

24<sup>TH</sup> OCTOBER, 2023

# GARRETT MOTION: THE NEXT CHAPTER

**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 strategies and growth opportunities, planned investments, ESG initiatives including science-based GHG emissions targets, outlook for 2023, long-term targets, projected sales, market opportunities, expectations regarding our products and innovations, including margin profiles, costs, customer demand and our ability to meet the expectations of customers, capital allocation priorities, expectations regarding BEV penetration, ICE and turbocharger demand, the uniqueness and competitiveness of our offerings in comparison to those of our peers, statements regarding barriers to entry by potential competitors, expectations regarding our ability to expand our customer base and scope, our ability to attract and retain talent, statements regarding the expected profitability and resiliency of our business, and others. Although we believe the 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 changes in our strategies, unanticipated changes in industry conditions or macroeconomic conditions, unanticipated changes in the assumptions supporting the Company’s outlook for 2023, long-term targets, projected sales or market opportunities, risks associated with the Company’s indebtedness, volatility in the demand for our technologies, fluctuations in foreign exchange rates, risks associated with the Company’s ability to implement and execute its strategies, unanticipated changes in the labor market, volatility in demand for our technologies, and the other risk factors described in our annual report on Form 10-K for the year ended December 31, 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”): EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Consolidated EBITDA, Adjusted Free Cash Flow, Adjusted Free Cash Flow Conversion, Adjusted Free Cash Flow Yield, and Debt (gross and net) to Consolidated EBITDA, Enterprise Value to Adjusted EBITDA, and Enterprise Value to Adjusted EBIT. 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, 2022.

# Today's Agenda

10 am

Welcome to Garrett

Introduction & Next Chapter

Strategy & Growth Roadmap

Financial Outlook

11.30 am

Closing Remarks

12 - 2 pm

Q&A, Booth visits, lunch buffet

**Eric Birge**

Head of Investor Relations

**Olivier Rabiller**

President & Chief Executive Officer

**Pierre Barthelet**

SVP Strategy & Advanced Technology

**Craig Balis**

SVP & Chief Technology Officer

**Sean Deason**

SVP & Chief Financial Officer

**Olivier Rabiller**

President & Chief Executive Officer

**Management Team**

# Today's Presenters



**Olivier Rabiller**  
President & Chief  
Executive Officer

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*28 Years Industry Experience*

*21 Years at  
Garrett / Honeywell*



**Sean Deason**  
SVP & Chief  
Financial Officer

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*23 Years Industry Experience*

*3 Years at  
Garrett*



**Pierre Barthelet**  
SVP Strategy &  
Advanced Technology

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*25 Years Industry Experience*

*22 Years at  
Garrett / Honeywell*



**Craig Balis**  
SVP & Chief  
Technology Officer

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*25 Years Industry Experience*

*34 Years at  
Garrett / Honeywell*

The dashboard features a large central display with the following elements:

- Navigation Panel (Left):** Includes a search bar and buttons for "Restaurants", "Gas", "Groceries", "Coffee", and "Hotels". A map shows a route with a red line and a pink location pin.
- Turbocharger Gallery (Center):** A 2x3 grid of six different turbocharger models, including various sizes and designs.
- Play Button (Right):** A large red circle with a white play button icon.

Below the main screen, a smaller digital instrument cluster displays:

- Weather: "Thu, Feb 4" with a sun and cloud icon.
- Time: "2:28 PM".
- Temperature: "15°".
- Speedometer: "76 Km/h".
- Fuel gauge: A bar with 5 segments, 4 of which are filled.
- Autonomous driving indicator: "AUTONOMOUS DRIVING" with a car icon and signal waves.

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# INTRODUCTION & NEXT CHAPTER

Olivier Rabiller



# Our Mission



**Garrett is a cutting-edge technology leader delivering differentiated solutions for emission reduction and energy efficiency.**

**We are passionate about innovating for mobility and beyond.**



# Garrett: Global Leader and Innovation Powerhouse

## Key Statistics

**Global #1**

Turbo Player

**>50%**

Win Rate of New Business<sup>1</sup>

**\$3.6B**

2022 Revenue

**~\$2B**

Market Capitalization

**~9,300<sup>2</sup>**

Employees

**~1,250**

Engineers

**\$100M+**

Annual Investment in Electrification

**~1,700**

Patents Issued or Pending

**5**

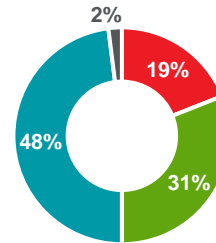
R&D Centers

**13**

State-of-the-art Manufacturing Facilities

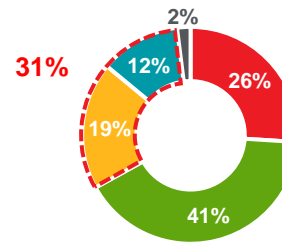
## 2022 Revenue Breakdown

### By Geography



■ North America ■ Europe  
■ Asia ■ Other

### By Product Line



■ Diesel ■ Gas ■ Commercial Vehicle ■ Aftermarket ■ Other

## Technologies Offering

### Commercial Vehicle & Industrial



Large Free-Float



Double Axle VNT



Wastegate

### Light Vehicle Diesel, Gas & Hybrid



Wastegate



Variable Nozzle Turbine (VNT)



Two Stage



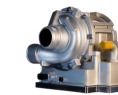
E-Turbo



E-Compressor

Emission Reduction

Zero Emission



Fuel Cell Compressor



E-Powertrain



E-Cooling Compressor

<sup>1</sup> Reflects Garrett win rate on total turbo industry opportunities  
<sup>2</sup> Includes approximately 7,300 permanent employees and 2,000 temporary and contract workers globally as of 12/31/2022



# We Contribute to a Sustainable Future...



## Cleaner, More Efficient vehicles

We develop differentiated solutions for sustainable mobility

**>99%**

Revenue and R&D in emission reduction and zero-emission technologies

**>3 Million Ton CO<sub>2</sub> / y**

Additional reduction in 2022 thanks to Garrett Latest generation Turbos<sup>1</sup>



## Culture of Innovation

Our professional global team is at the heart of our success

**>1,250**

Specialized engineers leading the charge with industry-first solutions

of which

**>400**

Highly specialized engineers in electrification and software domains



## Responsible Operations

We operate ethically and drive continuous improvement

**SCIENCE-BASED TARGET**

**46.2%**

GHG emission reduction to 2030 with a 2019 baseline (scope 1+2)



Rating among the top 2% of global auto suppliers across Environment, Ethics, Sustainable procurement and Labour & Human Rights



Upheld **B** score for CDP climate change

1) Simulation based on fleet with a Garrett Turbo compared with prior generation since 2020; same simulation extrapolated to 2030 fleet would amount to ca. 26 Million Tons CO<sub>2</sub> saved per year

# ...Decarbonizing Mobility for 40+ Global OEMs & Aftermarket

All images are embedding Garrett products currently in production

## Light Vehicles



## Racing & Special Vehicles



## On-highway commercial vehicles



*First Garrett Turbo application in 1954*



Large bore engines for PowerGen, Marine & Industrial

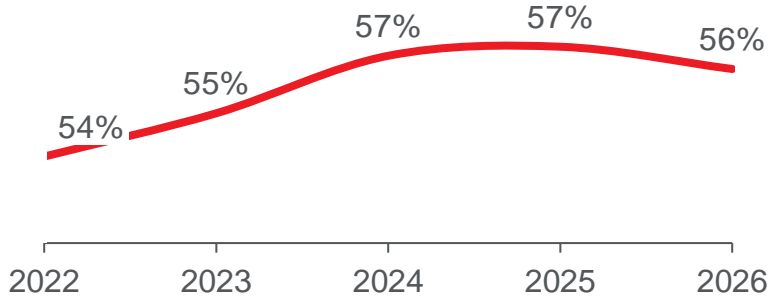
## Off-highway commercial vehicles & Industrials



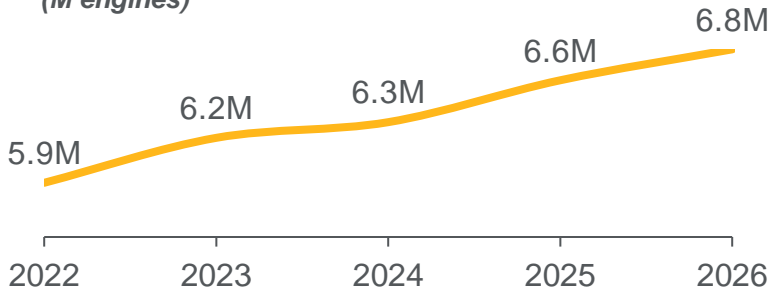
# Leader in Turbo, a more resilient industry than ICE

## Turbo tech: longer tail than ICE

Light Vehicles turbo penetration on Internal Combustion Engines (%)<sup>2</sup>



Commercial Vehicles Turbocharged Engines (M engines)<sup>2</sup>



- **Increasing Turbo tech. content** with tighter emission standards

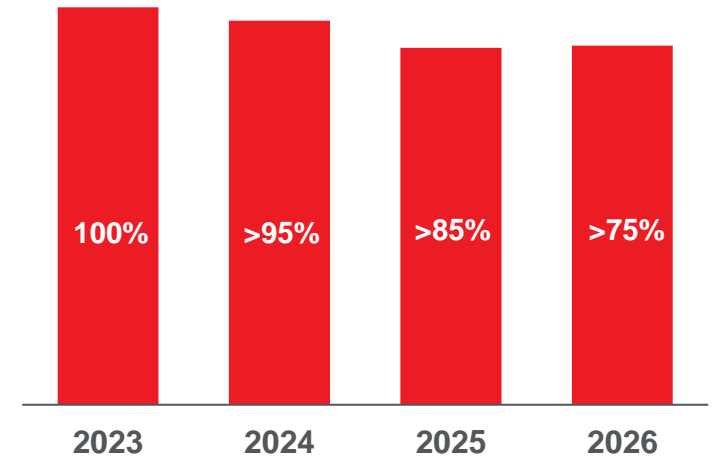
## Garrett leadership expansion

- **#1 Turbo** Industry Leader
- **>50% new business win rate** on average since 2018
- **Broadest portfolio** of Turbo technologies for Light Vehicle and Commercial Vehicle
- **Expanding range further** in Industrial with **Large Frame Turbo** for Power Generation and Marine

## Long term visibility on booked sales

- **>80%** cumulative OEM sales already secured **4 years** in advance

Projected OEM Sales Already Awarded<sup>1</sup>



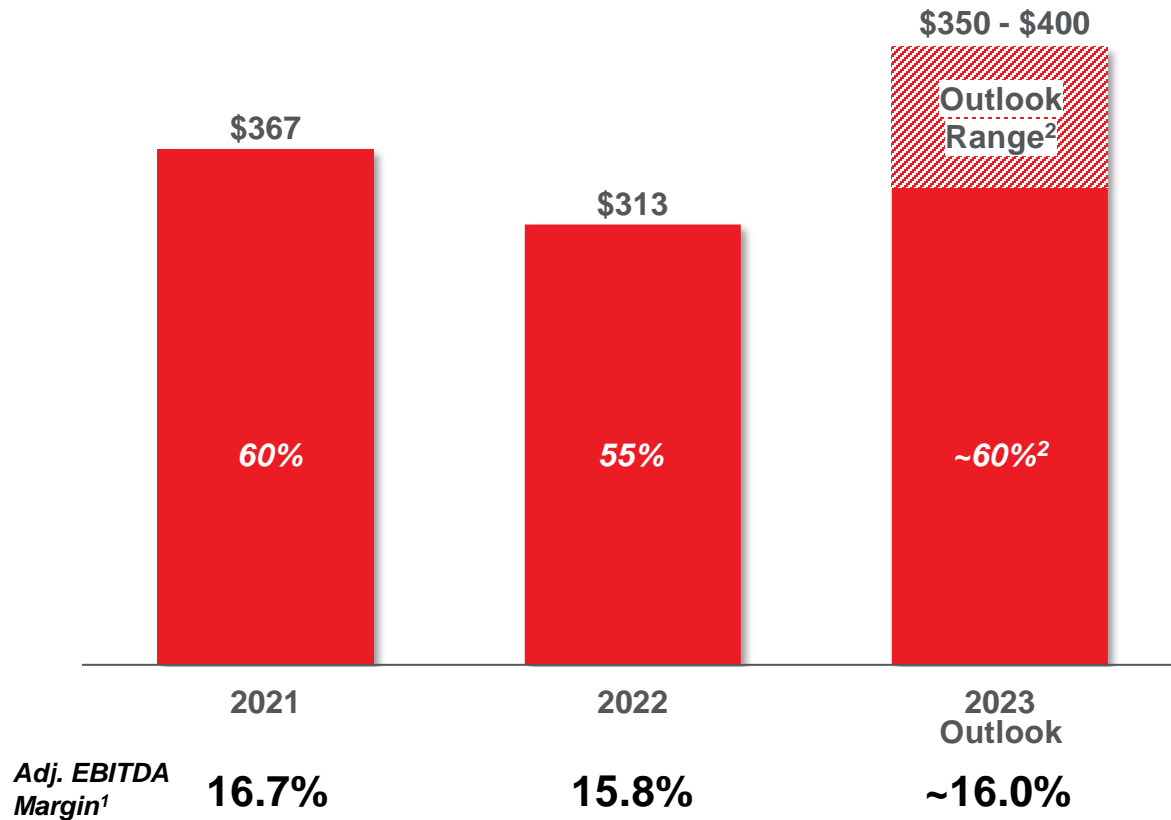
- **31% of total sales** from Commercial Vehicles, Industrial & Aftermarket in 2022, **and growing**

<sup>1</sup> Source: Management estimates and %, \$ billions bar height  
<sup>2</sup> Source: S&P Mobility, September 2023 for LV; KGP July 2023 for CV (including On-highway and Off-highway)

# Consistently generating strong cash flow

## Robust and predictable Adjusted Free Cash<sup>1</sup> Flow

Annual Adjusted Free Cash Flow (\$M)<sup>1</sup> and Adjusted Free Cash Flow Conversion (%)<sup>1</sup>



## To continue through electrification transition

**\$1.7B to \$2.1B**

cumulative adjusted free cash flow<sup>1</sup>  
expected in the next 5 years...

...while anticipating light vehicle **Battery Electric** penetration at  
**~41%** by 2030...

