UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 13, 2023

GARRETT MOTION INC.
(Exact name of Registrant as specified in its Charter)

Delaware	1-38636	82-4873189
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)
La Pièce 16, Rolle, Switzerland		1180
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: +41 21 695 30 00

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	GTX	The Nasdaq Stock Market LLC
Series A Cumulative Convertible Preferred Stock, par value $0.001 per share	GTXAP	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

On April 13, 2023, Garrett Motion Inc. (the "Company"), issued a press release to announce that it has entered into definitive agreements (the "Agreements") with Centerbridge Partners, L.P. ("Centerbridge") and with funds managed by Oaktree Capital Management, L.P. ("Oaktree") to simplify the Company's capital structure by converting all outstanding Series A Preferred Stock into a single class of Common Stock. The Agreements contemplate the repurchase of approximately $285 million of Series A Preferred Stock from each of Centerbridge and Oaktree, and provide for a reduction in investor and governance rights, as well as lock-up agreements with respect to each party's remaining equity securities. The Company also announced an increase of the Company's share repurchase authorization to $250 million. The full text of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1. Additionally, the Company posted an investor presentation relating to the transactions (the "Presentation") to its website at https://investors.garrettmotion.com/. A copy of the Presentation is attached as Exhibit 99.2.

The information in Exhibit 99.1 and Exhibit 99.2 of this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1*	Press Release of Garrett Motion Inc., dated April 13, 2023.
99.2*	Presentation, dated April 13, 2023.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 13, 2023	Garrett Motion Inc.
	By: /s/ Sean Deason
	Sean Deason
	Senior Vice President and Chief Financial Officer

Garrett
ADVANCING MOTION

Garrett Motion Reaches Agreements with Centerbridge and Oaktree to Transform Capital Structure

- **Series A Preferred Stock amended to automatically convert into Common Stock on or about July 3, 2023**
- **Conversion would result in a single class of Common Stock with greater liquidity and a multi-billion dollar equity market capitalization**
- **Eliminates 11% Series A Preferred dividend, providing over $100 million in annual cash flow benefits**
- **Repurchase of $570 million of Series A Preferred Shares from Centerbridge and Oaktree**
- **Board authorizes increase in general stock buyback program to $250 million**
- **Centerbridge and Oaktree will reduce their governance rights and lock up their remaining shares, while remaining the company's largest shareholders and maintaining one board seat each**

ROLLE, Switzerland, April 13, 2023 – Garrett Motion Inc. (Nasdaq: GTX, GTXAP), a leading differentiated automotive technology provider, today announced that it has entered into definitive agreements (the "Agreements") with Centerbridge Partners, L.P. ("Centerbridge") and funds managed by Oaktree Capital Management, L.P. ("Oaktree") to simplify the Company's capital structure by converting all outstanding Series A Preferred Stock into a single class of Common Stock, on or about July 3, 2023, subject to certain conditions. The agreements contemplate the repurchase of approximately $285 million of Series A Preferred Stock from each of Centerbridge and Oaktree at a market-based price, without premium, and provide for a reduction in governance rights, as well as lock-up and other agreements.

"I am pleased we have reached agreements with Centerbridge and Oaktree to simplify our capital structure. Garrett is an extremely successful and profitable company. However, the limited liquidity in our preferred and common stock has made it difficult for large investors to invest in Garrett. By converting to a single class of common stock, with much greater market capitalization and liquidity, we expect to broaden and diversify our shareholder base and engage more effectively with the investment community. The Board strongly believes that this will provide more financial flexibility to Garrett in the future and benefit all shareholders. Centerbridge and Oaktree have been great partners to Garrett and its management team. I am grateful for their support and faith in our company and look forward to their continued contributions as large shareholders of Garrett," said Daniel Ninivaggi, Chairman of Garrett's Board of Directors.

"The simplification of our capital structure at this time is enabled by the great performance of Garrett and highlights its ability to generate strong free cash flow while continuing to invest for the future in both its core turbo business as well as in new differentiated technologies for zero emission mobility. In addition, the elimination of the Series A Preferred dividend adds over $100 million of incremental annual net cash flow to support these investments, delever the balance sheet and return capital to shareholders. This transaction is clearly a testament to our progress over the last few years and I am excited about the long-term prospects of our business," said Garrett President and CEO, Olivier Rabiller.

"We continue to be impressed with Garrett Motion's high quality business model, growing end-market demand, and management team. We're excited to continue as significant investors and support the culture of innovation. This transaction provides Garrett with additional flexibility to pursue a broad range of capital allocation options," said Kevin Mahony, Managing Director at Centerbridge.

Steven Tesoriere, Managing Director and Co-Portfolio Manager at Oaktree said: "We continue to believe Garrett Motion remains well positioned for long-term success, given its market leading franchise, blue-chip customer base, and long history of R&D and reliability. We remain committed to supporting the Company, and firmly believe this transaction furthers Garrett's position as a differentiated technology leader."

Transaction Overview

Pursuant to the Agreements and subject to the completion of the debt financing described below, the Company's Series A Cumulative Convertible Preferred Stock ("Series A Preferred Stock") will convert into shares of the Company's Common Stock on or about July 3, 2023, in a manner similar to the conversion procedures of an Automatic Conversion Event set forth in the existing Certificate of Designations for the Series A Preferred Stock. The conversion will occur pursuant to an amendment and restatement of the Certificate of Designations for the Series A Preferred Stock, which has been approved by the Board of Directors and consented to by Centerbridge and Oaktree as the holders of a majority of the Series A Preferred Stock. Following the conversion, Garrett will have one class of shares outstanding, the Common Stock, and an enhanced cash flow profile from the elimination of the 11% Series A Preferred Stock dividend, partially offset by the incremental interest expense.

