

FEBRUARY 15, 2024

Q4 AND FULL YEAR 2023 FINANCIAL RESULTS

Garrett
ADVANCING MOTION

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding inflationary pressure on Garrett's business and management's inflation mitigation strategies, financial results and financial conditions, industry trends and anticipated demand for our products, Garrett's strategy, anticipated supply constraints, anticipated developments in emissions standards, trends including with respect to production volatility and volume, Garrett's capital structure, new product development and capital deployment plans for the future including expected R&D expenditures, anticipated impacts of partnerships with third parties, and Garrett's outlook for 2024. 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, 2023, as well as our other filings with the Securities and Exchange Commission, under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements.

Non-GAAP Financial Measures

This presentation includes the following Non-GAAP financial measures which are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”): constant currency sales growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, and Adjusted free cash flow. The Non-GAAP financial measures provided herein are adjusted for certain items as presented in the Appendix containing Non-GAAP Reconciliations and may not be directly comparable to similar measures used by other companies in our industry, as other companies may define such measures differently. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and analysis of ongoing operating trends. Garrett believes that the Non-GAAP measures presented herein are important indicators of operating performance because they exclude the effects of certain items, therefore making them more closely reflect our operational performance. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For additional information with respect to our Non-GAAP financial measures, see the Appendix to this presentation and our annual report on Form 10-K for the year ended December 31, 2023.

Strong performance in a flat to down industry environment

Strong 2023 Performance

Q4 2023

- Net Sales \$945M; +5% vs. Q4 2022 or +3% at constant currency¹
- Adjusted EBITDA¹ of \$145M¹ vs. \$140M in Q4 2022
- Adjusted Free Cash Flow¹ of \$137M in Q4 2023

Full Year 2023

- Net Sales \$3,886M; +8% vs. 2022 or +8% at constant currency
- Adjusted EBITDA¹ of \$635M vs. \$570M in 2022
- Adjusted Free Cash Flow¹ of \$422M vs. \$313M in 2022

Impactful Capital Allocation

- Simplified capital structure in 2023, converting all Series A shares to common stock
- Repurchased \$213M of common stock
- Repaid \$200M debt de-levering to 2.2x¹
- Entering 2024 with a strong liquidity position of \$829M¹
- Authorized new share repurchase program of \$350M for 2024 supported by continued strong cash generation

Positioned to Perform in 2024

- Anticipating a flattish global industry production environment
 - Light vehicle production flat to down
 - Commercial vehicle production flat to up
- Proactively deployed productivity and cash efficiency actions to achieve consistently strong financial performance in 2024
- Launching additional series production Fuel Cell Compressor with estimated revenues of ~\$20M in 2024
- Increased customer demand for our differentiated turbo and zero emission technologies

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

Continued Success in Our Turbo Business

- Achieved a **50%+ win rate** in 2023 in Turbo with **record turbo volumes** in the history of the Company
- Expanded offerings in **hybrid & alternative fuel applications**:
 - ✓ Won **two additional** high-volume applications for electric compressors
 - ✓ Introduced our first **Hydrogen ICE application** for commercial vehicles with JCB
 - ✓ Launched **high-volume natural gas** engine applications for China in Q4



Electric Compressor



Hydrogen ICE

Building Momentum with Our Zero Emission Offerings

- Reconfirming our commitment to achieve **target of ~\$1 billion** Revenue from zero emission technologies by 2030
- Winning with the broadest range of industry leading high-efficiency, high-durability **Fuel Cell Compressors**
 - ✓ **One new** series production award in Q4 for a total of **six**
- **One** new pre-development award for our breakthrough high-speed / high-power density **E-Powertrain**
- **Three** more pre-development awards for our game changing centrifugal **E-Cooling Compressors**



