

July 28, 2022

# SECOND QUARTER 2022 FINANCIAL RESULTS

**Garrett**  
ADVANCING MOTION

## Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of fact that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements including without limitation our statements regarding the impact of the COVID-19 pandemic, the conflict between Russia and Ukraine, inflationary pressures on Garrett’s business and management’s inflation mitigation strategies, financial results and financial conditions, industry trends, anticipated demand for our products, Garrett’s strategy, anticipated supply constraints, including with respect to semi-conductors, anticipated developments in emissions standards, trends including with respect to production volatility and volume, Garrett’s capital structure, anticipated new product development plans for the future including expected R&D expenditures, anticipated impacts of partnerships with third parties, and Garrett’s outlook for 2022. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results or performance of Garrett to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include but are not limited to those described in our annual report on Form 10-K for the year ended December 31, 2021, and our quarterly report on Form 10-Q for the quarter ended June 30, 2022, as well as our other filings with the Securities and Exchange Commission, under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements.

## Non-GAAP Financial Measures

This presentation includes the following Non-GAAP financial measures which are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”): constant currency sales growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Consolidated EBITDA, Adjusted Free Cash Flow, and Debt (gross and net, including and excluding Series B preferred stock) to Consolidated EBITDA. The Non-GAAP financial measures provided herein are adjusted for certain items as presented in the Appendix containing Non-GAAP Reconciliations and may not be directly comparable to similar measures used by other companies in our industry, as other companies may define such measures differently. Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and analysis of ongoing operating trends. Garrett believes that the Non-GAAP measures presented herein are important indicators of operating performance because they exclude the effects of certain items, therefore making them more closely reflect our operational performance. These metrics should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For additional information with respect to our Non-GAAP financial measures, see the Appendix to this presentation and our annual report on Form 10-K for the year ended December 31, 2021, and our quarterly report on Form 10-Q for the quarter ended June 30, 2022.

# 2022 Q2 Highlights

## Solid Q2 Performance

- Net Sales \$859M; -8% GAAP basis; **flat** at constant currency<sup>1</sup> vs Q2 2021:
  - Outpacing estimated Global LV production by **~600** basis points
  - Driven by inflation recovery
- Adjusted EBITDA<sup>1</sup> \$138M vs. \$168M in Q2 2021 and **16.1%** margin vs. 18.0% in Q2 2021
- Updated full year 2022 outlook
  - Maintained Adjusted EBITDA<sup>1</sup> mid point and range
  - Higher production offset by weaker euro

## Managing Macro Headwinds

- Volumes sequentially lower in Q2 driven by China zero Covid policy and supply constraints:
  - Flexed variable cost structure to offset production volatility
- Continued to successfully implement pricing pass-through initiatives to offset inflation
- Exited Q2 with stabilizing demand and increasing production cadence

## Improved Financial Flexibility

- **Third** consecutive quarter of Series B pre-payments resulting in the full redemption of all outstanding shares
- Improved Net Debt to EBITDA<sup>2</sup> to **1.87x** from **2.33x** in Q2 2021 driven by \$620M Series B redemption since Q3 2021
- Expecting strong cash generation in second half driven by recovery of production environment and working capital trends



Turbo Technology



Electric & Hybrid



Connected Vehicles

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

<sup>2</sup> Net Debt including Series B to LTM Consolidated EBITDA. Reconciliation of Non-GAAP measure financial measures are included in Appendix.

# Differentiated Technology Drives Future Success



## Strengthening Core Business

- Robust outlook for global light vehicle production, engine boosting and ongoing **share-of-demand gains** contributing to **9%<sup>1</sup> growth** for **gasoline** products at constant currency
- **50%** of awarded gasoline programs addressing **hybrid powertrains**
- Product leadership in the high margin **aftermarket** business drove **11%<sup>1</sup> growth** at constant currency in Q2 compared to 2021, contributing to portfolio resiliency
- Awarded first **H2-ICE** low emission technology application with European off-highway OEM; supporting **10+** predevelopment programs in Europe, China and US

Gen 2 Compressor for 100kW  
Fuel Cell application, SOP 2023



## Investing for a Sustainable Future

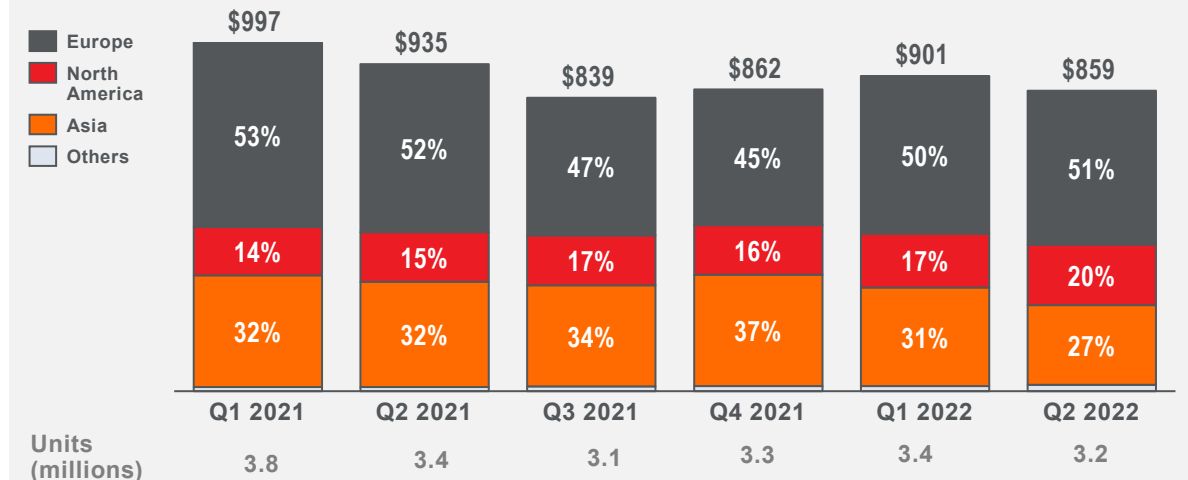
- Devoting **50%+** of R&D investment to new technology beyond turbo
- Garrett developing full portfolio of air compressors for **H2 Fuel Cell** systems ranging from 40 to 250kW
- Awarded Heavy Duty Truck **Fuel Cell** compressor application with major player in China
- Garrett earns Top **CDP (Carbon Disclosure Project) Rating Globally of A-** for Supply Chain Sustainability Engagement



