

**TRANSFORMATIVE TECHNOLOGY  
IS IN OUR NATURE**

October 28, 2021

# THIRD QUARTER 2021 FINANCIAL RESULTS

**Garrett**  
ADVANCING MOTION

## Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. 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 on Garrett’s business, financial results and financial conditions, industry trends, Garrett’s strategy, Garrett’s capital structure following emergence from the Chapter 11 process and Garrett’s outlook for 2021. 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, 2020, and our quarterly report on Form 10-Q for the three months ended September 30, 2021, 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, Adjusted Net Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Conversion Rate and Net cash provided by operating activities less Expenditures for property, plant and equipment. 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 Adjusted EBITDA and Adjusted EBITDA Margin are important indicators of operating performance because they exclude the effects of income taxes and certain other items, as well as the effects of financing and investing activities by eliminating the effects of interest and depreciation expenses and therefore more closely measures 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 our annual report on Form 10-K for the year ended December 31, 2020 and our quarterly report on Form 10-Q for the period ended September 30, 2021.

# Third Quarter 2021 Highlights

## Outperformed Global LV Auto Production

- Q3 reported net sales totalled \$839 million, up 2% YOY at constant currency<sup>1</sup>
- Continued to benefit from share-of-demand gains
- Net sales growth at constant currency exceeded global auto production by ~19 percentage points<sup>2</sup>

## Improved Margin Despite Macro Headwinds

- Q3 impacted by component shortages, FX and rising materials and energy costs
- Leveraged flexible global operating platform to mitigate supply constraints
- Increased Adjusted EBITDA by 12% to \$134 million on improved mix; Adjusted EBITDA margin up 105 basis points to 16%<sup>1</sup>

## Increased Financial Flexibility

- Amended Series B Preferred Stock under favorable terms
- Leveraged variable operating structure to align costs with revised production schedules
- Increased liquidity to withstand macro volatility and invest in new long-term growth opportunities



Turbo Technology



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Connected Vehicles

<sup>1</sup> Reconciliation of Non-GAAP financial measures are included in Appendix.

<sup>2</sup> Based on IHS data.

# Continuing to Win in a Volatile Macro Environment

## Significant Short-Term Macro Headwinds

- **Global supply chain disruptions**
  - Ongoing chip shortage
  - Energy disruptions in China
- **Increasing global inflationary pressure**
  - Rising raw material costs (steel, aluminum)
  - Increasing transportation, freight and energy costs
- **Disruptions and higher inflation expected to carry into 2022**

## Differentiated Execution

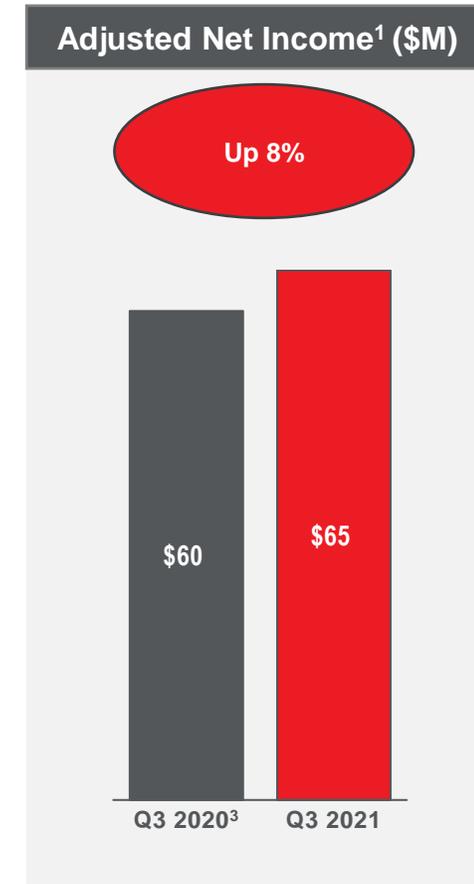
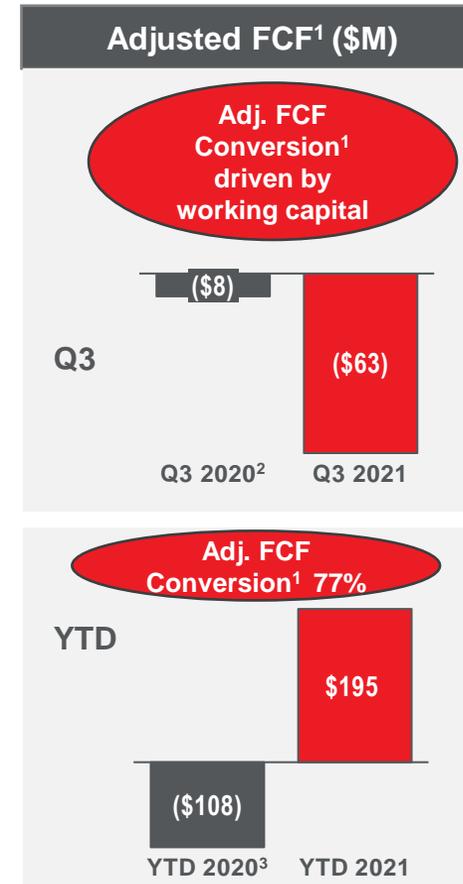
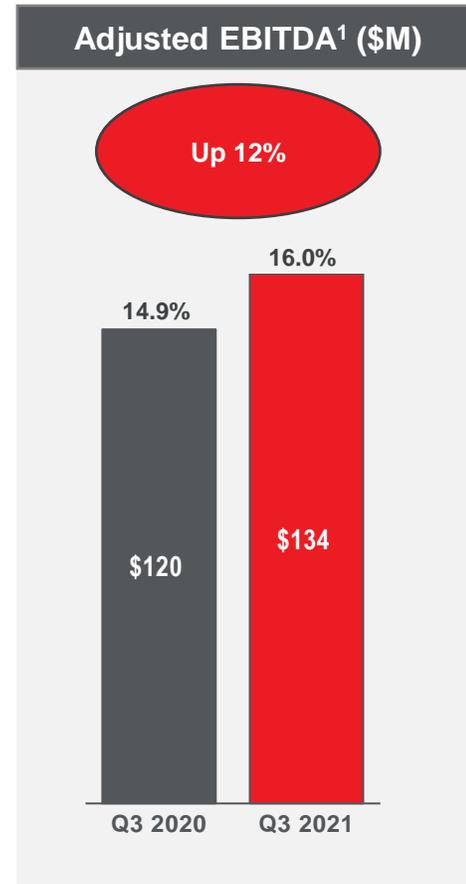
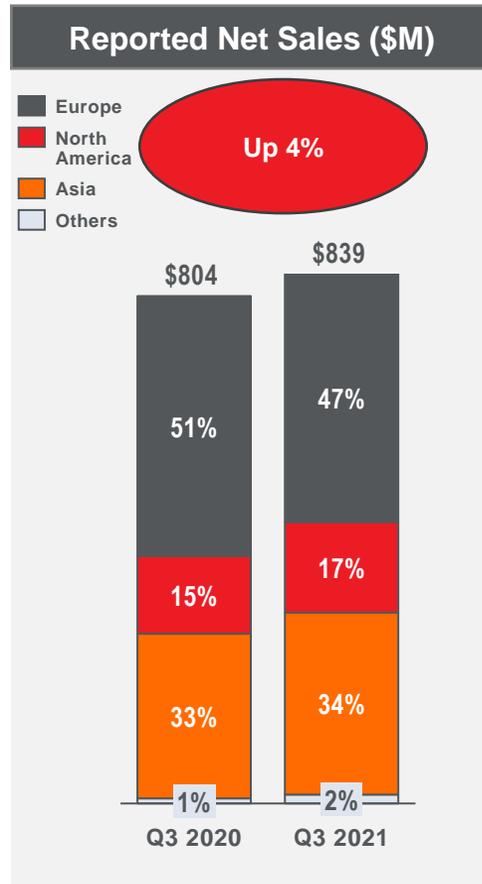
- **Optimizing supply chain to minimize production disruptions**
- **Flexing variable cost structure and managing fixed costs**
- **Working closely with suppliers and customers to manage inflationary pressures**

