

MAY 01, 2025

Q1 2025 FINANCIAL RESULTS

Garrett
ADVANCING MOTION

Forward Looking Statements

This communication and related comments by management may include “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact and can be identified by words such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “target,” “will,” and similar expressions. Forward-looking statements represent our current judgment about possible future activities, events, or developments that we intend, expect, project, believe, or anticipate will or may occur in the future. In making these statement, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future performance, events, or results, and actual performance, events, or results may differ materially from those envisaged by our forward-looking statements due to a variety of important factors, many of which are described in our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission, including risks related to the automotive industry, the competitive landscape and our ability to compete, and macroeconomic and geopolitical conditions, among others. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other factors that affect the subject of these statement, except where we are expressly required to do so by law.

Non-GAAP Financial Measures

This communication includes the following non-GAAP financial measures, which are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”): constant currency sales growth, Adjusted EBITDA, Adjusted EBITDA margin, Consolidated EBITDA, Adjusted EBIT, Adjusted EBIT margin, Adjusted free cash flow, and Adjusted free cash flow conversion. We believe these measures are useful to investors and management in understanding our ongoing operations and analysis of ongoing operating trends and are important indicators of operating performance because they exclude the effects of certain non-operating items, therefore making them more closely reflect our operational performance. Our calculation of these non-GAAP measures, including a reconciliation of such measures to the most closely related GAAP measure, are set forth in the Appendix to this presentation. These non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related GAAP measures. For additional information regarding our non-GAAP financial measures, see our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission.

Key Business Highlights

Q1 2025 Financial Performance

Net Sales of \$878M

- (4)% reported and (2)% at constant currency¹ vs. Q1 2024
 - Light vehicle gasoline grew 6% outperforming the industry, driven by share of demand gains
 - Some softness in aftermarket off-highway
-

Adjusted EBIT¹ of \$131M

- Achieved strong 14.9% margin¹ vs. 13.2% in Q1 2024
 - Benefiting from structural cost actions deployed in 2024
-

Adjusted Free Cash Flow¹ of \$36M aligned with expectations

Industry and Business Trends

Continuing to deliver strong financial performance

- Mitigating direct tariff impact with pass-throughs
 - Sustained fixed and variable cost productivity execution
 - Diversified and well-balanced global sales mix
-

Navigating volatile industry dynamics

- Impact of global trade policies & inflation still uncertain
 - Closely monitoring customer demand and tariff evolution to adapt cost structure and pass-through pricing
-

Returning capital to shareholders

- Paid first quarterly dividend of \$12M (\$0.06 per share) in Q1
- Repurchased \$30M of shares under \$250M program in Q1
- Declared Q2 dividend of \$0.06 per share on May 1, 2025

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

Continued Success Across All Differentiated Technologies

Turbo and Hybrid Technologies



Gasoline Turbo



Commercial Vehicle Turbo



Industrial Turbo

Successfully winning business across our turbo and hybrid offerings:

- Surge in development of turbocharged **Range Extended Electric Vehicles (REEV)** and plug-in hybrids, driving **3 additional wins** in China and North America
- Received **4 awards** for **on-highway commercial vehicles** including 1 major European program and 3 in China for local and export applications
- Achieved **4 new industrial power generation wins in China**, doubling our presence with local industry leaders in this segment, benefiting from data center growth