The Company has agreed to repurchase approximately $280 million of Series A Preferred Stock from Centerbridge and approximately $290 million of Series A Preferred Stock from Oaktree for a total of $570 million, reducing Centerbridge's ownership from 22% to 15% and Oaktree's ownership from 23% to 15%, each on an as-converted basis.[1] Centerbridge and Oaktree will be paid a cash purchase price of $8.10, plus the amounts below, per repurchased share. The $8.10 purchase price will be adjusted to equal the volume-weighted average price of the Common Stock for the fifteen trading days following the announcement of the transactions, subject to a minimum price of $7.875 per share and a maximum price of $8.50 per share.

As part of the transactions, all holders of Series A Preferred Stock will receive an amount equal to:

- $0.17 per share, the preference dividends that will accrue on the Series A Preferred Stock through June 30, 2023;
- Approximately $0.6835 per share, the accrued and unpaid preference dividends on the Series A Preferred Stock as of June 30, 2023; and
- $0.144375 per share, the preference dividends that would have accrued through September 30, 2023.

Other than the preference dividend that would have accrued through September 30, 2023, which will be paid in cash, these amounts may be paid to all holders in cash, stock, or a combination of cash and stock, at the election of the Company, and any stock issued will be valued at the adjusted purchase price paid to Centerbridge and Oaktree.

The repurchases are subject to obtaining funding of approximately $700 million of new debt, which is expected to be in the form of a new term loan B under the Company's existing credit agreement, subject to certain modifications related to the transaction, which is expected to be consummated in Q2 2023.

Garrett has also announced an increase in the Company's share repurchase authorization to $250 million. Under the share repurchase program, the Company may repurchase shares of Series A Preferred Stock or Common Stock in open market transactions, privately negotiated purchases and other transactions from time to time.

Centerbridge and Oaktree have also agreed with the Company to certain changes to their governance rights under the Company's governance documents, including a reduction of their existing board nomination rights to no more than one (1) director each, down from three (3) each at current ownership levels. The foregoing board nomination rights will terminate for each of Centerbridge or Oaktree if its ownership falls below 10% of the outstanding shares of Common Stock (on an as-converted basis). Centerbridge and Oaktree have also agreed to lock-up restrictions on their equity securities of Garrett, including lock-up restrictions for 50% of shares for six (6) months and remaining shares for twelve (12) months, from the earlier of the closing of the repurchases from Centerbridge and Oaktree and the 45th day after the execution of the Agreements. Centerbridge and Oaktree have also agreed with the Company to certain limits on their ability to purchase additional equity securities, and voting limitations, for a period of up to eighteen months.

The purchase of the shares Series A Preferred Stock from Centerbridge and Oaktree pursuant to the Agreements is subject to the completion of the debt financing, the effectiveness of the amended and restated Certificate of Designations for the Series A Preferred Stock, and certain other customary conditions. The conversion of the Series A Preferred Stock into shares of Common Stock pursuant to the amended and restated Certificate of Designations for the Series A Preferred Stock is subject to the completion of the repurchases from Centerbridge and Oaktree.

[1] Excludes impact of dilutive securities and any payment of aggregate accumulated dividend.

Other Governance Highlights

Additionally, the Board announced the establishment of a Finance Committee, consisting of five members, to assist the full Board in reviewing and making recommendations on the Company's capital structure, material financing and offering transactions, material business combinations and the Company's investor relations strategies.

The transactions were determined to be fair to and in the best interests of the Company and the holders of Common Stock by an independent and disinterested Board committee consisting of members of the Board who are disinterested with respect to the Series A Preferred Stock (the "Preferred Conversion Committee"), and by the full Board. In connection with the transactions, the Preferred Conversion Committee has been assisted with respect to corporate finance matters by J.P. Morgan Securities LLC acting as advisor and with respect to legal matters by Morris, Nichols, Arsht & Tunnell LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP, and the Company has been assisted with respect to corporate finance matters by Morgan Stanley & Co. LLC acting as financial advisor.

Conference Call

Garrett will host a conference call on Wednesday, April 13, 2023 at 8:30 am Eastern Time / 2:30 pm Central European Time to introduce the next chapter of Garrett Motion, both in terms of capital structure and strategic agenda.

The conference call will be broadcast over the Internet and include a slide presentation. To access the webcast and supporting materials, please visit the investor relations section of Garrett's website at http://investors.garrettmotion.com/.

To participate, dial 1-877-883-0383 (US) or 1-412-902-6506 (international) and use the passcode 2505476.

A replay of the of the conference call will be available by dialing 1-877-344-7529 (US) or 1-412-317-0088 (international) using the access code 3087147. The webcast will be archived on Garrett's website for replay.

About Garrett Motion Inc.

Garrett Motion is a differentiated technology leader, serving customers worldwide for more than 65 years with passenger vehicle, commercial vehicle, aftermarket replacement and performance enhancement solutions. Garrett's cutting-edge technology enables vehicles to become safer, more connected, efficient and environmentally friendly. Our portfolio of turbocharging, electric boosting and automotive software solutions empowers the transportation industry to redefine and further advance motion. For more information, please visit www.garrettmotion.com.

Forward Looking Statements

This release contains "forward-looking statements" within the Private Securities Litigation Reform Act of 1995. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding inflationary pressures on Garrett's business and management's inflation mitigation strategies, financial results and financial conditions, industry trends and anticipated demand for our products, Garrett's strategy, anticipated supply constraints, including with respect to semiconductors, anticipated developments in emissions standards, trends including with respect to production volatility and volume, Garrett's capital structure, anticipated new product development and capital deployment plans for the future including expected R&D expenditures, anticipated impacts of partnerships with third parties, Garrett's outlook for 2023, the capital structure transactions described herein, potential repurchases of shares of Common Stock and Series A Preferred Stock under Garrett's share repurchase program, and the planned debt financing in connection with the transactions described herein. Although we believe the forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of Garrett to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to the Company's ability to complete the transactions described herein, including on the timelines the Company anticipates, the anticipated impacts to the Company of the transactions, including on the

Company's stock price, cash flows and anticipated future investments, the availability of debt financing in amounts and on terms acceptable to the Company, risks relating to potential purchases by the Company of shares of common stock and Series A preferred stock under the Company's share repurchase program, and risk factors described in our annual report on Form 10-K for the year ended December 31, 2022, as well as our other filings with the Securities and Exchange Commission, under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements.

