BORGWARNER

Q2 2026 Earnings Call Presentation

August 5, 2026

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, including our guidance for full year 2026, our business strategy and measures to implement that strategy, including changes to operations, competitive strengths, goals, expansion and profitable growth of our business and operations, plans, references to future success, including the anticipated benefits of increased investments in research and development, our new business awards 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: the success of our portfolio strategy; 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; conditions in the automotive industry; competitive challenges from existing and new competitors, including original equipment manufacturer ("OEM") customers; the challenges associated with rapidly changing technologies, including artificial intelligence, and our ability to innovate in response; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential future changes in laws and regulations, including, by way of example, taxes and tariffs, in the countries in which we operate; 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 tax benefits; the failure to promptly and effectively integrate acquired businesses; the potential for unknown or inestimable liabilities relating to the acquired businesses; impacts of our exit of the charging business; 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 uncertainty surrounding global trade policies, including tariffs (and any potential refund recovery of tariffs imposed under the International Emergency Economic Powers Act) and export restrictions and their impact on the Company, its customers and its suppliers; the outcome of existing or any future legal proceedings, including litigation with respect to various claims, or governmental investigations, including related litigation; impacts from any potential future acquisition or disposition transactions; and the other risks discussed in reports that we file with the Securities and Exchange Commission, including in 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 certain 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 2026 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.

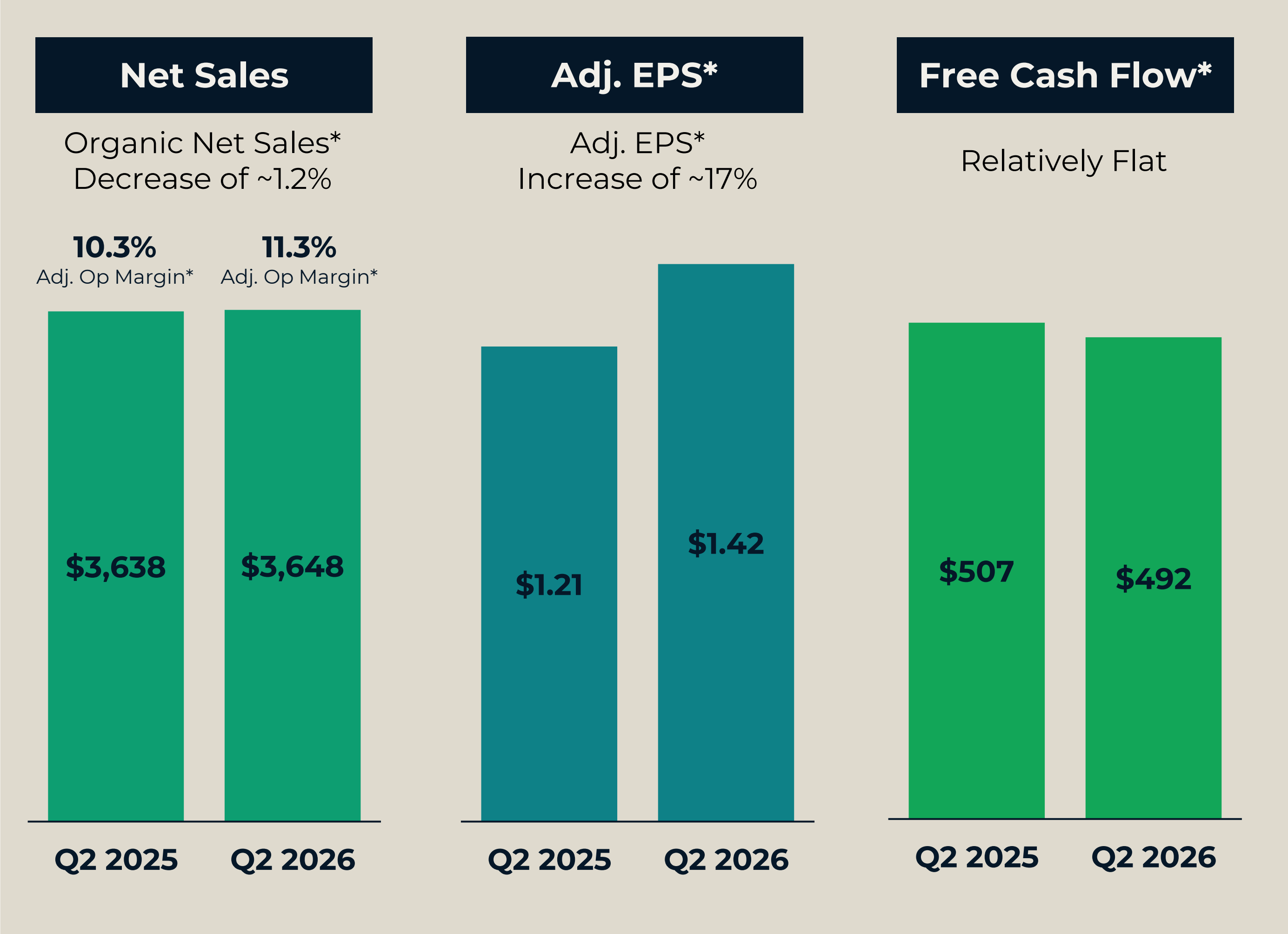
Management believes that these non-GAAP financial measures are useful to management, investors, and banking institutions in their analyses of the Company's business and operating performance. Management also uses this information for operational planning and decision-making purposes.

