

**TRANSFORMATIVE TECHNOLOGY
IS IN OUR NATURE**

April 29, 2021

FIRST QUARTER 2021 FINANCIAL RESULTS

Garrett
ADVANCING MOTION

Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. 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 on Garrett’s business, financial results and financial conditions, industry trends, Garrett’s strategy, and Garrett’s capital structure following emergence from the Chapter 11 process. 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, 2020, and our quarterly report on Form 10-Q for the three months ended March 31, 2021, 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 constant currency sales growth, Adjusted Net Income, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Conversion Rate and Net cash provided by operating activities less Expenditures for property, plant and equipment , not compliant with generally accepted accounting principles in the United States (“GAAP”). 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 in a analysis of ongoing operating trends. Garrett believes that Adjusted EBITDA and Adjusted EBITDA Margin are important indicators of operating performance because they exclude the effects of income taxes and certain other items, as well as the effects of financing and investing activities by eliminating the effects of interest and depreciation expenses and therefore more closely measures 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 our annual report on Form 10-K for the year ended December 31, 2020 and our quarterly report for the period ended March 31, 2021 .

First Quarter 2021 Highlights

Strong Financial Results Exceeded Expectations¹

- Q1 reported net sales totalled ~\$1 billion for second straight quarter, up 25.6% at constant currency²
- \$176 million in adjusted EBITDA², 17.7% adjusted EBITDA margin²
- Adjusted FCF² of \$162 million, adjusted FCF conversion² of 169%

Positive Business Fundamentals Intact

- Garrett achieved significant industry outgrowth of 15 percentage points³ in Q1 2021
- Volumes increased ~30% due to increasing customer demand and share-of-demand gains³
- New business awards and product launches support long-term operational profile

New Capital Structure at Emergence

- Lowers future liabilities and payments; improves debt maturity profile
- Increases operational and financial flexibility
- Strengthens ability to pursue both organic and inorganic growth opportunities



Turbo Technology



Electric & Hybrid



Connected Vehicles

¹ Refers to company projections filed on Form 8-K on February 23, 2021.

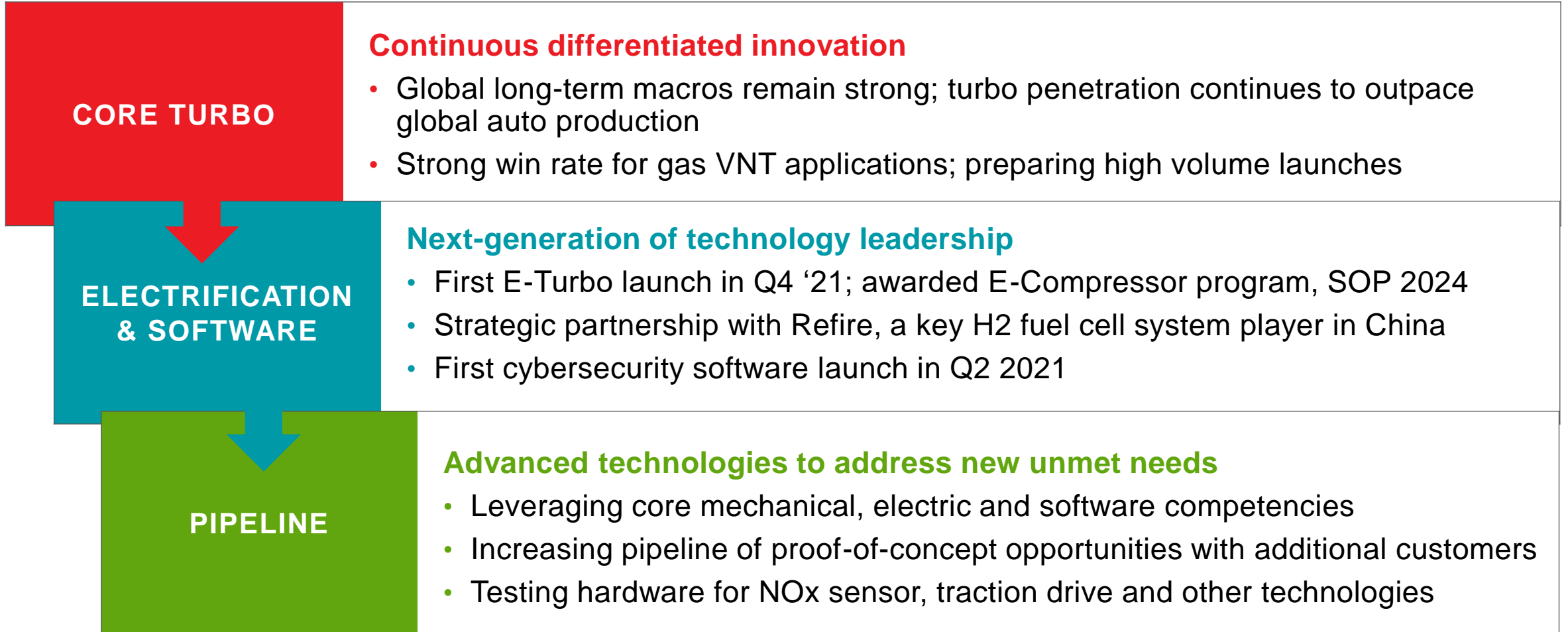
² Reconciliation of Non-GAAP financial measures are included in Appendix.

