

February 14, 2023

# Q4 AND FULL YEAR 2022 FINANCIAL RESULTS



## Forward Looking Statements

This release contains “forward-looking statements” within the Private Securities 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 inflationary pressure on Garrett's business and management's inflation mitigation strategies, financial results and financial conditions, industry trends and anticipated demand for our products, Garrett's strategy, anticipated supply constraints, including with respect to semiconductor, anticipated developments in emissions standards, trends including with respect to production volatility and volume, 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 2023. 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, 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

## 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 net 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, 2022.

# 2022 Highlights

## Strong 2022 Performance

### Q4 2022

- Net Sales **\$898M**; **+4%** GAAP; **+15%** at Constant Currency<sup>1</sup>
- Adjusted EBITDA<sup>1</sup> of **\$140M** vs \$129M in Q4 2021
- Adjusted Free Cash Flow<sup>1</sup> **\$132M** In Q4 2022

### Full Year 2022

- Net Sales **\$3,603M**; **-1%** GAAP basis; **+8%** at constant currency<sup>1</sup> vs 2021, outpacing estimated Global LV production by **~200** bps
- Adjusted EBITDA<sup>1</sup> of **\$570M**<sup>1</sup>
- Adjusted FCF<sup>1</sup> of **\$313M**

## Managed Macro Volatility

- Adjusted EBITDA margin<sup>1</sup> of **15.8%**, down (90) bps vs. **16.7%** in 2021, of which (80) bps impact is from FX and inflation pass-through
- Full inflation pass-through and productivity offset inflationary pressures including energy
- Continued to flex variable costs to offset on-going
  - production volatility
  - supply chain disruptions
  - lower demand in China during lockdowns
- The higher margin commercial vehicle and aftermarket products account for **31%** of full year sales

## Enhanced Financial Flexibility

- Simplified and deleveraged balance sheet by redeeming Series B
- Dividend on Series A paid in cash for 3Q and 4Q, supported by Adjusted FCF generation
- Low interest payments at favorable rates; **80%** long-term debt at fixed rates
- Strong liquidity position of **\$721M**<sup>1</sup>; no significant maturities until 2028

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

# Turbo business performance enhanced by differentiated technology **Garrett** ADVANCING MOTION

## Strong turbo performance across use cases



**Gasoline Turbo penetration keeps growing**, from 47% in '22 to 51% by '25<sup>1</sup>; **Gasoline turbos** serve 50% of hybrid platforms in '22, growing to 57% by '25<sup>1</sup>

**Gasoline VNT turbo**, a key GTX innovation, is growing ~3x by '25<sup>1</sup>; VNT will be 35% of GTX gasoline business in '25

**Diesel turbo** remains resilient, as Light Commercial Vehicles represent ~50% of GTX diesel volumes, growing



**On-highway turbo** business equally resilient, with On-Highway industry expected to grow 22% from '22 to '25<sup>2</sup>

**Off-highway turbo** adoption increasing from 52% in '22, to 60% by '25<sup>3</sup>

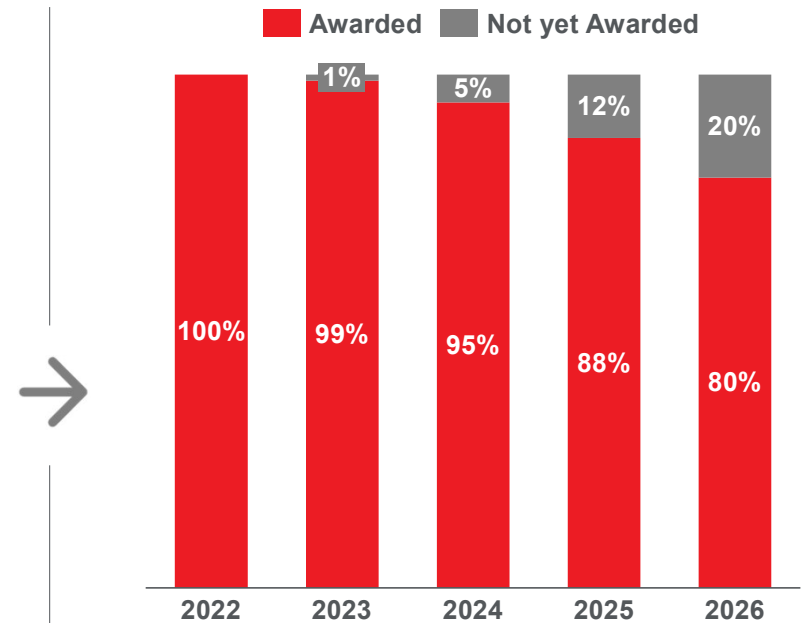


**E-Turbo and E-Compressor** GTX solutions keep gaining volumes for **hybrids**, with major win

**Hydrogen ICE** delivers near zero emissions, with highly engineered turbos; GTX first launch by end of 2023

Sources: (1) S&P Mobility (IHS) on Light Vehicles; (2) KGP "On-highway"; (3) KGP "Agriculture", "Material Handling" and "Construction"

## Winning business for the years to come



- Garrett's **win-rate** of ~50% since 2018; to drive share-of-demand gains
- Strong **visibility** on future sales

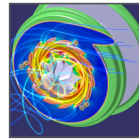
**Resilient core business based on highly successful technology differentiation**

# Driving differentiation in electrification

## Garrett's key differentiated capabilities...

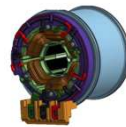
- **Turbomachines**

*High precision component design & assembly, hi speed balancing*



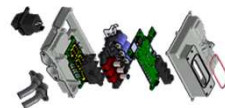
- **High-speed motors**

*Garrett E-Turbo e-motor can rotate in excess of 200,000 RPM, allowing smallest packaging for the power*



- **Power electronics**

*High-power density and high-switching speed, up to 30,000 Hz*



- **Control software**

*Pioneering Model Predictive Controls within automotive space*



## ...enable advanced electrification solutions

- **Battery Electric:** Garrett's **first** differentiated high-speed E-Axle pre-development project awarded with a major global OEM