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.

- Joe Fadool
  Chief Executive Officer
- Craig Aaron
  Chief Financial Officer
- Q&A

Strong Second Quarter Execution, Remain Focused on Long-Term Profitable Growth and Value Creation

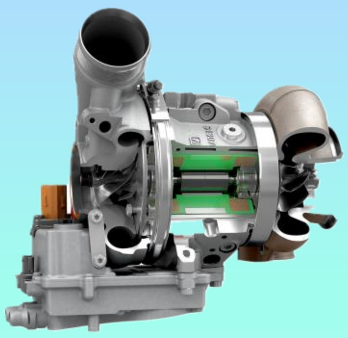
$ in millions, except EPS



- Organic net sales performance modestly ahead of market, excluding battery sales decline
- Adj. operating margin and adj. EPS expansion supported by strong cost controls and share repurchases
- Additional program awards across Foundational and eProducts
- Continued product readiness across data center and other industrial markets portfolio
- Strong liquidity and free cash flow support Q2 share repurchases, and $1B share repurchase authorization increase

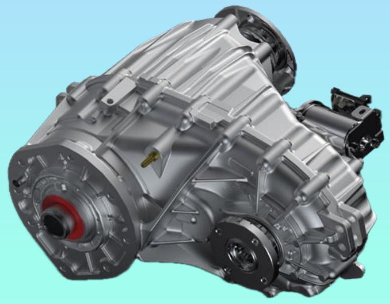
*Organic net sales, adj. operating margin, adj. EPS and free cash flow on this slide are non-US-GAAP measures. See reconciliation to US GAAP in Appendix.

Seven Awards Across Portfolio and Regions



eTurbo

- New program award with a major European OEM for an advanced hybrid car application
- Production is expected to begin in 2029

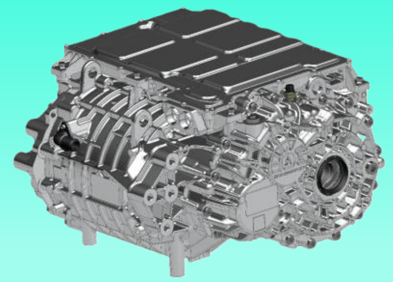


Torque-on-Demand Transfer Cases with Mechanical Lock

- Award with a Chinese OEM for a newly developed, full-size SUV
- Production is expected to begin in the fourth quarter of 2026

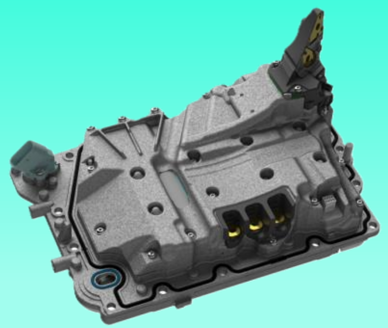
Variable Cam Timing

- Conquest award with a major Chinese OEM and a program life extension award with a leading European premium OEM
- Production is expected to begin in 2026 and 2027, respectively



Integrated Drive Modules (iDM)

- Award with a global OEM utilizing BorgWarner's next-generation iDM technology, setting a new benchmark in performance, efficiency and system integration
- Production is expected to begin in 2027



Inverters

- Two high-volume extension awards with a major European OEM for plug-in hybrid and 800V battery-electric vehicles
- Production is expected to begin in 2029

BORGWARNER

BorgWarner Continues to Improve Product Readiness for Data Center & Other Industrial Markets Portfolio

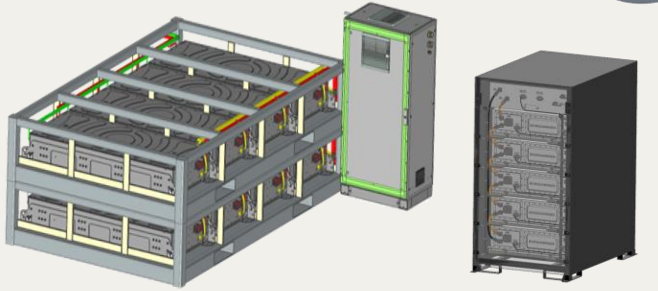
Power Generation

Turbine Generator System

- Met CARB-level emissions tests
- Component UL certification expected to start in September
- Building construction inline with expectations
- Capital equipment installation expected to begin during Q3