³ Source: IHS company reports or internal projections.

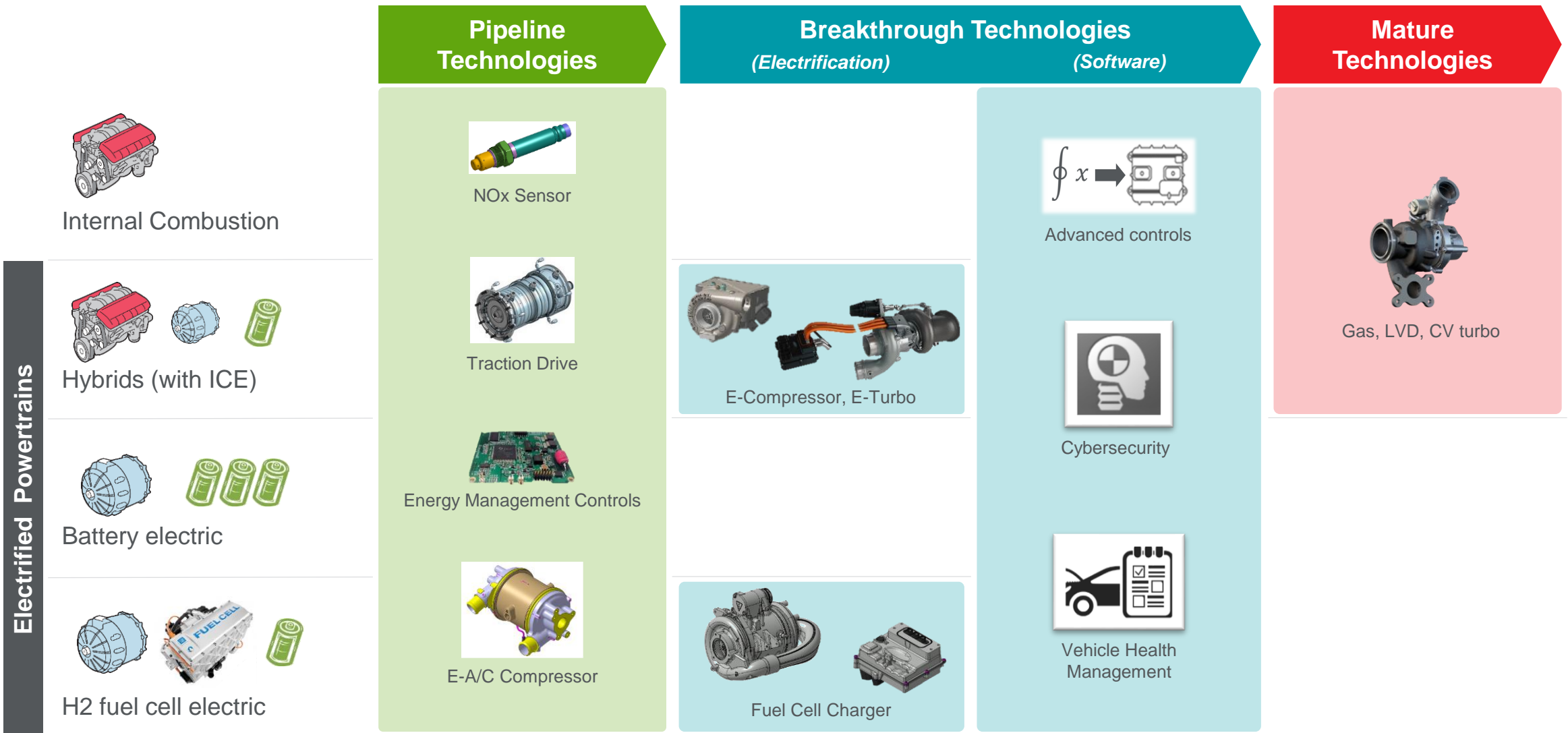
Reorganization Highlights

- **Plan of reorganization received court approval, targeting emergence on April 30**
- **New sponsorship led by funds managed by Centerbridge Partners, L.P. and Oaktree Capital Management, L.P.**
- **New Garrett common stock expected to be listed on Nasdaq following emergence under ticker “GTX”**
- **Infusion of new capital and improved balance sheet at emergence**
- **New Board of Directors comprised of 9 members with a diverse mix of expertise across disciplines and backgrounds**