10+ customers engaged  
First Pre-dev contract WON



- **Fuel Cell:** continuing to win series development awards for commercial vehicle applications & providing approx. 200 prototypes to key innovators



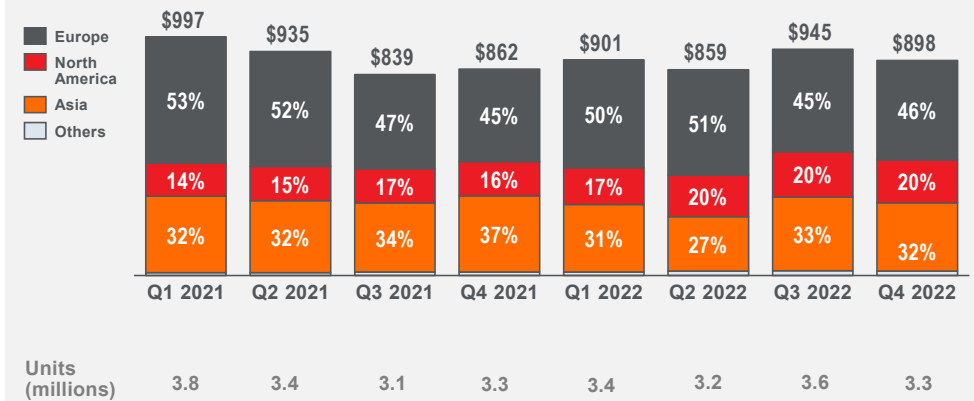
15+ customers engaged  
~200 prototypes delivered  
3 series production contracts WON with OEMs in '22  
(1 in NA, 1 in CN, 1 in EU)



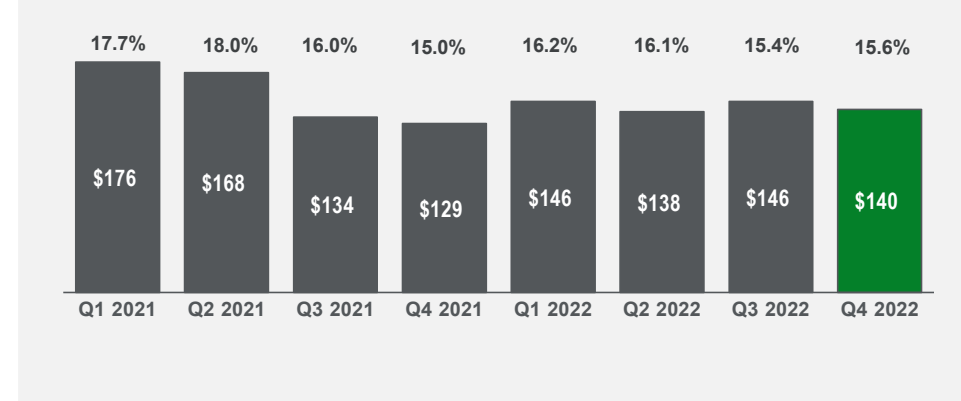
Differentiated capabilities enable advanced electrification solutions

# Key financial metrics: Q1 2021 – Q4 2022

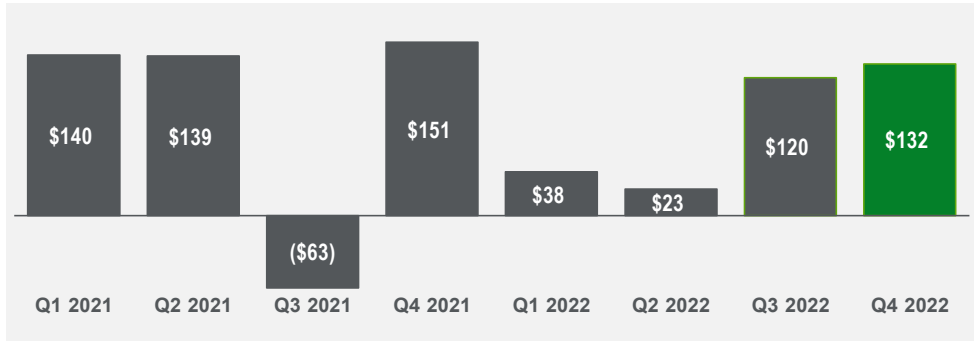
Reported Net Sales (\$M)



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



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



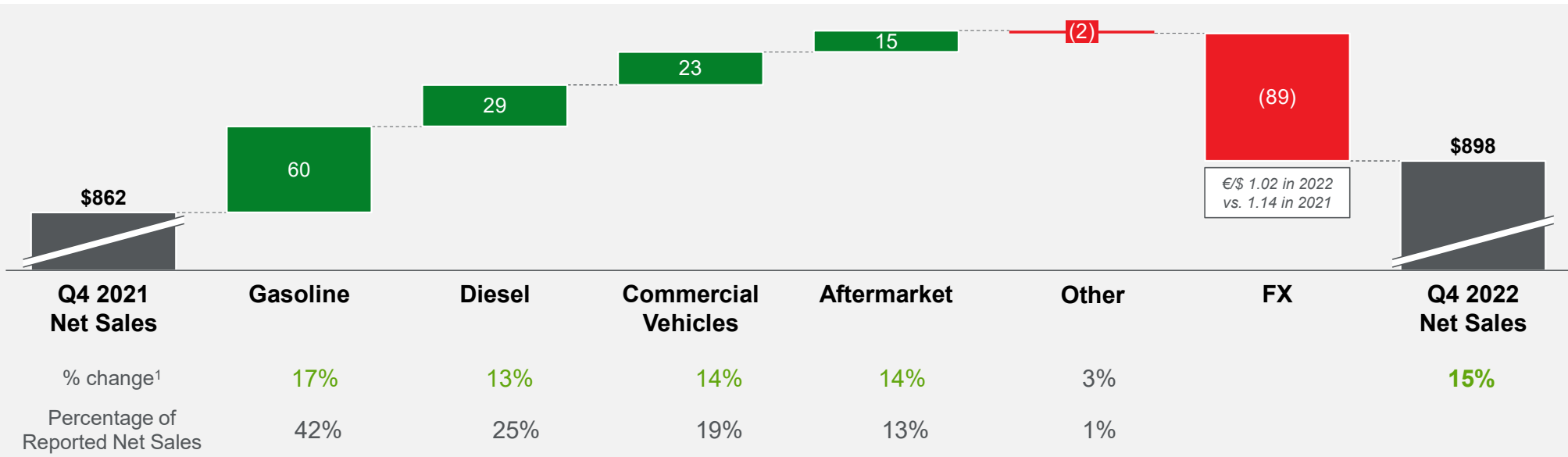
- Net Sales up 4% GAAP basis in Q4 2022 vs Q4 2021, 15% at constant currency<sup>1</sup> due to inflation pass-through and favorable mix
- Strong Adjusted EBITDA margin<sup>1</sup> of 15.6% up from 15.0% in Q4 2021; includes (70) bp impact from FX and inflation pass-through
- Adjusted FCF<sup>1</sup> of \$132M, converting earnings into cash

