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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): February 23, 2021**

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**GARRETT MOTION INC.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-38636**  
(Commission  
File Number)

**82-4873189**  
(I.R.S. Employer  
Identification Number)

**La Pièce 16, Rolle, Switzerland**  
(Address of principal executive offices)

**1180**  
(Zip Code)

**Registrant's telephone number, including area code: +41 21 695 30 00**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 7.01 Regulation FD Disclosure.**

As previously reported, on September 20, 2020 (the "Petition Date"), Garrett Motion Inc. (the "Company") and certain of its subsidiaries (collectively, the "Debtors") each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered under the caption "*In re Garrett Motion Inc.*, 20-12212."

The Company is making available a presentation (the "Presentation") to certain potential lenders participating in a meeting regarding the syndication of credit facilities to provide a portion of the exit financing for the Company and its subsidiaries following emergence from the Chapter 11 Cases. A copy of the Presentation is furnished as Exhibit 99.1 hereto.

The Presentation was prepared to facilitate discussions among the Company and its prospective lenders and not for use by other holders or prospective holders of the Company's securities and should not be relied upon to make an investment decision with respect to the Company. The Presentation includes estimated financial information and projections for the Company after giving effect to transactions that are expected to occur at the time of or prior to the Company's emergence from chapter 11. The estimated financial information and projections are subject to numerous assumptions, risks and limitations. The projections were prepared using information available at the time they were prepared and do not reflect all accounting adjustments that would occur upon emergence. The estimated financial information and projections have not been audited. All projections reflect numerous estimates and assumptions made by management of the Company with respect to its financial condition, the performance of its business and conditions within its industry, general economic, market and financial conditions and numerous other factors, including the impact of COVID-19. All of these factors are difficult to predict accurately and in many cases are outside of the Company's control. Finally, the financial information presented reflects assumptions about the terms of the Company's proposed exit financing and other post-emergence securities, including with respect to fees and interest rates, which may differ from actual fees or rates. Actual results may differ from those reflected in the historical and projected financial information included in the Presentation, and such differences may be material. The Presentation does not constitute and the Company has not made by making this Presentation available a representation to any person regarding the Company's future financial results or how any obligations will be treated as part of the reorganization. Many of the transactions set out in the Presentation remain subject to court approval. The Company may not pursue the contemplated transactions, or the terms of the contemplated transactions may change, and such changes may be material. Furthermore, the Company is not required to publicly update the Presentation to reflect more current facts or estimates or the occurrence of future events (1) if the facts, estimates and assumptions upon which the Presentation is based are erroneous, (2) if changes are made to any plan of reorganization, or (3) in other circumstances. Any projections or forecasts included in the Presentation were not prepared with a view toward public disclosure or compliance with the published guidelines of the U.S. Securities and Exchange Commission. The Company's independent accountants have not audited or performed any review procedures on the estimated information or projections contained in the Presentation. The Presentation includes certain measures that are not measures recognized under GAAP. These measures do not purport to be alternatives to measures presented in accordance with GAAP.

The Presentation does not constitute an offer to sell or a solicitation of an offer to buy securities.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

**Cautionary Information Regarding Trading in the Company's Securities.**

The Company's securityholders are cautioned that trading in the Company's securities during the pendency of the Chapter 11 Cases is highly speculative and poses substantial risks. Trading prices for the Company's securities may bear little or no relationship to the actual recovery, if any, by holders thereof in the Company's Chapter 11 Cases. Accordingly, the Company urges extreme caution with respect to existing and future investments in its securities.

## Forward-Looking Statements

This Current Report on Form 8-K and the exhibit hereto may contain “forward-looking statements” within the meaning of Section 21E of the Exchange Act, as amended. All statements, other than statements of fact, that address activities, events or developments that the Company or the Company’s management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. These include statements regarding the proposed financing and the other transactions that may occur as part of the reorganization, as well as the projections and all other forward-looking or pro forma financial information. Although the Company believes 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 the Company 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 the Company’s annual report on Form 10-K for the year ended December 31, 2020, as well as the Company’s other filings with the Securities and Exchange Commission, under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” In addition, plans relating to the proposed financing and other contemplated transactions may change, costs may increase, or financing or other contemplated transactions may not be available or able to be consummated on the proposed terms or at all. 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 the Company’s forward-looking statements.

### Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Lender Presentation, February 2021.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 23, 2021

Garrett Motion Inc.

By: /s/ Jerome Maironi

Jerome Maironi

Senior Vice President, General Counsel and Corporate Secretary



February 2021

## LENDER PRESENTATION

**Garrett**  
ADVANCING MOTION

## Forward Looking Statements

This presentation may contain “forward-looking statements” within the meaning of Section 21E of the Exchange Act, as amended. All statements, other than statements of fact, that address activities, events or developments that the Company or the Company’s management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. The Presentation includes estimated financial information and projections for the Company after giving effect to transactions that are expected to occur at the time of or prior to the Company’s emergence from chapter 11. All projections reflect numerous estimates and assumptions made by management of the Company with respect to its financial condition, the performance of its business and conditions within its industry, general economic, market and financial conditions and numerous other factors, including the impact of COVID-19. The financial information presented in this Presentation reflects assumptions about the terms of the Company’s proposed exit financing and other post-emergence securities, including with respect to fees and interest rates, which may differ from actual terms, including fees or rates, and such differences may be material. Although the Company believes 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 the Company 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 the Company’s annual report on Form 10-K for the year ended December 31, 2020, as well as in the Company’s other filings with the Securities and Exchange Commission, under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” In addition, many of the transactions set out in the Presentation remain subject to court approval, and the Company may not obtain financing or consummate the proposed transactions on the terms contemplated or at all. 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 the Company’s forward-looking statements.

## Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA and other financial measures not compliant with generally accepted accounting principles in the United States (“GAAP”). Adjusted EBITDA is adjusted for certain items as presented in the section of the Appendix titled Adj. EBITDA Walkdown 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 on going operations and in analysis of ongoing operating trends. Garrett believes that Adjusted EBITDA is an important indicator of operating performance because it excludes the effects of income taxes and certain other items, as well as the effects of financing and investing activities by eliminating the effects of interest and depreciation expenses and therefore more closely measures our operational performance. The non-GAAP metrics included in this presentation should be considered in addition to, and not as replacements for, the most comparable GAAP measure. For additional information, see our annual report on Form 10-K for the year ended December 31, 2020.

## Today's presenters



**Olivier Rabiller**  
CEO, Garrett



**Sean Deason**  
CFO, Garrett

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Transaction overview

**Garrett**  
ADVANCING MOTION



# Transaction highlights

- Garrett Motion Inc. ("Garrett" or the "Company") designs, manufactures and sells highly engineered turbocharger and electric-boosting technologies for light and commercial vehicle OEMs and the aftermarket. Garrett's leading technology infrastructure is a competitive differentiator and a critical component of their ongoing success. The existing platform includes 5 R&D centers, ~1,200 engineers, and 1,400+ patents with 100 new patents issued annually.
  - 2021E Net sales: \$3,485MM
  - 2021E Adjusted EBITDA: \$520MM (14.9% Adjusted EBITDA margin)
- On September 20, 2020, the Company filed for Chapter 11 to effectuate a pre-arranged sale of the Company. On January 11, 2021, the Company announced an agreement with Centerbridge and Oaktree (the "Plan Sponsors"), Honeywell International Inc. ("Honeywell"), other Garrett common shareholders (the "Additional Investors"), and holders of the Company's senior notes.
- Under the proposed transaction all creditors of the Company will be repaid in full in cash with the proceeds of debt and equity financing (other than Honeywell, which has agreed to remain in the Company's capital structure post-Chapter 11 emergence).
  - ~\$1.25bn of funded debt at close in the form of a \$300MM revolving credit facility (undrawn at close) and a \$1,250MM first lien Term Loan B.
  - The Plan Sponsors and the Additional Investors will purchase \$1,050.8MM of Convertible Series A Preferred Stock and have committed to back stop a rights offering of an additional \$200MM of Convertible Series A Preferred Stock, which will be available to all shareholders that do not elect the cash buy-out option.
  - Pro forma for the transaction, net leverage will be 1.8x and liquidity will be at least \$400MM.
  - The proposed transaction with the Plan Sponsors reduces total funded debt/legacy Honeywell obligations by \$2,764MM, 5.3x 2021 E EBITDA, and it includes support from substantial majorities of the creditors and at least [58%] of shareholders, in addition to the consensual restructuring of the Honeywell indemnity.
  - The Company is projecting to emerge from bankruptcy in Q2'21.
- Lender feedback is requested by March 4<sup>th</sup> at 12:00PM ET.

# Transaction overview

## Sources and uses

Sources (\$mm)	Amount	Uses (\$mm)	Amount
Unrestricted Cash on Balance Sheet <sup>1</sup>	\$432	DIP Repayment	\$200
Restricted Cash on Balance Sheet <sup>2</sup>	226	Prepetition 1L Debt <sup>3</sup>	1,487
RCF	-	Senior Notes <sup>4</sup>	457
New 1L Term Loan B	1,250	Cash Out Offer to Electing Shareholders <sup>5</sup>	98
Convertible Series A Preferred Stock	1,251	Initial Cash Payment to Honeywell	375
		Transaction Fees, Expenses, and Payouts	218
		Restricted Cash on Balance Sheet <sup>2</sup>	226
		Unrestricted Cash on Balance Sheet	96
<b>Total Sources</b>	<b>\$3,158</b>	<b>Total Uses</b>	<b>\$3,158</b>

## Pro forma capitalization

	Pre-petition as of 6/30/2020			At emergence as of 4/30/2021		
	\$mm	xLTM EBITDA	x 2021E EBITDA	\$mm	xLTM EBITDA	x 2021E EBITDA
(Cash and cash equivalents)	\$412			\$322		
€430mm RCF due 2023	370			-		
EUR Term Loan A due 2023	302			-		
EUR Term Loan B due 2025	368			-		
USD Term Loan B due 2025	418			-		
New \$300mm RCF	-			-		
New Term Loan B	-			1,250		
<b>Total 1L Debt</b>	<b>\$1,458</b>	<b>3.3x</b>	<b>2.8x</b>	<b>\$1,250</b>	<b>2.8x</b>	<b>2.4x</b>
<b>Net 1L debt</b>	<b>\$1,046</b>	<b>2.4x</b>	<b>2.0x</b>	<b>\$928</b>	<b>2.1x</b>	<b>1.8x</b>
EUR senior notes due 2026	420			-		
<b>Total Funded Debt</b>	<b>\$1,878</b>	<b>4.3x</b>	<b>3.6x</b>	<b>\$1,250</b>	<b>2.8x</b>	<b>2.4x</b>
<b>Net Funded Debt</b>	<b>\$1,466</b>	<b>3.3x</b>	<b>2.8x</b>	<b>\$928</b>	<b>2.1x</b>	<b>1.8x</b>
Honeywell Indemnity Obligations <sup>6</sup>	1,801			-		
Honeywell Tax Matters Agreement <sup>7</sup>	126			-		
<b>Total Debt</b>	<b>\$3,805</b>	<b>8.6x</b>	<b>7.3x</b>	<b>\$1,250</b>	<b>2.8x</b>	<b>2.4x</b>
<b>Net Debt</b>	<b>\$3,393</b>	<b>7.7x</b>	<b>6.5x</b>	<b>\$928</b>	<b>2.1x</b>	<b>1.8x</b>
Convertible Series A Preferred Stock	-			1,251		
Series B Preferred Stock <sup>7</sup>	-			584		
Market Capitalization <sup>8</sup>	473			473		
<b>Total Capitalization</b>	<b>\$4,278</b>		<b>8.2x</b>	<b>\$3,558</b>	<b>8.1x</b>	<b>6.8x</b>
LTM Adjusted EBITDA (6/30/20) At Filing		\$441			\$441	
2021E Adjusted EBITDA			\$520			\$520

