

April 28, 2022

FIRST QUARTER 2022 FINANCIAL RESULTS

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 the impact of the COVID-19 pandemic, the conflict between Russia and Ukraine, inflationary pressures on Garrett’s business, financial results and financial conditions, industry trends, anticipated demand for our products, Garrett’s strategy, Garrett’s capital structure, anticipated new product development plans for the future including expected R&D expenditures, anticipated impacts of partnerships with third parties, and Garrett’s outlook for 2022. 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, 2021, and our quarterly report on Form 10-Q for the quarter ended March 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”): constant currency sales growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Consolidated EBITDA, Adjusted Free Cash Flow, and Debt (gross and net, including and excluding Series B preferred stock) to Consolidated EBITDA. 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, 2021, and our quarterly report on Form 10-Q for the quarter ended March 31, 2022.

2022 Q1 Highlights

Strong Q1 Performance...

- Net Sales \$901M
 - -10% from Q1 2021 GAAP
 - -6% at constant currency¹
 - Strong vehicle pent-up demand
- Adjusted EBITDA¹ \$146M and 16.2% margin
 - Pricing passthrough initiatives and additional productivity offsetting inflation and increased supply chain costs
 - Increased R&D investment into new technology

...despite Macro Headwinds

- Inflationary & FX pressures
- Increased volatility in customer demand
- Semiconductor shortage
- Zero-COVID policy in China
- Geopolitical tensions

Improved Financial Flexibility

- Prepaid Series B \$197M
- Increased RCF to \$475M; Total liquidity of \$788M
- Net Debt to LTM Consolidated EBITDA¹ 1.88x, inc. Series B Preferred vs. 1.95x in Q4 2021

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



Turbo Technology



Electric & Hybrid



Connected Vehicles

Solid Q1 results with improved flexibility despite increasing macro headwinds

Capabilities in Place to Drive Future Success



Strong Core Business

- Additional short term auto supply chain challenges increasing pent-up demand for vehicles
- Increasing turbo penetration driven by growing technology needs to meet emissions requirements
- Technology-driven industry consolidation driving increased share-of-demand



Developing new technology

- Launching industry-first E-Turbo in Mercedes-AMG SL 43, the first of several launches
- Awarded Fuel Cell Compressor program with major Global OEM - SOP 2024 for an LCV application



Fuel Cell Compressor



Investing in the Future

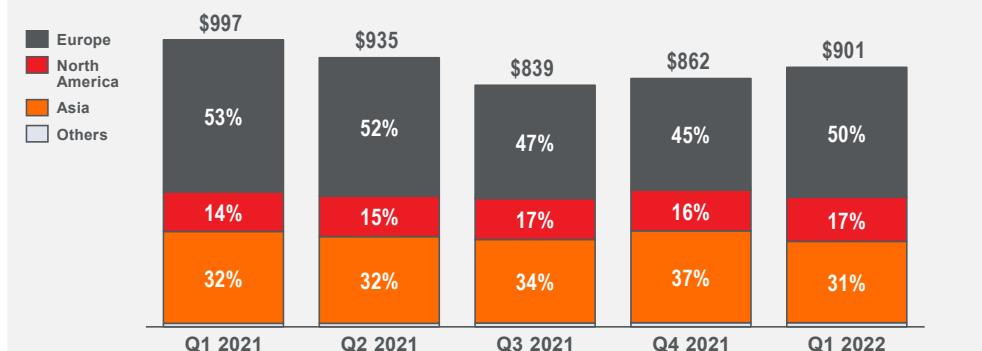
- Continuing to generate positive adjusted free cash flow while investing in R&D devoting 50% to new technology investments
- Opened new State-of-the-Art E-Lab showcasing expanding electric capabilities
- Added ~150 engineers since October 2021 for new technologies to accelerate growth in electrified powertrains