Execution of Technology Growth Strategy

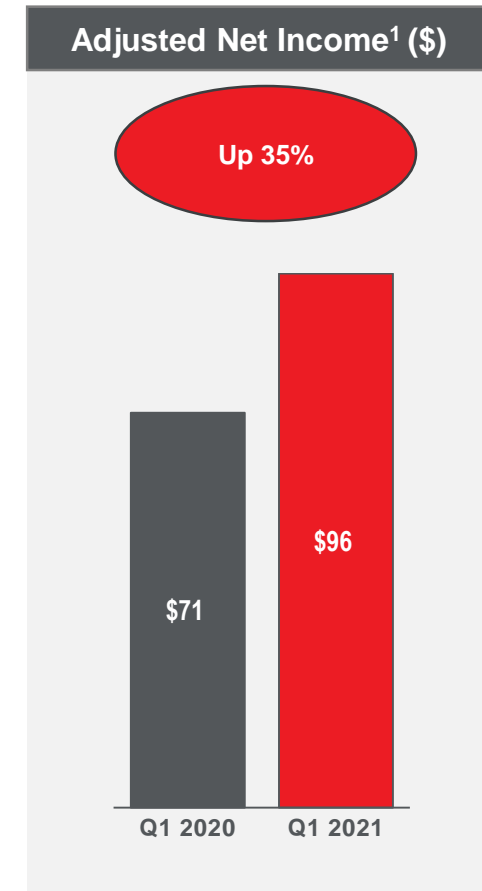
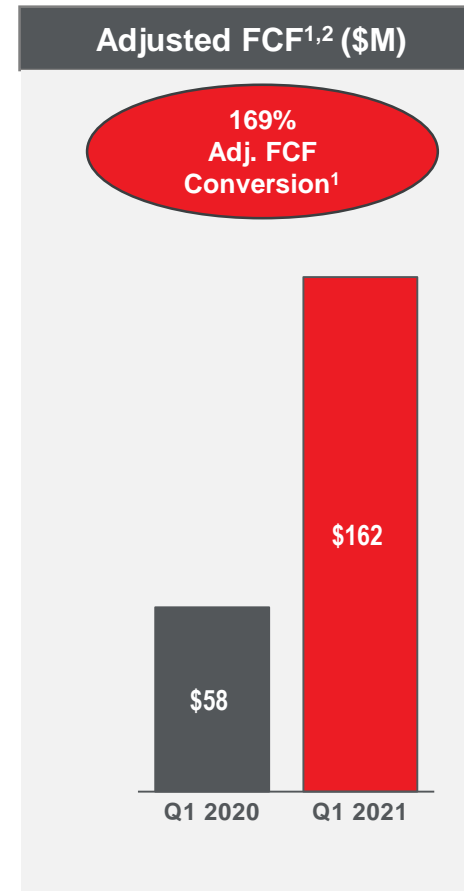
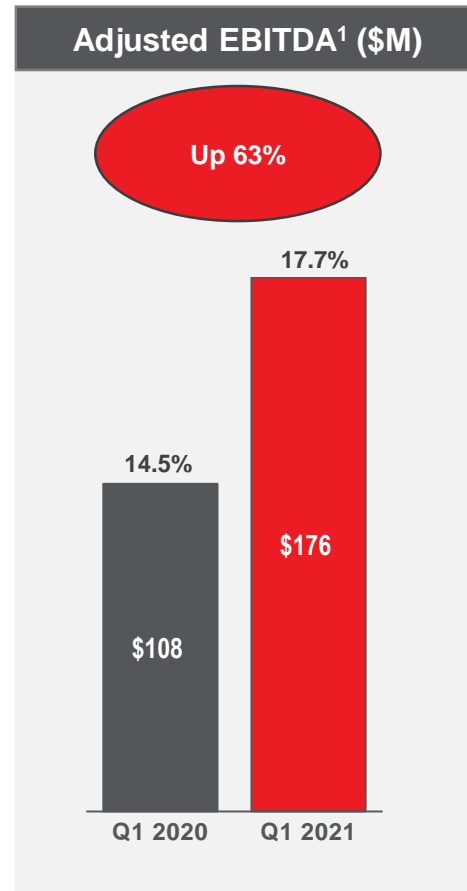
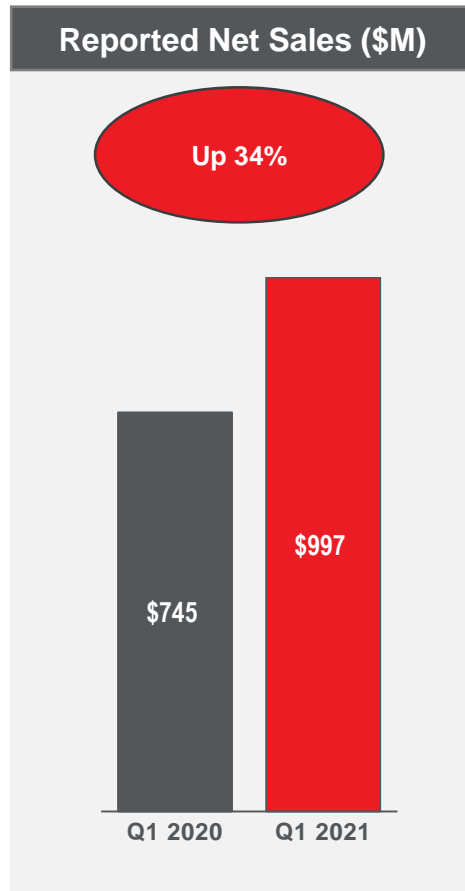