Zero Emission Technologies



3-in-1 E-Powertrain



E-Cooling Compressor



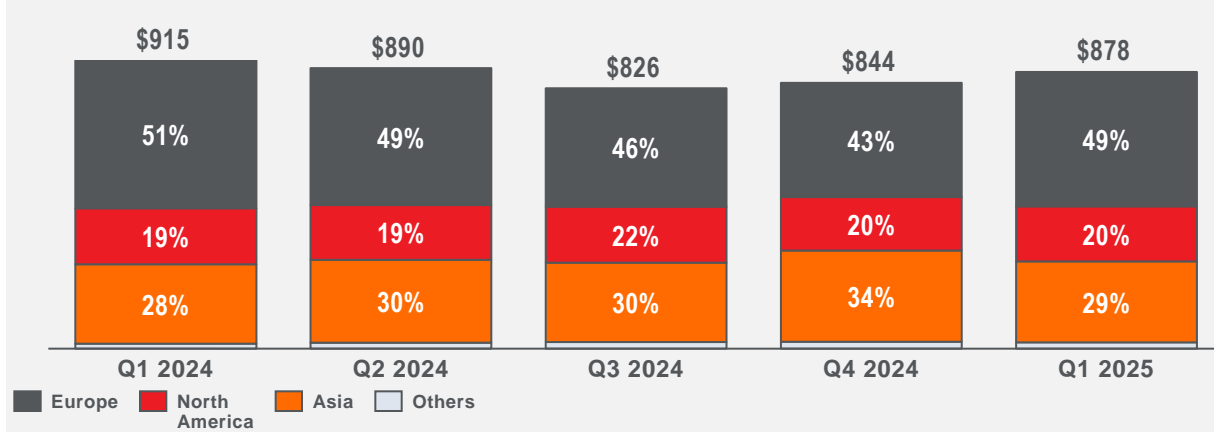
Fuel Cell Compressor

Strong customer interest for our broad portfolio highlighted by new commercial vehicle wins:

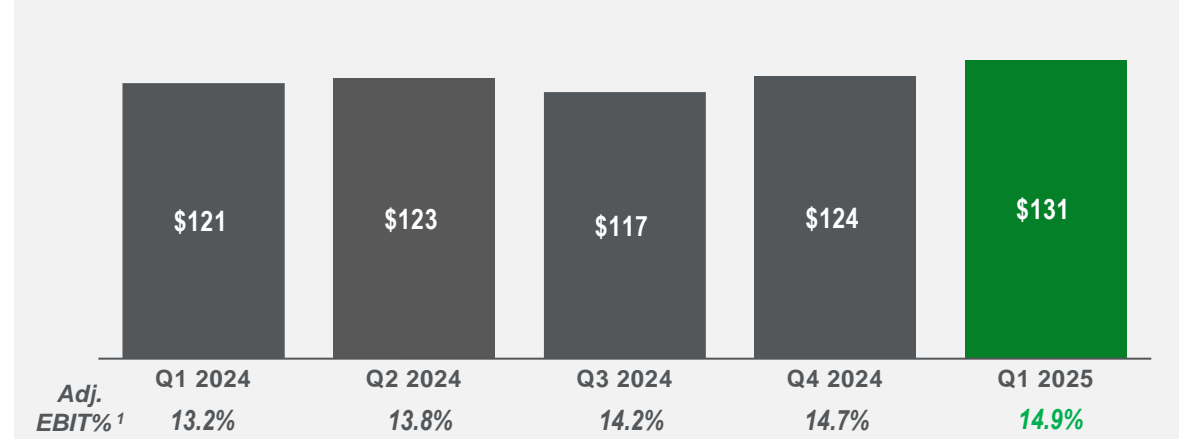
- Signed **strategic partnership with HanDe**, securing **first production award** to electrify trucks utilizing Garrett's **high-speed e-motor and inverter technology**
- **Successfully tested our innovative E-Cooling compressors** at several large commercial vehicle customers, paving the way for business acquisition phase
- Received an additional **Fuel cell compressor award** for a City Bus application | increasing demand for prototypes

Quarterly Financial Trends: Q1 2024 – Q1 2025

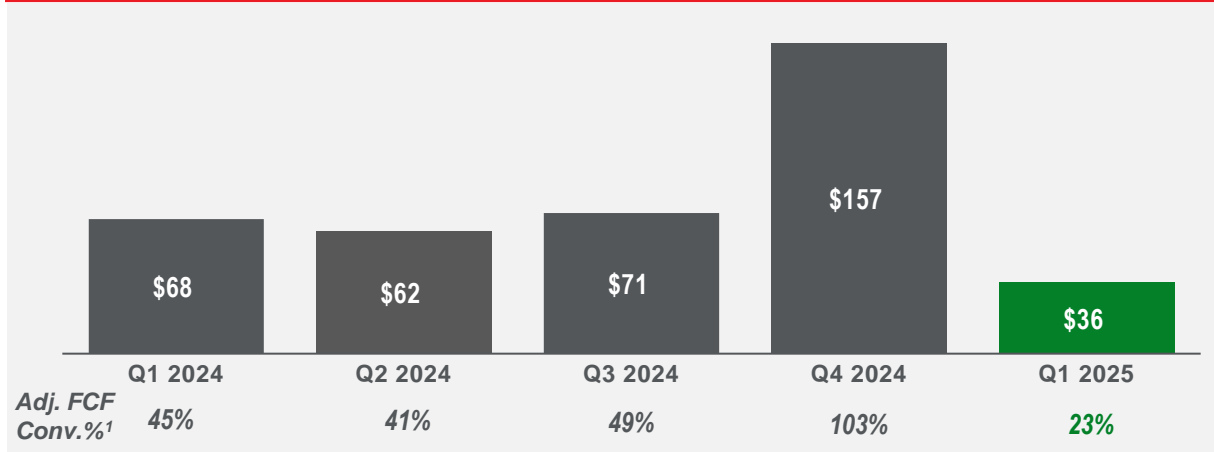
Reported Net Sales (\$M)