## Customer Wins and Technology

- **Continuation of solid new business win rate of more than 50% year to date**
- **~40% of RDE spend in 2021 dedicated to new technologies**
- **E-Turbo wins Automotive News PACE Award**



# Key Financial Metrics: Q3 2020 – Q3 2021



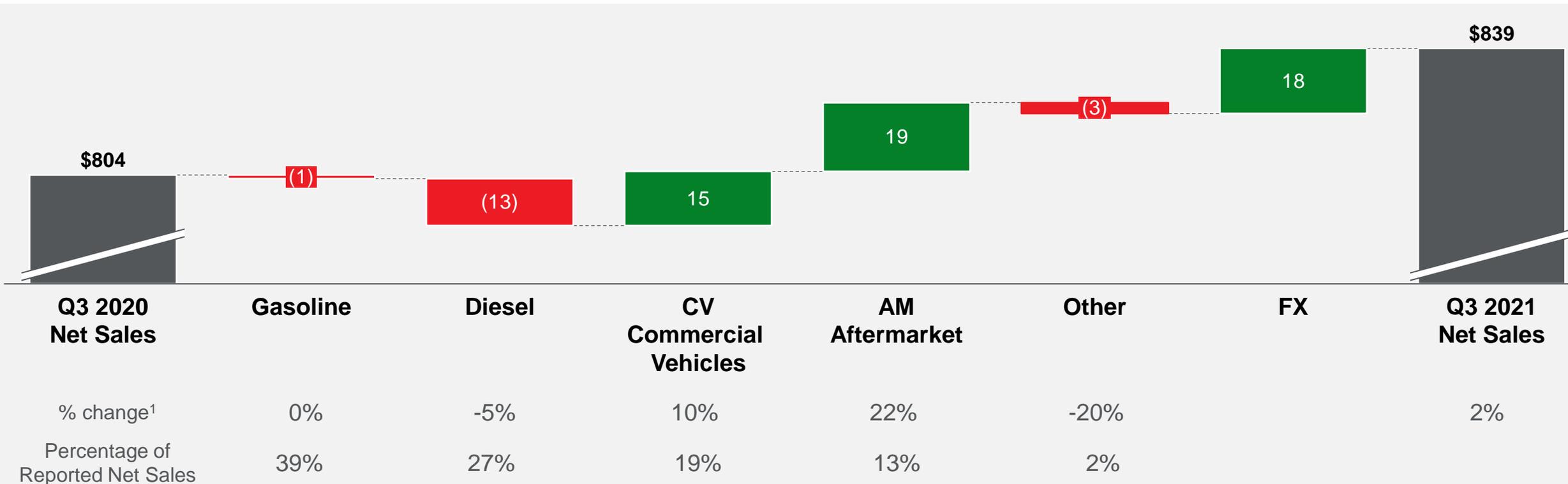
<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

<sup>2</sup> Q3 2020 Adjusted FCF reported number was restated to reflect updated definition, which excludes liquidity actions such as sales of receivables; see reconciliations in Appendix.

<sup>3</sup> Q3 2020 Adjusted Net Income reported numbers were restated to reflect updated adjusted tax rate.

# Reported Net Sales Bridge: Q3 2020 – Q3 2021

(\$M)

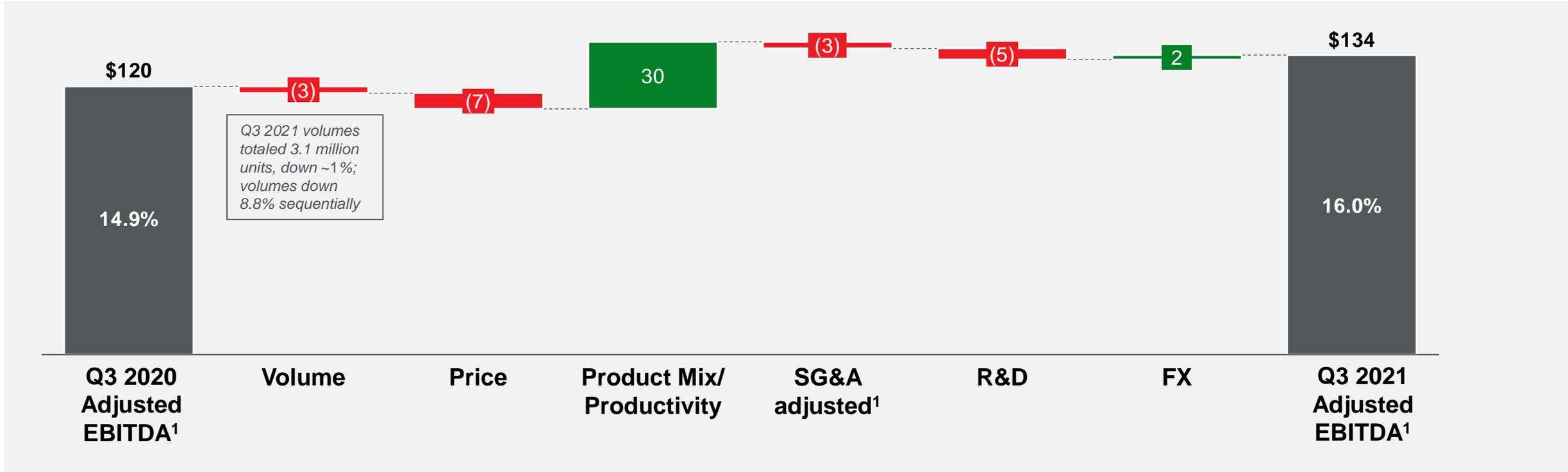


- Global semiconductor shortage impacted Q3 sales across all product lines, mainly passenger vehicles
- Gasoline net sales at constant currency were essentially flat and Diesel decreased 5% at constant currency
- Commercial Vehicles and Aftermarket net sales up 10% and 22%, respectively, at constant currency