Expected SOP 2027
>$300M Launch Year Sales

Energy Storage



Battery Energy Storage System

- Supporting varying use cases in data center environments
- Portfolio includes DC blocks, UPS and high-power racks, and controls
- Modular, scalable, and cell chemistry independent
- Customer validation and UL compliance processes advancing

Quoting Continues
Est. 2027 Production Ready

Power Conversion

Bi-Directional Microgrid Inverter

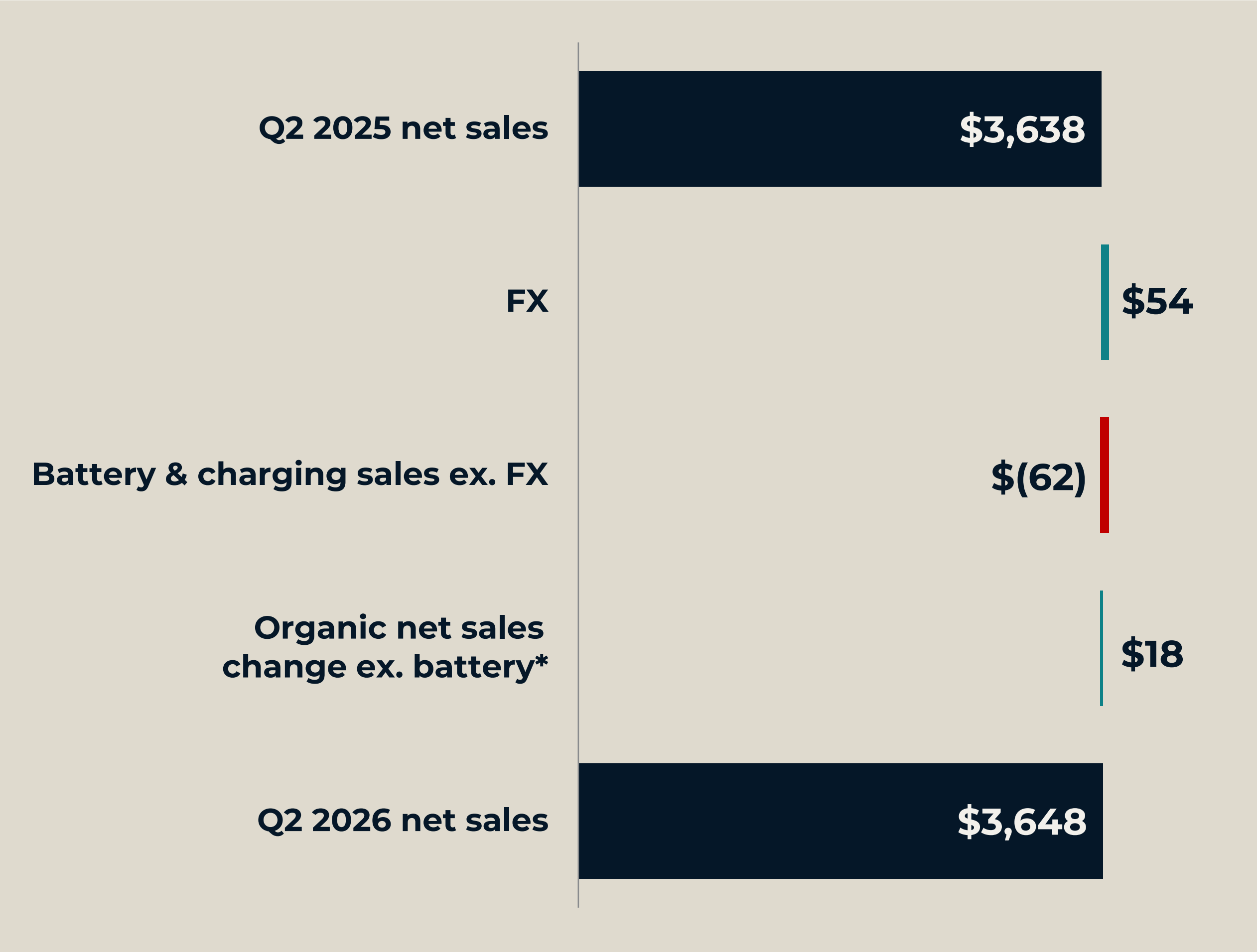
- Samples shipped to four customers and discussions with several others
- Existing scale and established supply base recognized by potential customers
- Gen 2 designs currently under development incorporating customer feedback
- Developing high-power full-voltage coverage with portfolio expected to span 400V to 1500V

Testing Progressing
Est. 2027 Production Ready

*TurboCell is available exclusively through Endeavour's Edged Infrastructure solutions division.