...while investing **~\$0.5B** in R&D in the  
next 5 years, developing targeted and  
differentiated **Zero Emission Technologies**

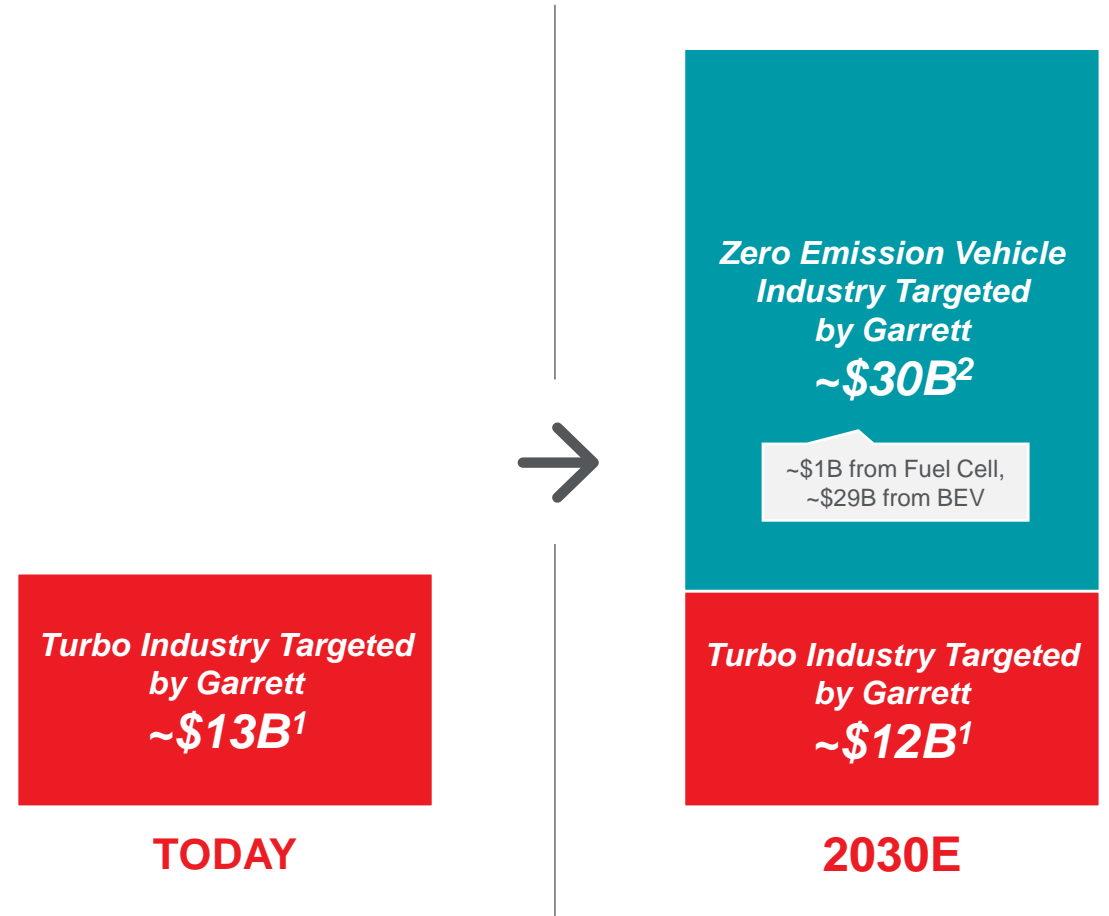
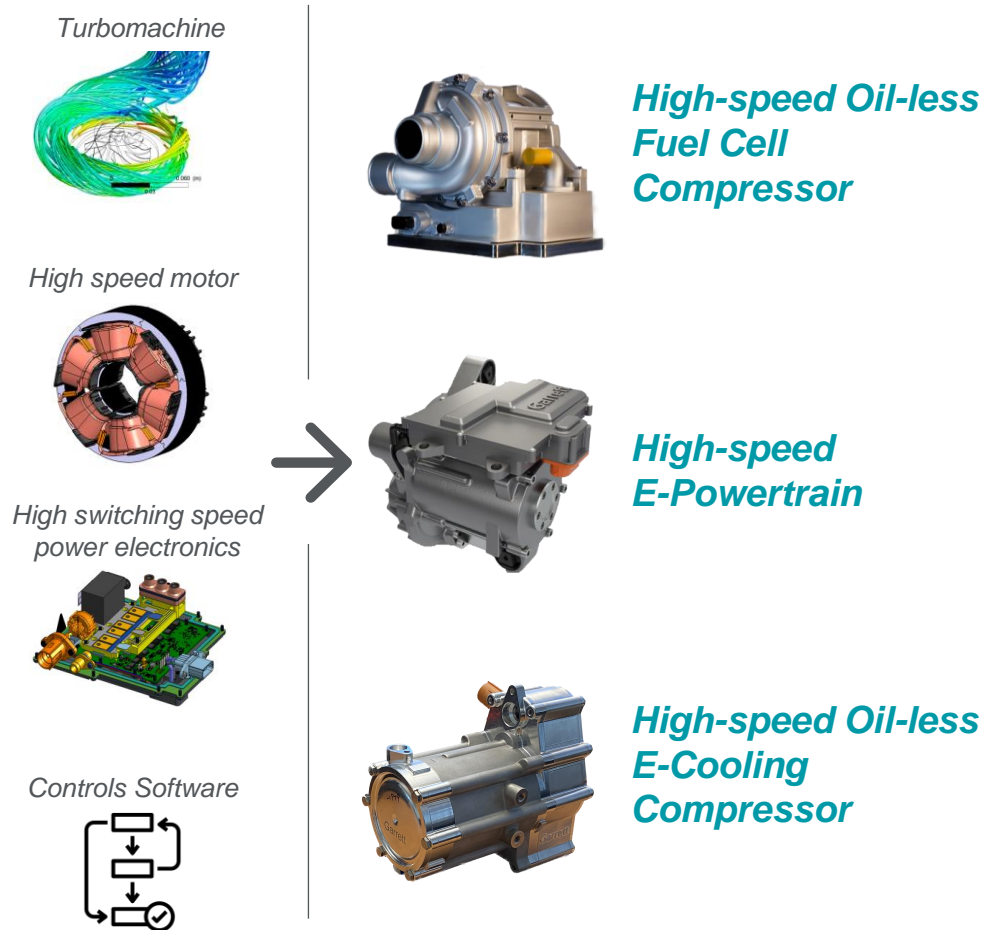
<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures

<sup>2</sup> Reflects midpoint of 2023 outlook

# Leveraging key capabilities to focus on high-value ZEV products

*Unique capabilities at the foundation of 3 disruptive ZEV investments*

*Unlocking additional ~\$30B<sup>2</sup> by 2030 in Zero Emission Vehicle Industry Opportunities*



<sup>1</sup> Including Automotive Turbos: Light Vehicles, Commercial Vehicles and selected high-speed Industrial applications, AfterMarket (Garrett Industry Model)  
<sup>2</sup> Including targeted industry for Fuel Cell Compressor, E-Powertrain, E-Cooling Compressor, excluding captive, platforms in production/already awarded, applications where differentiation is insufficient to justify targeted margins (Garrett Industry Model)

# Garrett right to win in ZEV: why we are different

## 3 focused investments

### High-speed Oil-less Fuel Cell Compressor

Industry 1st  
SOP 2016



## Why Customers are excited

- ✓ Reducing **total cost of ownership**
  - ✓ Increasing vehicle **range**
  - ✓ Increasing vehicle/fleet **productivity**
  - ✓ Proven **durability**, 7 years in the field
- 2024 expected **sales of ~\$20M**

### High-speed E-Powertrain

Industry 1st  
35kRPM



- ✓ Increasing vehicle **range & performance**
- ✓ Freeing up **space** for better **modularity** across vehicle platforms
- ✓ Enabling **installation in constrained** applications

### High-speed Oil-less E-Cooling Compressor

Industry 1st  
centrifugal



- ✓ Enabling **ultra fast charging**
- ✓ **Performance** driving
- ✓ Enhancing cabin **comfort**
- ✓ **Simpler** installation (no oil lines)
- ✓ **Low noise**



## Why it is difficult to replicate for others

- Need **multi-domain optimization** & IP protected critical technology bricks
- **Portfolio breadth** to support the variety of applications & field experience (Garrett 10 years and 3 generation know-how, widest portfolio)
- Major technology step required to manage challenges with **super-high-speed vibration, cooling, high-speed balancing, high-speed sensor-less controls, ...**
- Need **high speed air compression** building blocks for design & manufacturing
- Garrett leveraging **field experience** & established portfolio of Fuel cell Compressor

# Garrett... best in class financial metrics

	Garrett <sup>2</sup> ADVANCING MOTION	PV Focused Auto Suppliers <sup>3</sup>	CV Powertrain Focused <sup>4</sup>	Broader Industrials <sup>5</sup>
Industrial / Aftermarket / CV Contribution				
2023E Adj. EBIT Margin <sup>1</sup>	14%	9%	8%	11%
2023E (Adj. EBITDA <sup>1</sup> – Capex) / Adj. EBITDA <sup>1</sup>	87%	55%	73%	75%
2023E Adj. Free Cash Flow Yield <sup>1</sup>	20%	5%	9%	3%



**Leading Financial Performance** Compared to Companies in All Key End Markets

**End Market Significantly More Diversified** Compared to PV Focused Auto Suppliers

**Path to Grow** thanks to Healthy Core and Upside Optionality in ZEV

Source: Capital IQ as of September 8, 2023 and Garrett 2023 Outlook

<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures

<sup>2</sup> Based on midpoint 2023 guidance

<sup>3</sup> PV Focused Auto Suppliers Peers include BorgWarner, Linamar, Schaeffler, Vitesco Technologies, Brembo, Autoliv, Stabilus, and Aptiv

<sup>4</sup> CV Powertrain Focused Peers include Dana, Cummins, American Axle & Manufacturing, and Allison Transmission

<sup>5</sup> Broader Industrials Peers include Sulzer, Burckhardt, Wartsila, Mitsubishi Heavy Industries, Cummins, ABB Turbo, Rolls Royce, Wabtec, Belimo, SFS, Schindler, Georg Fischer, Landis-Gyr, and VAT Group

# Investor Takeaways

## Industry Leadership

**#1 Turbo player**, leader in a technology-driven industry, consolidating and **more resilient than ICE** overall; Still investing in new Turbo technology and expanding to industrial app's

## Healthy Cash generation

**Resilient & highly profitable** business, with proven performance through business cycles; **\$1.7B to 2.1B** adjusted free cash flow<sup>1</sup> for the next 5 years while funding **ZEV<sup>2</sup>** transition

## Focused ZEV<sup>2</sup> strategy

**Focused R&D investments**, on **3 key ZEV<sup>2</sup> product lines**: Fuel Cell Compressor, E-Powertrain, E-Cooling Compressor, targeting a **fast-growing, 30B\$ industry** by 2030

## Tech differentiation

New ZEV product lines, addressing unmet customer needs; sustaining **high margins** through **difficult to replicate technology**, while providing **optionality beyond mobility**

## Talent & Culture

**Experienced leaders** with proven track record of success; **strong intrapreneurial culture** centred on creating and delivering **breakthrough innovation** at scale

<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures

<sup>2</sup> ZEV = Zero Emission Vehicles (including Battery Electric and Fuel Cell Vehicles)



