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Counsel to the Debtors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
GARRETT MOTION INC., *et al.*,[1]	:	Case No. 20-12212 (MEW)
Debtors.	:	Jointly Administered

NOTICE OF REVISED FINANCIAL PROJECTIONS
<u>EXHIBIT TO DISCLOSURE STATEMENT</u>

PLEASE TAKE NOTICE that on March 9, 2021, the Debtors filed with the Court a revised *Disclosure Statement for Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 994] (the "<u>Disclosure Statement</u>"), including financial projections attached thereto as Appendix D (the "<u>Financial Projections Exhibit</u>").

PLEASE TAKE FURTHER NOTICE that the Debtors have revised the Financial Projections Exhibit (the "<u>Revised Financial Projections Exhibit</u>"), a copy of which is

[1] The last four digits of Garrett Motion Inc.'s tax identification number are 3189. Due to the large number of debtor entities in these Chapter 11 Cases, which are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at http://www.kccllc.net/garrettmotion. The Debtors' corporate headquarters is located at La Pièce 16, Rolle, Switzerland.

attached hereto as **Exhibit A**. A blackline of the Revised Financial Projections Exhibit marked against the Financial Projections Exhibit is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that copies of the Disclosure Statement and the Revised Financial Projections Exhibit may be obtained (i) for a nominal fee from the Court's electronic docket for the Debtors' Chapter 11 Cases at https://www.nysb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov), or (ii) free of charge by accessing the website of the Debtors' notice and claims agent, https://kccllc.net/garrettmotion/.

Dated: March 10, 2021
New York, New York

/s/ Andrew G. Dietderich

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Counsel to the Debtors

EXHIBIT A

Revised Financial Projections Exhibit

Financial Projections[1]

The financial projections for the Debtors are based on the Debtors' 2021–2024 business plan (the "Financial Projections") as informed by current and projected conditions in each of the Debtors' markets and businesses.

The Financial Projections were prepared by the Debtors' management ("Management") and are based upon a number of assumptions made by Management with respect to the future performance of the Debtors' operations. Although Management has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, there can be no assurance that such assumptions will be realized. As described in detail in the Disclosure Statement, a variety of risk factors could affect the Debtors' financial results and must be considered. Accordingly, the Financial Projections should be reviewed in conjunction with a review of the risk factors set forth in Section IX of the Disclosure Statement and the assumptions described herein, including all relevant qualifications and footnotes.

The Debtors believe that the Plan meets the feasibility requirements set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the planning and development of the Plan and for the purposes of determining whether the Plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

The Financial Projections were not prepared with a view toward compliance with published guidelines of the United States Securities and Exchange Commission or guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. An independent auditor has not examined, compiled, or performed any procedures with respect to the prospective financial information contained in this Exhibit and, accordingly, it does not express an opinion or any other form of assurance on such information or its achievability. The Debtors' independent auditor assumes no responsibility for, and denies any association with, the prospective financial information.

Principal Assumptions for the Financial Projections

The future results of the Reorganized Debtors are dependent upon various factors, many of which are beyond the control or knowledge of the Debtors, and consequently are inherently difficult to project. The Reorganized Debtors' actual future results may differ materially from the Financial Projections and as a result, the actual total enterprise value of the Reorganized Debtors may be significantly higher or lower than the estimated range herein. *See* Section IX of the Disclosure Statement entitled "Risk Factors."

In deciding whether to vote to accept or reject the Plan, Holders of Claims and Interests entitled to vote to accept or reject the Plan must make their own determinations as to the reasonableness

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[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Disclosure Statement.

of such assumptions and the reliability of the Financial Projections. *See* Section IX of the Disclosure Statement entitled "Risk Factors."

Under Accounting Standards Codification "ASC" 852, "Reorganizations," the Debtors note that the Financial Projections reflect the operational emergence from chapter 11 but not the impact of fresh start accounting that will likely be required upon the occurrence of the Effective Date. Fresh start accounting requires all assets, liabilities, and equity instruments to be valued at "fair value." The Financial Projections account for the reorganization and related transactions pursuant to the Plan. While the Debtors expect that they will be required to implement fresh start accounting upon emergence, they have not yet completed the work required to quantify the effect upon the Financial Projections, which effect could be material.