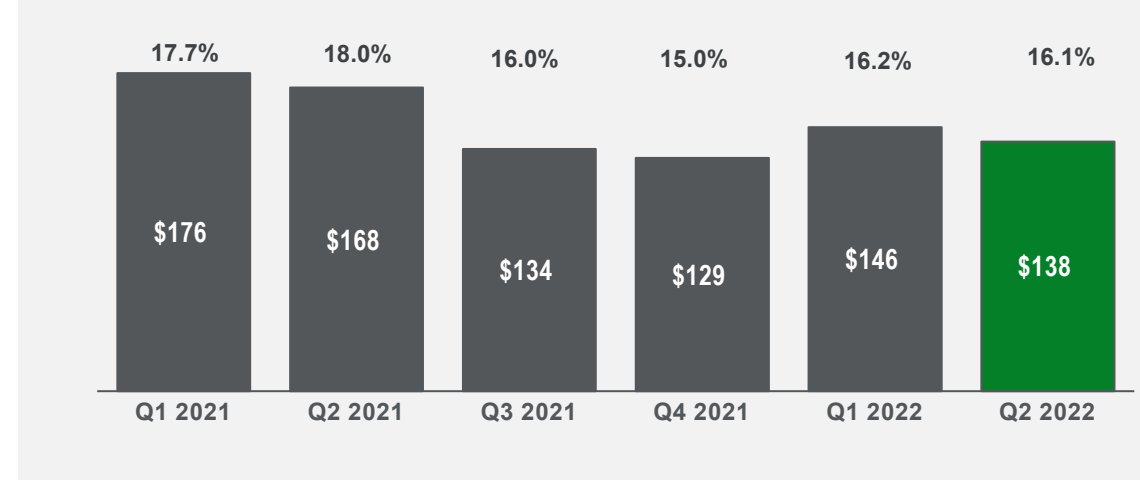
<sup>1</sup> Reconciliation of Non-GAAP financial measures are included in Appendix.

# Key Financial Metrics: Q1 2021 – Q2 2022

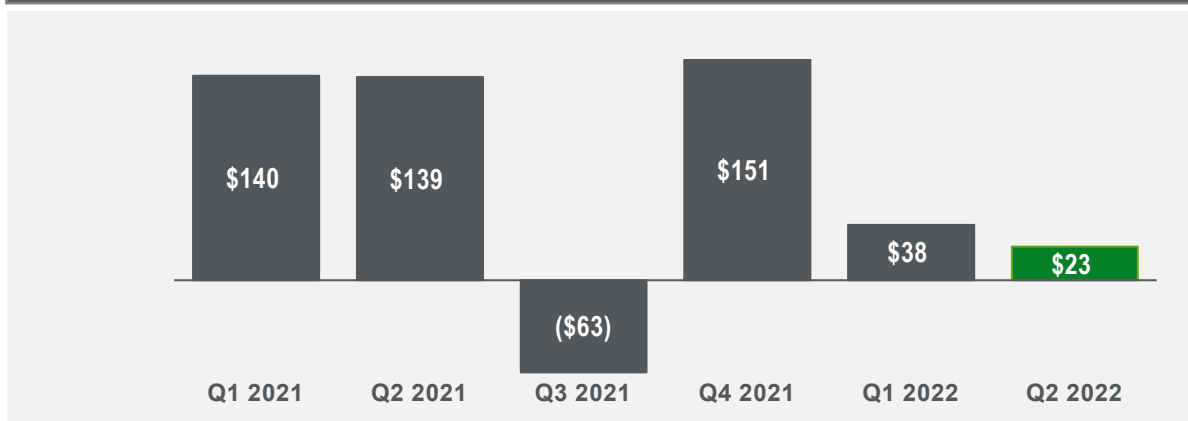
### Reported Net Sales (\$M)



### Adjusted EBITDA<sup>1</sup> (\$M)



### Adjusted FCF<sup>1</sup> (\$M)



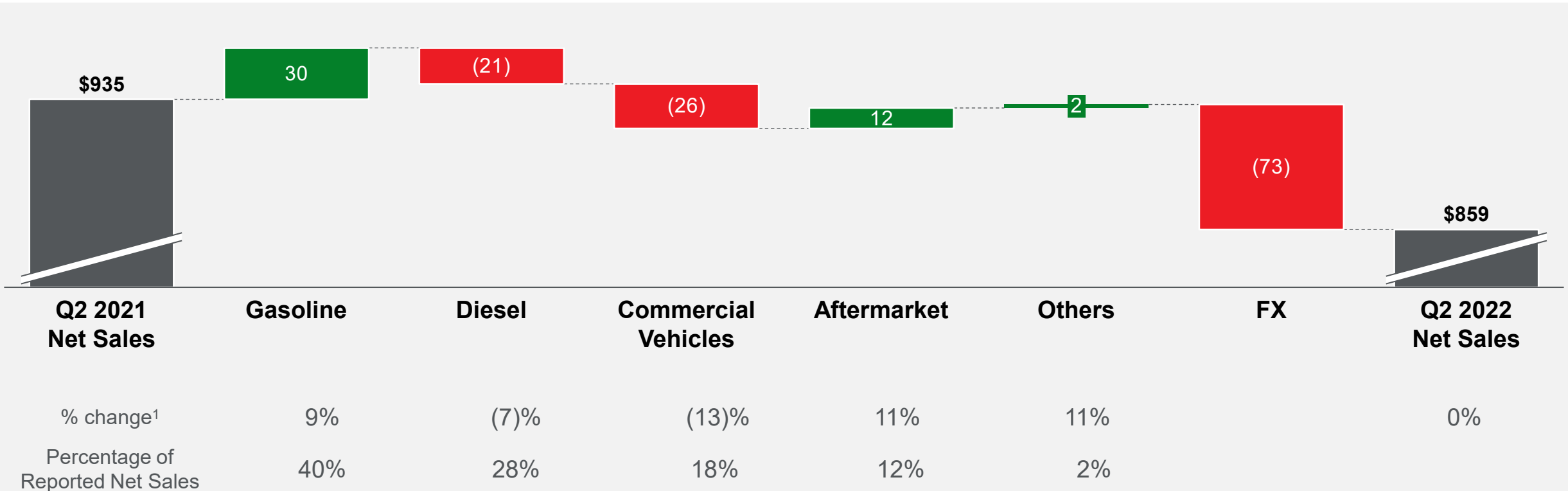
- Q2 2022 units down (6)% vs. 2021 driven mainly by China lockdowns and semi-conductor shortage
  - Net Sales flat at constant currency<sup>1</sup>: volume impact offset by inflation pass-through to customer
- Maintaining solid adjusted EBITDA margin<sup>1</sup> in a volatile production and supply chain environment
- Generated positive adjusted FCF<sup>1</sup> despite an increase of working capital due to lower volume

