



Garrett
ADVANCING MOTION

High speed e-motors
200,000 RPM motors

Turbomachines
High speed, high efficiency machines

Power electronics
400-800V electronics at industry-leading power density

Control software
Leader in model-based controls

October 24, 2023

Q3 2023 FINANCIAL RESULTS

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of 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, differentiation of and anticipated demand for our technologies, Garrett's strategies, anticipated supply constraints, including with respect to semiconductors, win rates, outlook for global light vehicle production, 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 in zero emissions vehicles and otherwise, anticipated impacts of partnerships with third parties, Garrett's outlook for 2023, foreign exchange rates, the labor market, macroeconomic conditions including those relating to supply chain, foreign exchange rates and COVID-19 restrictions and recovery particularly in China. 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 changes in macroeconomic conditions including with respect to supply chain, foreign exchange and COVID-19 restrictions and recovery particularly in China, unanticipated changes in industry conditions, unanticipated changes in the assumptions supporting the Company's outlook for 2023, risks associated with the Company's indebtedness, volatility in the demand for our technologies, fluctuations in foreign exchange rates, risks associated with the Company's ability to implement and execute its inflation management strategies, unanticipated changes in macroeconomic conditions or the labor market, volatility in demand for our technologies 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, and Debt (gross and net) 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.

Q3 2023 Highlights

Solid Q3 2023 Performance

- Net Sales of \$960M; +2% vs. Q3 2022; -1% at constant currency¹
 - Positive product ramp-ups in gasoline offset by unfavorable product mix
- Adjusted EBITDA¹ of \$152M; +4% vs. Q3 2022 of \$146M
- Adjusted EBITDA margin¹ of 15.8%, up 40 bps vs. 15.4% in Q3 2022
- Adjusted Free Cash Flow¹ of \$57M vs \$120M in Q3 2022

Evolving Macro Environment

- Euro to USD exchange rate weakening sequentially
- China continues to experience economic weakness
- UAW strike ongoing with no impact in Q3; monitoring for Q4 disruption
- Continuing to successfully manage inflation exposure

Capital Allocation Execution

- Repurchased \$161M of common stock in Q3 as part of \$250M authorized repurchase program
 - ~8% of total shares outstanding
 - Continuing to repurchase in Q4
- Executed \$200M early debt repayment as planned; Q3 net leverage² at 2.3x
- Upgraded by S&P to BB- rating with stable outlook

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

² See slide 21 for definition of net leverage ratio

Differentiated Technology Drives Future Success

Continuous Success in Our Turbo Business

- Increasing Industrial and Off-Highway product ranges by introducing the **GT80**, our **largest turbo yet**
- On track to achieve a **50%+** win rate in 2023 across all verticals, LV gasoline, LV diesel and commercial vehicles



Industrial Turbo

Gaining Momentum with Our Zero Emission Offerings

- In Q3, awarded **2 more** OEM pre-development projects for high-performance **E-Cooling Compressor** for ZEV thermal management
- Total of **5 ZEV pre-development awards** year-to-date
- Targeting **\$1B ZEV** sales by 2030 with higher average selling prices & margins at or above our existing business



