

OCTOBER 24, 2024

# Q3 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,” “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 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.

# Delivered outstanding operating performance amid weak macros

## Managing Industry Trends

- **Net Sales of \$826M vs. \$960M in Q3 2023, (14)% on a reported and constant currency<sup>1</sup> basis**
  - **Light vehicle:** Softness in Europe and China, competitive pressure on global OEMs, short-term customer vehicle platform mix
  - **Commercial Vehicle:** Stable despite industry weakness in Europe. Some signs of recovery in China
  - **Win rate:** Strong win rate supports continued share of demand gains as industry consolidation continues
- **Adj. EBITDA<sup>1</sup> of \$144M vs. \$152M in Q3 2023, margin of 17.4% up 160 bps vs. Q3 2023**
  - **Profit:** Down slightly vs. Q3 2023 due to lower volumes, partially offset by strong operating performance | Decline of only \$8M Adj. EBITDA on \$134M Sales
  - **Margin:** Up sharply reflecting execution of sustainable fixed cost actions, proactive flex of our variable costs, and pass-through of commodity deflation

## Capital Allocation Priorities

- **Adj. Free Cash Flow<sup>1</sup> of \$71M vs. \$57M in Q3 2023**
  - Strong cash flow generation versus last year
  - Continuing to invest in our turbo and zero-emission technologies while returning value to shareholders
- **Continued share repurchase plan**
  - \$52M of common stock repurchased in Q3
  - Total of \$226M of shares repurchased through Q3
- **Fitch revised Garrett's BB- issuer rating from stable to positive**
  - Reflecting strong profitability in a weak industry and sustainable and robust cash generation

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

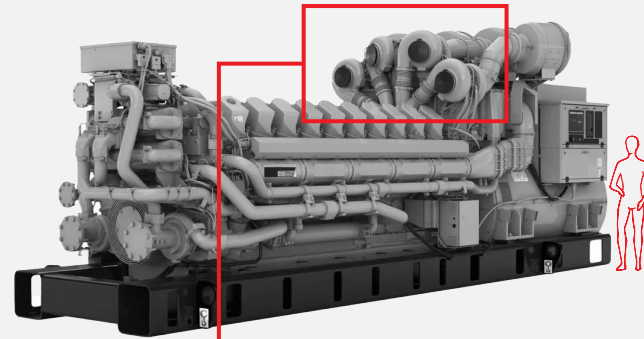


# Continuing to expand our turbo portfolio

## Strong demand for our largest turbocharger for marine & auxiliary power

- Delivered **first marine prototype**, start of production in Q1 2026
- Won **back-up power development project**, start of production in Q4 2026
- Awarded **marine development project**, start of production in Q2 2027
- Won **two series production awards**, start of production in 2027

4X Large Turbochargers



## Additional wins across Passenger and Commercial Vehicle applications:



Continuing to win new business for **natural gas applications** for **on-highway** use in China



Accelerating customer interest in North America tied to OEM **Tier 4 / plug-in hybrid**



Winning additional China business for **light vehicle gasoline export programs**

## Customers embracing our differentiated high-speed E-Powertrain technology

- Signed **Letter of Intent** with **SinoTruk** to put zero-emission trucks **on the road by 2027**
- Developing an **electric beam axle** with a leading **commercial vehicle axle player**
- Demonstrating **significant weight savings**, up to 300kg, per axle for CV applications
- Moving to **production intent design and testing** phase with a major global PV OEM



**E-Powertrain**

**Fuel Cell:** Won **series production** for bus, medium-duty and heavy-duty trucks with industry-leading compressors

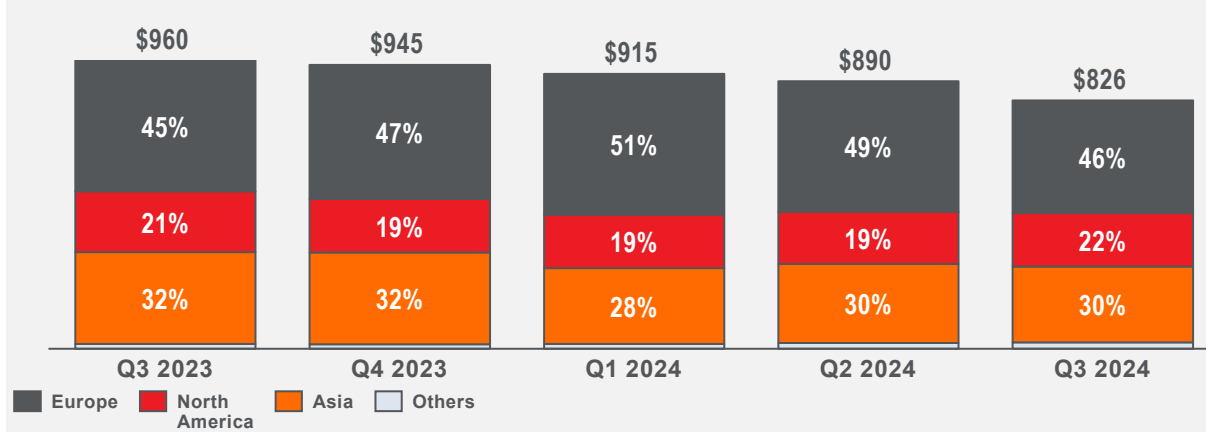
**E-Cooling Compressors:** Signed **two pre-development contracts** with electric bus makers for battery and cabin cooling