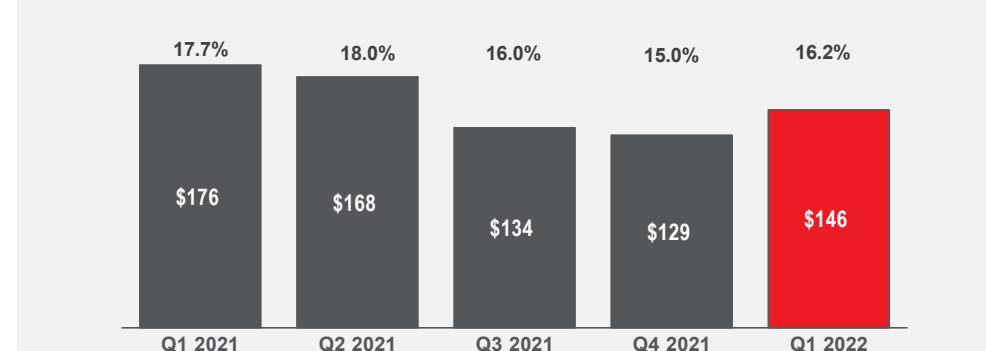
Winning in the marketplace while investing for the future and enhancing shareholder return

Key Financial Metrics: Q1 2021 – Q1 2022

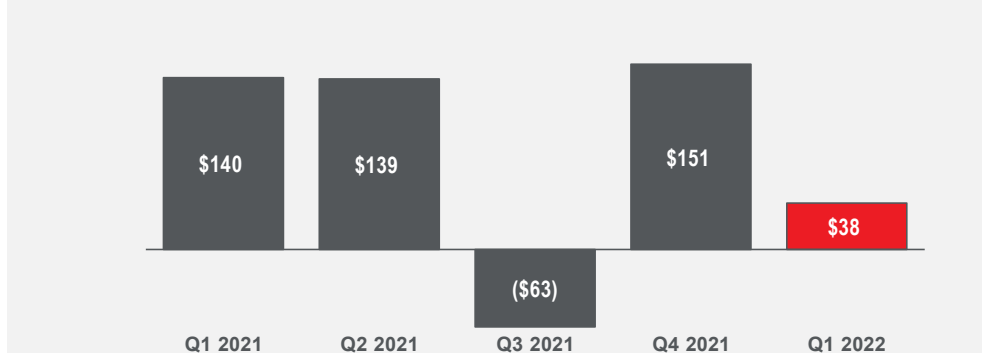
Reported Net Sales (\$M)



Adjusted EBITDA¹ (\$M)



Adjusted FCF¹ (\$M)