Adjusted EBIT¹ (\$M)



Adjusted FCF¹ (\$M)

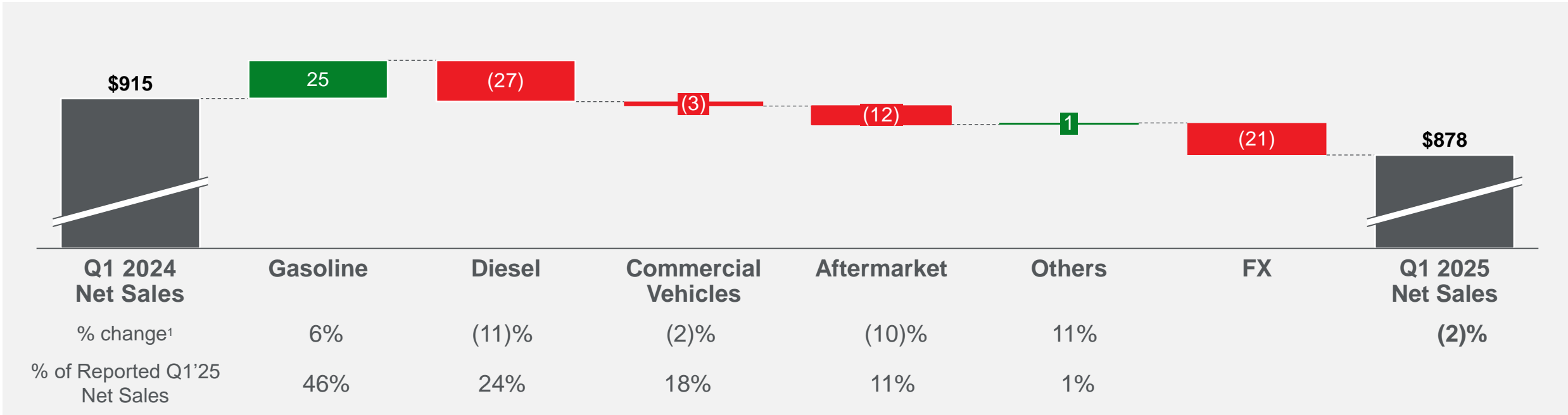


- **Net Sales improving sequentially**, primarily from Europe light vehicle demand and new application launches and ramp-ups in North America
- **Adjusted EBIT¹ margin continues to expand**, benefiting from sustained fixed and variable cost productivity and pass-through of commodity deflation
- **Adjusted Free Cash Flow¹** sequentially lower, primarily due to working capital timing and in line with expectations

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

Net Sales Bridge: Q1 2025

(\$M)