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

# Adjusted EBITDA Walk: Q3 2020 – Q3 2021

(\$M)



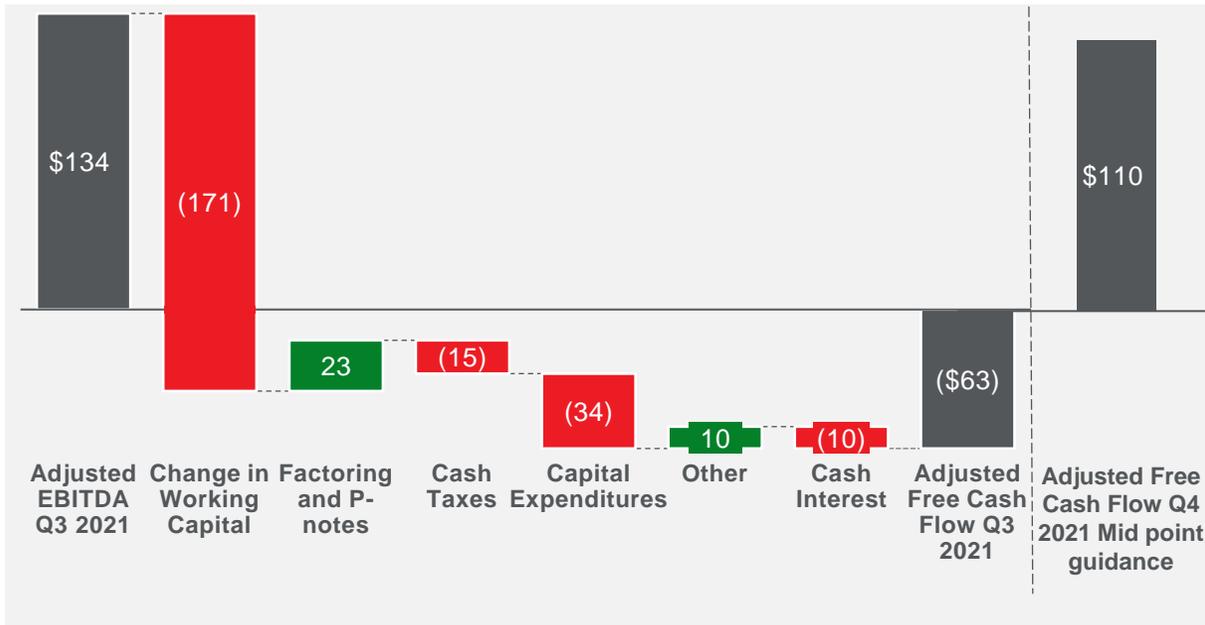
- Year-over-year Adjusted EBITDA margin improvement driven by productivity gains, partially offset by higher inflation
- Q3 2020 results include temporary cost control actions totaling ~\$5 million to mitigate COVID-19 impact
- SG&A adjusted variance includes labor inflation and temporary cost control actions in 2020

<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

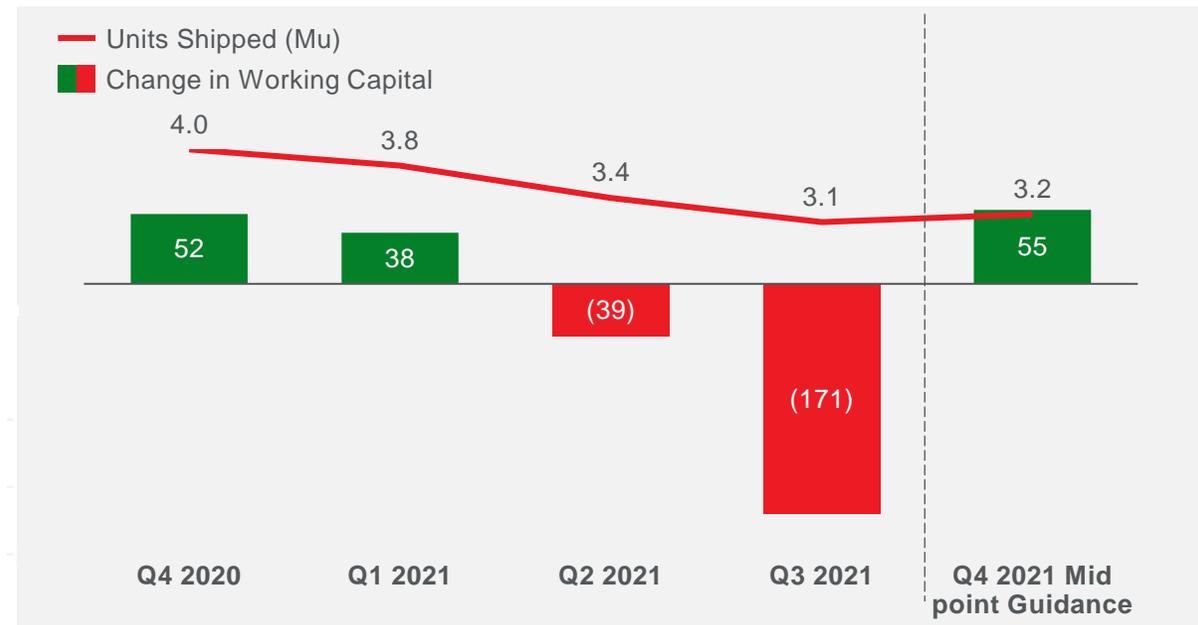
**Adjusted EBITDA margin improved 105 basis points to 16% driven by productivity**