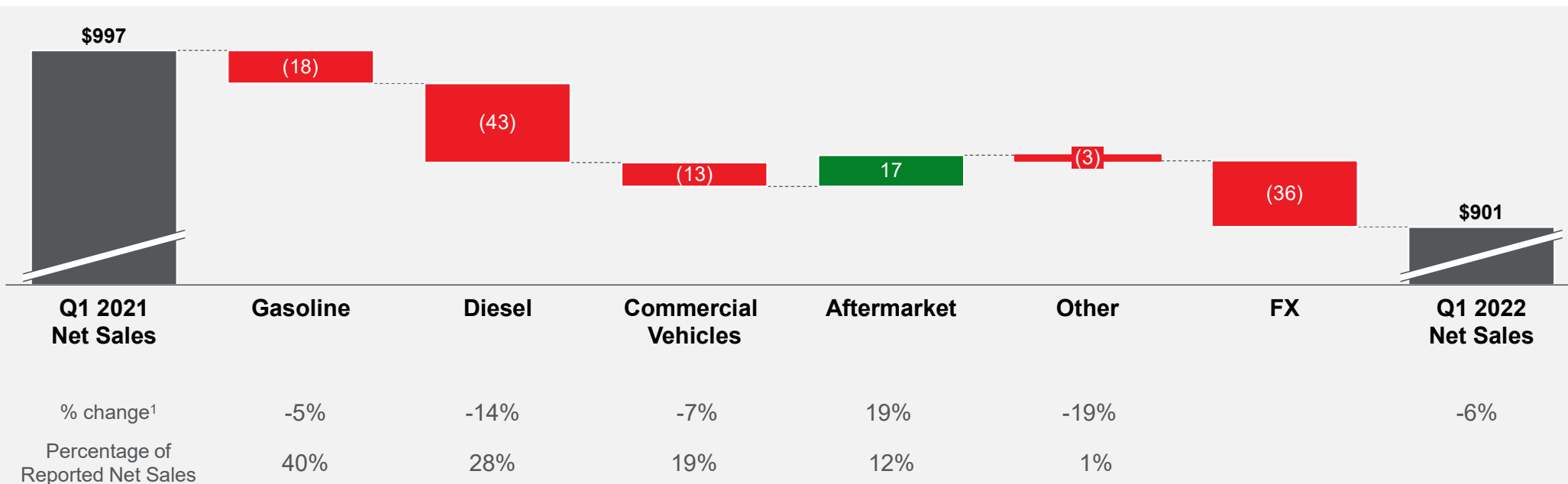
- Q1 2022 down 6% at constant currency driven by continued Semiconductor shortage | up 5% vs. Q4 2021
- Adjusted EBITDA down 17% from last year driven by volume, FX headwinds and inflationary pressures partly offset by mix and productivity | up 13% from Q4 2021
- Adjusted FCF impacted by lower volumes and continued capex investments
- Flexing variable cost structure to minimize impact of volatile and unpredictable production environment

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

Reduced volume YOY | Inflationary pressures offset by pass-through and productivity

Net Sales Bridge: Q1 2021 – Q1 2022

(\$M)



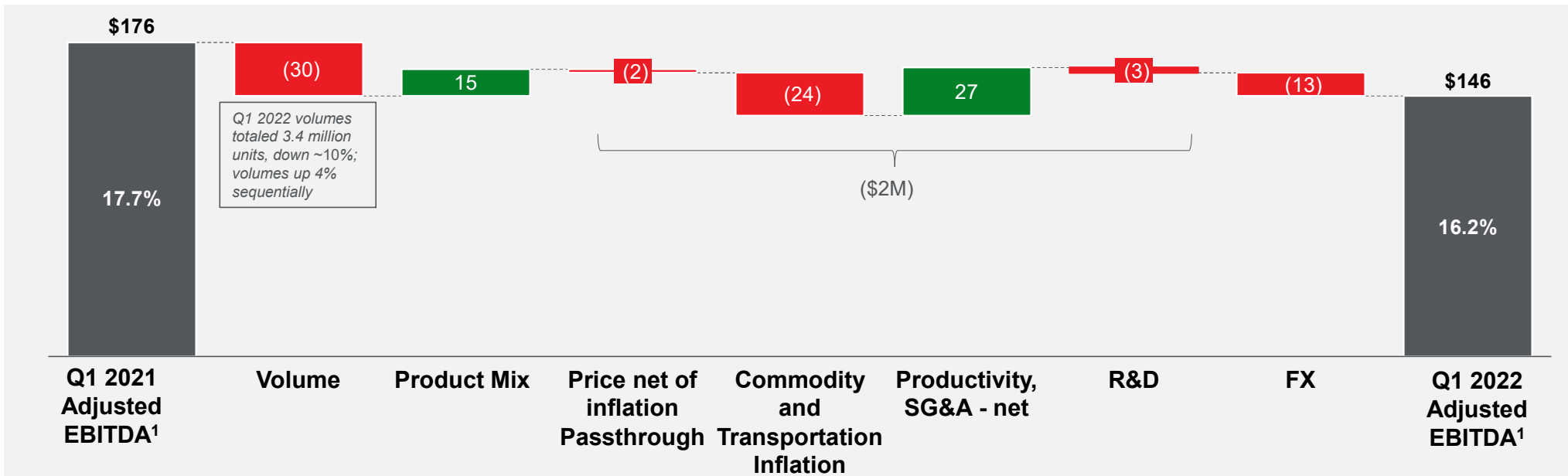
- Continued semiconductor shortage impacted Q1 2022 gasoline, diesel and commercial vehicles sales
- Aftermarket net sales increased primarily due to off-highway demand in North America and Europe
- Additional impacts from COVID related lockdown measures in China and geopolitical tensions between Ukraine and Russia

