

FEBRUARY 20 2025

Q4 2024 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, EBITDA, Adjusted EBITDA, Consolidated EBITDA, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA 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

Delivered strong 2024 operating performance

Net Sales of \$844M in Q4 and FY of \$3,475M

- (11)% reported for both Q4 and FY vs. 2023

Adj. EBITDA¹ of \$153M in Q4 and \$598M in 2024

- Achieving strong 18.1% margin¹ in Q4 | 17.2% in 2024

Steady cash generation with Q4 Adj. Free Cash Flow¹ of \$157M and \$358M in 2024

- 60% FY Adj. EBITDA¹ to Adj. FCF¹ conversion

Delivered on commitment to return capital to shareholders

- 82% of Adj. FCF¹ returned via share repurchases
- Repurchased 13% of shares outstanding within year

Well-positioned for 2025

Stable sales in a softening industry

- Gains from new launches and program ramp-ups offset weak industry production (especially EU)

Continue to deliver strong financial performance with Adj. EBITDA margin¹ above 17%

- Adj. EBITDA¹ remains stable vs. 2024 excluding FX
- Benefiting from structural cost actions deployed in 2024, while accelerating new technology investments

Clear shareholder capital return roadmap

- Target return of 75% or more of Adj. FCF¹ over time
- Up to \$250M of share repurchases authorized for 2025
- Planned annual dividend of \$50M, paid quarterly

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

Strengthening our position in the turbo industry

**>50% BUSINESS
WIN RATE**

Light Vehicle applications:

Winning across all geographies including **Plug-in hybrids and Range Extenders**, including with new Chinese automotive players



WINNING

across all hybrid types and with new players

Commercial Vehicle On-Highway:

Won various new applications and launching several Natural Gas applications in China



WINNING

across regions and fuel types

Off-Highway Commercial Vehicle and Industrial:

Secured new awards for **marine and back-up power applications**. Started **customer testing with our new largest turbo** and expect first award in 2025



EXPANDING

our portfolio

Substantial progress of our electrified solutions in 2024

E-POWERTRAIN

Customers embracing our differentiated & proprietary 3-in-1 high-speed technology (e-motor, inverter & reducer)

- Growing momentum, with **in-vehicle and lab testing at several light and commercial vehicle customers**
- Developing an **electric beam axle** with a leading **commercial vehicle axle player**
- Signed **Letter of Intent** with **Sinotruk**, one of China's largest heavy-duty truck manufacturers, to put zero-emission trucks **on the road by 2027**



FUEL CELL COMPRESSOR

Broadest portfolio in the industry with best-in-class efficiency and size

- Started to launch first **Gen3** applications
- Won additional series projects for **commercial vehicle and industrial**

E-COOLING COMPRESSOR

Revolutionary refrigerant compression technology

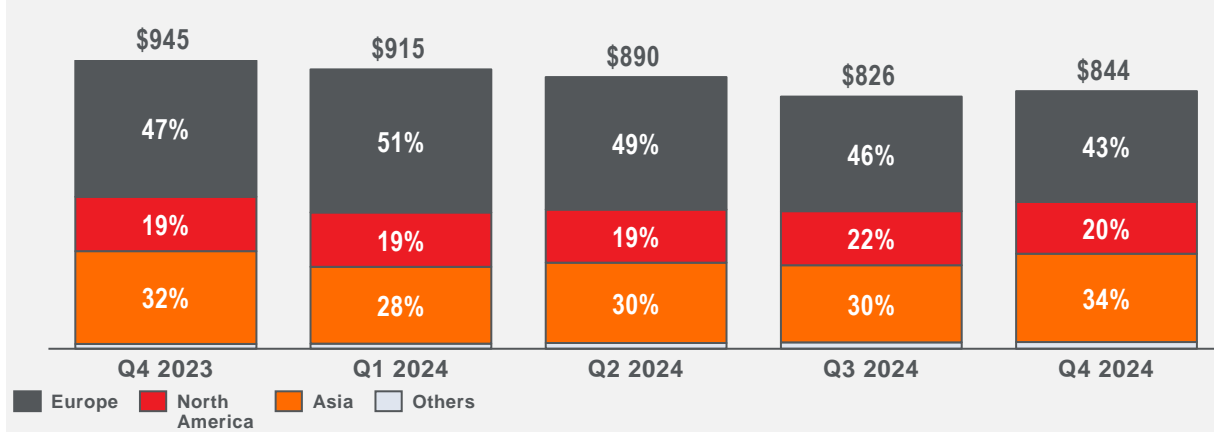
- **Successful testing for battery and cabin cooling** for Commercial Vehicle
- Signed additional proof-of-concept projects for **datacenter & building rooftop cooling units**