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APRIL 13, 2023

THE NEXT STEP IN OUR TRANSFORMATION JOURNEY

Garrett
ADVANCING MOTION

Forward Looking Statements

This presentation contains "forward-looking statements" within the Private Securities Litigation Reform Act of 1995. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding inflationary pressures on Garrett's business and management's inflation mitigation strategies, financial results and financial conditions, industry trends and anticipated demand for our products, Garrett's strategy, anticipated supply constraints, including with respect to semiconductors, anticipated developments in emissions standards, trends including with respect to production volatility and volume, Garrett's capital structure, anticipated new product development and capital deployment plans for the future including expected R&D expenditures, anticipated impacts of partnerships with third parties, Garrett's outlook for 2023, the capital structure transactions described herein, potential repurchases of shares of Common Stock and Series A Preferred Stock under Garrett's share repurchase program, and the planned debt financing in connection with the transactions described herein. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of Garrett to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to the Company's ability to complete the transactions described herein, including on the timelines the Company anticipates, the anticipated impacts to the Company of the transactions, including on the Company's stock price, cash flows and anticipated future investments, the availability of debt financing in amounts and on terms acceptable to the Company, risks relating to potential purchases by the Company of shares of common stock and Series A preferred stock under the Company's share repurchase program, and risk factors described in our annual report on Form 10-K for the year ended December 31, 2022, as well as our other filings with the Securities and Exchange Commission, under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements.

Non-GAAP Financial Measures

This presentation includes the following Non-GAAP financial measures which are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"): constant currency net sales growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Consolidated EBITDA, Adjusted Free Cash Flow, Adjusted Free Cash Flow Conversion, Adjusted EBITDA – Capex Conversion, EBIT, Liquidity, Debt, and Debt to Consolidated EBITDA. The Non-GAAP financial measures provided herein are adjusted for certain items as presented in the Appendix containing Non-GAAP Reconciliations and may not be directly comparable to similar measures used by other companies in our industry, as other companies may define such measures differently. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and analysis of ongoing operating trends. Garrett believes that the Non-GAAP measures presented herein are important indicators of operating performance because they exclude the effects of certain items, therefore making them more closely reflect our operational performance. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For additional information with respect to our Non-GAAP financial measures, see the Appendix to this presentation and our annual report on Form 10-K for the year ended December 31, 2022.

Today’s Presenters

Olivier Rabiller

President & CEO
(Since 2016)

21 Years at
Garrett / Honeywell

28 Years Industry
Experience

Sean Deason

CFO
(Since 2020)

3 Years at
Garrett

23 Years Industry
Experience

Transaction Overview

Key Updates & Transaction Rationale	• Garrett has consistently delivered strong performance over the past two years, through a volatile macroeconomic environment – Redeemed ~$620M of Series B Preferred Stock ("Series B") rapidly over three quarters – Initiated Series A Preferred Stock ("Series A") cash dividend in Q3 2022 • With continued strong performance in Q1 2023, Garrett is closer to achieving the remaining milestones that cause the Series A Automatic Conversion to Common Stock • Garrett is focused on ensuring such conversion is effectuated optimally; for over a year, Garrett has been exploring ways to further normalize the Company's capital structure and ultimately formed a committee of disinterested directors (the "Preferred Conversion Committee") to explore such alternatives, including this Transaction • This Transaction simplifies Garrett's capital structure by converting all Series A to Common Stock in a structured, organized fashion; eliminates uncertainty around timing of the conversion; and reduces investor rights of large shareholders
Transaction Overview	• All Series A is expected to convert into Common Stock on or about July 3, 2023, after which date Garrett's capital structure will consist of a single equity class – Conversion will no longer be subject to meeting certain financial / stock price milestones • Garrett has reached agreements to repurchase approximately $280M of Series A from Centerbridge and approximately $290M of Series A from Oaktree (together with the Series A amendment and conversion, the "Transaction") – As part of the Transaction, Centerbridge and Oaktree will reduce their governance rights and lock up their remaining shares ▪ Centerbridge and Oaktree are highly supportive, value-added shareholders and Board members. Both will continue to be significant shareholders with collective ~30%[1] pro forma ownership and will have Board representation going forward – Centerbridge and Oaktree today own 27% and 28% of Series A, respectively, and will consent to the Series A amendment
Financing, Timing & Other Considerations	• Series A repurchase to be funded via $700M incremental Term Loan B – Incremental Term Loan B expected to close in Q2 2023 – Results in limited increase in leverage • Garrett's Board of Directors has approved an increase in our existing share repurchase authorization to $250M – Immediate capacity for Series A and Common Stock repurchases through Term Loan B proceeds and cash on-hand, plus future support from improved cash flow generation

[1] Excludes impact of dilutive securities and any payment of aggregate accumulated dividend. On an as-converted basis

Key Transaction Benefits

1. Simplified Capital Structure and Attractive Investment Opportunity
   - Greater liquidity with a single class of shares
   - Removes uncertainty around the timing of Series A conversion

2. Reduces Ownership Concentration and Investor Rights of Large Shareholders
   - Reduced concentration, moving toward an equity base more typical of a public company
   - Centerbridge and Oaktree will continue to be significant holders with strong conviction in Garrett; they will collectively own ~30%[1] of the Company, remain on the Board of Directors with one Director each, and have agreed to staggered lock-ups