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

Strong aftermarket sales partly offset semiconductor impact on net sales

Adjusted EBITDA Walk: Q1 2021 – Q1 2022

(\$M)



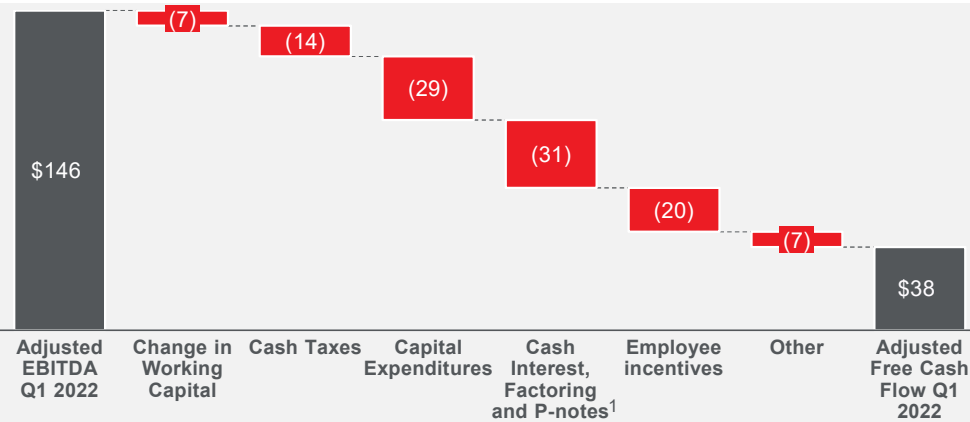
- Year-on-year volume decline due to semiconductor shortage despite strong underlying demand for light vehicles
- Improved productivity, product mix and pass-through of inflation
- Delivered strong margin despite FX headwinds, while increasing investment in R&D as planned

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

Solid margin through successful execution on productivity and inflation passthrough

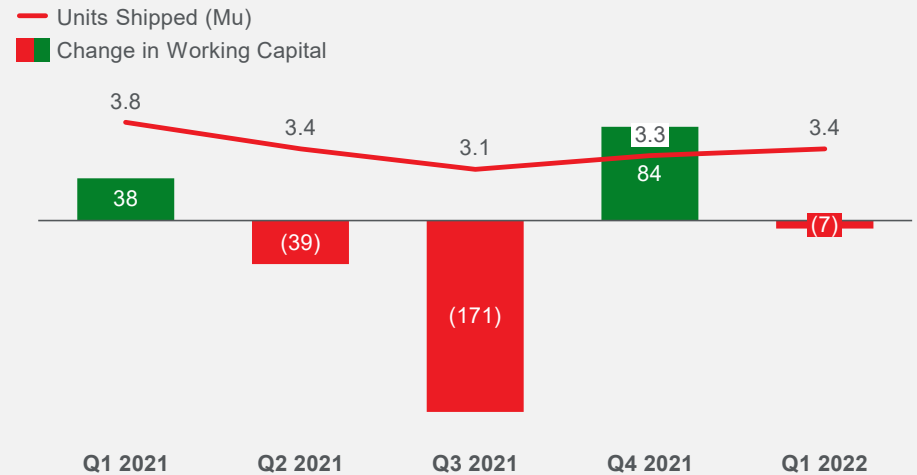
Adjusted EBITDA to Adjusted Free Cash Flow Walk