Expanding Product Portfolio Through R&D Capabilities



Advancing pipeline of innovations into the mainstream

Key Financial Metrics: Q1 2020 – Q1 2021



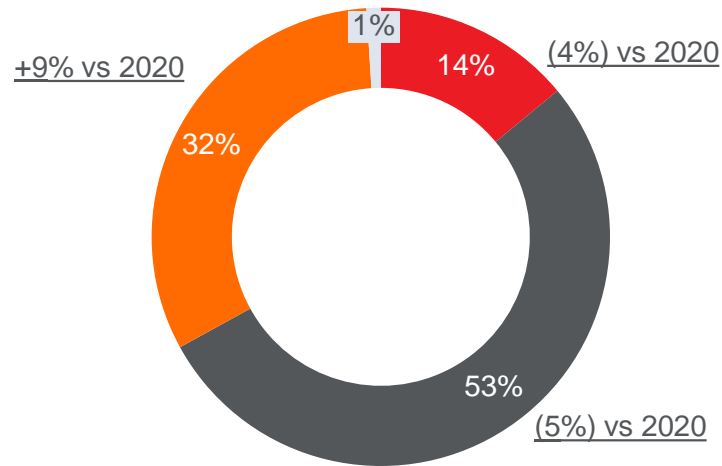
¹ Reconciliations of Non-GAAP financial measures are included in Appendix.

² Adjusted Free Cash Flow reflects, among other items, the exclusion of the HON Indemnity Agreement payment of \$39M in Q1 2020 and Chapter 11 fees of \$66M and stalking horse termination reimbursement

Garrett achieved strong Q1 results, delivering across all key financial metrics

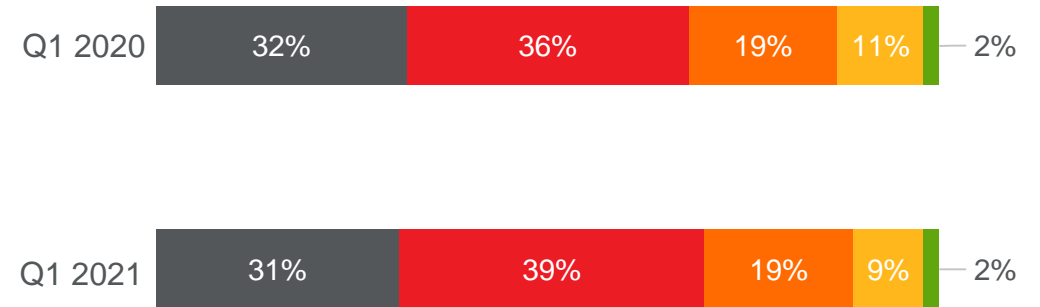
Q1 2021 Net Sales by Region and Product Line

