

FEBRUARY 19, 2026

# Q4 AND FULL YEAR 2025 FINANCIAL RESULTS

**Garrett**  
ADVANCING MOTION

### **Forward Looking Statements**

This communication and related comments by management may include “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact and can be identified by words such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “target,” “will,” and similar expressions. Forward-looking statements represent our current judgment about possible future activities, events, or developments that we intend, expect, project, believe, or anticipate will or may occur in the future. In making these statement, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future performance, events, or results, and actual performance, events, or results may differ materially from those envisaged by our forward-looking statements due to a variety of important factors, many of which are described in our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission, including risks related to the automotive industry, the competitive landscape and our ability to compete, and macroeconomic and geopolitical conditions, among others. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events, or other factors that affect the subject of these statement, except where we are expressly required to do so by law.

### **Non-GAAP Financial Measures**

This communication includes the following non-GAAP financial measures, which are not calculated in accordance with generally accepted accounting principles in the United States (“GAAP”): constant currency sales growth, Adjusted EBITDA, Adjusted EBITDA margin, Consolidated EBITDA, Adjusted EBIT, Adjusted EBIT margin, Adjusted free cash flow, and Adjusted free cash flow conversion. We believe these measures are useful to investors and management in understanding our ongoing operations and analysis of ongoing operating trends and are important indicators of operating performance because they exclude the effects of certain non-operating items, therefore making them more closely reflect our operational performance. Our calculation of these non-GAAP measures, including a reconciliation of such measures to the most closely related GAAP measure, are set forth in the Appendix to this presentation. These non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related GAAP measures. For additional information regarding our non-GAAP financial measures, see our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission.

# Key business highlights

## Strong execution in 2025

### Net Sales of \$891M in Q4, \$3,584M for FY 2025

- +6% reported vs. Q4 2024, FY +3% reported vs. 2024
- Light vehicle gasoline grew 4% in 2025, outperforming the industry, driven by share of demand gains

### Adj. EBIT<sup>1</sup> of \$122M in Q4, \$510M for FY 2025

- Achieved 13.7% margin<sup>1</sup> in Q4, 14.2% margin<sup>1</sup> for FY

### Adj. Free Cash Flow<sup>1</sup> of \$139M in Q4, \$403M in 2025

- 79% full year Adjusted FCF<sup>1</sup> conversion

### Returned \$260M to shareholders in 2025

- Repurchased shares for \$72M in Q4 and \$208M in 2025
- Initiated and paid dividends of \$52M for full year

## Continuing to win in 2026

### Broadening product portfolio

- Expanding hybrid, commercial vehicle and industrial turbo offerings
- Leveraging differentiated and proven auto technologies in new industrial non-automotive applications

### FY outlook midpoint

- Net sales of \$3.7B on share of demand gains
- Adj. EBIT margin<sup>1</sup> expansion to 14.7% (+50bps vs. 2025)
- \$405M Adj. Free Cash Flow<sup>1</sup> | 74% Adj. FCF<sup>1</sup> conversion

### Continuing to return capital to shareholders

- \$250M share repurchase authorization for 2026
- Declared Q1 26 dividend of \$0.08/ share on Feb 19, 2026

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

# Continued success across differentiated technologies

## Turbo and Hybrid Technologies



Light Vehicle Turbo



Commercial Vehicle Turbo



Industrial Turbo

- Secured new light-vehicle turbo awards in key geographies, including in Diesel for light commercial vehicles and hybrid Gasoline applications
- Secured 15 commercial vehicle and industrial awards, further expanding presence in power generation and marine
- Won first 2 MEG series production awards for marine applications and expanded MEG Aftermarket offerings

## Zero Emission Technologies



3-in-1 E-Powertrain



E-Cooling Compressor



Fuel Cell Compressor

- Announced roll-out of full portfolio of industrial HVAC compressors leveraging breakthrough oil-free high-speed centrifugal technology
- Received first series-production award for a disruptive E-cooling compressor from a leading bus and truck HVAC producer in China, SOP in 2027
- Interest continues to grow for our high-speed E-Powertrain, as we prepare for the start of production of our first electric trucks program in January 2027

# Breakthrough oil-free centrifugal compressor technology

## Key benefits:

- Superior energy efficiency leading to better TCO<sup>1</sup>
- Ready for today's & next generation low GWP<sup>2</sup> refrigerants
- Less noise
- Smaller & lighter



## Leveraging our technology differentiation, scale and quality from automotive:

- High-speed e-motor
- Oil-free foil bearing technology
- In-house controls software & electronics