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Notes: All finance sizes quoted in USD-equivalent; € converted into \$USD at an FX rate of 1.20

(1) Forecasted April 30, 2021, net of a \$45MM contingency; (2) Cash collateral; (3) Includes \$21MM hedge termination liability and \$9MM default interest payment to 1L lenders (1%); (4) Includes \$22MM post petition interest at the contractual, non-default rate as well as \$15MM on account of make-whole settlement; (5) Assumes 50% of common stock that are not party to the transaction agreement partake in the cash-out option; (6) Per Honeywell proof of claim filed on December 19, 2020; (7) Post-transaction balance reflects present value of Amortization Payments after making the initial cash payment to Honeywell; (8) Market Capitalization based on closing stock price on January 20, 2021

# Summary term sheet – Senior Secured Credit Facilities

<b>Borrower:</b>	Garrett LX I S.à.r.l. (the "Lux Borrower"), Garrett Motion Holdings Inc. (the "US Co-Borrower" and, together with the Lux Borrower, the "TLB Borrowers") and Garrett Motion S.à.r.l. (the "Swiss Borrower" and together with the TLB Borrowers, the "Borrowers")
<b>Guarantors:</b>	Guarantees from Garrett (the ultimate parent of the Borrowers) and all of Garrett's direct and indirect material wholly-owned restricted subsidiaries organized in the US, Australia, Ireland, Italy, Japan, Luxembourg, Mexico, Slovakia, Switzerland, United Kingdom and Romania (subject to customary exceptions)
<b>Security:</b>	First priority lien on, and security interest in, substantially all tangible and intangible property of each Borrower and each Guarantor, including a pledge of 100% of the stock of each Borrower and each other direct subsidiary of any Guarantor (subject to customary exceptions and limitations including agreed guaranty and security principles in non-US jurisdictions)
<b>Facilities:</b>	<ul style="list-style-type: none"> <li>■ \$300MM cash flow revolver</li> <li>■ \$1,250MM Term Loan B<sup>1</sup></li> </ul>
<b>Maturity:</b>	<ul style="list-style-type: none"> <li>■ 5 years (Revolver)</li> <li>■ 7 years (Term Loan B)</li> </ul>
<b>Financial covenants (RC only):</b>	Maximum (Gross) Total Leverage of 4.70x, beginning with the first full fiscal quarter after closing, when aggregate drawn principal exceeds 35% of the facility size
<b>Negative covenants:</b>	<ul style="list-style-type: none"> <li>■ Usual and customary for transactions of this type</li> <li>■ Specific restriction on dividends, distributions, redemptions, repurchases or otherwise solely on the Convertible Series A Preferred Stock (unless paid-in-kind) during the fiscal years ending December 31, 2021 and December 31, 2022</li> <li>■ Restricted Payments carve-out to allow for mandatory cash redemptions in respect of Series B Preferred Equity</li> </ul>
<b>Ticking fee:</b>	<ul style="list-style-type: none"> <li>■ 0 – 60 days: none</li> <li>■ 61 – 90 days: ½ spread</li> <li>■ 91 – 120 days: full spread</li> <li>■ 120+: full spread including LIBOR / EURIBOR (subject to floors)</li> </ul>

<sup>1</sup> Term Loan B to be denominated as EUR and USD tranches, subject to a minimum tranche size of \$300MM USD equivalent

# Indicative timetable

February 2021						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 2021						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 2021						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- Key Dates
- Market Holiday

Key Dates	Events
February 22	Launch Term Loan B
February 23	Lender call
March 4	Commitments due at 12PM ET
April 30	Estimated close and emergence

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Business overview

**Garrett**  
ADVANCING MOTION

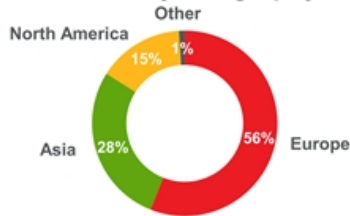
## Company overview

- Global leader in highly-engineered turbocharger technologies
- 60+ years of technology leadership and product innovation
- Global scale with diverse geographic exposure
- Key beneficiary of evolving fuel efficiency/emissions regulations
- Collaborative and diverse relationships with all major OEMs
- Aftermarket platform with 160+ distributors in 160 countries
- ~7,500 employees including 1,200 engineers
- Headquartered in Rolle, Switzerland

## Technology Leadership and Broad Portfolio of Products with Breakthrough Capabilities

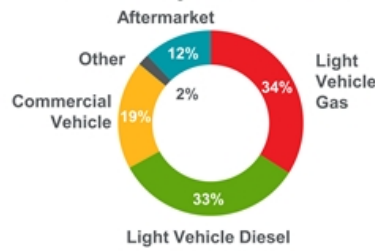


### Revenue by Geography

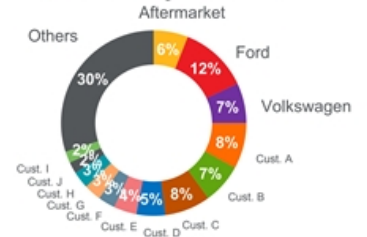


Note: Revenue breakdowns based on 12/31/2019A financial data

### Revenue by Product Line



### Revenue by Customer



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Well diversified, growing business and market leadership

# Garrett strategic priorities

## Technology Leadership and Broad Portfolio of Products with Breakthrough Capabilities



**Differentiated Technology**



Turbochargers



Electric Boosting



Automotive Software



Pipeline of Electric Products

## Best-In-Class Global Manufacturing Footprint with Operational Excellence and Agility



**Differentiated Global Presence and Capability**

**13** Standardized Manufacturing Plants

**Garrett Excellence Model**



Low Cost Global Operating System

**400** Advanced Supply Base Suppliers

## Long-Term Co-Development with Global OEMs and a Worldwide Aftermarket Platform



**Differentiated Customer Experience**



Long-term Customer Relationships

**350** OE Programs in the Pipeline

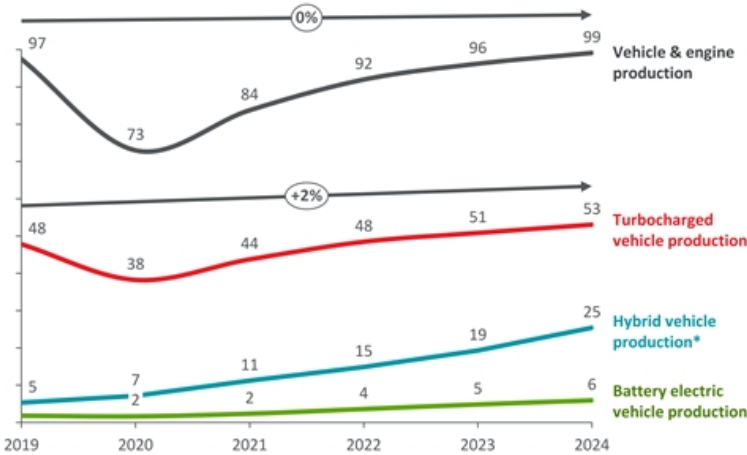


Go-To-Partner for Technology Developments

**Core GTX differentiators add significant value, creating key competitive advantage**

## Updated STRAP (Jan 2021)

Global light & commercial vehicle production, 2015-24 (M units) – July BP



Turbo Penetration (LV + CV):		
2020 STRAP	37%	52%
Consultants	53%	54%
		57%

\* Based on IHS; STRAP does not explicitly model hybrid penetration / volumes  
 Source: Garrett Motion, IHS May Release, Industry research, Government reports, FEV

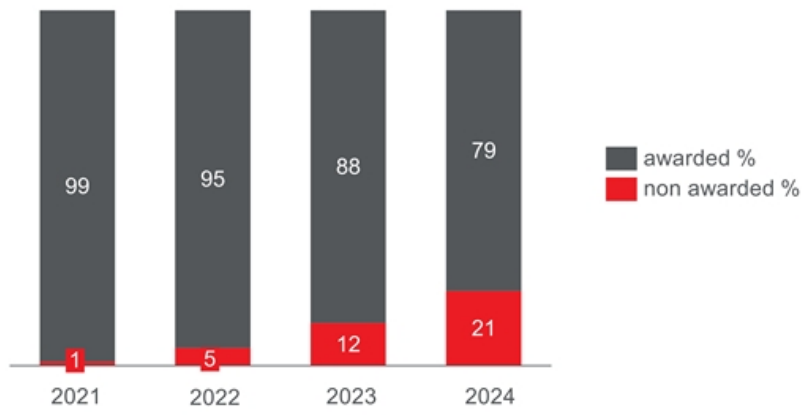
## Comments

- **22% drop for vehicle production in 2020**, V-shape recovery, but uncertainty for end of year
- **Turbo production:** our long term assumptions are conservative, with industry size **~6M boosted engines below 07/20 IHS forecasts**
- Key powertrain macros unchanged, tail wind for Garrett
  - turbo penetration increase
  - fast deployment of hybrid powertrains

Turbo industry outgrowing vehicle production driven by emission requirements



Core turbo business (OEM)













Core revenue 2024: ~\$3.8B

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Turbo chargers are one of the first components sourced for a new light vehicle

# Powertrain Electrification & Hybridization

Key Powertrains for 2025 and Beyond		CO <sub>2</sub> Benefit & On Cost in 2025	
<div style="writing-mode: vertical-rl; transform: rotate(180deg);">                     Powertrain with ICE (90% 2025)                 </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">                     Electrified Powertrain                 </div>	 <b>Internal Combustion Engine (ICE)</b>	<b>Baseline</b> Significant CO <sub>2</sub> efficiency improvement expected	
	 <b>Mild Hybrid MHEV (48V)</b>	- 10 / 15% CO <sub>2</sub>	+ \$500
	 <b>Plug-in Hybrid PHEV</b>	- 50 / 75% CO <sub>2</sub> <sup>(1)</sup>	+ \$3000
	 <b>Battery Electric</b>	- 100% CO <sub>2</sub> <sup>(1)</sup>	+ \$7000
	 <b>H2 fuel cell electric</b>	- 100% CO <sub>2</sub> <sup>(1)</sup>	+ \$10,000
	<b>LEGEND</b>  ICE  Electric Motor  Electric Compressor  Battery  Fuel Cell Stack & BOP	Source: Garrett Motion, Industry research Notes: (1) Not accounting for electricity or H <sub>2</sub> generation	


### Examples of Hybrid Vehicles

**Entry-level MHEV : VW Golf 8 – Launch in 2019**



Engine : 1.5L 110kW  
 eMotor : 12kW Integrated Starter-Generator  
 Battery : 0.5kWh  
 CO<sub>2</sub> : < 100g/km  
 Replaces 1.5L, 116g/km CO<sub>2</sub>

**Mid-Size SUV PHEV : VW Tiguan – Launch in 2020**



Engine : 1.5L 110kW  
 eMotor : 90kW eAxle  
 Battery : 14kWh  
 CO<sub>2</sub> : < 50g/km  
 Replaces 2.0L, 161g/km CO<sub>2</sub>

**Premium PHEV : AMG – Launch in 2021**

Engine : 2.0L E-Turbo 350kW  
 eMotor : 120kW eAxle  
 Battery : 16kWh  
 CO<sub>2</sub> : < 50g/km  
 Replaces 4.0L, 227g/km CO<sub>2</sub>