Q2 2026 Net Sales Walk

$ in millions

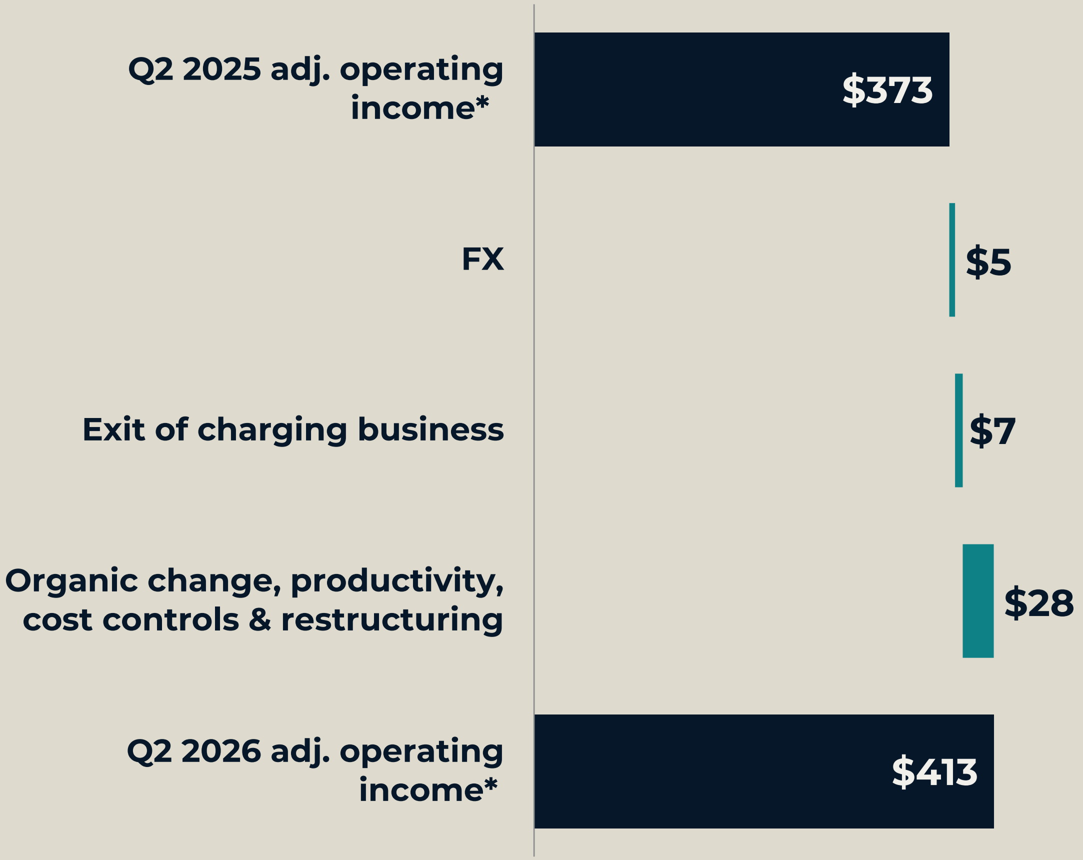


- **Organic net sales* down ~1.2%, or modestly better than industry production, excluding Battery Energy Systems sales decline**
  - **North America** – Outgrowth supported by transfer case volumes
  - **Europe** – Below market due to a decline in Foundational thermal products and battery sales, partially offset by eProduct growth
  - **China** – Roughly in-line with market volumes

*Organic net sales change on this slide is a non-US-GAAP measure. See reconciliation to US GAAP in Appendix.

Q2 2026 Financial Results & Adj. Operating Income

$ in millions



($ in millions, except per share amounts) **Non-GAAP Financial Information**	**Three months ended June 30, 2026**	**2025**
Net sales	**$3,648**	**$3,638**
Adj. operating income* Adj. operating margin*	**$413** 11.3%	**$373** 10.3%
Adj. diluted EPS*	**$1.42**	**$1.21**
Free cash flow*	**$492**	**$507**