**Rooftop/Unitary HVAC**



**Comfort Cooling Chillers**



**Large Chillers**  
(e.g., for hyperscale data centers)



**Computer (In-)Room Air Conditioner (CRAC)**

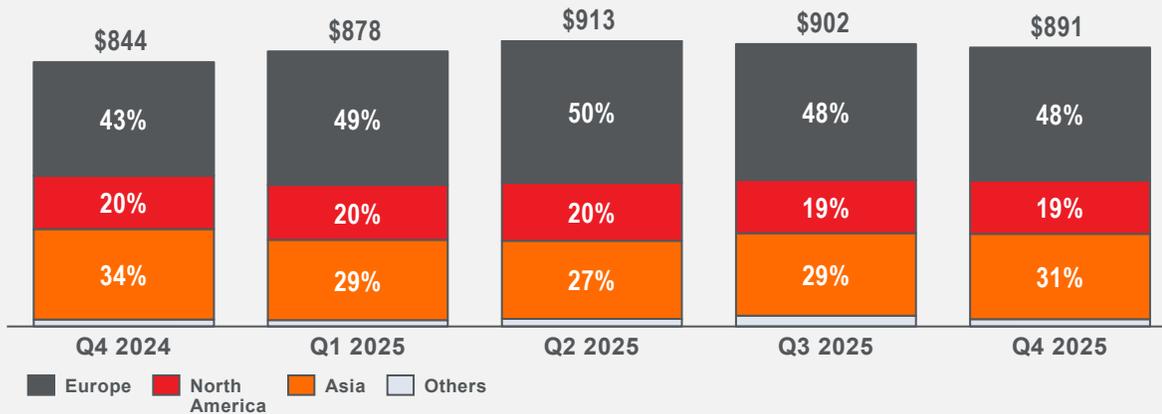


**Battery Energy Storage System**

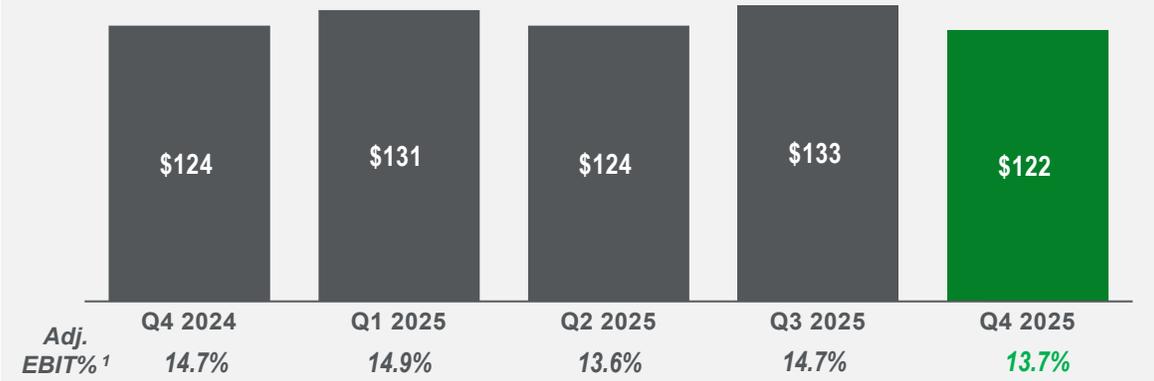
<sup>1</sup> Total Cost of Ownership  
<sup>2</sup> Global Warming Potential

# Quarterly financial trends: Q4 2024 – Q4 2025

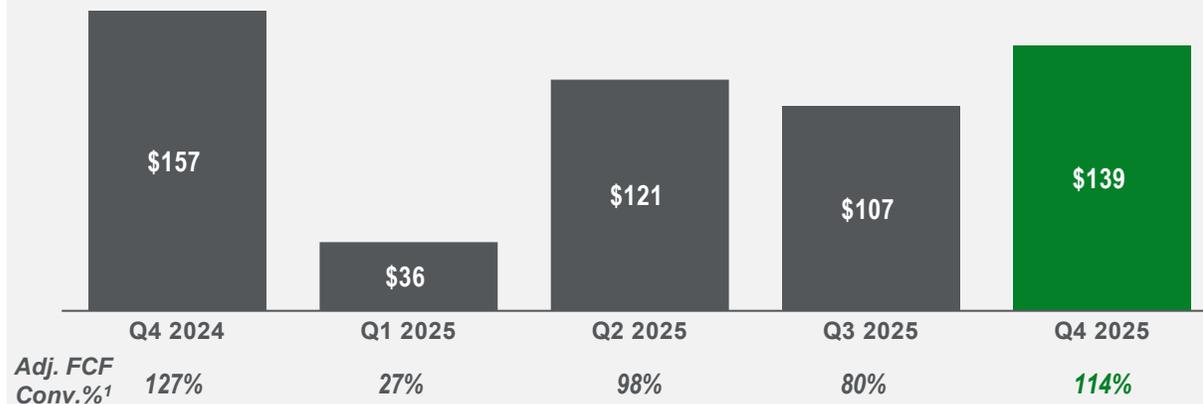
## Reported Net Sales (\$M)



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



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

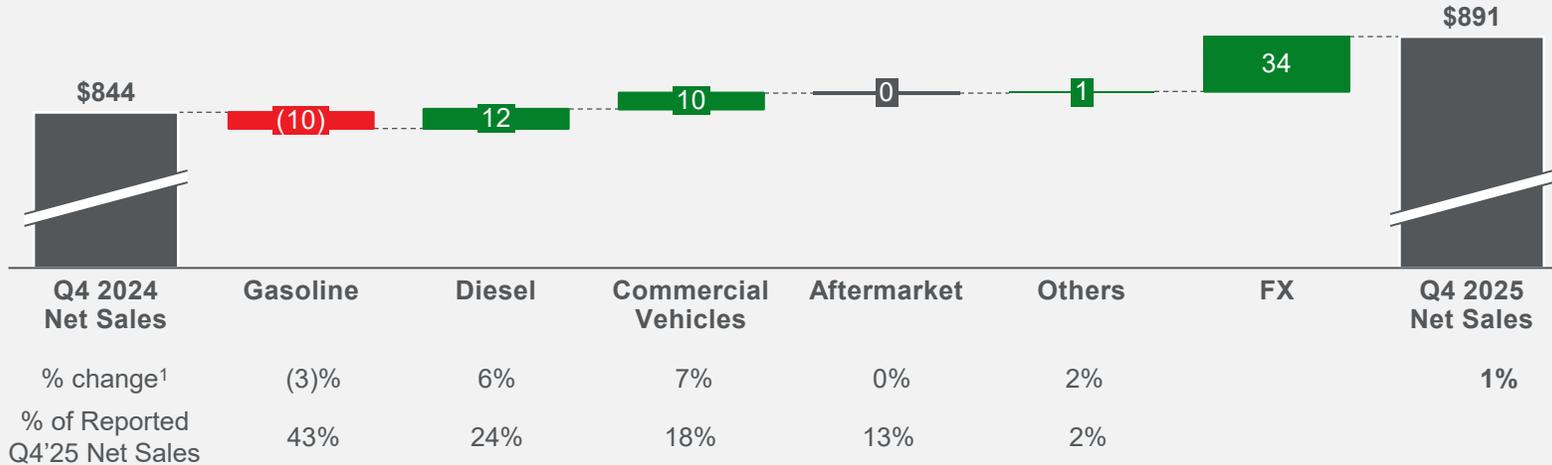


- **Stable Net Sales** with gasoline share of demand gains, slow recovery of commercial vehicles and continued Aftermarket and diesel softness
- **Adj. EBIT<sup>1</sup> down sequentially** in Q4 as operational productivity and favorable FX was more than offset by unfavorable product mix and one-time headwinds
- **Strong Adj. Free Cash Flow<sup>1</sup>** from working capital recovery and delayed capital expenditures in the quarter

