**Garrett Motion (Investor and Technology Day)**
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Corporate Speakers

- Eric Birge; Garrett Motion Inc; Head of IR
- Olivier Rabiller; Garrett Motion Inc; President, CEO
- Pierre Barthelet; Garrett Motion Inc; SVP Strategy & Advanced Technology
- Craig Balis; Garrett Motion Inc; SVP, Chief Technology Officer
- Sean Deason; Garrett Motion Inc; SVP, CFO

Participants

- Hamed Khorsand; BWS Financial; Analyst
- Brian Sponheimer; Gabelli; Analyst
- Andrew Coye ; IBD
- Brian Hatch; Paradigm Capital; Analyst
- Francis Lau; Vantage Asset Management; Analyst

## PRESENTATION

**Eric Birge**^ Good morning, everybody. My name is Eric Birge, I'm head of Investor Relations here at Garrett Motion. I wanted to welcome everybody to our Tech and Investor Day. We're live here in New York today but this event will be a recorded webcast that will be available for replay on our website afterwards. And after, I just want to mention also that the presentation we will be using today is already in the website and accessible for you as well.

I do want to give one comment please no photos while you're in the booths, feel free to talk to anybody, ask your questions, but we do ask you not take photographs. Before I begin I want to mention that today's presentation is on the website. Also there, you will find SEC filings and other important information about our company and then we do note that this presentation contains forward-looking statements within the meanings of the Securities and Exchange Act, we encourage you to read these risk factors that are contained within the filings under the SEC, become aware of these risks and uncertainties in our business and understand that looking -- that forward-looking statements and estimates of our future performance should be taken as such.

The forward-looking statements represent management's expectations as of today and the company disclaims any obligation to update them beyond that.

We've got a very -- a very busy agenda for you today. Obviously, you can see that in the presentation. I'd like to introduce our speakers today, Olivier Rabiller, our president and chief executive officer, Sean Deason our senior vice president and chief financial officer,

Pierre Barthelet, our senior vice president of strategy and advanced technology, and Craig Balis, our senior vice president and chief technological officer.

Let's go ahead and get this started.

(video playing)

**Olivier Rabiller**^ Good morning, everyone. This is a great pleasure for us and it's a great day to be able to share with you where we are with the company the question is always why would we be doing an investor and a technology day?

Well, there are two reasons for that. The first one is that we have transformed the company a great way for the last five years and it's time now to pause and look at the future. When you look at the future and that's the second reason for us being here today with you, it's about sharing what we do not only with the core turbo business, we'll keep on investing in the turbo business and we'll share that with you in there in the coming minutes but more than that what's happening on the new technology front.

A lot of people may think that our new technology investments are PowerPoints [ph], it's not and that's the reason for us being today, you will have the pleasure to go visit the booth see products, see metal electronics that will power the vehicles of tomorrow. So let's start a little bit with us, who we are first. We are a technology leader, what ties all these group of people together in the company is technology leadership bringing differentiation differentiated solutions to the marketplace, we are passionate about innovation.

The game of the company is not to do what the others are doing, it is to bring differentiation that customer needs and pay for. So let's step back a little bit, look a little bit at the ID card of the company. Well you know that card quite well, most of it, most of you but let me insist on a few points.

First, transformation, five years ago, 48% of our revenue was on light vehicle diesel and far more than 50% was European centric. Today as you can see, we are 41% in gasoline, this morning when we announced the result of Q3, we were at 46% in gasoline, so we have been driving that transition moving for position of three on the marketplace to the first position on the gasoline side pushing for new technology like variable geometry.

And at the same time, with our Excellence Model maintaining the cell level of margin through the transition. The second point is that we are a very different company because today we are a clean public company, 2 billion kind of market cap, no more obligations, no more complex balance sheets and obligations for us on our shoulders to carry on in the future. We are clean and we can invest further to support our growth and return to our shareholders.

The third point is obviously the point about these machines this is the electric motor of the future, we have invested, we were alluding to that five years ago, some people were

saying my god this is difficult, how these guys can come from turbo business to electrification, what is their right to play, what do they bring that the others are not bringing yet?

Well we've decided to invest on three differentiated strategies technologies that are fuel cell, electric motors, high speed high power density and e-cooling compressors. This is a fantastic journey and this company is on the move.

Something quite important for us is sustainability and I wanted to touch on that early on into the presentation, why? Because 99% of the revenue of the company is to bring solutions that are reducing emissions and addressing the mobility of the future and even beyond mobility reducing emissions for our customers.

For a rather young company, we had very, very early success being gold EcoVadis and CDP B-score which into the automotive industry when, you compare us to our peers, is at the top end.

Now these are the products we do, these are the vehicles we support, the engines we support already today, a lot of people know us for the first line on the slide, a lot of people don't know us enough for the bottom part of it. In fact in excess of 30% of our sales are into commercial vehicle and industrial applications. This is where this company was born and when I say 30% of our sales, you can imagine that when it comes to profitability, it's even more.

There is no way for us to forget where we are coming from. We'll keep on investing there.

So let's start with the first leg of a business, the first leg of the business is our core turbo, we are not planning to move away from that, we like that industry and we have a fantastic leadership position there. The turbo business is having a longer tail than ICE for two reasons. The turbo penetration is increasing as you can see on the slide, when you look at hybrid vehicle plug-in hybrids the rate of turbochargers the penetration of turbochargers is higher than what you have on normal non-hybrid vehicles, the second point which is addressing the point I was making about commercial vehicle is that the production of turbocharged commercial vehicle off-highway equipment engines is increasing and that's a very important segment for us.

Over the last five years, we've been consistently booking 50% of all the businesses that were put on the marketplace which has enabled us to increase our share of demand. We have the broadest portfolio of the industry, it matters a lot in an industry that is consolidating, why is it consolidating? In the past you would have car makers that to do 1 million vehicle would have like four or five different engine platforms, today they want one. They don't have a two-liter engine for China one for Europe one for the US anymore, they have one.

So we are moving from high volume programs that used to be 200,000, 250,000 units a year now to in excess of 1 million a year. When you're rewarding a business to a supplier working on a program that's doing 1 million a year, you want to have someone that you know has the portfolio of technology for today and tomorrow, you want to have someone that is financially stable, and you want to have someone that will go on with you through the industry transition.

Well we are one of these guys and that's the reason why this consolidation happening into the industry that we were alluding to five years ago now is reality, has been the reality for us and is accelerating.

One important point that we've announced today is that we are reinforcing our investment on the big turbos, the industrial and commercial vehicle turbos, this is the baby that we talked about this morning, this is a GT 80, this is the biggest ever turbo that Garrett has done and you will see that's just the size when you visit the booth the biggest size that we are having before, this is significantly bigger.

Here we are talking about turbos for locomotives, big power gen application, big off-highway vehicle application, marine, it's a new territory for us, it's very relevant because it's not only diesel based, we are talking about natural gas, these machines are getting onto the power gen application for data centers.

Facebook and the like want to pay a lot of money to make sure that when there is a power outage, they can spool up their gen set at the speed of light, they are ready to pay for technology and this is the technology we bring.