Net Sales by Region¹



■ North America
 ■ Europe
 ■ Asia
 ■ Other

Net Sales by Product Line



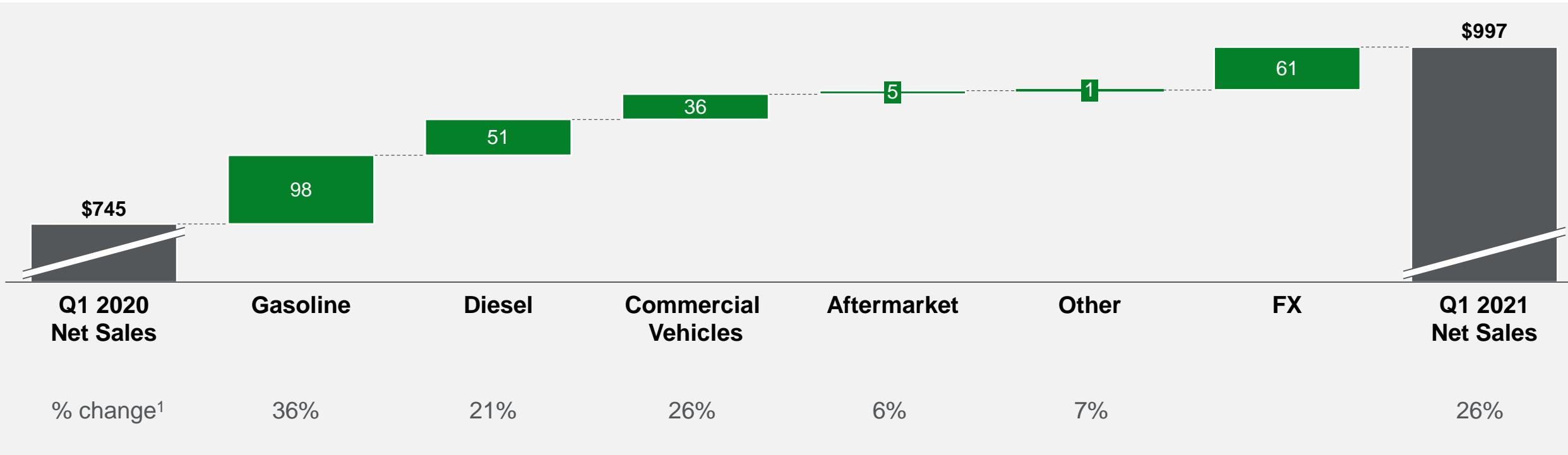
■ Diesel
 ■ Gas
 ■ Comm Vehicle
 ■ Aftermarket
 ■ Other

¹ Figures by Region based on shipped-from basis.

Net sales from Asia totalled 32%, Gasoline products at 39% in Q1

Net Sales Bridge: Q1 2020 – Q1 2021

(\$M)



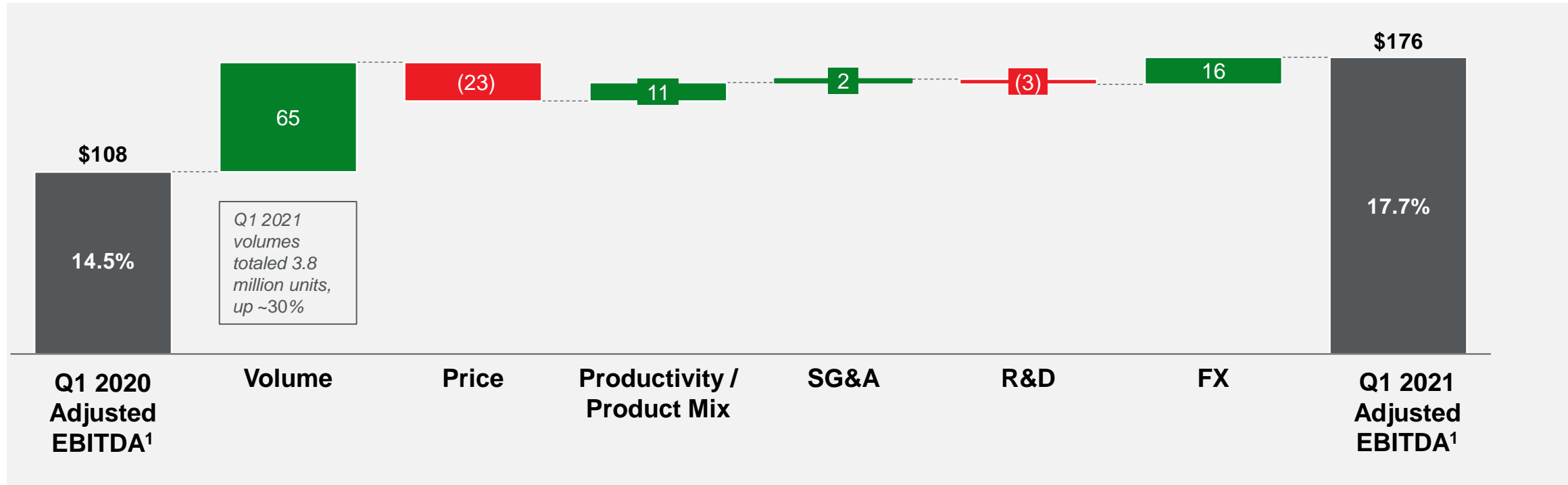
- Growth across all regions and product lines reflects impact of COVID-19 pandemic in 2020
- Gasoline volumes up 36%; Diesel climbed 21%
- China net sales increased year-over-year by 116% primarily due to pandemic-related plant closings and slowdowns in Q1 2020

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

Net sales up 26% at constant currency in Q1

Adjusted EBITDA Walk: Q1 2020 – Q1 2021

(\$M)