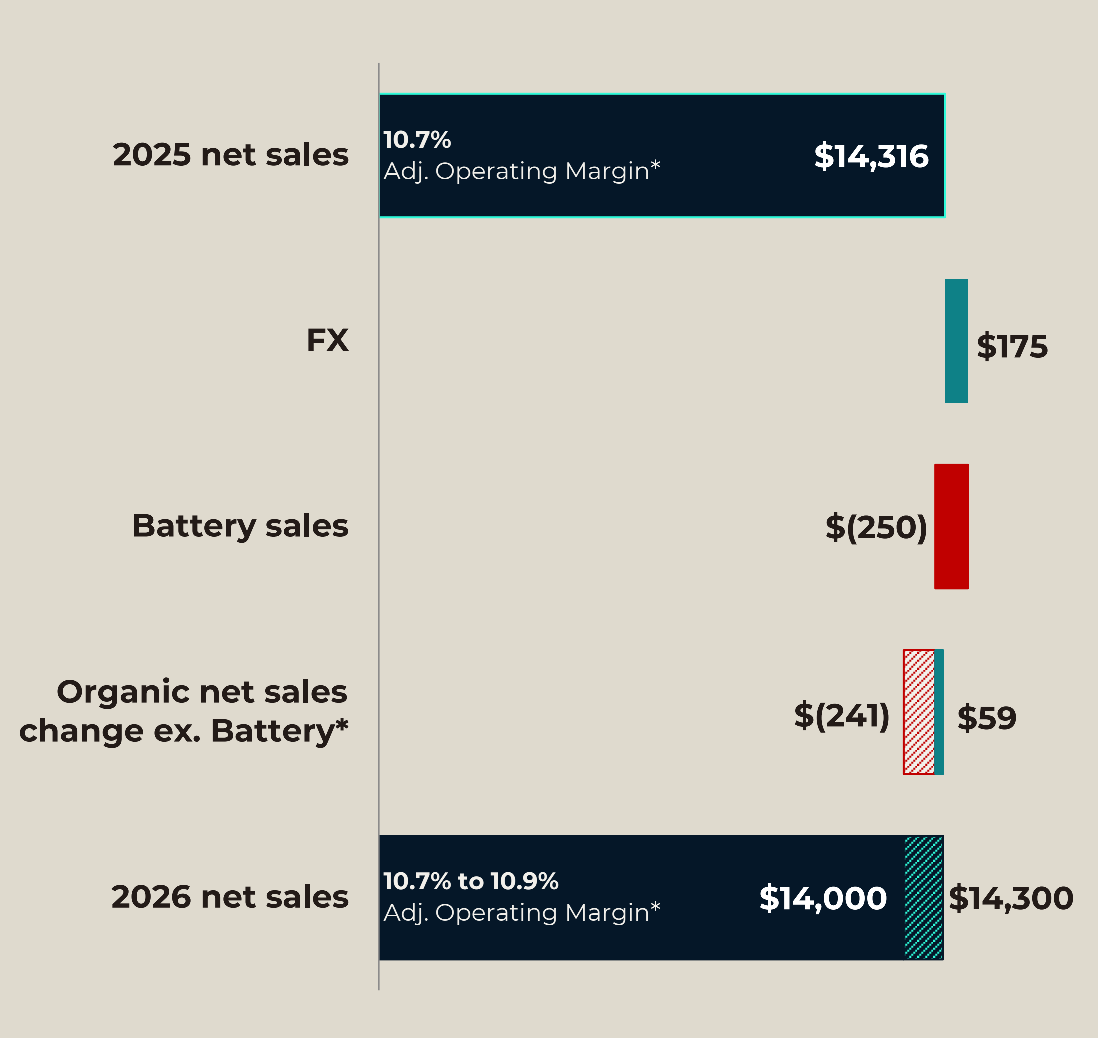
*Adj. operating income, adj. operating margin, adj. diluted EPS and free cash flow on this slide are non-US-GAAP measures. See reconciliation to US GAAP in Appendix.