E-Powertrain



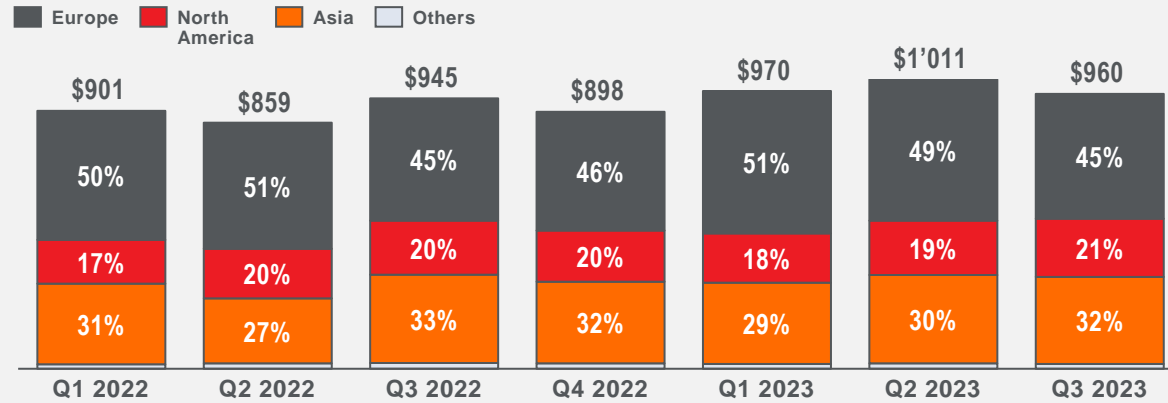
E-Cooling Compressor



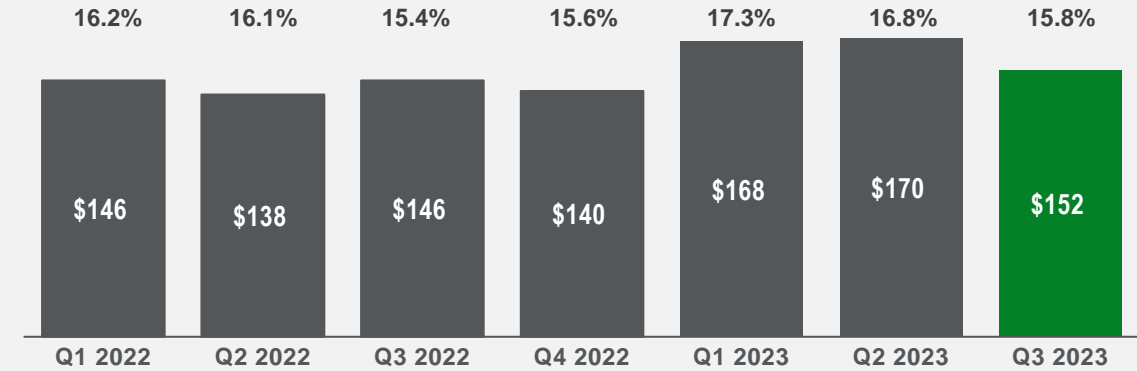
H2 fuel Cell Compressor

Key financial metrics: Q1 2022 – Q3 2023

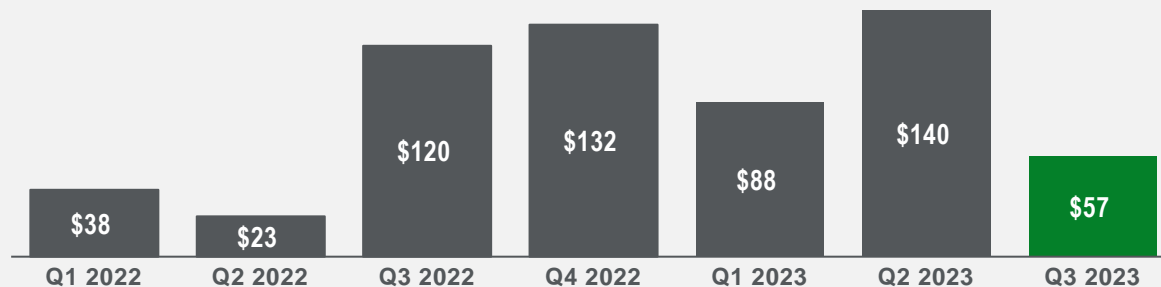
Reported Net Sales (\$M)



Adjusted EBITDA¹ (\$M)



Adjusted FCF¹ (\$M)



- +2% Net Sales growth (-1% at constant currency¹)
 - Positive product demand primarily in gasoline applications
 - Unfavorable product mix driven by diesel and commercial vehicle softness
- Adjusted EBITDA¹ increased by \$6M year-over-year delivering 15.8% margin¹ through operational productivity
- Year-over-year Adjusted FCF¹ decrease primarily from working capital usage driven from lower accounts payable

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Net Sales bridge: Q3 2022 – Q3 2023

(\$M)

