

October 26, 2022

THIRD QUARTER 2022 FINANCIAL RESULTS

Garrett
ADVANCING MOTION

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 the impact of the COVID-19 pandemic, the conflict between Russia and Ukraine, inflationary pressures on Garrett’s business and management’s inflation mitigation strategies, financial results and financial conditions, industry trends, anticipated demand for our products, Garrett’s strategy, anticipated supply constraints, including with respect to semi-conductors, anticipated developments in emissions standards, trends including with respect to production volatility and volume, Garrett’s capital structure, anticipated new product development plans for the future including expected R&D expenditures, anticipated impacts of partnerships with third parties, and Garrett’s outlook for 2022. 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 those described in our annual report on Form 10-K for the year ended December 31, 2021, and our quarterly report on Form 10-Q for the quarter ended September 30, 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 sales growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Consolidated EBITDA, Adjusted Free Cash Flow, and Debt (gross and net, including and excluding Series B preferred stock) 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, 2021, and our quarterly report on Form 10-Q for the quarter ended September 30, 2022.

2022 Q3 Highlights

Strong Q3 Performance

- Net Sales **\$945M**; **+13%** GAAP basis; **+25%** at constant currency¹ vs prior year
- Strong operating performance drove Adjusted EBITDA¹ of **\$146M, +9%** vs prior year
- Q3 Adjusted EBITDA margin of **15.4%** includes (190) bp from FX and inflation pass-through
- Robust Adjusted FCF of **\$120M**
- Maintained mid-point of Adjusted EBITDA¹ outlook

Managing Macro Volatility

- Q3 volume of **3.6** million up **15%** vs prior year
 - Slowly improving semi-conductor availability
 - New gasoline product launches
- Inflation pass-through and productivity, offset inflationary pressures including energy
- Improved demand in Q3 while closely monitoring near-term supply chain constraints driving increased volatility into Q4



Turbo Technology



Electric & Hybrid



Connected Vehicles

Solid Financial Flexibility

- Declared first cash dividend on Series A preferred stock for 3Q supported by robust Adjusted FCF generation
- Strong liquidity position of **\$634M**; no significant near-term maturities
- **~80%** of long-term debt is fixed, cash interest on term loans less than **\$10M** per quarter
- Anticipating to flex our highly variable cost structure to address risk of recession

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

Leveraging Core Strengths and Developing New Technologies

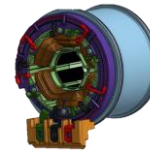
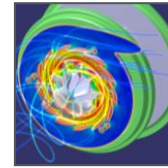
Extending leadership in turbos and E-Boosting solutions

- Over **99%** technologies focused on emissions reduction
- Among Industry's **Top 2%** Sustainability Rating
- Average win-rate since 2018 **50%+**
- New solutions for LV, CV, hybrids



Via differentiated technologies

- Turbomachines
- High-speed motors
- Power electronics
- Control software



Developing *differentiated* EV solutions

- Solving critical EV challenges in target *high-value* verticals
- Fuel Cell Compressors
- EV Powertrain
- ...more to come



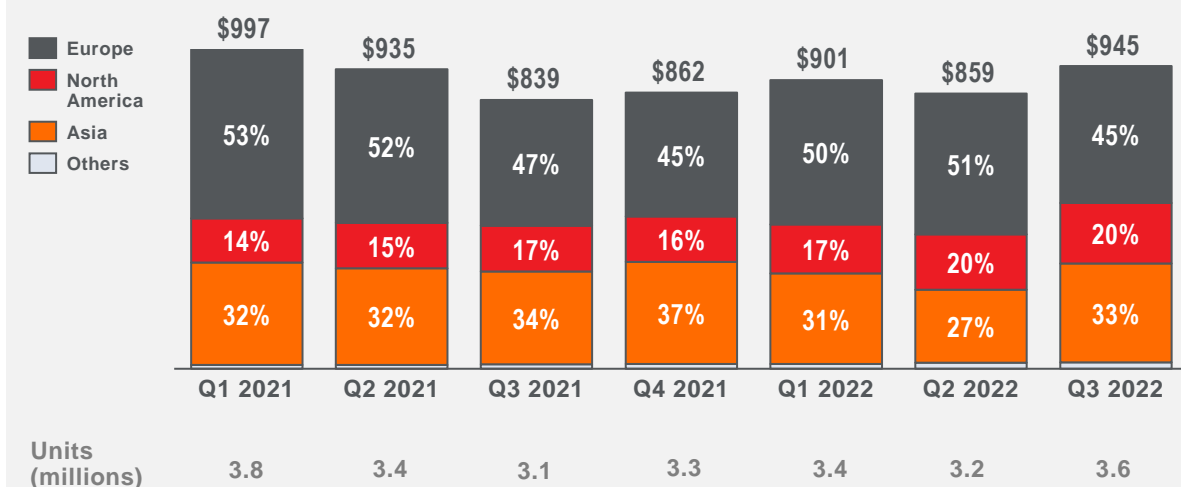
#1 position in 2023 across all verticals*

(* Addressable markets excluding in-house)