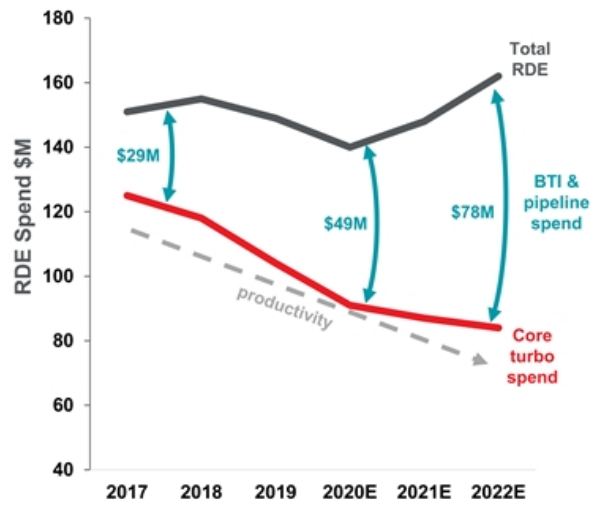
GTX  
industry  
first

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Variety of Powertrains to be Used Depending on Mission Profile

# Shifting the engineering portfolio

## Engineering spend evolution



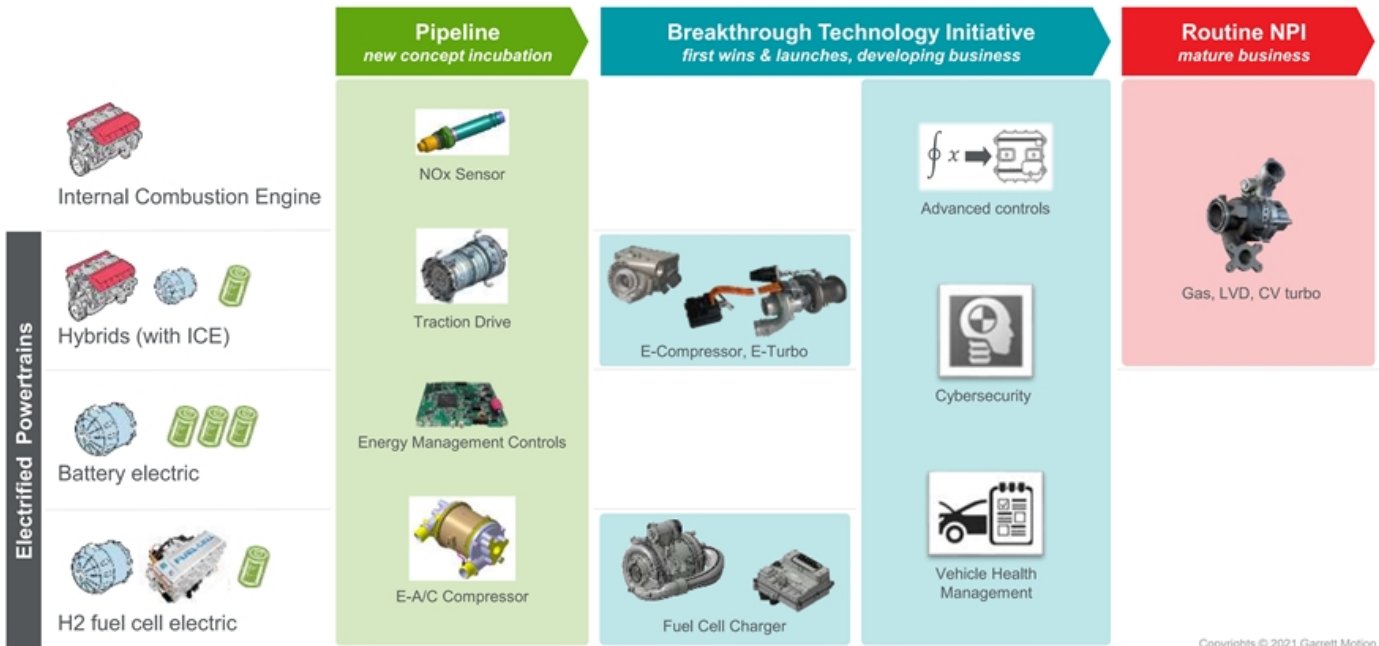
## Driving the shift

- Sustainable core turbo productivity 5% per year
- Core turbo transformation roadmap
- Transfer engineers to new domains with relevant skills
- Re-skill engineers to new domains with new skills
- Hire engineers to new domains with specialized skills

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## Transforming the core and funding the new domains








# Expanding our product portfolio



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Cutting-edge technologies for electrified and connected vehicles

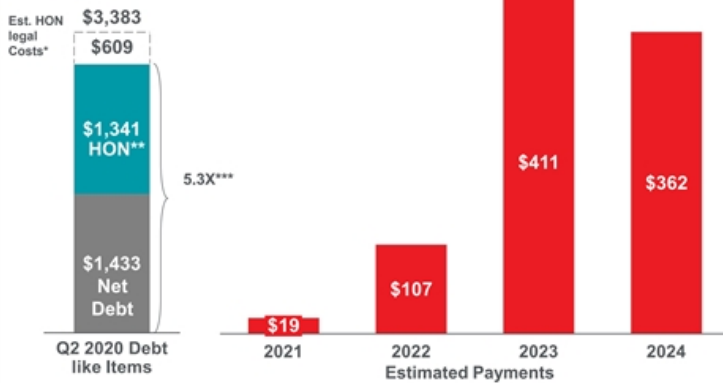
Maturity

ELECTRIFICATION & SOFTWARE				PIPELINE TECHNOLOGIES			
E-Boosting solutions for hybrids	E-Boosting solutions for H2 fuel cells	Advanced software solutions		Electric Traction Drive	NOx sensor	Electric A/C Compressor	Pipeline feeding
<b>E-Compressor &amp; E-Turbo</b> 	<b>FC-Compressor</b> 	<b>Advanced Controls</b> 	<b>Veh. Health &amp; Cyber Security</b> 	<b>Hi speed / Hi power density electric drive</b> 	<b>3 gas sensor (NOx, NH3, O2)</b> 	<b>High power e-A/CC</b> 	<b>H2 fuel cell BoP, industrial turbomachinery</b> , ...
1st to Market E-Turbo SOP '21	Production Since 2016 - Honda	E-Boost Controls SOP '21		Techno demo Q4 '20	Techno demo Q3 '20	Techno demo Q3 21	To be defined
Hi Perfo E-Comp SOP '23	2 <sup>nd</sup> Gen SOP '22	Cyber Security SOP '21		Potential 1 <sup>st</sup> SOP '25	Customer test Q2 '21	Potential 1 <sup>st</sup> SOP '23	
E-Turbo 2.0 SOP '23	3 <sup>rd</sup> Gen SOP '25	Advanced Diagnostics SOP '20			Potential 1 <sup>st</sup> SOP '23		

PC

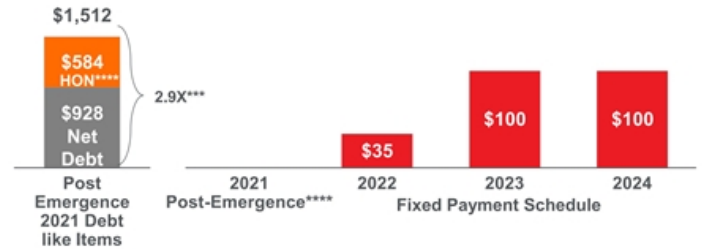
# Estimated Leverage and Payments to Honeywell

## Before Business Acceleration



- Payments under Mandatory Transition Tax Agreement (MTT) and Subordinated Indemnity Agreement (SIA) until 2049
- Not callable
- Significant restrictive covenants

## After Business Acceleration



- Payments for Series B Preferred Stock fixed at \$100M per year from 2023 until 2030
- Callable in whole at any time at a discount rate of 7.25%
- No restrictive covenants\*\*\*\*

**Notes:**

- Estimated payments before business acceleration include catch up payments in 2023 and 2024 under the SIA that have been deferred during the credit agreement relief period
- Future payments under the subordinated indemnity obligation are based on annual cap of \$175M (€150M at €/\$ 1.17 FX rate at the time of the spin off)
- \* Company estimate of legal expenses reimbursed to HON per HON's filing of claim but not on the balance sheet
- \*\* Represents indemnity obligation on the balance sheet as of Q2 2020
- \*\*\* Leverage ratio calculated using \$520M EBITDA in 2021 for illustrative purposes
- \*\*\*\* \$584M of HON Series B represents the NPV of future payments post emergence. A onetime payment of \$375M to HON is made at emergence. Expect there will be standard negative covenants under exit financing terms and conditions.

**Significant reduction of future liabilities, payments and removal of material limitations**

## Key credit highlights

- 1 Global leadership in turbochargers and electric-boosting: technologies with high barriers to entry
- 2 Technology leadership and broad portfolio of products with breakthrough capabilities
- 3 Long-term co-development with global OEMs and a worldwide aftermarket platform
- 4 Global footprint with sales, R&D and engineering close to customers – local player
- 5 Operational excellence driving outstanding KPIs
- 6 Proven track record to bring technologies at scale to the market
- 7 Reset capital structure enhances strong free cash flow profile of the business
- 8 Experienced leadership team with proven track record

# 1 | Global scale and broad product portfolio

	MANUFACTURER	LIGHT VEHICLE GAS	LIGHT VEHICLE DIESEL	COMMERCIAL VEHICLE	E-BOOSTING
MAJOR GLOBAL PLAYERS	<b>Garrett</b> ADVANCING MOTION	●	●	●	●
	<b>BorgWarner Turbo Systems</b>	●	●	●	●
MEDIUM SIZE GLOBAL PLAYERS	<b>IHI</b> Realize your dreams	●	●	●	●
	<b>MITSUBISHI</b>	●	●	●	●
	<b>BMTS</b> TECHNOLOGY	●	●	-	-
	<b>vitesco</b> <sup>(1)</sup> TECHNOLOGIES	●	-	-	●
	<b>Turbo Technologies</b>	-	-	●	●
LOCAL PLAYERS	<b>VÖFON</b> Precision Air Efficiency <b>TYEN</b> TURBOSCHWABERS	●	●	●	-
	<b>WEIFU</b> <b>HYUNDAI WIA</b>				

● LEADER ● PARTICIPANT

Source: Garrett Motion  
Notes: (1) Phase out announced by VITESCO

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Technology presence across all powertrain platforms



## 2 Technology leadership and broad portfolio of products with breakthrough capabilities



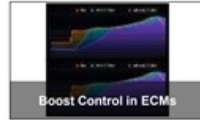
Turbo Technology

- Reduce fuel usage
- Reduce exhaust emissions
- Enhance engine performance



Electric & Hybrid

- Optimize fuel economy
- Step towards a zero emissions future
- More responsive driving



Connected Vehicles

- Protect vehicles against cyber attacks
- Diagnose and predict anomalies
- Avoid breakdown and liabilities