So not only having are we playing into an industry that is having a longer tail than ICE but we have a leadership position that we are reinforcing and this with the fact that when you built a new program, the first component you choose is usually the turbocharger, gives us a long-term view about the revenue of the company.

And that long-term view about the revenue of the company is not enough. Why? Because we are playing into a world that is valuable and how do we address that to a valuable cost? We have one of the company with the highest valuable cost meaning we adapt to the situations we face and as such, we maintain the top of the range financial performance.

As you can see, we deliver on our margin in the good years and in the bad years, we have a resilient operation model and it's not only about generating margin but the game at the end of the day is to generate cash.

If you do a little bit of a forecast for the next five years and you take conservative hypothesis, conservative hypothesis means that we are very realistic and even potentially optimistic about the rise of battery electric vehicle. Even with that, we will be generating in the next five years, cash that is an equivalent amount to the market cap of today.

Okay, that's a lot. This is unknown in our industry and this after having invested about $500 million to support our growth in zero electric vehicle technology.

So all of that gives us a lot of optionality whether to invest more, do some strategic choices, support some other ideas of growth or return to the shareholders.

Now let's talk about let's talk about the second leg of the company which is this new leg which is about exciting zero emission vehicle technologies. We are not coming to that out of the blue, we've been building up our capabilities in a very thorough way for the past more than 10 years. When I joined that company we were already working on electric turbochargers, we were already working on high-speed electric motors and unfortunately, I'm not that young anymore.

So turbo machines that's obviously where we are from. High-speed electric motors we are not talking about 15,000 rpm kind of electric motor we are talking about in excess of 200,000 rpm motors and Craig and Pierre are very excited about that, I'm sure they will excite you even more about it. But when you design the motor you need power electronics, we have designed our own power electronics because nothing's available on the marketplace, we have to design it.

We have to design our own software to drive those power electronics.

So when you look at these building blocks we've that's the way we've looked at the opportunities that were offered to us by battery electric vehicle, fuel cell electric vehicle, and this is the way we've defined where we wanted to play. First we started already more than seven years ago in production with fuel cell compressors, a fuel cell compressor is even more important to a fuel cell system than the turbo for an internal combustion engine.

Then we decided to look at the challenge that was offered by electric powertrain. How can we bring something different that's matching the evolving needs of our customers on the electric powertrain side. And last but not least, we already built up on some of these technologies to get into a new challenge that was the cooling challenge for electric vehicles.

So at the end of the day, we are moving from a place where we are playing into a certain billion dollar industry to a place where I keep on playing into that certain billion dollar industry and we want to develop that position, but at the same time we are playing into end market corresponding to our technology that we estimate to an additional $30 billion.

The question you could have in mind is okay fine these guys are coming to electrification they are coming late to the party, I understand their technology, is it differentiated, is it what customer needs and how easy is it for big guys to replicate that?

Well first it's answering customer needs and you will hear that in the rest of the session, but the second point is that it's very difficult to replicate. You're not moving from doing a

15,000 rpm motor to doing a 200,000 rpm motor like that, it's about vibration, it's about controls, it's about cooling, it's about the mechanics of high speed that we have from the beginning from the turbocharger side and you need all the building blocks. Let me give you an example, on a fuel cell compressor, you need the compression, high efficient compression, you need the high speed electric motor technology, it's in excess of 100,000 rpm, the faster compressing machine is moving, the more efficient it is.

So we need 100,000 rpm motors. We need 100,000 rpm power electronics. We need the software and we need the bearings that would work without any lubricant and we are the only one in the industry to have developed something from taking some technologies from the aerospace, bringing that at scale for the automotive technology, at scale meaning we are moving from a few hundreds a year to thousands a year, and having experience in the field that supports that.

Okay, you need all the building blocks, same for the e-powertrain, Craig and Pierre will come back to that, same for the oil-less compressor, so yes we are working on things that are difficult to replicate.

Now I wanted to step back a little bit, because as a leader of the company I always look at what's available and saying are we is the market seeing the value of what we do? So we decided to compare a little bit ourself to a few groups of not only peers, but other industrials. We are heavier on aftermarket and industrial than our peers into the automotive industry. Usually people are looking at that at our adjusted EBITDA to compare us with others but when you look at adjusted EBITDA, I'm not the CFO, not what we said at the beginning, but into the EBITDA, the bothering piece is that piece, because we are light on CAPEX.

We are a very flexible company so it's conscious. If you look at the EBIT margin which reflects better the way we are driving the company, we are far ahead of our peers from the auto industry but we are also far ahead from industrial peers.

When you look at adjusted EBITDA minus CAPEX of our adjusted EBITDA which is another way to look at the cash generation of the business, we are far ahead as well.

And last but not least, when you look at the cash we generate every year and you compare that to market cap of the company, my god we are far ahead too.

So there is a lot of value in this company in what we drive today with our core business and what we will bring in the future with our new technologies.

So let me wrap up a little bit introduction before we get into the presentation with the rest of the team. We are the number one turbo player we are enjoying a great position in a consolidating industry and by the way we want to develop that position. We will keep on investing into areas that are supporting that core turbo growth including developing ourselves into new areas where we are not present so far, hence the investment on the big turbos, we have a resilient model in this company, highly cash generative, we've decided

to focus our electrification investment on areas where we see the needs from customers but also where we know we have differentiation that we want to build up.

And then I would say that's probably my pride to be leading and in a team that I estimate to be one of the best of the industry to be able to deliver those fantastic results and those fantastic products.

So with that, we pass it on to Pierre and Craig that will drive you to the technology piece of the company.

**Pierre Barthelet**^ Thank you, Olivier, and good morning everybody.

Electrification is coming that's there is no question about it and this is really transforming the automotive industry. However when you think about all the variety of application that transportation has to support, there will be still a need for diversity of power trains and you can think about it in two buckets that you can see here on this chart.

First on the left hand side, the ICE and hybrid bucket and then on the right hand side the zero emission vehicle bucket. We are bringing solutions for both sides with our broad portfolio of turbo solution and then with the three Zero Emission Vehicle which is ZEV in the rest of the presentation that Olivier mentioned in the introduction.

So now what we'll do with Craig is really try bring you through the gross framework that we are using to develop this company. But first let me start with the key underlying assumption when we plan this business. I'm sure everyone in this room has his own view on battery electric vehicle penetration outlook for the future. We are assuming of about 40% of vehicle being manufactured by 2030 to be battery electric which means by the way that 60% of them will still need some kind of ICE, be it hybrid or not.

When you look at the spread of all the forecasts from banks from consultants, all the tier ones that's a pink area that you can see on the chart, we are on the high side which means that we are planning conservatively for turbo business. If ZEV come slower, then it will be an upside for our turbo business.

Now let's look at the industry in which or I should say at the industries in which we will play in the coming decades. You can really look at it with three different industries each of them having its own dynamics. At the bottom, in yellow, you can see the trajectory the size of the industry for commercial vehicle and industrial and aftermarket. This is stable if not slightly growing for the next decade.