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# STRATEGY & GROWTH ROADMAP

Pierre Barthelet

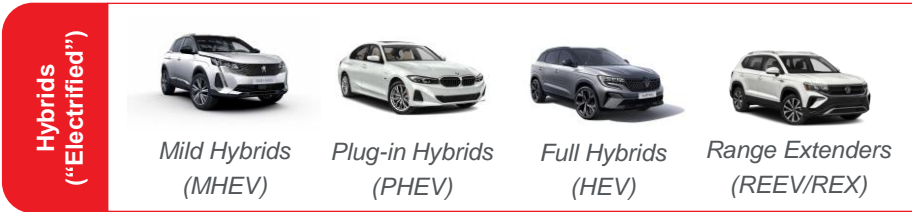
Craig Balis



# The Automotive Industry, Transforming: one tech does not fit all

## Internal Combustion Engine Vehicles +

## Zero Emission Vehicles /



*At times included into new policies (e.g. China "NEV", US "PEV", ...)*

*At times assimilated to ZEV (e.g. EU, ...)*



### Turbo Industry solutions

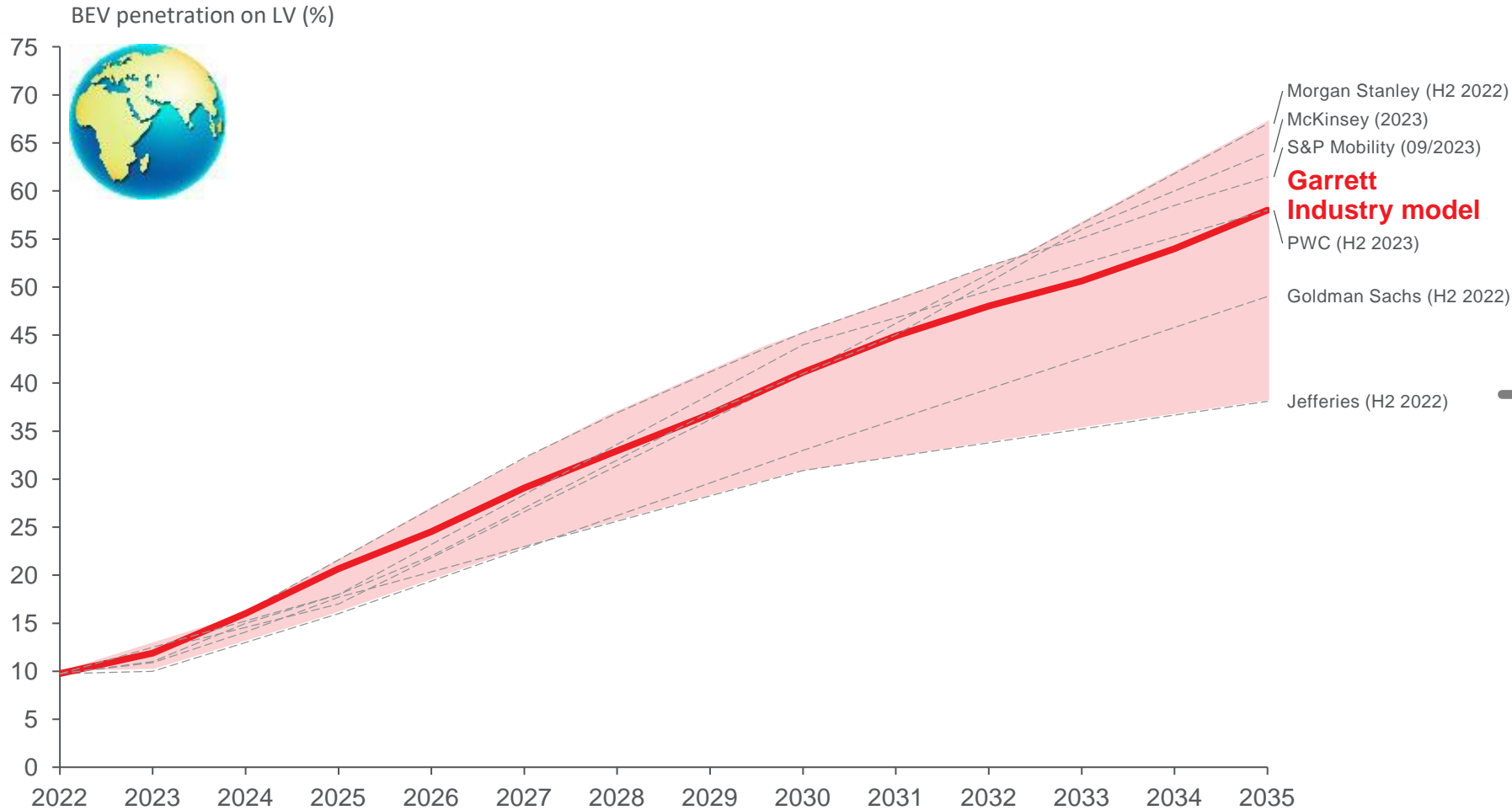


### Zero Emission Vehicle Industry solutions



# From “ICE” to Zero Emission Vehicle: adoption curve

## Worldwide Battery Electric Vehicle (BEV) penetration on Light Vehicle (%)...



## ...adoption drivers



EV cost & price competitiveness



Battery manufacturing capacity



Charging infrastructure

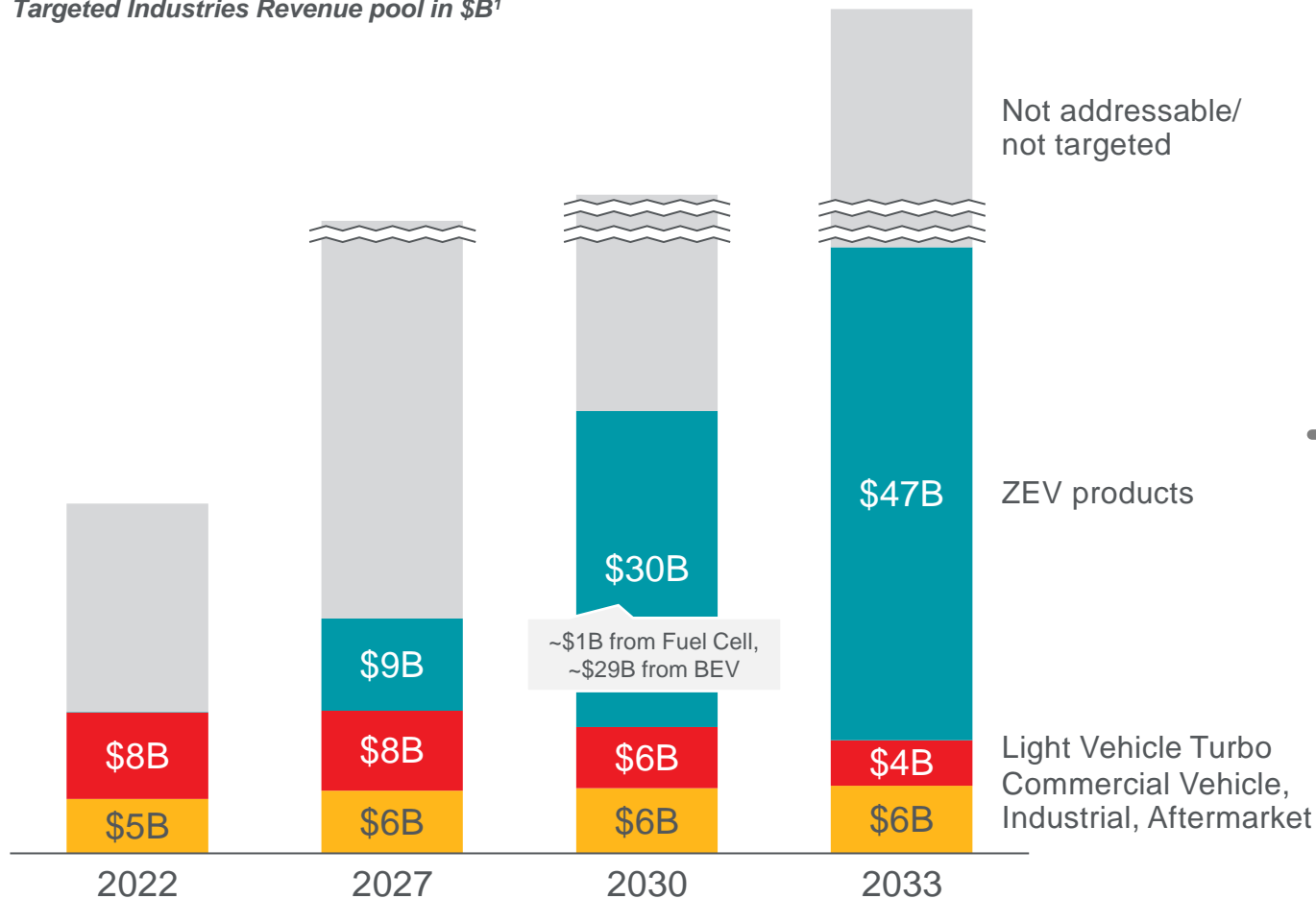


EV subsidies & Technology bans

# Turbo industry more resilient than “ICE”; ZEV growth ramp-up

## Garrett targeted industries revenue pool evolution

Targeted Industries Revenue pool in \$B<sup>1</sup>



- **Light Vehicles Turbo** industry to peak **before 2027**, then plateau as Turbo favoured for stringent fuel efficiency targets
- **Commercial Vehicle, Industrial & Aftermarket Turbo** industry to keep growing driven by longer lifecycle and Combustion Engine resilience
- **Zero Emission Vehicle Targeted Industry** ramping up quickly to **30B\$ by 2030**
  - Includes 3 key ZEV Garrett products only
  - Excluding in-house; timing of start of production
  - Selected segments, where high-speed matters

<sup>1</sup> Source: Management Estimates

# Garrett strategic growth framework

## 1 Turbo Consolidator

**Serve industry consolidation**  
 #1, >50% industry bids won,  
 >80%<sup>1</sup> already awarded up to '27

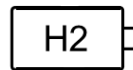
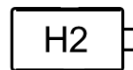
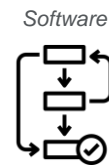
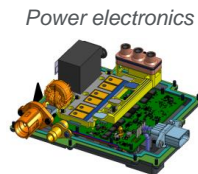
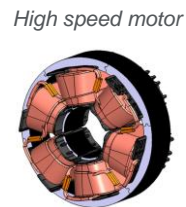
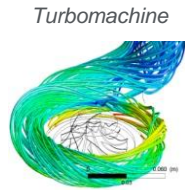


**Grow Commercial Vehicles, Industrial, Aftermarket**



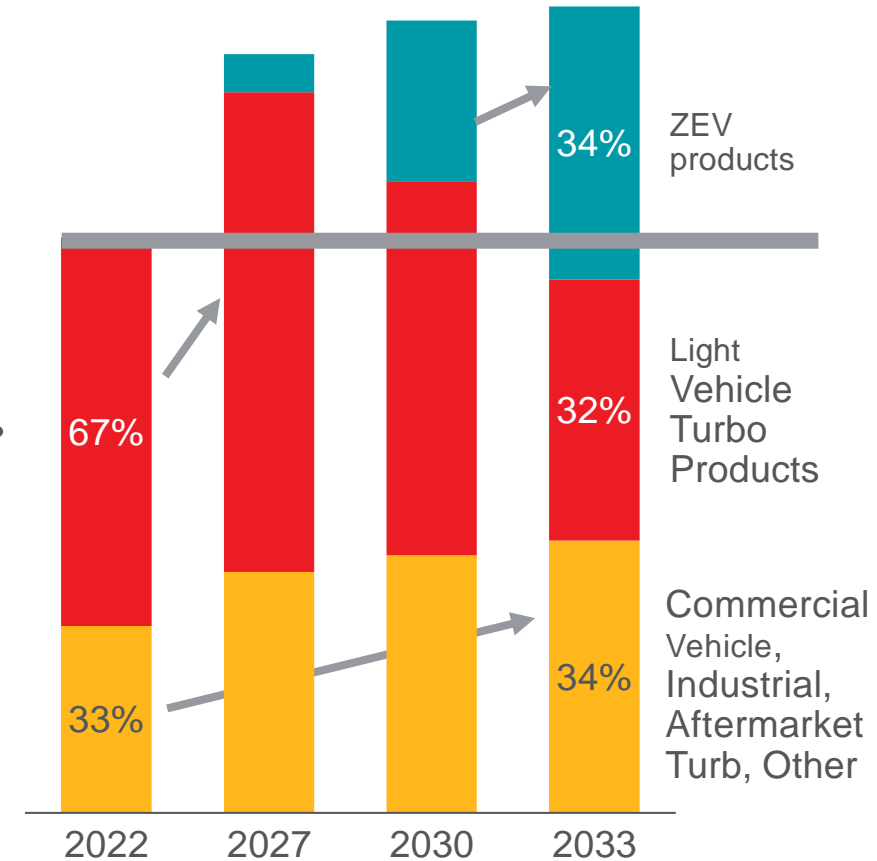
## & 2 ZEV Disruptor

**Apply technology for electrification needs**



= Path to long term growth

Garrett Sales<sup>2</sup>



<sup>1</sup> Calculated on cumulative OE sales from awarded programs over total OE sales  
<sup>2</sup> Source: Management Estimates

# 1 Garrett Proving a Reliable Partner in Turbo Consolidation

## Light Vehicle Diesel, Gas & Hybrid technology



Wastegate

5+  
key competitors



Two Stage

1-2  
key competitors



Variable Nozzle  
Turbine (VNT)

2-3  
key competitors



E-Turbo

1-2  
key competitors



E-Compressor

1-2  
key competitors

- **Light Vehicles Turbo industry starting to “polarize”**

- ▶ **ICE/hybrid engines still being designed & launched**
- ▶ Few “partners” can deliver **technology needed**
- ▶ Deliver at **large scale** even more **mission-critical**



*Technology driven consolidation, as **few peers can deliver at scale** new Turbo technologies needed to achieve ambitious CO2 efficiency targets*

✓ **#1 industry position**

✓ **>50% industry bids won**

✓ **>80% of OEM cumulative sales already awarded 4 years ahead**

- Turbo industry “long tail” fuelled by **Commercial Vehicle, Industrial & Aftermarket** applications

# 1 CV & Industrial Turbo Business Importance & Runway for Growth **Garrett**

**NEW LARGE FRAME**



GT 80 frame-size being assembled in Torrance

**31%**  
**Commercial Vehicle, Industrial & Aftermarket** contribution to sales in 2022



**x1-10+**

ASP multiplier vs. Light vehicle Turbo

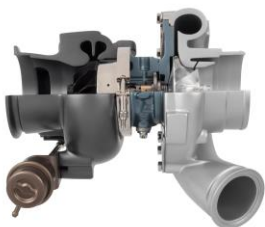


- **Commercial vehicle, industrial & aftermarket products are Higher margin & contribute to earnings on an outsized basis**

- ▶ **Stable earnings stream**
- ▶ **Long lifespan projects**
- ▶ **High OE stickiness**

- **Aim to grow the customer base and expand scope in Marine and Power Generation verticals**

- ▶ **Expanding portfolio to “bigger” applications, in high & medium speed domains**



Wastegate (WG)



Double Axle Variable Nozzle Turbine (VNT)



4x Garrett turbos

# Investing Efficiently to Drive Long-Term Profitable Growth

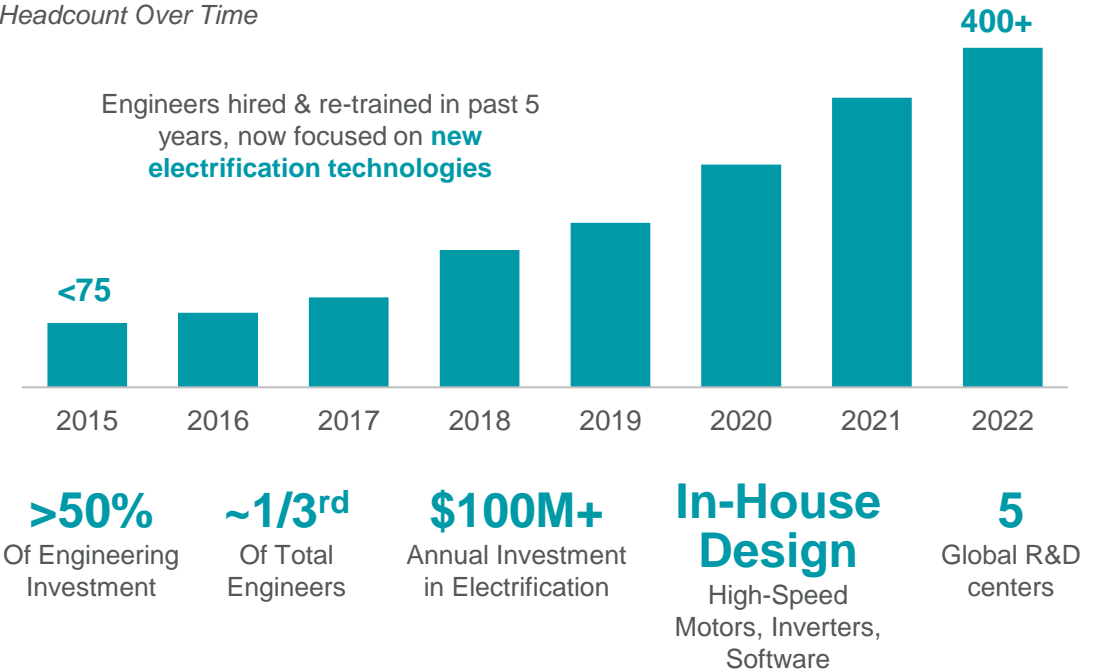
## Turbo R&D Intensity Improving as ICE Powertrain Programs Consolidate