# Adjusted Free Cash Flow Walk

## Q3 2021 Adjusted EBITDA to Adjusted Free Cash Flow



## Working Capital Change Impacted by Volume Volatility



- Normal working capital balance for Garrett is negative
- Working capital in Q4 2020 and Q1 2021 was a source of cash following strong unit growth in previous quarter
- Working capital in Q2 2021 and Q3 2021 is a use of cash following unit contraction due to semiconductor shortage
- Capital expenditures increased year-over-year by \$18M following business recovery from COVID-19

**Use of working capital in Q3 driven by semi-conductor impact beginning late Q2**

# Liquidity and Capital Resources

Liquidity	Q2 2021	Q3 2021
Unrestricted Cash	\$401M	\$456M
Undrawn Revolver Credit Facility	\$261M	\$296M
Total <sup>1</sup>	\$662M	\$752M

Market Capitalization	Oct 18 <sup>th</sup>
Common shares	\$465M
Series A	\$2,001M
Total	\$2,466M

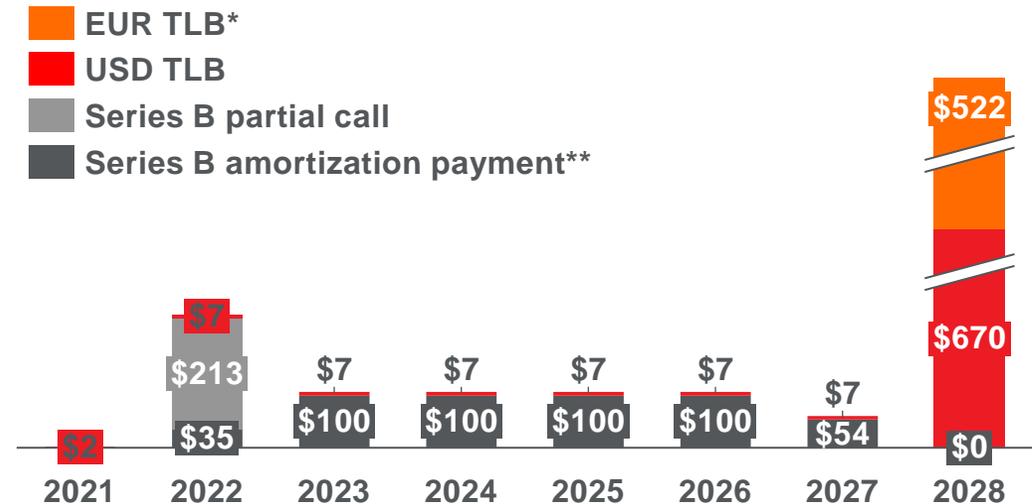
- Expect to partially call ~\$213M<sup>2</sup> in Series B in Q1 2022, taking first step to lower leverage
- Series B holder put deferred until end of 2022
- Mid market capitalization profile

<sup>1</sup> Excluding Restricted cash of \$215M in Q2 and \$78M in Q3

<sup>2</sup> Assuming payment on 13<sup>th</sup> January 2022

<sup>3</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

## Debt and Series B Maturities



\*€450 million; \*\* Annual payments on April 30<sup>th</sup>; Honeywell may have the right to redeem the Series B Preferred Stock in accordance with its terms as of 31<sup>st</sup> December 2022.

### Improving leverage profile:

- Gross Debt to Consolidated EBITDA<sup>3</sup> was 1.95x; 3.27x including Series B Preferred Stock
- Net Debt to Consolidated EBITDA<sup>3</sup> was 1.23x; 2.55x including Series B Preferred Stock

**\$2.5B market capitalization supported by improved leverage and liquidity profile**

# Full Year 2021 Outlook

	Current Outlook (as of Oct. 28, 2021)	Previous Outlook
<b>Reported Net Sales</b>	<ul style="list-style-type: none"> <li>\$3.60 billion to \$3.70 billion</li> </ul>	<ul style="list-style-type: none"> <li>\$3.70 billion to \$3.90 billion</li> </ul>
<b>Net Sales Growth at Constant Currency<sup>1</sup></b>	<ul style="list-style-type: none"> <li>+14% to +17%</li> </ul>	<ul style="list-style-type: none"> <li>+18% to +23%</li> </ul>
<b>Net Income</b>	<ul style="list-style-type: none"> <li>\$405 million to \$435 million</li> </ul>	<ul style="list-style-type: none"> <li>\$428 million to \$468 million</li> </ul>
<b>Adjusted EBITDA<sup>1</sup></b>	<ul style="list-style-type: none"> <li>\$590 million to \$620 million</li> </ul>	<ul style="list-style-type: none"> <li>\$590 million to \$640 million</li> </ul>
<b>Net Cash Used for Operating Activities</b>	<ul style="list-style-type: none"> <li>(\$355) million to (\$295) million</li> </ul>	<ul style="list-style-type: none"> <li>(\$291) million to (\$191) million</li> </ul>
<b>Adjusted Free Cash Flow<sup>1</sup></b>	<ul style="list-style-type: none"> <li>\$280 million to \$340 million</li> </ul>	<ul style="list-style-type: none"> <li>\$300 million to \$400 million</li> </ul>
<b>Planning Assumptions</b>	<ul style="list-style-type: none"> <li>Global light vehicle auto production growth of 1% to 2% (previously 10%-11%)</li> <li>Global commercial vehicle production growth of -1% to 0% (previously 3.5%-4.5%)</li> <li>Adjusted Free Cash Flow Conversion of ~100% (Implies \$110M in Q4 FCF at midpoint)</li> </ul>	

*Full year 2021 outlook, as of October 28, 2021, also assumes an exchange rate of 1.18 EUR to 1.00 USD (previous outlook assumed exchange rate of 1.20 EUR to 1.00 USD)*

<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

# Q3 Summary

- Q3 net sales growth of 2% at constant currency; outperformed industry by ~19 percentage points
- Global supply chain disruptions impacted Q3 volumes; macro environment remains volatile
- Adjusted EBITDA Margin of 16.0%<sup>1</sup> reflects improved sales mix and productivity gains
- Increased financial flexibility and took initial step to improve capital structure post emergence
- Adjusted 2021 outlook for lower production; low end of Adjusted EBITDA guidance unchanged
- Maintained solid new business win rate exceeding 50% year to date