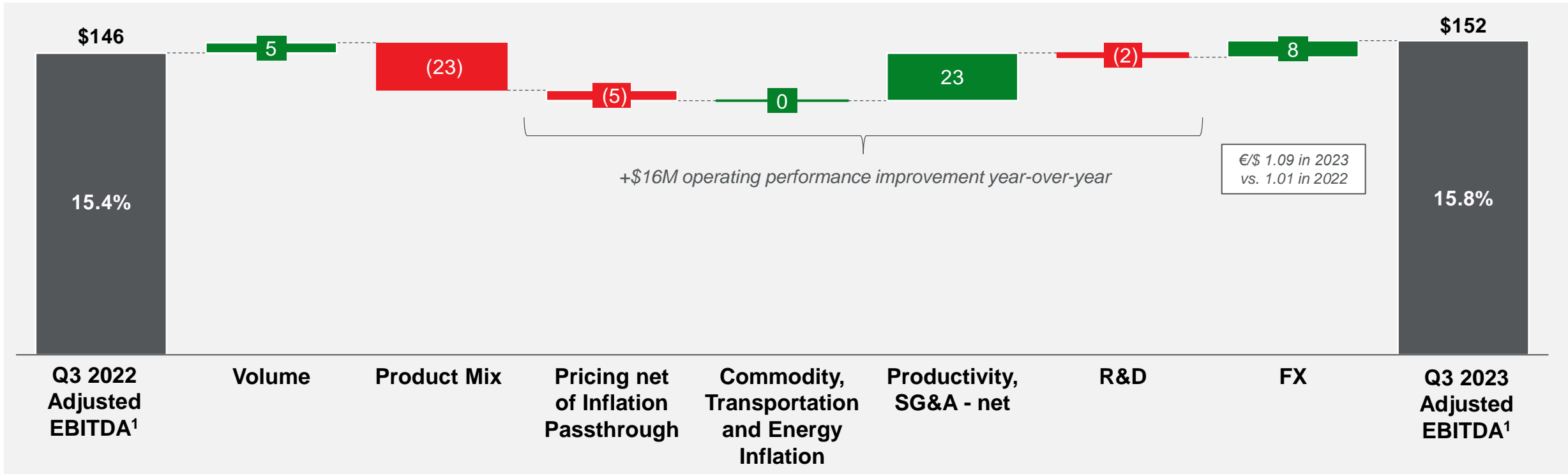


- Net Sales up \$15M or +2% on a reported basis, (1)% at constant currency¹
- Gasoline strength from product ramp-ups in China and North America small engine applications
- Diesel and Commercial Vehicle softness driven primarily by global macro-economic conditions

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Adjusted EBITDA¹ bridge: Q3 2022 – Q3 2023

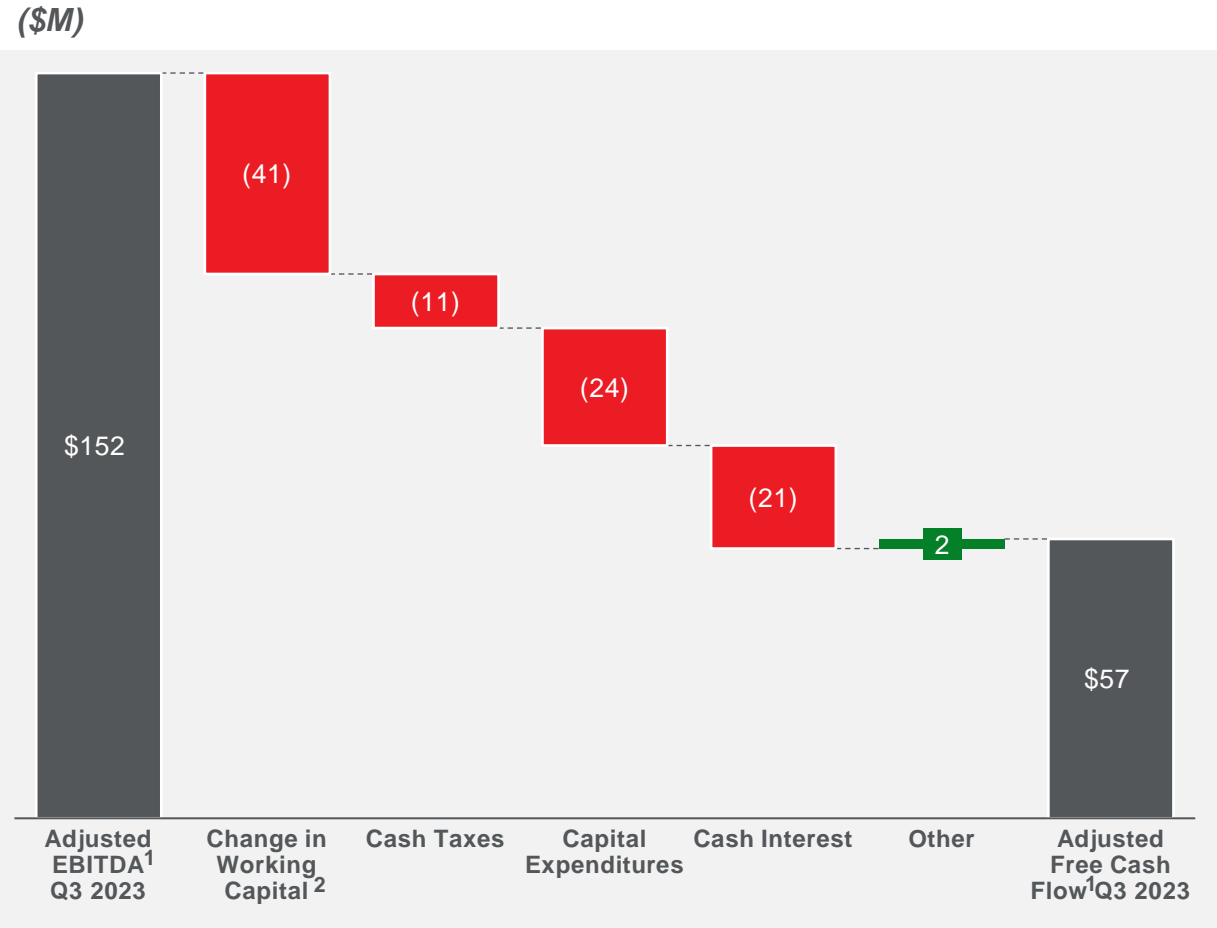
(\$M)