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

**Solid operating performance in adverse external conditions**

# Net Sales Bridge: Q2 2021 – Q2 2022

(\$M)



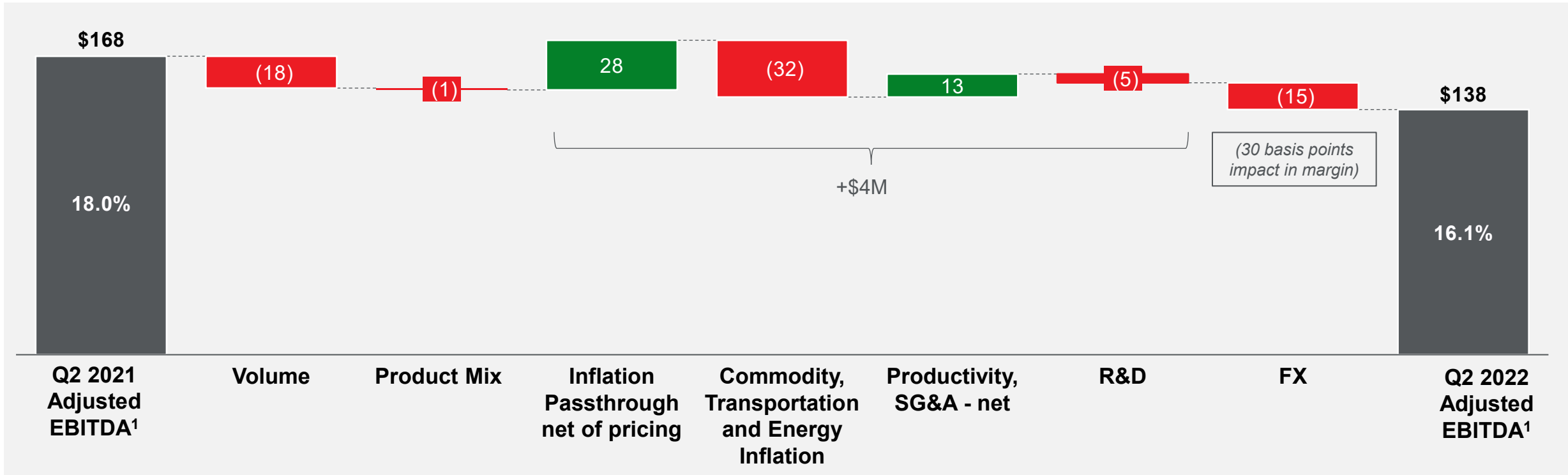
- Growth in aftermarket and new product launches in gasoline driving increased sales and share of demand
- Diesel down from strong pent-up demand in Q2 2021 and lower commercial vehicles sales due to China lockdown
- Weaker euro main driver of revenue decrease

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

**Gasoline and aftermarket growth offset macro headwinds at constant currency**

# Adjusted EBITDA Walk: Q2 2021 – Q2 2022

(\$M)



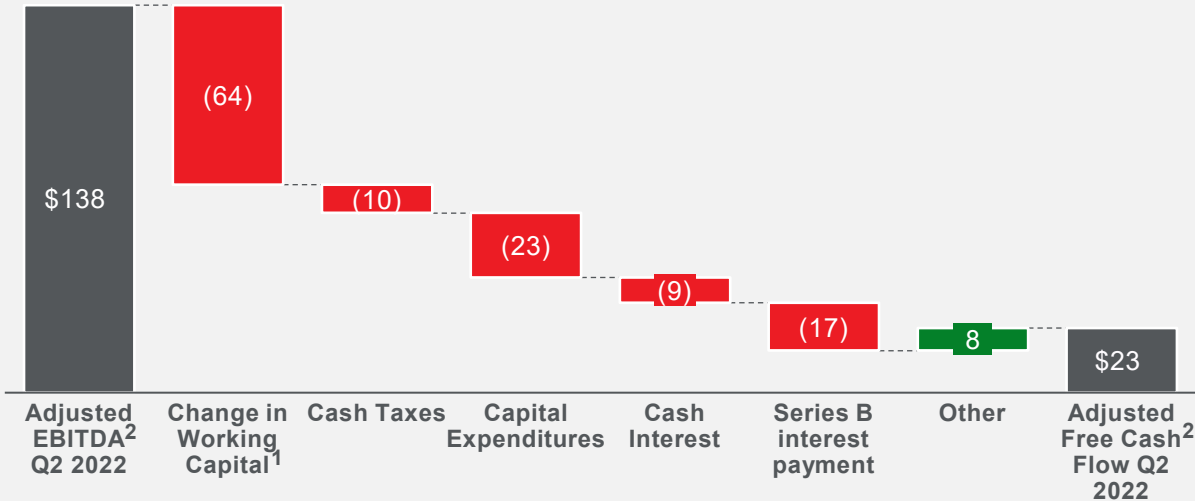
- Q2 2022 volumes totalled 3.2 million units, down 6% year-over-year; volumes down 7% sequentially
- Improved productivity and inflation pass-through offsetting inflationary pressures and R&D investment