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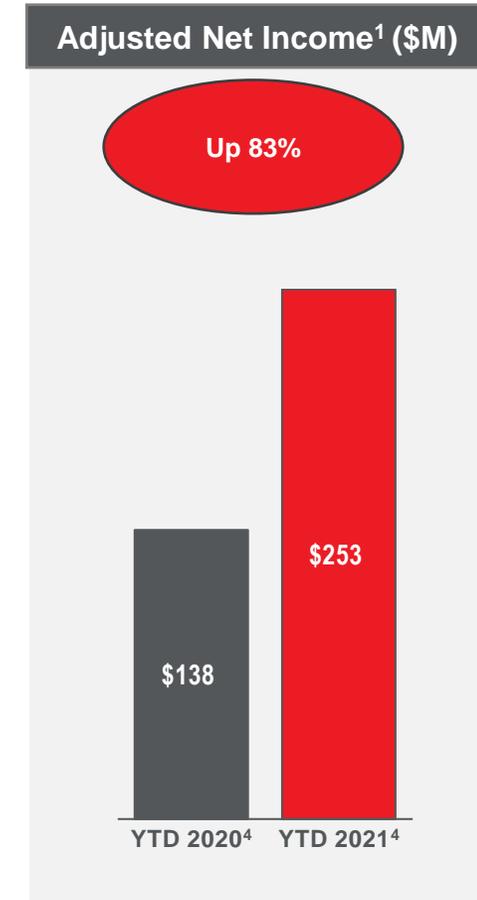
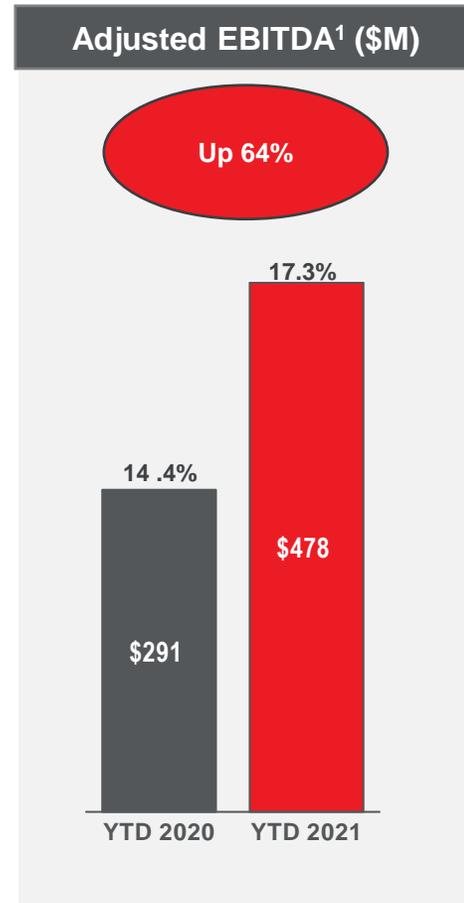
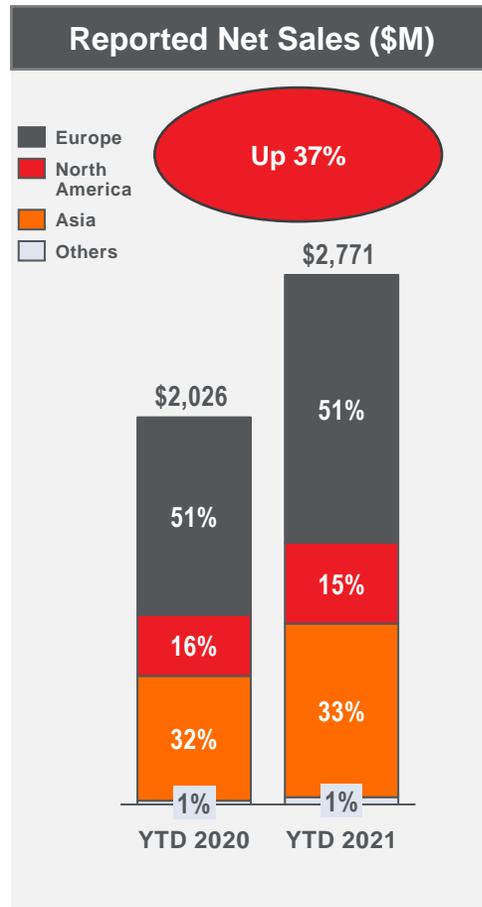
<sup>1</sup> Reconciliation of Non-GAAP financial measures are included in Appendix.

## Appendices

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# Key Financial Metrics: YTD 2020 – YTD 2021



<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

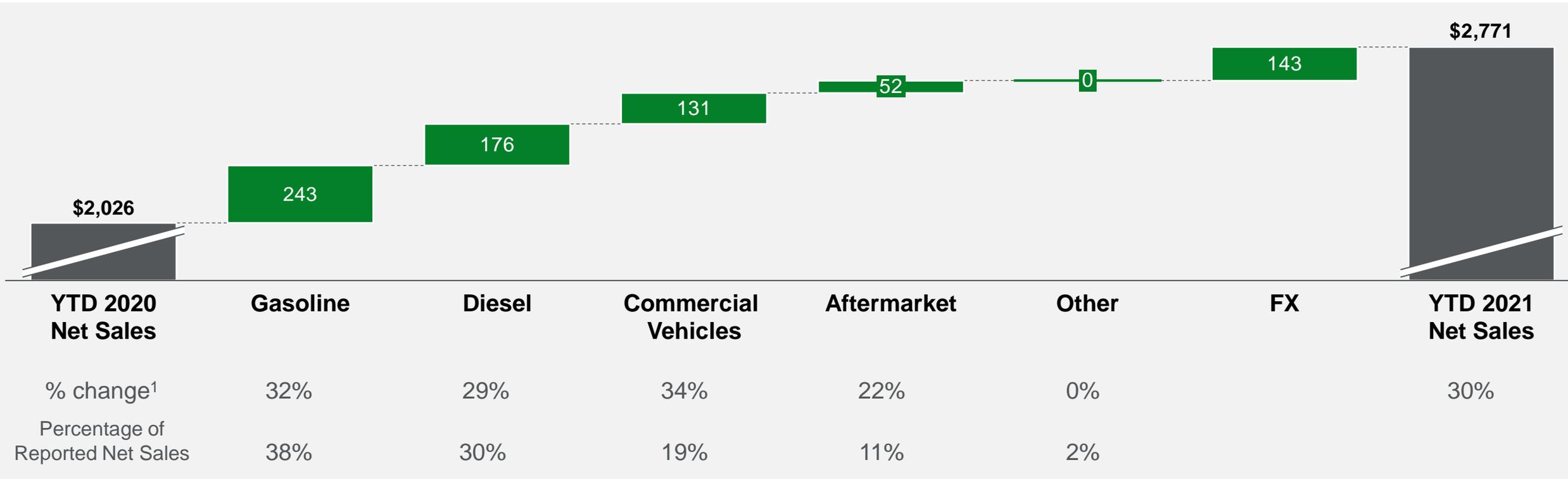
<sup>2</sup> Liquidity actions taken during Chapter 11 in Q1 related to sales of receivables have been adjusted back.