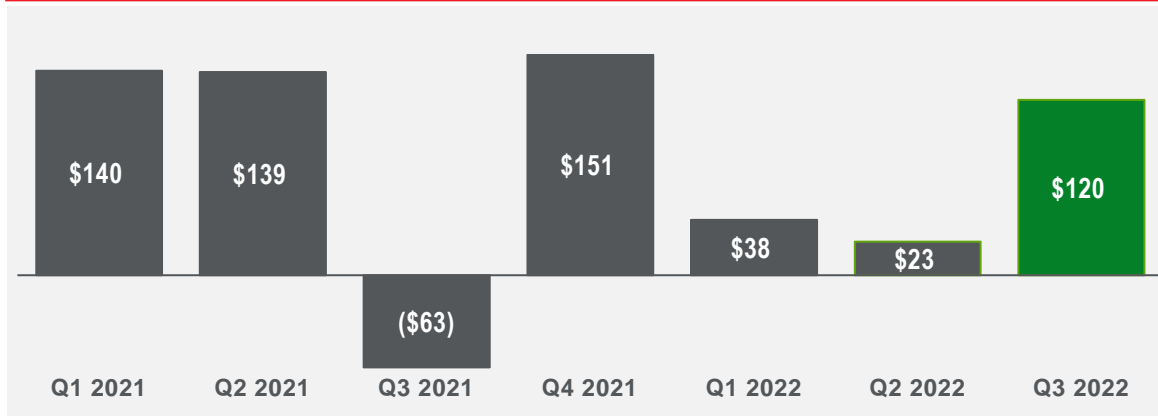
~50% RD&E in new technologies

Key Financial Metrics: Q1 2021 – Q3 2022

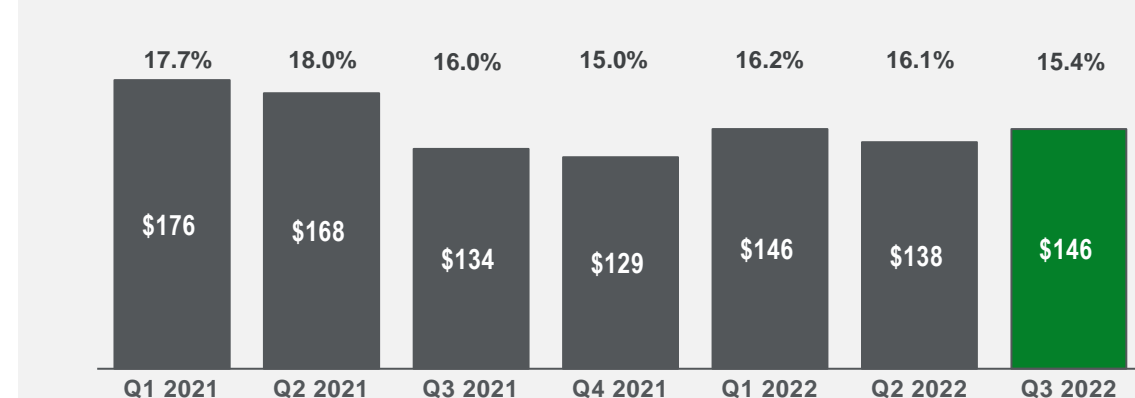
Reported Net Sales (\$M)



Adjusted FCF¹ (\$M)



Adjusted EBITDA¹ (\$M)

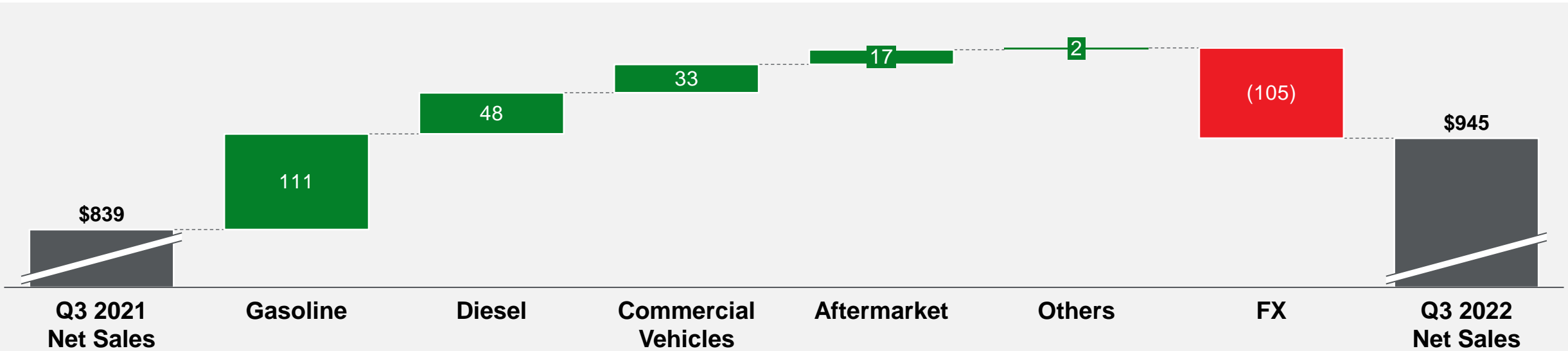


- Volume up **15%** vs prior year driven by industry recovery and new Gasoline product launches
- Net Sales up **25%** at constant currency¹ due to volume increase and inflation pass-through to customers
- Adjusted EBITDA margin of **15.4%** while lower vs prior year; includes (190) bp from FX and inflation pass-through
- Robust Adjusted FCF¹ of **\$120M** driven by volume and working capital recovery