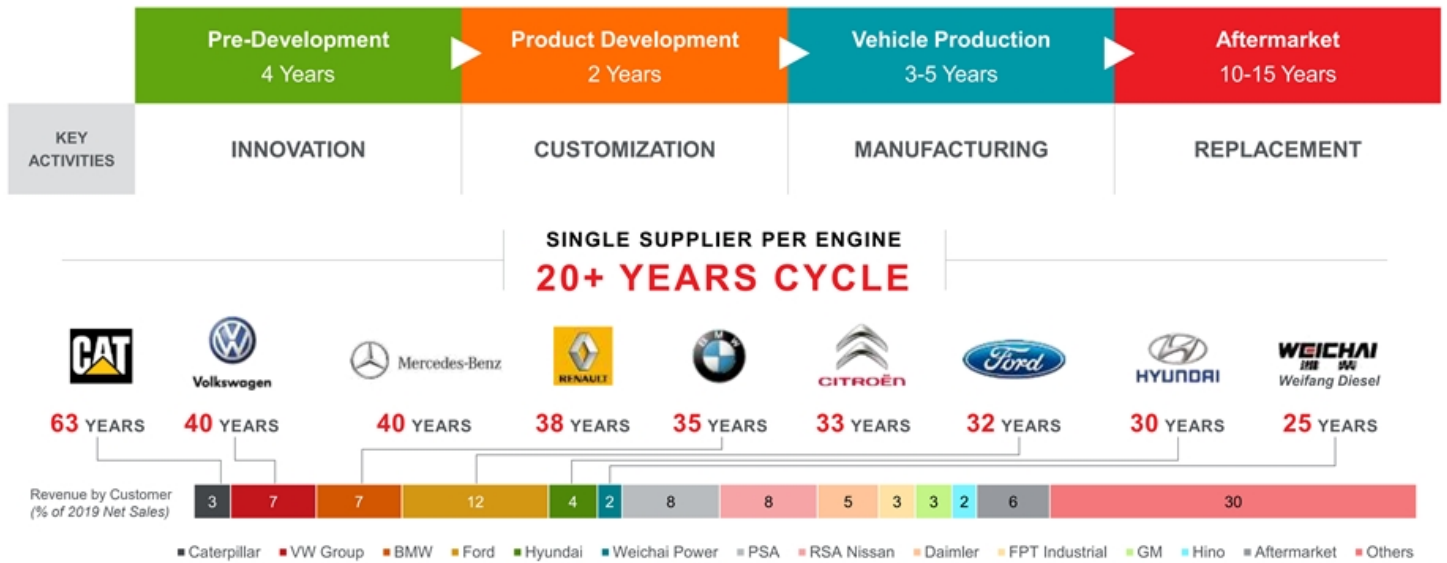


Notes: VNT – Variable Nozzle Turbine; ECM – Engine Control Module

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Serving automotive customers with differentiated technologies

### 3 Long-term co-development with global OEMs and a worldwide aftermarket platform

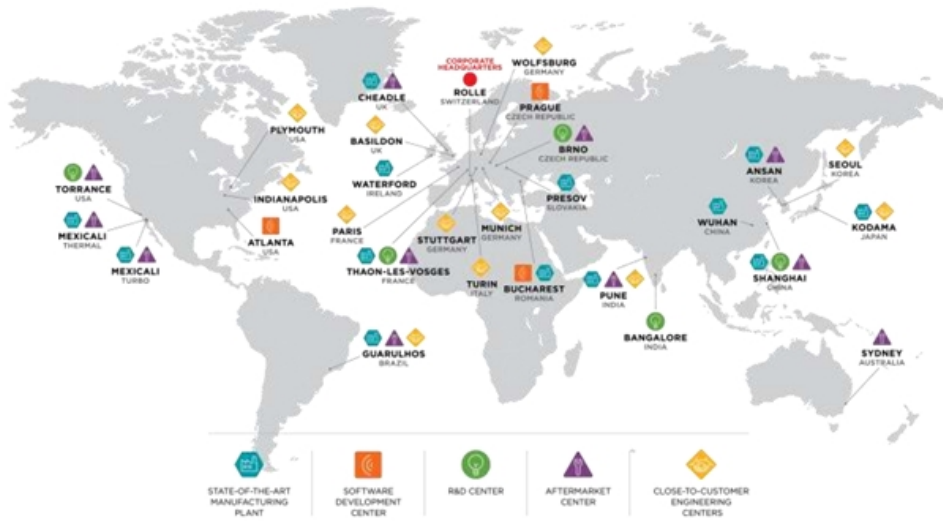


Source: Garrett Motion

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**Early engagement leads to long-term global business relationships**

# 4 | Global footprint; local player



**5** RD&E Centers




**12** "Close-to-Customer" Engineering Centers

**13** Manufacturing Plants

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Sales, R&D and Engineering close-to-customers | global manufacturing presence

# 5 | Operational excellence driving outstanding KPIs

Optimized manufacturing footprint	Optimized supplier base	Optimized processes
<ul style="list-style-type: none"> <li>Global and scalable footprint, 75%+ in high growth regions. Closed Atessa (IT) in 2018</li> <li>No new footprint needed in coming 5 years</li> <li>Make-vs-buy driven by technology differentiation and value retention</li> <li>Strong track record of continuous productivity – Driving for lowest cost</li> <li>Standardized manufacturing processes</li> </ul>  <p><b>50,000+</b> Turbos / day</p> <p><b>&lt;10</b> ppm</p> <p><b>99%</b> OTTR</p>	<ul style="list-style-type: none"> <li>400 Suppliers, 70% of Spend in HGR</li> <li>20+ new supplier developed in HGR over the last 3 years; Industry leading team of Supplier's development experts</li> <li>Proprietary target costing tools and processes</li> <li>Advanced supply base management, with comprehensive risk management</li> </ul> 	<ul style="list-style-type: none"> <li>Garrett Excellence Model (GEM) drives operating excellence and embeds productivity in culture</li> <li>Superior Safety, Quality and Service performance</li> <li>Maximized flexibility and assets utilization</li> <li>Resilience to industrial risks</li> </ul> 

**80%**  
Variable cost structure

**75%**  
Low-cost country footprint

**70%**  
Low-cost country supply

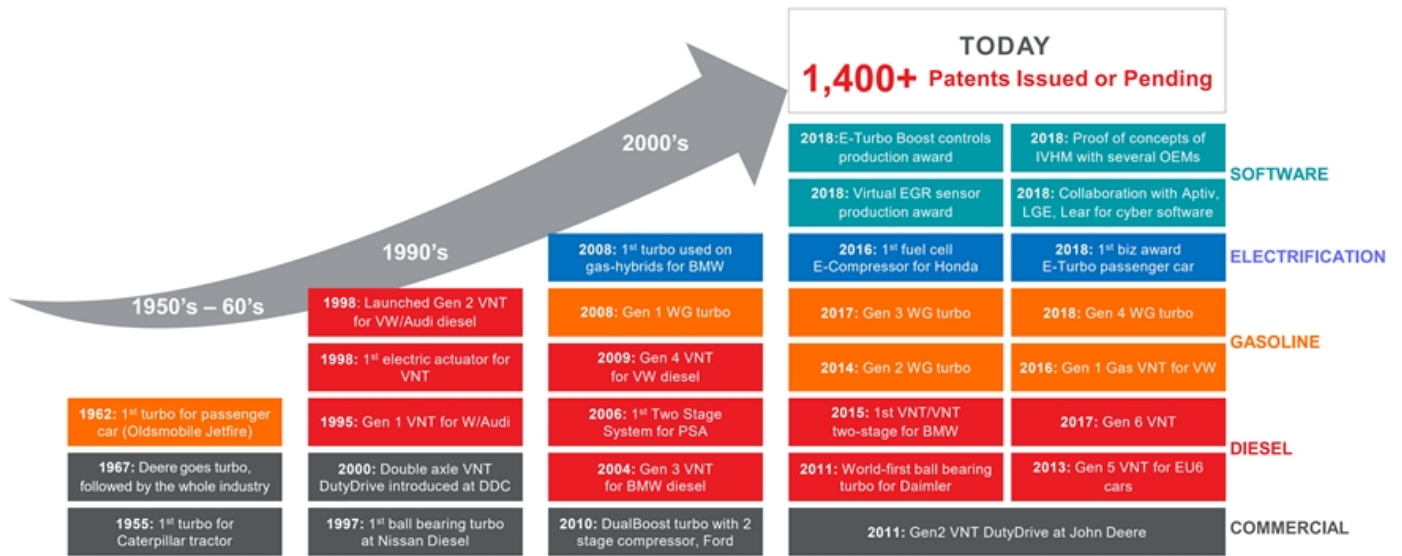
**>20x**  
Working capital turns

**<3.5% Net Sales**  
Capital Expenditure

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**Low cost operation deeply rooted into overall supply chain** 23

# 6 Proven track record to bring technologies at scale to the market



Notes: WG – Wastegate turbine (fixed geometry); VNT – Variable Nozzle Turbine; EVR – Exhaust gas recirculation; IVHM – Integrated Vehicle Health Management

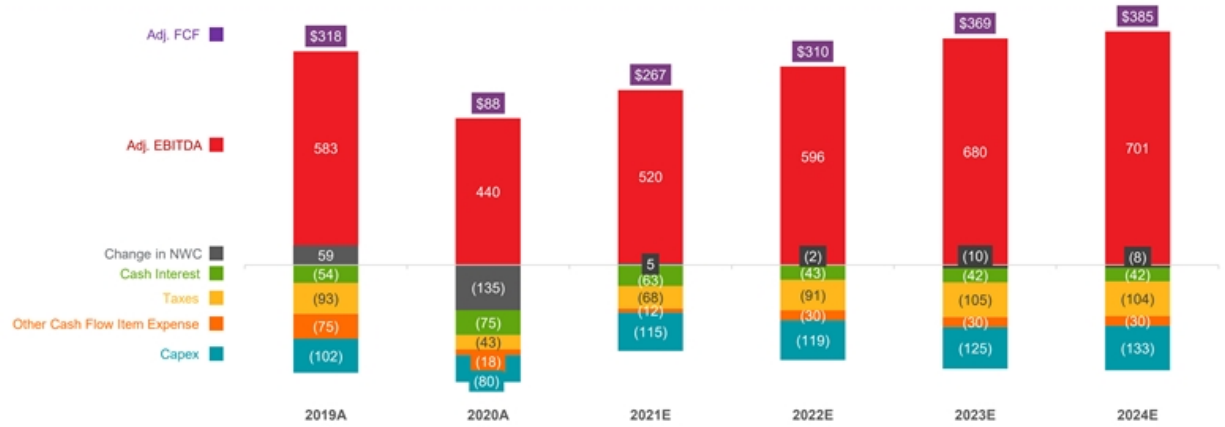
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**Accelerating technology innovation**

# 7 | Pro forma capitalization promotes robust FCF profile

(\$ in millions)

## Free Cash Flow



Indemnity Related and MTT Payments	(178)	(42)	-	-	-	-
Chapter 11 Prof. Services Fees and D&O Insurance	-	(101)	(311)	-	-	-
Cash Collateral / Pledge	-	(101)	100	-	-	-
<b>Reported FCF</b>	<b>\$140</b>	<b>(\$156)</b>	<b>\$56<sup>(1)</sup></b>	<b>\$310</b>	<b>\$369</b>	<b>\$385</b>

Source: Company projections, subject to ongoing review and material revision

Notes: (1) Includes \$45M of cash flow contingency reported in NWC for 2021 and \$30M of contingency for 2022-2024 included in Other

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**Olivier Rabiller**  
President and CEO

**Functions**



**Peter Bracke**  
VP  
Chief Transformation  
Officer



**Craig Balis**  
Sr VP  
Chief Technology  
Officer, GM Software



**Fabrice Spenninck**  
Sr VP  
Chief Human  
Resources Officer



**Sean Deason**  
Sr VP  
Chief Finance  
Officer



**Jerome Maironi**  
Sr VP  
General Counsel &  
Corp Secretary



**Jean-Philippe Bedu**  
VP M&A  
Business Development



**Pierre Barthelet**  
Sr VP Marketing  
& Product Mgt,  
China Business  
Leader



**Martin Schiesser**  
VP  
Chief Digital  
Officer



**Thierry Mabru**  
Sr VP  
Integrated Supply  
Chain



**Christophe Mathy**  
VP  
Communications



**Samuel Cochon**  
VP & Chief  
Procurement Officer

**Businesses**



**Daniel Deiro**  
Sr VP Global  
Customer Manag<sup>t</sup>  
& GM Korea Japan



**Anthony Lodato**  
VP & GM  
North America



**Eric Fraysse**  
President  
Aftermarket, Brazil  
India Business  
Leader



**Aileen McDowall**  
VP & GM  
GBE CV



**Jean Philippe  
Schmitt**  
VP & GM  
GBE Diesel



**Mark Rodrigues**  
VP & GM  
GBE Gasoline

Leadership team possesses average ~20 years of automotive industry experience

# 3

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Updated Outlook and  
Business Plan