<sup>3</sup> 2020 Adjusted FCF reported number was restated to reflect updated definition, which excludes liquidity actions such as sales of receivables; see reconciliations in Appendix

<sup>4</sup> Q1 2020 and Q1 2021 Adjusted Net Income reported numbers were restated to reflect updated adjusted tax rate.

# Reported Net Sales Bridge: YTD 2020 – YTD 2021

(\$M)



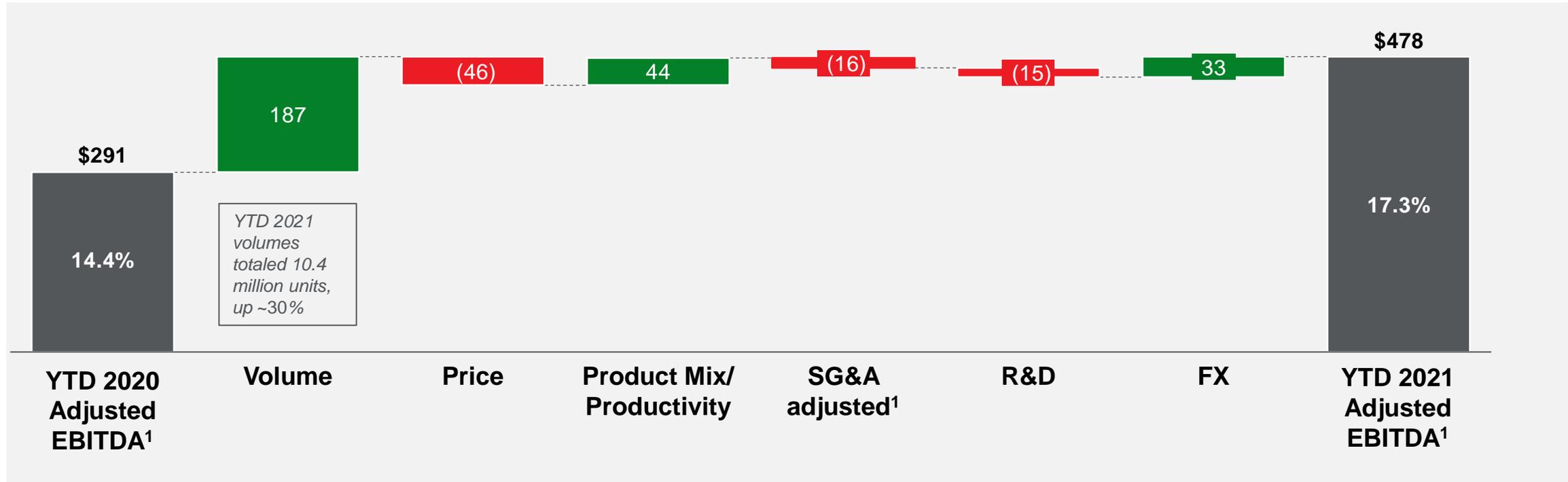
- Growth across all regions and product lines reflects impact of COVID-19 pandemic in 2020
- Gasoline net sales up 32% at constant currency and Diesel climbed 29% at constant currency
- Significant net sales at constant currency increase year-over-year in Europe, North America and China primarily due to pandemic-related plant closings and slowdowns that started in Q1 2020

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

**Net sales up 30% at constant currency YTD 2021**

# Adjusted EBITDA Walk: YTD 2020 – YTD 2021

(\$M)



- Unfavorable price driven by higher volumes versus prior year and pandemic-related adjustments
- Year-over-year incremental margin of 25% driven by productivity gains, volume leverage and foreign exchange gains

<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

**Adjusted EBITDA margin improved 289 basis points to 17.3%**

# Income Statement

<i>(\$ in millions)</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD Q3 2021</b>	<b>YTD Q3 2020</b>
<b>Net sales</b>	<b>\$839</b>	<b>\$804</b>	<b>\$2,771</b>	<b>\$2,026</b>
Cost of goods sold	676	657	2219	1661
<b>Gross profit</b>	<b>163</b>	<b>147</b>	<b>552</b>	<b>365</b>
Selling, general and administrative expenses	60	98	166	202
Other expense, net	0	14	1	45
Interest expense	25	20	70	56
Non-operating (income) expense	(4)	1	(4)	(7)
Reorganization items, net	(9)	4	(130)	4
<b>Income before taxes</b>	<b>\$91</b>	<b>\$10</b>	<b>\$449</b>	<b>\$65</b>
Tax expense (Income)	28	(1)	82	11
<b>Net income</b>	<b>\$63</b>	<b>\$11</b>	<b>\$367</b>	<b>\$54</b>
Less: preferred dividend	(\$36)	\$0	(\$60)	\$0
<b>Net income available to common shareholders</b>	<b>\$27</b>	<b>\$11</b>	<b>\$307</b>	<b>\$54</b>

# Balance Sheet Summary

(\$ in millions)	September 30, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$456	\$592
Restricted cash	\$78	\$101
Other current assets	1,075	1,186
Total current assets	1,609	1,879
Property, plant and equipment-net	472	505
Deferred income taxes	253	275
Other assets	\$383	\$358
Total assets	\$2,717	\$3,017
<b>Liabilities</b>		
Total current liabilities	1,499	1,837
Long-term debt	1,195	1,082
Other liabilities	656	116
Total liabilities not subject to compromise	3,350	3,035
Liabilities subject to compromise	0	2,290
Total liabilities	\$3,350	\$5,325
<b>Equity (deficit)</b>		
Common stock, par value	0	0
Additional paid-in capital	1,334	28
Retained deficit	(1,909)	(2,207)
Accumulated other comprehensive loss	(58)	(129)
Total deficit	(633)	(2,308)
Total liabilities and deficit	\$2,717	\$3,017

# Summary of Cash Flows

<i>(\$ in millions)</i>	Q3 2021	Q3 2020	9M 2021	9M 2020
<b>Net income</b>	<b>\$63</b>	<b>\$11</b>	<b>\$367</b>	<b>\$54</b>
<b>Net cash used for operating activities</b>	<b>(55)</b>	<b>(41)</b>	<b>(446)</b>	<b>(136)</b>
<b>Net cash used for investing activities</b>	<b>(34)</b>	<b>(15)</b>	<b>(73)</b>	<b>(79)</b>
<b>Net cash provided by financing activities</b>	<b>3</b>	<b>226</b>	<b>362</b>	<b>340</b>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	4	6	(2)	3
Net (decrease) / increase in cash, cash equivalents and restricted cash	(82)	176	(159)	128
<b>Cash, cash equivalents and restricted cash at beginning of the period</b>	<b>616</b>	<b>139</b>	<b>693</b>	<b>187</b>
<b>Cash, cash equivalents and restricted cash at end of the period</b>	<b>\$534</b>	<b>\$315</b>	<b>\$534</b>	<b>\$315</b>