- Product mix impact from small engine gasoline ramp-ups and declines in Diesel and Commercial Vehicle
- Strong operating performance and adjusted EBITDA margin¹ from variable and fixed cost productivity

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Adjusted EBITDA¹ to Adjusted Free Cash Flow¹ bridge



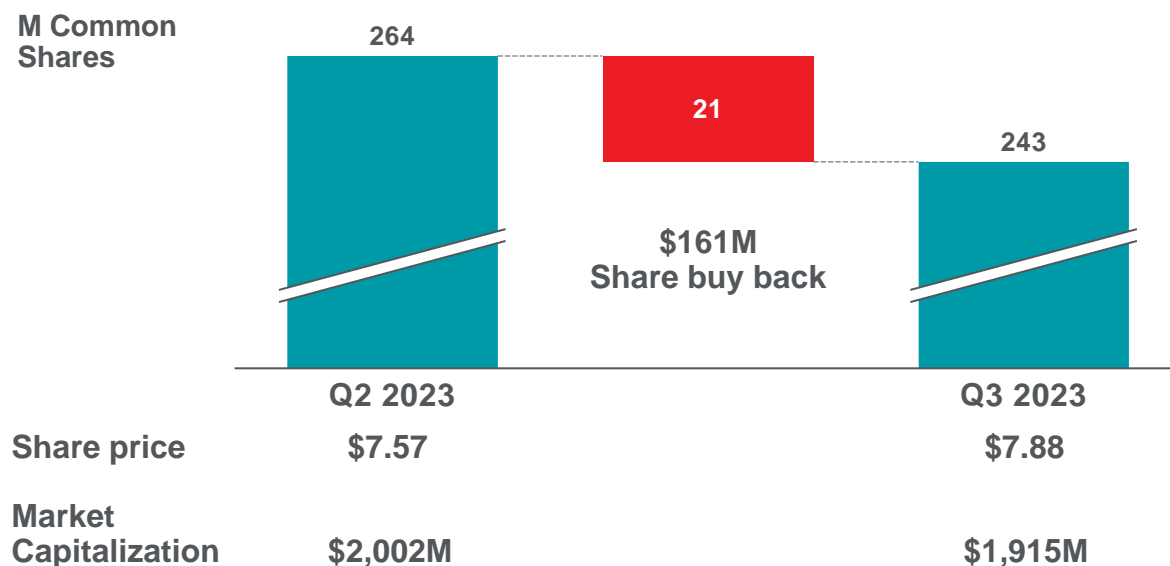
- Working Capital use of cash driven impact of timing in line with full year expectations
- Capital expenditures and cash taxes in line with expectations
- Increased cash interest from issuance of \$700M Term Loan B and higher interest rates

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

² Change in Working Capital excludes the impact of \$(3)M Factoring and p-notes

Liquidity and capital structure

Common Shares (M) and Market Capitalization (\$M)



Liquidity and Net Debt (\$M)

	Q2 2023	Q3 2023
Unrestricted Cash ¹	478	162
Undrawn Revolver Credit Facility	570	570
Total Liquidity	1,048	732
Term Loan B ² (2021-2028)	1,191	1,177
Term Loan B (2023-2028)	700	500
Total Debt	1,891	1,677
Net Debt (Total Debt – Unrestricted Cash)	\$1,413	\$1,515

- Strong liquidity position of \$732M
- \$200M early debt repayment in Q3 2023, on track with net leverage ratio³ target of 2.0x by end of 2024
- Purchased \$161M in Q3 at average price of \$7.59 and \$5M in Q4 as of October 18 of Common shares under \$250M repurchase program
- S&P raised rating to BB- with stable outlook from B+
- Other ratings remain at Ba2 (Moody's) and BB- (Fitch) with stable outlook