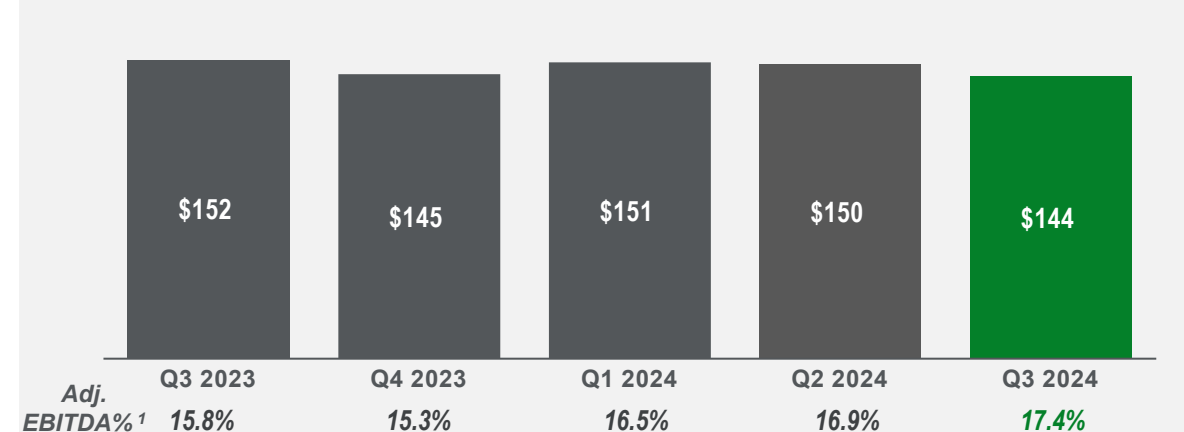
**Won 2024 Stellantis Innovation Award** for our **Zero-Emission Technologies**

# Quarterly financial trends: Q3 2023 – Q3 2024

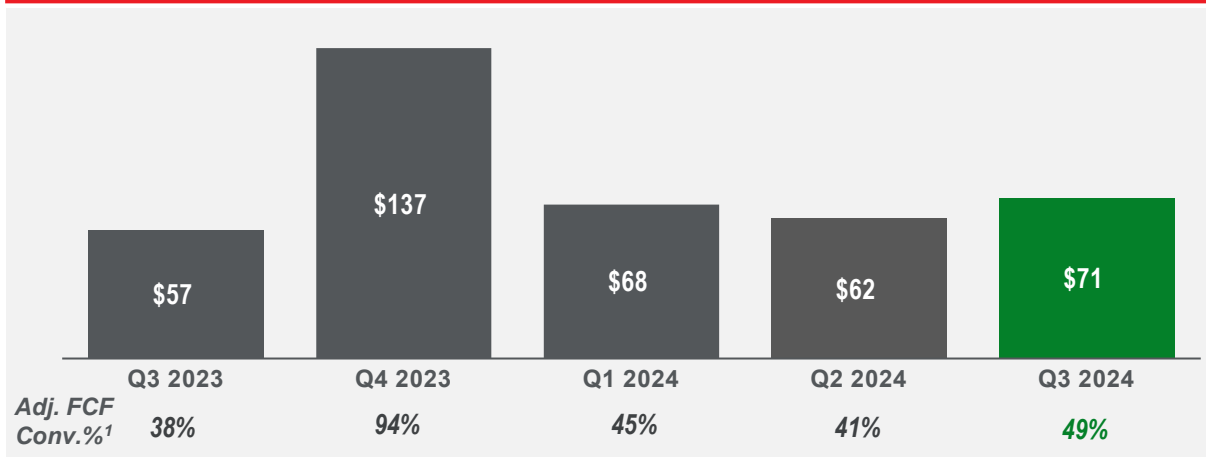
## Reported Net Sales (\$M)