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

Strong operating performance benefiting from inflation pass-through

# Net Sales bridge: Q4 2021 – Q4 2022

(\$M)



- Net sales up 4% GAAP basis, +15% at constant currency<sup>1</sup>
- Double digit sales growth driven by:
  - Successfully pass-through of inflation in a flat volume environment
  - Sales improved across all verticals; mix improvement primarily due to Commercial Vehicles and Aftermarket

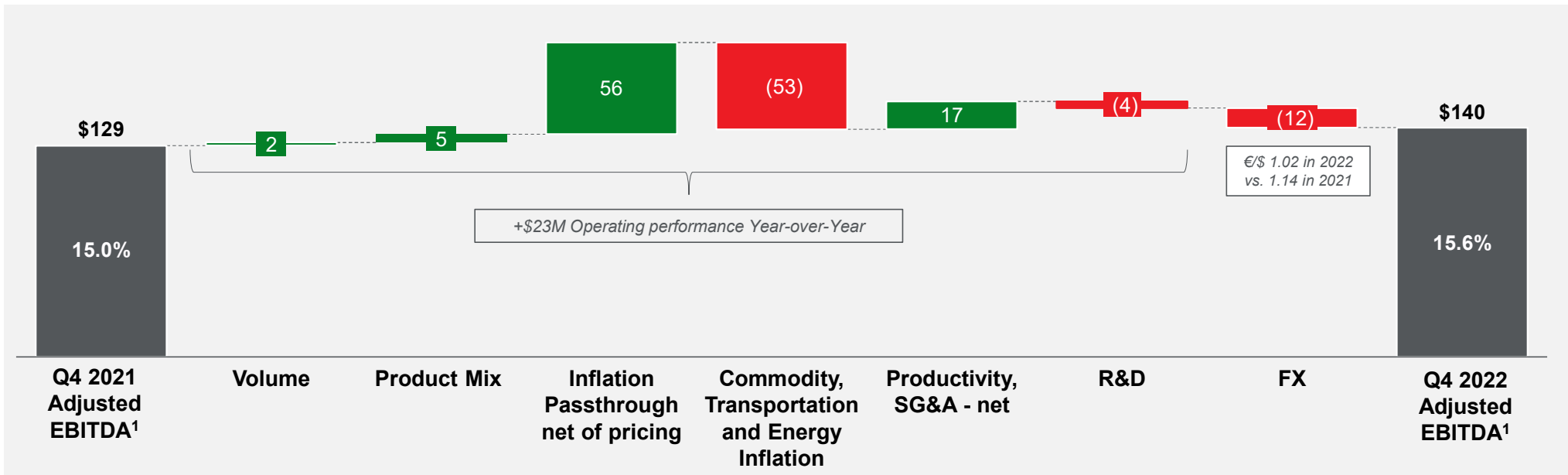
<sup>1</sup>All growth rates are at constant currency and are reconciled to the nearest GAAP measure in Appendix.

**Sales growth driven by improved mix and inflation pass-through partially offset by FX**

# Adjusted EBITDA<sup>1</sup> bridge: Q4 2021 – Q4 2022



(\$M)



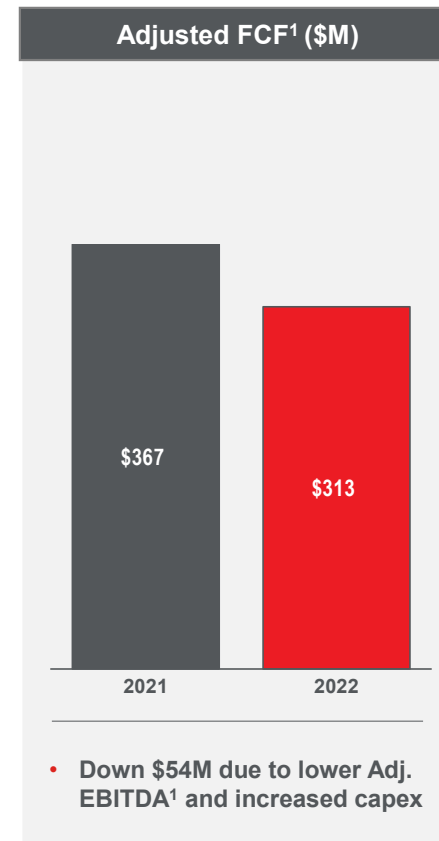
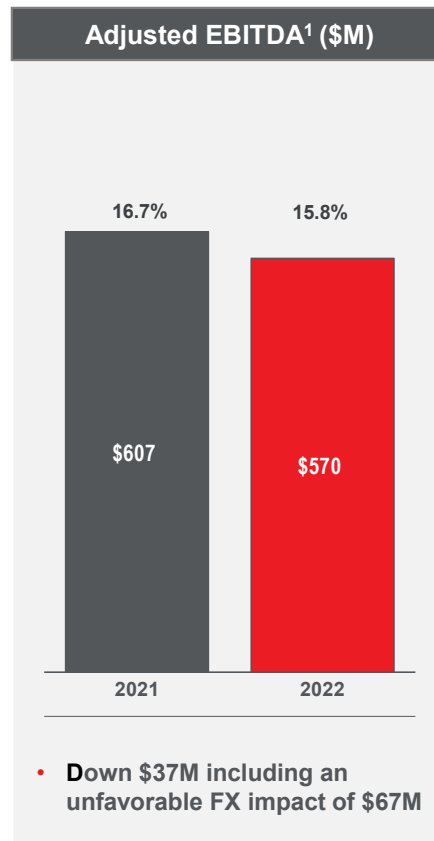
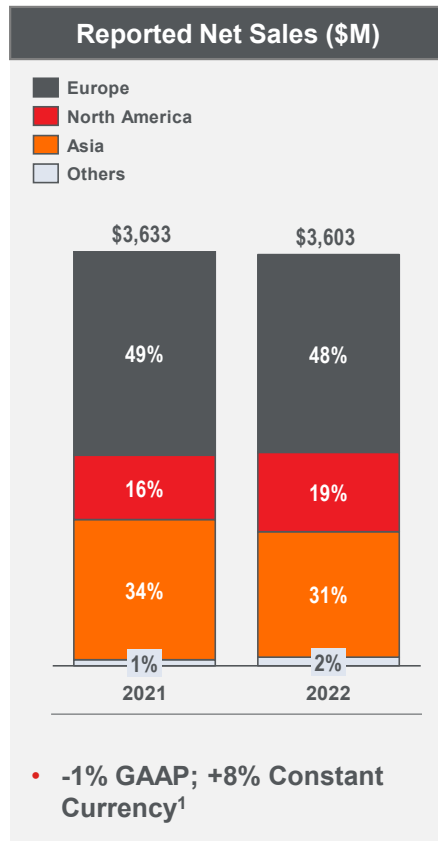
- Strong operating performance driven by inflation pass-through, improved product mix and productivity; up by \$23M vs 2021
- Adjusted EBITDA margin<sup>1</sup> **15.6%** up from prior year; includes (90) bps margin dilution from inflation pass-through partially offset by 20 bps margin improvement from FX
- Continuing to increase investment in R&D focusing on electrification technologies