E-Powertrain



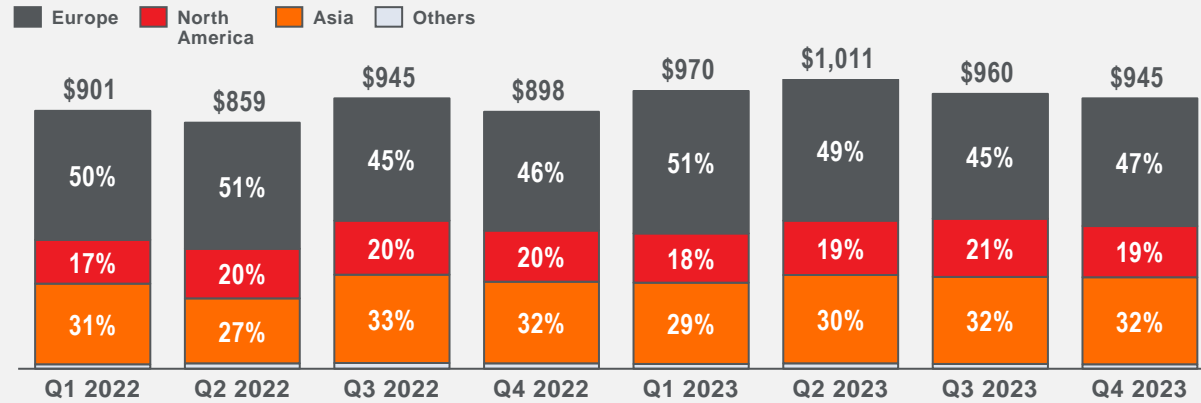
E-Cooling Compressor



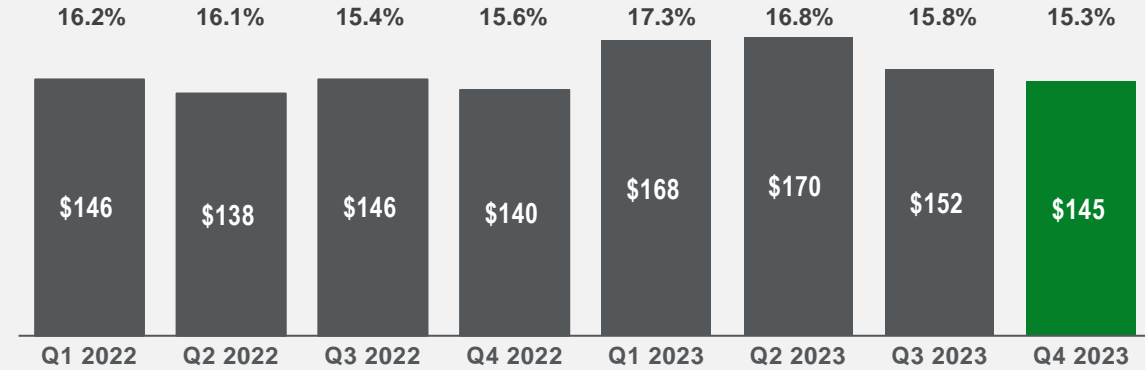
H2 fuel Cell Compressor

Key financial metrics: Q1 2022 – Q4 2023

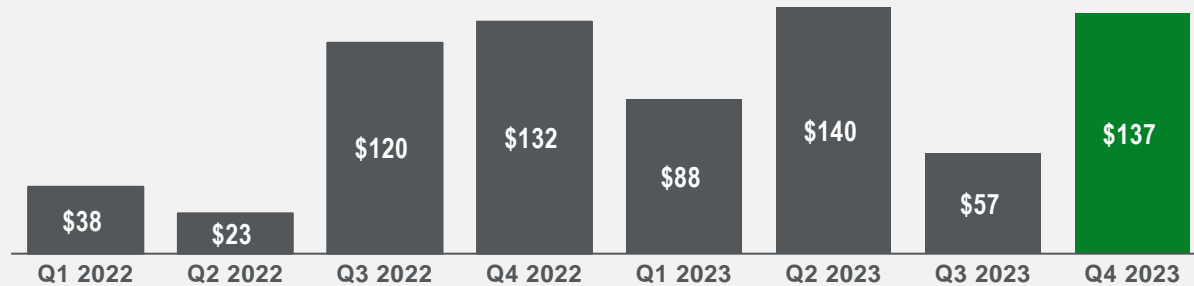
Reported Net Sales (\$M)



Adjusted EBITDA¹ (\$M)



Adjusted FCF¹ (\$M)