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

Net Sales Bridge: Q3 2021 – Q3 2022

(\$M)



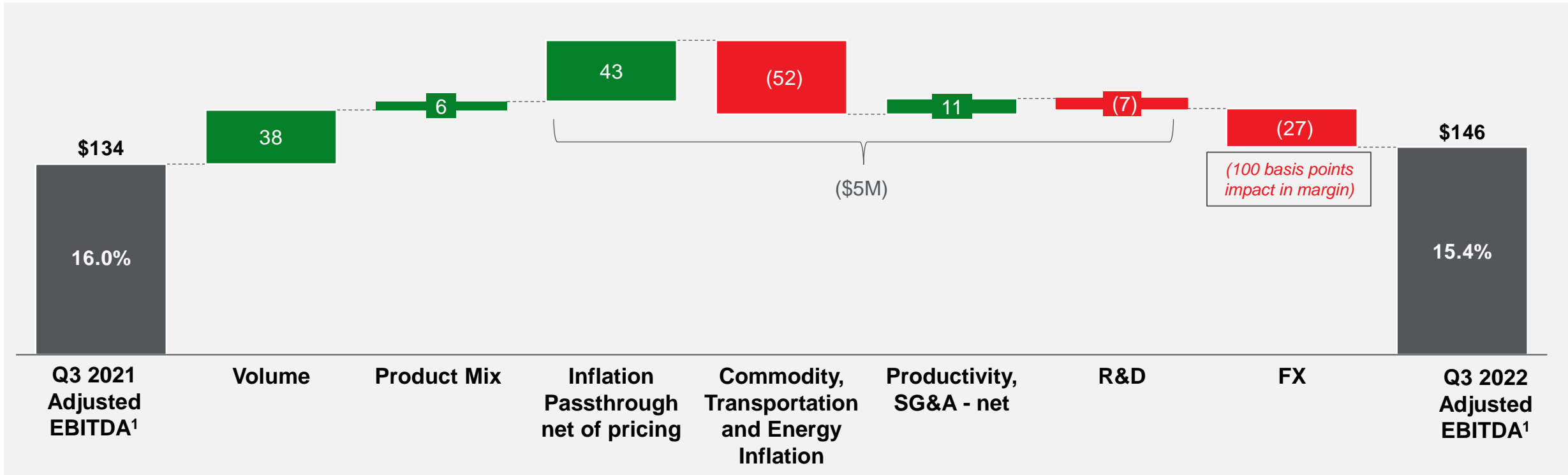
	Gasoline	Diesel	Commercial Vehicles	Aftermarket	Others	FX	Q3 2022 Net Sales
% change ¹	34%	21%	20%	16%	15%		25%
Percentage of Reported Net Sales	43%	25%	19%	12%	1%		

- Net sales **+25%** at constant currency; **all** verticals improved as industry partially recovered from 2021 semi-conductor shortage
- Gasoline growth further enhanced by new product launches in 2022
- Commercial Vehicles **+20%** at cc driven by Europe, Japan and North America partially offset by China

¹All growth rates are at constant currency and are reconciled to the nearest GAAP measure in Appendix.

Adjusted EBITDA Walk: Q3 2021 – Q3 2022

(\$M)



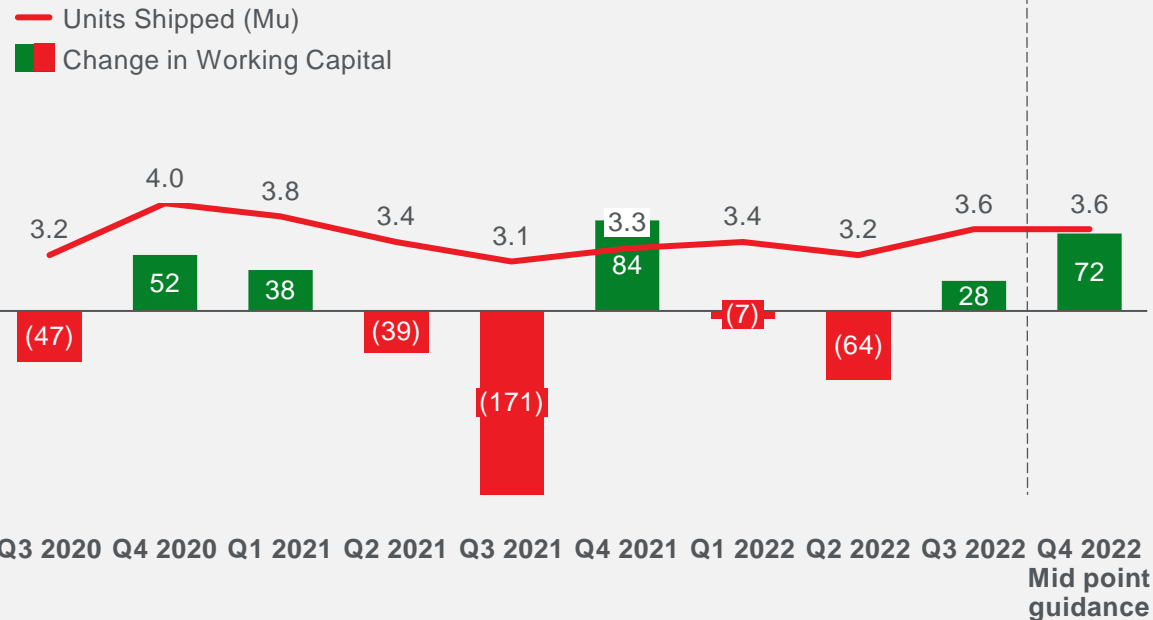
- Strong operating performance driven by **+15%** volume growth over prior year, **+12%** vs Q2 2022
- Inflation pass-through and productivity offset inflationary pressures in dollar terms
- Adjusted EBITDA margin¹ while lower than prior year includes (190) bp margin dilution from FX and inflation pass-through