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



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

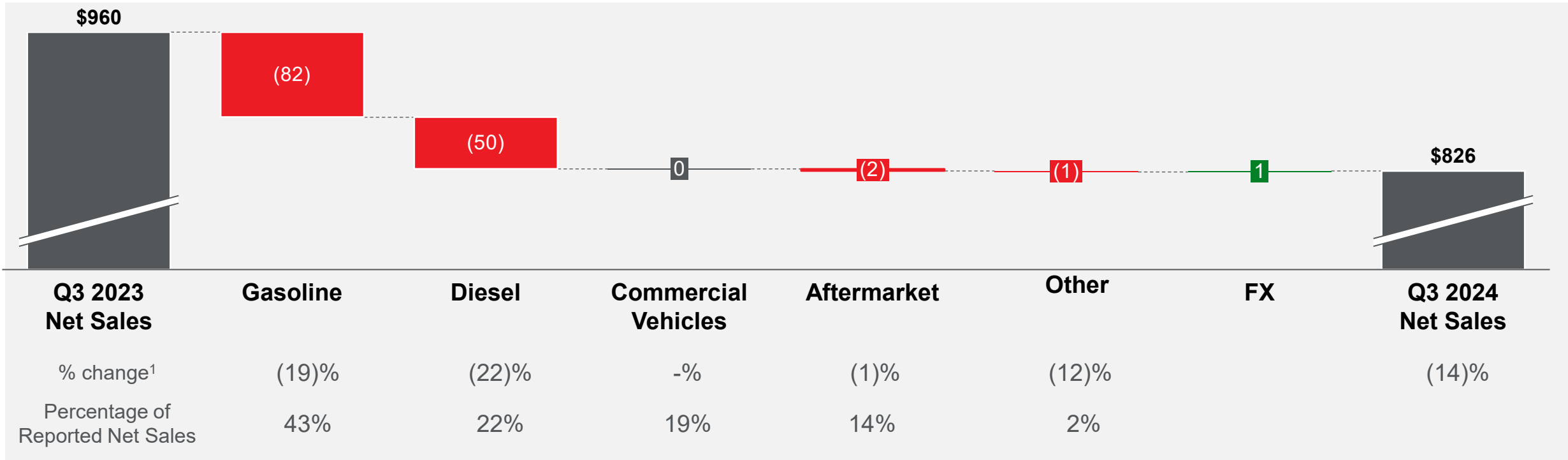


- **Net Sales decline** driven by light vehicle exposure to Europe and China, competitive pressure on global OEMs, short-term customer vehicle platform mix impact
- **Continued expansion of Adjusted EBITDA<sup>1</sup> margin** driven by sustainable fixed cost actions, proactive flex of our variable costs, and pass-through of commodity deflation
- **Strong Adjusted Free Cash Flow<sup>1</sup> performance** demonstrating consistent cash flow generation through industry cycles

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

# Net Sales bridge: Q3 2023 – Q3 2024

(\$M)

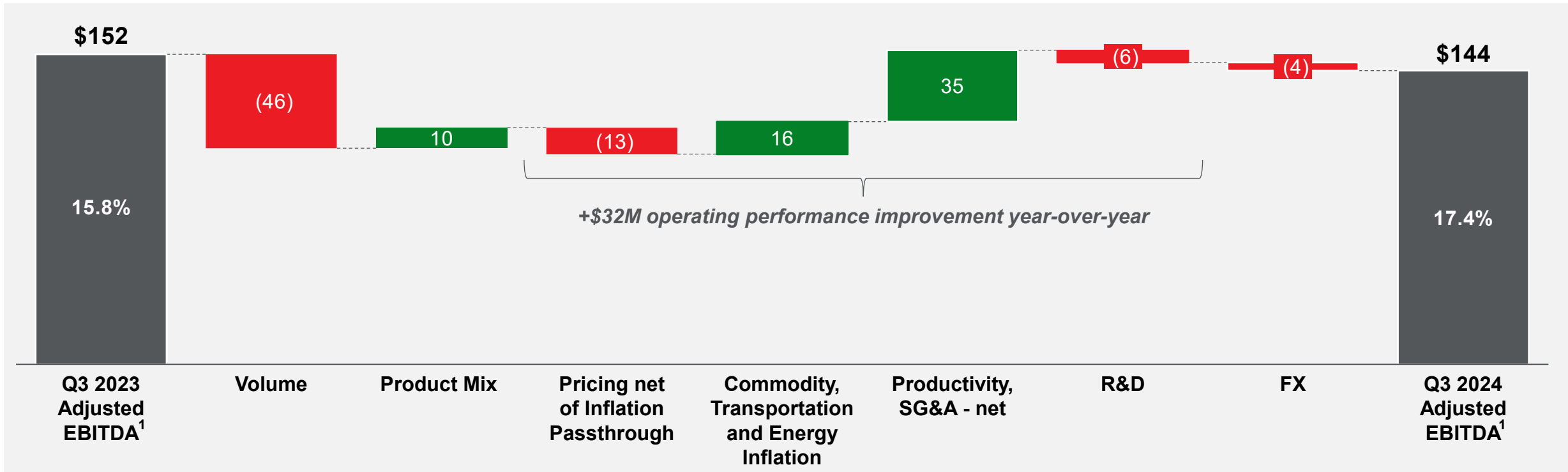


- **Q3 2024 Net Sales of \$826M, down \$134M or (14)% on a reported and constant currency<sup>1</sup> basis**
  - Light vehicle decline from exposure to Europe and China industry softness, competitive pressure on global OEMs, and some short-term customer vehicle platform mix impact
  - Commercial vehicle performance stable in an industry that remains weak in Europe
  - Lower inflation pass-through from commodity deflation across all verticals, primarily impacting gasoline

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

# Adjusted EBITDA<sup>1</sup> bridge: Q3 2023 – Q3 2024

(\$M)