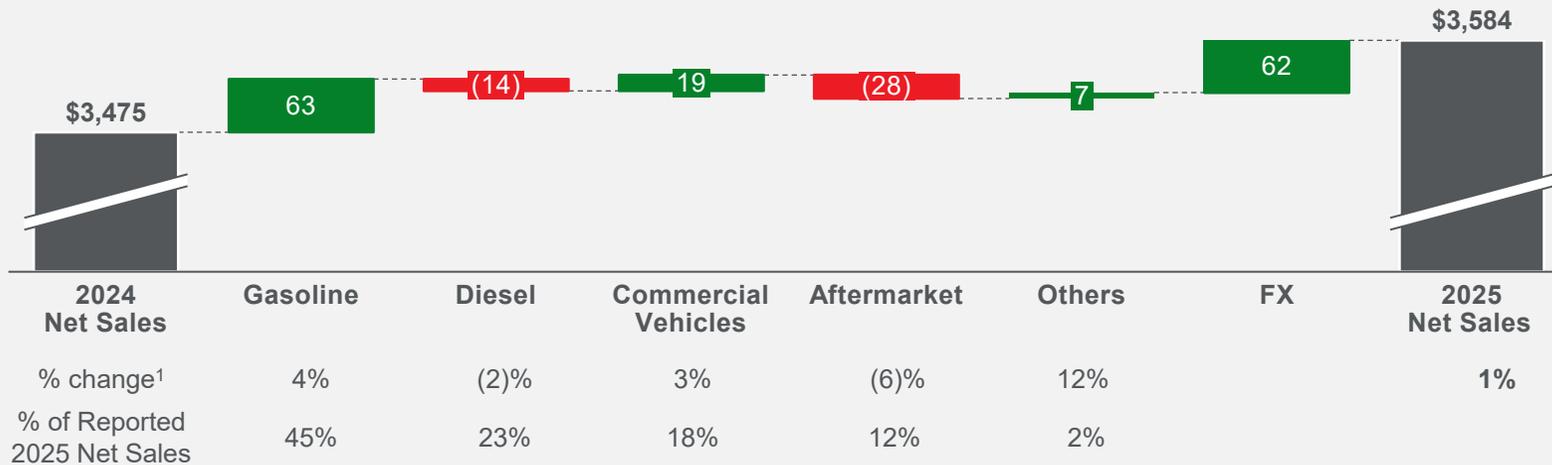
<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix

# Net Sales bridge: Q4 and FY 2025

(\$M)



- Net Sales up \$47M or 6% on a reported basis, 1% at constant currency<sup>1</sup>
  - Growth in global diesel and commercial vehicles verticals
  - Gasoline decline in Asia due to lower volumes partially offset by gains in Europe
  - Tariff recoveries of \$10M in the quarter<sup>2</sup>

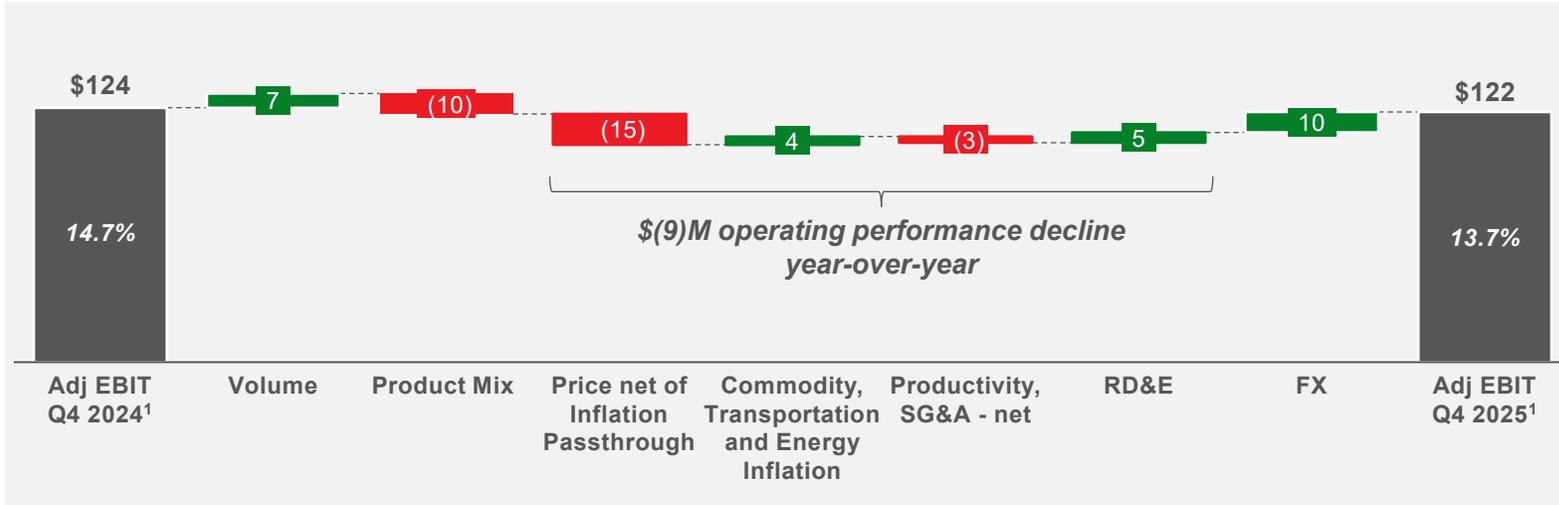


- Net Sales up \$109M or 3% on reported basis, 1% at constant currency<sup>1</sup>
  - Gasoline growth from new launches & ramp-ups; CV off-hwy recovery across regions
  - Diesel down as Europe industry declines, partially offset by North America growth
  - Aftermarket decline from lower demand for off-hwy applications in North America
  - Tariff recoveries of \$40M for the year<sup>2</sup>