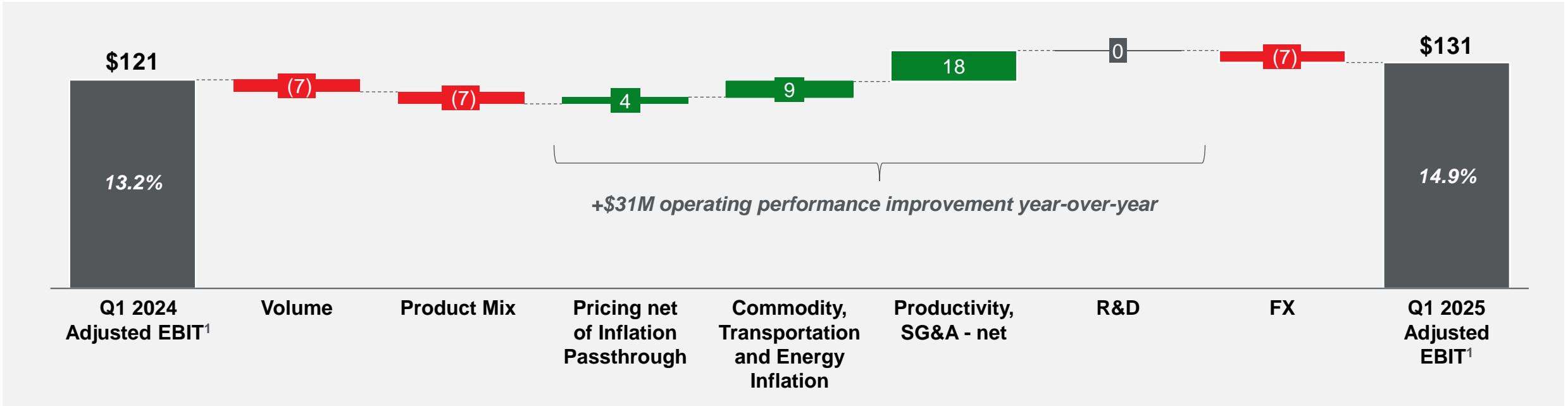


- **Q1 2025 Net Sales of \$878M, down \$37M or (4)% on a reported basis, (2)% at constant currency¹**
 - Strong gasoline growth primarily from new application launches and ramp-ups in North America
 - Decline in diesel driven by impact of lower industry production mainly in Europe
 - Aftermarket off-highway applications down mainly due to softness in North America

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

Adjusted EBIT¹ Bridge: Q1 2025

(\$M)