Q1 Adjusted EBITDA to Adjusted Free Cash Flow



¹ \$21M Cash interest; \$10M Factoring and p-notes

Working Capital Change Impacted by Volume Volatility



- Adjusted free cash flow impacted by significant production slow down due to macroeconomic conditions
- Series B interest accretion of \$11M included in operational cash flow (related to early repayment of \$197M)
- Capital expenditure carry-over spend of 2021 projects
- Working capital slightly negative due to supply chain constraints limiting OEM production driving higher inventories

Delivering positive Adjusted FCF despite a challenging environment

Liquidity and Capital Resources

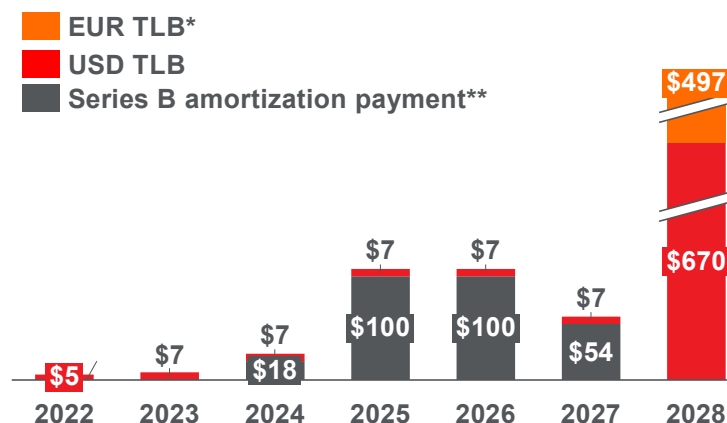
Liquidity	Q4 2021	Q1 2022
Unrestricted Cash	\$423M	\$315M
Undrawn Revolver Credit Facility	\$297M	\$473M
Total ¹	\$720M	\$788M

Debt	Q4 2021	Q1 2022
Term Loans ³	\$1,223M	\$1,208M
Series B	\$395M	\$204M
Total	\$1,618M	\$1,412M

Market Capitalization	Q4 2021	Q1 2022
Common – 65 million shares	\$518M	\$464M
Series A – 246 million shares	\$2,061M	\$2,032M
Total	\$2,579M	\$2,496M

¹ Excluding Restricted cash of \$41M in Q421 and \$5M in Q122
² Reconciliations of Non-GAAP financial measures are included in Appendix
³ See slide 20 for reconciliation

Debt and Series B Maturities



*€450 million; ** Annual payments on April 30 from 2024 onwards; Honeywell may have the right to redeem the Series B Preferred Stock in accordance with its terms as of December 30th, 2022.

- Partially redeemed Series B preferred stock for \$197M
- Secured additional RCF capacity commitment by \$175M, to an aggregate amount of \$475M in March
- Gross and Net Debt to LTM Consolidated EBITDA² was 2.41x and 1.88x from 2.64x and 1.95x in Q4 2021 including Series B preferred stock, respectively.