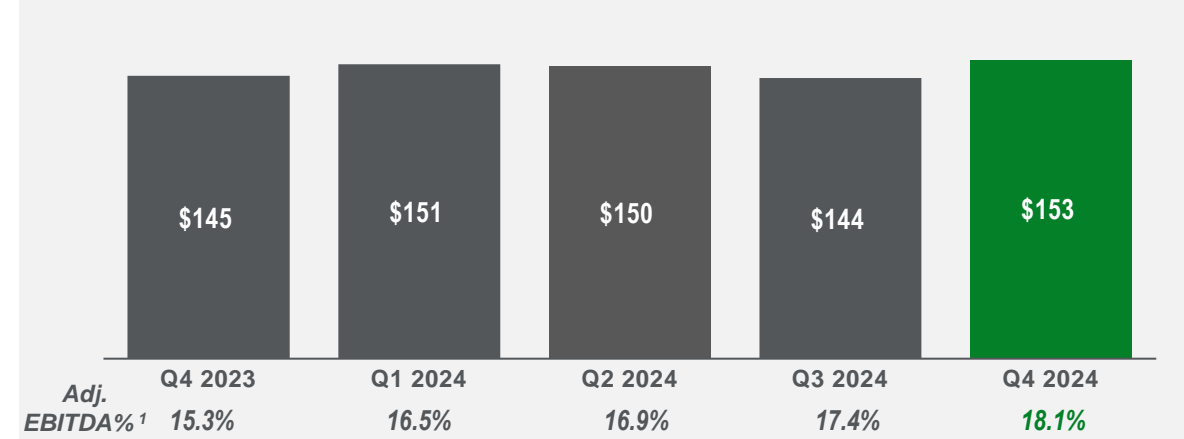
RECOGNIZED with the Stellantis Innovation Award for our technology differentiated zero-emission solutions

Quarterly financial trends: Q4 2023 – Q4 2024

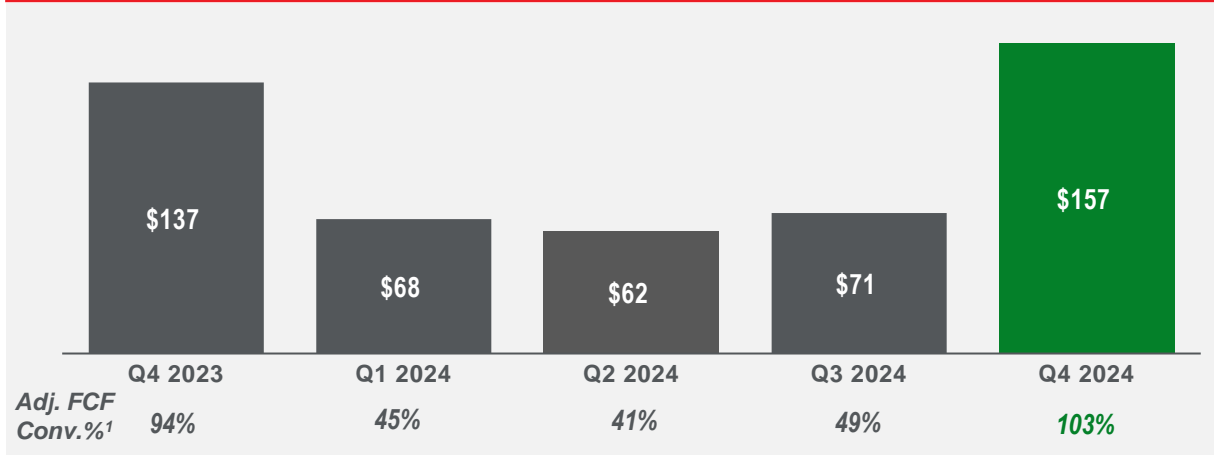
Reported Net Sales (\$M)



Adjusted EBITDA¹ (\$M)



Adjusted FCF¹ (\$M)

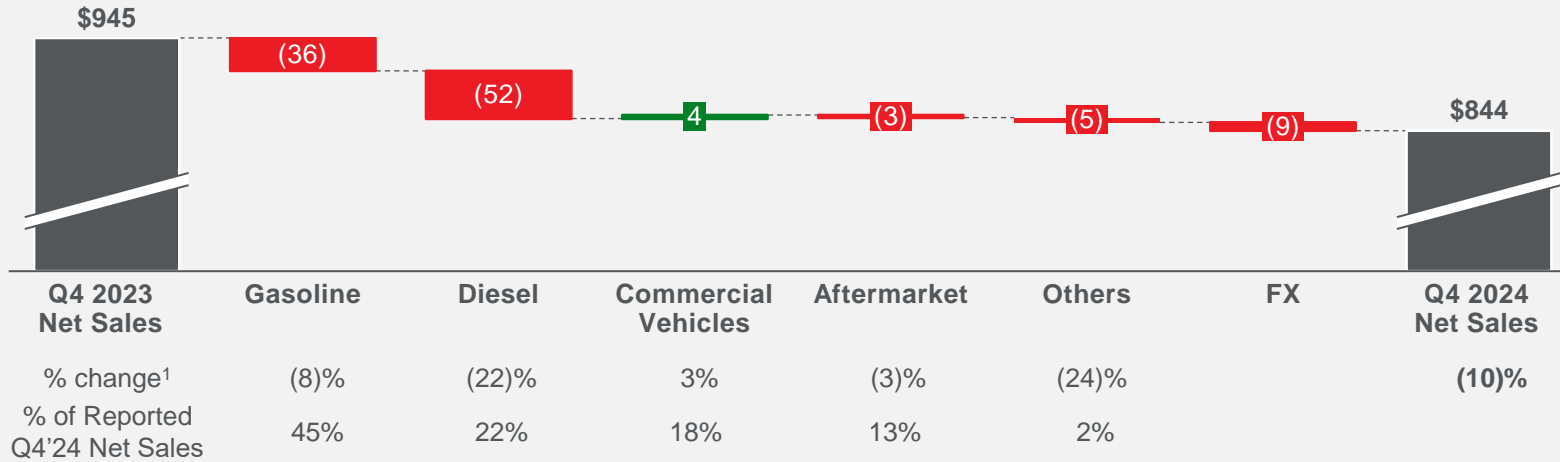


- **Net Sales trend stabilized** as program ramp-ups offset continued softness in Europe and declines in gasoline and diesel light vehicle production
- **Adjusted EBITDA¹ margin expansion** through continued fixed and variable cost productivity, pass-through of commodity deflation, and customer reimbursements
- **Strong Adjusted Free Cash Flow¹** driven by working capital recovery in Q4 from stabilized sales