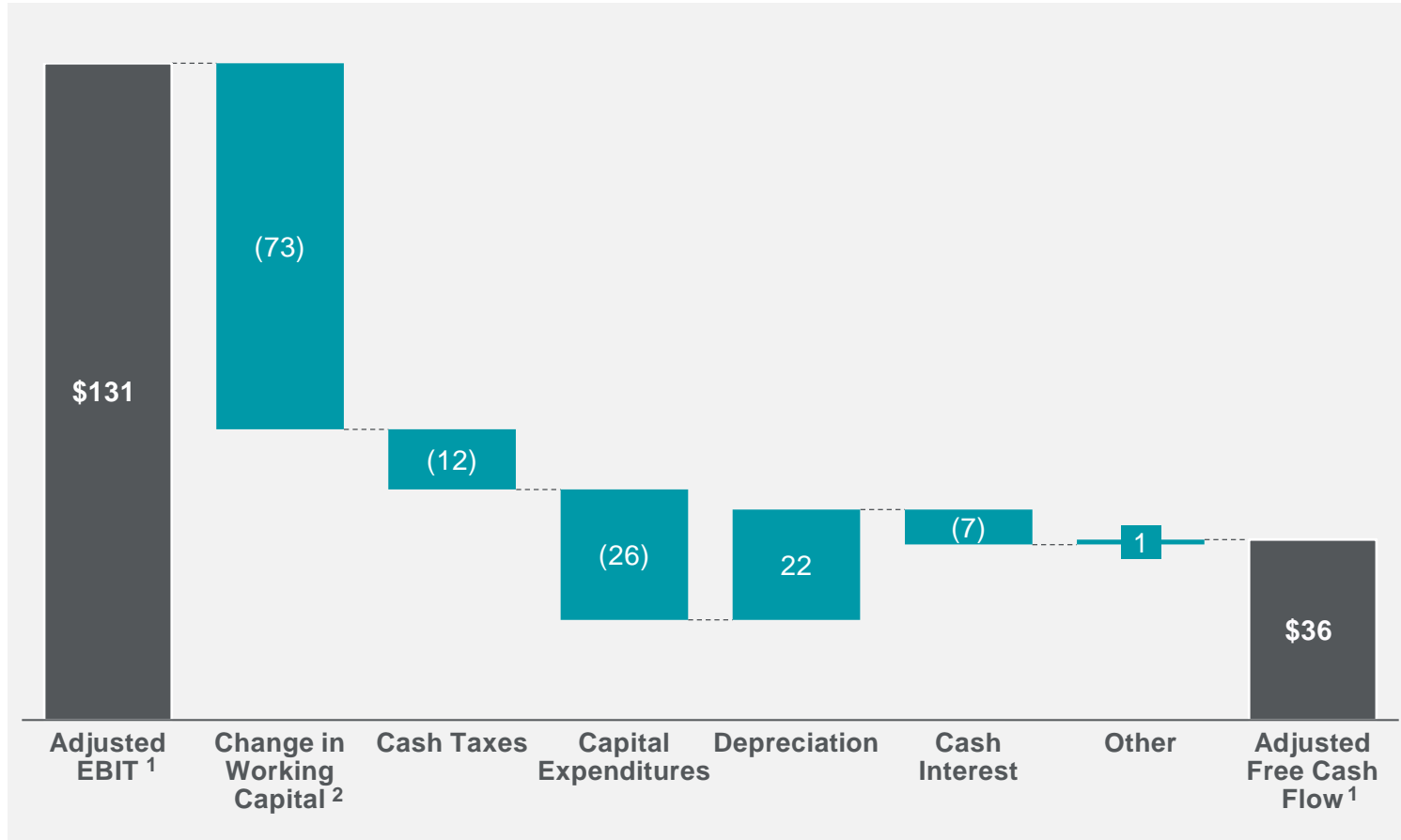


- Q1 2025 Adjusted EBIT¹ of \$131M, up \$10M | Margin¹ of 14.9% up 170bps
 - Strong operating performance with price and fixed and variable cost productivity driving margin expansion
 - Aftermarket and diesel declines partially offset by gasoline growth driving unfavorable product mix
 - \$4M of newly implemented tariffs fully passed through

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

Q1 2025 Adjusted EBIT¹ to Adjusted Free Cash Flow¹ Bridge

(\$M)



- Cash generation aligned with full-year expectations
- Working capital usage driven by timing, expected to recover through balance of year
- Cash taxes, capital expenditures, depreciation, and cash interest in line with expectations
- Other includes non-cash items including stock-based compensation

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

² Change in Working Capital excludes the impact of \$(8)M Factoring and p-notes

Strong Liquidity and Balanced Capital Allocation Framework

(\$M)

Liquidity and Net Debt²

	Q4 2024	Q1 2025
Unrestricted Cash ¹	125	130
Undrawn Revolver Credit Facility	600	630
Total Liquidity	725	760
Term Loan B	692	692
Senior Unsecured Notes	800	800
Other	1	19
Gross Debt²	1,493	1,511
Net Debt² (Gross Debt – Unrestricted Cash)	1,368	1,381

Ample liquidity with no near-term debt maturities

- Extended revolver maturity until 2030 and up-sized capacity by \$30M, to \$630M
- Term Loan B and Unsecured Notes maturing in 2032
- Net leverage ratio² stable at 2.21x

Targeting to return 75% or more of Adjusted FCF² to shareholders over time

- Paid first quarterly dividend of \$12M, at \$0.06 per share
- Repurchased \$30M of common stock, under \$250M authorized repurchase program
- Declared Q2 dividend of \$0.06 per share on May 1, 2025

¹ Excluding Restricted Cash of \$1M in Q4 2024 and \$1M in Q1 2025

² Reconciliations of Non-GAAP financial measures are included in Appendix

2025 Outlook Remains Unchanged

Net Sales	\$3.3B to \$3.5B
Net Sales Growth at Constant Currency¹	-3% to +2%
Net Income	\$209M to \$254M
Adjusted EBITDA¹	\$545M to \$605M
Adjusted EBIT¹	\$427M to \$487M
Net Cash Provided By Operating Activities	\$357M to \$447M
Adjusted Free Cash Flow¹	\$300M to \$390M

Planning Assumptions

- Light vehicle industry (3)% to flat
- Commercial vehicle industry, including both off-highway and on-highway flat to 2%
- Average light vehicle BEV penetration of 16%
- Price (net of pass-through) and productivity offsetting inflation
- RD&E investment at 4.6% of sales flat vs. 2024, >50% on zero emission technologies
- Capital expenditures at 2.8% of sales, >25% on zero emission technologies
- Euro/USD currency rate of 1.05
- Outlook excludes potential impact of global trade policies & inflation, assumes direct tariff pass-through

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

We Remain Focused on Value Creation

Industry Leadership

Continue to be #1 Turbo player¹ and leader in a technology-driven industry; still investing in new Turbo technologies especially for hybrids; expanding into industrial applications

Cash Generation

Proven performance through business cycles with target of 60% adjusted free cash flow conversion² for the next 5 years while funding R&D and target return of 75% or more of adjusted free cash flow² to shareholders over time through share repurchases and dividends