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

**Delivering productivity, passing through inflation; margin down due to FX and volume**

# Adjusted EBITDA to Adjusted Free Cash Flow Walk

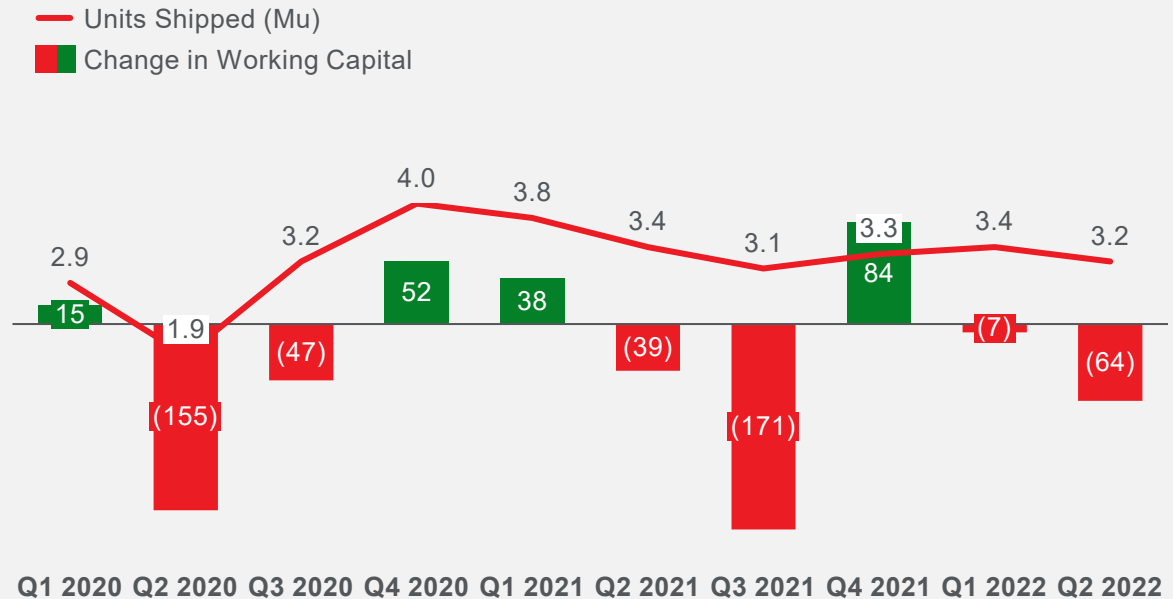
## Q2 Adjusted EBITDA<sup>2</sup> to Adjusted Free Cash Flow<sup>2</sup>



<sup>1</sup> Change in Working Capital excludes the impact of (\$60M) Factoring and p-notes

<sup>2</sup> Reconciliations of Non-GAAP financial measures are included in Appendix

## Working Capital Change Impacted by Volume Volatility



- Use of working capital in Q2 due to lower volumes
- Positive adjusted free cash flow while absorbing use of working capital and Series B interest payment

First half use of working capital to be recovered in the second half driven by expected volume recovery <sup>8</sup>



# Liquidity and Capital Resources

Liquidity	Q2 2021	Q1 2022	Q2 2022
Unrestricted Cash	\$401M	\$315M	\$146M
Undrawn Revolver Credit Facility	\$261M	\$473M	\$475M
Total <sup>1</sup>	\$662M	\$788M	\$621M

Gross debt and series B	Q2 2021	Q1 2022	Q2 2022
Gross Debt <sup>2</sup>	\$1,247M	\$1,208M	\$1,180M
Series B	\$585M	\$204M	\$0M
Total	\$1,832M	\$1,412M	\$1,180M

Market Capitalization	Q2 2021	Q1 2022	Q2 2022
Common	\$519M	\$464M	\$501M
Series A	\$2,001M <sup>3</sup>	\$2,032M	\$2,019M
Total	\$2,520M	\$2,496M	\$2,520M

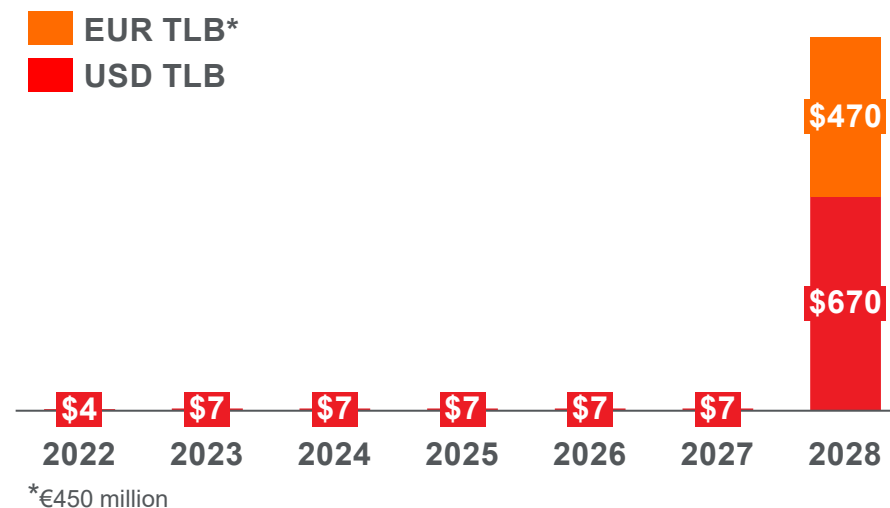
<sup>1</sup> Excluding Restricted cash of \$215M in Q2 2021, \$5M in Q1 2022 and \$33M in Q2 2022

<sup>2</sup> Reconciliations of Non-GAAP financial measures are included in Appendix