3. Multi-Billion Dollar Common Stock Market Capitalization
   - Facilitates transition to diversified shareholder base with meaningful long-term institutional ownership
   - May broaden index membership and increase related weightings

4. Significantly Accretive to Already Robust Cash Flow Generation; ~$100M+ Annual Net Cash Flow Benefit
   - Eliminates annual Series A cash dividend
   - Robust cash flow generation profile provides enhanced ability to de-lever in the short-term

5. **Enhances Garrett's Ability to Return Capital to Shareholders and Invest in Organic & Inorganic Growth**
   - Enhanced cash flow generation provides greater flexibility for future share repurchases and potential dividends
   - Incremental cash flow to invest in technology development and portfolio enhancement

[1] Excludes impact of dilutive securities and any payment of aggregate accumulated dividend. On an as-converted basis

Garrett
ADVANCING MOTION

Repurchase and Investor Rights Summary

Share Repurchase	• Approximately $280M of Series A from Centerbridge and approximately $290M of Series A from Oaktree, for a total of $570M
Repurchase Price	• $8.10 per share in cash, which will be adjusted to equal the volume-weighted average price of the Common Stock for the fifteen trading days following announcement, subject to a minimum price of $7.875 per share and a maximum price of $8.50 per share
Additional Payment	• As part of the Transactions, all holders of Series A Preferred Stock will receive an amount equal to: – $0.17 per share, the preference dividends that will accrue on the Series A Preferred Stock through June 30, 2023; – Approximately $0.6835 per share, the accrued and unpaid preference dividends on the Series A Preferred Stock as of June 30, 2023; and – $0.144375 per share, the preference dividends that would have accrued through September 30, 2023 • Other than the preference dividend that would have accrued through September 30, 2023, which will be paid in cash, these amounts may be paid to all holders in cash, stock, or a combination of cash and stock, at the election of the Company, and any stock issued will be valued at the adjusted purchase price paid to Centerbridge and Oaktree
Lock-Up	• Centerbridge & Oaktree have agreed to staggered lock-ups: – 6-month lock-up for 50% of shares; ~30%[1] of pro forma market capitalization under lock-up for 6 months – 12-month lock-up for 50% of shares; ~15%[1] of pro forma market capitalization under lock-up for 12 months • Lock-ups apply to all of Garrett's equity securities beneficially owned by Centerbridge and Oaktree and their affiliates
Governance	• Centerbridge and Oaktree to reduce their investor rights from designating three directors each to the Board of Directors to no more than one designee each • The foregoing Board nomination rights will terminate for Centerbridge or Oaktree if their ownership falls below 10% (each)
Share Repurchase Authorization	• In addition to the repurchase from Centerbridge and Oaktree, Garrett will increase its existing share repurchase authorization to $250M – Supported by Term Loan B proceeds, ample cash on-hand, and future free cash flow generation

[1] Excludes impact of dilutive securities and any payment of aggregate accumulated dividend. On an as-converted basis

Transformation of Capitalization and Cash Flows

Share Classes

Today: Two classes of equity:
Series A Preferred Stock
Common Stock

% Outstanding Shares

Pro Forma for Transaction: One class of equity:
Common Stock
Enables Greater Trading Liquidity

% Outstanding Shares

Ownership

Today: Substantial concentration of ownership in largest Series A investors

% Ownership[1,2]

Pro Forma for Transaction: Diversifies shareholding; no individual holder with greater than ~15%[2] ownership

% Ownership[2]

Series A Dividend Obligation

Today: Series A Preferred Stock 11.0% annual dividend

~($160M)
Annual Series A Dividend

Pro Forma for Transaction: No Series A dividend; unlocks additional cash flow to pursue share repurchases, dividends, and M&A

~$100M+
Annual Net Cash Flow Benefit

Liquidity

Today: Strong liquidity position and no debt maturities until 2028

$721M
Q4 2022 Liquidity[3]

Pro Forma for Transaction: Continued strong liquidity position and no debt maturities until 2028

~$770M
Pro Forma Q4 2022 Liquidity

Capitalization

	Today		Pro Forma for Transaction
Debt ($M)[3]	$1,186	Debt ($M)	$1,886
Series A Market Cap ($M)[4]	$2,243	Series A Market Cap ($M)	--
Common Market Cap ($M)[4]	$535	Common Market Cap ($M)[4]	$1,976

[1] Percentages may not sum to 100 due to rounding
[2] Excludes impact of dilutive securities and any payment of aggregate accumulated dividend. On an as-converted basis
[3] See Appendix for reconciliations of the Non-GAAP measures
[4] Reflects share prices as of April 12, 2023 ($9.15 Series A share price, $8.25 Common Stock share price). Pro forma share count subject to change

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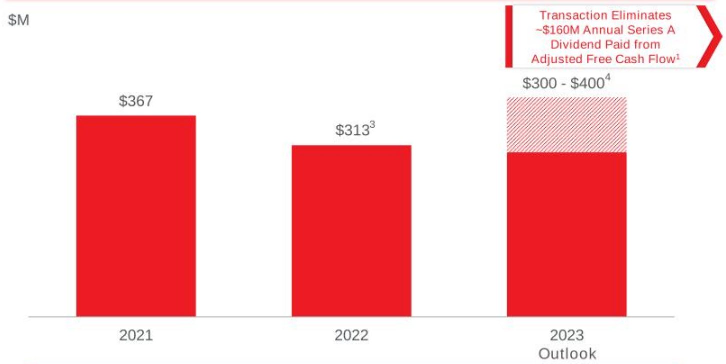
Proven Ability to Generate Cash and Rapidly De-Lever