Focused Zero Emission³ Strategy

Focused investments on differentiated technology solutions for our E-Powertrain, E-Cooling Compressor, and Fuel Cell Compressor

Tech Differentiation

New **zero-emission** offerings, addressing unmet customer needs; sustaining **high margins** through **differentiated technology** that is difficult for competitors to replicate

Talent & Culture

Experienced team, proven performance, strong culture of innovation centered on creating and delivering **breakthrough technology** at scale

¹ Turbo ranking based on 2024 sales

² See Appendix for reconciliations of the Non-GAAP measures

³ Zero Emission includes Battery Electric and Fuel Cell Vehicles

Well-Positioned to Deliver in a Volatile Environment



Delivered strong financial results in the quarter through outstanding operating performance, achieving an **Adjusted EBIT margin¹ of 14.9%**, up **170bps** versus Q1 2024



Continued to **return capital to our shareholders** with **\$30M of share repurchases** and payment of our **first quarterly dividend**



Winning with turbo on increasing number of REEV and hybrid offerings



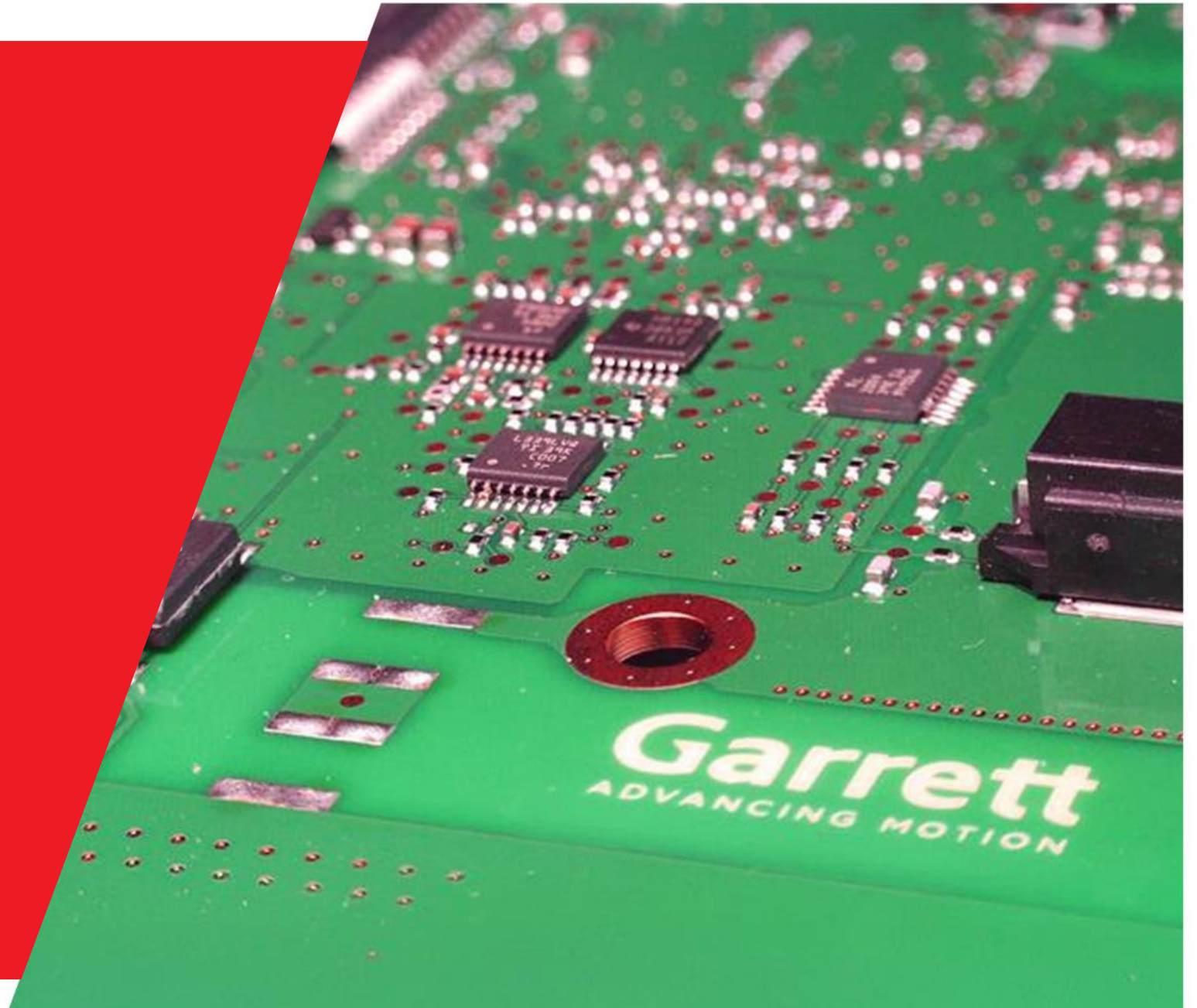
Secured first e-powertrain production award with our differentiated electric high-speed solution