Then looking at light vehicle turbo industry in red, it will go through a peak around 25-26 and then as Olivier mentioned, will go down but at the same time be more resilient than the ICE itself just because of the increased turbo penetration in all ICE and hybrids that need more turbo.

And then in blue this is the targeted part of the ZEV industry, we are not going after all the ZEV industry, we are going at very specific segments where the differentiated technology that we're bringing will be really valued by our customers. This is growing fast and that's what we want to harness to drive the growth of this company with the zero emission vehicle technology that we are developing.

So that's probably one of the most important slides that you'll see in this morning. We are building our growth strategy on two pillars. Pillar number one, we want to be one of the turbo industry consolidators and we do that by growing the business through very high win rates.

If you think about the past few years, we've been consistently hitting more than 50% win rate year after year for all the bits that were offered in the industry. And as we already mentioned we are also growing, we want to grow our commercial vehicle and industrial business by expanding our portfolio.

Then on the ZEV side, we want to bring and we are bringing different solutions, disrupting solutions that are really fulfilling the needs of the industries, leveraging our unique capabilities. As a result you can see on the right hand side our sales outlook for the coming decade. I think that's not often that we share this kind of numbers but again looking back at the three industries and then the three revenue streams that we have in this company.

At the bottom you can see that in yellow, the commercial vehicle and industrial turbo revenues will keep growing at a fairly sustained pace. In the middle, the light vehicle turbo revenues will go through a peak then go down but still look at 2030 revenues for light vehicle turbos because of the growth of share that we have in this industry with a very high win rate will be bigger than what it was in 2022.

And then looking now at the ZEV revenue streams in blue from 2027, we expect a fast growth as we launch new applications, new high volume applications.

So now let me deep dive a little bit into this concept of turbo being one of the turbo industry consolidators.

There are two drivers to explain the turbo industry consolidation. First OEMs as Olivier mentioned are streamlining their engine portfolio. They want to gain scale to get cost reductions. It means that a single application yearly volume could reach 1 million if not more. When a customer awards the business for such kind of high volume application they want a stable partner which can produce at scale. That's the first driver.

The second driver are the more and more stringent emission regulations like the proposal from the EPA so-called EPA tier 4 proposal. These emission regulations are driving increased turbo technology content per vehicle moving for instance from a wastegate turbo to a variable geometry turbo or an electric boosting turbo.

Again our customers need to rely on partners with the right portfolio of technology to support this kind of shift. And then now in this context when you think about those two constraints, having suppliers who have the scales and the stability and have the right technology portfolio, there are not so many suppliers, turbo suppliers in the industry who are really relevant. And that's what's driving the consolidation of the turbo industry.

Now let me come back a little bit on the commercial vehicle and the industrial turbo business. We love it. About 30% of our sales coming from such kind of applications and what you have to understand is it's a huge breadth of application that we are speaking about.

Think about on highway trucks, buses, coaches, agricultural applications, construction, mining, rail, marine and power generation. What you can see at the bottom in the middle is a big power generation machine from Caterpillar with four large Garrett turbo installed on it.

As I already mentioned we are we will expand. We've announced this morning that we are expanding our portfolio with this kind of big machines. This is a 600 pounds baby that will go on such kind of big power gen or marine engine powered either with diesel or CNG.

So that's really wrap up the turbo discussion and now I would like to hand over to Craig who will explain how we are going to develop our successful zero emission vehicle offerings.

**Craig Balis**^ Thank you Pierre. Good morning everybody.

As Pierre said I'm going to talk to you about technology. So I know many of you are maybe numbers people. You're probably waiting for Sean to come and talk about the numbers. My job is to get you a little bit excited about the technology. I'm excited about the technology. Our people in the room are, and more importantly our customers are. So I want to show you how and why.

Before I start to talk about that technology let me tell you a little bit about how we do it. As you heard from Pierre and Olivier where our drive is for differentiation on turbochargers and on zero emission vehicles. Doing both. You may think when we do both, that means we have to double our R&D or if we can't double our R&D, maybe we have to cut something. But that's not how we work.

As you heard from Olivier, we have a big advantage in the turbocharger industry. It's becoming more efficient. Our customers are having fewer programs with higher volume. That has a direct benefit to us because our R&D that we have to do for turbocharger is proportional to the number of programs that we have to support.

So if our customers are doing fewer programs for higher volume, we can put less R&D because we have fewer programs to support. That's one of the key drivers in our R&D efficiency.

But we also push on something that we call cost per launch. So for each one of those programs, every year we find ways to get more efficient. How can we do a program by spending less R&D for each program? And we do that every year getting better and better.

When you put those two things together that means the combination of the number of programs going down and our ability to get more efficient on every program that we're doing over the last five years, it's improved what we call our R&D efficiency by 40%. That means the dollar we have to invest in R&D on turbo for the dollar of revenue that we get back. So we've been able to still keep that technology leadership while we're managing that investment down through that efficiency.

In parallel to that, at the same time, we're ramping up our investment on electrification. Electrification is not new to Garrett. You're going to see a lot of products today and when you see these products you'll realize these didn't just happen overnight. This is something we've been building up for many years as we've been ramping up that investment in electrification.

We are now today with it more than $100 million of R&D investment in electrification. At the end of last year we had more than 400 engineers and we're still growing in electrification. This is what's driving our transformation and you see it now where more than 50% of our R&D is dedicated to zero emission technologies.

So I've talked to you about the numbers, $100 million of funding. You may be asking okay you've got the money but do you have the know-how? You're a mechanical company, you do turbochargers. How do you know how to do these electric products? E-Turbo is a product that's made that bridge for us. So let me tell you a little bit about what's inside an E-Turbo. An E-Turbo has a high-speed electric motor. You heard Olivier talk about it. 200,000 rpm. This is 10 times faster than any other electric motor on a vehicle. To drive that motor, you need high-speed power electronics what we call the inverter. And to drive that inverter you need the advanced software that controls it. Those are the things that are inside our E-Turbo and as you'll see in the coming pages they're the same things that go into our zero emission vehicle products.

Those technologies, and let me just illustrate it a little bit for you, when we spin a motor at 200,000 rpm we have to sense the position of that motor 10 times per revolution. And each time we sense it we have to adjust the voltage a little bit and the current a little bit to make it as efficient and high-performing as we can.

So that means a 200,000 rpm motor we are sensing and controlling and adjusting voltage and temperature 2 million times per minute. That's a technology that does not exist on the market. And then when you combine it with the environment that we operate, the

high speed, the vibration, the very high temperature, the cooling that we have to do in such a compact package, we had to invent all of this.

We looked around, we couldn't find it so we had to invent it. Those are the technology building blocks that came out of our E-Turbo and established the know-how in our company to do the other products I'll talk to you about today.

Our E-Turbo, we are the first ones to bring it to market, we're the first ones to invent this technology. It's in high-volume production today.

These are the four technology building blocks that I mentioned coming from our E-Turbo. The high-speed machines, the high-speed electric motors, the high-speed inverter, and the advanced control software. These are the building blocks as well for what we use and our zero emissions vehicle products. So as I mentioned, these are not technologies that are available on the market. 200,000 rpm motors, these don't exist in automotive.