- ✓ Demonstrated track record of consistent, robust adjusted free cash flow generation
- ✓ Consistently ~60% Adjusted Free Cash Flow Conversion[1]
- ✓ Consistently >80% Adjusted EBITDA – Capex Conversion[1]
- ✓ $440M of Adjusted EBITDA[1] and $128M of Adjusted Free Cash Flow[1] in 2020, despite COVID-19 headwinds
- ✓ Redeemed ~$620M of Series B rapidly over 3 quarters
- ✓ Net de-leveraging of ~0.7x over the last 6 quarters[2]
- ✓ Series A conversion to yield ~$100M+ annual net cash flow benefit
- ✓ Targeting to return to 2.0x net leverage

Adjusted Free Cash Flow[1] Over Time



Adj. Free Cash Flow Conversion[1]		
60%	55%[3]	60%[4]

[1] See Appendix for reconciliations of the Non-GAAP measures
[2] Includes Series B
[3] Negatively impacted ($28M) by interest payment due to early, full redemption of Series B
[4] Excludes interest expense from incremental Term Loan B. For Adjusted Free Cash Flow Conversion, reflects midpoint of Adjusted Free Cash Flow and Adjusted EBITDA 2023 outlook

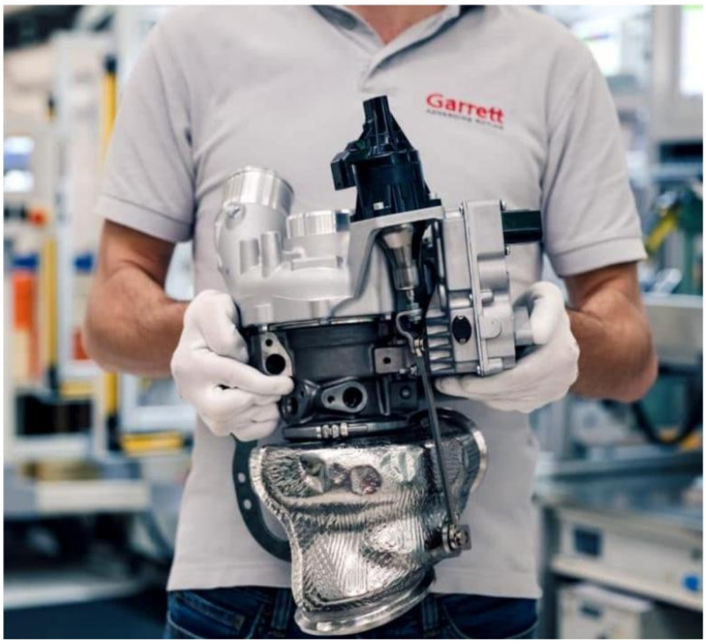
2023 Outlook

Net Sales	• $3.55B to $3.85B
Net Sales Growth at Constant Currency[1]	• +1% to +6%
Net Income	• $255M to $300M
Adjusted EBITDA[1]	• $555M to $615M
Net Cash Provided By Operating Activities	• $390M to $490M
Adjusted Free Cash Flow[1]	• $300M to $400M

- Garrett expects to achieve financial results in the upper end of the full year 2023 outlook published on February 14, 2023
- Full year 2023 outlook will be updated during Garrett's next earnings conference call
- Year to date, better than expected financial performance has been primarily driven by:
  - ✓ Strong industry volumes in key regions
  - ✓ The successful ramp-up of new programs
  - ✓ Operational excellence
  - ✓ Favorable foreign exchange

[1] See Appendix for reconciliations of the Non-GAAP measures

GARRETT MOTION
THE NEXT CHAPTER



Garrett Snapshot

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Key Statistics

~9,300[1]
Employees

~1,250
Engineers

$90M+
Annual R&D Spent on Electrification

1,600+
Patents Issued or Pending

5
R&D Centers

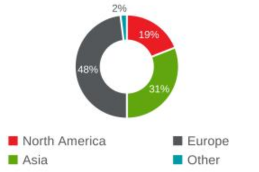
13
State-of-the-art Manufacturing Facilities

120M+
Garrett Turbos In Use Globally

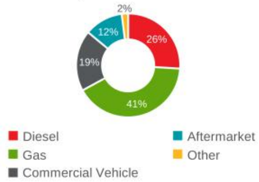
40+
OEMs Served Globally

2022 Revenue Breakdown

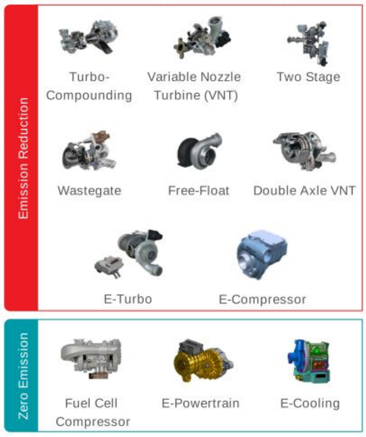
By Geography



By Product Line



Technologies Offering



[1] Includes approximately 7,300 permanent employees and 2,000 temporary and contract workers globally as of 12/31/2022

A Unique Company at the Forefront of Innovation

Garrett
ADVANCING MOTION

1. Leader in a Consolidating Industry with Exceptional Cash Flow Generation
2. Strong Earnings Visibility and Resilience
3. Technology Innovator and Targeted Investments in Zero Emission Technologies
4. Optimized Capital Allocation to Enable Share Repurchases, Potential Future Dividends, and M&A

1 Leader in a Consolidating Industry with Exceptional Cash Flow Generation

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Expanding Leadership Across Turbo Verticals Served