Safe Harbor Under the Private Securities Litigation Reform Act of 1995

The Financial Projections contain statements which constitute "forward-looking statements" within the meaning of the Securities Act and the Securities Exchange Act. Forward-looking statements in the Financial Projections include the intent, belief, or current expectations of the Debtors and management with respect to the timing of, completion of, and scope of the current restructuring, Plan, Debtors' business plan, and market conditions, and the Debtors' future liquidity, as well as the assumptions upon which such statements are based.

While the Debtors believe that the expectations are based upon reasonable assumptions within the bounds of their knowledge of their business and operations, parties-in-interest are cautioned that any such forward-looking statements are not guarantees of future performance, involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Select Risk Factors Related to the Financial Projections

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond Management's control. Many factors could cause actual results, performance, or achievements to differ materially from any future results, performance, or achievements expressed or implied by these forward-looking statements. A description of the risk factors associated with the Plan, the Disclosure Statement, and the Financial Projections is included in Section IX of the Disclosure Statement.

General Assumptions and Methodology

The Financial Projections were developed using a combination of a bottoms-up and top-down approach to derive estimates of financial performance figures for 2021 – 2024. In estimating such figures, Management relied upon global volume projections for light and commercial vehicles from established, independent data providers and experts. The forecasts were then combined with bottoms-up assumptions on competitive market share dynamics and existing contract pricing in order to develop estimates for future revenue and profitability. These assumptions are based upon Management's views on historical seasonality and their long-term industry experience. Furthermore, the Financial Projections incorporate new business initiatives and product categories that are embedded into the estimates.

The Debtors operate under one reporting segment but forecast revenue and material costs at a platform-level. Key platforms include diesel light vehicles, gasoline light vehicles, commercial vehicles, aftermarket sales and others.

The Financial Projections consist of the following unaudited pro forma financial statements for each year in the projection period: (1) projected consolidated statements of operations, (2) projected consolidated balance sheets, and (3) projected consolidated statements of cash flows.

Projected Income Statement Assumptions

Revenue: Revenue consists of sales generated from the Debtors' various platforms, including: diesel light vehicles, gasoline light vehicles, commercial vehicles, aftermarket, software, fuel cell, prototype, and several regionally-focused platforms. Management supplements internal estimates with external industry consultant data to project share of demand, volumes, and expected prices.

Material Costs: Material Costs are assessed at the platform level and are projected based on an assumed cost-per-unit applied to projected volumes.

Total Manufacturing Costs: Total Manufacturing Costs consist of variable and fixed costs. Variable manufacturing costs are forecasted as a percentage of total revenue and consist of variable conversion costs, warranty costs, freight costs, and other variable costs. Fixed manufacturing costs consist of fixed conversion costs, fixed overhead costs, and other fixed costs.

Selling Costs: Selling Costs are forecasted based on a percentage of sales.

General & Administrative Costs: General & Administrative Costs are forecasted based on a percentage of sales and consist of expenses related to the general operation of the business, including personnel, real estate and IT expenses.

Research, Development & Engineering Costs: Research, Development, and Engineering Costs are forecasted based on a percentage of sales.

Other Expenses: Other Expenses consist of expenses that are not included within operating income. These costs include equity income, pension benefit costs, FX hedge gains / losses, and reorganization costs.

Interest Expense: Interest Expense is modeled based on the transactions proposed under the Plan and Plan Support Agreement and assumes a \$1.25B term loan, consisting of a €450M EURO tranche and a \$715M USD tranche, and a revolving credit facility with at least \$300M availability. Term loan interest is calculated using a rate of EURIBOR + 3.50% for the EURO tranche and LIBOR + 3.25% for the USD tranche, subject to a 0.5% LIBOR floor. The Company is in the process of finalizing the revolving credit facility commitment, interest and undrawn commitment fees.