**Consolidation in Turbo Powertrain Programs Enabling Garrett to Invest in Outsized Electrification R&D, While Maintaining Total R&D Spending Discipline < 5% of Sales**

## 400+ Engineers Dedicated to Electrification Today

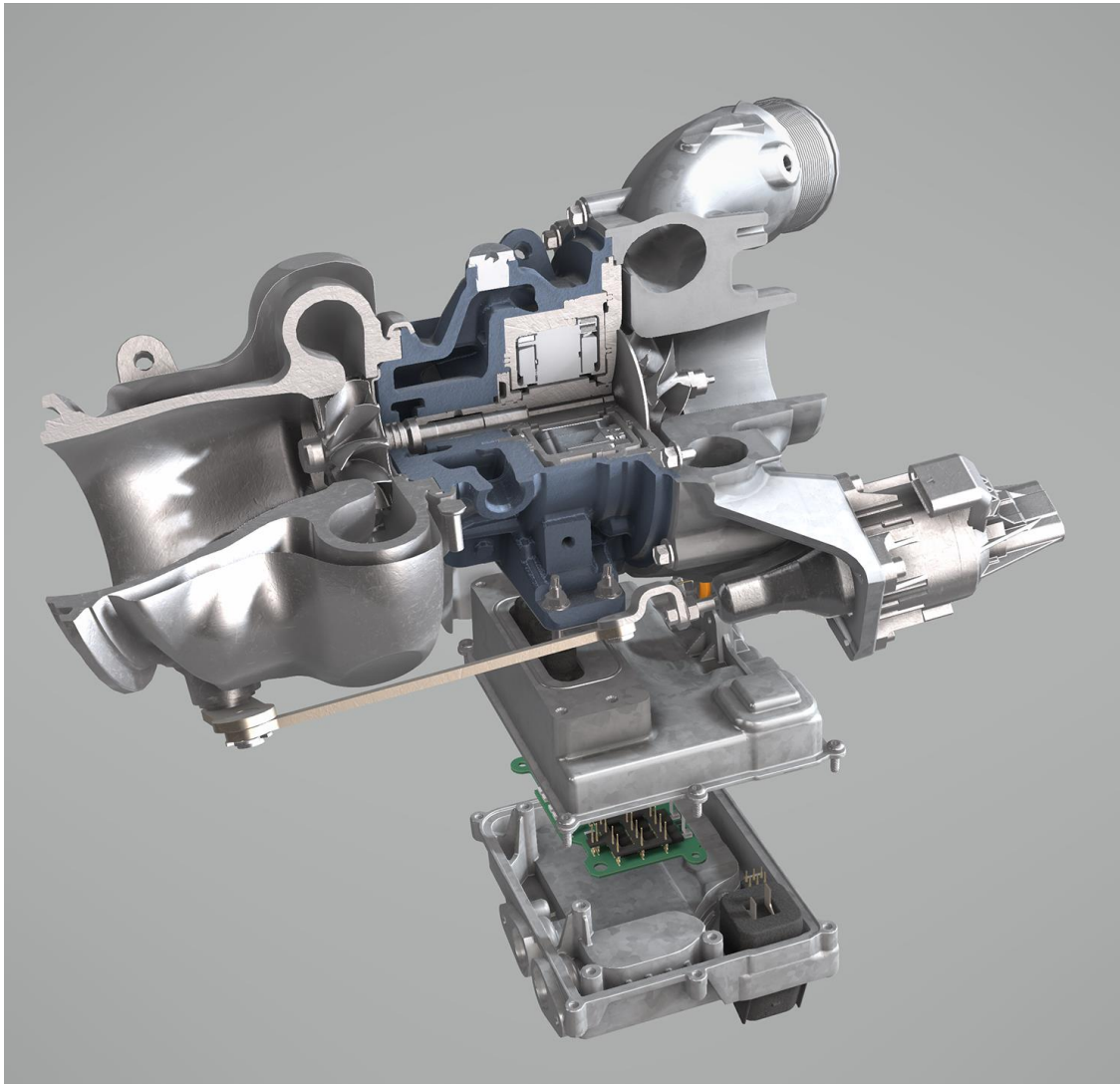
Overview of Electrification Hiring and Organization Headcount Over Time



**Best-in-Class R&D Culture and Unique Capabilities in Electrical Machinery Attracting Industry-Leading Engineers in Electrification**



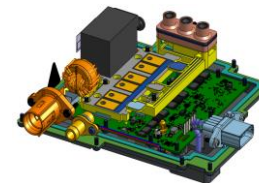
# E-Boosting: the capability bridge



E-Turbo



E-Compressor



Inverter



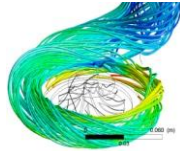
- Our core technologies enable us to **bring disruptive solutions, hard to replicate** by others
- We have **launched ZEV products & components** and continue improving our cost base
  - ▶ We developed in-house **inverters** and high-speed **e-Motors** for the E-Turbo, **currently in production**

**x2**

**ASP multiplier**  
vs. CV WG

# Successful Innovation Shift to Electrification Technologies

## Turbomachines for Air Compression

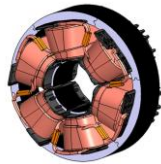


*High precision design & assembly, high speed balancing, and ability to operate in harsh environments across multiple use cases*



Withstands temperatures up to **1,900°F**  
Operating with tolerances of **7x thinner than hair**

## High-Speed Motors

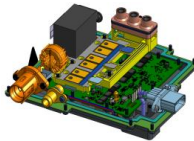


*Best-in-class power density, producing the same amount of power in a smaller, more compact form*



E-Turbo motor can rotate in **excess of 200,000** revs per minute  
Operates at **10x typical automotive E-motor speeds**

## Power Electronics

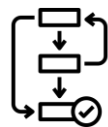


*Unique, compact design for high speed / high power motor control, operating in harsh environments (vibration, temperature)*



High voltage **400-800V** electronics in a compact design  
Industry-leading **30,000 Hertz** switching frequency

## Control Software



*Use on-board digital twins to optimize energy efficiency of all vehicle types in real-time*



Up to **30x smaller memory footprint**  
Up to **6x faster** execution time vs. closest competitor

# Unique Capabilities & IP Pushing Innovation Boundaries

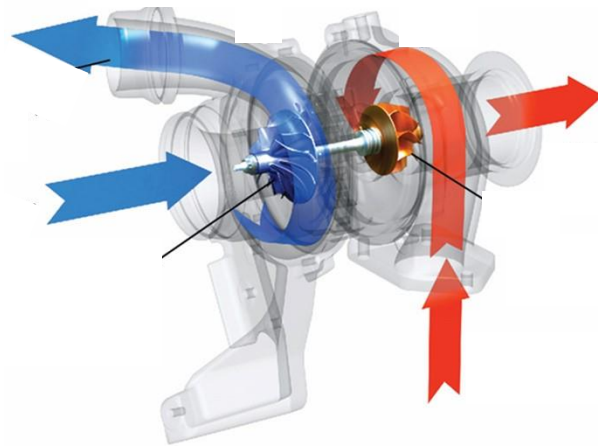
## From Turbo Leader to Zero Emission Vehicle Disruptor

From 50,000 to 200,000 RPM in <2 seconds, **>1.5 times faster than an F-16** engine spooling up to max thrust (~3 seconds)

Wheels tip speed ~1,300 miles per hour... supersonic, **>1.7 times the speed of sound**

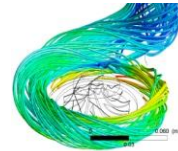
Turbine inlet over 1,900°F... temperature **hotter than lava melting point** (~1,800°F)

Bearing clearance of oil film... **7 times thinner than human hair** (~0.0028 inches)

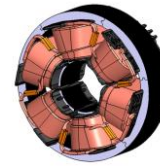


Being shaken at 25g **vibration...** **more than a fighter jet** can withstand (~14g)

Turbomachine



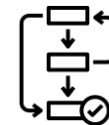
High speed motor



Power electronics



Software

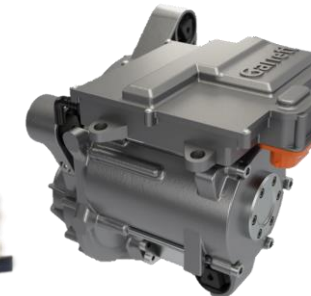


**1<sup>st</sup>** to Introduce **Fuel Cell Compressor** Technology to the Industry, now Delivering **3<sup>rd</sup> Generation**

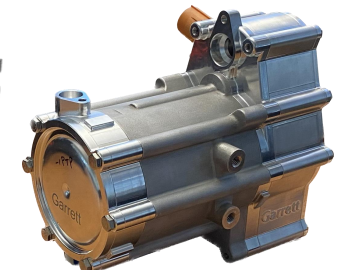
Advanced Controls calculates rotor position every 30 microseconds, **10,000 times in a blink of an eye**



Fuel Cell Compressor



E-Powertrain



E-Cooling Compressor

High Speed E-Powertrain 55 Kg full system weight for 250 kW... **30kg lighter** than industry competitor for lower power

Rotor rides on an air film **20 times thinner than human hair**

## 2 Garrett Technologies for Zero Emission Vehicles

### Hydrogen Fuel Cell EV ("FCEV")

### Battery EV ("BEV")



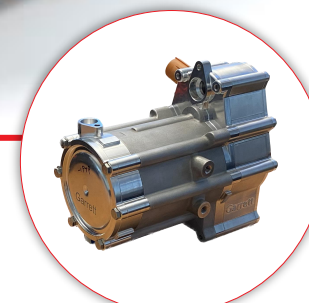
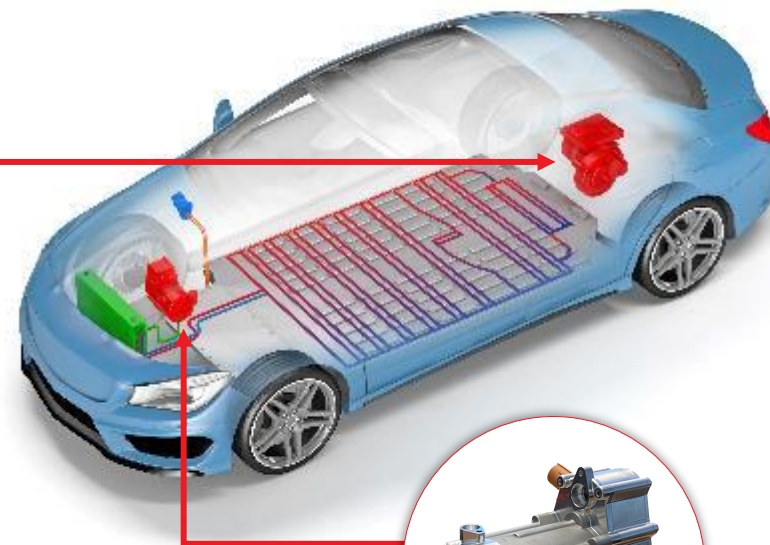
#### Fuel Cell Compressor for Hydrogen Vehicles

Feeds the fuel cell stack with the air needed to generate electricity



#### E-Powertrain for Electric Vehicles

Integrated E-motor, inverter (power electronics) and transmission solution for EV propulsion

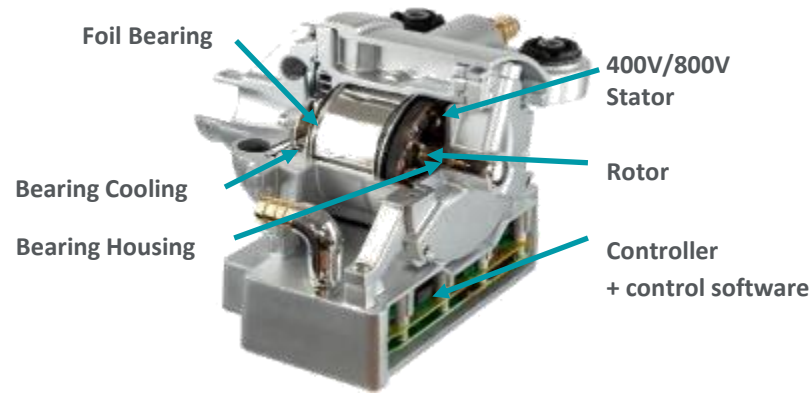


#### E-Cooling Compressor for Electric Vehicles

Crucial component in EV thermal management; circulates refrigerant fluid to cool the battery, E-Powertrain and cabin

## 2 Fuel Cell Compressor (FCC): efficient and durable

### High-Speed Air Compressor system...



A **high-speed** electric motor (>150krpm), enclosed in an **ultra-compact** form factor, and controlled by **high voltage** inverter

### ...Bringing Best-in-Class efficiency and durability

To drive **100** km a Fuel Cell Electric Vehicle consumes  
... **1** kg of Hydrogen  
... **60** m<sup>3</sup> of air

The **Fuel Cell Compressor** plays the **critical mission** of providing that compressed **air**, determining the **efficiency of the entire system**, from light vehicle to heavy duty trucks (40kW to 300kW)



**-10%**  
Power Consumption

**40%**  
Downsizing Fuel Stack

**-30%**  
Weight Reduction

**220-800V**  
Power architecture compatible

**2x**  
More durable

## 2 Fuel Cell Compressor (FCC)... Results so far

*First Generation launched in 2016,  
on the Honda Clarity*



**x2-3**

*ASP multiplier vs. Turbo  
Light Vehicle/Commercial  
Vehicle Waste Gate*

### WINNING BUSINESS

**5 Series Production Contracts Won**



**>260**

Prototypes Delivered H1 '23

**15+**

Customers Engaged

### PORTFOLIO: 4 FC COMPRESSOR FAMILIES

**FCC15** for cars & light commercial vehicle

**FCC22** for buses & medium-duty trucks

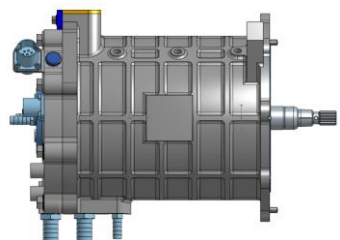
**FCC25** for heavy duty trucks

**FCC32** for off highway & industrial applications

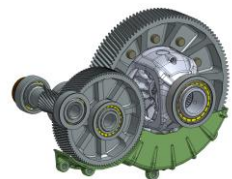
# 2 High Speed E-Powertrain: Higher Power, Smaller Package

Designed to re-set the benchmark...