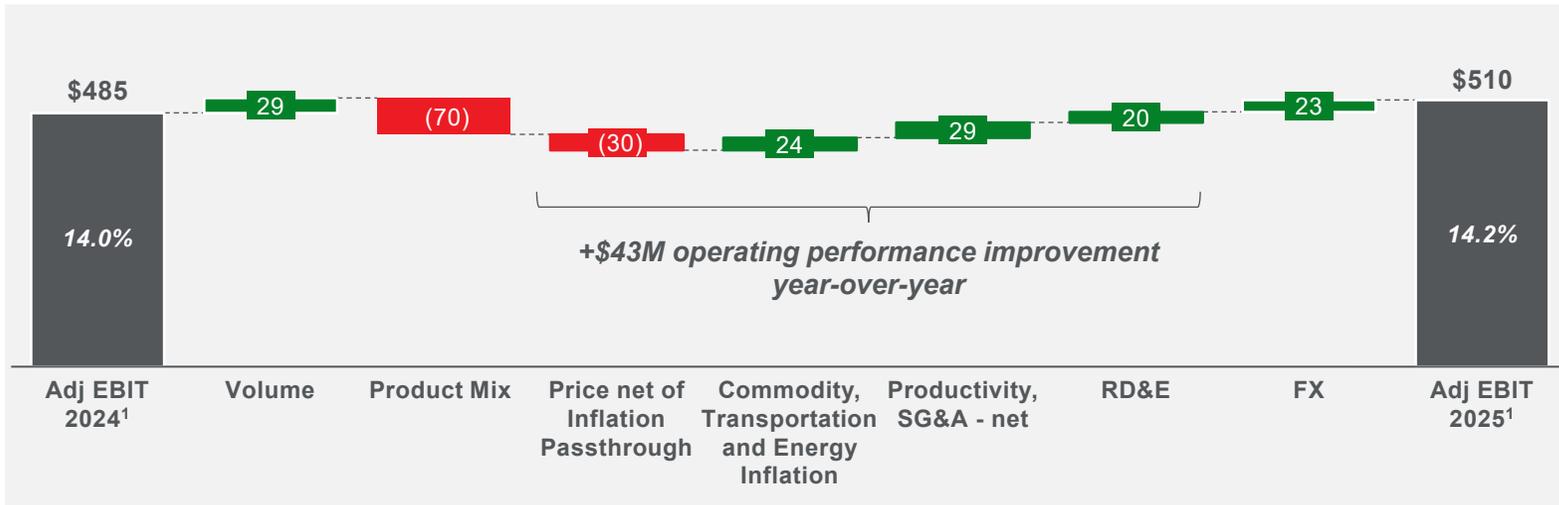
<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix  
<sup>2</sup> Tariff amounts included in each vertical

# Adjusted EBIT<sup>1</sup> bridge: Q4 and FY 2025

(\$M)



- Adjusted EBIT<sup>1</sup> of \$122M, down \$2M | Margin<sup>1</sup> of 13.7%, down 100bps net of tariffs
- Volume growth with unfavorable product mix
- One-time headwinds offsetting benefit from continued operational performance gains

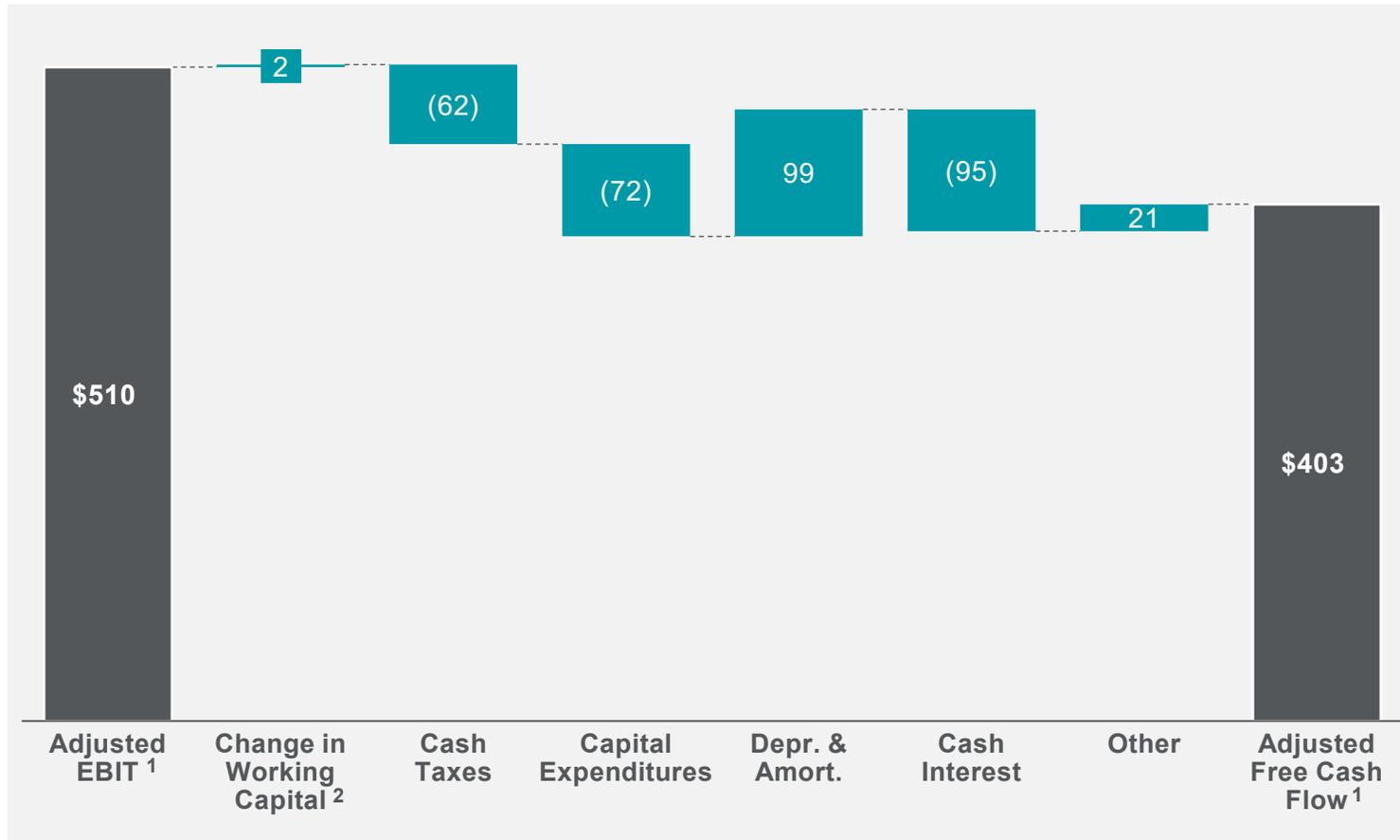


- Adjusted EBIT<sup>1</sup> of \$510M, up \$25M | Margin<sup>1</sup> of 14.2%, up 20bps net of tariffs
- Volume gains more than offset by unfavorable product mix
- Strong operating performance through variable and sustained fixed cost productivity driving +120bps of margin expansion

