oct. 27, 2022, included the 2022E revenue estimates after considering inter-segment eliminations.

[^]Denotes a forward-looking statement that is based on current expectations. Actual results may differ materially due to risks and uncertainties that include, among others: the possibility that we will not be able to effect the transaction described above within anticipated timing or at all; uncertainty during the transaction's pendency that could affect our financial performance; supply disruptions impacting us or our customers; challenges associated with rapidly changing technologies & our ability to innovate in response; & difficulty in forecasting demand for electric vehicles & our related revenue growth. A more fulsome list of risks & uncertainties appears in the release announcing the spin-off, available [here](#).

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