<sup>3</sup> Shares calculated on an as-converted basis

<sup>4</sup> \$211M in Q4 2021, \$197M in Q1 2022, \$212M in Q2 2022

## Debt Maturities

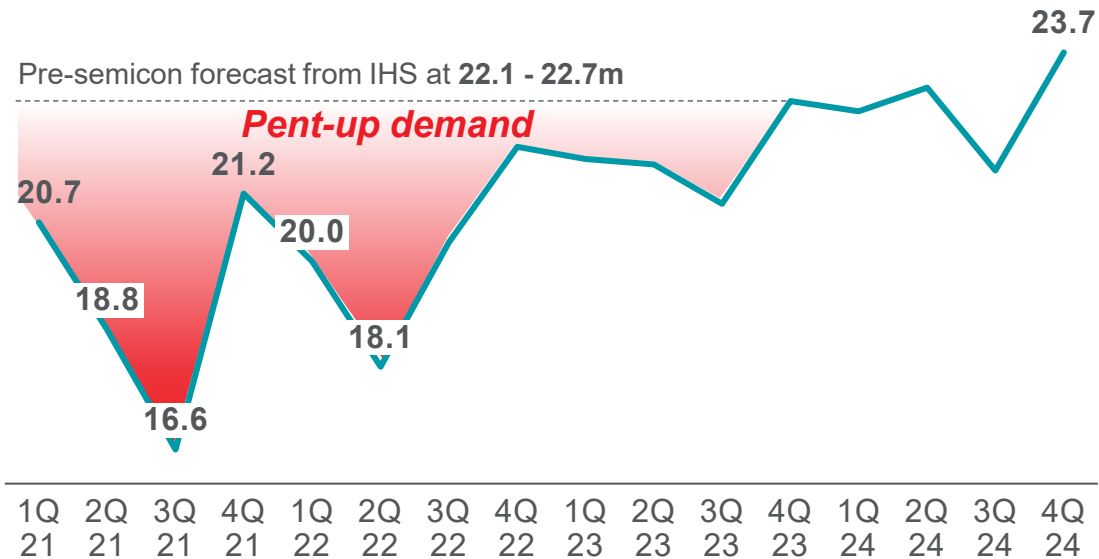


- Third consecutive quarter of debt reduction, completely redeeming Series B Preferred Stock by \$212M in June, totaling \$620M<sup>4</sup> since Q3 2021
- Net Debt to LTM Consolidated EBITDA<sup>2</sup> was 1.87x down from 2.33x in Q2 2021, including Series B preferred stock
- Accrued Series A dividend of \$174M

# Significant pent-up demand from 2y+ of supply constraints

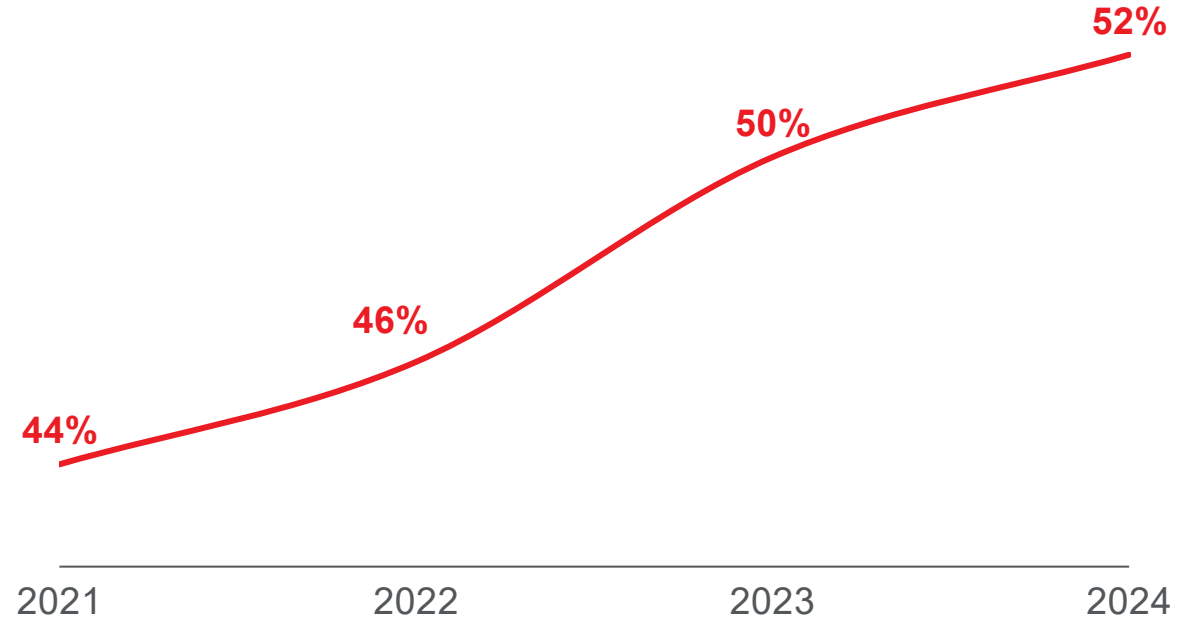
## Industry supply bottlenecks built pent-up demand

— Global light vehicle production per quarter in Million engines (S&P IHS)



## Secular Tailwinds from Increasing Turbo Penetration

— Global light vehicle gasoline turbo penetration including hybrids (S&P IHS)



- Light vehicle industry poised for sustained growth as macro supply environment normalizes
- Turbo industry growth sustained by gasoline turbo penetration; Garrett keeps gaining share of demand
- Garrett revenues for 2023/24 **> 94%** already contracted

# Updated 2022 Outlook

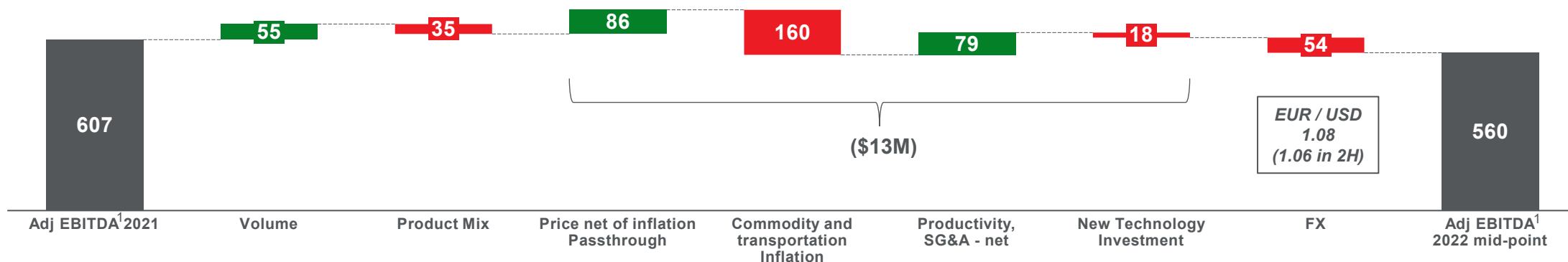
	Updated Outlook (July 28 <sup>th</sup> )	Prior Outlook (April 28 <sup>th</sup> )
<b>Net Sales</b>	\$3.5 billion to \$3.7 billion	\$3.5 billion to \$3.7 billion
<b>Net Sales Growth at Constant Currency<sup>1</sup></b>	+5% to +10%	+1% to +6%
<b>Net Income</b>	\$290 million to \$335 million	\$250 million to \$295 million
<b>Adjusted EBITDA<sup>1</sup></b>	\$530 million to \$590 million	\$530 million to \$590 million
<b>Net Cash Provided By Operating Activities</b>	\$405 million to \$505 million	\$405 million to \$505 million
<b>Adjusted Free Cash Flow<sup>1</sup></b>	\$330 million to \$430 million	\$330 million to \$430 million
<b>Planning Assumptions</b>	<ul style="list-style-type: none"> <li>Global light vehicle auto production in 2022 increased from <b>~77M</b> engines (prior guidance) to <b>~78M</b></li> <li>2022 full year €/€ assumption from <b>1.08</b> in prior guidance to <b>1.04</b> (or from 1.06 to 0.98 for 2H)</li> <li>R&amp;D investment increasing from 4.3% in 2021 to 4.8% in 2022 aligned with prior guidance</li> </ul>	