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

# 2025 Adjusted EBIT<sup>1</sup> to Adjusted Free Cash Flow<sup>1</sup> bridge

(\$M)



- Strong full year Adjusted Free Cash Flow<sup>1</sup> conversion of 79%
- Lower capital expenditures versus expectation due to timing
- Cash taxes and interest in line with expectations
- Other includes cross-currency swaps and stock-based compensation

<sup>1</sup> Reconciliations of Non-GAAP financial measures are included in Appendix  
<sup>2</sup> Change in Working Capital excludes the impact of \$7M Factoring and p-notes

# Liquidity, Net Debt and Leverage ratio

(\$M)	Liquidity and Net Debt <sup>2</sup>	
	Q3 2025	Q4 2025
Unrestricted Cash <sup>1</sup>	230	177
Undrawn Revolver Credit Facility	630	630
<b>Total Liquidity</b>	<b>860</b>	<b>807</b>
2032 7Y Term Loan	688	637
2032 8Y Senior Unsecured Notes	800	800
Other	2	2
<b>Gross Debt<sup>2</sup></b>	<b>1,490</b>	<b>1,439</b>
<b>Net Debt<sup>2</sup> (Gross Debt – Unrestricted Cash)</b>	<b>1,260</b>	<b>1,262</b>

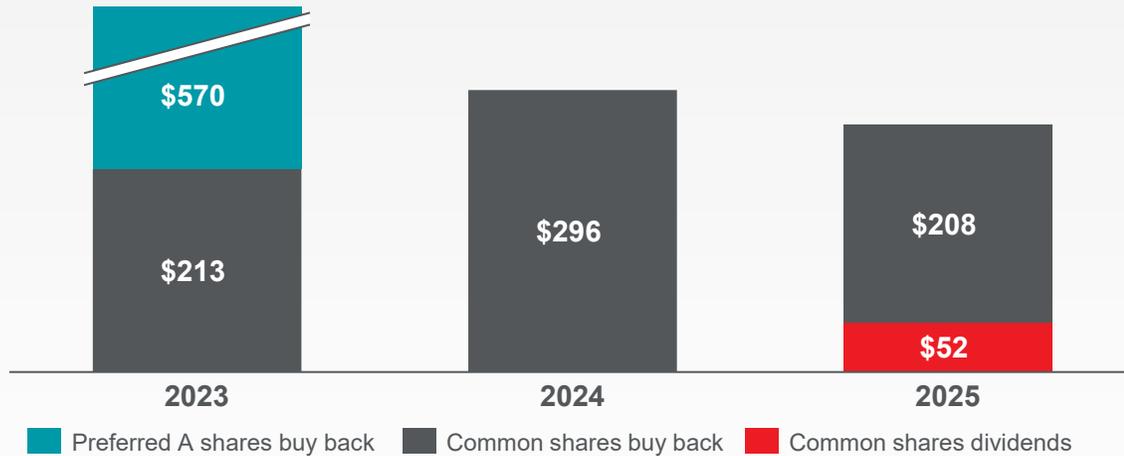
- Term Loan and Unsecured Notes maturing in 2032
- Net leverage ratio<sup>2</sup> at 1.92x
- \$50M voluntary early Term Loan repayment on Oct. 23, 2025
- Strong financial flexibility with ~\$807M total liquidity with no significant maturities until 2032

<sup>1</sup> Excluding Restricted Cash of \$3M in Q3 2025 and \$2M in Q4 2025

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

# Targeting to return 75%<sup>1</sup> of Adj. FCF<sup>2</sup> to shareholders over time

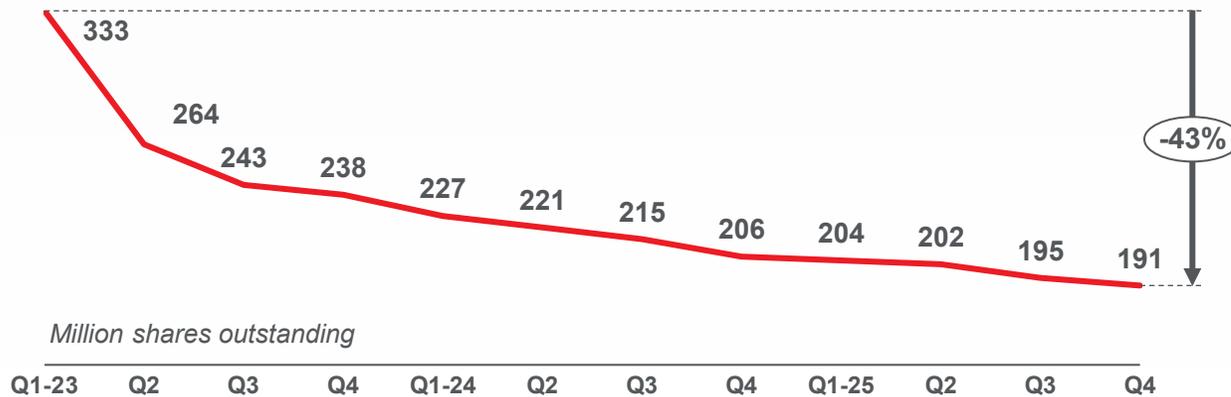
## Shareholder Returns (\$M)



## Full Year Highlights

- Repurchased \$72M of common stock in Q4, for a total of \$208M in 2025
- ~191 million shares outstanding as of December 31, 2025, down 43% since Jan 2023
- Declared Q1 2026 dividend of \$0.08 per share on Feb 19, 2026
- Share repurchase authorization of \$250M for 2026

