# onsemi and BorgWarner Expand Strategic Collaboration for Silicon Carbide Worth Over $1 Billion in Lifetime Value

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*BorgWarner will integrate onsemi EliteSiC 1200 V and 750 V power devices into its VIPER power modules for traction inverter solutions to increase performance of electric vehicles*

SCOTTSDALE, Ariz. & AUBURN HILLS, Mich.--(BUSINESS WIRE)--Jul. 18, 2023-- onsemi (Nasdaq: ON), a leader in intelligent power and sensing technologies, and BorgWarner Inc. (NYSE: BWA), a global product leader in delivering innovative and sustainable mobility solutions, today announced the two companies are expanding their strategic collaboration for silicon carbide (SiC), making the total agreement worth over $1 billion in lifetime value. BorgWarner plans to integrate onsemi EliteSiC 1200 V and 750 V power devices into its VIPER power modules. The EliteSiC devices join a broad portfolio of onsemi products that are part of the long-standing strategic relationship between the two companies.

onsemi provides high-performance EliteSiC technology while maintaining the high standards of quality, reliability and supply assurance needed for the EV traction market. onsemi's decades of experience in the design, development and manufacturing of power semiconductor products support successful adoption in high-volume automotive applications.

"First and foremost, onsemi's continuous and strategic investment in ramping SiC manufacturing capacity across its end-to-end supply chain gives us confidence in our ability to support the increasing demand for our solutions, now and in the future," said Stefan Demmerle, Vice President of BorgWarner Inc. and President and General Manager, PowerDrive Systems.

BorgWarner's silicon carbide traction inverters already offer higher efficiency, better cooling performance, and faster-charging rates in a more compact package than other options for EVs. By using EliteSiC technology, BorgWarner's solutions expect to benefit from increased power density and higher efficiency, which increase the range and overall performance of EVs.

"The integration of EliteSiC technology in the traction inverter enables increased gas-equivalent miles per gallon (MPGe), which helps alleviate range anxiety - one of the key barriers to EV adoption," said Simon Keeton, Executive Vice President and General Manager, Power Solutions Group, onsemi. "With onsemi's chip-to-system level support and a track record of execution, we are able to provide industry-leading SiC-based solutions to BorgWarner at an accelerated pace to support its go-to-market requirements."

**onsemi's Caution Regarding Forward-Looking Statements**

This press release contains "forward-looking statements," as that term is defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," "should," or "anticipates," and similar expressions. However, all statements, other than statements of historical facts, could be deemed forward-looking statements. All forward-looking statements in this press release are made based on onsemi's current expectations, forecasts, estimates and assumptions, and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. Additional factors that could cause results to differ materially from those projected in the forward-looking statements are contained in onsemi's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other of onsemi's filings with the SEC, respectively. onsemi assumes no obligation to update such information, except as may be required by law.

**About onsemi**

**onsemi** (Nasdaq: ON) is driving disruptive innovations to help build a better future. With a focus on automotive and industrial end-markets, the company is accelerating change in megatrends such as vehicle electrification and safety, sustainable energy grids, industrial automation, and 5G and cloud infrastructure. **onsemi** offers a highly differentiated and innovative product portfolio, delivering intelligent power and sensing technologies that solve the world's most complex challenges and leads the way to creating a safer, cleaner and smarter world. onsemi is recognized as a Fortune 500 ® company and included in the Nasdaq-100 Index® and S&P 500® index. Learn more about onsemi at www.onsemi.com.

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**BorgWarner's Forward-Looking Statements:** This release 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 release 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 the date of this release. 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, such as the current shortage of semiconductor chips that has impacted original equipment manufacturer ("OEM") customers and their suppliers, including us; 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 OEM customers; the challenges associated with rapidly changing technologies, particularly as relates to electric vehicles, and our ability to innovate in response; uncertainties regarding the extent and duration of impacts of matters associated with the COVID 19/coronavirus pandemic, including additional production disruptions; the difficulty in forecasting demand for electric vehicles and our electric vehicles revenue growth; potential disruptions in the global economy caused by Russia's invasion of  Ukraine; 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 the spin-off transaction 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, both of which are highly cyclical and subject to disruptions; our reliance on major OEM customers; 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 release to reflect any change in our expectations or any change in events, conditions, circumstances, or assumptions underlying the statements.

**About BorgWarner:**

For more than 130 years, BorgWarner has been a transformative global product leader bringing successful mobility innovation to market. Today, we're accelerating the world's transition to eMobility — to help build a cleaner, healthier, safer future for all.

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