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

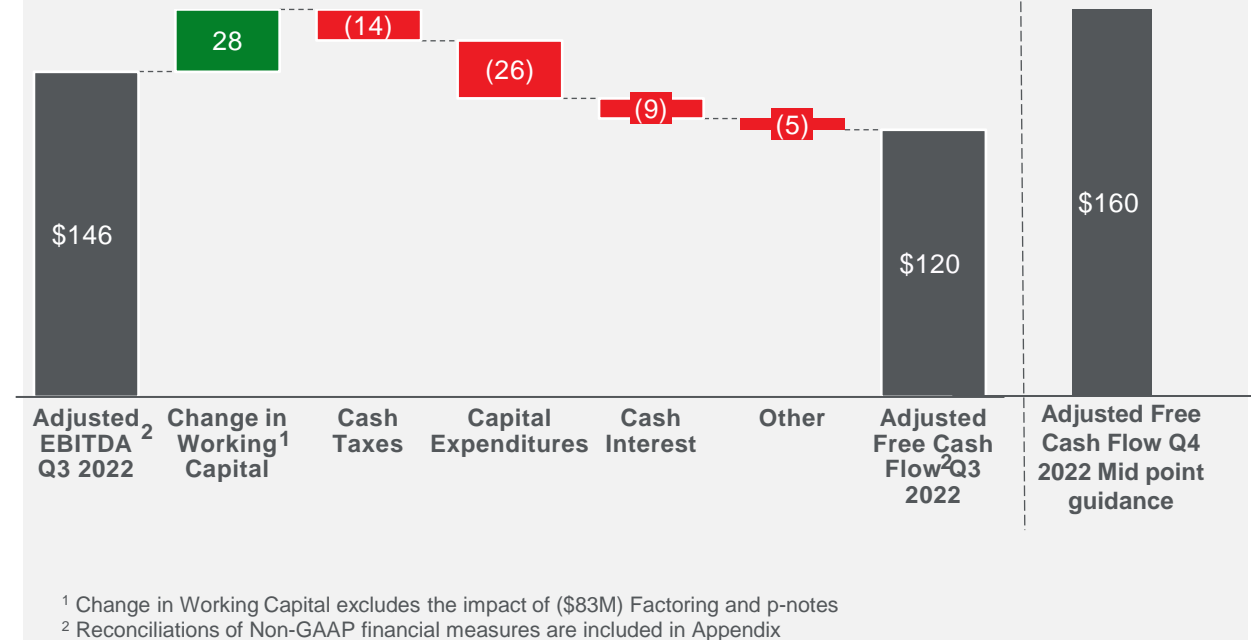
Adjusted EBITDA to Adjusted Free Cash Flow Walk

(\$M)

Quarterly Volume and Change in Working Capital



Q3 Adjusted EBITDA² to Adjusted Free Cash Flow²



- Adjusted Free Cash Flow² driven by volume recovery in Q3
- Working capital in first half 2022 impacted by volume contraction in Q2
- Stable volume expected in Q4 with further improvement in Free Cash Flow

Robust Free Cash Flow in Q3; Expect further improvement in Q4

Liquidity and Capital Resources

Liquidity	Q3 2021	Q2 2022	Q3 2022
Unrestricted Cash	\$456M	\$146M	\$159M
Undrawn Revolver Credit Facility	\$296M	\$475M	\$475M
Total ¹	\$752M	\$621M	\$634M

Debt	Q3 2021	Q2 2022	Q3 2022
Term Loan B ²	\$1,237M	\$1,180M	\$1,146M
Series B	\$595M	\$0M	\$0M
Total	\$1,832M	\$1,180M	\$1,146M

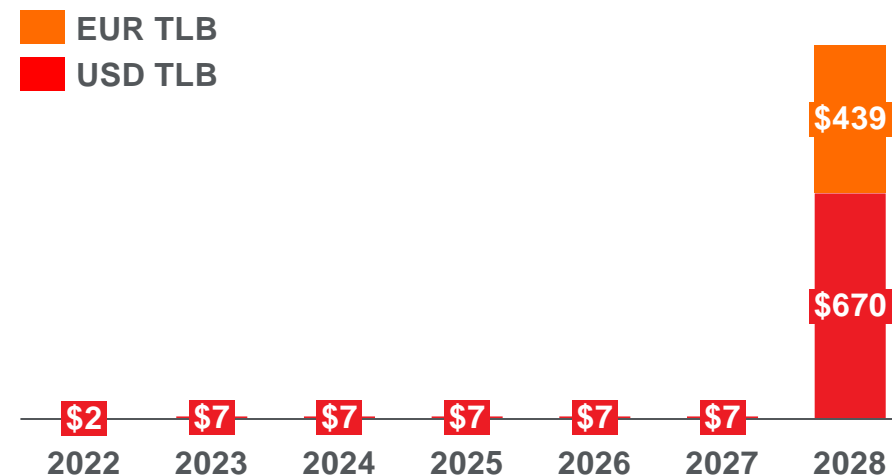
Market Capitalization	Q3 2021	Q2 2022	Q3 2022
Common – 64.8M Q3 22 basic shares	\$540M	\$501M	\$366M
Series A – 245.4M Q3 22 shares	\$1,826M ³	\$2,019M	\$1,745M
Total	\$2,366M	\$2,520M	\$2,111M