Income Tax Expense: Income Tax Expense is forecasted at 25% in 2021 and declines to 21% by 2024.

Preferred Dividend – Series A: Assumes 11% coupon payments on $1,301M of Series A Preferred Stock, non-tax deductible.

Preferred Dividend – Series B: Assumes 7.25% accretion to the present value of the Series B Preferred Stock, non-tax deductible.

Cash Out Elections: Assumes 50% of GMI equity holders who are not a party to the Plan Support Agreement exercise their Cash Out Option, which results in approximately $111M of cash used at closing.

Projected Cash Flow Statement and Balance Sheet Assumptions

Adjusted EBITDA: Adjusted EBITDA is the starting position for the Cash Flow Statement. EBITDA includes Net Income Available to Common Shareholders, Tax Expenses, Interest Expense, Preferred Dividends, and Depreciation. Adjusted EBITDA includes additional add-backs for Other Operating Expenses (Income), Net (Excl. Environmental Remediation Costs), Non-Service Components of Pension Benefit Costs (Income), Other Non-Operating Income (Expense), Stock Based Compensation, Settlement Gain, Reorganization Costs, Repositioning Costs, FX Hedge Gain (Loss) Net of Remeasurement (Debt), and Non-Recurring Costs.

Changes in Working Capital: Changes in Working Capital are assumed to be a source of funds in 2021 and will fluctuate minimally thereafter. The additional cash inflow in 2021 is largely driven by an assumed return to normal A/R and A/P terms following Chapter 11 emergence, and consists of changes in the accounts payables, accounts receivables and inventory accounts. For purposes of the Financial Projections, Management has assumed a normalization of these accounts post-emergence from Chapter 11.

Interest expense: Calculated as per projected income statement interest expense.

Tax expense: Cash tax expense effective tax rate assumed to be 2% below projected income statement effective tax rate.

Chapter 11 Professional Services Fees and D&O Insurance: Chapter 11 Professional Services and other fees as well as D&O insurance related to Chapter 11 filing and period.

Other Cash Flow Item Expense: Contains projected cash contingencies in the forecast period.

Cash Collateralization: Consists of collateralized cash from customers and suppliers. Increases to cash collateralization affect Restricted Cash on the Balance Sheet. Cash collateralized during the Chapter 11 period is assumed to be released post-emergence.

Series A Preferred Stock: $1,301M of Series A Preferred Stock is assumed. Projections include cash coupon payments of 11%, which flow through the Cash Flow Statement and are assumed to be non-tax-deductible. No Series A conversion is assumed over the projection period.

Series B Preferred Stock: The present value of the Series B Preferred Stock appears on the Balance Sheet with an assumed discount rate of 7.25%. Payments on the principal portion of the instrument are treated similarly to debt on the Cash Flow Statement. The balance sheet value of the Series B Preferred Stock accretes by the applied discount rate each year (7.25%) and is reduced by any payments made to the balance. The accretion to the instrument appears as a Series B Preferred Dividend on the Income Statement. Projections assume $35M repayment in 2022, and $100M repayment per year thereafter through 2030.

Capex: Capital expenditures ("Capex") include the Debtors' estimates of both maintenance and growth Capex.

Proceeds/(Repayments) on Debt: Proceeds from debt are modeled as per the Plan Support Agreement. The projection period includes repayment of any Revolving Credit Facility draws. Term Loan principal payments do not occur during the projection period.