The inverter that can drive that, we've looked, we've worked with multiple suppliers to see if we could just buy inverters that would work with our motors. They don't. So we had to invent our own. And then to drive that inverter we had to write our own software.

So those are the know-how, the building blocks that we've been building up over these years as we've been ramping up our zero emission vehicle investment.

When we look at electrification, we are not targeting to play in 100% of the electrification industry. What we do, you heard Olivier say it, we bring differentiated technology to create unique products that solve tough problems for our customers, that deliver that value to our customers. When we look through that lens and when we look at the technology capabilities that we have, that's how we arrive at the three products that you see on this page. Fuel cell compressor, e-powertrain, and e-cooling.

So now let me tell you a little bit more about each one of these.

What is a fuel cell? It's actually a pretty simple concept. Fuel cell takes hydrogen, you put it together with air, you make a reaction. And what comes out of that reaction? Electricity and water. It's a zero emission electricity generator.

However, for a fuel cell to work well, you have to push a lot of air through it. The more air you can push through it, the more hydrogen you can put it in. And then you can get more power out of it. So that means the air compressor that's pushing the air through the fuel cell is mission critical to the operation and the efficiency of that fuel cell.

And this air compressor, it's not a simple machine. It's not, when I say air compressor, this is not like a pump used to pump up the tires on your bike or on your car. This is a high-tech, big air compressor. And you'll see some after the presentation today. So what do I mean? We're talking about a machine that's spinning at more than 100,000 RPM.

And to power it, it needs 15 to 30 kilowatts of electric energy. So what does that mean? It's about three times higher than you would use in your house on a very busy day.

So it's a high-power machine pushing a lot of air. Because it's consuming electricity, it's consuming the electricity that the fuel cell is making. That's what you would call a parasitic loss. It's very important that it's efficient. And this is one of the areas where Garrett's technology has a differentiation versus our competitors. We're more efficient, so we need less electric energy to drive our air compressor.

There's another really important trick in the fuel cell compressor, which is if you allow oil to go into a fuel cell, it poisons it. It kills the catalytic capability inside the machine. So you can't allow any oil in your air compression system. That means we need to run this 100,000 RPM air compressor without any lubrication at all. The way we do that is with air bearings, which are exactly what they sound like. You have this rotor spinning at 100,000 RPM, and it's literally floating on a small cushion of air. Not oil, air.

That's a technology that we took from aerospace more than seven years ago. We took it from aerospace, we developed it into automotive, and to be able to do it at automotive scale. We're the first ones to do that, and we already have more than 10,000 products with air bearings in the field.

So that technology, that technology leadership, is what's given us a great position in this industry. When you look at where we've come in that seven years, we are already on our third generation of fuel cell air compressor. We've made massive advances in the efficiency of the machine. We've made massive advances in the cost reduction. We've made massive advances in the durability. We are head of the industry, and we are recognized as the technology leaders for this.

We've looked at the market. We have the widest global portfolio in the industry, covering from small cars or light commercial vehicles up to industrial applications. So you can think about power generation centers, fuel cell power generation centers at the other range. So we have this full portfolio. We have the best technology, and this is what's leading us to the business wins that we have.

We have already five series production programs that we've won, and we are engaged with customers for many, many more.

In fact, as you've heard, next year we will already generate close to $20 million of revenue in fuel cell compressors.

It may be easier for you to think about Garrett doing a fuel cell air compressor because it's an electric air compressor. It's kind of close to the e-turbo or turbochargers that I've talked about. When you look at e-powertrain, you might think, what is Garrett's right to play in powertrain? There are already many established competitors offering electric drives for traction. So how can Garrett play here?

When we look at the e-powertrain industry, when we looked at the e-powertrain industry, we realized there was a very important unmet need for our customers, which is about power density.

Power density is about getting more power out of something that's smaller and lighter. When we looked at power density, we realized that by going high speed, we can make a step change in the power density of a traction drive system. Everybody in the industry is looking to make advances in power, in power density, but the others don't have the capability to do high speed like we have.

When we come to a high-speed traction drive system, we're scaling down from our know-how. We're going from 200,000 rpm down to 35,000 rpm. All the things that I've talked about, the high-speed motors, the high-speed inverters, the advanced control software, dealing with the vibration, dealing with the temperatures, all of that, we've already mastered it.

So it's very, it's easier for us to just apply that now to a high-speed machine at 35,000 rpm. The traditional players are more, they have a technology base more around 15,000 rpm. So if they go from 15,000 rpm to 35,000 rpm, they don't have those technology building blocks that we have.

You see many of the benefits of the page that power density translates to. I'll show you two examples here. In the middle of the page, that big gray box represents a space of one of the next generation systems that our customers are working on for traction drive. Inside that, you can see the size of our traction drive, high-speed, higher power density. We are saving a lot in space. We are saving a lot in size.

You have another example on the right side of the page. That upper image, that image on the upper right, that's, let's say, a leading electric vehicle manufacturer in California. That's one of their more recent traction drive systems that you see. The image below that is the size of our system at equivalent power and output. So we are able to save that size and save that weight, which is the power density that our customers are looking for.

On the right here, you can see one of our prototypes. This is what we call a three-in-one traction drive system. Why three-in-one? Because it has three main elements to it. It has the high-speed motor, it has the inverter that drives it, and it has the gearbox for it. This is our three-in-one traction drive system.

We've already won two pre-development programs with customers. This is really important because it means when a customer awards us a pre-development program, they're spending their time and their money with us to develop our technology for their next generation vehicle. It's also important because it means they're spending their time and their money with us and not with somebody else, not with the traditional companies that can't do what we're doing. So that means we're already relevant in e-powertrain.

We've looked carefully at the market. We know that our high power density solution is not for the entire industry. So we've looked at the segments where it's valued. And from that, we are developing three powertrain families that you see here on the page.

In those segments, our customers are looking for the next step of capability for their next generation vehicles. Anywhere where they have constraints on power, constraints on space, constraints on weight, that's where they need our technology and that's where we're focused on developing.

Now I'll talk to you a little bit about e-cooling compressor. This is the third product in our portfolio and it's the one that we've most recently started developing. It's something you may not have heard of but I can tell you it's one of the ones that I'm most excited about in our portfolio.

What is e-cooling? When you think about electric vehicles, you may think about the challenges that everybody knows. You think about electric vehicles, you think about the cost challenge. You think about the driving range challenge or you think about the charging infrastructure challenge. The list goes on.

When I talk to my counterparts at the OEMs in engineering, when they're looking at the technical challenges that they have for electric vehicles, thermal management is one of those key challenges.

So what is thermal management? Thermal management is about cooling the battery, it's about cooling the powertrain, it's about cooling the cabin. It's the second highest consumer of electricity on a vehicle after actually driving the vehicle. That's why it's so important.

But when you look at a vehicle, an electric vehicle, you don't really sense this because it doesn't have a big grill and a big radiator in the front so it doesn't feel like it has a cooling or a thermal management challenge. But there are very important challenges inside.