¹ Excluding Restricted cash of \$78M in Q321, \$33M in Q222 and \$2M in Q322

² See slide 21 for reconciliation

³ Shares calculated on an as-converted basis

Debt Maturities

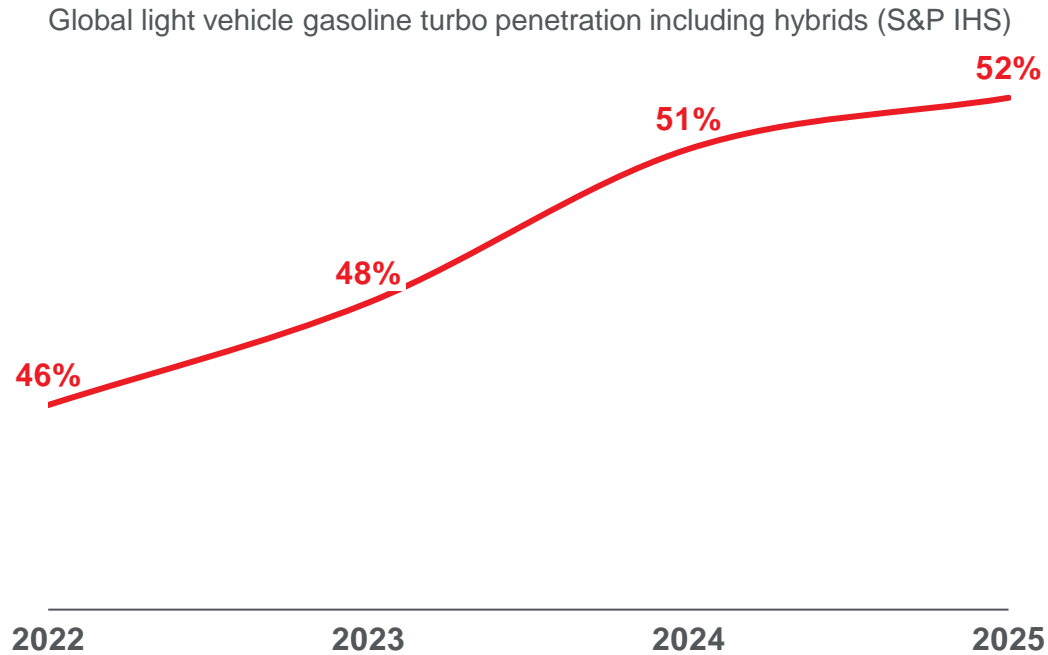


- Robust cash generation has enabled **\$595M** in Series B Preferred stock payoff and improved leverage ratio² vs prior year
- Strong balance sheet with **~80%** of long-term debt at fixed rates; cash interest on debt currently below **\$10M** quarterly at a rate of less than 3.2%
- Paid first cash dividend of **\$42M** on Series A Preferred stock on Oct 3, 2022, of \$0.17 per share

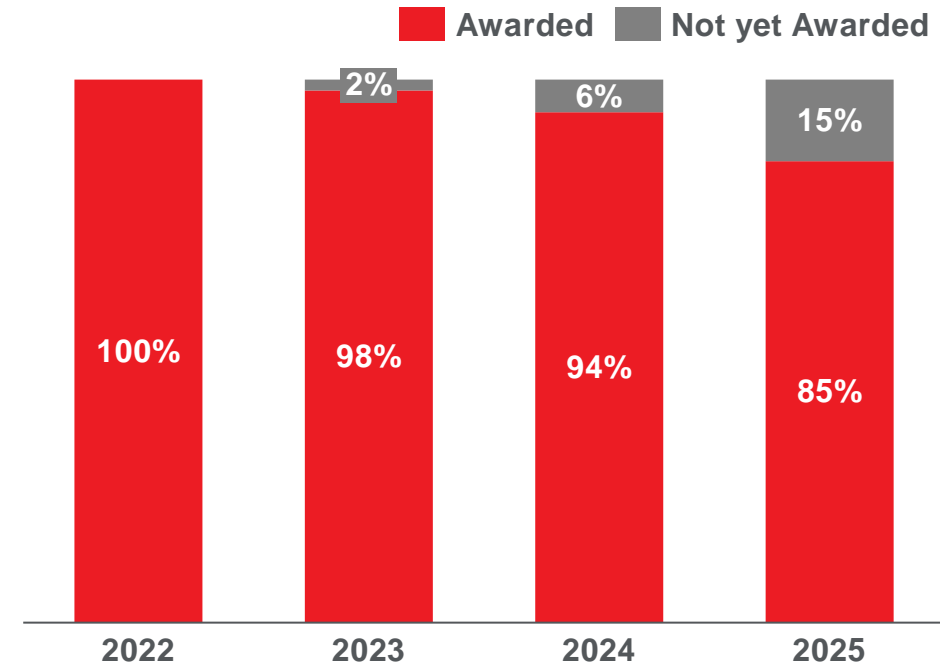
Strong track record of driving shareholder rewards