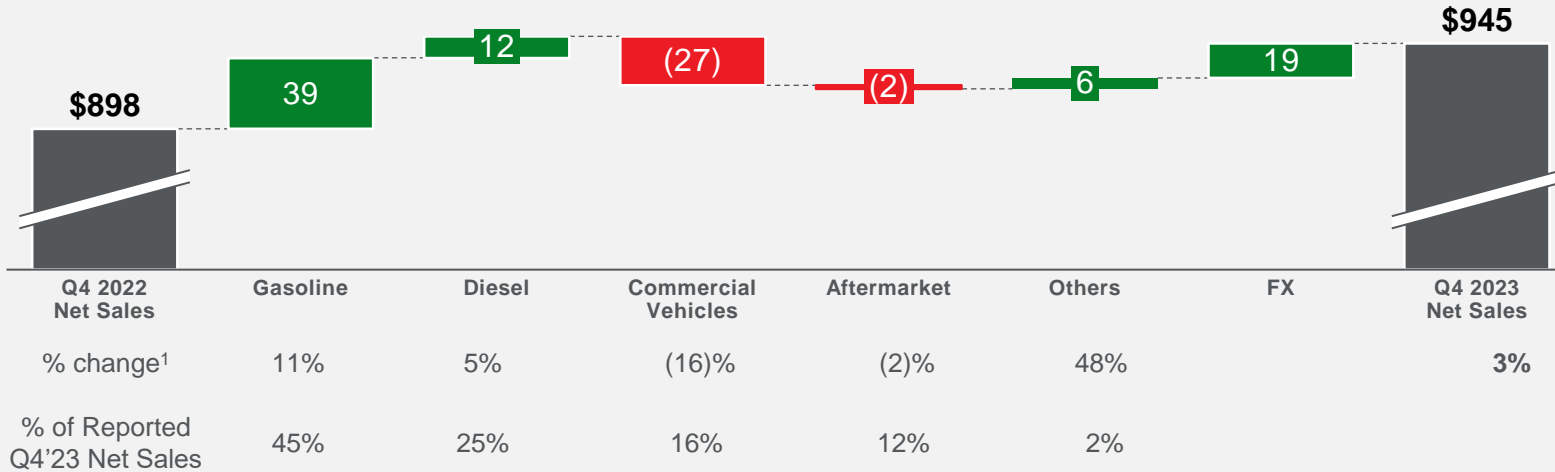


- **+5% Net Sales growth for Q4 (+3% at constant currency¹)**
 - Small engine gasoline ramp-ups primarily in China and NA
 - Commercial vehicle softness on higher interest rates globally
- **Adjusted EBITDA¹ for Q4 increased \$5M year-over-year delivering 15.3% margin¹**
 - Small engine gas and commercial vehicle mix headwinds drive margin down with partial offset from operating performance
- **Year-over-year Adjusted FCF¹ increase from working capital improvement partially offset by higher tax, interest, and capex**

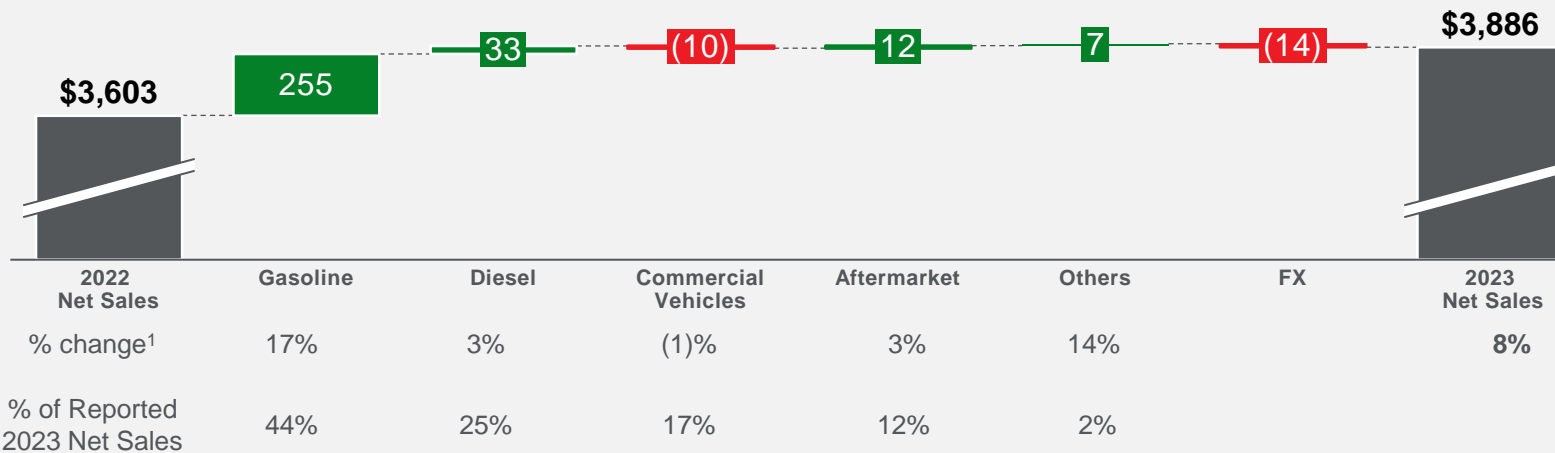
¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Net Sales bridge: Q4 and FY 2022 – 2023

(\$M)



- Net Sales up \$47M or +5% on a reported basis, +3% at constant currency¹
- Gasoline strength from small engine ramp-ups in China and North America
- Diesel growth driven by higher production primarily in Europe
- Commercial Vehicle decline from higher interest rates globally