## Continuous Share Count Reduction<sup>3</sup>



<sup>1</sup> Actual amount and pace of repurchases will vary over time and will depend on various factors including macro-economic and industry conditions

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

<sup>3</sup> Includes Preferred A shares on an as-converted basis for periods prior to conversion

# 2026 outlook

<b>Net Sales</b>	<b>\$3.6B to \$3.8B</b>
<b>Net Sales Growth at Constant Currency<sup>1</sup></b>	<b>-2% to +2%</b>
<b>Net Income</b>	<b>\$295M to \$335M</b>
<b>Adjusted EBIT<sup>1</sup></b>	<b>\$520M to \$570M</b>
<b>Net Cash Provided By Operating Activities</b>	<b>\$407M to \$502M</b>
<b>Adjusted Free Cash Flow<sup>1</sup></b>	<b>\$355M to \$455M</b>

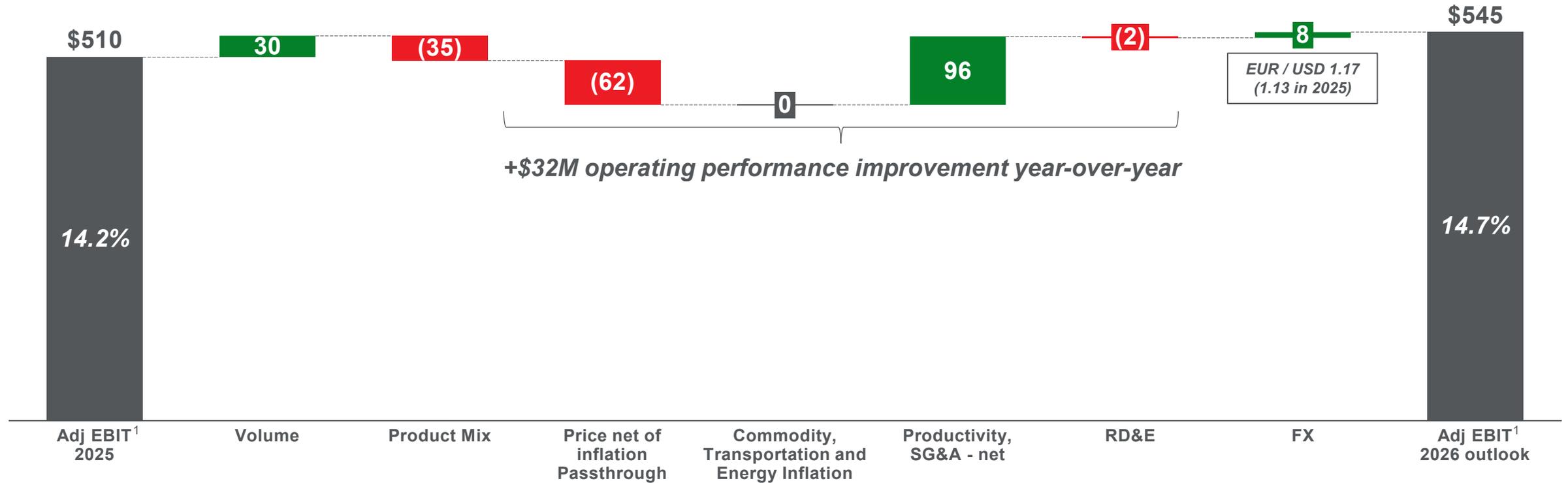
## Planning Assumptions

- Light vehicle industry down vs. 2025 (-1% to -3%)
- Average light vehicle BEV penetration of 19%
- Commercial vehicle industry up vs. 2025 (+1% to +2%)
- RD&E investment at 4.2% of Sales,  
~50% on zero emission technologies
- Capital expenditures at 2.5% of Sales,  
~25% on zero emission technologies
- Euro/USD currency rate of 1.17 vs. 1.13 in 2025
- Outlook range does not consider potential impact of changes in tariff policies or other trade actions

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

# 2026 midpoint outlook Adjusted EBIT<sup>1</sup> bridge

(\$M)



## Adjusted EBIT<sup>1</sup> outlook of \$545M, 14.7% margin<sup>1</sup> up 50bps year-over-year:

- Share of demand gains offset by unfavorable product mix
- Driving strong margin expansion through continued operating performance improvement

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

# We remain focused on value creation

## Industry Leadership

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

## Cash Generation

**Proven performance** through business cycles with target of 75% Adjusted Free Cash Flow conversion<sup>2</sup> while funding RD&E and aiming to return 75% of Adj. FCF<sup>2</sup> to shareholders over time through dividends and share repurchases

## Focused Zero Emission<sup>3</sup> Strategy

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

## Tech Differentiation

New **zero-emission** offerings, addressing unmet customer needs; sustaining **high margins** through **differentiated technology** that is difficult for competitors to replicate

## Talent & Culture

**Experienced team, proven performance, strong culture of innovation** centered on creating and delivering **breakthrough technology** at scale

<sup>1</sup> Turbo ranking based on 2025 results, as per management estimates

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

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

# Delivering results and advancing the transformation

- ✓ Delivered strong 2025 financial performance, with Adjusted EBIT<sup>1</sup> of \$510M, 14.2% Adjusted EBIT Margin<sup>1</sup> and \$403M of Adjusted Free Cash Flow<sup>1</sup>
- ✓ Winning in turbo, including multiple hybrid, REEV and E-boosting applications
- ✓ Strong momentum in Zero Emission Technologies with first awards in E-Powertrain & E-Cooling
- ✓ Winning industrial turbo applications and rolled out our industrial E-Cooling compressor portfolio
- ✓ Returning capital to shareholders while strengthening an already solid balance sheet
- ✓ 2026 outlook reflects share of demand gains and continued margin expansion driven by strong operational performance