BORGWARNER

2026 Outlook and Other Items

$ in millions, except EPS

Full-year Net Sales Outlook



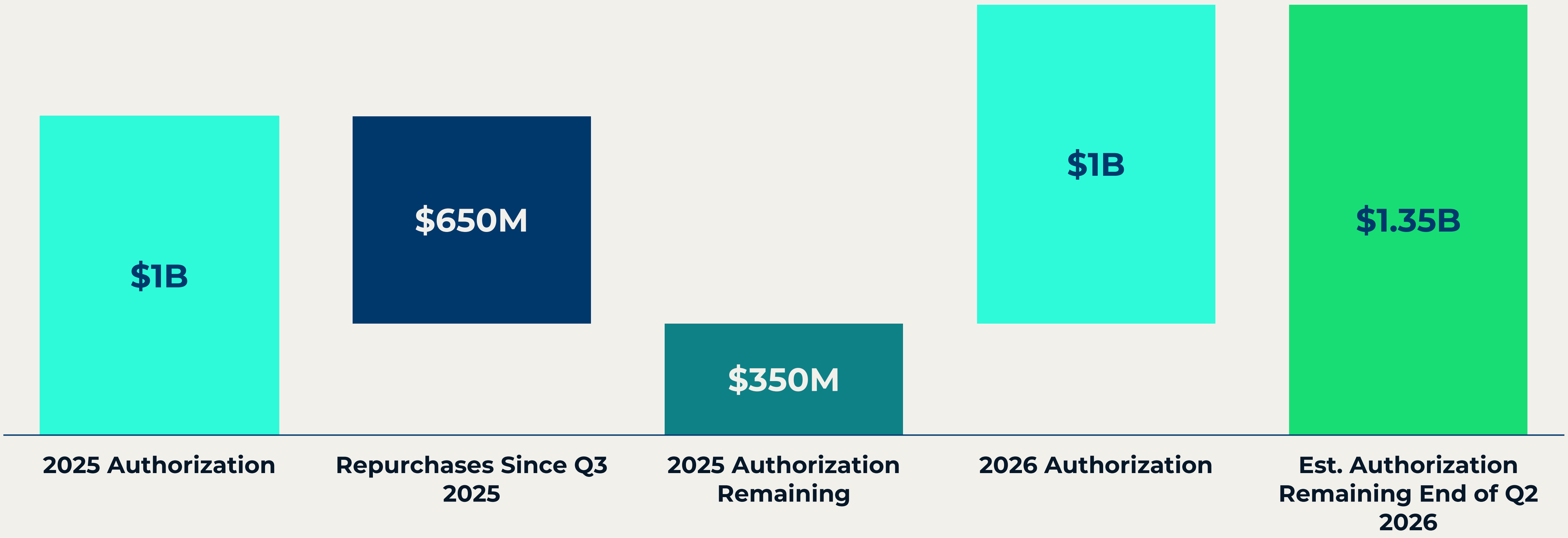
Market & Earnings Outlook

	Prior 2026 Guidance	Revised 2026 Outlook
Organic net sales change*	(3.5%) to (1.5%)	(3.5%) to (1.5%)
Adj. operating margin*	10.7% to 10.9%	10.7% to 10.9%
Adj. diluted EPS*	$5.00 to $5.20	$5.05 to $5.30
Free cash flow*	$900M to $1,100M	$900M to $1,100M

*Organic net sales change, adj. operating margin, adj. diluted EPS and free cash flow on this slide are non-US GAAP measures. See reconciliation to US GAAP in Appendix.

Note: FX rate assumes $1.14 for Euro.

Disciplined and Consistent Share Repurchases with $1B Additional Authorization



Share Repurchases Remain an Important Component of Shareholder Value Creation

August 5, 2026

BORGWARNER

Q2 2026
Earnings Call Presentation

THANK YOU

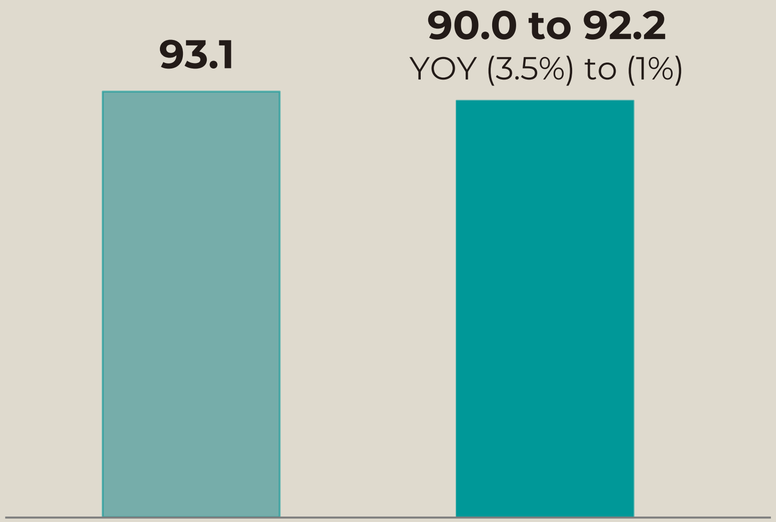
APPENDIX

2026 Light Vehicle Market Expectations

LV Units in millions

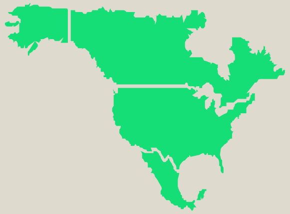
BorgWarner Global Market

FY'25 Actual | FY'26 Est.



BorgWarner Estimated LV Weighted Market Down 3% to 0%

North America



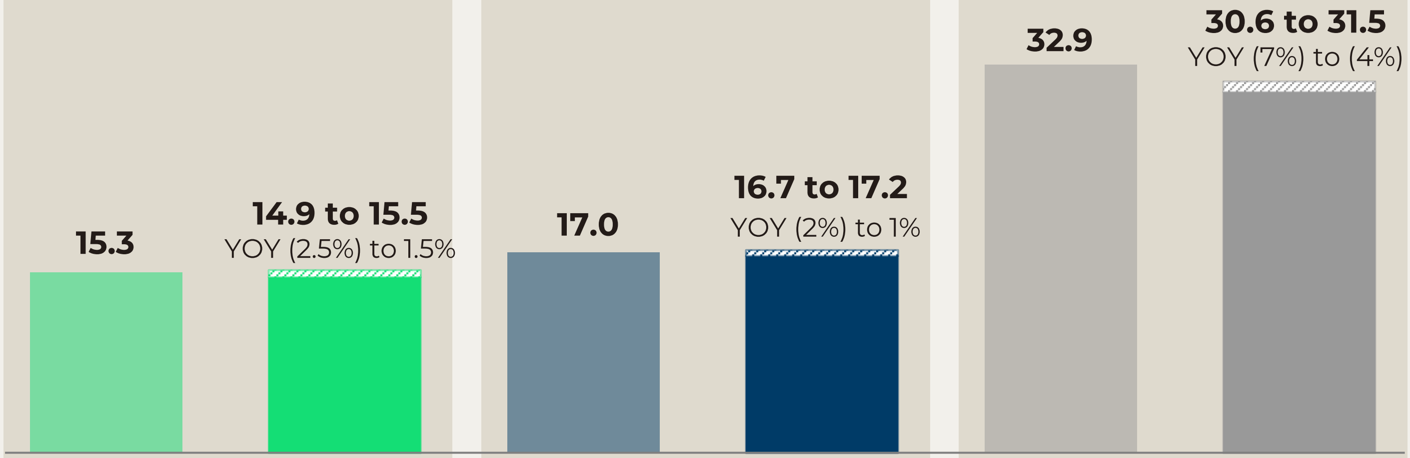
FY'25 Actual | FY'26 Est.