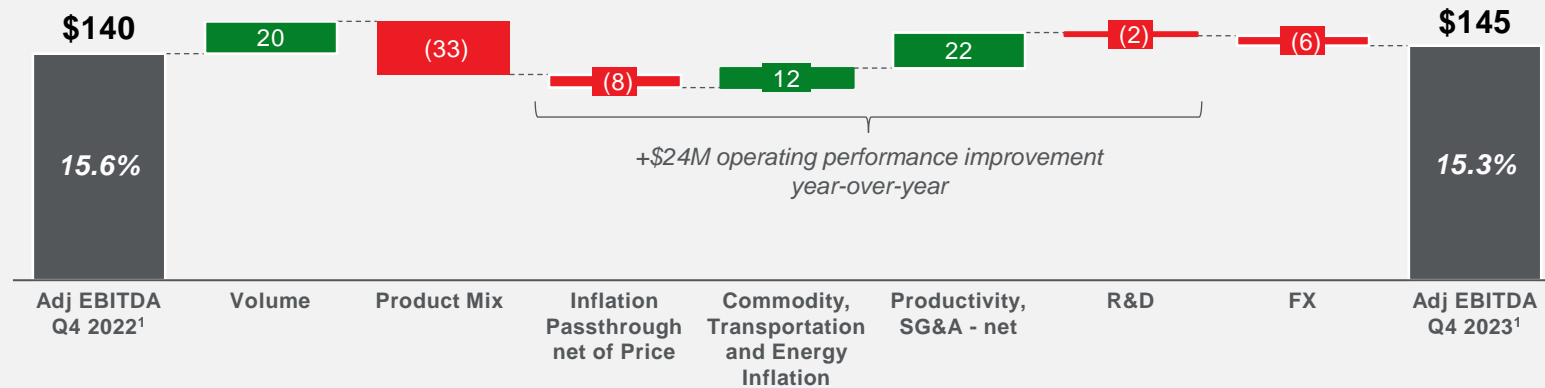


- Net Sales up \$283M or +8% on a reported basis, +8% at constant currency¹
- Global light vehicle production growth with recovery from semiconductor and COVID-19
- Inflation recovery across all product lines

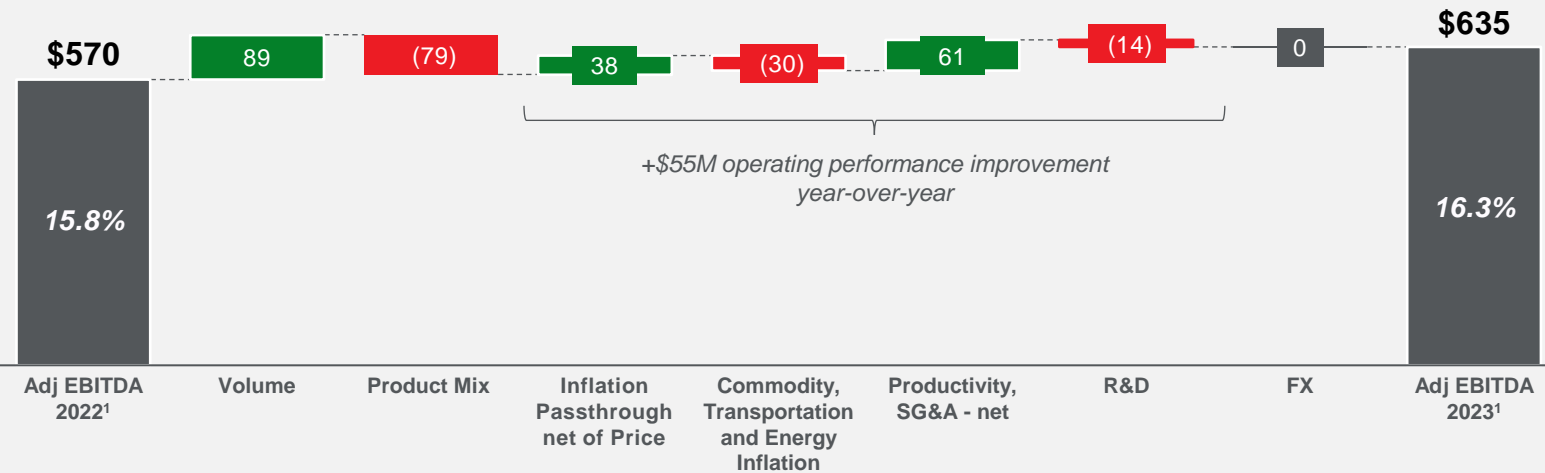
¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Adjusted EBITDA¹ bridge: Q4 and FY 2022 – 2023