Tailwinds from Penetration and Share of Demand Gains

Turbo Penetration



Update on Awarded Business



- Increasing Turbo penetration from awarded business particularly for light vehicle gasoline hybrid solutions
- Garrett's strong average win-rate of **50%+** since 2018; expected to drive share of demand gains
- Majority of future businesses already contracted

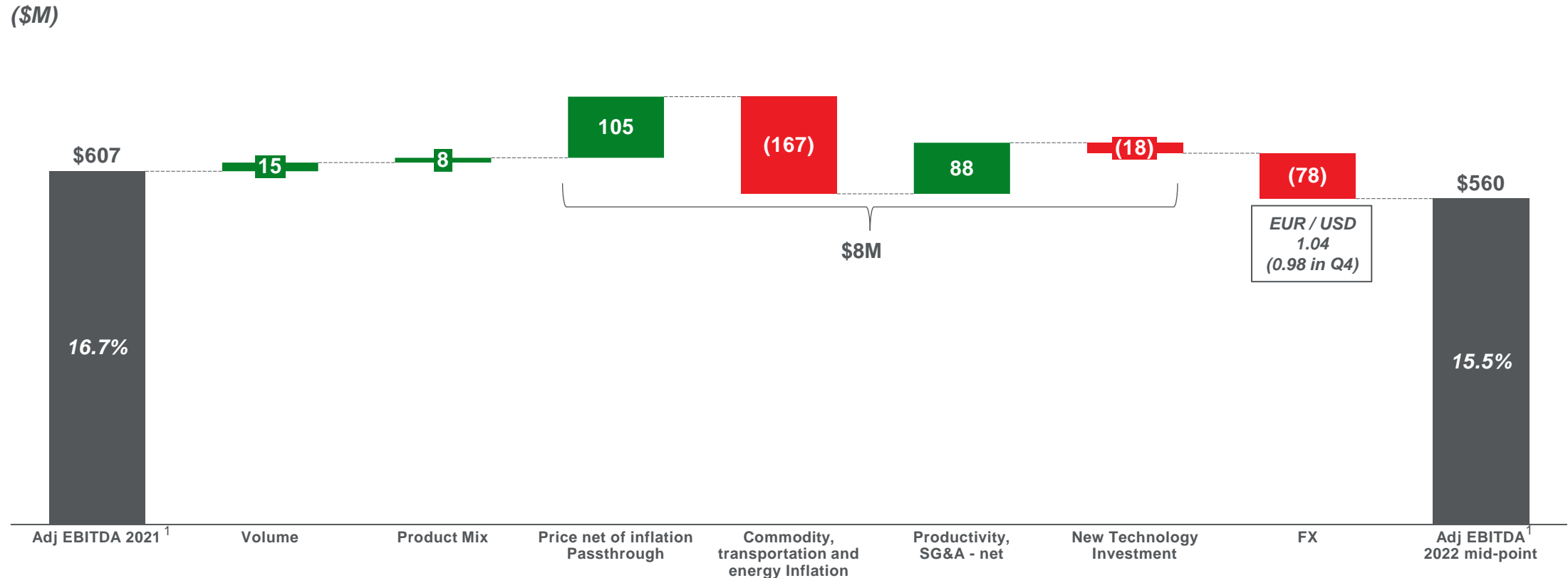
Garrett well positioned for sustained growth

Updated 2022 Outlook

	Updated Outlook (October 26 th)	Prior Outlook (July 28 th)
Net Sales	\$3.57 billion to \$3.67 billion	\$3.5 billion to \$3.7 billion
Net Sales Growth at Constant Currency¹	+7% to +9%	+5% to +10%
Net Income	\$325 million to \$345 million	\$290 million to \$335 million
Adjusted EBITDA¹	\$545 million to \$575 million	\$530 million to \$590 million
Net Cash Provided By Operating Activities	\$380 million to \$440 million	\$405 million to \$505 million
Adjusted Free Cash Flow¹	\$310 million to \$370 million	\$330 million to \$430 million
Planning Assumptions	<ul style="list-style-type: none"> • 2022 full year €/ \$ assumption of 1.04 (or 0.98 in Q4) • R&D investment from 4.3% in 2021 to 4.8% in 2022 of net sales aligned with prior guidance • Adjusted Free cash flow¹ mid-point of range lower by \$40M vs prior outlook due to stabilizing Q4 volumes 	

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

2022 Outlook Adjusted EBITDA walk



- Executing in a volatile environment with full year volumes flattish but higher in the second half of 2022
- Successfully passing through inflation and delivering productivity while investing in new technologies
- FX environment to impact Adjusted EBITDA margin¹ by (70) bps; inflation pass-through by (80) bp

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

Q3 2022 Summary

- Net sales of **\$945M**, **+13%** GAAP basis, **+25%** at constant currency¹
- Strong operating performance of **\$146M** in Adjusted EBITDA¹; successfully offset inflation effects
- Adjusted EBITDA margin¹ of **15.4%** includes (190) bp from FX and inflation pass-through
- Declared first **cash dividend** on Series A preferred stock supported by robust FCF of **\$120M**
- Total liquidity of **\$634M**, **~80%** debt at fixed rate with under **\$10M** in quarterly interest
- **Maintained** mid-point of Adjusted EBITDA outlook
- Differentiated technology for core turbo and electrification