Financial Projections

Summary Income Statement						
	2019A	2020A	2021E	2022E	2023E	2024E
(USDM, except per share data)	FY	FY	FY	FY	FY	FY
Total Volume (in '000s Units)	13,105	11,984	13,437	14,976	17,011	17,673
Growth (%)		*(9%)*	*12%*	*11%*	*14%*	*4%*
Total Revenue	**$3,248**	**$3,033**	**$3,485**	**$3,833**	**$4,226**	**$4,340**
Growth (%)		*(7%)*	*15%*	*10%*	*10%*	*3%*
COGS	2,401	2,339	2,658	2,906	3,195	3,278
% of Sales	*74%*	*77%*	*76%*	*76%*	*76%*	*76%*
Gross Profit	**$847**	**$694**	**$828**	**$927**	**$1,031**	**$1,061**
Margin (%)	*26%*	*23%*	*24%*	*24%*	*24%*	*24%*
SG&A, RD&E and Other	383	403	417	457	479	491
% of Sales	*12%*	*13%*	*12%*	*12%*	*11%*	*11%*
Reported Operating Profit	**$464**	**$292**	**$411**	**$470**	**$552**	**$570**
Margin (%)	*14%*	*10%*	*12%*	*12%*	*13%*	*13%*
EBIT	**$408**	**$195**	**$531**	**$486**	**$569**	**$588**
Margin (%)	*13%*	*6%*	*15%*	*13%*	*13%*	*14%*
GAAP Net Income	**$313**	**$80**	**$399**	**$342**	**$409**	**$430**
Margin (%)	*10%*	*3%*	*11%*	*9%*	*10%*	*10%*
Adj. EBITDA	**$583**	**$440**	**$520**	**$596**	**$680**	**$701**
Margin (%)	*18%*	*14%*	*15%*	*16%*	*16%*	*16%*

Summary Cash Flow Statement

(USDM, except per share data)	2019A FY	2020A FY	2021E Jan-Apr	2021E May-Dec	2022E FY	2023E FY	2024E FY
Adjusted EBITDA	$583	$440	$166[2]	$354	$596	$680	$701
(+) Decrease (Increase) in NWC	59	(135)	74	(69)	(2)	(10)	(8)
(-) Other cash flow item expense	(400)	(380)	(379)	153	(166)	(179)	(177)
Cash flow from operations	$242	($76)	($139)	$438	$428	$492	$516
(-) Capex and Other	(86)	(80)	(42)	(73)	(119)	(125)	(133)
Cash flow from investing	($86)	($80)	($42)	($73)	($119)	($125)	($133)
FCF	$156	($156)	($181)	$365	$309	$367	$383

Summary Balance Sheet

(USDM, except per share data)	2019A Dec	2020A Dec	2021E Apr	2021E Dec	2022E Dec	2023E Dec	2024E Dec
Cash and cash equivalents	187	693	649	387	518	642	782
Accounts, notes and other receivables- net	707	841	851	861	852	944	975
Inventories—net	220	235	221	222	247	262	271
Other current assets	85	110	110	110	110	110	110
Total Current Assets	1,199	1,879	1,831	1,580	1,727	1,958	2,138
Investments and long-term receivables	36	30	30	30	30	30	30
Property, plant and equipment—net	471	505	516	525	545	568	598
Goodwill	193	193	193	193	193	193	193
Deferred income taxes	268	275	275	275	275	275	275
Other assets	108	135	135	135	135	135	135
Total Non-Current Assets	1,076	1,139	1,150	1,159	1,178	1,202	1,231
Total Assets	$2,275	$3,018	$2,981	$2,739	$2,905	$3,159	$3,369
Accounts payable	1,009	1,101	1,171	1,113	1,127	1,224	1,256
DIP	-	200	200	-	-	-	-
Borrowings under revolving credit facility	-	370	370	-	-	-	-
Current maturities of long-term debt	4	-	-	-	-	-	-
Obligations payable to Honeywell, current	69	42	42	-	-	-	-
Accrued liabilities	310	335	335	335	335	335	335
Total Current Liabilities	1,392	2,049	2,119	1,448	1,462	1,559	1,591
Long-term debt	1,409	1,511	1,511	1,250	1,250	1,250	1,250
Deferred income taxes	51	27	27	27	27	27	27
Obligations payable to Honeywell	1,282	1,440	1,440	-	-	-	-
Other liabilities	274	298	289	280	250	220	190
Total Non-Current Liabilities	3,016	3,276	3,267	1,557	1,527	1,497	1,467
Equity	(2,133)	(2,307)	(2,404)	(2,152)	(1,976)	(1,732)	(1,463)
Series A Preferred Stock - Principal	-	-	-	1,301	1,301	1,301	1,301
Series A Preferred Stock - PIK	-	-	-	-	-	-	-
Series B Preferred Stock	-	-	-	584	591	534	473
Total Equity	(2,133)	(2,307)	(2,404)	(267)	(84)	103	310
Total Liabilities & Equity	$2,275	$3,018	$2,981	$2,739	$2,905	$3,159	$3,369