(\$M)



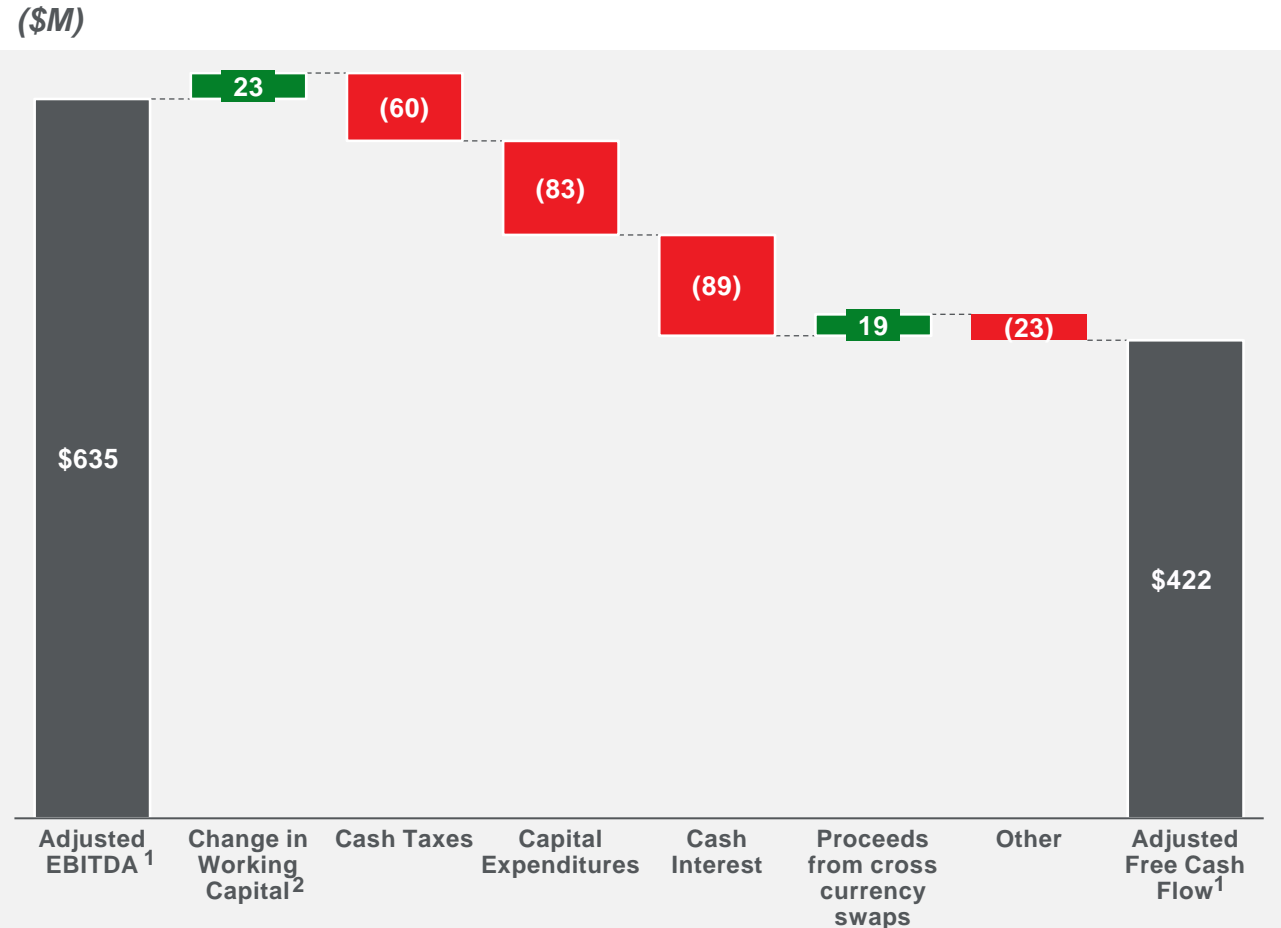
- Q4 2023 Adjusted EBITDA up \$5M, margin of 15.3% down 30bps
- Double-digit gasoline growth coupled with CV decline drove unfavorable margin mix
- Price, inflation recovery, and productivity drove operational performance improvement



- FY 2023 Adjusted EBITDA up \$65M, margin of 16.3% up 50bps
- Strong H1 volume with semiconductor and China COVID-19 recovery; H2 gas growth and CV decline drove product mix pressure
- Inflation recovery and cost productivity more than offset inflation and increased funding of zero emission R&D