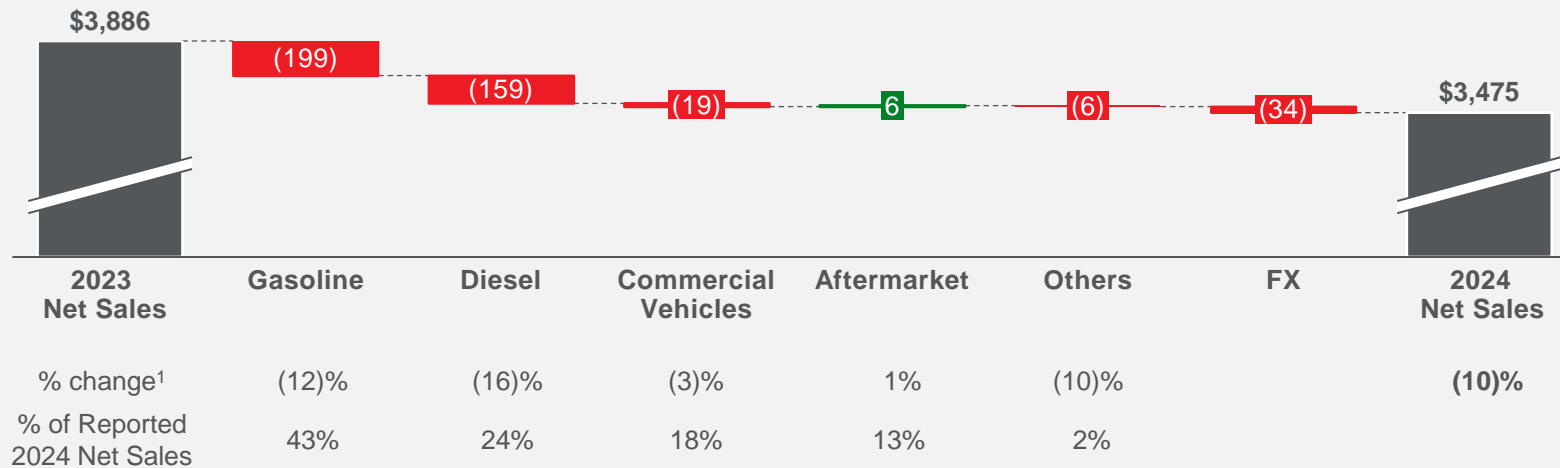
¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Net Sales bridge: Q4 and FY 2023 – 2024

(\$M)



- Net Sales down \$101M or (11)% on a reported basis, (10)% at constant currency¹
- Gasoline softness in China and North America partially offset by program ramp-ups in Europe
- Diesel remains soft from impact of lower industry production primarily in Europe
- Commercial vehicle growth highlights signs of industry recovery

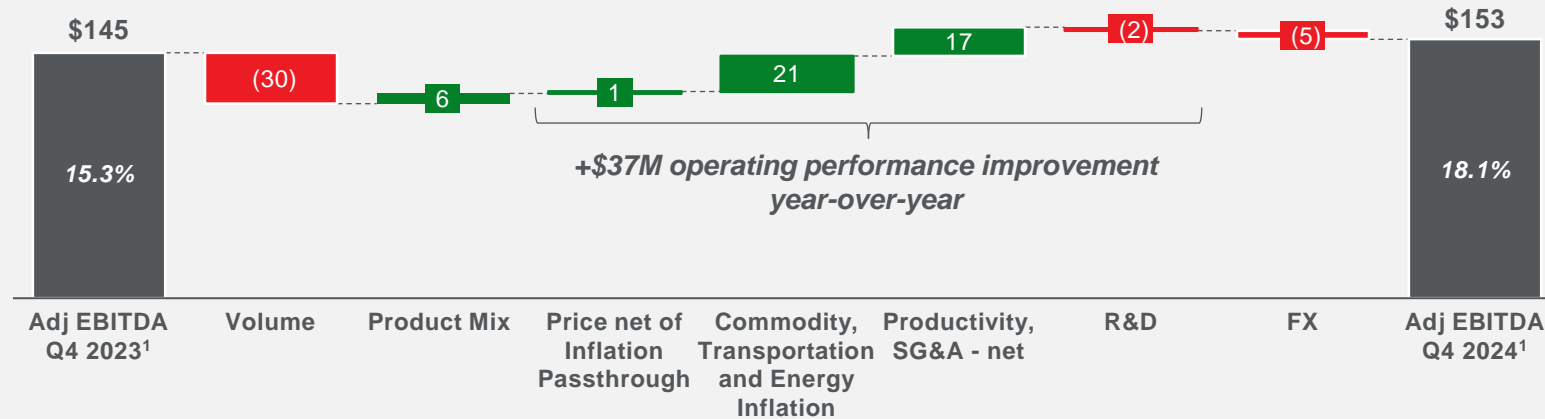


- Net Sales down \$411M or (11)% on a reported basis, (10)% at constant currency¹
- Light vehicle declines from Europe industry softness and China OEM competitive pressure
- Commercial vehicle decline from sustained industry softness in Europe and N. America
- Pass-through of commodity deflation across all verticals driving 2% of FY sales decline