# Reconciliation of Constant Currency Sales % Change

Garrett	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
<b>Reported sales % change</b>	<b>4%</b>	<b>3%</b>	<b>37%</b>	<b>(16%)</b>
<b>Less: Foreign currency translation</b>	<b>2%</b>	<b>3%</b>	<b>7%</b>	<b>0%</b>
<b>Constant Currency sales % change</b>	<b>2%</b>	<b>0%</b>	<b>30%</b>	<b>(16%)</b>
<b>Gasoline</b>				
<b>Reported sales % change</b>	<b>3%</b>	<b>16%</b>	<b>40%</b>	<b>(1%)</b>
<b>Less: Foreign currency translation</b>	<b>3%</b>	<b>3%</b>	<b>8%</b>	<b>0%</b>
<b>Constant Currency sales % change</b>	<b>0%</b>	<b>13%</b>	<b>32%</b>	<b>(1%)</b>
<b>Diesel</b>				
<b>Reported sales % change</b>	<b>(4%)</b>	<b>(6%)</b>	<b>38%</b>	<b>(28%)</b>
<b>Less: Foreign currency translation</b>	<b>1%</b>	<b>3%</b>	<b>9%</b>	<b>0%</b>
<b>Constant Currency sales % change</b>	<b>(5%)</b>	<b>(9%)</b>	<b>29%</b>	<b>(28%)</b>
<b>Commercial vehicles</b>				
<b>Reported sales % change</b>	<b>12%</b>	<b>4%</b>	<b>39%</b>	<b>(18%)</b>
<b>Less: Foreign currency translation</b>	<b>2%</b>	<b>1%</b>	<b>5%</b>	<b>0%</b>
<b>Constant Currency sales % change</b>	<b>10%</b>	<b>3%</b>	<b>34%</b>	<b>(18%)</b>
<b>Aftermarket</b>				
<b>Reported sales % change</b>	<b>23%</b>	<b>(10%)</b>	<b>26%</b>	<b>(19%)</b>
<b>Less: Foreign currency translation</b>	<b>1%</b>	<b>2%</b>	<b>4%</b>	<b>(1%)</b>
<b>Constant Currency sales % change</b>	<b>22%</b>	<b>(12%)</b>	<b>22%</b>	<b>(18%)</b>
<b>Other Sales</b>				
<b>Reported sales % change</b>	<b>(19%)</b>	<b>(11%)</b>	<b>5%</b>	<b>(22%)</b>
<b>Less: Foreign currency translation</b>	<b>1%</b>	<b>2%</b>	<b>5%</b>	<b>(1%)</b>
<b>Constant Currency sales % change</b>	<b>(20%)</b>	<b>(13%)</b>	<b>0%</b>	<b>(21%)</b>

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 to Net cash provided by operating activities less Expenditures for property, plant and equipment

**Garrett**

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(\$ in millions)	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
<b>Net income – GAAP</b>	<b>\$63</b>	<b>\$11</b>	<b>\$367</b>	<b>\$54</b>
Net interest expense	\$24	\$19	\$67	\$53
Tax expense / (benefit)	\$28	(\$1)	\$82	\$11
Depreciation	\$23	\$23	\$70	\$60
<b>EBITDA (Non-GAAP)</b>	<b>\$138</b>	<b>\$52</b>	<b>\$586</b>	<b>\$178</b>
Other expense, net (which consists of indemnification, asbestos and environmental expenses)	0	14	0	44
Non-operating income	(3)	(3)	(9)	(8)
Reorganization items, net	(9)	4	(130)	4
Stock compensation expense	2	2	5	8
Repositioning charges	3	2	14	8
Foreign exchange loss on debt, net of related hedging loss	0	5	9	4
Professional service costs	1	44	1	53
Capital tax expense	2	0	2	0
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$134</b>	<b>\$120</b>	<b>\$478</b>	<b>\$291</b>
Change in working capital	(171)	(47)	(172)	(187)
Factoring and P-notes	23	(34)	12	(27)
Cash Taxes	(15)	(21)	(47)	(27)
Capital Expenditures	(34)	(16)	(74)	(79)
Other/ Other Assets and Liabilities	10	1	44	(31)
Cash Interest	(10)	(11)	(46)	(48)
<b>Adjusted Free Cash Flow (Non-GAAP)</b>	<b>(\$63)</b>	<b>(\$8)</b>	<b>\$195</b>	<b>(\$108)</b>
Honeywell Indemnity Agreement	0	(2)	0	(43)
Stalking horse termination reimbursement	0	0	(79)	0
Chapter 11 Professional service costs	0	(79)	(212)	(87)
Honeywell Settlement as per Emergence Agreement	0	0	(375)	0
Chapter 11 related cash interests	0	0	(20)	0
Stock compensation cash	0	0	(10)	0
Repositioning cash	(3)	(2)	(7)	(4)
Factoring and P-notes	(23)	34	(12)	27
<b>Net cash used for operating activities less expenditures for property, plant and equipment (Non-GAAP)</b>	<b>(\$89)</b>	<b>(\$57)</b>	<b>(\$520)</b>	<b>(\$215)</b>

# Reconciliation of Net Income to Adjusted FCF Conversion

<i>(\$ in millions)</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD Q3 2021</b>	<b>YTD Q3 2020</b>
<b>Net income - GAAP</b>	<b>\$63</b>	<b>\$11</b>	<b>\$367</b>	<b>\$54</b>
Foreign exchange loss on debt, net of related hedging loss	\$0	\$5	\$9	\$4
Other expense, net (which consists of indemnification, asbestos and environmental expenses)	\$0	\$14	\$0	\$44
Non-operating income	(\$3)	(\$3)	(\$9)	(\$8)
Reorganization items, net	(\$9)	\$4	(\$130)	\$4
Stock compensation expense	\$2	\$2	\$5	\$8
Repositioning charges	\$3	\$2	\$14	\$8
Professional service costs	\$1	\$44	\$1	\$53
Capital tax expense	\$2	\$0	\$2	\$0
Adjusted tax expense (benefit)	\$6	(\$19)	(\$6)	(\$29)
<b>Adjusted Net Income<sup>1,2</sup> (Non-GAAP)</b>	<b>\$65</b>	<b>\$60</b>	<b>\$253</b>	<b>\$138</b>
<b>Adjusted Free Cash Flow<sup>3</sup> (Non-GAAP)</b>	<b>(63)</b>	<b>(8)</b>	<b>195</b>	<b>(108)</b>
<b>Adjusted Free Cash Flow Conversion (Non-GAAP)</b>	<b>(97%)</b>	<b>(13%)</b>	<b>77%</b>	<b>(78%)</b>

<sup>1</sup> Adjusting items are tax effected at the same annual effective tax rate that was used at the time the adjusting item was originally recorded. If the adjusting item was not originally taxed at the annual effective tax rate, then the amount of the tax originally recorded is used.