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

2023 Adjusted EBITDA¹ to Adjusted Free Cash Flow¹ bridge



- Working Capital cash contribution driven primarily by inventory & payables improvement
- Capital expenditures and cash taxes in line with expectations
- Increased cash interest from issuance of \$700M Term Loan B and higher interest rates

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

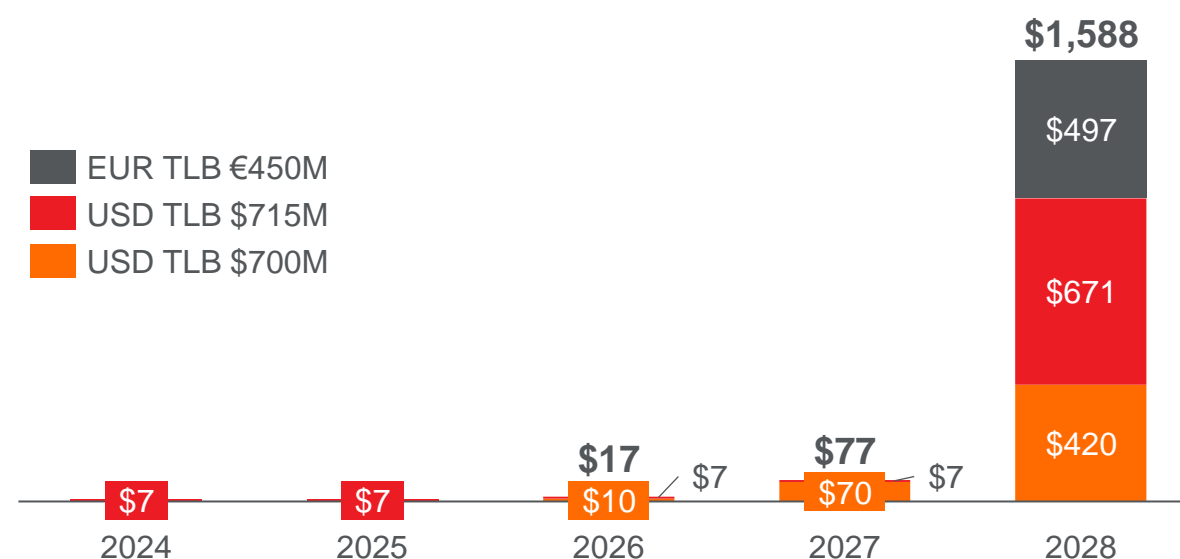
² Change in Working Capital excludes the impact of \$6M Factoring and p-notes

Strong cash generation enabling capital allocation execution

Liquidity and Net Debt³ (\$M)

	Q4 2022	Q3 2023	Q4 2023
Unrestricted Cash ¹	246	162	259
Undrawn Revolver Credit Facility	475	570	570
Total Liquidity	721	732	829
Term Loan B ² (2021-2028)	1,186	1,177	1,196
Term Loan B (2023-2028)	0	500	500
Total Debt	1,186	1,677	1,696
Net Debt³ (Total Debt – Unrestricted Cash)	\$940	\$1,515	\$1,437

Debt Maturities (\$M)



- Strong liquidity position of \$829M³
- Net debt leverage of 2.2x³ with target of 2.0x³
- S&P raised rating to BB- with stable outlook
- Repurchased \$35M in Q4 (\$213M for full year 2023) of common shares at average price of \$7.41
- Authorized \$350M share repurchase plan for 2024

¹ Excluding Restricted Cash of \$2M in Q4 2022, \$1M in Q3 2023 and \$1M in Q4 2023

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

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

2024 outlook

Net Sales	\$3.80B to \$3.95B
Net Sales Growth at Constant Currency¹	-2% to +2%
Net Income	\$230M to \$275M
Adjusted EBITDA¹	\$590M to \$650M
Net Cash Provided By Operating Activities	\$370M to \$470M
Adjusted Free Cash Flow¹	\$325M to \$425M

Planning Assumptions
<ul style="list-style-type: none"> • Light vehicle industry flat to down (1%) • Commercial vehicle industry, including both off highway and on highway, slightly up 2% • Average light vehicle BEV penetration of 15% • Euro/USD currency rate of 1.08 • Price (net of pass-through) and productivity offsetting inflation • RD&E investment at 4.5% of sales up 30 bps from 2023, ~60% on zero emission technologies • Capital expenditures at 2.2% of sales, >30% on zero emission technologies