2022 Outlook

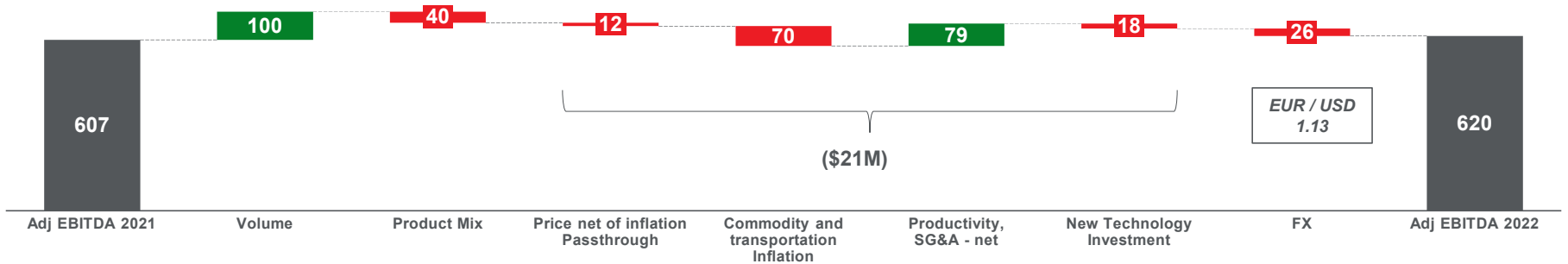
	Revised Outlook (April 28 th)	Prior Outlook (February 14 th)
Net Sales	\$3.5 billion to \$3.7 billion	\$3.7 billion to \$4.0 billion
Net Sales Growth at Constant Currency¹	+1% to +6%	+4% to +13%
Net Income	\$250 million to \$295 million	\$295 million to \$340 million
Adjusted EBITDA¹	\$530 million to \$590 million	\$590 million to \$650 million
Net Cash Provided By Operating Activities	\$405 million to \$505 million	\$485 million to \$585 million
Adjusted Free Cash Flow¹	\$330 million to \$430 million	\$400 million to \$500 million
Planning Assumptions	<ul style="list-style-type: none"> • Global light vehicle auto production flat from ~77M engines in 2021 (vs 7% growth prior guidance) • R&D (new technology investments) increasing from 4.3% in 2021 to 4.8% in 2022 	

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

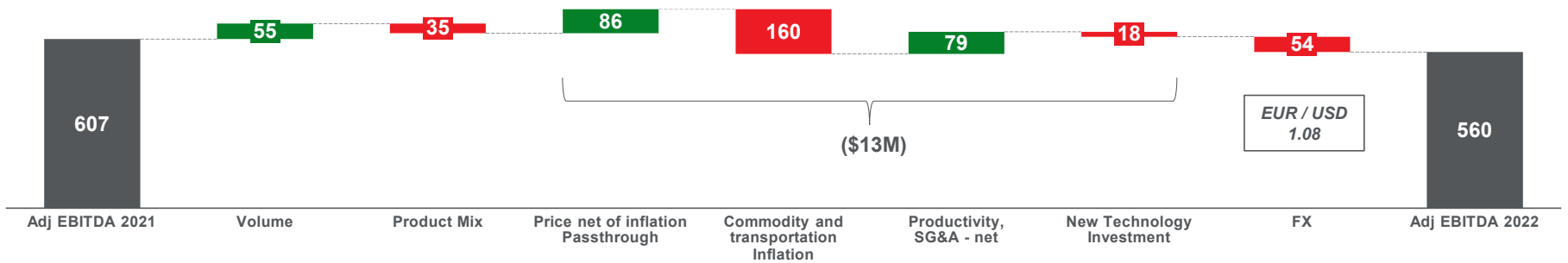
Focused execution to adapt to a volatile macro environment and lower EUR to USD

2022 Outlook Adjusted EBITDA walk

Prior Outlook: 80.1 Mu Light Vehicles (+7% vs 2021)



Revised Outlook: 77Mu Light Vehicles (Flat vs 2021)



Variations:	(\$45M)	+\$5M	+\$98M	(\$90M)	-	-	(\$28M)	(\$60M)
			+\$8M					

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

Inflation recovery through productivity enhancements and additional cost pass-through

Q1 2022 Summary

- Net sales of **\$901M**, down 6%¹ from Q1 2021
- Generated **\$146M** in Adjusted EBITDA¹ down 17% from Q1 2021
- Adjusted EBITDA margin¹ down 150 b.p. from Q1 2021 to **16.2%** in an inflationary environment
- Reduced net leverage to **1.88x** including Series B Preferred Stock from 1.95x in Q4 2021
- Increased total liquidity to **\$788M** from \$720M in Q4 2021; RCF increased to **\$475M**
- Revised 2022 guidance to reflect supply chain constraints lowering LV production and FX rates