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

# APPENDICES



# Income Statement

<i>(\$ in millions)</i>	<b>Q4 2025</b>	<b>Q4 2024</b>	<b>FY 2025</b>	<b>FY 2024</b>
<b>Net sales</b>	<b>\$891</b>	<b>\$844</b>	<b>\$3,584</b>	<b>\$3,475</b>
Cost of goods sold	706	662	2853	2770
<b>Gross profit</b>	<b>185</b>	<b>182</b>	<b>731</b>	<b>705</b>
Selling, general and administrative expenses	65	62	240	240
Other expense, net	1	1	10	6
Interest expense	25	26	108	156
Gain on sale of equity investment	0	0	0	(27)
Non-operating income	(9)	(6)	(19)	(13)
<b>Income before taxes</b>	<b>\$103</b>	<b>\$99</b>	<b>\$392</b>	<b>\$343</b>
Tax expense (loss)	19	(1)	82	61
<b>Net income</b>	<b>\$84</b>	<b>\$100</b>	<b>\$310</b>	<b>\$282</b>

# Balance Sheet Summary

*(\$ in millions)*

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$177	\$125
Restricted cash	2	1
Other	1,140	1,067
<b>Total current assets</b>	<b>1,319</b>	<b>1,193</b>
Property, plant and equipment-net	462	449
Deferred income taxes	210	207
Other	376	427
<b>Total assets</b>	<b>\$2,367</b>	<b>\$2,276</b>
<b>Liabilities</b>		
Total current liabilities	1,363	1,278
Long-term debt	1,411	1,464
Other	395	207
<b>Total liabilities</b>	<b>\$3,169</b>	<b>\$2,949</b>
<b>Equity (deficit)</b>		
Common stock, par value	0	0
Additional paid-in capital	1,240	1,213
Retained deficit	(1,384)	(1,653)
Treasury Stock	(520)	(306)
Accumulated other comprehensive income (loss)	(138)	73
<b>Total deficit</b>	<b>(802)</b>	<b>(673)</b>
<b>Total liabilities and deficit</b>	<b>\$2,367</b>	<b>\$2,276</b>

# Summary of Cash Flows

<i>(\$ in millions)</i>	<b>Q4 2025</b>	<b>Q4 2024</b>	<b>FY 2025</b>	<b>FY 2024</b>
<b>Net income</b>	<b>\$84</b>	<b>\$100</b>	<b>\$310</b>	<b>\$282</b>
<b>Net cash provided by operating activities</b>	<b>99</b>	<b>131</b>	<b>413</b>	<b>408</b>
<b>Net cash used for investing activities</b>	<b>(14)</b>	<b>(\$15)</b>	<b>(41)</b>	<b>(\$14)</b>
<b>Net cash used for financing activities</b>	<b>(139)</b>	<b>(81)</b>	<b>(326)</b>	<b>(\$520)</b>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	1	(6)	7	(8)
Net (decrease) / increase in cash, cash equivalents and restricted cash	(53)	29	53	(134)
<b>Cash, cash equivalents and restricted cash at beginning of the period</b>	<b>232</b>	<b>97</b>	<b>126</b>	<b>260</b>
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	<b>\$179</b>	<b>\$126</b>	<b>\$179</b>	<b>\$126</b>

# Reconciliation of Constant Currency Sales % Change

Garrett	Q4 2025	Q4 2024	FY 2025	FY 2024
Reported sales % change	6%	(11%)	3%	(11%)
Less: Foreign currency translation	5%	(1%)	2%	(1%)
Constant Currency sales % change	1%	(10%)	1%	(10%)

Gasoline	Q4 2025	Q4 2024	FY 2025	FY 2024
Reported sales % change	1%	(9%)	6%	(13%)
Less: Foreign currency translation	4%	(1%)	2%	(1%)
Constant Currency sales % change	(3%)	(8%)	4%	(12%)

Diesel	Q4 2025	Q4 2024	FY 2025	FY 2024
Reported sales % change	13%	(23%)	1%	(17%)
Less: Foreign currency translation	7%	(1%)	3%	(1%)
Constant Currency sales % change	6%	(22%)	(2%)	(16%)

Commercial vehicles	Q4 2025	Q4 2024	FY 2025	FY 2024
Reported sales % change	9%	2%	4%	(4%)
Less: Foreign currency translation	2%	(1%)	1%	(1%)
Constant Currency sales % change	7%	3%	3%	(3%)

Aftermarket	Q4 2025	Q4 2024	FY 2025	FY 2024
Reported sales % change	4%	(4%)	(5%)	1%
Less: Foreign currency translation	4%	(1%)	1%	0%
Constant Currency sales % change	0%	(3%)	(6%)	1%

Other Sales	Q4 2025	Q4 2024	FY 2025	FY 2024
Reported sales % change	7%	(25%)	15%	(11%)
Less: Foreign currency translation	5%	(1%)	3%	(1%)
Constant Currency sales % change	2%	(24%)	12%	(10%)

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

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

<i>(\$ in millions)</i>	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net cash provided by operating activities	\$99	\$100	\$158	\$56	\$131	\$67	\$126	\$84
Expenditures for property, plant and equipment	(21)	(10)	(15)	(26)	(22)	(20)	(17)	(32)
<b>Net cash provided by operating activities less expenditures for property, plant and equipment</b>	<b>\$78</b>	<b>\$90</b>	<b>\$143</b>	<b>\$30</b>	<b>\$109</b>	<b>\$47</b>	<b>\$109</b>	<b>\$52</b>
Capital structure transformation costs	1	0	0	0	0	0	0	1
Acquisition and divestiture expenses	0	1	4	1	0	0	1	0
Cash payments for repositioning	8	4	3	3	3	2	4	9
Cash proceeds from cross currency swap	2	6	11	4	6	3	4	4
Debt refinancing costs	0	1	0	6	0	0	0	0
Factoring and P-notes	50	5	(40)	(8)	39	19	(56)	2
<b>Adjusted free cash flow</b>	<b>\$139</b>	<b>\$107</b>	<b>\$121</b>	<b>\$36</b>	<b>\$157</b>	<b>\$71</b>	<b>\$62</b>	<b>\$68</b>
Net income	84	77	87	62	100	52	64	66
Adjusted EBITDA	159	164	154	159	153	144	150	151
Operating cash flow conversion %	118%	130%	182%	90%	131%	129%	197%	127%
<b>Adjusted free cash flow Conversion %</b>	<b>87%</b>	<b>65%</b>	<b>79%</b>	<b>23%</b>	<b>103%</b>	<b>49%</b>	<b>41%</b>	<b>45%</b>
Adjusted EBIT	122	133	124	131	124	117	123	121
<b>Adjusted free cash flow Conversion %</b>	<b>114%</b>	<b>80%</b>	<b>98%</b>	<b>27%</b>	<b>127%</b>	<b>61%</b>	<b>50%</b>	<b>56%</b>

