



New Company to Fuse Magna's and LG's Electric Powertrain Strengths to Accelerate E-Drive Component Development

THE COURTSHIP OF MAGNA AND LG ELECTRONICS

When the Magna team finalizing the \$1 billion joint venture with LG Electronics landed at Incheon International Airport in South Korea during a torrential rain in late August 2021, they noticed a strange sight. The golf courses ringing the airport were filled with players despite the inclement weather.

That observation became the subject for some animated dinner conversation between the two teams later that night.

"We found out how incredibly committed the Korean culture is to golf," explained James J. Tobin Jr., a Magna team member and casual golfer. "People have to book a tee time four to five weeks in advance. So they play rain or shine."

Comparing notes about quirky golfing habits, hobbies and "anything sports-related" helped to cement the bond between the Magna and LG teams.

"Our goal was to create interpersonal relationships," said Tobin, the senior director of business development for Magna Powertrain. "Often, it meant being available at all times of the day because of the 12- to 13-hour time difference. Sometimes it meant being available on weekends. Flexibility is the key."

He added: "One of the challenges was putting together the deal during the COVID-19 pandemic. When the Magna team went to South Korea in September and December of 2020, before vaccines were widely available, we created a stronger and deeper relationship. They respected the effort our team made to come over during a pandemic."

The look and feel of networking dinners changed because of the pandemic. The teams split up into smaller groups, with only two people at each table. During the one-on-one meals, notes were compared about families and education. The Magna team learned some of the LG team was educated in the U.S., rooting for Big Ten college teams such as the Penn State Nittany Lions. These little insights offered even more opportunities to connect.

The end result: the deal that made headlines around the world was "a natural fit." LG Magna e-Powertrain will meet increasing demand for electric vehicle components with a focus on manufacturing e-motors, inverters and on-board chargers in South Korea, China and the U.S.

"We were all laser-focused on the goal," said Tobin. "The JV is a marriage between Magna and LG, two large companies with rich histories. We created something critical to the future of both organizations. We know there is a big shift coming in electrification, and this deal enables Magna to be a significant player in the future of mobility."

ABOUT JAMES J. TOBIN JR.

James J. Tobin Jr., a 14-year Magna veteran, began his career as a management trainee program working in North American divisions. He ran a stamping press at Presstran Industries in St.



Magna's Team visits LG on a Due Diligence Trip in September of 2020

(LEFT TO RIGHT), David William, Patrick Harris, Mike Bacci, James Tobin Jr, Jason Wolkove, Albert Pongratz, Fritz Abraham, Jason Hill, Diba Ilugna, Werner Ness, KJ Lee



LG MAGNA E-POWERTRAIN FAST FACTS

- The JV will include more than 1,000 employees located at LG locations in the U.S., South Korea and China
- The JV will ship components for Magna to assemble into an e-drive system for a new battery-electric vehicle, expected to launch in late 2022
- The new JV is currently supplying General Motors, Ford Motor Company, Stellantis and Jaguar Land Rover, with an eye to land more automakers
- The CAGR or compound annual growth rate of the JV is expected to be more than 50% over the next number of years
- The high-voltage market, including electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles, is expected to eventually be one-third of the vehicle market

Thomas, Ontario, worked on the shop floor at Vehstek Systems in Bowling Green, Ohio, and spent time in process engineering at Drive Automotive Industries of America in Piedmont, South Carolina.

“The greatest lesson I learned from those experiences was understanding there are great ideas that come from the shop floor,” he said. “They are the places closest to the operation. It is important to make sure those voices are heard, so that everyone can have a collective experience.”

Tobin subsequently spent 13 years at Cosma within various business development functions at both Division and Group, and moved to his current role in February 2020, where he became a member of the core team putting together the Magna and LG Electronics joint venture.

The father of three said his primary hobby is “spending time with my kids on the weekends.”