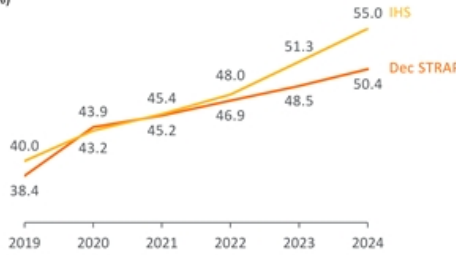
**Garrett**  
ADVANCING MOTION



# Light Vehicle Powertrain Macro Deep-Dive

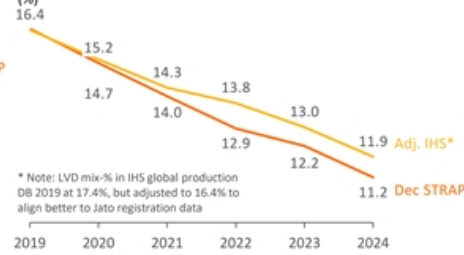
## LV-Gas Turbo penetration Aligned to IHS until 2022, more conservative thereafter

LVG T-pen-%, 2019-24 (%)



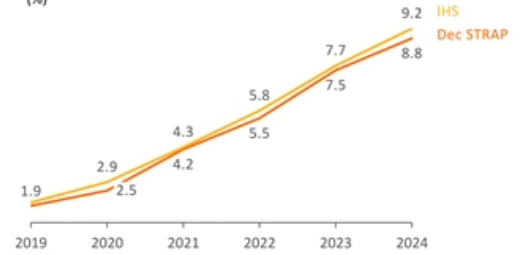
## LV-Diesel mix-% IHS expecting slower drop

LVD mix, 2019-24 (%)



## BEV mix-% Raised global BEV pen-% assumptions in Dec STRAP

BEV mix, 2019-24 (%)



- Gap to IHS driven by Japanese OEMs: IHS assumes relatively high Turbo-pen-% at those OEMs, while our Customer Teams are expecting lower LVG T-pen-% and higher pen-% of naturally aspirated hybrids.

- IHS BEV pen-% delta driven mainly by China

1%pt LV turbo pen-% = 300k units for GTX in '24  
→ 1.2M units buffer vs. IHS

1%pt LVD mix % = 300k units for GTX in '24  
→ 0.2M units buffer vs. IHS

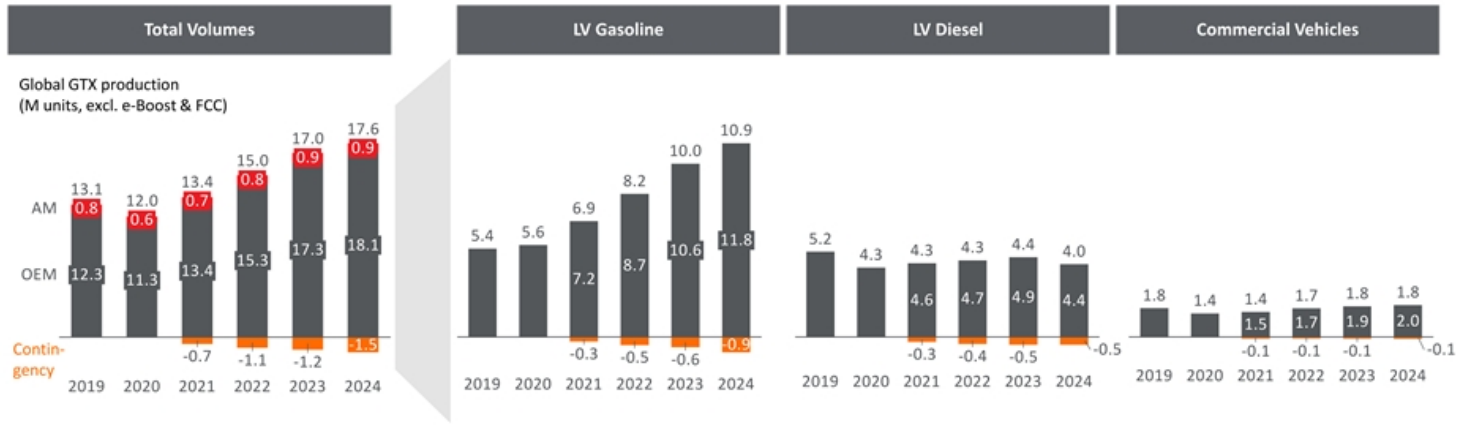
1%pt BEV mix-% = 300k units for GTX  
→ 0.1M units risk vs. IHS

Source: Company projections, subject to ongoing review and material revision

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## Planning LV-Gas Turbo Penetration Conservatively

# Volume Forecast By Product Line

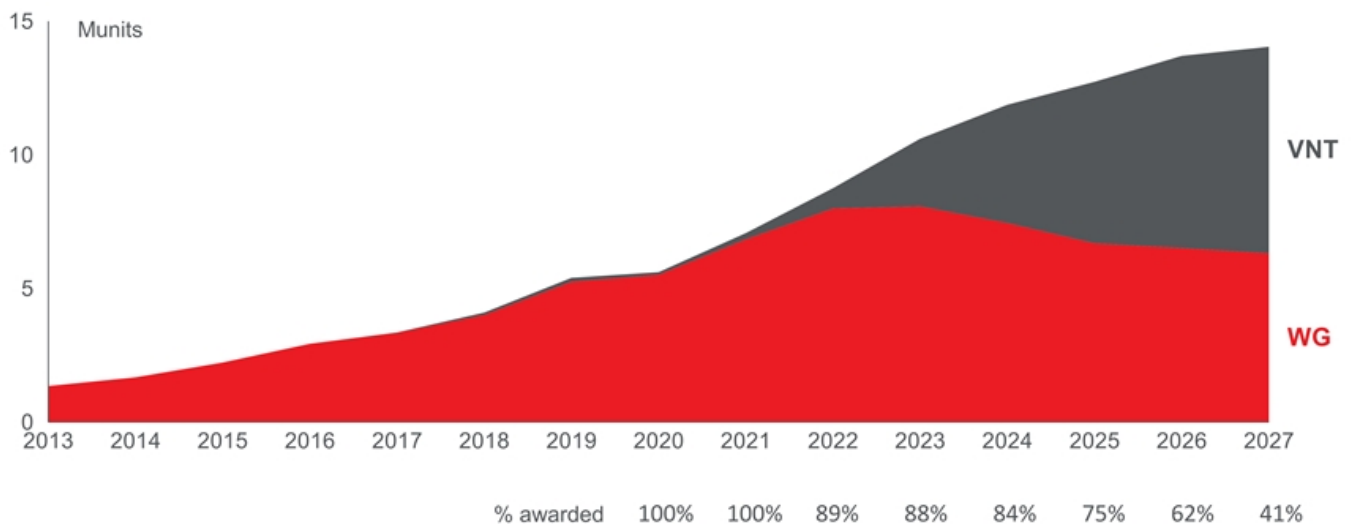


Source: Company projections, subject to ongoing review and material revision

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**Up to 1.5M Units Contingency in 2024**

# Focus On Garrett Gasoline Volume Growth | 2013-2027

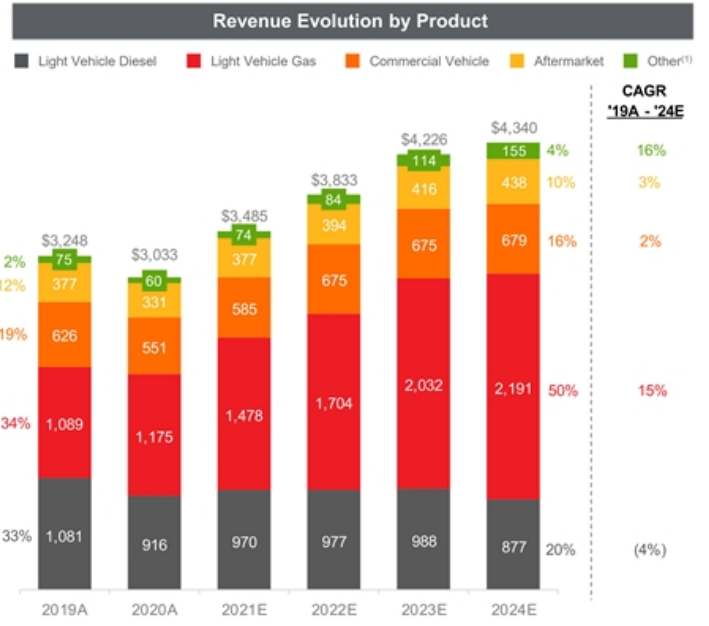
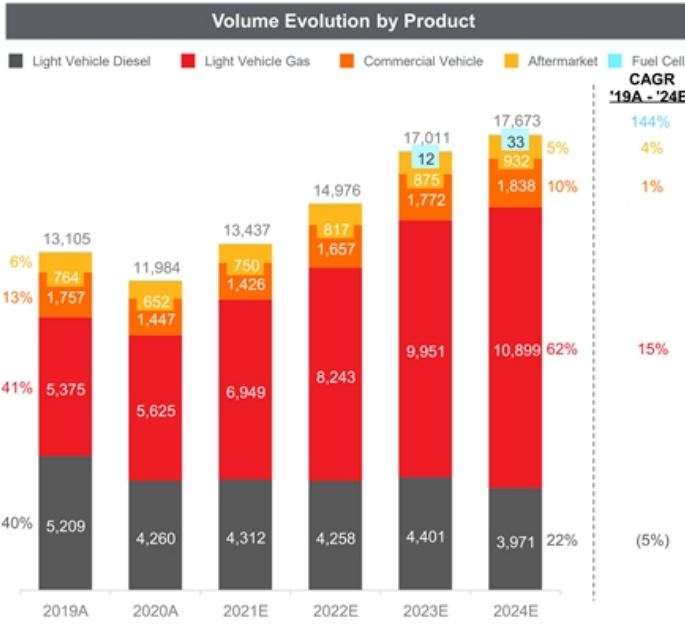


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Projected growth of gasoline turbochargers and increased penetration of VNT

# Updated STRAP (Jan 2021): Volume and Revenue Build Up

(\$ in million and volumes in thousands)



Source: Company projections, subject to ongoing review and material revision  
Notes: (1) Other includes Software, Fuel Cell, and Prototype

**Increased gasoline turbochargers partially offset by lower diesel volumes**

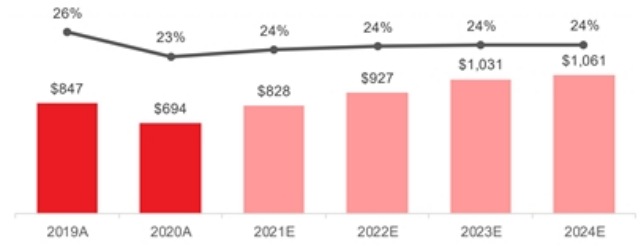
# Updated STRAP (Jan 2021): Key Financial Metrics

(\$ in millions)

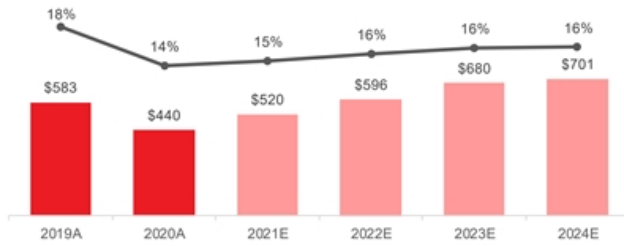
**Total Revenue / Annual Growth %**



**Gross Profit / Margin %**



**Adj. EBITDA / Margin %**



**Capital Expenditures / % of Revenue**



Financial projections assume a €/USD rate of 1.20 for all forecasted periods.