Turbo Technology



Electric & Hybrid



Connected Vehicles

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

Appendices



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Income Statement



<i>(\$ in millions)</i>	Q1 2022	Q1 2021
Net sales	\$901	\$997
Cost of goods sold	726	801
Gross profit	175	196
Selling, general and administrative expenses	53	55
Other expense, net	1	1
Interest expense	23	21
Non-operating (income) expense	(28)	26
Reorganization items, net	1	174
Income (Loss) before taxes	\$125	(\$81)
Tax expense (loss)	37	24
Net income (loss)	\$88	(\$105)
Less: preferred dividend	(\$38)	\$0
Net income available to common shareholders	\$50	(\$105)

Balance Sheet Summary

(\$ in millions)

	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$315	\$423
Restricted cash	5	41
Other current assets	1,160	1,047
Total current assets	1,480	1,511
Property, plant and equipment-net	469	485
Deferred income taxes	278	289
Other assets	461	421
Total assets	\$2,688	\$2,706
Liabilities		
Total current liabilities	1,380	1,508
Long-term debt	1,166	1,181
Other liabilities	499	485
Total liabilities	\$3,045	\$3,174
Equity (deficit)		
Common stock, par value	0	0
Additional paid-in capital	1,327	1,326
Retained deficit	(1,703)	(1,790)
Accumulated other comprehensive income (loss)	19	(4)
Total deficit	(357)	(468)
Total liabilities and deficit	\$2,688	\$2,706

Summary of Cash Flows

<i>(\$ in millions)</i>	Q1 2022	Q1 2021
Net income (loss)	\$88	(\$105)
Net cash provided by operating activities	73	32
Net cash used for investing activities	(29)	(17)
Net cash used for financing activities	(196)	(101)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	8	(30)
Net decrease in cash, cash equivalents and restricted cash	(144)	(116)
Cash, cash equivalents and restricted cash at beginning of the period	464	693
Cash, cash equivalents and restricted cash at the end of the period	\$320	\$577

Reconciliation of Constant Currency Sales % Change

Garrett	Q1 2022	Q1 2021
Reported sales % change	(10%)	34%
Less: Foreign currency translation	(4%)	8%
Constant Currency sales % change	(6%)	26%
Gasoline		
Reported sales % change	(7%)	46%
Less: Foreign currency translation	(2%)	10%
Constant Currency sales % change	(5%)	36%
Diesel		
Reported sales % change	(19%)	31%
Less: Foreign currency translation	(5%)	10%
Constant Currency sales % change	(14%)	21%
Commercial vehicles		
Reported sales % change	(10%)	31%
Less: Foreign currency translation	(3%)	5%
Constant Currency sales % change	(7%)	26%
Aftermarket		
Reported sales % change	15%	11%
Less: Foreign currency translation	(4%)	5%
Constant Currency sales % change	19%	6%
Other Sales		
Reported sales % change	(24%)	13%
Less: Foreign currency translation	(5%)	6%
Constant Currency sales % change	(19%)	7%

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 (Loss) to Adjusted EBITDA and LTM Consolidated EBITDA



(\$ in millions)							Last Twelve Months (LTM)	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q4 2021	Q1 2022	
Net income - GAAP	(\$105)	\$409	\$63	\$128	\$88	\$495	\$688	
Net interest expense	20	23	24	15	(4)	82	58	
Tax expense (benefit)	24	30	28	(39)	37	43	56	
Depreciation	23	24	23	22	22	92	91	
EBITDA (Non-GAAP)	(\$38)	\$486	\$138	\$126	\$143	\$712	\$893	
Other expense, net (includes expense incurred to discount or factor the Company's receivables)	0	0	0	0	1	0	0	
Non-operating income	(3)	(3)	(3)	(3)	(2)	(12)	(10)	
Reorganization items, net	174	(295)	(9)	5	1	(125)	(298)	
Stock compensation expense	2	1	2	2	2	7	7	
Repositioning charges	8	3	3	2	1	16	9	
Foreign exchange (gain) loss on debt, net of related hedging (gain) loss	33	(24)	0	0	0	9	(24)	
Professional service costs	0	0	1	(1)	0	0	0	
Capital tax expense	0	0	2	(2)	0	0	0	
Adjusted EBITDA (Non-GAAP)	\$176	\$168	\$134	\$129	\$146	\$607	\$577	
Unrealized Foreign exchange loss (gain)	(2)	2	3	(1)	(1)	2	3	
Interest Income	1	1	1	1	2	4	5	
Consolidated EBITDA	\$175	\$171	\$138	\$129	\$147	\$613	\$585	
Net sales	\$997	\$935	\$839	\$862	\$901	\$3,633	\$3,537	
Net income/(loss) margin	-10.5%	43.7%	7.5%	14.8%	9.8%	13.6%	19.5%	
Adjusted EBITDA margin	17.7%	18.0%	16.0%	15.0%	16.2%	16.7%	16.3%	

Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow



<i>(\$ in millions)</i>	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net cash provided by operating activities (GAAP)	\$73	\$136	(\$55)	(\$423)	\$32
Expenditures for property, plant and equipment	(29)	2	(34)	(22)	(18)
Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)	44	138	(89)	(445)	14
Stalking horse termination reimbursement	0	0	0	0	79
Chapter 11 Professional service costs	2	8	0	146	66
Honeywell Settlement as per Emergence Agreement	0	0	0	375	0
Chapter 11 related cash interests ¹	0	0	0	38	3
Stock compensation cash	0	0	0	9	1
Repositioning cash	2	7	3	2	2
Factoring and P-notes	(10)	(2)	23	14	(25)
Adjusted free cash flow (Non-GAAP)²	\$38	\$151	(\$63)	\$139	\$140

¹ Q1 2021 Chapter 11 related cash interests increased by \$3M, after full reconciliation of all reorganizational items done in Q4 2021

² 2021 Adjusted FCF reported numbers were restated to reflect updated definition which excludes liquidity actions such as sales of receivables.

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

(\$ in millions)	Q1 2022	Q4 2021
Long-term term debt	\$1,166	\$1,181
Short-term term debt	7	7
Deferred finance costs	35	35
Gross Debt	\$1,208	\$1,223
Series B preferred Stock	204	395
Gross Debt including Series B preferred Stock	\$1,412	\$1,618
Cash and cash equivalents	\$315	\$423
Net Debt	\$893	\$800
Net Debt including Series B preferred Stock	\$1,097	\$1,195
Consolidated EBITDA	\$585	\$613
Gross Debt to Consolidated EBITDA	2.06x	2x
Gross Debt including Series B preferred Stock to Consolidated EBITDA	2.41x	2.64x
Net Debt to Consolidated EBITDA	1.53x	1.31x
Net Debt including Series B preferred Stock to Consolidated EBITDA	1.88x	1.95x

Full Year 2022 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency



	2022 Full Year Low End	2022 Full Year High End
Net sales (% change)	(4%)	1%
Foreign currency translation	(5%)	(5%)
Full Year 2022 outlook Net Sales Growth at Constant Currency	1%	6%

Full Year 2022 Outlook Reconciliation of Net Income to Adjusted EBITDA



<i>(\$ in millions)</i>	2022 Full Year Low End	2022 Full Year High End
Net income - GAAP	\$250	\$295
Net interest expense	86	86
Tax expense	85	100
Depreciation	97	97
Full year 2022 outlook EBITDA (Non-GAAP)	\$518	\$578
Non-operating income	(2)	(2)
Reorganization items, net	1	1
Stock compensation expense	8	8
Repositioning charges	5	5
Full Year 2022 Outlook Adjusted EBITDA (Non-GAAP)	\$530	\$590

Full Year 2022 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow



<i>(\$ in millions)</i>	2022 Full Year Low End	2022 Full Year High End
Net cash provided by operating activities (GAAP)	\$405	\$505
Expenditures for property, plant and equipment	(90)	(90)
Cash payments for restructuring	13	13
Non-recurring cash items	2	2
Full year 2022 outlook Adjusted Free Cash Flow (Non-GAAP)	\$330	\$430

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