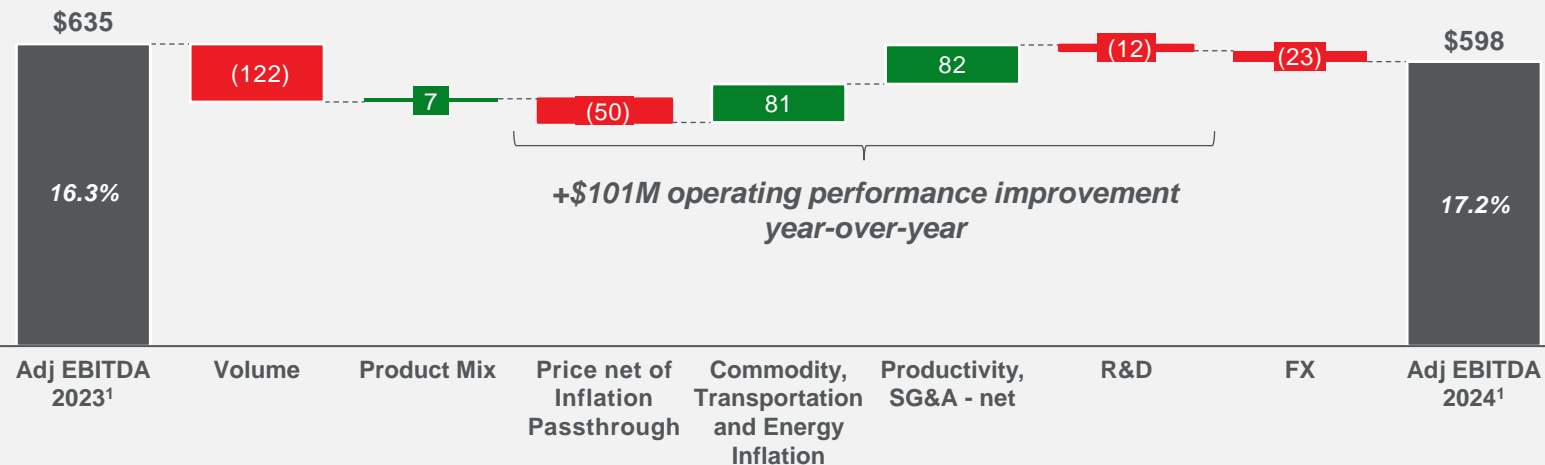
¹ Reconciliations of Non-GAAP financial measures are included in Appendix

Adjusted EBITDA¹ bridge: Q4 and FY 2023 – 2024

(\$M)



- Q4 2024 Adjusted EBITDA¹ of \$153M, up \$8M | Margin¹ of 18.1% up 280bps
- Volume decline from lower light vehicle sales
- Price, inflation recovery, and permanent cost actions more than offset sales decline, driving results up year-over-year