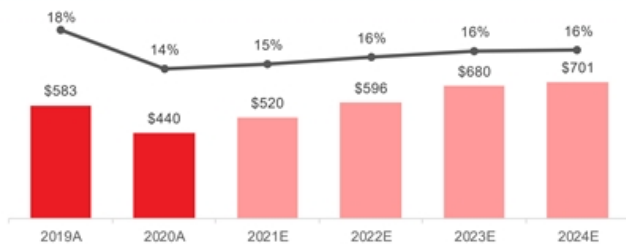
Source: Company projections, subject to ongoing review and material revision

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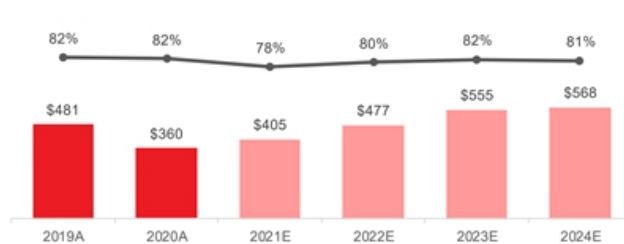
# Updated STRAP (Jan 2021): Key Credit Metrics

(\$ in millions)

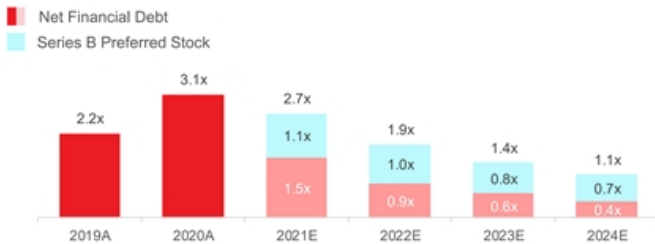
Adj. EBITDA / Margin %



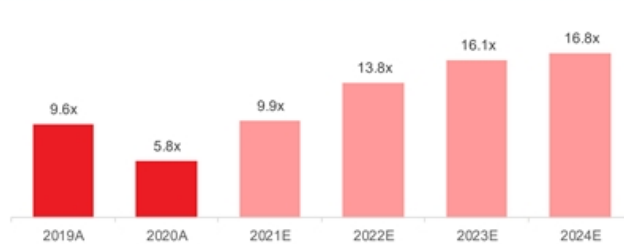
Adj. EBITDA – Capex / Conversion %



Net Debt / LTM Adj. EBITDA



Interest Coverage (Adj. EBITDA / Interest Expense<sup>(1)</sup>)



Financial projections assume a €/\$USD rate of 1.20 for all forecasted periods.

Source: Company projections, subject to ongoing review and material revision

Notes: (1) Interest expense includes P&L interest expense on financial debt, net

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# December STRAP: Adj. EBITDA YoY Walk

(\$ in millions)

Adj. EBITDA Walk							
	2020A	2021E	2022E	2023E	2024E		
BoP Adj. EBITDA	\$583	\$440	\$520	\$596	\$680		\$680
FX	3	33					
Volume @ VC%	(93)	114	112	137	45		
Pricing	(17)	(60)	(67)	(74)	(76)		
Material Productivity	55	79	85	95	98		
Non Material Productivity	3	35	30	26	27		
Mix	(47)	(50)	(26)	(46)	(27)		
Inflation	(15)	(25)	(31)	(35)	(37)		
RD&E Investment			(14)	(16)	(4)		
Benefits from COVID actions in Fixed costs	33	(33)					
Other Non recurring benefits	(50)	(7)	0	0	0		
Insurance		(8)					
Others <sup>(1)</sup>	(15)	(1)	(15)	(4)	(4)		
EoP Adj. EBITDA	\$440	\$520	\$596	\$680	\$701		

Pricing: ~1.8% per year

Material Productivity: ~-5.3% per year

Higher Mix Impact in 2023 Driven by Accelerated Growth in Gas

Source: Company projections, subject to ongoing review and material revision.  
 Notes: (1) Includes in 2020E: (\$10M) components, proto, thermal, (\$6M) FIFO reserve and \$1M other;  
 2021E: +\$6M FIFO reserve, (\$15M) contingency and +\$8M stretch in indirect (e.g., T&E);  
 2022E: (\$15M) contingency;  
 2023E: (\$4M) other;  
 2024E: (\$4M) other

## Resilient Business Model - 2020 Financials By Quarter

	Q1	Q2	Q3	Q4	FY
<b>Revenue</b>	<b>\$745</b>	<b>\$477</b>	<b>\$804</b>	<b>\$1,008</b>	<b>\$3,034</b>
<i>Growth % YOY</i>	(9%)	(39%)	0%	15%	(8%)
Variable Costs	517	321	562	729	2,129
<b>Variable Margin</b>	<b>228</b>	<b>156</b>	<b>241</b>	<b>278</b>	<b>903</b>
<i>Variable Margin %</i>	30.6%	32.7%	30.0%	27.6%	29.8%
Fixed Manufacturing Costs	49	43	56	60	208
<b>Gross Margin</b>	<b>179</b>	<b>112</b>	<b>186</b>	<b>218</b>	<b>694</b>
<b>Gross Margin %</b>	<b>24.0%</b>	<b>23.5%</b>	<b>23.1%</b>	<b>21.6%</b>	<b>22.9%</b>
SG&A	61	51	102	62	276
Adjusted SG&A*	61	42	58	62	223
RD&E	32	28	28	37	125
<b>Adj EBITDA</b>	<b>\$108</b>	<b>\$63</b>	<b>\$120</b>	<b>\$149</b>	<b>\$440</b>
<b>Adj EBITDA %</b>	<b>14.5%</b>	<b>13.2%</b>	<b>14.9%</b>	<b>14.8%</b>	<b>14.5%</b>

Comments
<ul style="list-style-type: none"> <li>Revenue impacted significantly by COVID19 crisis                             <ul style="list-style-type: none"> <li>Revenue down (9%) organic in Q1 2020; (39%) in Q2 2020</li> </ul> </li> <li>Mitigating revenue decline by highly variable cost structure                             <ul style="list-style-type: none"> <li>Almost 80% of all costs are variable</li> </ul> </li> <li>Additional benefits from fixed costs management                             <ul style="list-style-type: none"> <li>Implementing reduced work schedules in all major sites</li> <li>Reducing temporary workforce and contractors</li> </ul> </li> <li>Double digit Adjusted EBITDA margins during downturn</li> </ul>

\* Adjusted SG&A excludes Chapter11 pre-petition and M&A fees

Benefitting from variable cost structure and 'fixed cost playbook' during downturn



**Financial policy will be set by a New Board, which assuming a 7-member board will consist of:**

- 1 Honeywell-nominated director
- 1 director nominated by the Additional Investors (parties to the PSA outside of Centerbridge, Oaktree, and Honeywell)
- 1 Board member from the Management team
- 2 seats each for Centerbridge and Oaktree nominees

**Company is well positioned with a conservative balance sheet and strong liquidity profile upon emergence**

- Pro forma liquidity of at least \$400MM
- **Near-term focus will be on using free cash flow to :**
  - Reinvest in the business
  - Pay down debt to de-lever
  - Acquisitions to enhance the profile of the business as the industry transitions and consolidates

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Appendix

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ADVANCING MOTION

# Summary Income Statement

(\$ in millions)

	2020A / 2021E Quarterly										2019A – 2024E Annually					
	2020A by Quarter				2021E						2019A	2020A	2021E	2022E	2023E	2024E
	Q1	Q2	Q3	Q4	Q1	Apr	May-Jun	Q3	Q4	FY	FY	FY	FY	FY	FY	
(USDM, except per share data)																
Total Volume (in '000s Units)	2,941	1,859	3,163	4,021	3,299	1,061	2,311	3,250	3,517	13,105	11,984	13,437	14,976	17,011	17,673	
Growth (%)	(10%)	(42%)	1%	15%	12%	-%	24%	3%	(13%)	(9%)	(9%)	12%	11%	14%	4%	
<b>Total Revenue</b>	<b>\$744</b>	<b>\$477</b>	<b>\$804</b>	<b>\$1,008</b>	<b>\$868</b>	<b>\$277</b>	<b>\$605</b>	<b>\$845</b>	<b>\$891</b>	<b>\$3,248</b>	<b>\$3,033</b>	<b>\$3,485</b>	<b>\$3,833</b>	<b>\$4,226</b>	<b>\$4,340</b>	
Growth (%)	(11%)	(41%)	3%	21%	17%	-%	27%	5%	(12%)	(4%)	(7%)	15%	10%	10%	3%	
Material Margin	313	216	329	387	363	113	253	354	370	1,400	1,246	1,453	1,583	1,729	1,772	
Margin (%)	42%	45%	41%	38%	42%	41%	42%	42%	42%	43%	41%	42%	41%	41%	41%	
<b>Gross Profit</b>	<b>\$178</b>	<b>\$112</b>	<b>\$186</b>	<b>\$218</b>	<b>\$207</b>	<b>\$63</b>	<b>\$150</b>	<b>\$198</b>	<b>\$210</b>	<b>\$847</b>	<b>\$694</b>	<b>\$828</b>	<b>\$927</b>	<b>\$1,031</b>	<b>\$1,061</b>	
Margin (%)	24%	24%	23%	22%	24%	23%	25%	23%	24%	26%	23%	24%	24%	24%	24%	
Selling	14	11	14	19	18	6	13	18	18	60	59	73	76	79	82	
% of Sales	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
G&A Costs	46	40	88	43	49	16	33	47	47	189	217	192	201	205	209	
% of Sales	6%	8%	11%	4%	6%	6%	5%	6%	5%	6%	7%	6%	5%	5%	5%	
RD&E Costs	32	28	28	37	35	12	23	33	34	135	125	137	150	166	171	
% of Sales	4%	6%	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	
Other Costs	1	(1)	1	1	4	1	2	4	4	-	1	15	30	30	30	
% of Sales	0%	(0%)	0%	0%	0%	0%	0%	0%	0%	-%	0%	0%	1%	1%	1%	
<b>Reported Operating Profit</b>	<b>\$84</b>	<b>\$34</b>	<b>\$55</b>	<b>\$118</b>	<b>\$102</b>	<b>\$27</b>	<b>\$79</b>	<b>\$96</b>	<b>\$107</b>	<b>\$464</b>	<b>\$292</b>	<b>\$411</b>	<b>\$470</b>	<b>\$552</b>	<b>\$570</b>	
Margin (%)	11%	7%	7%	12%	12%	10%	13%	11%	12%	14%	10%	12%	12%	13%	13%	
<b>EBIT<sup>(1)</sup></b>	<b>\$67</b>	<b>\$21</b>	<b>\$29</b>	<b>\$77</b>	<b>(\$57)</b>	<b>\$299</b>	<b>\$80</b>	<b>\$99</b>	<b>\$110</b>	<b>\$408</b>	<b>\$195</b>	<b>\$531</b>	<b>\$486</b>	<b>\$569</b>	<b>\$588</b>	
Margin (%)	9%	5%	4%	8%	(7%)	108%	13%	12%	12%	13%	6%	15%	13%	13%	14%	
Interest Expense, net	15	19	19	23	17	6	8	11	11	61	75	52	43	42	42	
Tax Expense (Benefit)	1	12	(1)	28	20	(6)	18	22	25	33	39	79	100	115	114	
Tax Rate (%)	1%	497%	(9%)	52%	(27%)	4%	25%	25%	25%	10%	33%	235%	23%	22%	21%	
<b>GAAP Net Income</b>	<b>\$52</b>	<b>(\$9)</b>	<b>\$11</b>	<b>\$26</b>	<b>(\$95)</b>	<b>\$300</b>	<b>\$55</b>	<b>\$66</b>	<b>\$74</b>	<b>\$313</b>	<b>\$80</b>	<b>\$400</b>	<b>\$343</b>	<b>\$411</b>	<b>\$431</b>	
Margin (%)	7%	(2%)	1%	3%	(11%)	108%	9%	8%	8%	10%	3%	11%	9%	10%	10%	
<b>Adj. EBITDA</b>	<b>\$108</b>	<b>\$63</b>	<b>\$120</b>	<b>\$149</b>	<b>\$129</b>	<b>\$37</b>	<b>\$96</b>	<b>\$124</b>	<b>\$135</b>	<b>\$583</b>	<b>\$440</b>	<b>\$520</b>	<b>\$596</b>	<b>\$680</b>	<b>\$701</b>	
Margin (%)	14%	13%	15%	15%	15%	13%	16%	15%	15%	18%	14%	15%	16%	16%	16%	
Net Financial Debt / LTM Adj. EBITDA	2.3x	3.3x	3.6x	3.1x	3.2x	3.3x	1.7x	1.7x	1.5x	2.2x	3.1x	1.5x	0.9x	0.6x	0.4x	
Net Debt <sup>(2)</sup> / LTM Adj. EBITDA	2.3x	3.3x	3.6x	3.1x	3.2x	3.3x	2.8x	2.8x	2.6x	2.2x	3.1x	2.6x	1.9x	1.4x	1.1x	
LTM Adj. EBITDA	\$532	\$441	\$428	\$440	\$460	\$435	\$530	\$534	\$520	\$583	\$440	\$520	\$596	\$680	\$701	