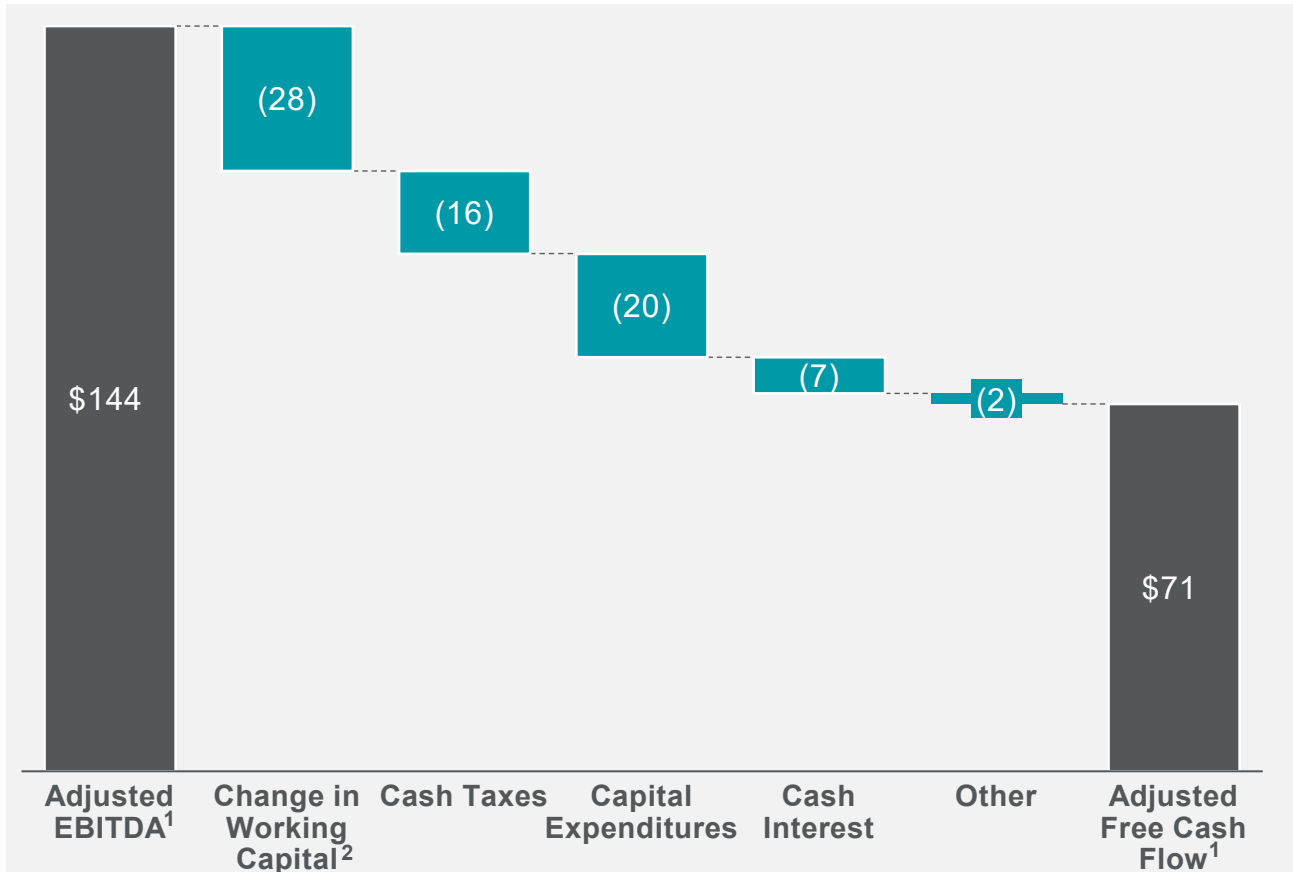
- Q3 2024 Adjusted EBITDA<sup>1</sup> of \$144M, down \$8M | Margin<sup>1</sup> of 17.4% up 160bps
  - Volume decline, net of favorable product mix, driven by lower light vehicle sales
  - Outstanding operating performance driving year-over-year margin improvement
  - R&D increase from higher investments, primarily for differentiated zero-emission technologies

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



# Q3 2024 Adjusted EBITDA<sup>1</sup> to Adjusted Free Cash Flow<sup>1</sup> bridge

(\$M)



- Demonstrating our ability to generate strong Adjusted Free Cash Flow<sup>1</sup> in a challenging sales environment
- Working capital use driven by sequentially lower light and commercial vehicle sales
- Lower cash interest sequentially (\$7M vs. \$15M) from timing on senior unsecured notes settlements vs. term loans (semi-annual vs. quarterly)
- Cash taxes and capital expenditures in line with expectations

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

<sup>2</sup> Change in Working Capital excludes the impact of \$19M Factoring and p-notes

# Stable liquidity and continued share repurchases in Q3 2024



Liquidity and Net Debt <sup>2</sup> (\$M)		
	Q2 2024	Q3 2024
Unrestricted Cash <sup>1</sup>	98	96
Undrawn Revolver Credit Facility	600	600
<b>Total Liquidity</b>	<b>698</b>	<b>696</b>
Term Loan B (2021-2028)	695	693
Senior Unsecured Notes due 2032	800	800
Other	2	2
<b>Total Debt</b>	<b>1,497</b>	<b>1,495</b>
<b>Net Debt<sup>2</sup> (Total Debt – Unrestricted Cash)</b>	<b>1,399</b>	<b>1,399</b>

## Fitch ratings' outlook improved

- Issuer rating of BB- upgraded from stable to positive
- Signals Garrett's strong profitability and consistent cash generation

## \$226M shares purchased in the first three quarters of 2024

- Repurchased \$52M of common stock in Q3
- \$124M available for Q4 under \$350M approved program
- 215M shares outstanding as of the end of the quarter, down from 243M in Q3 2023