¹ Excluding Restricted Cash of \$1M in Q2 2023 and \$1M in Q3 2023

² €450 million and \$700 million Term Loan B debt

³ Reconciliations of Non-GAAP financial measures are included in Appendix

Revised 2023 outlook for foreign exchange

	Updated Outlook (October 24 th)	Prior Outlook (July 27 th)
Net Sales	\$3.83B to \$3.90B	\$3.84B to \$4.03B
Net Sales Growth at Constant Currency¹	+7% to +9%	+6% to +11%
Net Income	\$252M to \$272M	\$255M to \$290M
Adjusted EBITDA¹	\$615M to \$645M	\$620M to \$670M
Net Cash Provided By Operating Activities	\$413M to \$463M	\$410M to \$510M
Adjusted Free Cash Flow¹	\$350M to \$400M	\$340M to \$440M
Planning Assumptions	<ul style="list-style-type: none"> • 2023 €/ \$ assumption of 1.08 (1.05 for Q4), decrease vs. prior outlook of 1.10 	

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Q3 2023 summary

- Delivered solid financial performance in the quarter as operational productivity generated \$6M of year-over-year Adjusted EBITDA¹ expansion and \$57M of Adjusted Free Cash Flow¹
- Executed planned early debt repayment and share repurchase activities; upgraded by S&P to BB-
- Continuing to differentiate ourselves in Turbo and are positioned to achieve ~\$1B of Revenue from zero emission technologies by 2030 with new wins:
 - Tracking to 50%+ win rate across all verticals, LV gasoline, LV diesel and commercial vehicles
 - Launch of GT80, expanding our product range towards larger frame off-highway & industrial applications
 - 2 new pre-development awards in E-Cooling for a total of 5 zero emission vehicle awards year-to-date
- Revising 2023 full year outlook to \$3.83B-\$3.90B Revenue, \$615M-\$645M Adjusted EBITDA¹ and \$350M-\$400M Adjusted Free Cash Flow¹ for foreign currency impact on USD strength

¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Appendices



Investors

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Media

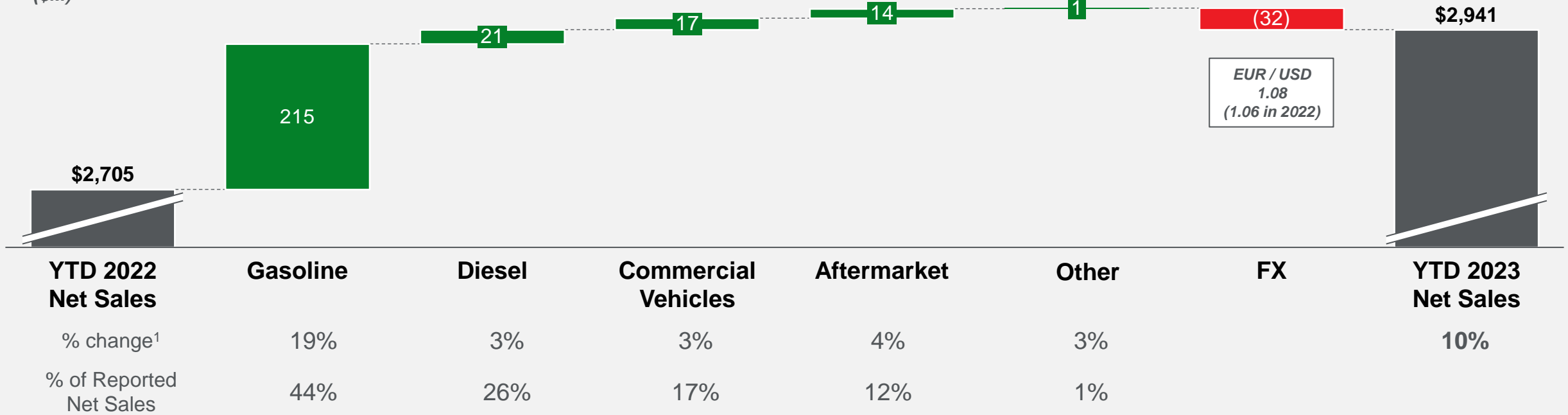
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Net Sales bridge: YTD 2022 – YTD 2023

(\$M)



