



Garrett Motion Announces Long-Term Capital Allocation Framework, Including New Quarterly Dividend and \$250M Share Repurchase Program for 2025

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ROLLE, Switzerland and PLYMOUTH, Mich., Dec. 05, 2024 (GLOBE NEWSWIRE) -- **Garrett Motion Inc. (Nasdaq: GTX) ("Garrett" or the "Company")**, a leading differentiated automotive technology provider, today announced the adoption of a long-term capital allocation framework, under which the Company will target returning 75% or more of its Adjusted Free Cash Flow to shareholders over time through a combination of share repurchases and a regular quarterly cash dividend. As part of this framework, the Company's Board of Directors has approved a new dividend policy, pursuant to which the Board intends to declare and pay quarterly dividends on its common stock in an aggregate amount of approximately \$50 million in 2025. The Board has declared the first quarter 2025 cash dividend on the Company's outstanding common stock of \$0.06 per share payable January 31, 2025, to all common shareholders of record as of the close of business on January 15, 2025. The Board has also approved a new share repurchase program for 2025, pursuant to which the Company may repurchase up to \$250 million of its common stock throughout the course of the year.

"Garrett continues to demonstrate industry-leading free cash flow generation. Initiating a dividend and launching a new repurchase program will result in a progressive dividend yield over time and underscores our commitment to delivering value to shareholders while strategically investing in technologies that drive future growth across both our turbo and zero-emission offerings," said Garrett President and CEO, Olivier Rabiller. "These actions align with our long-term capital allocation strategy, highlighting the strength of our balance sheet and our confidence in being able to generate strong free cash flow through industry cycles."

The long-term capital allocation framework will be supported by the Company's flexible cost structure and strong cash generation capabilities, and is consistent with the Company's existing capital allocation priorities, which remain unchanged:

- **Investment in Differentiated Technology:** The Company remains committed to balanced R&D investments across its portfolio, with a continued focus on advancing zero-emissions solutions while expanding turbo offerings to support anticipated growth in hybrid vehicles and industrial applications.
- **Shareholder Returns:** The new quarterly dividend and repurchase authorization for 2025 build on the \$438 million in stock repurchased by the Company since the conversion of our Series A Preferred Stock through Q3 2024.
- **Debt Management:** The Company will continue to prudently manage its leverage and cash interest expense, having de-levered approximately \$400 million since the conversion of our Series A Preferred Stock.

The Company's target to return 75% or more of its Adjusted Free Cash Flow to shareholders is subject to various factors, including industry and market conditions, the price of the Company's common stock, and alternative uses of capital, and actual returns to shareholders may vary over time. There can be no guarantee as to the timing of the declaration and payment of any dividends, or the amount thereof, which is at the discretion of the Board. Moreover, the new share repurchase plan authorizes management to repurchase shares at such time and prices as it determines are beneficial to the Company and its shareholders. Any repurchases of shares will be made through open market purchases, block trades, or in privately-negotiated transactions in accordance with applicable rules and regulations. Under the share repurchase plan, there is no minimum number of shares that the Company is required to repurchase, and the Company may suspend or terminate the repurchase plan at any time.

About Garrett Motion Inc.

Garrett Motion is a differentiated technology leader serving automotive customers worldwide for nearly 70 years. Known for its global leadership in turbocharging, the company develops transformative technologies for vehicles to become cleaner and more efficient. Its advanced technologies help reduce emissions and reach zero emissions via passenger and commercial vehicle applications – for on and off-highway use. Its portfolio includes turbochargers, electric turbos (E-Turbo) and electric compressors (E-Compressor) for both ICE and hybrid powertrains. In the zero-emissions vehicle category, the company offers fuel cell compressors for hydrogen fuel cell vehicles as well as electric propulsion and thermal management systems for battery electric vehicles. Garrett boasts five R&D centers, 13 manufacturing sites and a team of more than 9000 people located in more than 20 countries. Its mission is to empower the transportation industry to further advance motion through unique, differentiated innovations. For more information, please visit www.garrettmotion.com.

Forward-Looking Statements

This press release and related comments by management include "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact and can be identified by words such as "anticipate," "believe," "estimate," "expect," "future," "goal," "intend," "likely," "may," "plan," "project," "seek," "should," "strategy," and similar expressions. Forward-looking statements represent our current judgment about possible future activities, events, or developments that we anticipate will or may occur in the future, and relate to, among other things, our capital allocation plans, including our targeted capital returns and dividend yields, the implementation of our dividend policy, including the intention of our Board of Directors to declare and pay quarterly dividends, our share repurchase program, plans with respect to future investments, growth opportunities including with respect to zero-emissions solutions, turbo offerings, hybrid vehicles and industrial applications, our cost structure and cash generation abilities, and plans with respect to our indebtedness. In making these statement, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions, and expected future developments, as well

as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future performance, events, or results, and actual performance, events, or results may differ materially from those envisaged by our forward-looking statements due to a variety of important factors, many of which are described in our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission, including risks related to our ability to continue generating strong cash flows, among others. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other factors that affect the subject of these statement, except where we are expressly required to do so by law.

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