## Net leverage ratio<sup>2</sup> stable at 2.26x

<sup>1</sup> Excluding Restricted Cash of \$1M in Q2 2024 and \$1M in Q3 2024

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

# Revising 2024 full year outlook on lower anticipated sales

	Updated Outlook (October 24 <sup>th</sup> )	Prior Outlook (July 25 <sup>th</sup> )
<b>Net Sales</b>	\$3.40B to \$3.50B	\$3.50B to \$3.65B
<b>Net Sales Growth at Constant Currency<sup>1</sup></b>	-12% to -10%	-9% to -5%
<b>Net Income</b>	\$240M to \$255M	\$245M to \$285M
<b>Adjusted EBITDA<sup>1</sup></b>	\$585M to \$605M	\$583M to \$633M
<b>Net Cash Provided By Operating Activities</b>	\$348M to \$398M	\$355M to \$455M
<b>Adjusted Free Cash Flow<sup>1</sup></b>	\$300M to \$350M	\$300M to \$400M
<b>Key Planning Assumptions</b>	<ul style="list-style-type: none"> <li>• <b>Light vehicle industry down 3%</b> (2% in prior outlook)   <b>LV BEV penetration of 13%</b> (14% in prior outlook)</li> <li>• <b>Commercial vehicle industry down 1%</b> (flat in prior outlook) including on- and off-highway</li> <li>• <b>Commodity prices stable</b> vs. prior outlook aligned with industry deflation trend</li> <li>• <b>Price and operating productivity</b> will continue to be a source of margin improvement (up vs. prior outlook)</li> <li>• <b>RD&amp;E investment of ~4.7% of sales</b> (vs. 4.4% in prior outlook), &gt;50% on electrification technologies</li> <li>• <b>Capital expenditures of ~2.5% of sales</b> (vs. 2.4% in prior outlook), &gt;30% into electrification technologies</li> <li>• <b>Stable FX environment</b> (€/ \$ at 1.08)</li> </ul>	

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

# We remain focused on value creation

## Industry Leadership

**Continue to be #1 Turbo player<sup>1</sup>** and leader in a technology-driven industry; Still investing in new Turbo technology especially for hybrids; Expanding into industrial applications

## Cash generation

**Proven performance** through business cycles; Framework of 60% adjusted free cash flow conversion<sup>2</sup> for the next 5 years while funding R&D and returning cash to shareholders

## Focused zero emission<sup>3</sup> strategy

**Focused investments on differentiated technology solutions** for our Fuel Cell Compressor, E-Powertrain and E-Cooling Compressor, targeting **\$1B annual zero emission<sup>3</sup> sales** by 2030

## 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

<sup>1</sup> Turbo ranking based on 2023 sales

<sup>2</sup> See Appendix for reconciliations of the Non-GAAP measures

<sup>3</sup> Zero Emission includes Battery Electric and Fuel Cell Vehicles

# On track to deliver strong operating performance in 2024



- Delivered solid financial results in the quarter through outstanding operating performance, achieving an **adjusted EBITDA margin rate<sup>1</sup> of 17.4%**, up **160bps** versus Q3 2023
- Generated **strong cash flow** and continued to execute on our capital allocation priorities; **\$226M of shares repurchased** through Q3 2024
- **Winning in turbo** across all vehicle verticals | **Expanding in industrial** with our largest turbocharger applications, pursuing opportunities in **fast growing non-automotive spaces**
- Customers confirming the need for our differentiated electric high-speed **solutions for next generation zero-emission platforms**

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

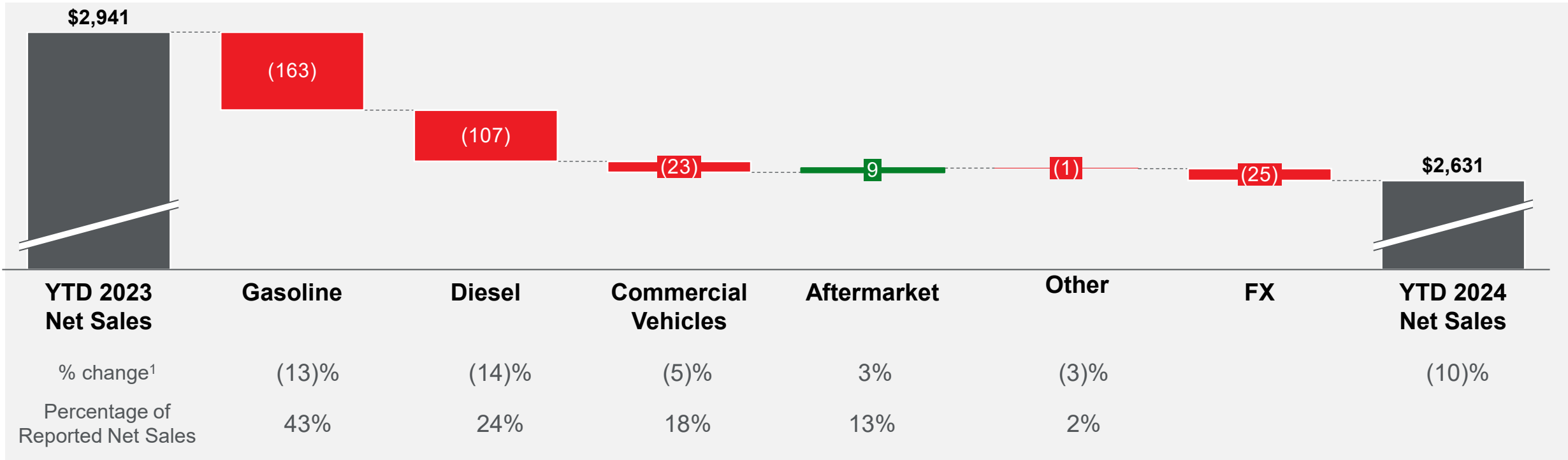


# APPENDICES



# Net Sales bridge: YTD 2023 – YTD 2024

(\$M)