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

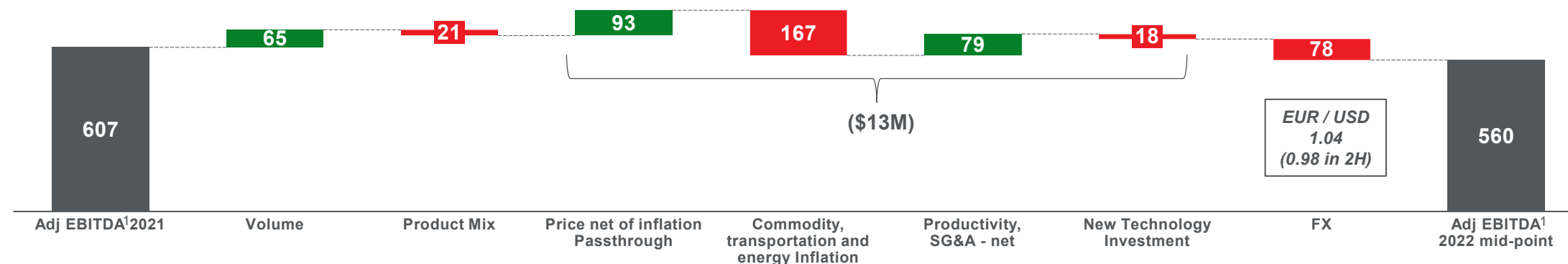
**Revised macro assumptions; Adjusted EBITDA range and mid-point maintained**

# 2022 Outlook Adjusted EBITDA walk

## Prior production outlook: 77Mu light vehicles (flat vs 2021)



## Current production outlook: ~78Mu light vehicles (+1% vs 2021)



<b>Variiances:</b>	<b>+\$10M</b>	<b>+\$14M</b>	<b>+\$7M</b>	<b>(\$7M)</b>	<b>-</b>	<b>-</b>	<b>(\$24M)</b>	<b>-</b>
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<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

**Higher production offsetting weaker euro, passing through inflation**

# Q2 2022 Summary

- Net sales of **\$859M**, unchanged at constant currency<sup>1</sup>; outpacing global LV production estimates
- Generated **\$138M** in Adjusted EBITDA<sup>1</sup>; successfully offset inflation effects
- Maintained solid Adjusted EBITDA margin<sup>1</sup> of **16.1%** in an inflationary environment
- Investing **4.8%** of sales into R&D with **50%+** into new technology
- Reduced debt for **third** consecutive quarter; completed repayment in full of Series B
- Total liquidity of **\$620M** *after* Series B prepayment
- **Updated 2022 outlook** as increased production volumes are offset by weaker euro



Turbo Technology



Electric & Hybrid



Connected Vehicles

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

## Appendices

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### **Investors**

Paul Blalock

+1 862 812 5013

[paul.blalock@garrettmotion.com](mailto:paul.blalock@garrettmotion.com)

### **Media**

Christophe Mathy

+41 78 643 7194

[christophe.mathy@garrettmotion.com](mailto:christophe.mathy@garrettmotion.com)

# Income Statement

<i>(\$ in millions)</i>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>6M 2022</b>	<b>6M 2021</b>
<b>Net sales</b>	<b>\$859</b>	<b>\$935</b>	<b>\$1,760</b>	<b>\$1,932</b>
Cost of goods sold	690	742	1416	1543
<b>Gross profit</b>	169	193	344	389
Selling, general and administrative expenses	54	51	107	106
Other expense, net	0	0	1	1
Interest expense	20	24	43	45
Loss on extinguishment of debt	5	0	5	0
Non-operating income	(16)	(26)	(44)	0
Reorganization items, net	1	(295)	2	(121)
<b>Income before taxes</b>	<b>\$105</b>	<b>\$439</b>	<b>\$230</b>	<b>\$358</b>
Tax expense	20	30	57	54
<b>Net income</b>	<b>\$85</b>	<b>\$409</b>	<b>\$173</b>	<b>\$304</b>
Less: preferred stock dividend	(\$39)	(\$24)	(\$77)	(\$24)
<b>Net income available for distribution</b>	<b>\$46</b>	<b>\$385</b>	<b>\$96</b>	<b>\$280</b>

# Balance Sheet Summary

(\$ in millions)

<b>Assets</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Cash and cash equivalents	\$146	\$423
Restricted cash	33	41
Other	1,078	1,047
<b>Total current assets</b>	<b>1,257</b>	<b>1,511</b>
Property, plant and equipment-net	443	485
Deferred income taxes	266	289
Other	496	421
<b>Total assets</b>	<b>\$2,462</b>	<b>\$2,706</b>
<b>Liabilities</b>		
Total current liabilities	1,273	1,508
Long-term debt	1,139	1,181
Other	281	485
<b>Total liabilities</b>	<b>\$2,693</b>	<b>\$3,174</b>
<b>Equity (deficit)</b>		
Common stock, par value	0	0
Additional paid-in capital	1,329	1,326
Retained deficit	(1,618)	(1,790)
Accumulated other comprehensive income (loss)	58	(4)
<b>Total deficit</b>	<b>(231)</b>	<b>(468)</b>
<b>Total liabilities and deficit</b>	<b>\$2,462</b>	<b>\$2,706</b>