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

**Delivered improved results in a flat volume environment offsetting inflation and a weaker Euro**



# Key financial metrics: 2021 – 2022



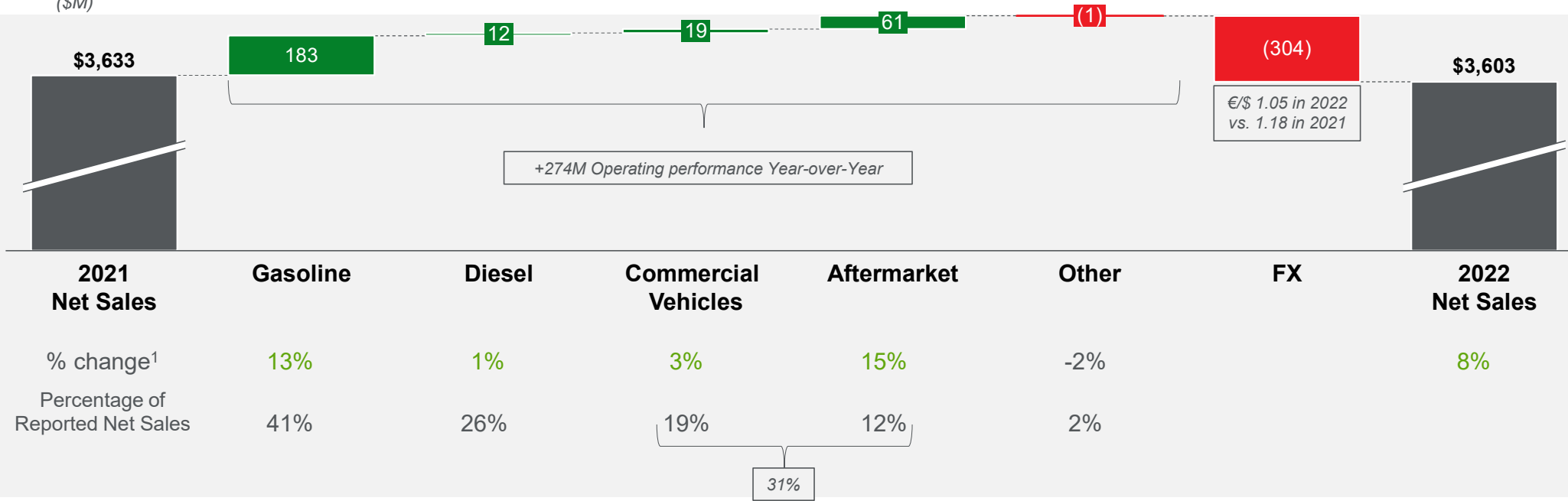
<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix.

**Strong operational performance in an adverse inflationary and FX environment**

# Net Sales bridge: 2021 – 2022



(\$M)