Turbo Technology



Electric & Hybrid



Connected Vehicles

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

Appendices



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Income Statement

<i>(\$ in millions)</i>	Q3 2022	Q3 2021	9M 2022	9M 2021
Net sales	\$945	\$839	\$2,705	\$2,771
Cost of goods sold	767	676	2183	2219
Gross profit	178	163	522	552
Selling, general and administrative expenses	57	60	164	166
Other expense, net	1	0	2	1
Interest expense	18	25	61	70
Loss on extinguishment of debt	0	0	5	0
Non-operating income	(29)	(4)	(73)	(4)
Reorganization items, net	0	(9)	2	(130)
Income before taxes	\$131	\$91	\$361	\$449
Tax expense	26	28	83	82
Net income	\$105	\$63	\$278	\$367
Less: preferred stock dividend	(\$40)	(\$36)	(\$117)	(\$60)
Net income available for distribution	\$65	\$27	\$161	\$307

Balance Sheet Summary

(\$ in millions)

Assets	September 30, 2022	December 31, 2021
Cash and cash equivalents	\$159	\$423
Restricted cash	2	41
Other	1,210	1,047
Total current assets	1,371	1,511
Property, plant and equipment-net	419	485
Deferred income taxes	250	289
Other	563	421
Total assets	\$2,603	\$2,706
Liabilities		
Total current liabilities	1,339	1,508
Long-term debt	1,108	1,181
Other	258	485
Total liabilities	\$2,705	\$3,174
Equity (deficit)		
Common stock, par value	0	0
Additional paid-in capital	1,331	1,326
Retained deficit	(1,555)	(1,790)
Accumulated other comprehensive income (loss)	122	(4)
Total deficit	(102)	(468)
Total liabilities and deficit	\$2,603	\$2,706

Summary of Cash Flows

<i>(\$ in millions)</i>	Q3 2022	Q3 2021	9M 2022	9M 2021
Net income	\$105	\$63	\$278	\$367
Net cash provided by (used for) operating activities	61	(55)	238	(446)
Net cash used for investing activities	(26)	(34)	(78)	(73)
Net cash (used for) provided by financing activities	(38)	3	(436)	362
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(10)	4	(27)	(2)
Net (decrease) / increase in cash, cash equivalents and restricted cash	(13)	(82)	(303)	(159)
Cash, cash equivalents and restricted cash at beginning of the period	179	616	464	693
Cash, cash equivalents and restricted cash at the end of the period	\$166	\$534	\$161	\$534

Reconciliation of Constant Currency Sales % Change

Garrett	Q3 2022	Q3 2021	9M 2022	9M 2021
Reported sales % change	13%	4%	(2%)	37%
Less: Foreign currency translation	(12%)	2%	(7%)	7%
Constant Currency sales % change	25%	2%	5%	30%
Gasoline				
Reported sales % change	21%	3%	4%	40%
Less: Foreign currency translation	(13%)	3%	(8%)	8%
Constant Currency sales % change	34%	0%	12%	32%
Diesel				
Reported sales % change	6%	(4%)	(11%)	38%
Less: Foreign currency translation	(15%)	1%	(9%)	9%
Constant Currency sales % change	21%	(5%)	(2%)	29%
Commercial vehicles				
Reported sales % change	10%	12%	(7%)	39%
Less: Foreign currency translation	(10%)	2%	(6%)	5%
Constant Currency sales % change	20%	10%	(1%)	34%
Aftermarket				
Reported sales % change	7%	23%	9%	26%
Less: Foreign currency translation	(9%)	1%	(6%)	4%
Constant Currency sales % change	16%	22%	15%	22%
Other Sales				
Reported sales % change	0%	(19%)	(9%)	5%
Less: Foreign currency translation	(15%)	1%	(10%)	5%
Constant Currency sales % change	15%	(20%)	1%	0%

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 Net Income (Loss) to Adjusted EBITDA and LTM Consolidated EBITDA¹

Last Twelve Months (LTM)

(\$ in millions)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q3 2022	Q3 2021
Net income - GAAP	\$26	(\$105)	\$409	\$63	\$128	\$88	\$85	\$105	\$406	\$393
Interest expense, net of interest income	23	20	23	24	15	(4)	8	(9)	10	90
Tax (benefit) expense	28	24	30	28	(39)	37	20	26	44	110
Depreciation	26	23	24	23	22	22	21	21	86	96
EBITDA (Non-GAAP)	\$103	(\$38)	\$486	\$138	\$126	\$143	\$134	\$143	\$546	\$689
Reorganization items, net	69	174	(295)	(9)	5	1	1	0	7	(61)
Stock compensation expense	2	2	1	2	2	2	3	3	10	7
Repositioning costs	2	8	3	3	2	1	2	1	6	16
Foreign exchange loss on debt, net of related hedging loss	(42)	33	(24)	0	0	0	0	0	0	(33)
Loss on extinguishment of debt	0	0	0	0	0	0	5	0	5	0
Other expense, net (includes expense incurred to discount or factor the Company's receivables)	1	0	0	0	0	1	0	1	2	1
Other non-operating income	13	(3)	(3)	(3)	(3)	(2)	(7)	(2)	(14)	4
Professional service costs	(1)	0	0	1	(1)	0	0	0	(1)	0
Capital tax expense	2	0	0	2	(2)	0	0	0	(2)	4
Adjusted EBITDA (Non-GAAP)	\$149	\$176	\$168	\$134	\$129	\$146	\$138	\$146	\$559	\$627
Unrealized Foreign exchange loss (gain)	0	(2)	2	3	(1)	(1)	(1)	1	(2)	3
Interest Income	0	1	1	1	1	2	3	1	7	3
Consolidated EBITDA	\$149	\$175	\$171	\$138	\$129	\$147	\$140	\$148	\$564	\$633
Net sales	\$1,008	\$997	\$935	\$839	\$862	\$901	\$859	\$945	\$3,567	\$3,779
Net income/(loss) margin	2.6%	-10.5%	43.7%	7.5%	14.8%	9.8%	9.9%	11.1%	11.4%	10.4%
Adjusted EBITDA margin	14.8%	17.7%	18.0%	16.0%	15.0%	16.2%	16.1%	15.4%	15.7%	16.6%