When you fast charge an electric vehicle, a battery electric vehicle, the battery is heating up. And if you can't cool the battery, then you have to slow down the charging. So even if you go to a 250 kilowatt charging station and try to fast charge your electric vehicle, after a few minutes you're not getting 250 kilowatts anymore. You have to start slowing it down because the battery is getting too hot because there's not enough cooling capability on the car to do it.

If you take an electric vehicle and you drive it through a heavier usage condition, think of a truck carrying a load and going up a long hill. In that condition, the battery is also heating up. And if you can't cool the battery enough, you have to start cutting the power. You have to derate. That means less power coming out of the battery, less power going to the wheels. Those are real constraints today with electric vehicles and that's why my counterparts at the OEMs are working hard on thermal management and what they can do in their next generation vehicles to improve that.

When you look at a thermal management system, the heart of the system is the cooling compressor. Today's technology is called a scroll compressor. It's been around for decades. A scroll compressor is the same technology that you have in your refrigerator. It's the same technology that you have in your air conditioning system for your house. And it's the same technology that's been on air conditioners for cars for years.

Thermal management systems today are basically just an evolution of the air conditioning system that's been on cars for years. But that scroll compressor has a lot of fundamental limitations. It's an unbalanced machine. So what does that mean? That means when it spins, it makes a lot of noise and it makes a lot of vibration.

On an electric vehicle where you don't have the normal engine noise and it's quiet, that's a problem. The scroll compressor technology doesn't scale very well. If you want more cooling capacity, if I need to double the cooling output of my compressor, scroll compressor, I have to double the size of my scroll compressor.

And then finally it has a strange characteristic which is when you need it the most is when it starts to become the least effective. So what do I mean by that? A scroll compressor, when the ambient temperature is getting hotter and hotter, so think of a hot summer day, it's actually losing its ability to cool. The hotter it is, the less effective it is. And the same happens when it's cold outside, when it's working as a heat pump. The colder it is outside, the less effective the scroll compressor is to provide, to operate as a heat pump.

Our approach is fundamentally different. We are bringing our high-speed centrifugal compressor to this problem statement and it avoids those limitations of the scroll compressor.

In the way our system is working, because it's a high-speed centrifugal machine, it's balanced, which means it's low noise and it's low vibration. Because it's a high-speed centrifugal machine, we can get a lot of cooling power out of a small machine. Our machine, for the similar size of a scroll compressor, can offer two times or more cooling capacity to the vehicle. And because of the nature of the centrifugal machine, it doesn't have this problem of effectiveness when you go to the more extreme ambient conditions.

On very hot days, it's providing the same level of cooling power. On very cold days, it's providing the same level of heating power. When you put those advantages together, that's why our customers are so excited about what we're doing with our e-cooling compressor. They are looking at their next generation thermal management systems and they are seeing that we are bringing a technology that offers a breakthrough for them on how they can architect those systems.

That's why we already, very quickly, have won three pre-development programs with our customers. They see the potential of the technology. And it's further helped by the fact that it's actually a similar technology as we have in our fuel cell compressor. A lot of the

underlying high-speed motor, the electronics, the software, even the oil-less bearing, because this one has a bearing that doesn't run on air, it has a bearing which runs on refrigerant. There's no oil inside. Even that technology is the same. So that's allowed us to have a fast start on the development and the engagement with our customers, but it's also given a lot of credibility in the eyes of our customers that we can bring something fundamentally different and it will work. And it does work.

We're working on a portfolio that's covering from light vehicles up to, you can think of, stationary industrial battery farms where you need cooling as well. So we're working on the portfolio to cover all of those applications. And you'll see more. You can see some of that after the show when you get a chance to see some of the hardware.

So that's what I would encourage you to do when we finish the presentation today. We've got a lot of boosts with a lot of hardware on display. You'll see some of our team here who will be very happy to share with you the excitement that they have on that technology.

**Pierre Barthelet**^ Let me show a few more quotes. Missing piece of the puzzle. Most advanced in high-speed. Game changer. That are really strong testimonies of what we bring to them. But why do they like our solutions? That's really the critical question. And you know it's all about two words. Unmet needs. While our customers were launching their first generation of battery electric vehicles, they realized that there were a number of needs that were not properly fulfilled with the existing technologies. Which had driven them to do undesired trade-offs.

What we bring, leveraging our specific capabilities or unique capabilities, we bring solutions that are really answering the unmet needs. Then delivering high value to our customers. And high value being measured in terms of increased vehicle range, increased productivity, lower TCO, total cost of ownership and easier installation for instance.

So now you would probably say coming back to one point that you raised, you would say okay I got it. Garrett is bringing new differentiated technology to the ZEV arena. But how long will it take for their competitor to catch up? And it's really all about this unique set of capabilities and the way we're able to combine them that makes it very difficult for competitor to catch up.

We have invested years of development in those technical capabilities. And now if you think about fuel cell compressors, to bring a competitive fuel cell compressor, you need to combine best-in-class aerodynamic bearings, high-speed motors obviously, and the electronics and software that goes with it. You also need to have unique manufacturing technologies when it comes to balancing for instance. And you need to have a broad portfolio that can answer all the different applications that your customers have.

Last but not least, you also need to have some field experience. All that is very difficult to acquire. ePowertrain is the same game. The current baseline is about 15,000 rpm. We bring something which is three times higher.

It comes with challenges on the vibration management side, on the cooling side, on the control side. All things that are difficult to acquire and really need several many years of investment. Same applies for e-cooling compressor.

So now wrapping up this technology discussion, you've heard in the past few months discussing and presenting our target of $1 billion dollars of revenue from ZEV offerings by 2030. I hope that by now, you understand that it's not PowerPoint. It's real stuff, metal stuff that you can see here, that you will see in the booth. And really you have to think about Garrett DNA.

Garrett DNA is to bring differentiated solutions. And ZEV offerings, the ZEV offerings that we are bringing to the market, are no exception to that.

Now I'll hand over to Sean who will tell us how we'll keep delivering best-in-class financials while going through this electric transition.

**Sean Deason**^ Thanks Pierre.

So one of the first questions I usually get asked, especially since we've converted to a normalized capital structure, is Sean what am I missing here? And my first answer is you're not missing anything. The balance sheet's clean. But then I've thought about it a bit more and I actually think a lot of people are missing a key point of differentiation about Garrett and our financial performance.

If we look at adjusted EBITDA, we're at 16%. That's part of our framework. We're above our peer group in any way, shape, or form. Take CV, take Powertrain, and that's good. But when you move over to the middle of the page and you talk about EBIT, I said adjusted EBITDA is what I meant to say. When we talk about EBIT in the center of the page, we're at 14%. Three points higher than the nearest peer group. Now I come from a commercial vehicle background in my prior life and that's even better than what we did there. And then when we look at the far right side of the slide, Olivier talked about capital intensity, he talked about cash flow generation. When you look at adjusted EBITDA, let's CAPEX. Divided by adjusted EBITDA, 87%. Again, superior to our peers and there is an approach that we take, a financial framework that we have, that we will adhere to even as we transition into this new product set that Pierre and Craig and Olivier have been talking about.

And so I'm going to take you through that.

But with these metrics, one would think, why wouldn't Garrett have a better valuation?