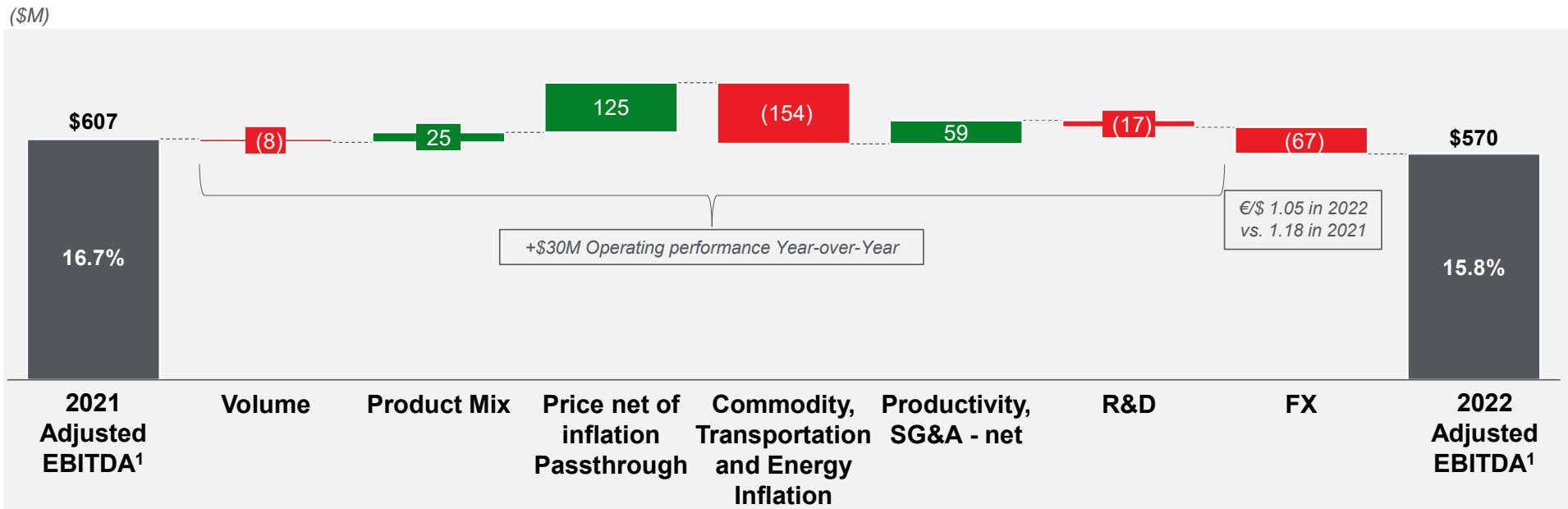


- Net sales down 1% GAAP basis, +8% at constant currency. Sales growth across all products driven by:
  - Passed-through inflation in a flat volume environment
  - Improved mix primarily driven by high margin Commercial Vehicle and Aftermarket products
  - Higher gasoline volumes offset by lower Diesel and Commercial Vehicle

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

**Sales growth driven by improved mix and inflation pass-through offset by FX**

# Adjusted EBITDA<sup>1</sup> bridge: 2021 – 2022



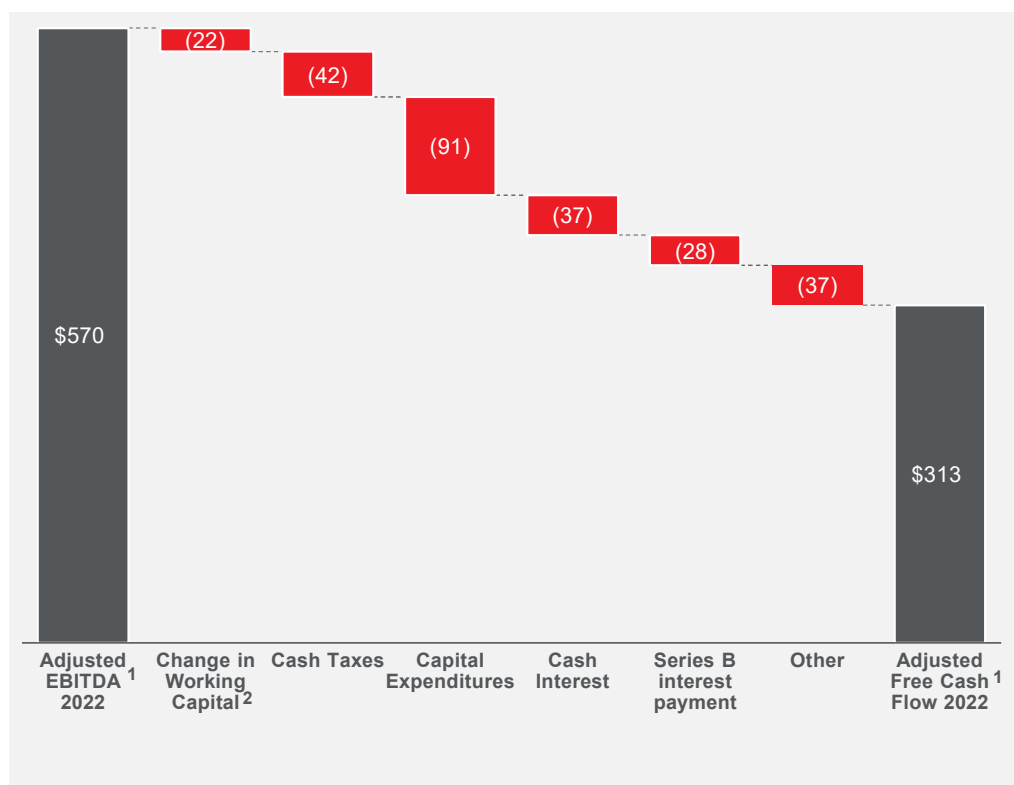
- Delivering productivity and passing through inflation
- Increased investment in R&D: >50% directed to electrification technologies
- Adjusted EBITDA margin<sup>1</sup> of 15.8% includes (80) bps margin dilution from FX and inflation pass-through

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

**Strong operational performance impacted by FX headwind**

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

(\$M)



- Use of working capital driven by lower volumes in Q4 versus Q3
- Capital expenditures includes **\$8.7M** for electrification technologies and E-Boosting
- Final interest payment due to **full** redemption of Series B
- Other includes:
  - employee incentive cash payments
  - timing differences between other expense accruals and cash payments

<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix  
<sup>2</sup> Change in Working Capital excludes the impact of \$20M Factoring and p-notes

**Solid Adjusted Free Cash Flow generation in a volatile environment**

## Liquidity and Capital Resources

(\$M)

Liquidity	Q4 2021	Q3 2022	Q4 2022
Unrestricted Cash	423	159	246
Undrawn Revolver Credit Facility	297	475	475
Total <sup>1</sup>	720	634	721

Debt	Q4 2021	Q3 2022	Q4 2022
Term Loan B <sup>2</sup>	1,223	1,146	1,186
Series B	395	0	0
Total	1,618	1,146	1,186

Market Capitalization	Q4 2021	Q3 2022	Q4 2022
Common – 65M Q4 22 shares	518	366	494
Series A – 245M Q4 22 shares	2,061	1,745	2,132
Total	2,579	2,111	2,626