...via Best-in-Class Power Density



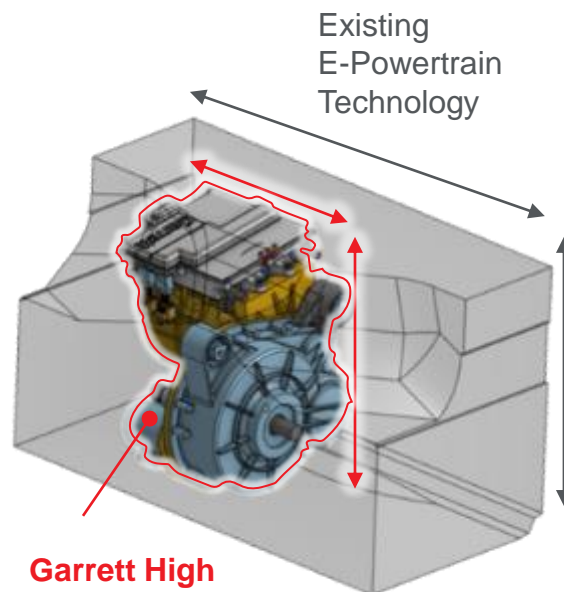
**IPM Motor**  
True high-speed  
**35krpm**



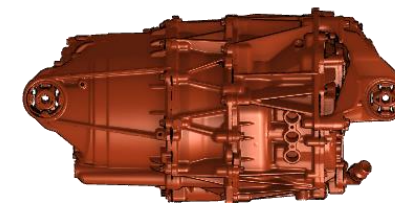
**Gearbox**  
Gear ratio  
**24:1**



**Inverter**  
800V **>15kHz**

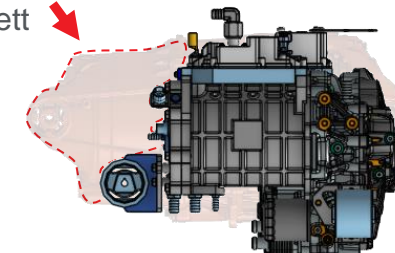


Leading  
US BEV  
player



Space freed up  
by Garrett

**Garrett**  
ADVANCING MOTION  
250kW A-Sample



**-50%**

Packaging Size  
Reduction

**-40%**

Weight  
Reduction

**-35%**

Rare Earth (magnet & copper)  
Content Reduction

**60%**

Continuous to Peak  
Power Ratio

**Best In Class**

Energy Efficiency

## 2 High Speed E-Powertrain... Results so far

### WINNING BUSINESS



**x5-10**

*ASP multiplier vs. Turbo Light Vehicle/Commercial Vehicle Waste Gate*

2 Pre-development Contracts Won



15+ Customers Engaged



### PORTFOLIO: 3 E-POWERTRAIN FAMILIES

**130kW** for small SUVs, compact sedan

**250kW** for SUV, Premium, Light Commercial Vehicles

**~400kW** for High Performance & Pick-up



## A new refrigerant compressor technology...

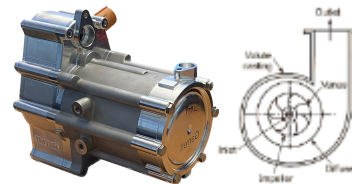
### Industry standard



**Volumetric scroll compressor**  
10 kRPM, oil lubricated

Cooling performance  $\downarrow$  @ higher ambient T °C  
Heating performance  $\downarrow$  @ lower ambient T °C

### Garrett

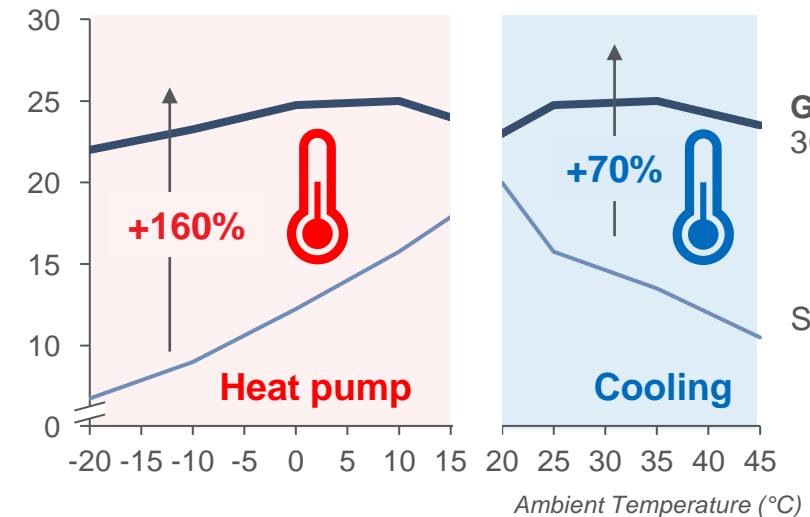


**Centrifugal compressor**  
160 kRPM, oil-free foil bearings

Cooling performance  $\uparrow$  @ higher ambient T °C  
Heating performance  $\uparrow$  @ lower ambient T °C

## ... bringing breakthrough in performance

Cooling / Heating  
Power (kW)



**GTX compressor**  
30 mm wheel dia  
Similar size &  
weight (6kg)

Scroll compressor  
60 cc

**>20%**

Reduction in fast-  
charging time

**No de-rating**

During intensive  
driving

**3x**

Faster cabin  
cool-down

**2x**

smaller for same  
cooling/heating power

**-10dB**

Low vibration  
and low noise

**Oil less**

No mounting  
limitations

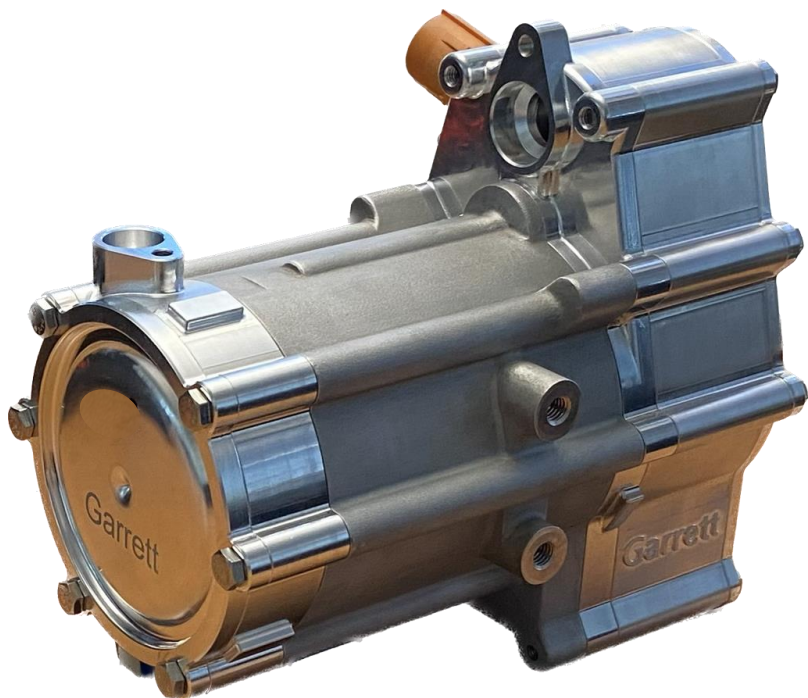
## 2 E-Cooling Compressor... Results so far

### WINNING BUSINESS

3 Pre-development Contracts Won



20+ Customers Engaged



**x1-2**

*ASP multiplier vs. Turbo  
Light Vehicle/Commercial  
Vehicle Waste Gate*

PORTFOLIO: 3 E-COOLING COMPRESSOR FAMILIES

15-25kW for Light Vehicles

25-35kW / 45000h durability for Commercial Vehicles

40-60kW / 15 years for industrial usage

Search

Restaurants

Gas

Groceries

Coffee

Hotels

76  
Kmh

Tue, Feb 4 2:28 PM 15°

AUTOMOBILE  
8000

## 2 In short: Our solutions are designed to disrupt the industry



Fuel Cell Compressor



E-Powertrain



E-Cooling Compressor



“ Your technology was **the missing piece of the puzzle**, your compressor can do much better than the industry standard. ”

Global OEM

“ Garrett is **most advanced in high speed**, we strongly believe in this solution to reduce material content. ”

Global OEM

“ If you can achieve this power density at reasonable price, it will be a **game changer**. ”

Asian OEM

“ GTX has an **advantage going down in speed thanks to turbo experience**, unlike other suppliers who needs to push the limits to increase the speed. ”

Global OEM

## Garrett Technology Advantage...

### Fuel Cell Compressor



- Unique **high-speed motor & controls electronics** technology
- Best in class **aerodynamics**, including turbine expander
- **IP protected** oil-less foil bearing & **high-speed balancing**
- **Broadest portfolio** for fuel cell applications 40-300kW+

### E-Powertrain



- Driving major technology step with **high-speed motor enabling 2-3x** industry standard of 15k rev/min
- **40%+ reduced weight & packaging space** benefit
- Proven **system integration** experience

### E-Cooling Compressor



- ✓ Build on **broad experience** with **fuel cell compressors**
- ✓ **High-speed motor & controls electronics** technology
- ✓ Best in class **aerodynamics** & IP protected **oil less bearing**
- ✓ **System optimization & controls** key to success





## ... Delivering High Customer Value

- ✓ **Reducing total cost of ownership**
- ✓ **Increasing vehicle range**
- ✓ **Increasing vehicle/fleet productivity**
- ✓ **Proven durability, 7 years in the field**

- ✓ **Increasing vehicle range & performance**
- ✓ **Freeing up space for better modularity across vehicle platforms**
- ✓ **Enabling installation in constrained applications**

- ✓ **Enabling ultra fast charging & high-speed driving**
- ✓ **Enhancing cabin comfort**
- ✓ **Easing installation (no oil lines)**
- ✓ **Quite operation**

# 2 Founded on unique set of capabilities & IP difficult to acquire

-   
*65y exp. with air compression turbomachine*
-   
*Unique ultra high-speed electric motor*
-   
*High switching freq. power electronics*
-   
*Unique high-speed sensor-less controls*
- And more:*  
*High speed and oil-less bearings*




### Industry status



### Why so difficult to catch up?

**Fuel Cell Compressor**

Industry 1<sup>st</sup> SOP 2016




✓	100-150k RPM ✓	✓	✓	✓	✓
---	-------------------	---	---	---	---

Patchy portfolio, **higher power consumption, heavier & bulkier** design, limited field experience

- Need **multi-domain optimization** & IP protected critical tech. bricks
- **Portfolio breadth** to support the variety of applications & field experience (Garrett 10y and 3 gen. know-how, widest portfolio)

**E-Powertrain**

Industry 1<sup>st</sup> 35kRPM




35k RPM	✓	✓	✓	✓
---------	---	---	---	---

**Lower speed** (~15k RPM) motor implies **heavier & bulkier** product w/ integration challenges

- Major technology step required to manage challenges with **super-high-speed vibration, cooling, high-speed balancing, high-speed sensor-less controls, ...**

**E-Cooling Compressor**

Industry 1<sup>st</sup> centrifugal



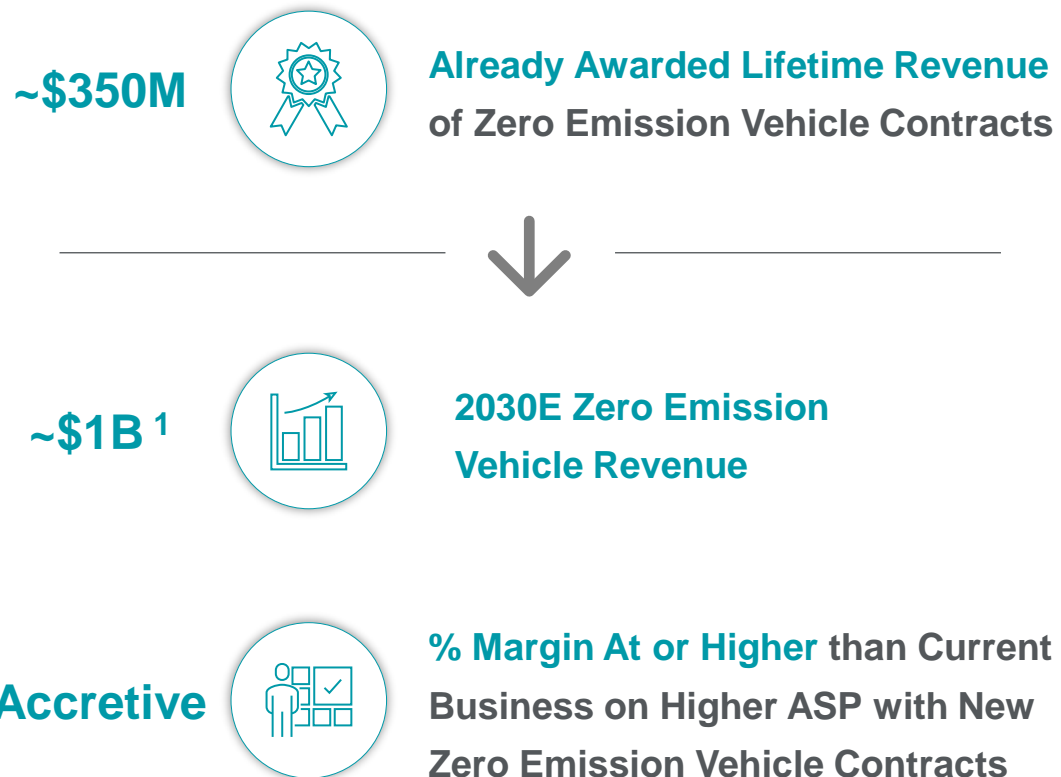
160k RPM	✓	✓	✓	✓	✓
----------	---	---	---	---	---

Low speed (<10k RPM) volumetric compressors **noisy & losing efficiency** in hot or cold conditions





- Need **high speed centrifugal air compression** building blocks for design & manufacturing
- Garrett leveraging **field experience** & established portfolio of Fuel cell Compressor