#1 Position Achieved and Strengthened by >50% Average New Business Win Rate

	2018 Rank	2023 Rank[1]
LV Diesel	#1	#1
LV Gas	#4	#1
CV	#1*	#1*

(*) On OEM addressable industry, excluding in-house

Trusted Partner to Customers Globally

High Degree of Customer Stickiness with OEMs Given Co-Development

Long-Term Co-Development Spans Full Life of Engine
20+ Year Cycle

Pre-Development	Product Development	Vehicle Production	Aftermarket
4 Years	2 Years	3 – 5 Years	10 – 15 Years

- ✓ Turbos are highly specialized and are the most expensive engine component
- ✓ Deeply embedded development process drives customer loyalty
- ✓ Longstanding customer relationships with major LV and CV OEMs
- ✓ Garrett is the choice turbo supplier in a consolidating industry

Attractive Financial Profile

$340M	Average Annual Adjusted Free Cash Flow[2] Last 2 Years
60%	Midpoint 2023 Outlook Adjusted Free Cash Flow Conversion[2,3]
15.8%	2022A Adj. EBITDA Margin[2]
13.5%	2022A Adj. EBIT Margin[2]
<3%	Capex as % of Net Sales Required
~80%	Variable Cost Structure
85%	Of Production in Low-Cost Regions

[1] Source: Management Estimate
[2] See Appendix for reconciliations of the Non-GAAP measures
[3] Excludes interest expense from incremental Term Loan B. Reflects midpoint of Adjusted Free Cash Flow and Adjusted EBITDA 2023 outlook

2 Strong Earnings Visibility and Resilience

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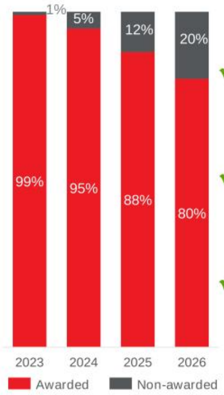
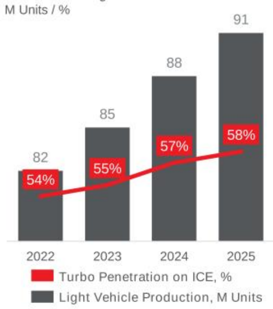
80% of OEM Revenue Awarded 4 Years in Advance



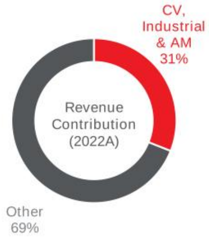
- Sticky Revenues: High Switching Costs
- Predictable Revenues: Revenue Streams Over Life of Platform
- Aftermarket Revenues: Services Throughout Life of Engine / Platform

Turbo Penetration Increasing Globally



>50% Win Rate in the Past 5 Years and Growing Turbo Penetration Position Garrett for Sustained Growth

Meaningful Contribution from High-Margin, Resilient Non-Light Vehicle Verticals



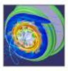
- Stable Earnings Stream
- High OE Stickiness
- Long Lifespan Projects

Commercial Vehicle, Industrial, and Aftermarket Products Are Higher Margin and Contribute to Earnings on an Outsized Basis

[1] Source: S&P Mobility (IHS), February 2023. Turbo Penetration calculated on all ICE vehicles, including gasoline and diesel

3 Successful Innovation Shift to Technologies for Electrified Vehicles, Leveraging Core Competencies

Core Competencies Enabling Advanced Electrification Solutions

Turbomachines for Air Compression		High precision design & assembly, high speed balancing, and ability to operate in harsh environments across multiple use cases	Withstands temperatures up to 1,200 degrees Celsius
High-Speed Motors		Best-in-class power density, producing the same amount of power in a smaller, more compact form	Garrett E-Turbo e-motor can rotate in excess of 200,000 RPM, operating at 10x typical automotive speeds
Power Electronics		Unique, compact design for high speed / high power motor control, operating in harsh environments (vibration, temperature)	High voltage 400-800V electronics at industry-leading 30kHz switching frequency
Control Software		Use on-board digital twins to optimize energy efficiency of all vehicle types in real-time	Up to 30x smaller memory footprint and up to 6x faster execution time vs. closest competitor

400 Engineers Dedicated to Electrification Today

Overview of Electrification Hiring and Organization Headcount Over Time

>50%
Of Engineering Investment

$90M+
Annual R&D Spent on Electrification

In-House Design
High-Speed Motors, Inverters, Software

Best-in-Class R&D Culture and Unique Capabilities in Electrical Machinery Attracting Industry-Leading Engineers in Electrification

3 Zero Emission Technology Gains Relevance in Portfolio, Delivered with Attractive Profitability

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Strong Zero Emission Vehicle Technology Pipeline and Active Customer Engagement

		Why Garrett Wins	Key Achievements
Fuel Cell		✓ Best-in-class packaging and energy efficiency ✓ Leadership in power density and durability ✓ 3rd generation; technology more mature versus competitors ✓ In-house design	3 Series Production Contracts Won with OEMs in '22 (1 in NA, 1 in CN, 1 in EU) ~200 Prototypes Delivered 15+ Customers Engaged
E-Powertrain		✓ Best-in-class power density reduces product weight and use of rare minerals ✓ Small packaging leaves more room for battery and / or cabin space ✓ In-house design	1st Pre-development Contract Won 10+ Customers Engaged
E-Cooling		✓ Step change in cooling and heating power for ZEV thermal management ✓ Reduced power consumption enables vehicle range increase / reduces battery size ✓ Reduced noise levels ✓ In-house design	Engaging Advanced Development Teams for Prototyping Early Customer Engagement