2025 outlook remains unchanged; monitoring macro-environment uncertainty and impact of global trade policies as they evolve

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

APPENDICES



Income Statement

<i>(\$ in millions)</i>	Q1 2025	Q1 2024
Net sales	\$878	\$915
Cost of goods sold	699	743
Gross profit	\$179	\$172
Selling, general and administrative expenses	59	64
Other expense, net	7	1
Interest expense	29	31
Non-operating income	(1)	(5)
Income before taxes	\$85	\$81
Tax expense	23	15
Net income	\$62	\$66

Balance Sheet Summary

(\$ in millions)

Assets	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$130	\$125
Restricted cash	1	1
Other	1,117	1,067
Total current assets	\$1,248	\$1,193
Property, plant and equipment-net	444	449
Deferred income taxes	202	207
Other	381	427
Total assets	\$2,275	\$2,276
Liabilities		
Total current liabilities	1,269	1,278
Long-term debt	1,462	1,464
Other	244	207
Total liabilities	\$2,975	\$2,949
Equity (deficit)		
Common stock, par value	0	0
Additional paid-in capital	1,219	1,213
Retained deficit	(1,591)	(1,653)
Treasury Stock	(339)	(306)
Accumulated other comprehensive income (loss)	11	73
Total deficit	(700)	(673)
Total liabilities and deficit	\$2,275	\$2,276

Summary of Cash Flows

<i>(\$ in millions)</i>	Q1 2025	Q1 2024
Net income	\$62	\$66
Net cash provided by operating activities	56	84
Net cash (used for) provided by investing activities	(22)	(28)
Net cash (used for) provided by financing activities	(31)	(112)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	2	(7)
Net increase (decrease) in cash, cash equivalents and restricted cash	5	(63)
Cash, cash equivalents and restricted cash at beginning of the period	126	260
Cash, cash equivalents and restricted cash at the end of the period	\$131	\$197

Reconciliation of Constant Currency Sales % Change

Garrett	Q1 2025	Q1 2024
Reported sales % change	(4%)	(6%)
Less: Foreign currency translation	(2%)	(1%)
Constant Currency sales % change	(2%)	(5%)
Gasoline		
Reported sales % change	4%	(4%)
Less: Foreign currency translation	(2%)	(2%)
Constant Currency sales % change	6%	(2%)
Diesel		
Reported sales % change	(14%)	(8%)
Less: Foreign currency translation	(3%)	0%
Constant Currency sales % change	(11%)	(8%)
Commercial vehicles		
Reported sales % change	(4%)	(12%)
Less: Foreign currency translation	(2%)	(1%)
Constant Currency sales % change	(2%)	(11%)
Aftermarket		
Reported sales % change	(13%)	2%
Less: Foreign currency translation	(3%)	0%
Constant Currency sales % change	(10%)	2%
Other Sales		
Reported sales % change	8%	8%
Less: Foreign currency translation	(3%)	(1%)
Constant Currency sales % change	11%	9%

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 and Adjusted Free Cash Flow Conversion

(\$ in millions)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Net cash provided by operating activities	\$84	\$126	\$67	\$131	\$56
Expenditures for property, plant and equipment	(32)	(17)	(20)	(22)	(26)
Net cash provided by operating activities less expenditures for property, plant and equipment	\$52	\$109	\$47	\$109	\$30
Capital structure transformation costs	1	0	0	0	0
Acquisition and divestiture expenses	0	1	0	0	1
Cash payments for repositioning	9	4	2	3	3
Cash proceeds from cross currency swap	4	4	3	6	4
Debt refinancing costs	0	0	0	0	6
Factoring and P-notes	2	(56)	19	39	(8)
Adjusted free cash flow	\$68	\$62	\$71	\$157	\$36
Net income	\$66	\$64	\$52	\$100	\$62
Adjusted EBITDA	\$151	\$150	\$144	\$153	\$159
Operating cash flow conversion %	127%	197%	129%	131%	90%
Adjusted free cash flow conversion %	45%	41%	49%	103%	23%