## 2 Boosting Attractive Zero Emission Business

### Zero Emission Technology Targets



### Leveraging Garrett Unique Advantages

-  **'True To Garrett's Heritage':** Focus on Value-Added Differentiated Technology
-  **Successful Track Record** Launching Innovation at Scale in all Geographies Leveraging our 5 Global R&D centers
-  **Fully Invested** Zero Emission Technology Portfolio Today
-  **Applying Garrett Financial Framework** for Asset Light Investments and Flexible, Low-Cost Base

<sup>1</sup> Includes pure EV and hydrogen fuel cell electric vehicles

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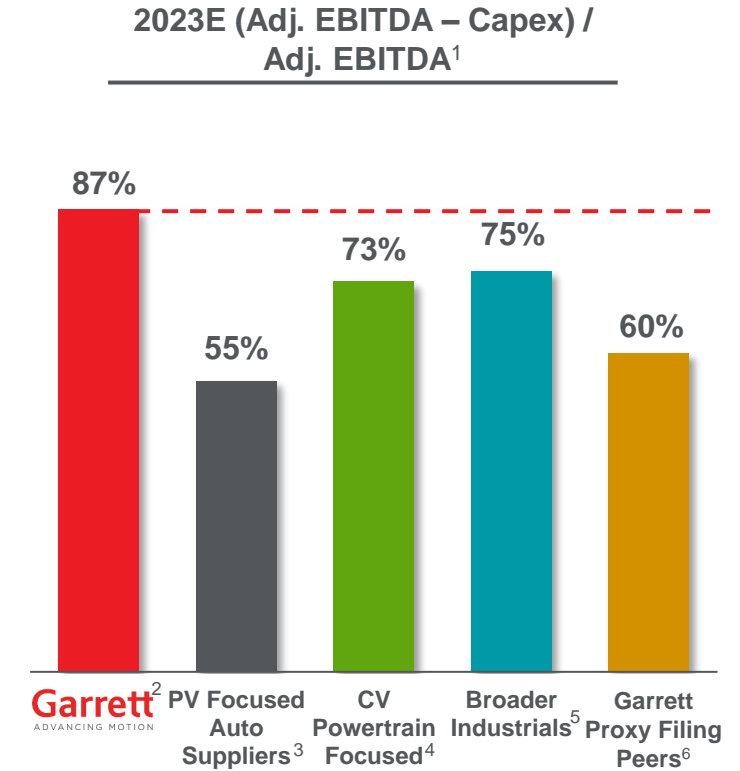
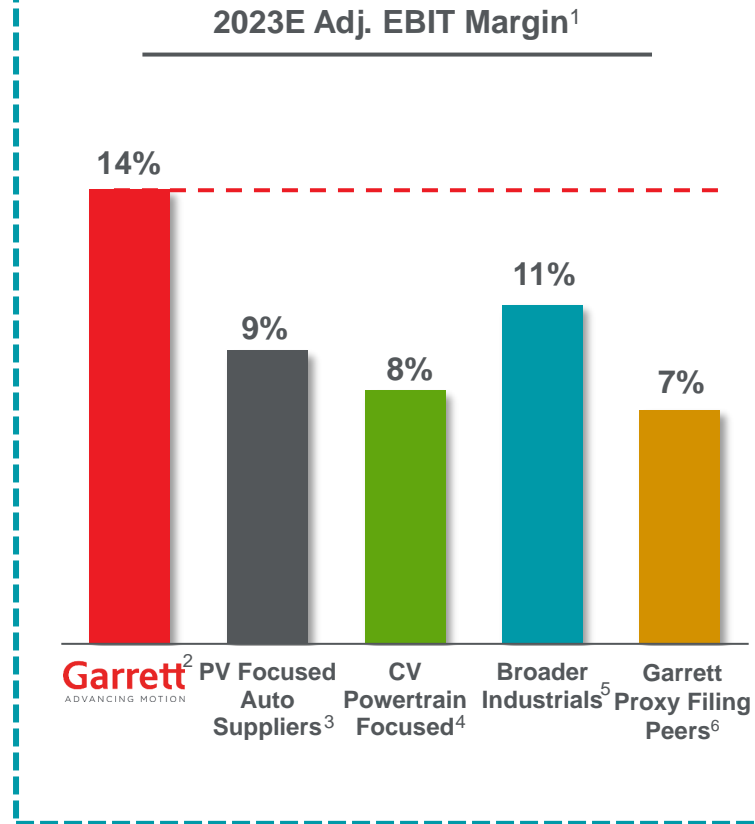
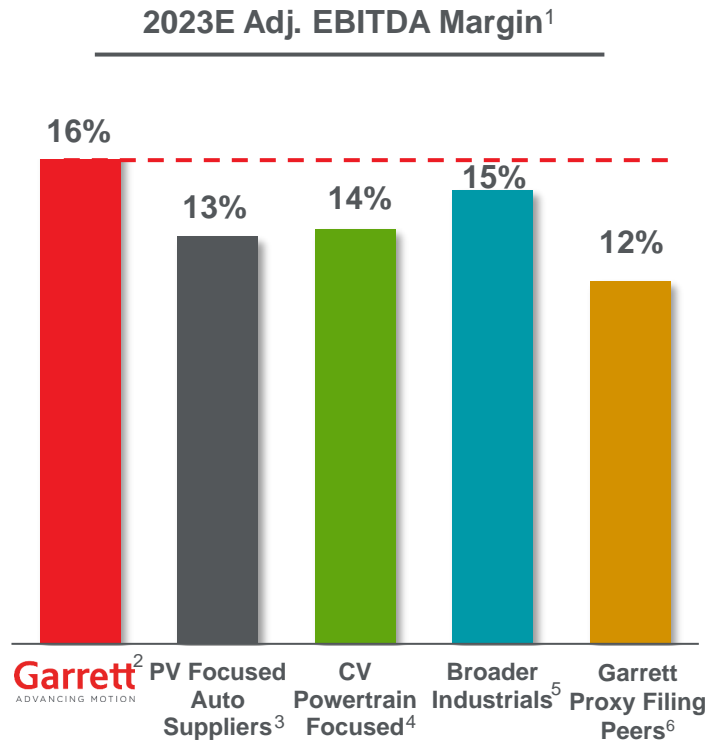
# FINANCIAL OUTLOOK

Sean Deason





# Delivering better profitability & cash flow performance vs. peers



**After \$100M+ of Annual ZEV Investment**

Sources: Capital IQ as of October 17, 2023 and Garrett 2023 Outlook

<sup>1</sup> See Appendix for reconciliations of the Non GAAP measures

<sup>2</sup> Based on midpoint 2023 guidance

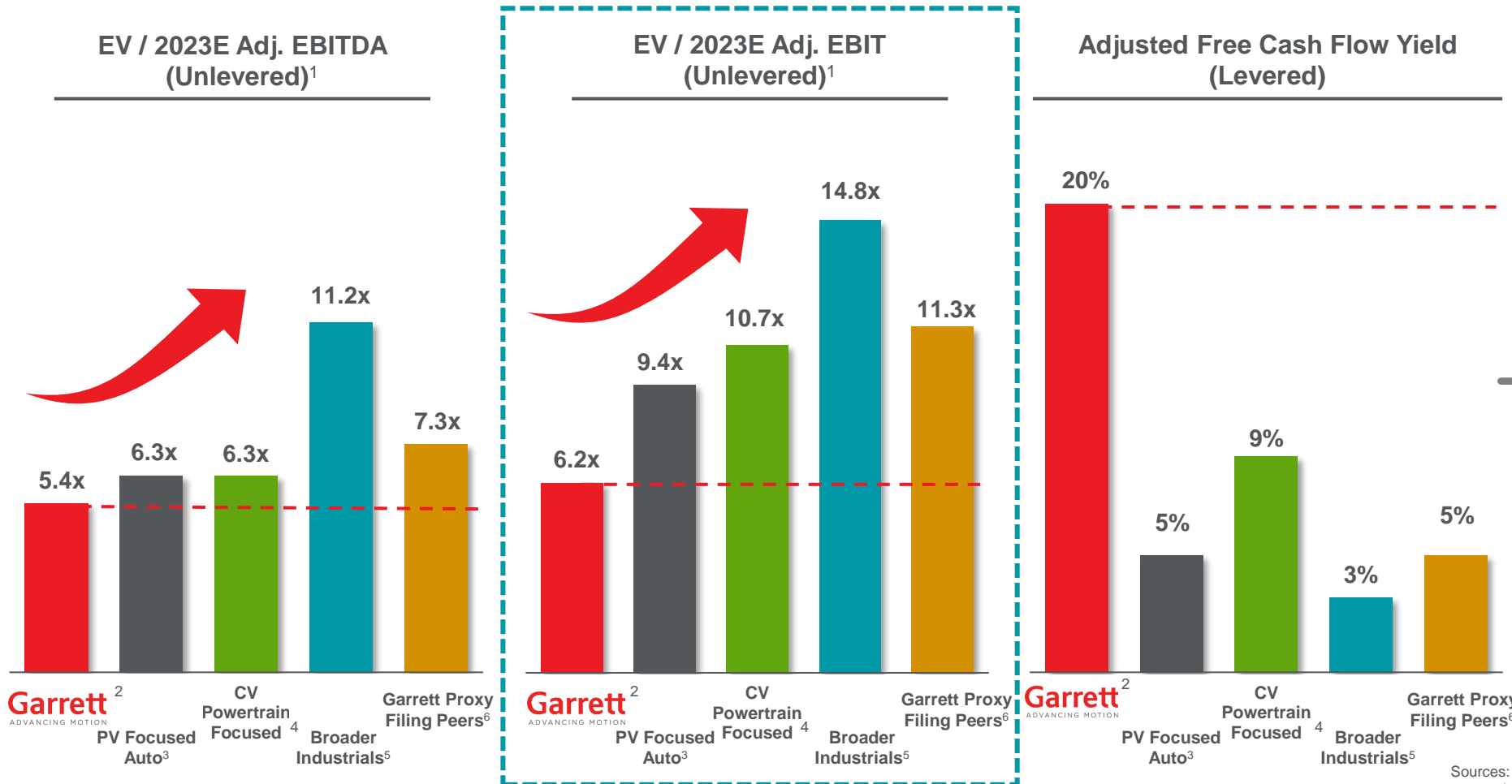
<sup>3</sup> PV Focused Auto Suppliers Peers include BorgWarner, Linamar, Schaeffler, Vitesco Technologies, Brembo, Autoliv, Stabilus, and Aptiv

<sup>4</sup> CV Powertrain Focused Peers include Dana, Cummins, American Axle & Manufacturing, and Allison Transmission

<sup>5</sup> Broader Industrials Peers include Sulzer, Burckhardt, Wartsila, Mitsubishi Heavy Industries, Cummins, ABB Turbo, Rolls Royce, Wabtec, Belimo, SFS, Schindler, Georg Fischer, Landis Gyr, and VAT Group

<sup>6</sup> Proxy Filing Peers include Allison Transmission, American Axle, Autoliv, Autoneum, BorgWarner, Cooper-Standard, Dana, ElringKlinger, Gentex, HELLA, Martinrea, Modine Manufacturing, Rheinmetall, Sensata Technologies, TI Fluid Systems, Timken, Visteon

# Significant opportunity for appreciation of valuation



- **Garrett is >30% CV, Industrial, and Aftermarket in sales**
- Leverage **comparable** to peer groups and reducing quickly
- Active **buyback** program ongoing

Sources: Capital IQ as of October 17, 2023 and Garrett 2023 Outlook

<sup>1</sup> See Appendix for reconciliations of the Non GAAP measures

<sup>2</sup> Based on midpoint 2023 guidance

<sup>3</sup> PV Focused Auto Suppliers Peers include BorgWarner, Linamar, Schaeffler, Vitesco Technologies, Brembo, Autoliv, Stabilus, and Aptiv

<sup>4</sup> CV Powertrain Focused Peers include Dana, Cummins, American Axle & Manufacturing, and Allison Transmission

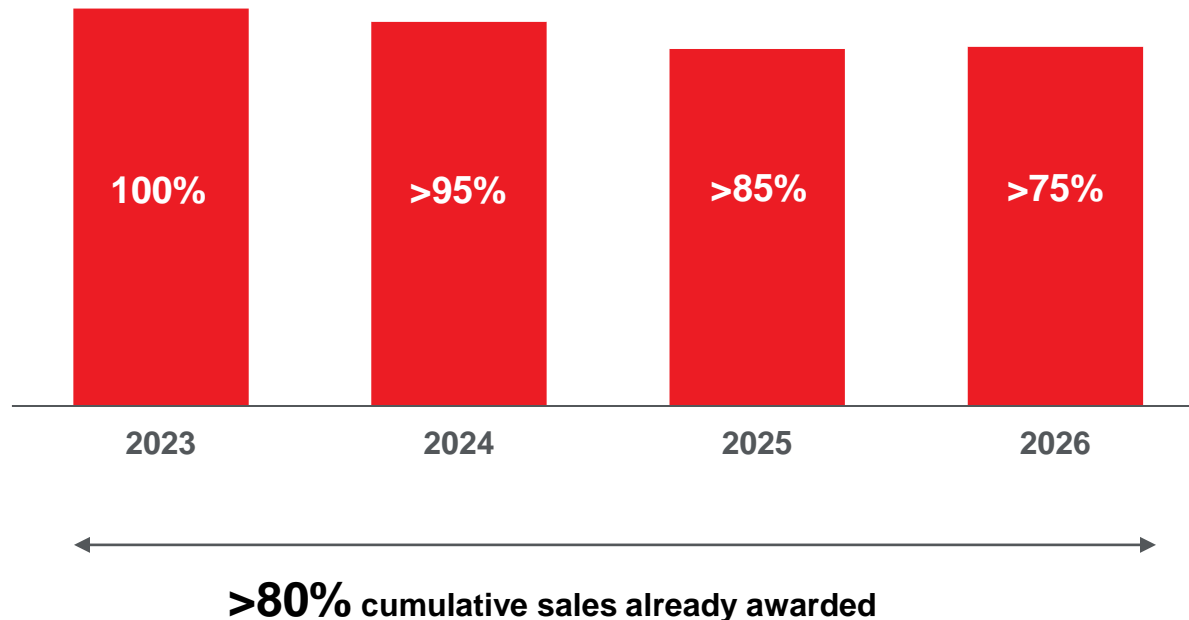
<sup>5</sup> Broader Industrials Peers include Sulzer, Burckhardt, Wartsila, Mitsubishi Heavy Industries, Cummins, ABB Turbo, Rolls Royce, Wabtec, Belimo, SFS, Schindler, Georg Fischer, Landis Gyr, and VAT Group