Zero Emission Technology Targets

~$350M Already Awarded Lifetime Revenue of Zero Emission Vehicle Contracts

~$1B 2030E Zero Emission Vehicle Revenue

Accretive Margin Impact of New Zero Emission Vehicle Contracts

4 Optimized Capital Allocation to Enable Share Repurchases, Potential Future Dividends, and M&A

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Supported by $600M+ Adj. EBITDA[1,2] Outlook	Disciplined Organic Re-investment	✓ Continue to invest in differentiated technologies and capabilities in the consolidating turbo industry ✓ Increase targeted investment in R&D focusing on electrification technologies
Supported by $300M – $400M Adjusted Free Cash Flow[1] Outlook	Net Leverage	✓ Ability to rapidly de-lever with robust cash flow generation further enhanced by elimination of Series A dividend ✓ De-lever to 2.0x target net leverage following the Transaction
	Return of Capital	✓ Increase in share repurchase authorization to $250M ✓ Potential to allocate capital to dividends in the future
	M&A	✓ Bolt-on acquisitions and select inorganic growth to unlock synergies and enhance portfolio

[1] See Appendix for reconciliations of the Non-GAAP measures
[2] Reflects the midpoint of the upper range of the outlook, calculated as the midpoint of $585M – $615M

Key Takeaways

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Milestone Transaction Simplifies and Normalizes Garrett's Capital Structure

- ✓ **Builds upon Garrett's ongoing strategy** and multi-year initiative to normalize its capital structure
- ✓ Broadens addressable investor base through a larger market capitalization and enhanced liquidity
- ✓ Improves already robust cash flow generation, driving ~$100M+ annual net cash flow benefit
- ✓ Reduces ownership concentration and select Series A holders' investor rights

Positions Garrett for the Next Chapter

- ✓ Long and decorated history of innovation and leadership across verticals
- ✓ Longstanding relationships with global OEMs and continued focus on best-in-class customer experience
- ✓ Removal of Series A dividend outflow provides additional capital to further invest in cutting-edge innovation
- ✓ Continue to offer electrification technologies with a focus on differentiated solutions for zero emission vehicles

Demonstrated Track Record of Superior Company Performance Across Cycles

- ✓ Strong visibility on future sales given winning track record with OEMs
- ✓ High-margin, high-value products with complex and advanced engineering
- ✓ Operational excellence and variable cost base translate to robust bottom line
- ✓ Generated $128MM of Adjusted Free Cash Flow[1] in 2020, despite COVID-19 headwinds to the auto industry

[1] See Appendix for reconciliations of the Non-GAAP measures

Appendices

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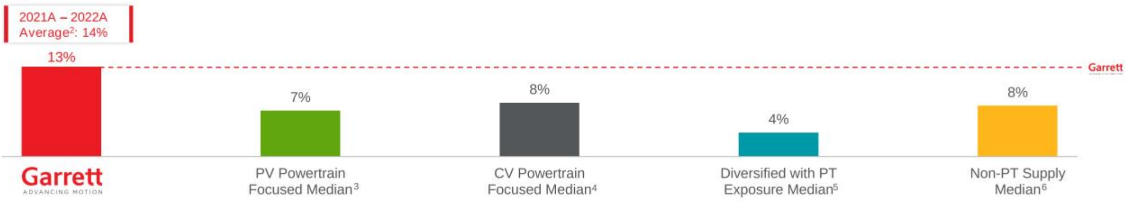
Garrett Delivers Best-in-Class Profitability and Free Cash Flow

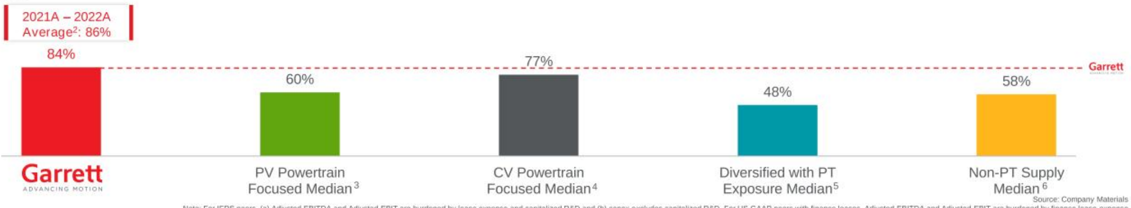
Adjusted EBIT Margin[1]

2022A



(Adjusted EBITDA[1] – Capex) / Adjusted EBITDA[1]

2022A



Source: Company Materials

Note: For IFRS peers, (a) Adjusted EBITDA and Adjusted EBIT are burdened by lease expense and capitalized R&D and (b) capex excludes capitalized R&D. For US GAAP peers with finance leases, Adjusted EBITDA and Adjusted EBIT are burdened by finance lease expense

[1] See Appendix for reconciliations of the Non-GAAP measures

[2] Represents cumulative 2021A – 2022A

[3] PV Powertrain Focused Peers include BorgWarner, Linamar, Schaeffler, and Vitesco Technologies

[4] CV Powertrain Focused Peers include Dana, Cummins, American Axle & Manufacturing, and Allison Transmission

[5] Diversified with PT Exposure Peers include Magna, Valeo, Faurecia, and Compagnie Plastic Omnium

[6] Non-PT Supply Peers include NORMA, Continental, Brembo, Autoliv, Stabilus, Gestamp, Visteon, and Aptiv

Reconciliation of Net Income (Loss) to Adjusted EBITDA and Adjusted EBIT

($ in millions)	FY 2022	FY 2021	FY 2020
Net income - GAAP	$390	$495	$80
Interest expense, net of interest income	6	82	76
Tax (benefit) expense	106	43	39
Depreciation	84	92	86
EBITDA (Non-GAAP)	$586	$712	$281
Reorganization items, net	3	(125)	73
Stock compensation expense	11	7	10
Repositioning costs	4	16	10
Foreign exchange loss on debt, net of related hedging loss	-	9	(38)
Loss on extinguishment of debt	5	-	-
Other expense, net	2	-	45
Other non-operating income	(41)	(12)	5
Professional service costs	-	-	52
Capital tax expense	-	-	2
Adjusted EBITDA (Non-GAAP)	$570	$607	$440
Less: Depreciation	(84)	(92)	
Adjusted EBIT (Non-GAAP)	$486	$515	
Net Sales	$3,603	$3,633	$3,034
Net income margin	10.8%	13.6%	2.6%
Adjusted EBITDA margin	15.8%	16.7%	14.5%
Adjusted EBIT margin	13.5%	14.2%	

Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow and Related Ratios

($ in millions)	FY 2022	FY 2021	FY 2020
Net cash provided by (used for) operating activities (GAAP)	$375	($310)	$25
Expenditures for property, plant and equipment	(91)	(72)	(80)
Net cash provided by (used for) operating activities less expenditures for property, plant and equipment (Non-GAAP)	$284	($382)	($55)
Honeywell Indemnity Agreement expenses	-	-	43
Stalking horse termination reimbursement	-	79	-
Chapter 11 Professional service costs	5	220	101
Honeywell Settlement as per Emergence Agreement	-	375	-
Chapter 11 related cash interests	-	41	-
Stock compensation cash	-	10	-
Repositioning cash	4	14	5
Factoring and P-notes	20	10	34
Adjusted free cash flow (Non-GAAP)	$313	$367	$128
Net income - GAAP	$390	$495	$80
Operating cash flow conversion	96%	(63%)	31%
Adjusted EBITDA (Non-GAAP)	$570	$607	$440
Adjusted free cash flow conversion	55%	60%	29%
Adjusted EBITDA - Capex (Non-GAAP)	$479	$535	
Adjusted EBITDA - Capex conversion	84%	88%	

Reconciliation of Net Income (Loss) to Adjusted EBITDA and Consolidated EBITDA[1]

($ in millions)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Last Twelve Months (LTM) Q4 2022	Last Twelve Months (LTM) Q2 2021
Net income - GAAP	$11	$26	($105)	$409	$63	$128	$88	$85	$105	$112	$390	$341
Interest expense, net of interest income	19	23	20	23	24	15	(4)	8	(9)	11	6	85
Tax (benefit) expense	(1)	28	24	30	28	(39)	37	20	26	23	106	81
Depreciation	23	26	23	24	23	22	22	21	21	20	84	96
EBITDA (Non-GAAP)	$52	$103	($38)	$486	$138	$126	$143	$134	$143	$166	$586	$603
Reorganization items, net	4	69	174	(295)	(9)	5	1	1	-	1	3	(48)
Stock compensation expense	2	2	2	1	2	2	2	3	3	3	11	7
Repositioning costs	2	2	8	3	3	2	1	2	1	-	4	15
Foreign exchange loss on debt, net of related hedging loss	5	(42)	33	(24)	-	-	-	-	-	-	0	(28)
Loss on extinguishment of debt	-	-	-	-	-	-	-	5	-	-	5	0
Other expense, net	14	1	-	-	-	-	1	-	1	-	2	15
Other non-operating (income) expense	(3)	13	(3)	(3)	(3)	(3)	(2)	(7)	(2)	(30)	(41)	4
Professional service costs	44	(1)	-	-	1	(1)	-	-	-	-	-	43
Capital tax expense	-	2	-	-	2	(2)	-	-	-	-	-	2
Adjusted EBITDA (Non-GAAP)	$120	$149	$176	$168	$134	$129	$146	$138	$146	$140	$570	$613
Unrealized foreign exchange gain	-	-	(2)	2	3	(1)	(1)	(1)	1	(3)	(4)	-
Interest Income	-	-	1	1	1	1	2	3	1	2	8	2
Other expenses [2]	-	-	-	-	-	-	3	4	6	5	18	-
Consolidated EBITDA	$120	$149	$175	$171	$138	$129	$150	$144	$154	$144	$592	$615

[1] As defined in our credit agreement

[2] Relates to qualifying expenses such as costs of public company registration, listing and compliance, facility start-up and transition costs and other non-recurring expenses as defined under our credit agreement

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Reconciliation of Liquidity, Long-Term Debt to Net Debt, and Related Ratios

($ in millions)	Q4 2022	Q2 2021
Cash and cash equivalents	$246	$401
Undrawn revolver credit facility	475	261
Total Liquidity (Non-GAAP)	$721	$662
Long-term term debt	$1,148	$1,204
Short-term term debt	7	5
Deferred financing costs	31	38
Gross Debt	$1,186	$1,247
Series B Preferred Stock	-	585
Less: Cash and cash equivalents	(246)	(401)
Net Debt Including Series B Preferred Stock	$940	$1,431
Consolidated EBITDA LTM (Non-GAAP)[1]	$592	$615
Net Debt to Consolidated EBITDA LTM (Non-GAAP)	1.59x	2.33x

[1] As defined in our credit agreement

Full Year 2023 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency

	2023 Full Year Low End	2023 Full Year High End
Reported net sales (% change)	(1%)	7%
Foreign currency translation	(2%)	1%
Net Sales Growth at Constant Currency (Non-GAAP)	1%	6%

Full Year 2023 Outlook Reconciliation of Net Income to Adjusted EBITDA

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($ in millions)	2023 Full Year Low End	2023 Full Year High End
Net Income (GAAP)	$255	$300
Net interest expense	103	103
Tax expense	80	95
Depreciation	89	89
EBITDA (Non-GAAP)	$527	$587
Non-operating income	1	1
Stock compensation expense	19	19
Repositioning charges	8	8
Adjusted EBITDA (Non-GAAP)	$555	$615

Full Year 2023 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

($ in millions)	2023 Full Year Low End	2023 Full Year High End
Net cash provided by operating activities (GAAP)	$390	$490
Expenditures for property, plant and equipment	(90)	(90)
Adjusted free cash flow (Non-GAAP)	$300	$400
Operating cash flow conversion	153%	163%
Adjusted free cash flow conversion	54%	65%

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