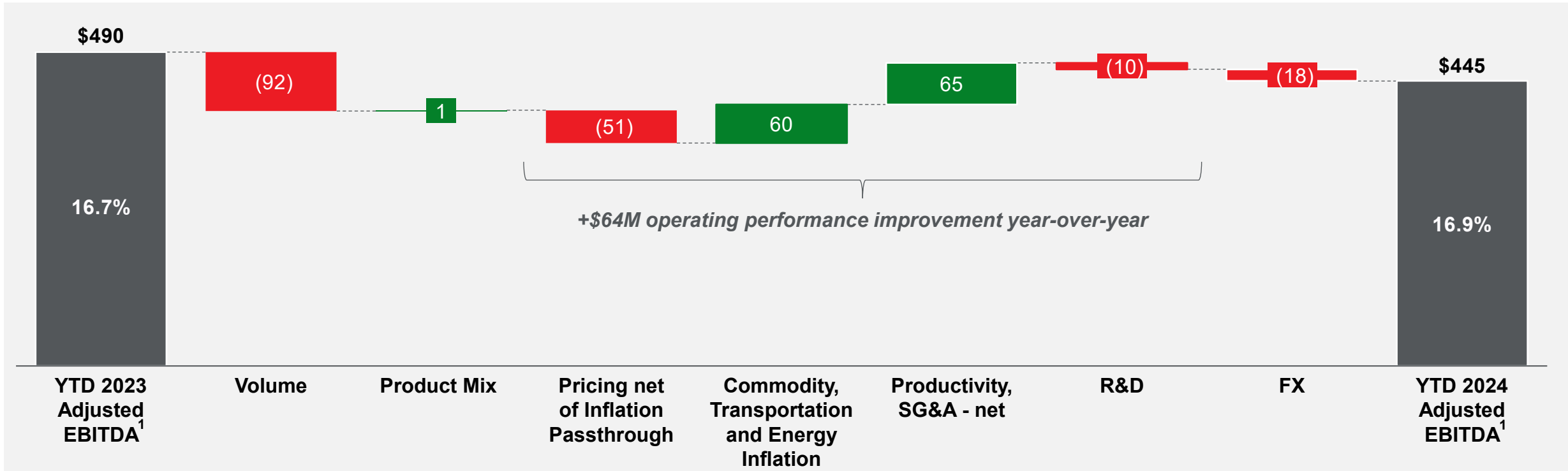


- **Net Sales of \$2,631M, down \$310M or (11)% on a reported basis, (10)% at constant currency<sup>1</sup>**
  - Demand softness in gasoline, diesel and commercial vehicles across all regions
  - Higher demand for replacement parts driving aftermarket growth mainly in North America, China and Brazil
  - Lower inflation pass-through from commodity deflation across all verticals

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

# Adjusted EBITDA<sup>1</sup> bridge: YTD 2023 – YTD 2024

(\$M)



- Adjusted EBITDA<sup>1</sup> of \$445M, down \$45M | Margin<sup>1</sup> of 16.9% up 20bps
  - Demand softness from gasoline, diesel and commercial vehicles partially offset by aftermarket
  - Strong operating performance through variable cost structure and sustainable fixed cost productivity
  - R&D increase from higher investments, primarily for differentiated zero-emission technologies

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

# Income Statement

<i>(\$ in millions)</i>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>9M 2024</b>	<b>9M 2023</b>
<b>Net sales</b>	<b>\$826</b>	<b>\$960</b>	<b>\$2,631</b>	<b>\$2,941</b>
Cost of goods sold	660	784	2108	2374
<b>Gross profit</b>	<b>166</b>	<b>176</b>	<b>523</b>	<b>567</b>
Selling, general and administrative expenses	53	59	178	178
Other expense, net	1	1	5	3
Interest expense	37	48	130	104
Gain on sale of equity investment	0	0	(27)	0
Non-operating income	(1)	(2)	(7)	3
<b>Income before taxes</b>	<b>\$76</b>	<b>\$70</b>	<b>\$244</b>	<b>\$279</b>
Tax expense	24	13	62	70
<b>Net income</b>	<b>\$52</b>	<b>\$57</b>	<b>\$182</b>	<b>\$209</b>
Less: preferred stock dividend	\$0	\$0	\$0	(\$80)
Less: preferred stock deemed dividend	\$0	0\$	\$0	(\$232)
<b>Net income available for distribution</b>	<b>\$52</b>	<b>\$57</b>	<b>\$182</b>	<b>(\$103)</b>

# Balance Sheet Summary

(\$ in millions)

<b>Assets</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Cash and cash equivalents	\$96	\$259
Restricted cash	1	1
Other	1,046	1,146
<b>Total current assets</b>	<b>1,143</b>	<b>1,406</b>
Property, plant and equipment-net	450	477
Deferred income taxes	198	216
Other	364	428
<b>Total assets</b>	<b>\$2,155</b>	<b>\$2,527</b>
<b>Liabilities</b>		
Total current liabilities	1,222	1,374
Long-term debt	1,464	1,643
Other	247	245
<b>Total liabilities</b>	<b>\$2,933</b>	<b>\$3,262</b>
<b>Equity (deficit)</b>		
Common stock, par value	0	0
Additional paid-in capital	1,207	1,190
Retained deficit	(1,740)	(1,922)
Treasury Stock	(235)	0
Accumulated other comprehensive income (loss)	(10)	(3)
<b>Total deficit</b>	<b>(778)</b>	<b>(735)</b>
<b>Total liabilities and deficit</b>	<b>\$2,155</b>	<b>\$2,527</b>