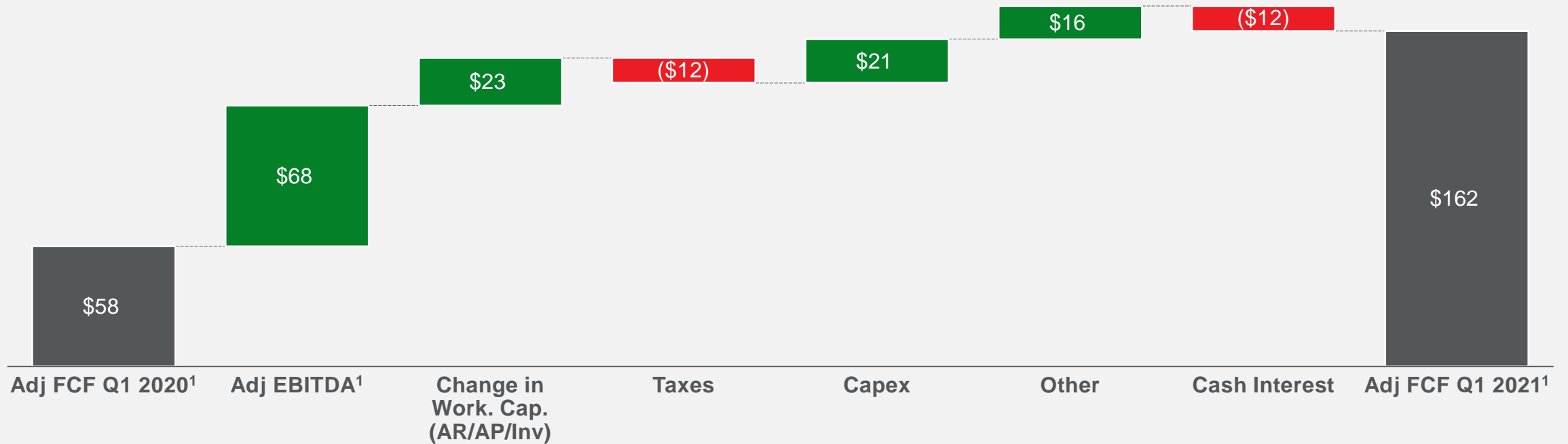
- Volume growth mainly driven by Gasoline products in China and Diesel products in Europe
- Unfavorable price driven by higher volumes versus prior year and pandemic-related adjustments
- Year-over-year incremental margin of 27% driven by productivity gains and volume leverage

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

Q1 Adjusted EBITDA margin improved 320 basis points to 17.7%

Adjusted Free Cash Flow Walk: Q1 2020 – Q1 2021

(\$M)



- Working capital improvement driven by strong collections stemming from record net sales in Q4 2020
- Cash interest includes higher revolver borrowing, DIP financing and higher rates due to Chapter 11
- Cash taxes impacted by timing of non-linear payments

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

Adjusted Free Cash Flow more than doubled to \$162 million in Q1

Expected Capital Structure at Emergence

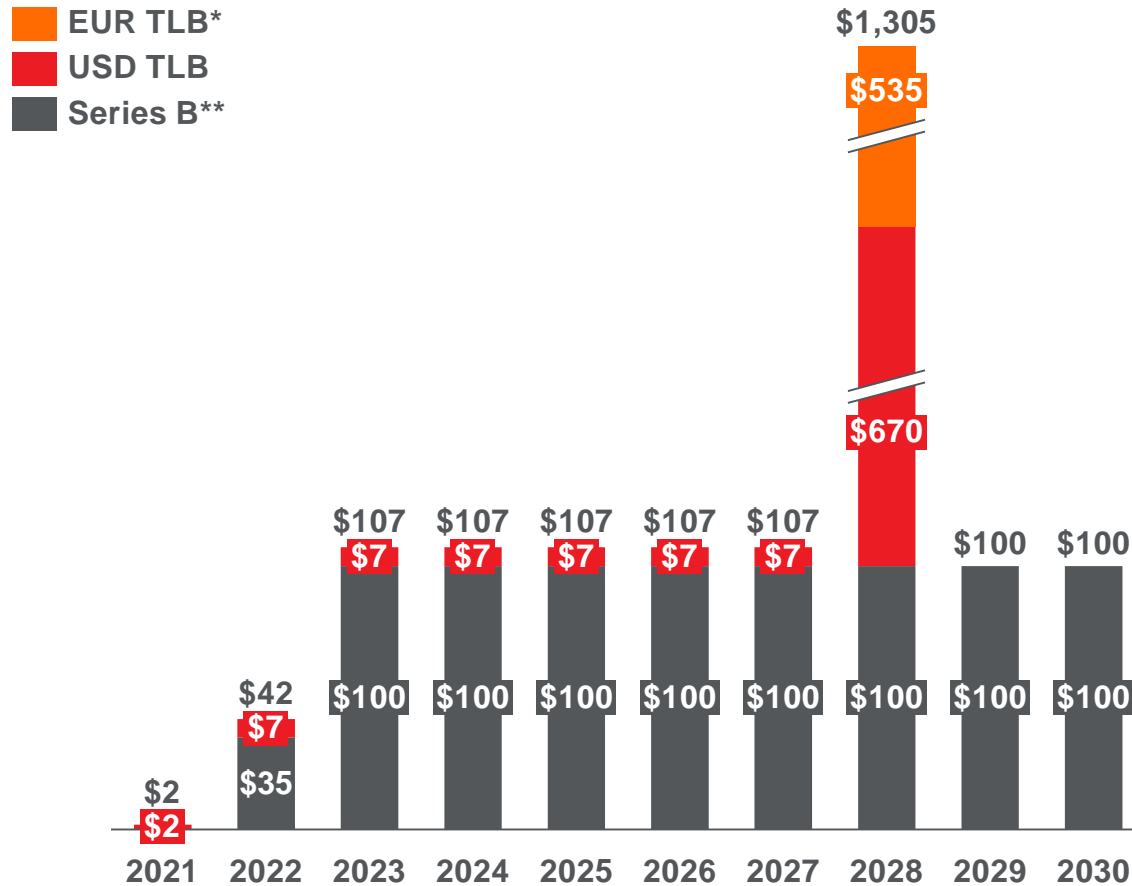
Number of Shares ¹	
Shares of common stock - <i>prior</i> to emergence	~76 million
Retired shares – exercising \$6.25 cash-out option	~11 million
Shares of common stock - <i>at</i> emergence	<u>~65 million</u>
Shares of Convertible Series A Preferred stock - <i>at</i> emergence	~248 million
Approximate total fully diluted shares, assuming conversion	<u>~313 million</u>