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# Strong future sales visibility drives predictable core earnings

## Strong future OEM sales line of sight

Projected OEM Sales Already Awarded <sup>1</sup>



## Key business attributes enable resilience

- ✓ **Diversified Customer Base**, with >30% of sales in Commercial Vehicle, Industrial and Aftermarket
- ✓ **Long Lifespan Products**, beyond 10y from Pre-Dev to End of Life
- ✓ **High OE Stickiness**, most programs are single sourced

<sup>1</sup> Source: Management estimates and %, \$ billions bar height

# Track Record of Attractive Profitability and Cash Flow Generation **Garrett** ADVANCING MOTION

## Garrett financial framework



**High product profitability** driven by sustainable technology differentiation



**Flexible, low-cost structure** insures financial performance through macroeconomic conditions



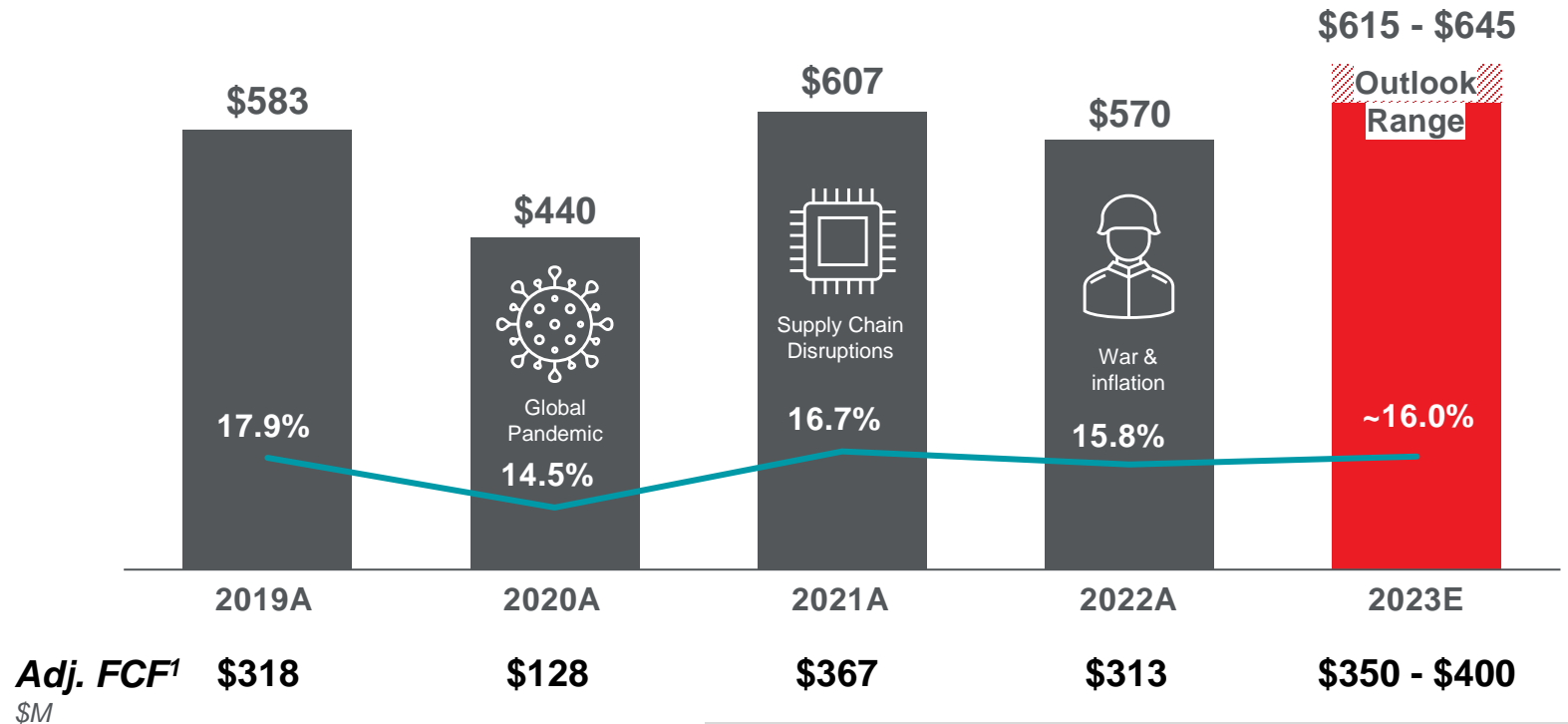
**Capital “light” operating model** drives low capital intensity and strong cash flow generation



## Leading to solid profitability and cash flow resilience across cycles

Adjusted EBITDA<sup>1</sup>  
\$M

■ Adjusted EBITDA<sup>1</sup> — Adj. EBITDA Margin<sup>1</sup>



*Margin stability despite Fx and raw material inflation*

<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures

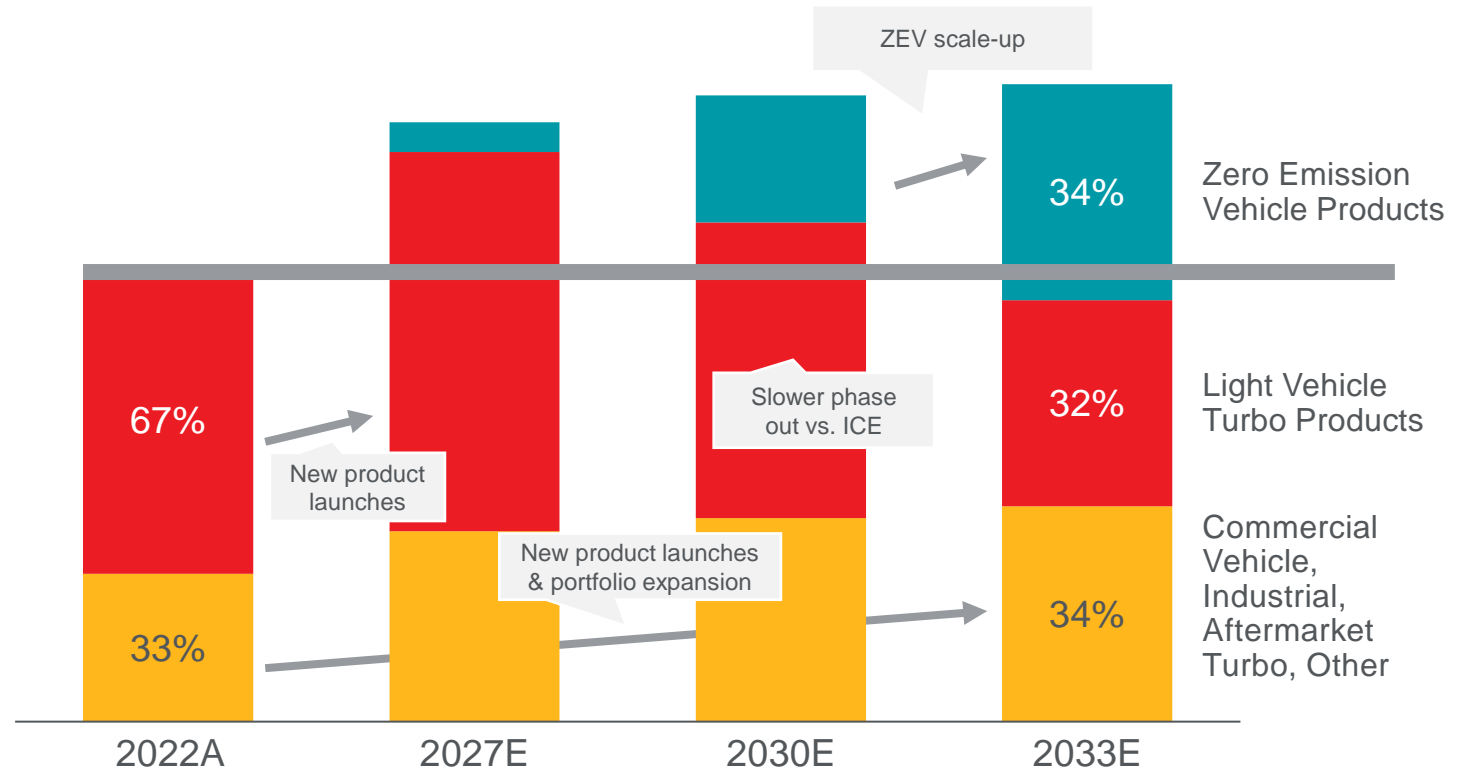
# Technology-driven mission provides long term profitable growth

## Applying Our Financial Framework...

- > 16% Adj. EBITDA Margin<sup>1</sup>
- < 5% R&D as % of Net Sales
- < 3% Capex as % of Net Sales
- > 20x Working Capital Turns
- 60% Free Cash Flow Conversion<sup>1</sup>
- < 2x Net Leverage Ratio<sup>1</sup>

## ...While Growing Beyond LV Turbo

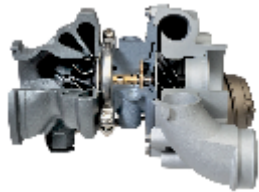
Garrett Sales<sup>2</sup>



<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures  
<sup>2</sup> Source: Management estimates

# Industry Transition Driving Greater Content & Higher ASP

## Core Tech



Waste Gate (WG) technology

## Advanced Turbo Technologies



Variable Nozzle Technology (VNT)



E-Turbo

## New ZEV Technologies



E-Cooling Compressor



Fuel Cell Compressor



E-Powertrain

Light Vehicles (LV)

**100-400\$**

Average Selling Price (ASP) per Turbo

**x1.2-1.3**

ASP multiplier vs. LV WG

**x2**

ASP multiplier vs. LV WG

**x1-2**

ASP multiplier vs. LV/CV WG

**x2-3**

ASP multiplier vs. LV/CV WG

**x5-10**

ASP multiplier vs. LV/CV WG

Commercial Vehicles & Industrials (CV)

**x1-5+<sup>1</sup>**

ASP multiplier vs. Light vehicle

**x2**

ASP multiplier vs. CV WG

**x2**

ASP multiplier vs. CV WG

<sup>1</sup>Depending on size & volumes, up to several thousand dollars

# Strong Liquidity and Capital Structure

As of September 30, 2023



## Our Capital Allocation Approach

### Disciplined Organic Re-investment



- ✓ Continue to invest in differentiated technologies and capabilities

### Return of Capital



- ✓ Continue share repurchase programs
- ✓ Potential to allocate capital to dividends in future

### Net Leverage



- ✓ Rapidly de-lever with robust cash flow generation
- ✓ Achieve 2.0x target by end of 2024

### Strategic Portfolio Expansion



- ✓ Execute strategic acquisitions and inorganic growth opportunities

<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures

# Building blocks for value creation

## Strong foundation: Garrett's Financial Framework

- **2023 Outlook of ~16% Adjusted EBITDA margins<sup>1</sup>, \$350M+ adjusted FCF<sup>1</sup>, even after \$100M+ electrification investment**
- Track record of **consistently delivering attractive profitability** even in tough environments by flexing our variable, low-cost structure
- Strong free cash flow generation enabling **both return of capital to shareholders and de-leveraging**
- **Capital-light model** and future growth supported by existing footprint

## Simplified capital structure and governance

- **One class of stock** with market capitalization of approx. \$2B as of Q3 2023
- One class of debt with \$1.7B as of Q3 2023
- Highly **committed key shareholders with no single shareholder greater than 17%**

## Profitable Business growth

- **Diversification:** Increased focus on commercial vehicle & industrial end-markets and aftermarket
- New **ZEV awards** with proven technology differentiation, while providing **optionality** beyond mobility
- Leveraging existing **footprint and talent** to achieve profitable growth in ZEV

<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures



---

# CLOSING REMARKS

Olivier Rabiller



# Investor Takeaways

## Industry Leadership

**#1 Turbo player**, leader in a technology-driven industry, consolidating and **more resilient than ICE** overall; Still investing in new Turbo technology and expanding to industrial app's

## Healthy Cash generation

**Resilient & highly profitable** business, with proven performance through business cycles; **\$1.7B to 2.1B** adjusted free cash flow<sup>1</sup> for the next 5 years while funding **ZEV<sup>2</sup>** transition

## Focused ZEV<sup>2</sup> strategy

**Focused R&D investments**, on **3 key ZEV<sup>2</sup> product lines**: Fuel Cell Compressor, E-Powertrain, E-Cooling Compressor, targeting a **fast-growing, 30B\$ industry** by 2030

## Tech differentiation

New ZEV product lines, addressing unmet customer needs; sustaining **high margins** through **difficult to replicate technology**, while providing **optionality beyond mobility**

## Talent & Culture

**Experienced leaders** with proven track record of success; **strong intrapreneurial culture** centred on creating & delivering **breakthrough innovation** at scale

<sup>1</sup> See Appendix for reconciliations of the Non-GAAP measures

<sup>2</sup> ZEV = Zero Emission Vehicles (including Battery Electric and Fuel Cell Vehicles)

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## Q&A AND BOOTH VISITS

Meet the team!