# Summary of Cash Flows

<i>(\$ in millions)</i>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>9M 2024</b>	<b>9M 2023</b>
<b>Net income</b>	<b>\$52</b>	<b>\$57</b>	<b>\$182</b>	<b>\$209</b>
<b>Net cash provided by operating activities</b>	<b>67</b>	<b>74</b>	<b>277</b>	<b>330</b>
<b>Net cash provided by (used for) investing activities</b>	<b>(17)</b>	<b>(24)</b>	<b>1</b>	<b>(48)</b>
<b>Net cash (used for) provided by financing activities</b>	<b>(55)</b>	<b>(364)</b>	<b>(439)</b>	<b>(366)</b>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	3	(2)	(2)	(1)
Net (decrease) increase in cash, cash equivalents and restricted cash	(2)	(316)	(163)	(85)
<b>Cash, cash equivalents and restricted cash at beginning of the period</b>	<b>99</b>	<b>479</b>	<b>260</b>	<b>248</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$97</b>	<b>\$163</b>	<b>\$97</b>	<b>\$163</b>

# Reconciliation of Constant Currency Sales % Change

Garrett	Q3 2024	Q3 2023	9M 2024	9M 2023
<b>Reported sales % change</b>	<b>(14%)</b>	<b>2%</b>	<b>(11%)</b>	<b>9%</b>
<b>Less: Foreign currency translation</b>	<b>0%</b>	<b>3%</b>	<b>(1%)</b>	<b>(1%)</b>
<b>Constant Currency sales % change</b>	<b>(14%)</b>	<b>(1%)</b>	<b>(10%)</b>	<b>10%</b>
<b>Gasoline</b>				
<b>Reported sales % change</b>	<b>(19%)</b>	<b>10%</b>	<b>(14%)</b>	<b>17%</b>
<b>Less: Foreign currency translation</b>	<b>(0%)</b>	<b>1%</b>	<b>(1%)</b>	<b>(2%)</b>
<b>Constant Currency sales % change</b>	<b>(19%)</b>	<b>9%</b>	<b>(13%)</b>	<b>19%</b>
<b>Diesel</b>				
<b>Reported sales % change</b>	<b>(21%)</b>	<b>(4%)</b>	<b>(15%)</b>	<b>3%</b>
<b>Less: Foreign currency translation</b>	<b>1%</b>	<b>5%</b>	<b>(1%)</b>	<b>0%</b>
<b>Constant Currency sales % change</b>	<b>(22%)</b>	<b>(9%)</b>	<b>(14%)</b>	<b>3%</b>
<b>Commercial vehicles</b>				
<b>Reported sales % change</b>	<b>0%</b>	<b>(13%)</b>	<b>(6%)</b>	<b>2%</b>
<b>Less: Foreign currency translation</b>	<b>0%</b>	<b>1%</b>	<b>(1%)</b>	<b>(1%)</b>
<b>Constant Currency sales % change</b>	<b>0%</b>	<b>(14%)</b>	<b>(5%)</b>	<b>3%</b>
<b>Aftermarket</b>				
<b>Reported sales % change</b>	<b>(1%)</b>	<b>3%</b>	<b>2%</b>	<b>4%</b>
<b>Less: Foreign currency translation</b>	<b>0%</b>	<b>3%</b>	<b>(1%)</b>	<b>0%</b>
<b>Constant Currency sales % change</b>	<b>(1%)</b>	<b>0%</b>	<b>3%</b>	<b>4%</b>
<b>Other Sales</b>				
<b>Reported sales % change</b>	<b>(13%)</b>	<b>23%</b>	<b>(5%)</b>	<b>2%</b>
<b>Less: Foreign currency translation</b>	<b>(1%)</b>	<b>4%</b>	<b>(2%)</b>	<b>(1%)</b>
<b>Constant Currency sales % change</b>	<b>(12%)</b>	<b>19%</b>	<b>(3%)</b>	<b>3%</b>

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

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

<i>(\$ in millions)</i>	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
<b>Net cash provided by operating activities</b>	<b>\$74</b>	<b>\$135</b>	<b>\$84</b>	<b>\$126</b>	<b>\$67</b>
Expenditures for property, plant and equipment	(24)	(26)	(32)	(17)	(20)
<b>Net cash provided by operating activities less expenditures for property, plant and equipment</b>	<b>\$50</b>	<b>\$109</b>	<b>\$52</b>	<b>\$109</b>	<b>\$47</b>
Capital structure transformation costs	5	1	1	0	0
Acquisition and divestiture expenses	0	0	0	1	0
Cash payments for repositioning	5	2	9	4	2
Cash proceeds from cross currency swap	0	19	4	4	3
Factoring and P-notes	(3)	6	2	(56)	19
<b>Adjusted free cash flow</b>	<b>\$57</b>	<b>\$137</b>	<b>\$68</b>	<b>\$62</b>	<b>\$71</b>
Net income	\$57	\$52	\$66	\$64	\$52
Adjusted EBITDA	\$152	\$145	\$151	\$150	\$144
Operating cash flow conversion %	130%	260%	127%	197%	129%
Adjusted free cash flow conversion %	38%	94%	45%	41%	49%