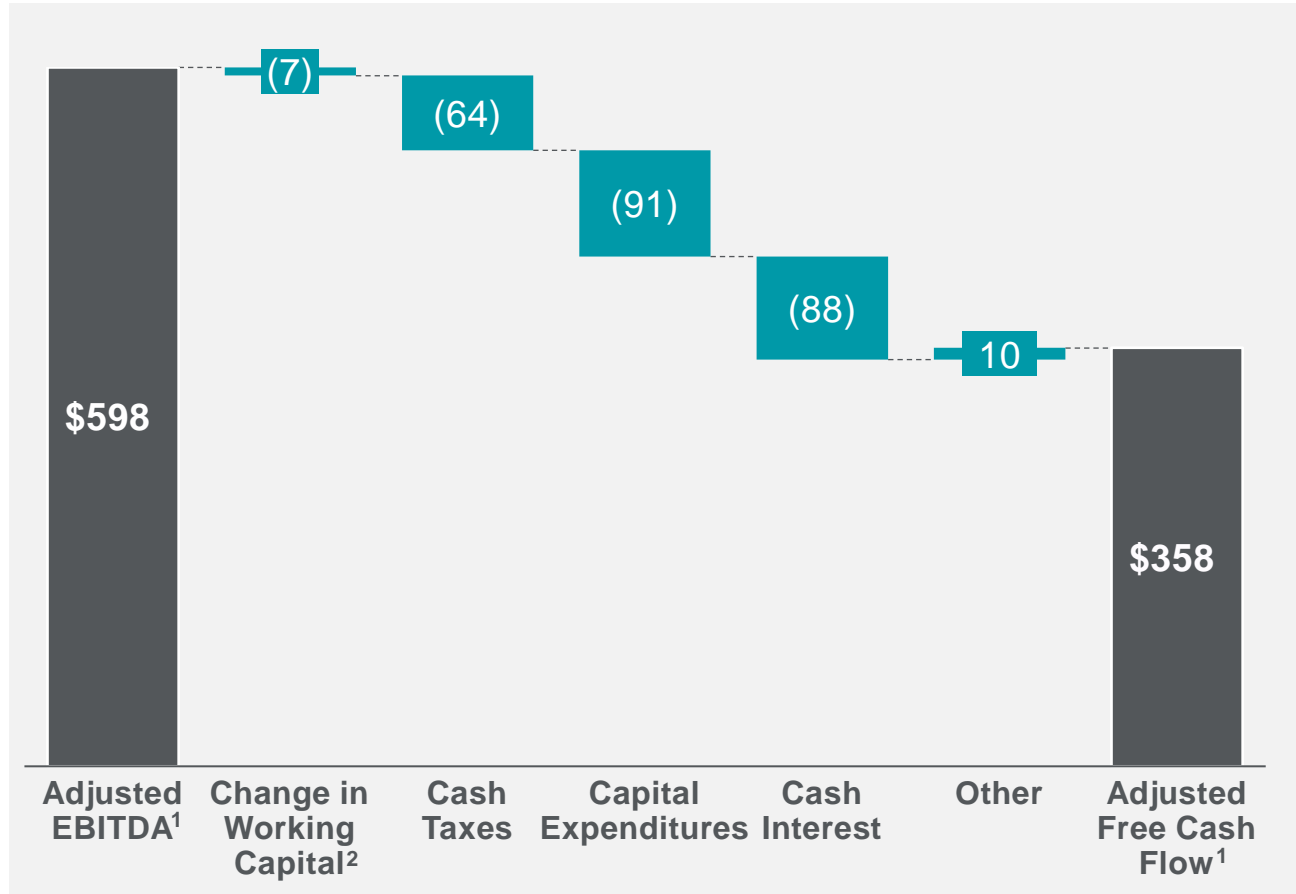


- FY 2024 Adjusted EBITDA¹ of \$598M, down \$37M | Margin¹ of 17.2% up 90bps
- Volume impact from light vehicle decline
- Outstanding operating performance primarily through fixed and variable cost productivity, nearly offsetting full impact of lower sales
- R&D increase in support of development of differentiated zero-emission technologies

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

2024 Adjusted EBITDA¹ to Adjusted Free Cash Flow¹ bridge

(\$M)



- Full year adjusted Free Cash Flow¹ conversion of 60% demonstrating our continued ability to generate cash
- Minimal working capital usage on a full year basis
- Cash taxes, capital expenditures, and cash interest in line with expectations

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

² Change in Working Capital excludes the impact of \$4M Factoring and p-notes

Balanced capital allocation framework with ample liquidity

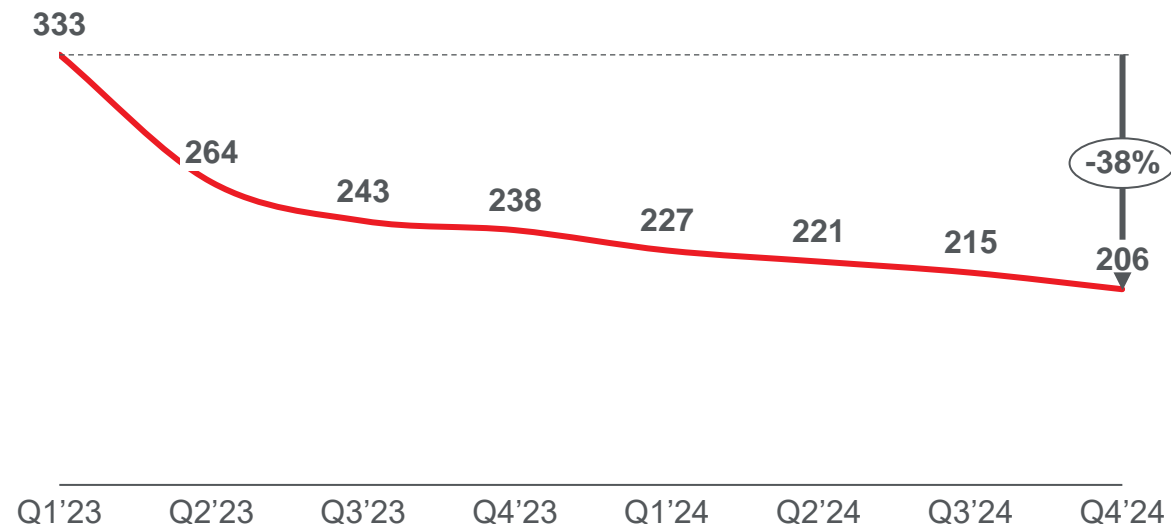
Liquidity and Net Debt² (\$M)

	Q4 2023	Q3 2024	Q4 2024
Unrestricted Cash ¹	259	96	125
Undrawn Revolver Credit Facility	570	600	600
Total Liquidity	829	696	725
Term Loan B (2021-2028)	1,196	693	692
Term Loan B (2023-2028)	500		
Senior Unsecured Notes due 2032	-	800	800
Other	-	2	1
Total Debt²	1,696	1,495	1,493
Net Debt² (Total Debt – Unrestricted Cash)	1,437	1,399	1,368

Continuing to improve our financial flexibility

- Reduced total debt by \$203M in 2024
- Net leverage ratio² stable at 2.21x
- Refinanced Term Loan B in Q1 2025 with annual interest savings of \$3M
- No significant debt maturities until 2032

Common Shares Outstanding³ (M)



Committed to returning capital to shareholders

- Repurchased \$70M of shares in Q4 and \$296M of shares in 2024, reducing share count by 13% within the year and 38% since Q1 2023
- Planned annual dividend of \$50M, paid quarterly and authorized up to \$250M share repurchase program in 2025

¹ Excluding Restricted Cash of \$1M in Q4 2023, \$1M in Q3 2024 and \$1M in Q4 2024

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

³ Includes Preferred A shares on an as-converted basis for periods prior to the conversion

Industry-leading Adjusted EBIT¹ Margins

(\$M)

	2022	2023	2024
Adjusted EBITDA¹	\$570	\$635	\$598
<i>Depreciation</i>	<i>\$84</i>	<i>\$90</i>	<i>\$90</i>
<i>Stock-Based Compensation</i>	<i>\$11</i>	<i>\$14</i>	<i>\$23</i>
Adjusted EBIT¹	\$475	\$531	\$485
<i>Adjusted EBIT¹ margin</i>	<i>13.2%</i>	<i>13.7%</i>	<i>14.0%</i>

- Enhances alignment with reporting market practice
- Highlights the benefits of our asset light model
- Further demonstrates strength of our free cash flow conversion