¹ As defined in our credit agreement

Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

(\$ in millions)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Net cash provided by operating activities (GAAP)	\$61	\$104	\$73	\$136	(\$55)	(\$423)
Expenditures for property, plant and equipment	(26)	(23)	(29)	2	(34)	(22)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$35	\$81	\$44	\$138	(\$89)	(\$445)
Stalking horse termination reimbursement	0	0	0	0	0	0
Chapter 11 Professional service costs	1	1	2	8	0	146
Honeywell Settlement as per Emergence Agreement	0	0	0	0	0	375
Chapter 11 related cash interests ¹	0	0	0	0	0	38
Stock compensation cash	0	0	0	0	0	9
Repositioning cash	1	1	2	7	3	2
Factoring and P-notes ²	83	(60)	(10)	(2)	23	14
Adjusted free cash flow (Non-GAAP)²	\$120	\$23	\$38	\$151	(\$63)	\$139

¹ Q1 and Q2 2021 Chapter 11 related cash interests changed, after full reconciliation of all reorganizational items done in Q4 2021

² Q1 2021 Adjusted FCF reported numbers were restated to reflect updated definition which excludes liquidity actions such as sales of receivables.

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

(\$ in millions)	Q3 2022	Q3 2021
Long-term term debt	\$1,108	\$1,195
Short-term term debt	\$7	\$5
Deferred finance costs	\$31	\$37
Gross Debt	\$1,146	\$1,237
Series B preferred Stock	\$0	\$595
Gross Debt including Series B preferred Stock	\$1,146	\$1,832
Cash and cash equivalents	\$159	\$456
Net Debt	\$987	\$781
Net Debt including Series B preferred Stock	\$987	\$1,376
Consolidated EBITDA LTM (Non-GAAP)	\$564	\$633
Gross Debt to Consolidated EBITDA LTM	2.03x	1.95x
Gross Debt including Series B preferred Stock to Consolidated EBITDA LTM (Non-GAAP)	2.03x	2.89x
Net Debt to Consolidated EBITDA LTM	1.75x	1.23x
Net Debt including Series B preferred Stock to Consolidated EBITDA LTM (Non-GAAP)	1.75x	2.17x

Full Year 2022 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency

	2022 Full Year Low End (Updated Outlook)	2022 Full Year High End (Updated Outlook)	2022 Full Year Low End (Prior Outlook)	2022 Full Year High End (Prior Outlook)
Net sales (% change)	(1%)	1%	(2%)	3%
Foreign currency translation	(8%)	(8%)	(7%)	(7%)
Full Year 2022 outlook Net Sales Growth at Constant Currency	7%	9%	5%	10%

Full Year 2022 Outlook Reconciliation of Net Income to Adjusted EBITDA

<i>(\$ in millions)</i>	2022 Full Year Low End (Updated Outlook)	2022 Full Year High End (Updated Outlook)	2022 Full year Low End (Prior Outlook)	2022 Full year High End (Prior Outlook)
Net income - GAAP	\$325	\$345	\$290	\$335
Net interest expense	15	15	41	41
Tax expense	108	118	98	113
Depreciation	85	85	88	88
Full year 2022 outlook EBITDA (Non-GAAP)	\$533	\$563	\$517	\$577
Non-operating income	(11)	(11)	(9)	(9)
Reorganization items, net	2	2	2	2
Stock compensation expense	11	11	10	10
Repositioning charges	5	5	5	5
Loss on extinguishment of debt	5	5	5	5
Full Year 2022 Outlook Adjusted EBITDA (Non-GAAP)	\$545	\$575	\$530	\$590

Full Year 2022 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	2022 Full Year Low End (Updated Outlook)	2022 Full Year High End (Updated Outlook)	2022 Full Year Low End (Prior Outlook)	2022 Full Year High End (Prior Outlook)
Net cash provided by operating activities (GAAP)	\$380	\$440	\$405	\$505
Expenditures for property, plant and equipment	(91)	(91)	(91)	(91)
Cash payments for restructuring	\$4	\$4	\$3	\$3
Non-recurring cash items	\$17	\$17	\$13	\$13
Full year 2022 outlook Adjusted Free Cash Flow (Non-GAAP)	\$310	\$370	\$330	\$430

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