Source: Company projections, subject to ongoing review and material revision  
 Notes: (1) Apr-2021 includes \$455M settlement gain (non-taxable); subject to legal and accounting review  
 (2) Includes Series B Preferred Stock post-emergence

Emergence

# Adj. EBITDA Walkdown

(\$ in millions)

	2020A / 2021E Quarterly										2019A – 2024E Annually					
	2020A by Quarter				2021E						2019A	2020A	2021E	2022E	2023E	2024E
	Q1	Q2	Q3	Q4	Q1	Apr	May-Jun	Q3	Q4	FY	FY	FY	FY	FY	FY	
(USDM, except per share data)																
GAAP Net Income	\$52	(\$9)	\$11	\$26	(\$95)	\$300	\$55	\$66	\$74	\$313	\$80	\$400	\$343	\$411	\$431	
(+) Tax Expense (Benefit)	1	12	(1)	28	20	(6)	18	22	25	33	39	79	100	115	114	
(+) Interest Expense, Net	15	19	19	23	17	6	8	11	11	61	75	52	43	42	42	
(+) Depreciation	19	18	22	26	23	8	16	24	24	73	86	95	99	102	103	
<b>EBITDA (Non-GAAP)</b>	<b>\$86</b>	<b>\$40</b>	<b>\$52</b>	<b>\$103</b>	<b>(\$34)</b>	<b>\$307</b>	<b>\$96</b>	<b>\$123</b>	<b>\$134</b>	<b>\$481</b>	<b>\$281</b>	<b>\$626</b>	<b>\$586</b>	<b>\$670</b>	<b>\$691</b>	
Margin (%)	12%	8%	6%	10%	(4%)	111%	16%	15%	15%	15%	9%	18%	15%	16%	16%	
(+) Other Operating Expenses (Income), Net	16	14	14	0	-	-	-	-	-	40	44	-	-	-	-	
(+) Non Service Components of Pension Benefit Costs (Income)	(2)	(2)	(3)	12	(2)	(1)	(2)	(2)	(2)	8	5	(9)	(9)	(9)	(9)	
(-) Other Non-Operating Income (Expense)	(0)	0	(0)	(0)	(0)	-	(0)	(0)	(0)	(1)	(0)	(0)	(0)	(0)	(0)	
(+) Stock Based Compensation	3	4	2	4	2	3	(1)	2	2	18	12	8	19	19	19	
(-) Settlement Gain <sup>(1)</sup>	-	-	-	-	-	445	-	-	-	-	-	445	-	-	-	
(+) Reorganization Costs	-	-	4	69	162	174	-	-	-	-	73	336	-	-	-	
(+) Repositioning Costs	5	0	2	2	1	(0)	1	1	1	2	10	4	-	-	-	
(-) FX Hedge Gain (Loss) Net of Remeasurement (Debt)	(0)	1	(5)	42	-	-	-	-	-	(7)	38	-	-	-	-	
(+) Non-Recurring Costs	-	9	44	(1)	-	-	-	-	-	26	52	-	-	-	-	
<b>Adj. EBITDA</b>	<b>\$108</b>	<b>\$63</b>	<b>\$120</b>	<b>\$149</b>	<b>\$129</b>	<b>\$37</b>	<b>\$96</b>	<b>\$124</b>	<b>\$135</b>	<b>\$583</b>	<b>\$440</b>	<b>\$520</b>	<b>\$596</b>	<b>\$680</b>	<b>\$701</b>	
Margin (%)	14%	13%	15%	15%	15%	13%	16%	15%	15%	18%	14%	15%	16%	16%	16%	

Emergence

Source: Company projections, subject to ongoing review and material revision  
Notes: (1) Apr-2021 includes \$455M settlement gain (non-taxable); subject to legal and accounting review

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# Summary Cash Flow Statement

(\$ in millions)

	2019A	2020A by Quarter				2021E				2022E	2023E	2024E		
	FY	Q1	Q2	Q3	Q4	Q1	Apr	Emer.	May-Jun	Q3	Q4	FY	FY	FY
<i>(USDM, except per share data)</i>														
<b>Adjusted EBITDA</b>	\$583	\$108	\$63	\$120	\$149	\$129	\$37		\$96	\$124	\$135	\$596	\$680	\$701
(+) Decrease (Increase) in Accounts Receivable		58	57	(149)	(128)	(53)	43		(32)	(30)	52	9	(92)	(31)
(+) Decrease (Increase) in Inventory		(14)	(10)	(3)	12	4	10		(3)	(1)	3	(25)	(15)	(9)
(+) Increase (Decrease) in Accounts Payable		(29)	(202)	105	167	60	10		-	(13)	(45)	14	97	32
<b>(+) Decrease (Increase) in NWC</b>	<b>59</b>	<b>15</b>	<b>(155)</b>	<b>(47)</b>	<b>51</b>	<b>11</b>	<b>63</b>		<b>(35)</b>	<b>(44)</b>	<b>10</b>	<b>(2)</b>	<b>(10)</b>	<b>(8)</b>
(-) Cash Collateralization	-	-	-	2	99	97	28		(80)	(117)	(28)	-	-	-
(-) Cash Interest, net	54	7	30	11	27	20	14		8	11	11	43	42	42
(-) Indemnity Obligation Payments to Honeywell	160	39	2	1	-	-	-		-	-	-	-	-	-
(-) MTT Obligation Payments to Honeywell	18	-	-	-	-	-	-		-	-	-	-	-	-
(-) Cash Taxes	93	3	3	21	16	17	6		11	17	17	91	105	104
(-) Chapter 11 Prof. Services Fees and D&O Insurance	-	-	8	79	14	174	137		-	-	-	-	-	-
(-) Other cash flow item expense	75	17	17	2	(18)	(6)	7		13	7	(9)	30	30	30
<b>Cash flow from operations</b>	<b>\$242</b>	<b>\$57</b>	<b>(\$152)</b>	<b>(\$43)</b>	<b>\$62</b>	<b>(\$161)</b>	<b>(\$92)</b>		<b>\$109</b>	<b>\$162</b>	<b>\$153</b>	<b>\$429</b>	<b>\$494</b>	<b>\$518</b>
(-) Capex	102	39	24	16	1	37	5		17	31	26	119	125	133
(-) Other	(16)	-	-	-	-	-	-		(17)	(31)	(26)	(119)	(125)	(133)
<b>Cash flow from investing</b>	<b>(\$86)</b>	<b>(\$39)</b>	<b>(\$24)</b>	<b>(\$16)</b>	<b>(\$1)</b>	<b>(\$37)</b>	<b>(\$5)</b>		<b>(\$17)</b>	<b>(\$31)</b>	<b>(\$26)</b>	<b>(\$119)</b>	<b>(\$125)</b>	<b>(\$133)</b>
<b>FCF</b>	<b>\$156</b>	<b>\$18</b>	<b>(\$176)</b>	<b>(\$59)</b>	<b>\$61</b>	<b>(\$198)</b>	<b>(\$97)</b>		<b>\$92</b>	<b>\$132</b>	<b>\$128</b>	<b>\$310</b>	<b>\$369</b>	<b>\$385</b>
(+) Proceeds / (Repayment) DIP	-	-	-	-	200	-	-		-	-	-	-	-	-
(+) Proceeds from RCF	745	621	402	426	-	-	-		-	-	-	-	-	-
(-) Payments of RCF	745	555	349	196	-	-	-		-	-	-	-	-	-
(-) Payments of LT Debt	163	1	1	1	-	-	-		-	-	-	-	-	-
(-) Series A Preferred Dividends	-	-	-	-	-	-	-		-	-	-	-	164	164
(-) Series B Preferred Repayment	-	-	-	-	-	-	-		-	-	-	35	100	100
(-) Other expenses	-	3	-	-	9	-	-		-	-	-	-	-	-
<b>Cash flow from financing</b>	<b>(\$163)</b>	<b>\$62</b>	<b>\$51</b>	<b>\$229</b>	<b>\$191</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$35)</b>	<b>(\$264)</b>	<b>(\$264)</b>
Effect of FX rate changes on cash	(2)	(12)	9	5	26	-	-		-	-	-	-	-	-
<b>Beginning Unrestricted Cash</b>	<b>\$196</b>	<b>\$187</b>	<b>\$254</b>	<b>\$139</b>	<b>\$314</b>	<b>\$592</b>	<b>\$394</b>	<b>\$297</b>	<b>\$96</b>	<b>\$188</b>	<b>\$320</b>	<b>\$448</b>	<b>\$723</b>	<b>\$828</b>
<b>Net Change in Unrestricted Cash</b>	<b>(9)</b>	<b>67</b>	<b>(115)</b>	<b>176</b>	<b>278</b>	<b>(198)</b>	<b>(97)</b>	<b>(201)</b>	<b>92</b>	<b>132</b>	<b>128</b>	<b>275</b>	<b>105</b>	<b>121</b>
<b>Ending Unrestricted Cash</b>	<b>\$187</b>	<b>\$254</b>	<b>\$139</b>	<b>\$314</b>	<b>\$592</b>	<b>\$394</b>	<b>\$297<sup>(1)</sup></b>	<b>\$96</b>	<b>\$188</b>	<b>\$320</b>	<b>\$448</b>	<b>\$723</b>	<b>\$828</b>	<b>\$949</b>
<b>Ending Restricted Cash</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$2</b>	<b>\$101</b>	<b>\$198</b>	<b>\$226</b>	<b>\$226</b>	<b>\$146</b>	<b>\$29</b>	<b>\$1</b>	<b>\$1</b>	<b>\$1</b>	<b>\$1</b>

Source: Company projections, subject to ongoing review and material revision

Notes: (1) Includes \$45M of cash flow contingency included in NWC for 2021 and \$30M of contingency for 2022-2024 included in Other

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# Summary Balance Sheet

(\$ in millions)

PF Balance Sheet post emergence subject to appropriate accounting and legal review

(USD\$M, except per share data)