- **\$1.3 billion in Convertible Series A Preferred**
 - 11% dividend per annum payable if and when declared; accrues if not paid
 - Dividends cannot be paid in cash if consolidated LTM Adjusted EBITDA does not exceed \$425 million
 - Conversion price of \$5.25 per common share, subject to future adjustment
- **\$835 million in Series B Preferred Stock**
 - Settles litigation with Honeywell
 - Initial cash payment of \$375 million at emergence; \$34.8 million payment in 2022
 - 8 annual payments of \$100 million beginning in 2023 and ending in 2030
 - Option to call remaining amortization payments in part in first 18 months at discount rate of 7.25%, so long as \$400 million net present value remains outstanding; also option to call in full at any time
 - Net present value of Series B Preferred Stock totals approximately \$584 million at emergence
 - Deferral mechanism if consolidated LTM Adjusted EBITDA is less than \$425 million
- **\$1.55 billion of committed debt financing**
 - \$300 million revolver and \$1.25 billion term loan

¹ Estimates based on preliminary results under reorganization plan.

Expected Debt Profile at Emergence

Debt and Series B Maturities



Key Terms

Facilities:	<ul style="list-style-type: none"> • USD 300M Revolver Credit Facility (RCF) • USD 715M Term Loan B • EUR 450M Term Loan B
Maturity:	<ul style="list-style-type: none"> • 5 years (RCF) • 7 years (Term Loan B)
Pricing:	<ul style="list-style-type: none"> • Dollar Term Loans: L+325bps (0.50% floor) • Euro Term Loans: E+350bps (0.00% floor) • RCF: L+275bps (0.00% floor) E+300bps (0.00% floor)
Financial covenants (RC only):	<ul style="list-style-type: none"> • Maximum (Gross) Total Leverage of 4.70x, beginning with the first full fiscal quarter after closing, when aggregate drawn principal exceeds 35% of the facility size
Negative covenants:	<ul style="list-style-type: none"> • Usual and customary for transactions of this type • No cash dividends, distributions, redemptions, repurchases or otherwise on the Convertible Series A Preferred Stock (unless paid-in-kind) during the fiscal years ending December 31, 2021 and December 31, 2022 • Restricted Payments carve-out to allow for mandatory cash redemptions in respect of Series B Preferred Equity

*€450 million

** Annual payments on April 30th

No significant debt maturity until 2028

Summary

- Future emergence from Chapter 11 and listing of common stock on Nasdaq
- Net sales increased 34% in Q1, significantly outperforming global auto production
- Improved conversion with Q1 Adjusted EBITDA margin of 17.7%
- Sound business fundamentals with increasing demand and market share gains
- Expanding portfolio of world-class solutions by leveraging unique in-house capabilities
- Differentiated technologies address rapid industry transformation



Turbo Technology



Electric & Hybrid



Connected Vehicles

Appendices



Income Statement

<i>(\$ in millions)</i>	Q1 2021	Q1 2020
Net sales	\$997	\$745
Cost of goods sold	801	607
Gross profit	196	138
Selling, general and administrative expenses	55	57
Other expense, net	1	16
Interest expense	21	16
Non-operating expense (income)	26	(4)
Reorganization items, net	174	0
(Loss) income before taxes	(\$81)	\$53
Tax expense	24	1
Net (loss) income	(\$105)	\$52