- Strong liquidity position of **\$721M**; unrestricted cash increased by \$97M Q4'22 vs. Q3 '22 after payment of \$42M in Series A dividend settled on Jan 3, 2023
  - Continued Series A share repurchases of **\$2.5M** in Q4
  - Dividend paid in cash for Q3 and Q4 on Series A stock totaling \$83M
- Improved leverage ratio<sup>2</sup> vs prior year - LTM Net Debt to Consolidated EBITDA<sup>1</sup> decreased to **1.64x** in Q4 2022 from **1.95x** in Q4 2021
  - Robust cash generation has enabled **\$595M** in Series B stock payoff in total since emergence
  - Received a debt rating upgrade in early 2022; increase in Term Loan B in Q4 due to FX rate change on EUR 450M tranche
- No significant maturities until 2028
- **80%** long-term debt at fixed rates; increased RCF

<sup>1</sup> Excluding Restricted cash of \$41M in Q421, \$2M in Q322 and \$2M in Q422

<sup>2</sup> See slide 23 for reconciliation

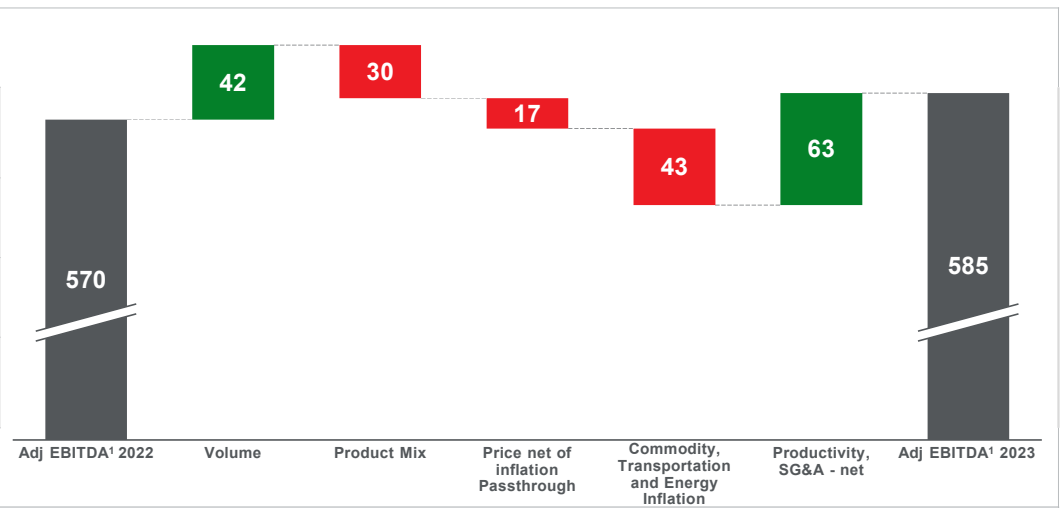
Redeemed Pref B in full, initiated Series A cash dividend and maintained strong liquidity

# 2023 outlook



Outlook is based on flat global light vehicle production and €/€ at 1.05 – flat to 2022. The 2023 outlook shows growth in sales due to our growing share-of-demand and turbo penetration

<b>Net Sales</b>	<ul style="list-style-type: none"> <li>\$3.55B to \$3.85B</li> </ul>
<b>Net Sales Growth at Constant Currency<sup>1</sup></b>	<ul style="list-style-type: none"> <li>+1% to +6%</li> </ul>
<b>Net Income</b>	<ul style="list-style-type: none"> <li>\$255M to \$300M</li> </ul>
<b>Adjusted EBITDA<sup>1</sup></b>	<ul style="list-style-type: none"> <li>\$555M to \$615M</li> </ul>
<b>Net Cash Provided By Operating Activities</b>	<ul style="list-style-type: none"> <li>\$390M to \$490M</li> </ul>
<b>Adjusted Free Cash Flow<sup>1</sup></b>	<ul style="list-style-type: none"> <li>\$300M to \$400M</li> </ul>
<b>Planning Assumptions</b>	<ul style="list-style-type: none"> <li>2023 light vehicle industry production in line with 2022</li> <li>2023 assumed volume of 14 million units reflecting share-of-demand increases</li> <li>2023 €/€ assumption of 1.05 flat to 2022</li> <li>R&amp;D investment at 4.6% of sales in 2023 flat to 2022, &gt;50% on electrification technologies</li> <li>Capital expenditures at 2.4% of sales, 20% into electrification technologies</li> </ul>



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

## 2022 summary



- Net sales of **\$3.6B**, -1% GAAP basis, +6% at constant currency<sup>1</sup>
- Strong operating performance of **\$570M** in Adjusted EBITDA<sup>1</sup>; successfully offset inflation
- Strong Adjusted EBITDA margin<sup>1</sup> of **15.8%** includes (80) bps from FX and inflation pass-through
- Series A dividends for Q3 and Q4 paid in cash, supported by Adjusted Free Cash Flow<sup>1</sup> of **\$313M**
- **>50%** of R&D on electrification technologies: pre-development contracts with major OEM's
- Positioned to **grow** in a flat Industry: new launches and growing **share-of-demand** in 2023
- 2023 Mid-point outlook of **\$585M** Adjusted EBITDA<sup>1</sup> and **\$350M** Adjusted Free Cash Flow<sup>1</sup>

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

**Strong 2022 results | Winning electrification contracts | 2023 growth in a flat industry**

## Appendices

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# Income Statement



<i>(\$ in millions)</i>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>
<b>Net sales</b>	<b>\$898</b>	<b>\$862</b>	<b>\$3,603</b>	<b>\$3,633</b>
Cost of goods sold	737	707	2,920	2,926
<b>Gross profit</b>	161	155	683	707
Selling, general and administrative expenses	52	50	216	216
Other expense, net	0	0	2	1
Interest expense	21	23	82	93
Loss on extinguishment of debt	0	0	5	0
Non-operating income	(48)	(12)	(121)	(16)
Reorganization items, net	1	5	3	(125)
<b>Income before taxes</b>	<b>\$135</b>	<b>\$89</b>	<b>\$496</b>	<b>\$538</b>
Tax expense/(benefit)	23	(39)	106	43
<b>Net income</b>	<b>\$112</b>	<b>\$128</b>	<b>\$390</b>	<b>\$495</b>
Less: preferred stock dividend	(\$40)	(\$37)	(\$157)	(\$97)
<b>Net income available for distribution</b>	<b>\$72</b>	<b>\$91</b>	<b>\$233</b>	<b>\$398</b>