So then we look at valuation metrics. And again, moving to the middle of the page, from an EBIT standpoint, EV, divided by adjusted EBIT, we are far below, far, far below any of our, any of our comps. That represents a unique opportunity to enter into Garrett and take advantage of the valuation appreciation that we're so excited about, driven by all the

products that we've just discussed. Not only the core, which we'll talk about, but the new products as well, the optionality on the new products.

And by the way, and Olivier hit on it as well, when you look at the adjusted free cash flow yield to EV, 20%. So in five years, if you do some basic assumptions, we will have generated our market capitalization today. That is unbelievably powerful, and we're in a great position. And that's, by the way, after investing $100 million-plus in new technologies, and still maintaining all the R&D investment on our core business.

So now let me walk you through some of the key factors that allow Garrett to drive such great financial performance. So we've mentioned that we have very good visibility looking out for the next four to five years, because of our booked business. So why is that?

The reason for that is because our products, in our core business, turbochargers, have to be selected before the engine is even designed. So we are at the forefront of vehicle powertrain design that comes first and foremost before anything else.

And another important point about that is, it's across a diversified customer base, 30% plus commercial vehicle aftermarket and industrial. A much longer lead time. So even the shortest lifespan products, fast-fitting vehicles, before you even get to aftermarket, are ten years from start to finish, and then aftermarket kicks in, and much, much, much longer for industrial, off-highway, commercial vehicle.

Think of mining trucks. They're in use for 30 to 40 years. We enjoy that business. We enjoy all the aftermarket that comes with that. And on top of that, another important point that I want to mention on this slide, is this visibility does not go away when we talk about some of these new products. Because they are also, in particular, this one here, the e-powertrain, the motor has to be selected before you put together the rest of the axle and the powertrain as well.

So we don't expect that this visibility of our sales stream is going to be changing at all as we move through this very exciting transition. And on top of it all, all these products are basically single-sourced, certainly in our core. It's not easy to switch because you are on the powertrain across multiple vehicle platforms. You're homologated in the industry to meet certain emission standards on our core technologies and other standards when it comes to electrification.

But that happens up front, and that is not easy to change. It's too expensive. So we have high, high stickiness. It's not going to go away. So great visibility, high stickiness, and that characteristic will continue through the transition to the electrified drivetrain.

Now what else does Garrett do that's really, really special? We have a very highly profitable set of products, and we have a variable cost structure. We talk about it a lot, but the proof is in the numbers up on the screen. And we've seen some of the most

volatile macroeconomic shocks to the industry in the last three years than ever before, and compressed.

So starting with COVID, then you move to supply chain and chip shortage issues. Now we're dealing with global conflict and rampant inflation. Through all of those challenges, including the worst when COVID shut down basically the globe, that year we still did a 14.5% adjusted EBITDA margin, and we still generated $128 million of free cash flow. And we've continued to see that performance throughout the different shocks, and when times get good, we enjoy it even more, that financial performance. And all this with a capital light model.

So that brings us to this next slide, and this is a very important slide for me personally, because this is the framework that I hold our company to. This is what all these new products, both core and new businesses, have to fit into. Okay, starting at the top, we commit, our framework is a 16% plus adjusted EBITDA margin. We will spend 5% or less of R&D as a percentage of sales, and Craig mentioned how we're going to do that with the intensity of, or with the efficiency of the R&D spend on the core getting better, while we're redirecting those funds to new technologies.

But we will stay within that range. We will maintain a capital light model. This is a great new product, but we are going to manage the CAPEX around it, just like we do so with our turbo products. We keep in-house the critical manufacturing technologies, the things that matter, the secret sauce that we have, and we develop suppliers to manufacture the rest. That's how we maintain a capital white model.

And on top of that, we have a very unique working capital management of 20 times or more. And all of this magic allows us then to deliver what I call a 60% free cash flow conversion. And when I think of free cash flow conversion and how we define it, is I look at if I generate $100 of adjusted EBITDA, or maybe $100 million, let's say, I will generate $60 million of adjusted free cash flow. And that's after interest, that's after tax, that's so a really levered free cash flow number. And that is our framework.

And we're marching toward a 2x net leverage ratio. We're already at 2.3. We said we're going to get there at the very latest by the end of 2024. And that framework will hold.

And now we move to the right-hand side. And the first point on the right-hand side of the screen is as we look forward with all this stickiness of the business that I just talked about, that gray line in the middle, you look out to 2030, our core business will be bigger than it is today in 2030. And it'll have those characteristics.

You go to 2033, it's barely, barely smaller than where it is today with those characteristics. And on top of that, you also have the new products that are coming in that we just talked about. So we have for the next decade a very, very good visibility of where we're going and how we're going to perform financially.

Now people might think about that blue bar in the last slide and say $1 billion of sales. How are you going to get there? Well, we've already heard that we have fuel cell compressor that's going to generate just under $20 million of revenue next year. Okay? But then we talk about and think about these pre-production contracts we won. And then you look on this slide, and this is also on some of the earlier slides, but if you look at the bottom, look at the ASP multiplier. The products that we're creating are bigger and they're more expensive.

The three-in-one, electronics, motor, high-speed motor, gearbox, five to ten times ASP when we compare to our similar base products.

When you start to put that in perspective and then you overlay the addressable industry that Pierre and Olivier talked about, $1 billion seems quite achievable. Now what the mix will be we will see, but either way we don't think it is an insurmountable task and we know actually we will achieve it and hopefully exceed it.

So bring that all back to how we look at our liquidity and capital structure. We've just recently been upgraded by S&P, so we're double B credit. Very, very happy about that. That was primarily due to our deleveraging at 2.3 times now. We have got still strong liquidity, very strong liquidity at $732 million. We continue to generate cash and will continue to generate cash at a 60% conversion ratio. And then we take all that cash and we are we are going to still maintain what we've articulated before, our capital allocation approach, which is first and foremost continue to invest in the business, but within the framework I just mentioned.

So 5% or less on CAPEX as a percentage of sales.

We're going to continue to deliver down to our target of about around two times.

We're going to continue to buy back stock and then we have the optionality to look at potentially inorganic as if it complements our business with the right within our financial framework to enhance it or also potentially a dividend in the future.

But that's a great optionality that this company has never had and that we do have now and that's what really excites me. So to bring it all back together, Garrett right now has a financial building blocks for value creation and it's a great entry point. We've got 16% forecasted EBITDA margins, adjusted EBITDA margins this year. We've got a track record of consistently delivering profitability through good times and bad. We are in the luxury position of generating enough cash flow to both de-lever and buy back stock and still invest in all the businesses we need to invest in. And we've got a capital light model for the current business and the business as we look at it in the future.

We've got one class of debt and one class of equity now after the conversion and all the investments and the exciting optionality that's coming our way as the industry transitions to the electric drive train.

That is the power of Garrett. That's our financial model. That's what we commit to deliver and we will be successful.

And with that, I'm going to hand it back to Olivier for his closing comments.

**Olivier Rabiller**^ I think by now you understand our model, you understand where we are, you understand probably better where we go. Although I'm really encouraging you to get around the goose and hear the message from people that are passionate, developing the technology every day and interacting our customers.