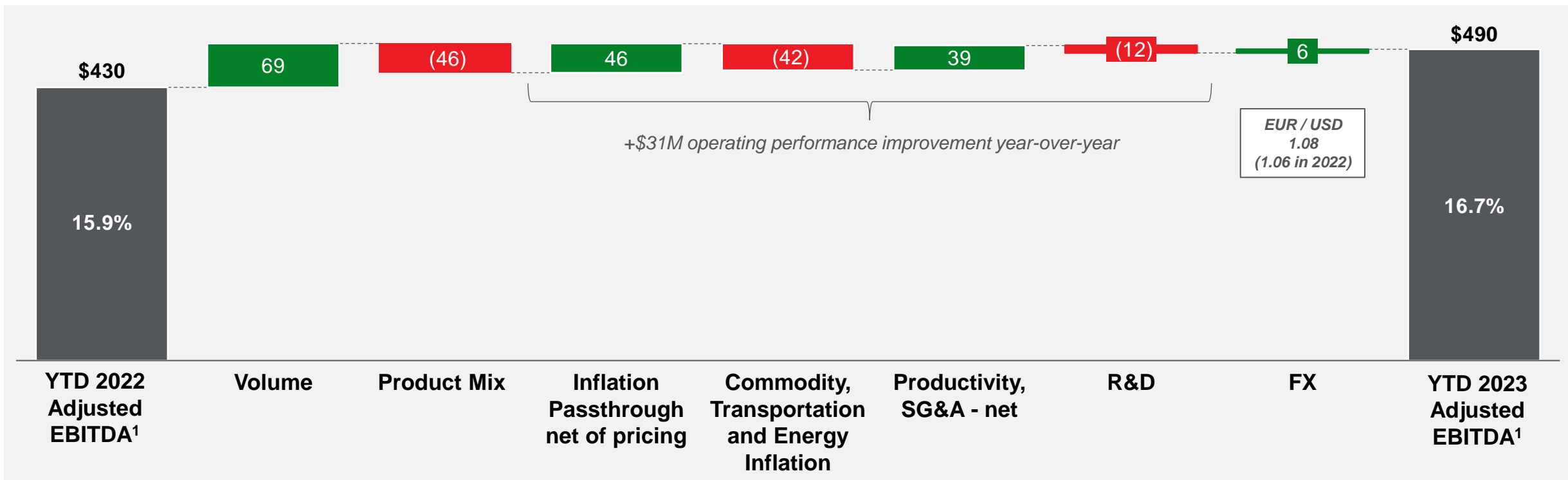
- Net Sales +9% on a reported basis, +10% at constant currency¹
- Double digit growth driven by:
 - Industry easing of supply chain volatility and China COVID recovery versus prior year
 - Product launches and ramp-ups primarily in gasoline and commercial vehicles
 - Inflation recovery net of pricing across all product lines

¹Reconciliations of Non-GAAP financial measures are included in Appendix

Strong sales growth following industry recovery and launches/ramp ups partially offset by FX

Adjusted EBITDA¹ bridge: YTD 2022 – YTD 2023

(\$M)



- Increased demand and new products/ramp-ups partially offset by unfavorable product mix dynamics
- Strong operating performance with productivity and positive inflation net of passthrough driving rate improvement
- Continuing to increase investment in new differentiated technologies focused on zero emission vehicles
- FX impact from a slightly weaker Euro/USD conversion versus prior year

¹ Reconciliations of Non-GAAP financial measures are included in Appendix.

Strong operational performance driving increased margins¹

Income Statement

<i>(\$ in millions)</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Net sales	\$960	\$945	\$2,941	\$2,705
Cost of goods sold	784	767	2374	2183
Gross profit	176	178	567	522
Selling, general and administrative expenses	59	57	178	164
Other expense, net	1	1	3	2
Interest expense	50	18	108	61
Loss on extinguishment of debt	0	0	0	5
Non-operating income	(4)	(29)	(1)	(73)
Reorganization items, net	0	0	0	2
Income before taxes	\$70	\$131	\$279	\$361
Tax expense/(benefit)	13	26	70	83
Net income	\$57	\$105	\$209	\$278
Less: preferred stock dividend	\$0	(\$40)	(\$80)	(\$117)
Less: preferred stock deemed dividend	\$0	\$0	(\$232)	\$0
Net income available for distribution	\$57	\$65	(\$103)	\$161

Balance Sheet Summary

(\$ in millions)