	2019A	2020A by Quarter				2021E					2022E	2023E	2024E	
	FY	Q1	Q2	Q3	Q4	Q1	Apr	Emer.	May-Jun	Q3	Q4	FY	FY	FY
Cash and cash equivalents	187	254	139	314	592	394	297 (1)	96	188	320	448	723	828	949
Restricted Cash	-	-	-	2	101	198	226	226	146	29	1	1	1	1
Accounts, notes and other receivables- net	707	629	554	710	841	894	851	851	883	913	861	852	944	975
Inventories—net	220	225	234	237	235	231	221	221	224	225	222	247	262	271
Other current assets	85	80	77	128	110	110	110	110	110	110	110	110	110	110
<b>Total Current Assets</b>	<b>1,199</b>	<b>1,188</b>	<b>1,004</b>	<b>1,392</b>	<b>1,879</b>	<b>1,827</b>	<b>1,705</b>	<b>1,504</b>	<b>1,552</b>	<b>1,597</b>	<b>1,642</b>	<b>1,933</b>	<b>2,145</b>	<b>2,306</b>
Investments and long-term receivables	36	34	34	34	30	30	30	30	30	30	30	30	30	30
Property, plant and equipment—net	471	457	457	465	505	519	516	516	517	524	525	545	568	598
Goodwill	193	193	193	193	193	193	193	193	193	193	193	193	193	193
Deferred income taxes	268	277	272	265	275	275	275	275	275	275	275	275	275	275
Other assets	108	105	106	118	135	135	135	135	135	135	135	135	135	135
<b>Total Non-Current Assets</b>	<b>1,076</b>	<b>1,066</b>	<b>1,062</b>	<b>1,075</b>	<b>1,139</b>	<b>1,153</b>	<b>1,150</b>	<b>1,150</b>	<b>1,151</b>	<b>1,167</b>	<b>1,159</b>	<b>1,178</b>	<b>1,202</b>	<b>1,231</b>
<b>Total Assets</b>	<b>\$2,275</b>	<b>\$2,254</b>	<b>\$2,066</b>	<b>\$2,467</b>	<b>\$3,018</b>	<b>\$2,979</b>	<b>\$2,855</b>	<b>\$2,654</b>	<b>\$2,703</b>	<b>\$2,755</b>	<b>\$2,800</b>	<b>\$3,112</b>	<b>\$3,347</b>	<b>\$3,537</b>
Accounts payable	1,009	935	705	828	1,101	1,161	1,171	1,171	1,171	1,158	1,113	1,127	1,224	1,256
DIP	-	-	-	-	200	200	200	-	-	-	-	-	-	-
Borrowings under revolving credit facility	-	66	135	370	370	370	370	-	-	-	-	-	-	-
Current maturities of long-term debt	4	4	4	-	-	-	-	-	-	-	-	-	-	-
Obligations payable to Honeywell, current	69	68	37	40	42	42	42	-	-	-	-	-	-	-
Accrued liabilities	310	303	284	201	335	335	335	335	335	335	335	335	335	335
<b>Total Current Liabilities</b>	<b>1,392</b>	<b>1,376</b>	<b>1,165</b>	<b>1,439</b>	<b>2,049</b>	<b>2,109</b>	<b>2,119</b>	<b>1,506</b>	<b>1,506</b>	<b>1,493</b>	<b>1,448</b>	<b>1,462</b>	<b>1,559</b>	<b>1,591</b>
Long-term debt	1,409	1,389	1,403	1,452	1,511	1,511	1,511	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Deferred income taxes	51	37	35	2	27	27	27	27	27	27	27	27	27	27
Obligations payable to Honeywell	1,282	1,236	1,304	1,364	1,440	1,440	1,440	-	-	-	-	-	-	-
Other liabilities	274	262	262	406	298	304	297	297	284	278	286	256	226	196
<b>Total Non-Current Liabilities</b>	<b>3,016</b>	<b>2,924</b>	<b>3,004</b>	<b>3,224</b>	<b>3,276</b>	<b>3,262</b>	<b>3,275</b>	<b>1,574</b>	<b>1,561</b>	<b>1,555</b>	<b>1,563</b>	<b>1,533</b>	<b>1,503</b>	<b>1,473</b>
Common Equity	-	-	-	-	-	-	-	(2,262)	(2,262)	(2,262)	(2,262)	(2,262)	(2,262)	(2,262)
Additional paid-in capital	19	20	24	26	28	28	28	-	-	-	-	-	-	-
Retained earnings	(2,282)	(2,235)	(2,244)	(2,233)	(2,207)	(2,311)	(2,438)	-	62	133	124	296	521	771
Accumulated other comprehensive income	130	169	117	11	(128)	(128)	(128)	-	-	-	-	-	-	-
Series A Preferred Stock - Principal	-	-	-	-	-	-	-	1,251	1,251	1,251	1,251	1,251	1,251	1,251
Series A Preferred Stock - PIK	-	-	-	-	-	-	-	-	-	92	239	239	239	239
Series B Preferred Stock	-	-	-	-	-	-	-	584	584	584	584	591	534	473
<b>Total Equity</b>	<b>(2,133)</b>	<b>(2,046)</b>	<b>(2,103)</b>	<b>(2,196)</b>	<b>(2,307)</b>	<b>(2,411)</b>	<b>(2,539)</b>	<b>(427)</b>	<b>(365)</b>	<b>(294)</b>	<b>(211)</b>	<b>116</b>	<b>284</b>	<b>473</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$2,275</b>	<b>\$2,254</b>	<b>\$2,066</b>	<b>\$2,467</b>	<b>\$3,018</b>	<b>\$2,979</b>	<b>\$2,855</b>	<b>\$2,654</b>	<b>\$2,703</b>	<b>\$2,755</b>	<b>\$2,800</b>	<b>\$3,112</b>	<b>\$3,347</b>	<b>\$3,537</b>

Source: Company projections, subject to ongoing review and material revision

Notes: (1) Includes \$45M of cash flow contingency

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# Summary term sheet – Convertible Series A Preferred Equity

Term	Description
Amount	<ul style="list-style-type: none"> <li>■ Approximately \$1,251MM                             <ul style="list-style-type: none"> <li>■ Approximately \$1,051MM to be provided by the Plan Sponsors and the Additional Investors</li> <li>■ \$200MM rights offering fully backstopped by the Plan Sponsors and the Additional Investors</li> </ul> </li> </ul>
Dividend	<ul style="list-style-type: none"> <li>■ 11% per annum, payable in cash or PIK at the election of the majority of the disinterested members of the New Board</li> <li>■ Dividends to automatically PIK if Garrett's consolidated adjusted EBITDA for the prior four fiscal quarters does not exceed \$425MM</li> </ul>
Conversion	<ul style="list-style-type: none"> <li>■ <b>Optional Conversion:</b> Principal convertible (i.e., excluding accrued and unpaid dividends) at a conversion price of \$3.50 (the "Conversion Price") per common share of Garrett                             <ul style="list-style-type: none"> <li>■ All outstanding Convertible Series A Preferred Stock shall convert into common stock of Garrett upon the approval of a majority of Convertible Series A Preferred Stockholders</li> </ul> </li> <li>■ <b>Automatic Conversion:</b> Principal automatically converts on the first date on or after the date that is two years from the effective date on which: (a) \$125MM or less of Amortization Payments remain outstanding on the Series B Preferred Stock; (b) the common stock of Garrett has a 75-day volume-weighted average price per share that is greater than or equal to 150% of the Conversion Price; and (c) Garrett's adjusted EBITDA on a consolidated basis for the prior twelve months equals or exceeds \$600MM for two consecutive quarters</li> <li>■ <b>Dividends:</b> Upon either optional or automatic conversion, all accrued and unpaid dividends shall be paid in cash or, at Garrett's option, convert at a price per share that is the lesser of: (a) the 30-day volume weighted average price per share of the common stock of Garrett at the time of such conversion or (b) the fair market value of the common stock of Garrett at the time of such conversion as determined by the New Board</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>■ Senior in liquidation and distribution rights with respect to all other preferred and common stock of Garrett</li> <li>■ Upon a sale, liquidation or similar event, if not previously converted, the holders of Series A Preferred Stock shall receive the greater of (a) the liquidation preference of such stock plus accrued and unpaid dividends thereunder, whether or not previously declared and (b) the amount the Series A Preferred Stock, including accrued and unpaid dividends thereunder, whether or not previously declared, would receive on an as-converted basis if converted to common stock immediately before such event</li> <li>■ No preferred shares or equity securities ranking <i>pari passu</i> with or senior to the Convertible Series A Preferred Stock may be issued without the consent of (a) holders of a majority of the outstanding shares of Convertible Series A Preferred Stock and (b) holders of the Series B Preferred Stock</li> </ul>
Voting	<ul style="list-style-type: none"> <li>■ Convertible Series A Preferred Stock will vote on all matters before the holders of common stock of Garrett in a single class with such holders of common stock, on an as-converted basis</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>■ Perpetual</li> </ul>
Redemption Rights	<ul style="list-style-type: none"> <li>■ Non-redeemable except (a) in connection with a Change of Control or (b) at any time following the sixth anniversary of issuance</li> </ul>
Financial Covenant	<ul style="list-style-type: none"> <li>■ Subject to exceptions not less favourable than those to be included in the senior credit facilities, Garrett shall not incur debt that would result in a leverage ratio greater than 3.0x, without the approval of holders of a majority of the outstanding shares of Convertible Series A Preferred Stock</li> </ul>
Change of Control	<ul style="list-style-type: none"> <li>■ Upon a transaction resulting in the transfer to a non-affiliate of (a) 50.01% or more of the total voting power of Garrett or (b) all or substantially all of the assets of the Company, Garrett may redeem any Convertible Series A Preferred stock not converted into common stock of Garrett for an amount equal to the liquidation preference plus any accrued and unpaid dividends</li> </ul>

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# Summary term sheet – Series B Preferred Equity

Term	Description
Initial Cash Payment	<ul style="list-style-type: none"> <li>■ \$375MM</li> </ul>
Amortization Payments	<ul style="list-style-type: none"> <li>■ \$34.8MM payment in 2022</li> <li>■ 8 annual payments of \$100MM beginning in 2023 and ending in 2030</li> </ul>
Amortization Payment Deferral	<ul style="list-style-type: none"> <li>■ If annual adjusted EBITDA falls below \$425MM, the Amortization Payments for the subsequent year shall be deferred and repaid in equal instalments over the following two years <b>(unless deferred further)</b> in addition to any Amortization Payments due in the following years</li> </ul>
Call Option	<ul style="list-style-type: none"> <li>■ Amortization Payments shall be callable at any time with a payment equal to the present value of the remaining Amortization Payments utilizing a 7.25% discount rate</li> <li>■ Option to partially call remaining Amortization Payments within the first 18 months from emergence at a 7.25% discount rate so long as the present value of the remaining Amortization Payments immediately after Garrett exercises such a partial call option is no less than \$400MM</li> </ul>
Put Option	<ul style="list-style-type: none"> <li>■ In the event Garrett achieves two consecutive quarters of LTM adjusted EBITDA of at least \$600MM, Honeywell has the option to put the Series B Preferred Stock back to Garrett at a purchase price equal to the present value of the remaining Amortization Payments, utilizing a 7.25% discount rate</li> </ul>
Change of Control	<ul style="list-style-type: none"> <li>■ Upon a transaction resulting in a change of control, Honeywell may exercise its Put Option utilizing the same 7.25% discount rate</li> </ul>
Governance	<ul style="list-style-type: none"> <li>■ Series B Preferred Stock shall have the right to nominate one board member to the New Board until the Amortization Payments remaining on the Series B Preferred Stock total \$125MM or less</li> </ul>



# Garrett

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