One more time, one leg that is driving the consolidation of the industry, a resilient business, more resilient than ICE, a highly cash generative company that's giving a lot of options for capital allocation, focus bets on our DNA where we think we can differentiate. Not what is electric, everything that is electric today out there is differentiated. Electric motors have been existing for years. And obviously as you get through the booth, I'm pretty sure you will understand that we have passionate people, probably the best of the industry that are driving those very unique technologies.

So with that I think, Pierre, you want to organize the Q&A?

## QUESTIONS AND ANSWERS

**Eric Birge**^ So we'll start a brief Q&A here in the room before we get into the booth. I think we have some microphones around the room here. I do, yeah, we've got some microphones. Does anybody got some specific questions they want to ask? Anybody first? Yeah, we have a mic we can bring up here.

**Hamed Khorsand** ^ It's Hamed Khorsand, I just want to ask you, you were very quick in the presentation, you were talking about the GT80 for the hyperscale and data center. Where are you in that area of sales process and how are you going to go about it as far as the marketing of this product to that?

**Olivier Rabiller**^ So that's a very good question and Pierre and Craig obviously jump in. Where we are is that this is the result of discussions we had with some of our customers already for a long time that are looking for something different. This is also the result of deep analysis we did of the marketplace and the growth.

We are already engaged with a number of customers to develop that and the time of development of those things, I mean it's not exactly moving at the same speed as you would think of for light vehicles, but you should expect some revenue starting 2026-2027.

And think about it as well as an industry where what matters is not only what you sell as OE equipment, but there is a long life. There is a lot of aftermarket when you get into those industrial turbos . This is not a plastic prototype. Okay? We had a bit of a struggle to bring it there due to the weight.

**Brian Sponheimer**^ Hi, Brian Sponheimer from Gabelli.

I'm curious, Sean, when you look at the peer group and you compare your balance sheet, which has obviously undergone a major transformation in the last couple of years, and you compare your leverage to maybe some of the peer groups in the industrial side and then the commercial vehicle side, what do you see? Are you more levered? Do you feel the need to get to one times to really get that your multiple to be respected by the marketplace?

**Sean Deason**^ Well, I think we are at a similar level of leverage at the moment when you look across all those groups, but our goal is around two. That's where our customers are comfortable. They're comfortable if we go higher than that too, as long as we have a path back. I think a good example is what we've done this year already.

We levered up to convert the capital structure and now we're on an aggressive path to de-lever back to that range.

**Olivier Rabiller**^ I think I would add to what Sean is saying that looking at leverage, not considering the cash generation of the company, is a little bit only looking at one side of the equation. Okay? And obviously, we have a very significantly bigger cash generation capability into this company and that gives us flexibility and options. So you should always, in my view, although I'm not an analyst, look at the two sides at the same time. How much debt, how much cash am I generating?

**Alex Ciarnelli**^ Hi, [Alex Ciarnelli] from [Sal Muoio].

I saw the valuation slides and they were great. But why do you think there's that gap in the sense you bought back 8% plus of the stock, I think around 10% of the debt. Having investors, they're showing that your growth and not a declining company. So why do you think we still have that gap? Do you think after today, I guess the gap is a little bit bigger, you think you will close? What else do we need?

It seems to me execution is there, so it seems to me everything is there. So what am I missing? Thank you. If I'm missing anything.

**Olivier Rabiller**^ Maybe you are asking also a little bit the same question. No, jokes apart, I think it takes time for people to realize first the transformation that we have been through. The first time we are coming with a very comprehensive story around the transformation we have been through.

If I recall it back to when we spun off, the biggest deal was to say, oh you guys are so much on the diesel side at that time, you will crash with the transition to gasoline. Your margin will get down the drain, your number three will not get the revenue and everything else. We've proven that it works. I hope people understand that when we commit to something in this company we deliver.

Obviously our goals are big, and our story is really not the one that you can find in the rest of the industry. I mean our cash generation, our margin, the flexibility and the ability to deliver when times are good and when times are bad, are things that are difficult for people covering the automotive industry to understand. So I think it will take time.

It will take on us to repeat, repeat and repeat again the story so that it gets there. Keep on delivering and after some time keeping on delivering I'm convinced it will come.

**Andrey Coye**^ Hi, [Andrew Coye] with ICD. Thank you for the presentation. To follow on the same points on the delevering and on the buyback, very good in the third quarter. Given that we're kind of all waiting and asking that question, why is the valuation gap? Can you be potentially less conservative and lean into it that with a 20% free cash flow yield and maybe less than 10% on the debt to take 400 million dollars of cash over the this year and next year, is there the ability to dial up the buyback and take advantage yourselves of what the market's giving you? Thanks.

**Olivier Rabiller**^ We have obviously a lot of opportunities and a lot of flexibility and with our board with which we are managing capital allocation, we are really screening all the opportunities we have to take advantage of the position we have.

So all the options are on the table.

**Sean Deason**^ And I would just add, look, we're trying to generate shareholder value. That's the focus. We have the cash and again, as I mentioned in my presentation, we're in a luxurious spot to be able to both delever and buy back stock. Now what ratio that will be? We're looking at what we can do to maximize shareholder value.

**Dan Lewis**^ [Dan Lewis] with GEM Partners.

Thanks for the presentation. You guys talked about a very large market opportunity in ZEV products, 35 billion I think. Your market share in turbo is around 50% or 50% plus for new programs. The implication of your long-term revenue expectations and hopes for ZEV is something like four and a half percent of the 35. So help us understand the degree to which you're pursuing products which are niche, mainstream within the ZEV category and help us understand why the aspiration of four and a half percent seems so modest.

**Olivier Rabiller**^ A few things about that. First, when we talk about that 30 billion, we are talking about a date that is later in the future and there are still uncertainties about that. Second, when we commit to something, we want to make sure we are achieving that. That's what we do in this company. We are delivering on our commitments. The third, I would say, we are not talking about niche but we are talking about areas where not everything has been crystallized yet in terms of customer needs.

So we know, for example, that if I take e-compressors, the e-cooling compressors, the need for fast charging and continuous use of the full power of the vehicle is obviously

more on the high end. And by the way, this is what we see in the first pre-development contracts. Okay?

We know that it's already coming up. If you want to have a truck running on a battery, if you want to have a high-powered electric vehicle and you want to accelerate more than five times before the computer tells you now it's enough, obviously this is where we are going.

We think there is much more space available. That's what we put into the $30 billion. And this is probably a little bit the mismatch that you see today between the $1 billion and that. Now, there is also a second point to it, which is the ramp-up of those revenues. We are talking about things that will start to ramp up in 2027, 2028. 2030, at the speed at which the industry is going, or 2033, will still be in the early days of the adoption of these technologies.

So these are the two things to say today that are driving this conservatism, if you want, between that 30 billion and where we are.

**Brian Hatch**^ Thanks a lot. Brian Hatch, Paradigm Capital.

Just following up on that question, one of the interesting things about the turbo business and maybe the reasons for the high margins and great economics is basically one big competitor and a couple of smaller people. How do you think about the number of competitors you will have in the new electric products or EV-based products in 2028, 2029, in the sub-segments of the market that you're attacking?