Assets	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$162	\$246
Restricted cash	1	2
Other	1,227	1,183
Total current assets	1,390	1,431
Property, plant and equipment-net	437	470
Deferred income taxes	225	232
Other	480	504
Total assets	\$2,532	\$2,637
Liabilities		
Total current liabilities	1,385	1,375
Long-term debt	1,622	1,148
Other	217	230
Total liabilities	\$3,224	\$2,753
Equity (deficit)		
Common stock, par value	0	0
Additional paid-in capital	1,188	1,333
Retained deficit	(1,939)	(1,485)
Accumulated other comprehensive income (loss)	59	36
Total deficit	(692)	(116)
Total liabilities and deficit	\$2,532	\$2,637

Summary of Cash Flows

<i>(\$ in millions)</i>	Q3 2023	Q3 2022	9M 2023	9M 2022
Net income	\$57	\$105	\$209	\$278
Net cash provided by operating activities	74	61	330	238
Net cash used for investing activities	(24)	(26)	(48)	(78)
Net cash used for financing activities	(364)	(43)	(366)	(436)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(2)	(10)	(1)	(27)
Net decrease in cash, cash equivalents and restricted cash	(316)	(18)	(85)	(303)
Cash, cash equivalents and restricted cash at beginning of the period	479	179	248	464
Cash, cash equivalents and restricted cash at the end of the period	\$163	\$161	\$163	\$161

Reconciliation of Constant Currency Sales % Change

Garrett	Q3 2023	Q3 2022	9M 2023	9M 2022
Reported sales % change	2%	13%	9%	(2%)
Less: Foreign currency translation	3%	(12%)	(1%)	(7%)
Constant Currency sales % change	(1%)	25%	10%	5%
Gasoline				
Reported sales % change	10%	21%	17%	4%
Less: Foreign currency translation	1%	(13%)	(2%)	(8%)
Constant Currency sales % change	9%	34%	19%	12%
Diesel				
Reported sales % change	(4%)	6%	3%	(11%)
Less: Foreign currency translation	5%	(15%)	0%	(9%)
Constant Currency sales % change	(9%)	21%	3%	(2%)
Commercial vehicles				
Reported sales % change	(13%)	10%	2%	(7%)
Less: Foreign currency translation	1%	(10%)	(1%)	(6%)
Constant Currency sales % change	(14%)	20%	3%	(1%)
Aftermarket				
Reported sales % change	3%	7%	4%	9%
Less: Foreign currency translation	3%	(9%)	0%	(6%)
Constant Currency sales % change	0%	16%	4%	15%
Other Sales				
Reported sales % change	23%	0%	2%	(9%)
Less: Foreign currency translation	4%	(15%)	(1%)	(10%)
Constant Currency sales % change	19%	15%	3%	1%

We define constant currency sales growth as the year-over-year change in reported sales relative to the comparable period, excluding the impact on sales from foreign currency translation. This is the same definition we previously used for "organic sales growth". We believe this measure is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

(\$ in millions)

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Net cash provided by operating activities (GAAP)	\$73	\$104	\$61	\$137	\$92	\$164	\$74
Expenditures for property, plant and equipment	(29)	(23)	(26)	(13)	(8)	(25)	(24)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$44	\$81	\$35	\$124	\$84	\$139	\$50
Stalking horse termination reimbursement	0	0	0	0	0	0	0
Chapter 11 Professional service costs	2	1	1	1	0	0	0
Capital structure transformation costs	0	0	0	0	1	1	5
Honeywell Settlement as per Emergence Agreement	0	0	0	0	0	0	0
Chapter 11 related cash interests	0	0	0	0	0	0	0
Stock compensation cash	0	0	0	0	0	0	0
Cash payments for repositioning	2	1	1	0	2	2	5
Factoring and P-notes	(10)	(60)	83	7	1	(2)	(3)
Adjusted free cash flow (Non-GAAP)	\$38	\$23	\$120	\$132	\$88	\$140	\$57

Reconciliation of Net Income to Adjusted EBITDA and Full Year Consolidated EBITDA¹