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

2025 outlook

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

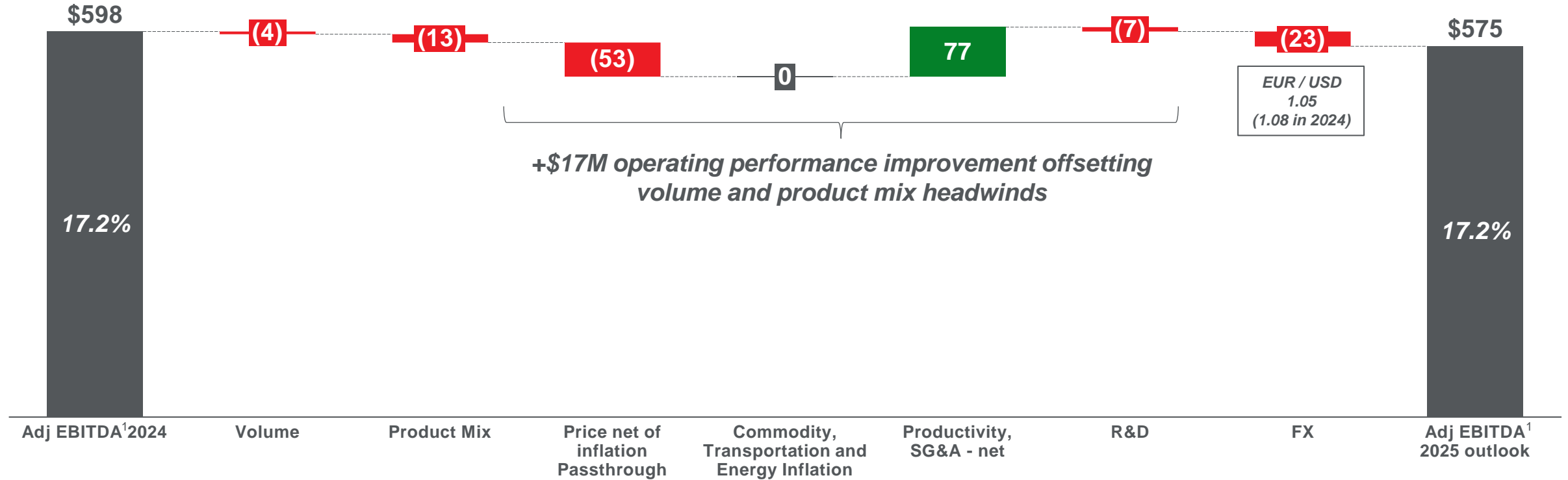
Planning Assumptions

- Light vehicle industry flat to down (-3% to 0%)
- Commercial vehicle industry, including both off-highway and on-highway, flat to up (0% 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 vs. 1.08 in 2024
- Outlook range does not consider potential impact of tariffs or other trade actions

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

2025 outlook adjusted EBITDA¹ bridge

(\$M)



Operational performance offsetting volume and mix headwinds | Adjusted EBITDA¹ down due to FX

- Net sales mid-point at (1)% constant currency with unfavorable mix mainly from growth in EU gasoline applications
- Permanent productivity actions taken last year sustain margin strength above 17% while accelerating R&D investments
- Negative foreign exchange impact from strengthening US dollar contributing (30) bps Adjusted EBITDA margin¹ impact

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 through share repurchases and dividends

Focused Zero Emission³ Strategy

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

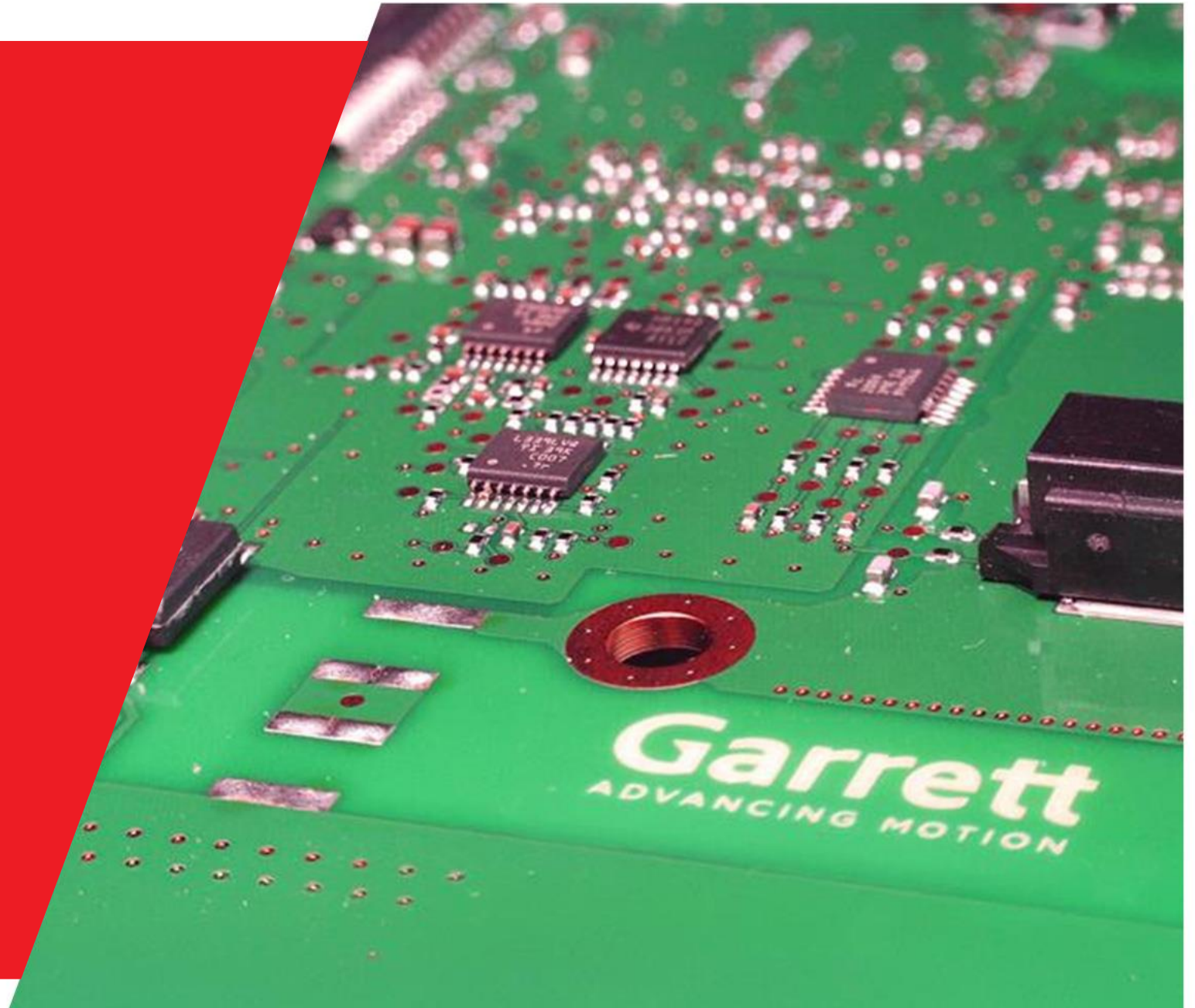
³ Zero Emission includes Battery Electric and Fuel Cell Vehicles