# Summary of Cash Flows

<i>(\$ in millions)</i>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>6M 2022</b>	<b>6M 2021</b>
<b>Net income</b>	<b>\$85</b>	<b>\$409</b>	<b>\$173</b>	<b>\$304</b>
<b>Net cash provided by (used for) operating activities</b>	<b>104</b>	<b>(423)</b>	<b>177</b>	<b>(391)</b>
<b>Net cash used for investing activities</b>	<b>(23)</b>	<b>(22)</b>	<b>(52)</b>	<b>(39)</b>
<b>Net cash (used for) provided by financing activities</b>	<b>(197)</b>	<b>460</b>	<b>(393)</b>	<b>359</b>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(25)	24	(17)	(6)
Net (decrease) / increase in cash, cash equivalents and restricted cash	(141)	39	(285)	(77)
<b>Cash, cash equivalents and restricted cash at beginning of the period</b>	<b>320</b>	<b>577</b>	<b>464</b>	<b>693</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$179</b>	<b>\$616</b>	<b>\$179</b>	<b>\$616</b>

# Reconciliation of Constant Currency Sales % Change

Garrett	Q2 2022	Q2 2021	6M 2022	6M 2021
<b>Reported sales % change</b>	<b>(8%)</b>	<b>96%</b>	<b>(9%)</b>	<b>58%</b>
<b>Less: Foreign currency translation</b>	<b>(8%)</b>	<b>13%</b>	<b>(6%)</b>	<b>10%</b>
<b>Constant Currency sales % change</b>	<b>(0%)</b>	<b>83%</b>	<b>(3%)</b>	<b>48%</b>
<b>Gasoline</b>				
<b>Reported sales % change</b>	<b>1%</b>	<b>101%</b>	<b>(4%)</b>	<b>67%</b>
<b>Less: Foreign currency translation</b>	<b>(8%)</b>	<b>16%</b>	<b>(6%)</b>	<b>12%</b>
<b>Constant Currency sales % change</b>	<b>9%</b>	<b>85%</b>	<b>2%</b>	<b>55%</b>
<b>Diesel</b>				
<b>Reported sales % change</b>	<b>(17%)</b>	<b>129%</b>	<b>(18%)</b>	<b>64%</b>
<b>Less: Foreign currency translation</b>	<b>(10%)</b>	<b>18%</b>	<b>(7%)</b>	<b>12%</b>
<b>Constant Currency sales % change</b>	<b>(7%)</b>	<b>111%</b>	<b>(11%)</b>	<b>52%</b>
<b>Commercial vehicles</b>				
<b>Reported sales % change</b>	<b>(19%)</b>	<b>90%</b>	<b>(15%)</b>	<b>56%</b>
<b>Less: Foreign currency translation</b>	<b>(6%)</b>	<b>9%</b>	<b>(5%)</b>	<b>7%</b>
<b>Constant Currency sales % change</b>	<b>(13%)</b>	<b>81%</b>	<b>(10%)</b>	<b>49%</b>
<b>Aftermarket</b>				
<b>Reported sales % change</b>	<b>6%</b>	<b>46%</b>	<b>10%</b>	<b>27%</b>
<b>Less: Foreign currency translation</b>	<b>(5%)</b>	<b>6%</b>	<b>(5%)</b>	<b>5%</b>
<b>Constant Currency sales % change</b>	<b>11%</b>	<b>40%</b>	<b>15%</b>	<b>22%</b>
<b>Other Sales</b>				
<b>Reported sales % change</b>	<b>0%</b>	<b>25%</b>	<b>(13%)</b>	<b>19%</b>
<b>Less: Foreign currency translation</b>	<b>(11%)</b>	<b>7%</b>	<b>(8%)</b>	<b>7%</b>
<b>Constant Currency sales % change</b>	<b>11%</b>	<b>18%</b>	<b>(5%)</b>	<b>12%</b>

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

# Reconciliation of Net Income (Loss) to Adjusted EBITDA and LTM Consolidated EBITDA<sup>1</sup>

## Last Twelve Months (LTM)

(\$ in millions)	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q2 2022	Q2 2021
<b>Net income - GAAP</b>	<b>\$11</b>	<b>\$26</b>	<b>(\$105)</b>	<b>\$409</b>	<b>\$63</b>	<b>\$128</b>	<b>\$88</b>	<b>\$85</b>	<b>\$364</b>	<b>\$341</b>
Interest expense, net of interest income	\$19	\$23	\$20	\$23	\$24	\$15	(\$4)	\$8	\$43	\$85
Tax (benefit) expense	(\$1)	\$28	\$24	\$30	\$28	(\$39)	\$37	\$20	\$46	\$81
Depreciation	\$23	\$26	\$23	\$24	\$23	\$22	\$22	\$21	\$88	\$96
<b>EBITDA (Non-GAAP)</b>	<b>\$52</b>	<b>\$103</b>	<b>(\$38)</b>	<b>\$486</b>	<b>\$138</b>	<b>\$126</b>	<b>\$143</b>	<b>\$134</b>	<b>\$541</b>	<b>\$603</b>
Other expense, net (includes expense incurred to discount or factor the Company's receivables)	14	1	0	0	0	0	1	0	1	15
Non-operating (income) expense	(3)	13	(3)	(3)	(3)	(3)	(2)	(7)	(15)	4
Reorganization items, net	4	69	174	(295)	(9)	5	1	1	(2)	(48)
Stock compensation expense	2	2	2	1	2	2	2	3	9	7
Repositioning costs	2	2	8	3	3	2	1	2	8	15
Foreign exchange loss (gain) on debt, net of related hedging loss (gain)	5	(42)	33	(24)	0	0	0	0	0	(28)
Professional service costs	44	(1)	0	0	1	(1)	0	0	0	43
Capital tax expense	0	2	0	0	2	(2)	0	0	0	2
Loss on extinguishment of debt	0	0	0	0	0	0	0	5	5	0
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$120</b>	<b>\$149</b>	<b>\$176</b>	<b>\$168</b>	<b>\$134</b>	<b>\$129</b>	<b>\$146</b>	<b>\$138</b>	<b>\$547</b>	<b>\$613</b>
Unrealized Foreign exchange loss (gain)	0	0	(2)	2	3	(1)	(1)	(1)	0	0
Interest Income	0	0	1	1	1	1	2	3	7	2
<b>Consolidated EBITDA</b>	<b>\$120</b>	<b>\$149</b>	<b>\$175</b>	<b>\$171</b>	<b>\$138</b>	<b>\$129</b>	<b>\$147</b>	<b>\$140</b>	<b>\$554</b>	<b>\$615</b>
<b>Net sales</b>	<b>\$804</b>	<b>\$1,008</b>	<b>\$997</b>	<b>\$935</b>	<b>\$839</b>	<b>\$862</b>	<b>\$901</b>	<b>\$859</b>	<b>\$3,461</b>	<b>\$3,744</b>
Net income/(loss) margin	1.4%	2.6%	-10.5%	43.7%	7.5%	14.8%	9.8%	9.9%	10.5%	9.1%
Adjusted EBITDA margin	14.9%	14.8%	17.7%	18.0%	16.0%	15.0%	16.2%	16.1%	15.8%	16.4%