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

(\$ in millions)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	LTM Q3 2025	FY 2025
<b>Net income - GAAP</b>	<b>\$84</b>	<b>\$77</b>	<b>\$87</b>	<b>\$62</b>	<b>\$100</b>	<b>\$326</b>	<b>\$310</b>
Interest expense, net of interest income	24	28	23	29	26	106	104
Tax expense (benefit)	19	25	15	23	(1)	62	82
Repositioning costs	4	3	(2)	7	5	13	12
Foreign exchange gain on debt, net of related hedging gain	0	0	(1)	1	0	0	0
Discounting costs on factoring	1	0	1	1	1	3	3
Gain on sale of equity investment	0	0	0	0	0	0	0
Other non-operating income	(10)	(1)	(2)	(1)	(8)	(12)	(14)
Acquisition and divestiture expenses	0	0	3	3	1	7	6
Capital structure transformation costs	0	0	0	0	0	0	0
Debt refinancing and redemption costs	0	1	0	6	0	7	7
<b>Adjusted EBIT</b>	<b>122</b>	<b>133</b>	<b>124</b>	<b>131</b>	<b>124</b>	<b>512</b>	<b>510</b>
Depreciation	29	25	23	22	23	93	99
Stock compensation expense	8	6	7	6	6	25	27
<b>Adjusted EBITDA</b>	<b>\$159</b>	<b>\$164</b>	<b>\$154</b>	<b>\$159</b>	<b>\$153</b>	<b>\$630</b>	<b>\$636</b>
Unrealized Foreign exchange gain	0	(6)	5	10	(8)	1	9
Interest Income	1	2	0	0	0	2	3
Other expenses <sup>2</sup>	6	3	0	0	7	10	9
<b>Consolidated EBITDA<sup>1</sup></b>	<b>\$166</b>	<b>\$163</b>	<b>\$159</b>	<b>\$169</b>	<b>\$152</b>	<b>\$643</b>	<b>\$657</b>
<b>Net Sales</b>	<b>\$891</b>	<b>\$902</b>	<b>\$913</b>	<b>\$878</b>	<b>\$844</b>	<b>\$3,537</b>	<b>\$3,584</b>
Net income margin	9.4%	8.5%	9.5%	7.1%	11.8%	9.2%	8.6%
Adjusted EBIT margin	13.7%	14.7%	13.6%	14.9%	14.7%	14.5%	14.2%
Adjusted EBITDA margin	17.8%	18.2%	16.9%	18.1%	18.1%	17.8%	17.7%

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

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

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

<i>(\$ in millions)</i>	<b>Q4 2025</b>	<b>Q3 2025</b>	<b>Q4 2024</b>
Long-term term debt	\$1,411	\$1,460	\$1,464
Short-term term debt	\$7	\$7	\$7
Bank overdraft	\$0	\$0	\$0
Deferred finance costs	\$21	\$23	\$22
<b>Gross Debt</b>	<b>\$1,439</b>	<b>\$1,490</b>	<b>\$1,493</b>
<b>Cash and cash equivalents</b>	<b>\$177</b>	<b>\$230</b>	<b>\$125</b>
<b>Net Debt</b>	<b>\$1,262</b>	<b>\$1,260</b>	<b>\$1,368</b>
<b>Consolidated EBITDA LTM (Non-GAAP)</b>	<b>\$657</b>	<b>\$643</b>	<b>\$618</b>
<b>Gross Debt to Consolidated EBITDA LTM</b>	<b>2.19x</b>	<b>2.32x</b>	<b>2.42x</b>
<b>Net Debt to Consolidated EBITDA LTM</b>	<b>1.92x</b>	<b>1.96x</b>	<b>2.21x</b>

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

# Full Year 2026 Outlook Reconciliation of Net Sales Growth to Net Sales Growth at Constant Currency

	2026 Full Year Low End	2026 Full Year High End
<b>Net sales (% change)</b>	<b>1%</b>	<b>5%</b>
Foreign currency translation	3%	3%
<b>Full Year 2025 outlook Net Sales Growth at Constant Currency</b>	<b>(2%)</b>	<b>2%</b>

# Full Year 2026 Outlook Reconciliation of Net Income to Adjusted EBIT to Adjusted EBITDA

<i>(\$ in millions)</i>	<b>2026 Full Year Low End</b>	<b>2026 Full Year High End</b>
<b>Net income - GAAP</b>	<b>\$295</b>	<b>\$335</b>
Interest expense, net of interest income	101	101
Tax expense	100	110
Repositioning costs	23	23
Factoring and notes receivables discount fees	1	1
<b>Full Year 2025 Outlook Adjusted EBIT (Non-GAAP)</b>	<b>\$520</b>	<b>\$570</b>
Depreciation	100	100
Stock compensation expense	27	27
<b>Full Year 2025 Outlook Adjusted EBITDA (Non-GAAP)</b>	<b>\$647</b>	<b>\$697</b>

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

# Full Year 2026 Outlook Reconciliation of Cash Flow from Operations to Adjusted Free Cash Flow

	2026 Full Year Low End	2026 Full Year High End
<i>(\$ in millions)</i>		
Net cash provided by operating activities (GAAP)	<b>\$407</b>	<b>\$502</b>
Expenditures for property, plant and equipment	(\$90)	(\$90)
<b>Net cash provided by operating activities less expenditures for property, plant and equipment (Non-GAAP)</b>	<b>\$317</b>	<b>\$412</b>
Cash payments for restructuring	\$25	\$25
Cash proceeds from cross currency swaps	\$13	\$18
<b>Full year 2025 outlook Adjusted Free Cash Flow (Non-GAAP)</b>	<b>\$355</b>	<b>\$455</b>



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