Reconciliation of Net Income to Adjusted EBIT, Adjusted EBITDA and Consolidated EBITDA¹

(\$ in millions)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	LTM Q4 2024	LTM Q1 2025
Net income	\$66	\$64	\$52	\$100	\$62	\$282	\$278
Interest expense, net of interest income	29	61	37	26	29	153	153
Tax expense	15	23	24	(1)	23	61	69
Repositioning costs	11	1	4	5	7	21	17
Foreign exchange loss on debt, net of related hedging loss	0	(1)	0	0	1	(1)	0
Discounting costs on factoring	1	1	1	1	1	4	4
Gain on sale of equity investment	0	(27)	0	0	0	(27)	(27)
Other non-operating income	(1)	(2)	(1)	(8)	(1)	(12)	(12)
Acquisition and divestiture expenses	0	1	0	1	3	2	5
Debt refinancing and redemption costs	0	2	0	0	6	2	8
Adjusted EBIT	121	123	117	124	131	485	495
Depreciation	22	22	23	23	22	90	90
Stock compensation expense	8	5	4	6	6	23	21
Adjusted EBITDA	\$151	\$150	\$144	\$153	\$159	\$598	\$606
Unrealized foreign exchange loss (gain)	(11)	2	5	(8)	10	(12)	9
Interest income	1	2	0	0	0	3	2
Other expenses ²	20	(1)	3	7	0	29	9
Consolidated EBITDA¹	\$161	\$153	\$152	\$152	\$169	\$618	\$626
Net sales	\$915	\$890	\$826	\$844	\$878	\$3,475	\$3,438
Net income margin	7.2%	7.2%	6.3%	11.8%	7.1%	8.1%	8.1%
Adjusted EBIT margin	13.2%	13.8%	14.2%	14.7%	14.9%	14.0%	14.4%
Adjusted EBITDA margin	16.5%	16.9%	17.4%	18.1%	18.1%	17.2%	17.6%

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>	Q1 2025	Q4 2024
Long-term term debt	\$1,462	\$1,464
Short-term term debt	\$7	\$7
Bank overdraft	\$17	\$0
Deferred finance costs	\$25	\$22
Gross Debt	\$1,511	\$1,493
Cash and cash equivalents	\$130	\$125
Net Debt	\$1,381	\$1,368
Consolidated EBITDA LTM	\$626	\$618
Gross Debt to Consolidated EBITDA LTM	2.41x	2.42x
Net Leverage Ratio¹	2.21x	2.21x

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

Full Year 2025 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency

	2025 Full Year Low End	2025 Full Year High End
Net sales (% change)	(6%)	0%
Foreign currency translation	(3%)	(2%)
Full Year 2025 outlook Net Sales Growth at Constant Currency	(3%)	2%

Full Year 2025 Outlook Reconciliation of Net Income to Adjusted EBIT to Adjusted EBITDA

<i>(\$ in millions)</i>	2025 Full Year Low End	2025 Full Year High End
Net income	\$209	\$254
Interest expense, net of interest income*	117	117
Tax expense	70	85
Discounting costs on factoring	1	1
Repositioning costs	21	21
Acquisition and divestiture expenses	3	3
Debt refinancing costs	6	6
Full year 2025 outlook Adjusted EBIT	\$427	\$487
Depreciation	93	93
Stock compensation expense	25	25
Full Year 2025 Outlook Adjusted EBITDA	\$545	\$605

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

Full Year 2025 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	2025 Full Year Low End	2025 Full Year High End
Net cash provided by operating activities	\$357	\$447
Expenditures for property, plant and equipment	(\$96)	(\$96)
Net cash provided by operating activities less expenditures for property, plant and equipment	\$261	\$351
Cash payments for repositioning	20	20
Cash proceeds from cross currency swap	12	12
Acquisition and divestiture expenses	1	1
Cash payments for debt refinancing costs	6	6
Full year 2025 outlook Adjusted Free Cash Flow	\$300	\$390



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