Well-positioned to deliver strong performance again in 2025

-  Delivered strong 2024 operating performance, achieving an Adjusted EBITDA margin¹ of 17.2%, up 90bps versus 2023
-  Deploying cash in an impactful way for shareholders | generated \$358M of Adjusted Free Cash Flow¹, further reducing shares by 13% in 2024 through our repurchase program, and decreasing debt by \$203M
-  Strengthening our leadership position in turbo, and winning with our zero-emission technologies
-  Planning to deliver flat Adjusted EBITDA¹ and strong Adjusted EBITDA margin¹ in 2025, excluding foreign exchange, as operational performance offsets volume and mix headwinds
-  Targeting to return 75% or more of Adjusted Free Cash Flow¹ over time | up to \$250M of share repurchases authorized for 2025 | planned annual dividend of \$50M, to be declared and paid quarterly

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

APPENDICES



Income Statement

<i>(\$ in millions)</i>	Q4 2024	Q4 2023	FY 2024	FY 2023
Net sales	\$844	\$945	\$3,475	\$3,886
Cost of goods sold	662	756	2770	3130
Gross profit	182	189	705	756
Selling, general and administrative expenses	62	69	240	247
Other expense, net	1	2	6	5
Interest expense	26	55	156	159
Gain on sale of equity investment	0	0	(27)	0
Non-operating income	(6)	(5)	(13)	(2)
Income before taxes	\$99	\$68	\$343	\$347
Tax expense	(1)	16	61	86
Net income	\$100	\$52	\$282	\$261
Less: preferred stock dividend	\$0	\$0	\$0	(\$80)
Less: preferred stock deemed dividend	\$0	\$0	\$0	(\$232)
Net income available for distribution	\$100	\$52	\$282	(\$51)

Balance Sheet Summary

(\$ in millions)

Assets	December 31, 2024	December 31, 2023
Cash and cash equivalents	\$125	\$259
Restricted cash	1	1
Other	1,067	1,146
Total current assets	1,193	1,406
Property, plant and equipment-net	449	477
Deferred income taxes	207	216
Other	427	428
Total assets	\$2,276	\$2,527
Liabilities		
Total current liabilities	1,278	1,374
Long-term debt	1,464	1,643
Other	207	245
Total liabilities	\$2,949	\$3,262
Equity (deficit)		
Common stock, par value	0	0
Additional paid-in capital	1,213	1,190
Retained deficit	(1,653)	(1,922)
Treasury Stock	(306)	0
Accumulated other comprehensive income (loss)	73	(3)
Total deficit	(673)	(735)
Total liabilities and deficit	\$2,276	\$2,527

Summary of Cash Flows

<i>(\$ in millions)</i>	Q4 2024	Q4 2023	FY 2024	FY 2023
Net income	\$100	\$52	\$282	\$261
Net cash provided by operating activities	131	135	408	465
Net cash provided by (used for) investing activities	(15)	(7)	(14)	(55)
Net cash (used for) provided by financing activities	(81)	(37)	(520)	(403)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(6)	6	(8)	5
Net (decrease) increase in cash, cash equivalents and restricted cash	29	97	(134)	12
Cash, cash equivalents and restricted cash at beginning of the period	97	163	260	248
Cash, cash equivalents and restricted cash at the end of the period	\$126	\$260	\$126	\$260