<sup>1</sup> As defined in our credit agreement

# Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

(\$ in millions)	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net cash provided by operating activities (GAAP)	\$104	\$73	\$136	(\$55)	(\$423)	\$32
Expenditures for property, plant and equipment	(23)	(29)	2	(34)	(22)	(18)
<b>Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)</b>	<b>\$81</b>	<b>\$44</b>	<b>\$138</b>	<b>(\$89)</b>	<b>(\$445)</b>	<b>\$14</b>
Stalking horse termination reimbursement	0	0	0	0	0	79
Chapter 11 Professional service costs	1	2	8	0	146	66
Honeywell Settlement as per Emergence Agreement	0	0	0	0	375	0
Chapter 11 related cash interests <sup>1</sup>	0	0	0	0	38	3
Stock compensation cash	0	0	0	0	9	1
Repositioning cash	1	2	7	3	2	2
Factoring and P-notes <sup>2</sup>	(60)	(10)	(2)	23	14	(25)
<b>Adjusted free cash flow (Non-GAAP)<sup>2</sup></b>	<b>\$23</b>	<b>\$38</b>	<b>\$151</b>	<b>(\$63)</b>	<b>\$139</b>	<b>\$140</b>

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

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

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

(\$ in millions)	Q2 2022	Q2 2021
Long-term term debt	\$1,139	\$1,204
Short-term term debt	\$7	\$5
Deferred finance costs	\$34	\$38
<b>Gross Debt</b>	<b>\$1,180</b>	<b>\$1,247</b>
Series B preferred Stock	\$0	\$585
<b>Gross Debt including Series B preferred Stock</b>	<b>\$1,180</b>	<b>\$1,832</b>
<b>Cash and cash equivalents</b>	<b>\$146</b>	<b>\$401</b>
Net Debt	\$1,034	\$846
<b>Net Debt including Series B preferred Stock</b>	<b>\$1,034</b>	<b>\$1,431</b>
<b>Consolidated EBITDA LTM (Non-GAAP)</b>	<b>\$554</b>	<b>\$615</b>
Gross Debt to Consolidated EBITDA LTM	2.13x	2.03x
Gross Debt including Series B preferred Stock to Consolidated EBITDA LTM (Non-GAAP)	2.13x	2.98x
Net Debt to Consolidated EBITDA LTM	1.87x	1.38x
<b>Net Debt including Series B preferred Stock to Consolidated EBITDA LTM (Non-GAAP)</b>	<b>1.87x</b>	<b>2.33x</b>

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

	2022 Full Year Low End (Updated Outlook)	2022 Full Year High End (Updated Outlook)	2022 Full Year Low End (Prior Outlook)	2022 Full Year High End (Prior Outlook)
Net sales (% change)	(2%)	3%	(4%)	1%
Foreign currency translation	(7%)	(7%)	(5%)	(5%)
<b>Full Year 2022 outlook Net Sales Growth at Constant Currency</b>	<b>5%</b>	<b>10%</b>	<b>1%</b>	<b>6%</b>

# Full Year 2022 Outlook Reconciliation of Net Income to Adjusted EBITDA

<i>(\$ in millions)</i>	2022 Full Year Low End (Updated Outlook)	2022 Full Year High End (Updated Outlook)	2022 Full year Low End (Prior Outlook)	2022 Full year High End (Prior Outlook)
<b>Net income - GAAP</b>	<b>\$290</b>	<b>\$335</b>	<b>\$250</b>	<b>\$295</b>
Net interest expense	41	41	86	86
Tax expense	98	113	85	100
Depreciation	88	88	97	97
<b>Full year 2022 outlook EBITDA (Non-GAAP)</b>	<b>\$517</b>	<b>\$577</b>	<b>\$518</b>	<b>\$578</b>
Non-operating income	(9)	(9)	(2)	(2)
Reorganization items, net	2	2	1	1
Stock compensation expense	10	10	8	8
Repositioning charges	5	5	5	5
Loss on extinguishment of debt	5	5	0	0
<b>Full Year 2022 Outlook Adjusted EBITDA (Non-GAAP)</b>	<b>\$530</b>	<b>\$590</b>	<b>\$530</b>	<b>\$590</b>

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

<i>(\$ in millions)</i>	2022 Full Year Low End (Updated Outlook)	2022 Full Year High End (Updated Outlook)	2022 Full Year Low End (Prior Outlook)	2022 Full Year High End (Prior Outlook)
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$405</b>	<b>\$505</b>	<b>\$405</b>	<b>\$505</b>
Expenditures for property, plant and equipment	(91)	(91)	(90)	(90)
Cash payments for restructuring	\$13	\$13	13	13
Non-recurring cash items	\$3	\$3	2	2
<b>Full year 2022 outlook Adjusted Free Cash Flow (Non-GAAP)</b>	<b>\$330</b>	<b>\$430</b>	<b>\$330</b>	<b>\$430</b>





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