# Balance Sheet Summary



(\$ in millions)

<b>Assets</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash and cash equivalents	\$246	\$423
Restricted cash	2	41
Other	1,183	1,047
<b>Total current assets</b>	<b>1,431</b>	<b>1,511</b>
Property, plant and equipment-net	470	485
Deferred income taxes	232	289
Other	504	421
<b>Total assets</b>	<b>\$2,637</b>	<b>\$2,706</b>
<b>Liabilities</b>		
Total current liabilities	1,375	1,508
Long-term debt	1,148	1,181
Other	230	485
<b>Total liabilities</b>	<b>\$2,753</b>	<b>\$3,174</b>
<b>Equity (deficit)</b>		
Common stock, par value	0	0
Additional paid-in capital	1,333	1,326
Retained deficit	(1,485)	(1,790)
Accumulated other comprehensive income (loss)	36	(4)
<b>Total deficit</b>	<b>(116)</b>	<b>(468)</b>
<b>Total liabilities and deficit</b>	<b>\$2,637</b>	<b>\$2,706</b>

# Summary of Cash Flows



<i>(\$ in millions)</i>	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Net income</b>	<b>\$112</b>	<b>\$128</b>	<b>\$390</b>	<b>\$495</b>
<b>Net cash provided by (used for) operating activities</b>	<b>137</b>	<b>136</b>	<b>375</b>	<b>(310)</b>
<b>Net cash (used for) provided by investing activities</b>	<b>(13)</b>	<b>2</b>	<b>(91)</b>	<b>(71)</b>
<b>Net cash (used for) provided by financing activities</b>	<b>(46)</b>	<b>(223)</b>	<b>(482)</b>	<b>139</b>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	9	15	(18)	13
Net increase / (decrease) in cash, cash equivalents and restricted cash	87	(70)	(216)	(229)
<b>Cash, cash equivalents and restricted cash at beginning of the period</b>	<b>161</b>	<b>534</b>	<b>464</b>	<b>693</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$248</b>	<b>\$464</b>	<b>\$248</b>	<b>\$464</b>

# Reconciliation of Constant Currency Sales % Change

Garrett	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Reported sales % change</b>	<b>4%</b>	<b>(14%)</b>	<b>(1%)</b>	<b>20%</b>
<b>Less: Foreign currency translation</b>	<b>(11%)</b>	<b>(1%)</b>	<b>(9%)</b>	<b>5%</b>
<b>Constant Currency sales % change</b>	<b>15%</b>	<b>(13%)</b>	<b>8%</b>	<b>15%</b>
<b>Gasoline</b>				
<b>Reported sales % change</b>	<b>6%</b>	<b>(15%)</b>	<b>5%</b>	<b>21%</b>
<b>Less: Foreign currency translation</b>	<b>(11%)</b>	<b>0%</b>	<b>(8%)</b>	<b>6%</b>
<b>Constant Currency sales % change</b>	<b>17%</b>	<b>(15%)</b>	<b>13%</b>	<b>15%</b>
<b>Diesel</b>				
<b>Reported sales % change</b>	<b>1%</b>	<b>(31%)</b>	<b>(9%)</b>	<b>14%</b>
<b>Less: Foreign currency translation</b>	<b>(12%)</b>	<b>(2%)</b>	<b>(10%)</b>	<b>5%</b>
<b>Constant Currency sales % change</b>	<b>13%</b>	<b>(29%)</b>	<b>1%</b>	<b>9%</b>
<b>Commercial vehicles</b>				
<b>Reported sales % change</b>	<b>4%</b>	<b>2%</b>	<b>(5%)</b>	<b>28%</b>
<b>Less: Foreign currency translation</b>	<b>(10%)</b>	<b>(1%)</b>	<b>(8%)</b>	<b>3%</b>
<b>Constant Currency sales % change</b>	<b>14%</b>	<b>3%</b>	<b>3%</b>	<b>25%</b>
<b>Aftermarket</b>				
<b>Reported sales % change</b>	<b>8%</b>	<b>16%</b>	<b>9%</b>	<b>23%</b>
<b>Less: Foreign currency translation</b>	<b>(6%)</b>	<b>(2%)</b>	<b>(6%)</b>	<b>2%</b>
<b>Constant Currency sales % change</b>	<b>14%</b>	<b>18%</b>	<b>15%</b>	<b>21%</b>
<b>Other Sales</b>				
<b>Reported sales % change</b>	<b>(7%)</b>	<b>(11%)</b>	<b>(11%)</b>	<b>0%</b>
<b>Less: Foreign currency translation</b>	<b>(10%)</b>	<b>(3%)</b>	<b>(9%)</b>	<b>2%</b>
<b>Constant Currency sales % change</b>	<b>3%</b>	<b>(8%)</b>	<b>(2%)</b>	<b>(2%)</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 Net Income (Loss) to Adjusted EBITDA and Full Year Consolidated EBITDA<sup>1</sup>