Europe

FY'25 Actual | FY'26 Est.

China

FY'25 Actual | FY'26 Est.



Note: Actual and estimated volumes are BorgWarner market assumptions.

2026 Planning Assumptions

CapEx	**$600 to $700 million**
Adjusted tax rate for ongoing operations	**~23%**

Second Quarter & YTD Reconciliation to US GAAP

Adjusted Operating Income and Operating Margin
The Company defines adjusted operating income as operating income adjusted to exclude the impact of restructuring expense, merger, acquisition and divestiture expense, intangible asset amortization expense, other net expenses, discontinued operations and other gains and losses not reflective of the Company's ongoing operations. Adjusted operating margin is defined as adjusted operating income divided by net sales.

(in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net sales	**$ 3,648**	**$ 3,638**	**$ 7,181**	**$ 7,153**
Operating income	**$ 370**	**$ 289**	**$ 706**	**$ 526**
Operating margin	**10.1 %**	**7.9 %**	**9.8 %**	**7.4 %**
Non-comparable items:				
Restructuring expense	$ 21	$ 17	$ 39	$ 48
Intangible asset amortization expense	14	16	30	33
Accelerated depreciation	7	21	9	21
Adjustments associated with Spin-Off related balances	(1)	2	1	(1)
Impairment charges	—	3	—	42
Costs to exit charging business	—	6	—	32
Chief Executive Officer ("CEO") transition compensation	—	6	—	6
Write-off of customer incentive asset	—	7	—	7
Loss on sale of assets	—	5	—	5
Loss on sale of businesses	—	—	—	1
Merger and acquisition expense, net	—	—	(2)	2
Other non-comparable items	2	1	2	3
Adjusted operating income	**$ 413**	**$ 373**	**$ 785**	**$ 725**
Adjusted operating margin	**11.3 %**	**10.3 %**	**10.9 %**	**10.1 %**

BORGWARNER

Second Quarter & YTD Reconciliation to US GAAP

Adjusted Earnings Per Diluted Share

The Company defines adjusted earnings per diluted share as earnings per diluted share adjusted to eliminate the impact of restructuring expense, merger, acquisition and divestiture expense, other net expenses, discontinued operations and other gains and losses not reflective of the Company's ongoing operations and related tax effects. The impact of intangible asset amortization expense continues to be included in adjusted earnings per share.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Earnings per diluted share	$ 1.34	$ 1.03	$ 2.50	$ 1.75
Non-comparable items:				
Restructuring expense	0.07	0.06	0.13	0.17
Accelerated depreciation	0.03	0.08	0.03	0.08
Adjustments associated with Spin-Off related balances	—	0.01	0.01	(0.01)
Impairment charges	—	0.01	—	0.16
Write-off of customer incentive asset	—	0.03	—	0.03
Costs to exit charging business	—	0.02	—	0.13
Chief Executive Officer ("CEO") transition compensation	—	0.03	—	0.03
Loss on sale of assets	—	0.02	—	0.02
Merger and acquisition expense, net	—	—	(0.01)	0.01
Unrealized gain on equity securities	(0.02)	—	(0.01)	—
Tax adjustments	(0.01)	(0.08)	—	(0.06)
Other non-comparable items	0.01	—	0.01	0.01
Adjusted earnings per diluted share	$ 1.42	$ 1.21	$ 2.66	$ 2.32

BORGWARNER

Second Quarter & YTD Organic Net Sales Change

Organic Net Sales Change
The Company defines organic net sales changes as net sales change year-over-year excluding the estimated impact of foreign exchange (FX) and net mergers, acquisitions and divestitures.

(in millions)	Q2 2025 Net Sales	FX	Organic Net Sales Change	Q2 2026 Net Sales	Organic Net Sales Change %
Turbos & Thermal Technologies	$ 1,481	$ 24	$ (63)	$ 1,442	(4.3) %
Drivetrain & Morse Systems	1,429	11	15	1,455	1.0 %
PowerDrive Systems	581	16	68	665	11.7 %
Battery Energy Systems	159	3	(62)	100	(39.0) %
Inter-segment eliminations	(12)	—	(2)	(14)	16.7 %
Net sales	**$ 3,638**	**$ 54**	**$ (44)**	**$ 3,648**	**(1.2) %**