[2] Garrett generated revenue of $329 million and Adjusted EBITDA of $54 million in January 2021. Garrett currently expects Q1 2021 revenue of approximately $1 billion and Adjusted EBITDA of approximately $165 million driven by higher demand for turbochargers. The company has not updated its full year 2021 forecast due to continued macro-economic risks and the semi-conductor shortage affecting the automotive industry.

EXHIBIT B

Blackline

Financial Projections[1]

The financial projections for the Debtors are based on the Debtors' 2021–2024 business plan (the "Financial Projections") as informed by current and projected conditions in each of the Debtors' markets and businesses.

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The Debtors believe that the Plan meets the feasibility requirements set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtors or any successor under the Plan. In connection with the planning and development of the Plan and for the purposes of determining whether the Plan would satisfy this feasibility standard, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources.

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Principal Assumptions for the Financial Projections

The future results of the Reorganized Debtors are dependent upon various factors, many of which are beyond the control or knowledge of the Debtors, and consequently are inherently difficult to project. The Reorganized Debtors' actual future results may differ materially from the Financial Projections and as a result, the actual total enterprise value of the Reorganized Debtors may be significantly higher or lower than the estimated range herein. *See* Section IX of the Disclosure Statement entitled "Risk Factors."

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of such assumptions and the reliability of the Financial Projections. *See* Section IX of the Disclosure Statement entitled "Risk Factors."

Under Accounting Standards Codification "ASC" 852, "Reorganizations," the Debtors note that the Financial Projections reflect the operational emergence from chapter 11 but not the impact of fresh start accounting that will likely be required upon the occurrence of the Effective Date. Fresh start accounting requires all assets, liabilities, and equity instruments to be valued at "fair value." The Financial Projections account for the reorganization and related transactions pursuant to the Plan. While the Debtors expect that they will be required to implement fresh start accounting upon emergence, they have not yet completed the work required to quantify the effect upon the Financial Projections, which effect could be material.

Safe Harbor Under the Private Securities Litigation Reform Act of 1995

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Material Costs: Material Costs are assessed at the platform level and are projected based on an assumed cost-per-unit applied to projected volumes. ~~Total material costs include adjustments for FX hedges, non-recurring material cost savings, and internal revenue reclassifications.~~

Total Manufacturing Costs: Total Manufacturing Costs consist of variable and fixed costs. Variable manufacturing costs are forecasted as a percentage of total revenue and consist of variable conversion costs, warranty costs, freight costs, and other variable costs. Fixed manufacturing costs consist of fixed conversion costs, ~~NIFOH~~fixed overhead costs, and other fixed costs.

Selling Costs: Selling Costs are forecasted based on a percentage of sales.

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Income Tax Expense: Income Tax Expense is forecasted at 25% in 2021 and declines to 21% by 2024.

Preferred Dividend – Series A: Assumes 11% coupon payments on $1,~~251M~~301M of Series A Preferred Stock, non-tax deductible.

Preferred Dividend – Series B: Assumes 7.25% accretion to the present value of the Series B Preferred Stock, non-tax deductible.

Cash Out Elections: Assumes 50% of GMI equity holders who are not a party to the Plan Support Agreement exercise their Cash Out Option, which results in approximately $111M of cash used at closing.

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Changes in Working Capital: Changes in Working Capital are assumed to be a source of funds in 2021 and will fluctuate minimally thereafter. The additional cash inflow in 2021 is largely driven by an assumed return to normal A/R and A/P terms following Chapter 11 emergence, and consists of changes in the accounts payables, accounts receivables and inventory accounts. For purposes of the Financial Projections, Management has assumed a normalization of these accounts post-emergence from Chapter 11.