Is there going to be one or two players in your mind, or you just have no idea and there could be ten people who eventually get there in five years?

**Olivier Rabiller**^ First, we don't have only one competitor on the turbo side. The industry is very good to try to make it as efficient as possible.

I should say that the car makers have been very creative at throwing a lot of competitors at us for the last 20 years. And we are into an industry that will always try to do that, trying to leverage new people, create more competition. That's the point of the efficiency of the industry that we're in.

On the fuel cell compressor side, I'm starting to be quite optimistic about the dynamics that I'm seeing from a competition standpoint, because we are really starting to accumulate the field experience with already all the building blocks that we are talking about and the breadth of the portfolio.

So we are really starting, although you have some competitors that are starting to come in there that are not by the way turbocharger competitors. We've been monitoring that. We have enough of a view on the industry for the last three, four years to start to see that our position is a great one.

On the EV side, the e-traction side, it's a little bit too early to say. The two things we know is that we are the only one at that speed. When customers are working with us, it means that they are not working with the other guys that have been their electric motor suppliers so far. And we are the only ones today. We know that the building blocks to get there are quite difficult to get. And that's the feedback we get from customers as well. These are the two things we know.

So it's a little bit too early to say that no one will be able to catch up. What we are saying is that it's difficult and it will be difficult. And on the compressor side, it's about the same. Today when you go to customers, we are the only ones that are talking about centrifugal compressor. Nobody else talked about that. So it's not that we are the only one into that industry, but we are the only ones for the timing with that technology.

Will we be the only one in five to ten years down the line? That's too arrogant to say. But it will be difficult for people to catch up. That's the point.

The same as for the turbo industry. We are not the only one. We've invented stuff. Some people came in with stuff to stay there because of the breadth of the technology, the breadth of the portfolio. And we are still enjoying that industry even with a few more players.

**Brian Hatch**^ Just one more question. On one of your slides, you were showing a bar chart with the ZEV and the lightweight vehicles on the ICE. Are you implying ICE keeps growing from here between now and 27? And what's going to drive that? Obviously you have some visibility into that order stream.

**Olivier Rabiller**^ Yes, it will keep on growing. I think it's a key point that we are trying to make both with Pierre and Sean. By 2030, our business in turbo, I should not say ICE, in turbo will be bigger than what we did in 2022.

But think about our business in turbo being not only pure ICE, hybrid vehicles. Hybrid vehicles have a percentage of penetration of turbocharging that is higher than pure ICE vehicles. And they require more technology.

If you look at the Tier 4 regulation, and maybe Craig you want to comment on the Tier 4 regulation? I mean, there is a need, not only for more turbos, but for turbos with higher level of technology.

**Craig Balis**^ When you look at Tier 4 regulation in the US, what it means for a turbocharged gasoline engine, it's a different technology than what you would typically have in the US. It's called variable geometry. So moving from a standard technology, wastegate technology, to variable geometry. We're the leader in variable geometry turbochargers for gasoline. In fact, we were the first one to introduce it into the industry in 2017 with Volkswagen.

So as that evolution comes in regulation in the US, it opens up the opportunity for us on the technology side, but it also narrows the number of competitors who can actually bring that technology.

**Pierre Barthelet**^ And then maybe a last comment. As Olivier and Sean mentioned, we have a four to five year visibility of our revenue, which means that whatever we've shown for 2017 is mostly booked already. So we are in the launch phase. We know that it's going to be in production. Then macros will really tell the volumes that we will produce by 2027, but it's mostly booked.

**Francis Lau**^ Hi, Francis Lau from Vantage Asset Management. In your 2030, the 1 billion ZEV, given that the ASPs for the ZEV products are five to ten times higher, is that implying that you can get to that same revenue at 1 billion at, let's just say, 20% of the volume?

**Olivier Rabiller**^ You've seen on the slide, I invite you to get back to that slide. If you consider only electric traction, which is this motor, gearbox, and inverter, the answer is yes. But the point is that our 1 billion will be done with more products, including fuel cell chargers. The next one. The ASP slider. Sorry. Okay, the fuel cell compressor today is more expensive than the turbo, so we don't need as many machines to get the same revenue. E-cooling compressor is probably more in the range of a turbo or two times the turbo, but all the products on ZEV technology are having, as we see them, average selling price that is significantly higher than what you would have with a basic turbocharger.

So lower volume, the answer is yes.

**Francis Lau**^ So if that is the case, is the cheaper (inaudible).

**Olivier Rabiller**^ Your question is about CAPEX?

**Francis Lau**^ You can produce the same revenue with fewer units. Does that change your CAPEX intensity in the future?

**Olivier Rabiller**^ Not that much. Not that much, because on the one hand, the machines are bigger, so they don't have exactly the same equipment. We have Thierry with us on the first row, he's watching everything I'm saying. He's managing all these factories very tightly. But I would say, first, on the CAPEX side, think about it as percentage of revenue. It's true that we need machines that are a little bit bigger to handle bigger products, but the way we look at capex and what really drives capex and the specific situation we have for this company is that we are always careful and not vertically integrating things where we don't have the IP.

And there is always a debate for us. As an example, we are designing our inverters, we are dictating the chips and everything, all of that. Today, we are not doing our inverters, because we estimate that there are some better companies out there that can do that.

So that's the sort of process we have on everything we do, and we are always very careful about this CAPEX investment as percentage revenue, but even more as a key driver to the profitability of these programs.

So that's the discipline we have. We had that for four years, and we keep on this way.

Each time, we find that it's better to go to suppliers, we go to suppliers. And it's not something you decide, because you need to develop those suppliers. We have teams of supplier developments that are very unique into the industry, and probably much more comparable to what our customers are doing. This is the feedback we get from them.

**Eric Birge**^ Any other questions? I would say with that, we can wrap up.

**Olivier Rabiller**^ So I'm sure you are keeping the very interesting question for the guys that are on the booth. Don't hesitate. We are making all of that for you to realize how real is the technology advantage we have, and understand the DNA of the company when it comes to pushing the boundaries on the technology side.

Today, you will be meeting some of the best specialists of the industry. By the way, a number of them have not been raised and educated into Garrett. They came to Garrett because we are developing those advanced technologies, and they are excited about the challenge that they do not find somewhere else.

So I really invite you to engage them deeply into those discussions. Thank you.

Thank you.

**Christophe Mathy**^ We have our best technology experts will be there, and they are really impatient to present you the latest technologies. So we are in the main meeting room, and we have six booths around the meeting room.

So we start with e-power train and e-cooling. Then you have aftermarket, turbo commercial vehicle and industrial, turbo light vehicle, e-turbo, and fuel cell compressor.

Okay, and at each booth, you will have hardware component, and the team members will be there to answer your question, present you the latest innovations. As Eric said, all the innovations are not public yet, so we ask you not to take any picture. There is no order, you know, to go through the booth, so you can go as you want around the booth, and we'll have a lunch during all the time here in this area.

So with that, I want to thank you again for being with us today, and I wish you a great technology discovery tour.

Thank you.