(in millions)	Q2 2025 YTD Net Sales	FX	Organic Net Sales Change	Q2 2026 YTD Net Sales	Organic Net Sales Change %
Turbos & Thermal Technologies	$ 2,935	$ 105	$ (165)	$ 2,875	(5.6) %
Drivetrain & Morse Systems	2,790	60	27	2,877	1.0 %
PowerDrive Systems	1,142	47	63	1,252	5.5 %
Battery Energy Systems	309	9	(116)	202	(37.5) %
Inter-segment eliminations	(23)	—	(2)	(25)	8.7 %
Total	**$ 7,153**	**$ 221**	**$ (193)**	**$ 7,181**	**(2.7) %**

BORGWARNER

Full Year 2026 Adj. Operating Income and Adj. Operating Margin Guidance Reconciliation to US GAAP

Adjusted Operating Income and Operating Margin

The Company defines adjusted operating income as operating income adjusted to exclude the impact of restructuring expense, merger, acquisition and divestiture expense, intangible asset amortization expense, other net expenses, discontinued operations and other gains and losses not reflective of the Company's ongoing operations. Adjusted operating margin is defined as adjusted operating income divided by net sales.

	Full-Year 2026 Guidance	
(in millions)	Low	High
Net sales	**$ 14,000**	**$ 14,300**
Operating income	**$ 1,343**	**$ 1,398**
Operating margin	**9.6 %**	**9.8 %**
Non-comparable items:		
Restructuring expense	90	100
Intangible asset amortization	57	57
Accelerated depreciation	9	9
Adjustment associated with Spin-Off related balances	1	1
Merger and acquisition expense, net	(2)	(2)
Other non-comparable items	2	2
Adjusted operating income	**$ 1,500**	**$ 1,565**
Adjusted operating margin	**10.7 %**	**10.9 %**

BORGWARNER

Full Year 2026 Adj. Earnings per Diluted Share Guidance Reconciliation to US GAAP

Adjusted Earnings Per Diluted Share

The Company defines adjusted earnings per diluted share as earnings per diluted share adjusted to eliminate the impact of restructuring expense, merger, acquisition and divestiture expense, other net expenses, discontinued operations and other gains and losses not reflective of the Company's ongoing operations and related tax effects. The impact of intangible asset amortization expense continues to be included in adjusted earnings per share.

	Full-Year 2026 Guidance	
	Low	**High**
Earnings per Diluted Share	**$ 4.72**	**$ 4.94**
Non-comparable items:		
Restructuring expense	0.30	0.33
Accelerated depreciation	0.03	0.03
Adjustment associated with Spin-Off related balances	0.01	0.01
Unrealized gain on equity securities	(0.01)	(0.01)
Merger and acquisition expense, net	(0.01)	(0.01)
Other non-comparable items	0.01	0.01
Adjusted Earnings per Diluted Share	**$ 5.05**	**$ 5.30**

BORGWARNER

Full Year 2026 Estimated Organic Net Sales Change Guidance and Outgrowth Reconciliation

Organic Net Sales Change

The Company defines organic net sales changes as net sales change year-over-year excluding the estimated impact of foreign exchange (FX) and net mergers, acquisitions and divestitures.

(in millions)	FY 2025 Net Sales	FX	Battery Energy Systems ("BES") Sales Change	Organic Net Sales Change	FY 2026 Net Sales	Organic Net Sales Change Excluding BES %	Organic Net Sales Change Including BES %	BorgWarner LV Weighted Market %
Low	$ 14,316	$ 175	$ (250)	$ (241)	$ 14,000	(1.7) %	(3.4) %	(3.0) %
High	$ 14,316	$ 175	$ (250)	$ 59	$ 14,300	0.4%	(1.3) %	0.0%

Free Cash Flow Reconciliations to US GAAP

The Company defines free cash flow as net cash provided by operating activities minus capital expenditures, net of customer advances related to capital expenditures. The Company believes this measure is useful to both management and investors in evaluating the Company's ability to service and repay its debt.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2026	2025	2026	2025
Net cash provided by operating activities	$ 586	$ 579	$ 738	$ 661
Capital expenditures, including tooling outlays	(96)	(77)	(239)	(196)
Customer advances related to capital expenditures	2	5	6	7
Free cash flow	**$ 492**	**$ 507**	**$ 505**	**$ 472**

	Full-Year 2026 Guidance	
(in millions)	Low	High
Net cash provided by operating activities	$ 1,600	$ 1,700
Capital expenditures, including tooling outlays	(700)	(600)
Free cash flow	**$ 900**	**$ 1,100**

Key Definitions

The terms below are commonly used by management and investors in assessing ongoing financial performance:

Organic Net Sales Change The Company defines organic net sales changes as net sales change year over year excluding the estimated impact of foreign exchange (FX) and net mergers, acquisitions and divestitures.

Market Light vehicle production weighted for BorgWarner's geographic exposure as estimated by BorgWarner.

Outgrowth "Organic Net Sales Change" vs. year-over-year change in "Market".