Summary of Cash Flows

<i>(\$ in millions)</i>	Q1 2021	Q1 2020
Net (loss) income	(\$105)	\$52
Net cash provided by operating activities	32	57
Net cash used for investing activities	(17)	(39)
Net cash (used for) provided by financing activities	(101)	62
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	(30)	(13)
Net (decrease) / increase in cash, cash equivalents, and restricted cash	(116)	67
Cash, cash equivalents and restricted cash at beginning of period	693	187
Cash, cash equivalents and restricted cash at end of period	\$577	\$254

Please refer to earnings press release issued on April 29, 2021 for Consolidated and Combined Statements of Cash Flows.

Reconciliation of Constant Currency Sales % Change

Garrett	Q1 2021	Q1 2020
Reported sales % change	34%	(11%)
Less: Foreign currency translation	8%	(2%)
Constant Currency sales % change	26%	(9%)
Gasoline		
Reported sales % change	46%	11%
Less: Foreign currency translation	10%	(3%)
Constant Currency sales % change	36%	14%
Diesel		
Reported sales % change	31%	(21%)
Less: Foreign currency translation	10%	(3%)
Constant Currency sales % change	21%	(18%)
Commercial vehicles		
Reported sales % change	31%	(18%)
Less: Foreign currency translation	5%	(1%)
Constant Currency sales % change	26%	(17%)
Aftermarket		
Reported sales % change	11%	(18%)
Less: Foreign currency translation	5%	(2%)
Constant Currency sales % change	6%	(16%)
Other Sales		
Reported sales % change	13%	(25%)
Less: Foreign currency translation	6%	(2%)
Constant Currency sales % change	7%	(23%)

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 to Net cash provided by operating activities less Expenditures for property, plant and equipment

<i>(\$ in millions)</i>	Q1 2021	Q1 2020
Net (loss) income - GAAP	(\$105)	\$52
Net interest expense	\$20	\$15
Tax expense	\$24	\$1
Depreciation	\$23	\$19
EBITDA (Non-GAAP)	(\$38)	\$87
Other expense, net (which consists of indemnification, asbestos and environmental expenses)	0	16
Non-operating income	(3)	(2)
Reorganization items, net	174	0
Stock compensation expense	2	2
Repositioning charges	8	5
Foreign exchange gain (loss) on debt, net of related hedging (gain) loss	33	0
Adjusted EBITDA (Non-GAAP)	\$176	\$108
Change in working capital	38	15
Cash Taxes	(15)	(3)
Capital Expenditures	(18)	(39)
Other	0	(16)
Cash Interest	(19)	(7)
Adjusted Free Cash Flow (Non-GAAP)	\$162	\$58
Honeywell Indemnity Agreement	0	(39)
Stalking horse termination reimbursement	(79)	0
Chapter 11 Professional service costs	(66)	0
Pension cash	0	0
Stock compensation cash	(1)	0
Repositioning cash	(2)	(1)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$14	\$18

Reconciliation of Net Income to Adjusted FCF Conversion

<i>(\$ in millions)</i>	Q1 2021	Q1 2020
Net (loss) income (GAAP)	(\$105)	\$52
Foreign exchange gain (loss) on debt, net of related hedging (gain) loss	\$33	\$0
Other expense, net (which consists of indemnification, asbestos and environmental expenses)	\$0	\$16
Non-operating income	(\$3)	(\$2)
Reorganization items, net	\$174	\$0
Stock compensation expense	\$2	\$2
Repositioning charges	\$8	\$5
Adjusted Tax Expense ¹	(\$13)	(\$2)
Adjusted Net Income (Non-GAAP)	\$96	\$71
Adjusted Free Cash Flow (Non-GAAP)²	\$162	\$58
Adjusted Free Cash Flow Conversion (Non-GAAP)	169%	82%

¹ Adjusting items are tax effected at the same annual effective tax rate that was used at the time the adjusting item was originally recorded. If the adjusting item was not originally taxed at the annual effective tax rate, then the amount of the tax originally recorded is used.

² For Adjusted Free Cash Flow Reconciliation, please refer to slide for Reconciliation of Net Income to Adjusted Free Cash Flow and Free Cash Flow.

Reconciliation of Cash Flow from Operations less Expenditures for PP&E to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	Q1 2021	Q1 2020
Net cash provided by operating activities (GAAP)	\$32	\$57
Expenditures for property plant and equipment	(18)	(39)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	\$14	\$18
Honeywell Indemnity Agreement expenses	0	39
Stalking horse termination reimbursement	79	0
Chapter 11 Professional service costs	66	0
Pension cash	0	0
Stock compensation cash	1	0
Repositioning cash	2	1
Adjusted free cash flow (Non-GAAP)	\$162	\$58



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