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

Strong 2023 performance and well-positioned for 2024

- Delivered strong 2023 performance with record Net sales and Adjusted EBITDA while generating and deploying cash in an impactful way for our Shareholders
- Strengthened our leadership position in turbo and continue to build momentum in our zero emission technologies with new wins and are on-track to achieve \$1B of revenue from zero emission technologies by 2030
- Continue strong financial performance in 2024 despite a flat to down industry outlook
- Authorized a new share repurchase program of \$350M for 2024 supported by strong cash generation

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

APPENDICES



Income Statement

<i>(\$ in millions)</i>	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	\$945	\$898	\$3,886	\$3,603
Cost of goods sold	756	737	3,130	2,920
Gross profit	189	161	756	683
Selling, general and administrative expenses	69	52	247	216
Other expense, net	2	0	5	2
Interest expense	55	11	159	8
Loss on extinguishment of debt	0	0	0	5
Non-operating income	(5)	(38)	(2)	(47)
Reorganization items, net	0	1	0	3
Income before taxes	\$68	\$135	\$347	\$496
Tax expense	16	23	86	106
Net income	\$52	\$112	\$261	\$390
Less: preferred stock dividend	\$0	(\$40)	(\$80)	(\$157)
Less: preferred stock deemed dividend	\$0	\$0	(\$232)	\$0
Net income available for distribution	\$52	\$72	(\$51)	\$233

Balance Sheet Summary

(\$ in millions)

Assets	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$259	\$246
Restricted cash	1	2
Other	1,146	1,183
Total current assets	1,406	1,431
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Property, plant and equipment-net	477	470
Deferred income taxes	216	232
Other	428	504
Total assets	\$2,527	\$2,637
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Liabilities		
Total current liabilities	1,374	1,375
Long-term debt	1,643	1,148
Other	245	230
Total liabilities	\$3,262	\$2,753
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Equity (deficit)		
Common stock, par value	0	0
Additional paid-in capital	1,190	1,333
Retained deficit	(1,922)	(1,485)
Accumulated other comprehensive income (loss)	(3)	36
Total deficit	(735)	(116)
Total liabilities and deficit	\$2,527	\$2,637

Summary of Cash Flows

<i>(\$ in millions)</i>	Q4 2023	Q4 2022	FY 2023	FY 2022
Net income	\$52	\$112	\$261	\$390
Net cash provided by operating activities	135	137	465	375
Net cash used for investing activities	(7)	(13)	(55)	(91)
Net cash used for financing activities	(37)	(46)	(403)	(482)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	6	9	5	(18)
Net decrease in cash, cash equivalents and restricted cash	97	87	12	(216)
Cash, cash equivalents and restricted cash at beginning of the period	163	161	248	464
Cash, cash equivalents and restricted cash at the end of the period	\$260	\$248	\$260	\$248

Reconciliation of Constant Currency Sales % Change

Garrett	Q4 2023	Q4 2022	FY 2023	FY 2022
Reported sales % change	5%	4%	8%	(1%)
Less: Foreign currency translation	2%	(11%)	0%	(9%)
Constant Currency sales % change	3%	15%	8%	8%
Gasoline				
Reported sales % change	12%	6%	16%	5%
Less: Foreign currency translation	1%	(11%)	(1%)	(8%)
Constant Currency sales % change	11%	17%	17%	13%
Diesel				
Reported sales % change	9%	1%	5%	(9%)
Less: Foreign currency translation	4%	(12%)	2%	(10%)
Constant Currency sales % change	5%	13%	3%	1%
Commercial vehicles				
Reported sales % change	(15%)	4%	(3%)	(5%)
Less: Foreign currency translation	1%	(10%)	(2%)	(8%)
Constant Currency sales % change	(16%)	14%	(1%)	3%
Aftermarket				
Reported sales % change	0%	8%	3%	9%
Less: Foreign currency translation	2%	(6%)	0%	(6%)
Constant Currency sales % change	(2%)	14%	3%	15%
Other Sales				
Reported sales % change	54%	(7%)	15%	(11%)
Less: Foreign currency translation	6%	(10%)	1%	(9%)
Constant Currency sales % change	48%	3%	14%	(2%)

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

Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Net cash provided by operating activities (GAAP)	\$73	\$104	\$61	\$137	\$92	\$164	\$74	\$135	\$375	\$465
Expenditures for property, plant and equipment	(29)	(23)	(26)	(13)	(8)	(25)	(24)	(26)	(91)	(83)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$44	\$81	\$35	\$124	\$84	\$139	\$50	\$109	\$284	\$382
Chapter 11 Professional service costs	2	1	1	1	0	0	0	0	5	0
Capital structure transformation costs	0	0	0	0	1	1	5	1	0	8
Cash payments for repositioning	2	1	1	0	2	2	5	2	4	11
Cash proceeds from cross currency swap	0	0	0	0	0	0	0	19	0	19
Factoring and P-notes	(10)	(60)	83	7	1	(2)	(3)	6	20	2
Adjusted free cash flow (Non-GAAP)	\$38	\$23	\$120	\$132	\$88	\$140	\$57	\$137	\$313	\$422