# ...What You Can See During The Break-out Session

## E-Powertrain



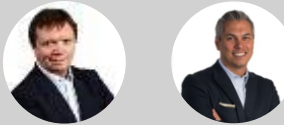
Nils Martens, Hamid Bouaita

## E-Cooling



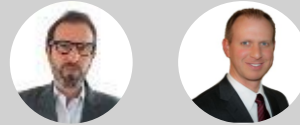
Fred Gerard, Rob Cadle

## Aftermarket



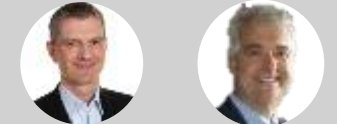
Eric Fraysse, Anthony Lodato

## Turbo CV & Industrial



David Degrange, Geoff Duff

## Fuel Cell Compressor

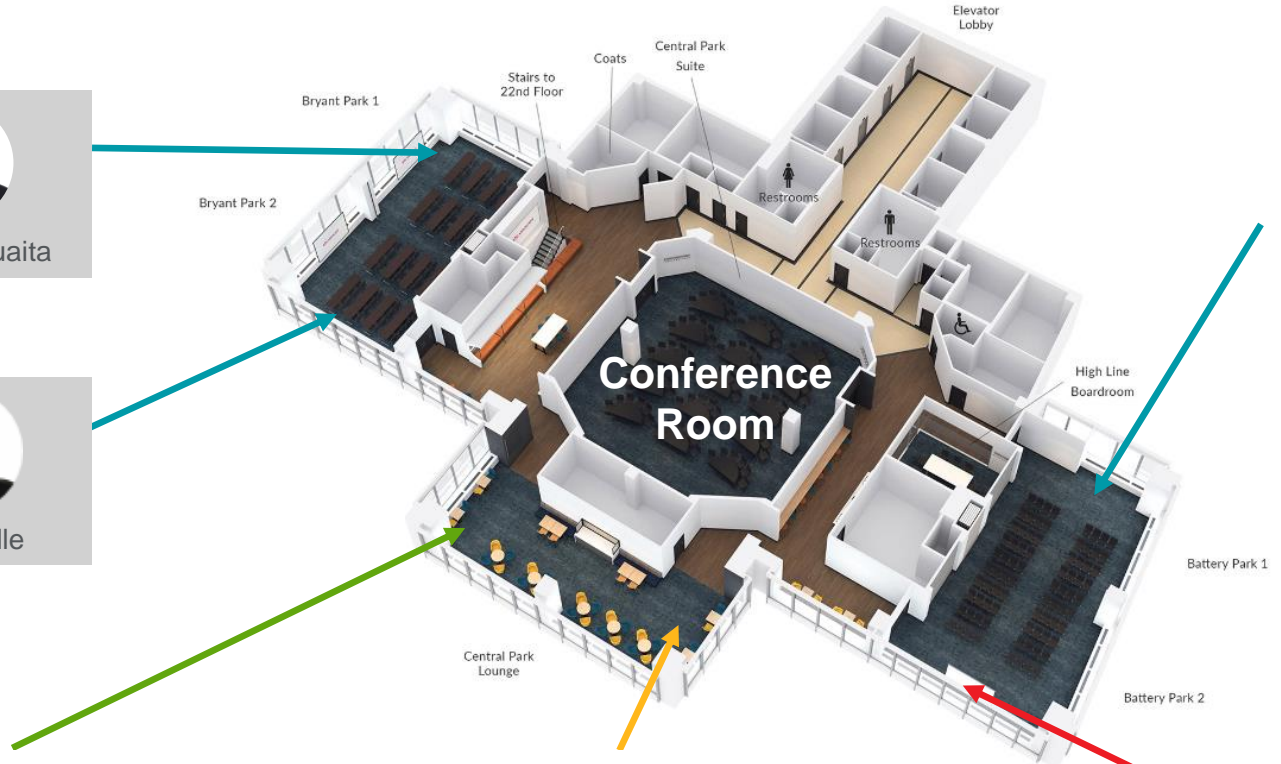


Lutz Glaeser, Martin Murray

## Turbo LV, E-Turbo



Lorrain Sausse, Gary Agnew



## Appendices

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# Zero Emission Vehicles Create Additional \$30B Opportunity

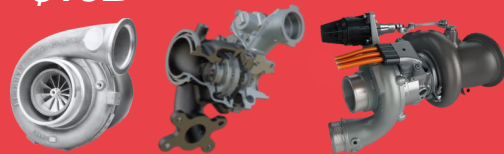
## Garrett Focused on High-End, Technologically Differentiated Solutions

Zero Emission Vehicle Total Industry >\$1.6T<sup>3</sup>  
ZEV Industry on selected products >\$100B<sup>4</sup>

Zero Emission Vehicle  
Industry Targeted by Garrett  
\$30B<sup>5</sup>

Turbo Total Industry ~\$18B<sup>1</sup>

Turbo Industry Targeted  
by Garrett  
~\$13B<sup>2</sup>



Waste Gate Variable Nozzle Turbo E-Turbo

**TODAY**



Fuel Cell Compressor E-Powertrain E-Cooling Compressor

**2030E**

**Existing & Increasing Traction** in  
Zero Emission Vehicle Products

~\$1B 2030E Zero Emission  
Vehicle Revenue Target



On average **3x to 5x \$ Content**  
**per Vehicle** in Zero Emission  
Vehicles vs. Turbo

**Broad Opportunity Set** Within  
Passenger Cars, Commercial  
Vehicle, and Industrials

1) Including captive Turbos and Low-speed Turbo in non-automotive industries (<https://www.vantagemarketresearch.com/industry-report/turbocharger-market>).

2) Including Automotive Turbos: Light Vehicles, Commercial Vehicles and selected high-speed Industrial applications, AfterMarket (Garrett Industry Model)

3) Including the value of the whole vehicle (<https://www.vantagemarketresearch.com/industry-report/zero-emission-vehicle-zev-market>)

4) Including Fuel Cell Compressor, E-Powertrain, E-Cooling compressor solutions deployed on existing platforms, all car applications (Garrett Industry Model)

5) Including targeted industry for Fuel Cell Compressor, E-Powertrain, E-Cooling Compressor, excluding captive, platforms in production/already awarded, applications where differentiation is insufficient to justify targeted margins (Garrett Industry)

## Reconciliations

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# Reconciliation of Net Income to Adjusted EBITDA and Related Ratios

(\$ in millions)	YTD Q3 2023	FY 2022	FY 2021	FY 2020	FY 2019
<b>Net income</b>	<b>\$209</b>	<b>\$390</b>	<b>\$495</b>	<b>\$80</b>	<b>\$313</b>
Interest expense, net of interest income	98	6	82	76	61
Tax expense	70	106	43	39	33
Depreciation	66	84	92	86	73
<b>EBITDA</b>	<b>\$443</b>	<b>\$586</b>	<b>\$712</b>	<b>\$281</b>	<b>\$480</b>
Reorganization items, net	-	3	(125)	73	-
Stock compensation expense	12	11	7	10	18
Repositioning costs	14	4	16	10	2
Foreign exchange loss on debt, net of related hedging loss	-	-	9	(38)	7
Loss on extinguishment of debt	-	5	-	-	-
Other expense, net	3	2	-	45	40
Other non-operating (income) expense	(4)	(41)	(12)	5	8
Professional service costs	-	-	-	52	-
Capital tax expense	-	-	-	2	-
Capital structure transformation costs	22	-	-	-	-
Spin-off costs	-	-	-	-	28
<b>Adjusted EBITDA</b>	<b>\$490</b>	<b>\$570</b>	<b>\$607</b>	<b>\$440</b>	<b>\$583</b>
<b>Net Sales</b>	<b>\$2,941</b>	<b>\$3,603</b>	<b>\$3,633</b>	<b>\$3,034</b>	<b>\$3,248</b>
Net income margin	7.1%	10.8%	13.6%	2.6%	9.6%
Adjusted EBITDA margin	16.7%	15.8%	16.7%	14.5%	17.9%



# Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow and Related Ratios

<i>(\$ in millions)</i>	YTD Q3 2023	FY 2022	FY 2021	FY 2020	FY 2019
<b>Net cash provided by (used for) operating activities</b>	<b>\$330</b>	<b>\$375</b>	<b>(\$310)</b>	<b>\$25</b>	<b>\$242</b>
Expenditures for property, plant and equipment	(57)	(91)	(72)	(80)	(102)
<b>Net cash provided by (used for) operating activities less expenditures for property, plant and equipment</b>	<b>\$273</b>	<b>\$284</b>	<b>(\$382)</b>	<b>(\$55)</b>	<b>\$140</b>
Honeywell Indemnity Agreement expenses	-	-	-	43	-
Stalking horse termination reimbursement	-	-	79	-	-
Chapter 11 professional service costs	-	5	220	101	-
Honeywell Settlement as per Emergence Agreement	-	-	375	-	-
Chapter 11 related cash interests	-	-	41	-	-
Payments for stock compensation	-	-	10	-	-
Payments for repositioning	9	4	14	5	-
Factoring and P-notes	(4)	20	10	34	-
Capital structure transformation costs	7	-	-	-	-
Honeywell indemnity and mandatory transition tax related payments	-	-	-	-	178
<b>Adjusted free cash flow</b>	<b>\$285</b>	<b>\$313</b>	<b>\$367</b>	<b>\$128</b>	<b>\$318</b>
Net income - GAAP	\$209	\$390	\$495		
Operating cash flow conversion	158%	96%	-63%		
Adjusted EBITDA	\$490	\$570	\$607		
Adjusted free cash flow conversion	58%	55%	60%		

# Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Consolidated EBITDA

	<b>Last Twelve Months (LTM)</b>				
(\$ in millions)	<b>Q4 2022</b>	<b>Q1 2023</b>	<b>Q2 2023</b>	<b>Q3 2023</b>	<b>Q3 2023</b>
<b>Net income - GAAP</b>	<b>\$112</b>	<b>\$81</b>	<b>\$71</b>	<b>\$57</b>	<b>\$321</b>
Interest expense, net of interest income	11	27	24	47	109
Tax expense (benefit)	23	27	30	13	93
Depreciation	20	21	22	23	86
<b>EBITDA</b>	<b>\$166</b>	<b>\$156</b>	<b>\$147</b>	<b>\$140</b>	<b>\$609</b>
Reorganization items, net	1	-	-	-	1
Stock compensation expense	3	3	5	4	15
Repositioning costs	-	7	1	6	14
Other expense, net	-	1	1	1	3
Other non-operating income	(30)	(1)	(2)	(1)	(34)
Capital structure transformation costs	-	2	18	2	22
<b>Adjusted EBITDA</b>	<b>\$140</b>	<b>\$168</b>	<b>\$170</b>	<b>\$152</b>	<b>\$630</b>
Unrealized foreign exchange (loss) gain	(3)	7	(4)	(3)	(3)
Interest income	2	1	1	2	6
Other expenses <sup>(1)</sup>	5	11	6	3	25
<b>Consolidated EBITDA</b>	<b>\$144</b>	<b>\$187</b>	<b>\$173</b>	<b>\$154</b>	<b>\$658</b>

(1) 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 Cash and Cash Equivalents to Liquidity, Long-Term Debt to Net Debt and Related Ratios

<i>(\$ in millions)</i>	<b>Q3 2023</b>
<b>Cash and cash equivalents</b>	<b>\$162</b>
Undrawn revolver credit facility	570
<b>Total liquidity</b>	<b>\$732</b>
Long-term term debt	\$1,622
Short-term term debt	7
Deferred financing costs	48
<b>Gross debt</b>	<b>\$1,677</b>
Less: Cash and cash equivalents	(162)
<b>Net debt</b>	<b>\$1,515</b>
<b>Consolidated EBITDA (LTM)</b>	<b>\$658</b>
<b>Net leverage ratio <sup>(1)</sup></b>	<b>2.3x</b>

(1) Defined as Net debt divided by Consolidated EBITDA

# Full Year 2023 Outlook Reconciliation of Net Income to Adjusted EBITDA and Related Ratios

<i>(\$ in millions)</i>	<b>Low End</b>	<b>Midpoint</b>	<b>High End</b>
<b>Net Income</b>	<b>\$252</b>	<b>\$264</b>	<b>\$272</b>
Net interest expense	\$137	\$137	\$137
Tax expense	\$82	\$85	\$92
Depreciation	\$89	\$89	\$89
<b>EBITDA</b>	<b>\$560</b>	<b>\$575</b>	<b>\$590</b>
Non-operating income	(1)	(1)	(1)
Discounting costs on factoring	4	4	4
Stock compensation expense	16	16	16
Repositioning charges	14	14	14
Capital structure transformation costs	22	22	22
<b>Adjusted EBITDA</b>	<b>\$615</b>	<b>\$630</b>	<b>\$645</b>
Less: Depreciation	(89)	(89)	(89)
<b>Adjusted EBIT</b>	<b>\$526</b>	<b>\$541</b>	<b>\$556</b>
<b>Net Sales</b>	<b>\$3,830</b>	<b>\$3,860</b>	<b>\$3,900</b>
Net income margin	6.6%	6.8%	7.0%
Adjusted EBITDA margin	16.0%	16.3%	16.5%
Adjusted EBIT margin	13.7%	14.0%	14.3%

# Full Year 2023 Outlook Reconciliation of Cash Flow from Operating Activities to Adjusted Free Cash Flow and Related Ratios

<i>(\$ in millions)</i>	Low End	Midpoint	High End
<b>Net cash provided by operating activities</b>	<b>\$413</b>	<b>\$438</b>	<b>\$463</b>
Expenditures for property, plant and equipment	(82)	(82)	(82)
Net cash provided by operating activities less expenditures for property, plant and equipment	\$331	\$356	\$381
Capital structure transformation costs	14	14	14
Payments for repositioning	9	9	9
Factoring and P-notes	(4)	(4)	(4)
<b>Adjusted free cash flow</b>	<b>\$350</b>	<b>\$375</b>	<b>\$400</b>
Net income	\$252	\$264	\$272
Operating cash flow conversion	164%	166%	170%
Adjusted EBITDA	615	630	645
Adjusted free cash flow conversion	57%	59%	62%
Market capitalization <sup>(1)</sup>	\$1,861	\$1,861	\$1,861
Operating cash flow yield	22%	24%	25%
Adjusted free cash flow yield	19%	20%	21%
Net income - Capex	\$170	\$182	\$190
Net income - Capex conversion	67%	69%	70%
Adjusted EBITDA - Capex	\$533	\$548	\$563
Adjusted EBITDA - Capex conversion	87%	87%	87%

(1) Based on 243,011,280 shares of Common Stock outstanding as of September 30, 2023, and the Common Stock closing share price of \$7.66 as of October 17, 2023

# Full Year 2023 Outlook Reconciliation of Market Capitalization, Enterprise Value and Related Ratios

<i>(\$ in millions)</i>	<b>Low End</b>	<b>Midpoint</b>	<b>High End</b>
Net income	\$252	\$264	\$272
Adjusted EBITDA	615	630	645
Adjusted EBIT	526	541	556
Market capitalization <sup>(1)</sup>	\$1,861	\$1,861	\$1,861
Net debt <sup>(2)</sup>	1,515	1,515	1,515
Enterprise value (EV)	\$3,376	\$3,376	\$3,376
EV / Net income	13.4x	12.8x	12.4x
EV / Adjusted EBITDA	5.5x	5.4x	5.2x
EV / Adjusted EBIT	6.4x	6.2x	6.1x

(1) Based on 243,011,280 shares of Common Stock outstanding as of September 30, 2023, and the Common Stock closing share price of \$7.66 as of October 17, 2023

(2) As of September 30, 2023



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