(\$ in millions)									Full Year (FY)	
	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	FY 2021
<b>Net income - GAAP</b>	<b>(\$105)</b>	<b>\$409</b>	<b>\$63</b>	<b>\$128</b>	<b>\$88</b>	<b>\$85</b>	<b>\$105</b>	<b>\$112</b>	<b>\$390</b>	<b>\$495</b>
Interest expense, net of interest income	20	23	24	15	(4)	8	(9)	11	6	82
Tax (benefit) expense	24	30	28	(39)	37	20	26	23	106	43
Depreciation	23	24	23	22	22	21	21	20	84	92
<b>EBITDA (Non-GAAP)</b>	<b>(\$38)</b>	<b>\$486</b>	<b>\$138</b>	<b>\$126</b>	<b>\$143</b>	<b>\$134</b>	<b>\$143</b>	<b>\$166</b>	<b>\$586</b>	<b>\$712</b>
Reorganization items, net	174	(295)	(9)	5	1	1	0	1	3	(125)
Stock compensation expense	2	1	2	2	2	3	3	3	11	7
Repositioning costs	8	3	3	2	1	2	1	0	4	16
Foreign exchange loss on debt, net of related hedging loss	33	(24)	0	0	0	0	0	0	0	9
Loss on extinguishment of debt	0	0	0	0	0	5	0	0	5	0
Other expense, net (includes expense incurred to discount or factor the Company's receivables)	0	0	0	0	1	0	1	0	2	0
Other non-operating income	(3)	(3)	(3)	(3)	(2)	(7)	(2)	(30)	(41)	(12)
Professional service costs	0	0	1	(1)	0	0	0	0	0	0
Capital tax expense	0	0	2	(2)	0	0	0	0	0	0
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$176</b>	<b>\$168</b>	<b>\$134</b>	<b>\$129</b>	<b>\$146</b>	<b>\$138</b>	<b>\$146</b>	<b>\$140</b>	<b>\$570</b>	<b>\$607</b>
Unrealized Foreign exchange loss (gain)	(2)	2	3	(1)	(1)	(1)	1	(3)	(4)	2
Interest Income	1	1	1	1	2	3	1	2	8	4
<b>Consolidated EBITDA</b>	<b>\$175</b>	<b>\$171</b>	<b>\$138</b>	<b>\$129</b>	<b>\$147</b>	<b>\$140</b>	<b>\$148</b>	<b>\$139</b>	<b>\$574</b>	<b>\$613</b>
<b>Net sales</b>	<b>\$997</b>	<b>\$935</b>	<b>\$839</b>	<b>\$862</b>	<b>\$901</b>	<b>\$859</b>	<b>\$945</b>	<b>\$898</b>	<b>\$3,603</b>	<b>\$3,633</b>
Net income/(loss) margin	-10.5%	43.7%	7.5%	14.8%	9.8%	9.9%	11.1%	12.5%	10.8%	13.6%
Adjusted EBITDA margin	17.7%	18.0%	16.0%	15.0%	16.2%	16.1%	15.4%	15.6%	15.8%	16.7%

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

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



(\$ in millions)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	FY 2021
Net cash provided by (used for) operating activities (GAAP)	\$32	(\$423)	(\$55)	\$136	\$73	\$104	\$61	\$137	\$375	(\$310)
Expenditures for property, plant and equipment	(18)	(22)	(34)	2	(29)	(23)	(26)	(13)	(91)	(72)
<b>Net cash provided by (used for) operating activities less expenditures for property, plant and equipment (Non-GAAP)</b>	<b>\$14</b>	<b>(\$445)</b>	<b>(\$89)</b>	<b>\$138</b>	<b>\$44</b>	<b>\$81</b>	<b>\$35</b>	<b>\$124</b>	<b>\$284</b>	<b>(\$382)</b>
Stalking horse termination reimbursement	79	0	0	0	0	0	0	0	0	79
Chapter 11 Professional service costs	66	146	0	8	2	1	1	1	5	220
Honeywell Settlement as per Emergence Agreement	0	375	0	0	0	0	0	0	0	375
Chapter 11 related cash interests	3	38	0	0	0	0	0	0	0	41
Stock compensation cash	1	9	0	0	0	0	0	0	0	10
Repositioning cash	2	2	3	7	2	1	1	0	4	14
Factoring and P-notes	(25)	14	23	(2)	(10)	(60)	83	7	20	10
<b>Adjusted free cash flow (Non-GAAP)</b>	<b>\$140</b>	<b>\$139</b>	<b>(\$63)</b>	<b>\$151</b>	<b>\$38</b>	<b>\$23</b>	<b>\$120</b>	<b>\$132</b>	<b>\$313</b>	<b>\$367</b>

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

<i>(\$ in millions)</i>	Q4 2022	Q4 2021
Long-term term debt	\$1,148	\$1,181
Short-term term debt	\$7	\$7
Deferred finance costs	\$31	\$35
<b>Gross Debt</b>	<b>\$1,186</b>	<b>\$1,223</b>
Series B preferred Stock	\$0	\$395
<b>Gross Debt including Series B preferred Stock</b>	<b>\$1,186</b>	<b>\$1,618</b>
<b>Cash and cash equivalents</b>	<b>\$246</b>	<b>\$423</b>
Net Debt	\$940	\$800
<b>Net Debt including Series B preferred Stock</b>	<b>\$940</b>	<b>\$1,195</b>
<b>Consolidated EBITDA LTM (Non-GAAP)</b>	<b>\$574</b>	<b>\$613</b>
Gross Debt to Consolidated EBITDA LTM	2.07x	2.00x
Gross Debt including Series B preferred Stock to Consolidated EBITDA LTM (Non-GAAP)	2.07x	2.64x
Net Debt to Consolidated EBITDA LTM	1.64x	1.31x
<b>Net Debt including Series B preferred Stock to Consolidated EBITDA LTM (Non-GAAP)</b>	<b>1.64x</b>	<b>1.95x</b>

# Full Year 2023 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency



	2023 Full Year Low End	2023 Full Year High End
Net sales (% change)	(1%)	7%
Foreign currency translation	(2%)	1%
<b>Full Year 2023 outlook Net Sales Growth at Constant Currency</b>	<b>1%</b>	<b>6%</b>



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



<i>(\$ in millions)</i>	<b>2023 Full Year Low End</b>	<b>2023 Full Year High End</b>
<b>Net income - GAAP</b>	<b>\$255</b>	<b>\$300</b>
Net interest expense	103	103
Tax expense	80	95
Depreciation	89	89
<b>Full year 2023 outlook EBITDA (Non-GAAP)</b>	<b>\$527</b>	<b>\$587</b>
Non-operating income	1	1
Stock compensation expense	19	19
Repositioning charges	8	8
<b>Full Year 2023 Outlook Adjusted EBITDA (Non-GAAP)</b>	<b>\$555</b>	<b>\$615</b>

# Full Year 2023 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow



<i>(\$ in millions)</i>	2023 Full Year Low End	2023 Full Year High End
<b>Net cash provided by operating activities (GAAP)</b>	<b>\$390</b>	<b>\$490</b>
Expenditures for property, plant and equipment	(90)	(90)
<b>Full year 2023 outlook Adjusted Free Cash Flow (Non-GAAP)</b>	<b>\$300</b>	<b>\$400</b>