Interest expense: Calculated as per projected income statement interest expense.

Tax expense: Cash tax expense effective tax rate assumed to be 2% below projected income statement effective tax rate.

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Series A Preferred Stock: $1,~~251M~~301M of Series A Preferred Stock is assumed. Projections include cash coupon payments of 11%, which flow through the Cash Flow Statement and are assumed to be non-tax-deductible. No Series A conversion is assumed over the projection period.

Series B Preferred Stock: The present value of the Series B Preferred Stock appears on the Balance Sheet with an assumed discount rate of 7.25%. Payments on the principal portion of the instrument are treated similarly to debt on the Cash Flow Statement. The balance sheet value of the Series B Preferred Stock accretes by the applied discount rate each year (7.25%) and is reduced by any payments made to the balance. The accretion to the instrument appears as a Series B Preferred Dividend on the Income Statement. Projections assume $35M repayment in 2022, and $100M repayment per year thereafter through 2030.

Capex: Capital expenditures ("Capex") include the Debtors' estimates of both maintenance and growth Capex.

Proceeds/(Repayments) on Debt: Proceeds from debt are modeled as per the Plan Support Agreement. The projection period includes repayment of any Revolving Credit Facility draws. Term Loan principal payments do not occur during the projection period.

Financial Projections

Summary Income Statement						
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(USDM, except per share data)	FY	FY	FY	FY	FY	FY
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COGS	2,401	2,339	2,658	2,906	3,195	3,278
% of Sales	*74%*	*77%*	*76%*	*76%*	*76%*	*76%*
Gross Profit	**$847**	**$694**	**$828**	**$927**	**$1,031**	**$1,061**
Margin (%)	*26%*	*23%*	*24%*	*24%*	*24%*	*24%*
SG&A, RD&E and Other	383	403	417	457	479	491
% of Sales	*12%*	*13%*	*12%*	*12%*	*11%*	*11%*
Reported Operating Profit	**$464**	**$292**	**$411**	**$470**	**$552**	**$570**
Margin (%)	*14%*	*10%*	*12%*	*12%*	*13%*	*13%*
EBIT	**$408**	**$195**	**$531**	**$486**	**$569**	**$588**
Margin (%)	*13%*	*6%*	*15%*	*13%*	*13%*	*14%*
GAAP Net Income	**$313**	**$80**	**$399**	**$342**	**$409**	**$430**
Margin (%)	*10%*	*3%*	*11%*	*9%*	*10%*	*10%*
Adj. EBITDA	**$583**	**$440**	**$520**	**$596**	**$680**	**$701**
Margin (%)	*18%*	*14%*	*15%*	*16%*	*16%*	*16%*

Summary Income Statement						
	2019A	2020A	2021E	2022E	2023E	2024E
(USDM, except per share data)	FY	FY	FY	FY	FY	FY
Total Volume (in '000s Units)	13,105	11,984	13,437	14,976	17,011	17,673
Growth (%)		*(9%)*	*12%*	*11%*	*14%*	*4%*
Total Revenue	**$3,248**	**$3,033**	**$3,485**	**$3,833**	**$4,226**	**$4,340**
Growth (%)	*(4%)*	*(7%)*	*15%*	*10%*	*10%*	*3%*
COGS	2,401	2,336	2,658	2,906	3,195	3,278
% of Sales	*74%*	*77%*	*76%*	*76%*	*76%*	*76%*
Gross Profit	**$847**	**$698**	**$828**	**$927**	**$1,031**	**$1,061**
Margin (%)	*26%*	*23%*	*24%*	*24%*	*24%*	*24%*
SG&A, RD&E and Other	383	410	417	457	479	491
% of Sales	*12%*	*14%*	*12%*	*12%*	*11%*	*11%*
Reported Operating Profit	**$464**	**$287**	**$411**	**$470**	**$552**	**$570**
Margin (%)	*14%*	*9%*	*12%*	*12%*	*13%*	*13%*
EBIT	**$408**	**$201**	**$531**	**$486**	**$569**	**$588**
Margin (%)	*13%*	*7%*	*15%*	*13%*	*13%*	*14%*
GAAP Net Income	**$313**	**$86**	**$396**	**$341**	**$407**	**$426**
Margin (%)	*10%*	*3%*	*11%*	*9%*	*10%*	*10%*
Adj. EBITDA	**$583**	**$433**	**$520**	**$596**	**$680**	**$701**
Margin (%)	*18%*	*14%*	*15%*	*16%*	*16%*	*16%*