# Reconciliation of Net Income to Adjusted EBITDA and Consolidated EBITDA<sup>1</sup>

(\$ in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	LTM Q2 2024	LTM Q3 2024
<b>Net income</b>	<b>\$57</b>	<b>\$52</b>	<b>\$66</b>	<b>\$64</b>	<b>\$52</b>	<b>\$239</b>	<b>\$234</b>
Interest expense, net of interest income	47	54	29	61	37	191	\$181
Tax expense	13	16	15	23	24	67	\$78
Depreciation	23	24	22	22	23	91	\$91
<b>EBITDA</b>	<b>\$140</b>	<b>\$146</b>	<b>\$132</b>	<b>\$170</b>	<b>\$136</b>	<b>\$588</b>	<b>\$584</b>
Stock compensation expense	4	2	8	5	4	19	19
Repositioning costs	6	(1)	11	1	4	17	15
Foreign exchange loss on debt, net of related hedging loss	0	(1)	0	(1)	0	(2)	(2)
Discounting costs on factoring	1	1	1	1	1	4	4
Gain on sale of equity investment	0	0	0	(27)	0	(27)	(27)
Other non-operating income	(1)	(2)	(1)	(2)	(1)	(6)	(6)
Acquisition and divestiture expenses	0	0	0	1	0	1	1
Capital structure transformation costs	2	0	0	0	0	2	0
Debt refinancing and redemption costs	0	0	0	2	0	2	2
<b>Adjusted EBITDA</b>	<b>\$152</b>	<b>\$145</b>	<b>\$151</b>	<b>\$150</b>	<b>\$144</b>	<b>\$598</b>	<b>\$590</b>
Unrealized foreign exchange loss (gain)	(3)	6	(11)	2	5	(6)	2
Interest income	2	1	1	2	0	6	4
Other expenses <sup>2</sup>	3	0	20	(1)	3	22	22
<b>Consolidated EBITDA<sup>1</sup></b>	<b>\$154</b>	<b>\$152</b>	<b>\$161</b>	<b>\$153</b>	<b>\$152</b>	<b>\$620</b>	<b>\$618</b>
<b>Net sales</b>	<b>\$960</b>	<b>\$945</b>	<b>\$915</b>	<b>\$890</b>	<b>\$826</b>	<b>\$3,710</b>	<b>\$3,576</b>
Net income margin	5.9%	5.5%	7.2%	7.2%	6.3%	6.4%	6.5%
Adjusted EBITDA margin	15.8%	15.3%	16.5%	16.9%	17.4%	16.1%	16.5%

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

<sup>2</sup> 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>	<b>Q3 2024</b>	<b>Q2 2024</b>
Long-term term debt	\$1,464	\$1,465
Short-term term debt	\$7	\$7
Deferred finance costs	\$24	\$25
<b>Gross Debt</b>	<b>\$1,495</b>	<b>\$1,497</b>
Cash and cash equivalents	\$96	\$98
<b>Net Debt</b>	<b>\$1,399</b>	<b>\$1,399</b>
Consolidated EBITDA LTM	\$618	\$620
Gross Debt to Consolidated EBITDA LTM	<b>2.42x</b>	2.41x
<b>Net Leverage Ratio<sup>1</sup></b>	<b>2.26x</b>	<b>2.26x</b>

<sup>1</sup> Net leverage ratio defined as Net Debt divided by Consolidated EBITDA



# Full Year 2024 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency

	2024 Full Year Low End	2024 Full Year High End
Net sales (% change)	(12%)	(10%)
Foreign currency translation	(0%)	(0%)
<b>Full Year 2024 outlook Net Sales Growth at Constant Currency</b>	<b>(12%)</b>	<b>(10%)</b>

# Full Year 2024 Outlook Reconciliation of Net Income to Adjusted EBITDA

<i>(\$ in millions)</i>	2024 Full Year Low End	2024 Full Year High End
<b>Net income</b>	<b>\$240</b>	<b>\$255</b>
Interest expense, net of interest income *	151	151
Tax expense	82	87
Depreciation	90	90
<b>Full year 2024 outlook EBITDA</b>	<b>\$563</b>	<b>\$583</b>
Other non-operating income	(28)	(28)
Discounting costs on factoring	3	3
Stock compensation expense	21	21
Acquisition and divestiture expenses	1	1
Debt refinancing and redemption costs	2	2
Repositioning costs	23	23
<b>Full Year 2024 Outlook Adjusted EBITDA</b>	<b>\$585</b>	<b>\$605</b>

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

# Full Year 2024 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

<i>(\$ in millions)</i>	2024 Full Year Low End	2024 Full Year High End
<b>Net cash provided by operating activities</b>	<b>\$348</b>	<b>\$398</b>
Expenditures for property, plant and equipment	(86)	(86)
<b>Net cash provided by operating activities less expenditures for property, plant and equipment</b>	<b>\$262</b>	<b>\$312</b>
Cash payments for repositioning	21	21
Cash proceeds from cross currency swap	15	15
Acquisition and divestiture expenses	1	1
Capital structure transformation costs	1	1
<b>Full year 2024 outlook Adjusted Free Cash Flow</b>	<b>\$300</b>	<b>\$350</b>



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