<sup>2</sup> Q1 2020 and Q1 2021 Adjusted Tax Expense (and consequently, Adjusted Net Income) reported numbers were restated to reflect an updated adjusted tax rate.

<sup>3</sup> For Adjusted Free Cash Flow Reconciliation, please refer to slide for Reconciliation of Cash Flow from Operations less Expenditures for PP&E to Adjusted Free Cash Flow.

# Reconciliation of Cash Flow from Operations less Expenditures for PP&E to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD Q3 2021</b>	<b>YTD Q3 2020</b>
Net cash used for operating activities (GAAP)	(\$55)	(\$41)	(\$446)	(\$136)
Expenditures for property plant, and equipment	(34)	(16)	(74)	(79)
<b>Net cash used for operating activities less expenditures for property, plant and equipment (Non-GAAP)</b>	<b>(89)</b>	<b>(57)</b>	<b>(520)</b>	<b>(215)</b>
Honeywell Indemnity Agreement expenses	0	2	0	43
Stalking horse termination reimbursement	0	0	79	0
Chapter 11 Professional service costs	0	79	212	87
Honeywell Settlement as per Emergence Agreement	0	0	375	0
Chapter 11 related cash interests	0	0	20	0
Stock compensation cash	0	0	10	0
Repositioning cash	3	2	7	4
Factoring and P-notes	23	(34)	12	(27)
<b>Adjusted free cash flow (Non-GAAP) <sup>1,2</sup></b>	<b>(\$63)</b>	<b>(\$8)</b>	<b>\$195</b>	<b>(\$108)</b>

<sup>1</sup> Liquidity actions taken during Chapter 11 in Q1 related to sales of receivables have been adjusted back.

<sup>2</sup> 2020 Adjusted FCF reported number was restated to reflect updated definition which excludes liquidity actions such as sales of receivables.

# Reconciliation of Selling, General and Administrative expenses to SG&A Adjusted

<i>(\$ in millions)</i>	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
<b>Selling, general and administrative expenses (GAAP)</b>	<b>\$60</b>	<b>\$98</b>	<b>\$166</b>	<b>\$202</b>
Stock compensation expense	\$2	\$2	\$5	\$8
Professional service costs	\$1	\$44	\$1	\$53
Capital tax expense	\$2	\$0	\$2	\$0
Depreciation and Amortization expenses in SG&A	\$2	\$2	\$5	\$4
<b>SG&amp;A adjusted (Non-GAAP)</b>	<b>\$53</b>	<b>\$50</b>	<b>\$153</b>	<b>\$137</b>

# Reconciliation of Net Income to Consolidate EBITDA

(\$ in millions)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	LTM Q3 2021
<b>Net income (loss) -GAAP</b>	<b>\$25</b>	<b>(\$105)</b>	<b>\$409</b>	<b>\$63</b>	<b>\$392</b>
Net interest expense	\$23	\$20	\$23	\$24	\$90
Tax expense	\$28	\$24	\$30	\$28	\$110
Depreciation	\$26	\$23	\$24	\$23	\$96
<b>EBITDA (Non-GAAP)</b>	<b>\$103</b>	<b>(\$38)</b>	<b>\$486</b>	<b>\$138</b>	<b>\$689</b>
Other expense, net (which consists of indemnification, asbestos and environmental expenses)	1	0	0	0	1
Non-operating expense (income)	13	(3)	(3)	(3)	4
Reorganization items, net	69	174	(295)	(9)	(61)
Stock compensation expense	2	2	1	2	7
Repositioning charges	2	8	3	3	16
Foreign exchange (gain) loss on debt, net of related hedging (gain) loss	(42)	33	(24)	0	(33)
Professional service costs	(1)	0	0	1	0
Capital tax expense	2	0	0	2	4
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$149</b>	<b>\$176</b>	<b>\$168</b>	<b>\$134</b>	<b>\$627</b>
Unrealized Foreign exchange (gain) loss	0	(2)	2	3	3
Interest Income	0	1	1	1	3
<b>Consolidated EBITDA</b>	<b>\$149</b>	<b>\$175</b>	<b>\$171</b>	<b>\$138</b>	<b>\$633</b>

# Full Year 2021 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency

	2021 Full Year Low End	2021 Full Year High End
Net sales (% change)	19%	22%
Foreign currency translation	5%	5%
<b>Full Year 2021 outlook Net Sales Growth at Constant Currency</b>	<b>14%</b>	<b>17%</b>

# Full Year 2021 Outlook Reconciliation of Net Income to Adjusted EBITDA

<i>(\$ in millions)</i>	<b>2021 Full Year Low End</b>	<b>2021 Full Year High End</b>
<b>Net income - GAAP</b>	<b>\$405</b>	<b>\$435</b>
Net interest expense	91	91
Tax expense	103	103
Depreciation	94	94
<b>Full year 2021 outlook EBITDA (Non-GAAP)</b>	<b>\$693</b>	<b>\$723</b>
Non-operating income	(10)	(10)
Reorganization items, net	(130)	(130)
Stock compensation expense	7	7
Repositioning charges	18	18
Foreign exchange loss on debt, net of related hedging loss	9	9
Professional service costs	1	1
Capital tax expense	2	2
<b>Full Year 2021 Outlook Adjusted EBITDA (Non-GAAP)</b>	<b>\$590</b>	<b>\$620</b>

# Full Year 2021 Outlook Reconciliation of Cash Flow from Operations less Expenditures for PP&E to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	2021 Full Year Low End	2021 Full Year High End
Net cash used for operating activities (GAAP)	(\$355)	(\$295)
Expenditures for property, plant and equipment	(90)	(90)
<b>Net cash used for operating activities less expenditures for property, plant and equipment (Non-GAAP)</b>	<b>(\$445)</b>	<b>(\$385)</b>
Cash payments for restructuring	702	702
Non-recurring cash items	23	23
<b>Full year 2021 outlook Adjusted Free Cash Flow (Non-GAAP)</b>	<b>\$280</b>	<b>\$340</b>



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