Summary Cash Flow Statement

	2019A	2020A	2021E	2021E	2022E	2023E	2024E
(USDM, except per share data)	FY	FY	Jan-Apr	May-Dec	FY	FY	FY
Adjusted EBITDA	$583	$433	$166[2]	$354	$596	$680	$701
(+) Decrease (Increase) in NWC	59	(129)	74	(69)	(2)	(10)	(8)
(-) Other cash flow item expense	(400)	(380)	(358)	135	(167)	(181)	(181)
Cash flow from operations	$242	($76)	($118)	$420	$427	$490	$512
(-) Capex and Other	(86)	(80)	(42)	(73)	(119)	(125)	(133)
Cash flow from investing	($86)	($80)	($42)	($73)	($119)	($125)	($133)
FCF	$156	($156)	($160)	$347	$308	$365	$379

Summary Cash Flow Statement

	2019A	2020A	2021E	2021E	2022E	2023E	2024E
(USDM, except per share data)	FY	FY	Jan-Apr	May-Dec	FY	FY	FY
Adjusted EBITDA	$583	$440	$166[2]	$354	$596	$680	$701
(+) Decrease (Increase) in NWC	59	(135)	74	(69)	(2)	(10)	(8)
(-) Other cash flow item expense	(400)	(380)	(379)	153	(166)	(179)	(177)
Cash flow from operations	$242	($76)	($139)	$438	$428	$492	$516
(-) Capex and Other	(86)	(80)	(42)	(73)	(119)	(125)	(133)
Cash flow from investing	($86)	($80)	($42)	($73)	($119)	($125)	($133)
FCF	$156	($156)	($181)	$365	$309	$367	$383

Summary Balance Sheet

(USDM, except per share data)	2019A Dec	2020A Dec	2021E Apr	2021E Dec	2022E Dec	2023E Dec	2024E Dec
Cash and cash equivalents	187	693	649	387	518	642	782
Accounts, notes and other receivables- net	707	841	851	861	852	944	975
Inventories—net	220	235	221	222	247	262	271
Other current assets	85	110	110	110	110	110	110
Total Current Assets	**1,199**	**1,879**	**1,831**	**1,580**	**1,727**	**1,958**	**2,138**
Investments and long-term receivables	36	30	30	30	30	30	30
Property, plant and equipment—net	471	505	516	525	545	568	598
Goodwill	193	193	193	193	193	193	193
Deferred income taxes	268	275	275	275	275	275	275
Other assets	108	135	135	135	135	135	135
Total Non-Current Assets	**1,076**	**1,139**	**1,150**	**1,159**	**1,178**	**1,202**	**1,231**
Total Assets	**$2,275**	**$3,018**	**$2,981**	**$2,739**	**$2,905**	**$3,159**	**$3,369**
Accounts payable	1,009	1,101	1,171	1,113	1,127	1,224	1,256
DIP	-	200	200	-	-	-	-
Borrowings under revolving credit facility	-	370	370	-	-	-	-
Current maturities of long-term debt	4	-	-	-	-	-	-
Obligations payable to Honeywell, current	69	42	42	-	-	-	-
Accrued liabilities	310	335	335	335	335	335	335
Total Current Liabilities	**1,392**	**2,049**	**2,119**	**1,448**	**1,462**	**1,559**	**1,591**
Long-term debt	1,409	1,511	1,511	1,250	1,250	1,250	1,250
Deferred income taxes	51	27	27	27	27	27	27
Obligations payable to Honeywell	1,282	1,440	1,440	-	-	-	-
Other liabilities	274	298	289	280	250	220	190
Total Non-Current Liabilities	**3,016**	**3,276**	**3,267**	**1,557**	**1,527**	**1,497**	**1,467**
Equity	(2,133)	(2,307)	(2,404)	(2,152)	(1,976)	(1,732)	(1,463)
Series A Preferred Stock - Principal	-	-	-	1,301	1,301	1,301	1,301
Series A Preferred Stock - PIK	-	-	-	-	-	-	-
Series B Preferred Stock	-	-	-	584	591	534	473
Total Equity	**(2,133)**	**(2,307)**	**(2,404)**	**(267)**	**(84)**	**103**	**310**
Total Liabilities & Equity	**$2,275**	**$3,018**	**$2,981**	**$2,739**	**$2,905**	**$3,159**	**$3,369**