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

(\$ in millions)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Net income - GAAP	\$88	\$85	\$105	\$112	\$81	\$71	\$57	\$52	\$390	\$261
Interest expense, net of interest income	(4)	8	(9)	11	27	24	47	54	6	152
Tax expense	37	20	26	23	27	30	13	16	106	86
Depreciation	22	21	21	20	21	22	23	24	84	90
EBITDA (Non-GAAP)	\$143	\$134	\$143	\$166	\$156	\$147	\$140	\$146	\$586	\$589
Reorganization items, net	1	1	0	1	0	0	0	0	3	0
Stock compensation expense	2	3	3	3	3	5	4	2	11	14
Repositioning costs	1	2	1	0	7	1	6	(1)	4	13
Foreign exchange loss on debt, net of related hedging loss	0	0	0	0	0	0	0	(1)	0	(1)
Loss on extinguishment of debt	0	5	0	0	0	0	0	0	5	0
Discounting costs on factoring	1	0	1	0	1	1	1	1	2	4
Other non-operating income	(2)	(7)	(2)	(30)	(1)	(2)	(1)	(2)	(41)	(6)
Capital structure transformation costs	0	0	0	0	2	18	2	0	0	22
Adjusted EBITDA (Non-GAAP)	\$146	\$138	\$146	\$140	\$168	\$170	\$152	\$145	\$570	\$635
Unrealized Foreign exchange (gain) loss	(1)	(1)	1	(3)	7	(4)	(3)	6	(4)	6
Interest Income	2	3	1	2	1	1	2	1	8	5
Other expenses ²	3	4	6	5	11	6	3	0	18	20
Consolidated EBITDA¹	\$150	\$144	\$154	\$144	\$187	\$173	\$154	\$152	\$592	\$666
Net sales	\$901	\$859	\$945	\$898	\$970	\$1,011	\$960	\$945	\$3,603	\$3,886
Net income margin	9.8%	9.9%	11.1%	12.5%	8.4%	7.0%	5.9%	5.5%	10.8%	6.7%
Adjusted EBITDA margin	16.2%	16.1%	15.4%	15.6%	17.3%	16.8%	15.8%	15.3%	15.8%	16.3%

¹ As defined in our credit agreement

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

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

<i>(\$ in millions)</i>	Q4 2022	Q3 2023	Q4 2023
Long-term term debt	\$1,148	\$1,622	\$1,643
Short-term term debt	\$7	\$7	\$7
Deferred finance costs	\$31	\$48	\$46
Gross Debt	\$1,186	\$1,677	\$1,696
Cash and cash equivalents	\$246	\$162	\$259
Net Debt	\$940	\$1,515	\$1,437
Consolidated EBITDA LTM (Non-GAAP)	\$592	\$658	\$666
Gross Debt to Consolidated EBITDA LTM	2.0x	2.5x	2.5x
Net Leverage Ratio¹	1.6x	2.3x	2.2x

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

Full Year 2024 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency



	2024 Full Year Low End	2024 Full Year High End
Net sales (% change)	(2%)	2%
Foreign currency translation	0%	0%
Full Year 2024 outlook Net Sales Growth at Constant Currency	(2%)	2%

Full Year 2024 Outlook Reconciliation of Net Income to Adjusted EBITDA

<i>(\$ in millions)</i>	2024 Full Year Low End	2024 Full Year High End
Net income - GAAP	\$230	\$275
Interest expense, net of interest income *	146	46
Tax expense	78	93
Depreciation	92	92
Full year 2024 outlook EBITDA (Non-GAAP)	\$546	\$606
Stock compensation expense	18	18
Repositioning costs	26	26
Full Year 2024 Outlook Adjusted EBITDA (Non-GAAP)	\$590	\$650

* Excludes the effects of marked-to-market fluctuations from our interest rate swap contracts

Full Year 2024 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	2024 Full Year Low End	2024 Full Year High End
Net cash provided by operating activities (GAAP)	\$370	\$470
Expenditures for property, plant and equipment	(87)	(87)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$283	\$383
Cash payments for repositioning	26	26
Cash proceeds from cross currency swap	15	15
Capital structure transformation costs	1	1
Full year 2024 outlook Adjusted Free Cash Flow (Non-GAAP)	\$325	\$425



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