(\$ in millions)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	YTD Q3 2022	YTD Q3 2023	LTM Q2 2023	LTM Q3 2023
Net income - GAAP	\$88	\$85	\$105	\$112	\$81	\$71	\$57	\$278	\$209	\$369	\$321
Interest expense, net of interest income	(4)	8	(9)	11	27	24	47	(5)	98	53	109
Tax expense	37	20	26	23	27	30	13	83	70	106	93
Depreciation	22	21	21	20	21	22	23	64	66	84	86
EBITDA (Non-GAAP)	\$143	\$134	\$143	\$166	\$156	\$147	\$140	\$420	\$443	\$612	\$609
Reorganization items, net	1	1	0	1	0	0	0	2	0	1	1
Stock compensation expense	2	3	3	3	3	5	4	8	12	14	15
Repositioning costs	1	2	1	0	7	1	6	4	14	9	14
Foreign exchange loss on debt, net of related hedging loss	0	0	0	0	0	0	0	0	0	0	0
Loss on extinguishment of debt	0	5	0	0	0	0	0	5	0	0	0
Discounting costs on factoring	1	0	1	0	1	1	1	2	3	3	3
Other non-operating (income)/expense	(2)	(7)	(2)	(30)	(1)	(2)	(1)	(11)	(4)	(35)	(34)
Capital structure transformation costs	0	0	0	0	2	18	2	0	22	20	22
Capital tax expense	0	0	0	0	0	0	0	0	0	0	0
Adjusted EBITDA (Non-GAAP)	\$146	\$138	\$146	\$140	\$168	\$170	\$152	\$430	\$490	\$624	\$630
Unrealized Foreign exchange (gain) loss	(1)	(1)	1	(3)	7	(4)	(3)	(1)	0	1	(3)
Interest Income	2	3	1	2	1	1	2	6	4	5	6
Other expenses ²	3	4	6	5	11	6	3	13	20	28	25
Consolidated EBITDA¹	\$150	\$144	\$154	\$144	\$187	\$173	\$154	\$448	\$514	\$658	\$658
Net sales	\$901	\$859	\$945	\$898	\$970	\$1,011	\$960	\$2,705	\$2,941	\$3,824	\$3,839
Net income margin	9.8%	9.9%	11.1%	12.5%	8.4%	7.0%	5.9%	10.3%	7.1%	9.6%	8.4%
Adjusted EBITDA margin	16.2%	16.1%	15.4%	15.6%	17.3%	16.8%	15.8%	15.9%	16.7%	16.3%	16.4%

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.

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

<i>(\$ in millions)</i>	Q3 2023	Q2 2023
Long-term term debt	\$1,622	\$1,772
Short-term term debt	\$7	\$60
Deferred finance costs	\$48	\$59
Gross Debt	\$1,677	\$1,891
Cash and cash equivalents	\$162	\$478
Net Debt	\$1,515	\$1,413
Consolidated EBITDA LTM (Non-GAAP)	\$658	\$658
Gross Debt to Consolidated EBITDA LTM	2.55x	2.87x
Net Leverage Ratio¹	2.30x	2.15x

¹ Net leverage ratio defined as Net Debt divided by Consolidated EBITDA

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

	2023 Full Year Low End (Updated Outlook)	2023 Full Year High End (Updated Outlook)	2023 Full Year Low End (Prior Outlook)	2023 Full Year High End (Prior Outlook)
Net sales (% change)	6%	8%	7%	12%
Foreign currency translation	(1)%	(1)%	1%	1%
Full Year 2023 outlook Net Sales Growth at Constant Currency	7%	9%	6%	11%

Full Year 2023 Outlook Reconciliation of Net Income to Adjusted EBITDA

<i>(\$ in millions)</i>	2023 Full Year Low End (Updated Outlook)	2023 Full Year High End (Updated Outlook)	2023 Full year Low End (Prior Outlook)	2023 Full year High End (Prior Outlook)
Net income - GAAP	\$252	\$272	\$255	\$290
Net interest expense*	137	137	144	144
Tax expense	82	92	83	98
Depreciation	89	89	88	88
Full year 2023 outlook EBITDA (Non-GAAP)	\$560	\$590	\$570	\$620
Other non-operating income	(1)	(1)	(1)	(1)
Discounting costs on factoring	4	4	2	2
Stock compensation expense	16	16	16	16
Repositioning charges	14	14	12	12
Capital structure transformation expenses	22	22	21	21
Full Year 2023 Outlook Adjusted EBITDA (Non-GAAP)	\$615	\$645	\$620	\$670

* IRS MTM fluctuations not forecasted in outlooks

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

<i>(\$ in millions)</i>	2023 Full Year Low End (Updated Outlook)	2023 Full Year High End (Updated Outlook)	2023 Full Year Low End (Prior Outlook)	2023 Full Year High End (Prior Outlook)
Net cash provided by operating activities (GAAP)	\$413	\$463	\$410	\$510
Expenditures for property, plant and equipment	(82)	(82)	(90)	(90)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$331	\$381	\$320	\$420
Cash payments for repositioning	14	14	\$12	\$12
Capital structure transformation costs	9	9	\$8	\$8
Factoring and P-notes	(4)	(4)	0	0
Full year 2023 outlook Adjusted Free Cash Flow (Non-GAAP)	\$350	\$400	\$340	\$440