Reconciliation of Constant Currency Sales % Change

Garrett	Q4 2024	Q4 2023	FY 2024	FY 2023
Reported sales % change	(11%)	5%	(11%)	8%
Less: Foreign currency translation	(1%)	2%	(1%)	0%
Constant Currency sales % change	(10%)	3%	(10%)	8%
Gasoline				
Reported sales % change	(9%)	12%	(13%)	16%
Less: Foreign currency translation	(1%)	1%	(1%)	(1%)
Constant Currency sales % change	(8%)	11%	(12%)	17%
Diesel				
Reported sales % change	(23%)	9%	(17%)	5%
Less: Foreign currency translation	(1%)	4%	(1%)	2%
Constant Currency sales % change	(22%)	5%	(16%)	3%
Commercial vehicles				
Reported sales % change	2%	(15%)	(4%)	(3%)
Less: Foreign currency translation	(1%)	1%	(1%)	(2%)
Constant Currency sales % change	3%	(16%)	(3%)	(1%)
Aftermarket				
Reported sales % change	(4%)	0%	1%	3%
Less: Foreign currency translation	(1%)	2%	0%	0%
Constant Currency sales % change	(3%)	(2%)	1%	3%
Other Sales				
Reported sales % change	(25%)	54%	(11%)	15%
Less: Foreign currency translation	(1%)	6%	(1%)	1%
Constant Currency sales % change	(24%)	48%	(10%)	14%

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

<i>(\$ in millions)</i>	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Full year 2024
Net cash provided by operating activities	\$135	\$84	\$126	\$67	\$131	\$408
Expenditures for property, plant and equipment	(26)	(32)	(17)	(20)	(22)	(91)
Net cash provided by operating activities less expenditures for property, plant and equipment	\$109	\$52	\$109	\$47	\$109	\$317
Capital structure transformation costs	1	1	0	0	0	1
Acquisition and divestiture expenses	0	0	1	0	0	1
Cash payments for repositioning	2	9	4	2	3	18
Cash proceeds from cross currency swap	19	4	4	3	6	17
Factoring and P-notes	6	2	(56)	19	39	4
Adjusted free cash flow	\$137	\$68	\$62	\$71	\$157	\$358
Net income	\$52	\$66	\$64	\$52	\$100	\$282
Adjusted EBITDA	\$145	\$151	\$150	\$144	\$153	\$598
Operating cash flow conversion %	260%	127%	197%	129%	131%	145%
Adjusted free cash flow conversion %	94%	45%	41%	49%	103%	60%

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

(\$ in millions)	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	LTM Q3 2024	Full year 2024	Full year 2023	Full year 2022
Net income	\$52	\$66	\$64	\$52	\$100	\$234	\$282	\$261	\$390
Interest expense, net of interest income	54	29	61	37	26	181	153	152	6
Tax expense	16	15	23	24	(1)	78	61	86	106
Repositioning costs	(1)	11	1	4	5	15	21	13	4
Foreign exchange loss on debt, net of related hedging loss	(1)	0	(1)	0	0	(2)	(1)	(1)	0
Reorganization items, net	0	0	0	0	0	0	0	0	3
Loss on extinguishment of debt	0	0	0	0	0	0	0	0	5
Discounting costs on factoring	1	1	1	1	1	4	4	4	2
Gain on sale of equity investment	0	0	(27)	0	0	(27)	(27)	0	0
Other non-operating income	(2)	(1)	(2)	(1)	(8)	(6)	(12)	(6)	(41)
Acquisition and divestiture expenses	0	0	1	0	1	1	2	0	0
Capital structure transformation costs	0	0	0	0	0	0	0	22	0
Debt refinancing and redemption costs	0	0	2	0	0	2	2	0	0
Adjusted EBIT	119	121	123	117	124	480	485	531	475
Depreciation	24	22	22	23	23	91	90	90	84
Stock compensation expense	2	8	5	4	6	19	23	14	11
Adjusted EBITDA	\$145	\$151	\$150	\$144	\$153	\$590	\$598	\$635	\$570
Unrealized foreign exchange loss (gain)	6	(11)	2	5	(8)	2	(12)	6	(4)
Interest income	1	1	2	0	0	4	3	5	8
Other expenses ²	0	20	(1)	3	7	22	29	20	18
Consolidated EBITDA¹	\$152	\$161	\$153	\$152	\$152	\$618	\$618	\$666	\$592
Net sales	\$945	\$915	\$890	\$826	\$844	\$3,576	\$3,475	\$3,886	\$3,603
Net income margin	5.5%	7.2%	7.2%	6.3%	11.8%	6.5%	8.1%	6.7%	10.8%
Adjusted EBIT margin	12.6%	13.2%	13.8%	14.2%	14.7%	13.4%	14.0%	13.7%	13.2%
Adjusted EBITDA margin	15.3%	16.5%	16.9%	17.4%	18.1%	16.5%	17.2%	16.3%	15.8%

¹ As defined in our credit agreement

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

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

<i>(\$ in millions)</i>	Q4 2023	Q3 2024	Q4 2024
Long-term term debt	\$1,643	\$1,464	\$1,464
Short-term term debt	\$7	\$7	\$7
Deferred finance costs	\$46	\$24	\$22
Gross Debt	\$1,696	\$1,495	\$1,493
Cash and cash equivalents	\$259	\$96	\$125
Net Debt	\$1,437	\$1,399	\$1,368
Consolidated EBITDA LTM	\$666	\$618	\$618
Gross Debt to Consolidated EBITDA LTM	2.55x	2.42x	2.42x
Net Leverage Ratio¹	2.16x	2.26x	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*	123	123
Tax expense	70	85
Discounting costs on factoring	1	1
Repositioning costs	24	24
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	(\$94)	(\$94)
Net cash provided by operating activities less expenditures for property, plant and equipment	\$263	\$353
Cash payments for repositioning	25	25
Cash proceeds from cross currency swap	12	12
Acquisition and divestiture expenses	0	0
Capital structure transformation costs	0	0
Full year 2025 outlook Adjusted Free Cash Flow	\$300	\$390



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