Summary Balance Sheet

(USDM, except per share data)	2019A Dec	2020A Dec	2021E Apr	2021E Dec	2022E Dec	2023E Dec	2024E Dec
Cash and cash equivalents	187	693	658	215	351	478	620
Accounts, notes and other receivables- net	707	841	851	861	852	944	975
Inventories—net	220	236	222	223	248	263	272
Other current assets	85	129	129	129	129	129	129
Total Current Assets	**1,199**	**1,899**	**1,859**	**1,428**	**1,580**	**1,814**	**1,996**
Investments and long-term receivables	36	24	24	24	24	24	24
Property, plant and equipment—net	471	508	519	528	548	571	601
Goodwill	193	193	193	193	193	193	193
Deferred income taxes	268	290	290	290	290	290	290
Other assets	108	115	115	115	115	115	115
Total Non-Current Assets	**1,076**	**1,130**	**1,141**	**1,150**	**1,170**	**1,193**	**1,223**
Total Assets	**$2,275**	**$3,029**	**$3,001**	**$2,578**	**$2,750**	**$3,007**	**$3,219**
Accounts payable	1,009	1,112	1,182	1,124	1,138	1,235	1,267
DIP	-	200	200	-	-	-	-
Borrowings under revolving credit facility	-	370	370	-	-	-	-
Current maturities of long-term debt	4	-	-	-	-	-	-
Obligations payable to Honeywell, current	69	42	42	-	-	-	-
Accrued liabilities	310	337	337	337	337	337	337
Total Current Liabilities	**1,392**	**2,061**	**2,131**	**1,461**	**1,475**	**1,572**	**1,604**
Long-term debt	1,409	1,511	1,511	1,100	1,100	1,100	1,100
Deferred income taxes	51	13	13	13	13	13	13
Obligations payable to Honeywell	1,282	1,440	1,440	-	-	-	-
Other liabilities	274	295	294	283	253	223	193
Total Non-Current Liabilities	**3,016**	**3,259**	**3,258**	**1,396**	**1,366**	**1,336**	**1,306**
Equity	(2,133)	(2,291)	(2,388)	(2,113)	(1,933)	(1,686)	(1,415)
Series A Preferred Stock - Principal	-	-	-	1,251	1,251	1,251	1,251
Series A Preferred Stock - PIK	-	-	-	-	-	-	-
Series B Preferred Stock	-	-	-	584	591	534	473
Total Equity	**(2,133)**	**(2,291)**	**(2,388)**	**(279)**	**(91)**	**99**	**309**
Total Liabilities & Equity	**$2,275**	**$3,029**	**$3,001**	**$2,578**	**$2,750**	**$3,007**	**$3,219**

[2] Garrett generated revenue of $329 million and Adjusted EBITDA of $54 million in January 2021. Garrett currently expects Q1 2021 revenue of approximately $1 billion and Adjusted EBITDA of approximately $165 million driven by higher demand for turbochargers. The company has not updated its full year 2021 forecast due to continued macro-economic risks and the semi-conductor shortage affecting the automotive industry.