PHINIA

Q4 2025 EARNINGS

Delphi | DelcoRemy | hartridge

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of U.S. federal securities laws. Forward-looking statements are statements other than historical fact that provide current expectations or forecasts of future events based on certain assumptions and are not guarantees of future performance. Forward-looking statements use words such as "anticipate," "believe," "continue," "could," "designed," "effect," "estimate," "evaluate," "expect," "forecast," "goal," "initiative," "intend," "likely," "may," "outlook," "plan," "potential," "predict," "project," "pursue," "seek," "should," "target," "when," "will," "would," or other words of similar meaning.

Forward-looking statements are subject to risks, uncertainties, and factors relating to our business and operations, all of which are difficult to predict and which could cause our actual results to differ materially from the expectations expressed in or implied by such forward-looking statements. Risks, uncertainties, and factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to: adverse changes in general business and economic conditions, including recessions, adverse market conditions or downturns and other factors, including geopolitical tensions and related trade restrictions, impacting the global transportation and industrial equipment industries; our inability to deliver new products, services and technologies in response to changing consumer preferences and evolving exhaust emissions regulations, or acceleration of the market for electric vehicles or deceleration of the market for alternative fuel technologies, including for use in internal combustion engines; competitive industry conditions; failure to identify, consummate, effectively integrate or realize the expected benefits from acquisitions, partnerships or other strategic investments; failure of or disruption in our technology infrastructure, including a disruption related to cybersecurity; pricing pressures from customers; elevated inflation rates and volatility in the costs of commodities used in the production of our products; difficulties launching new machine, engine or vehicle programs; changes in U.S. and foreign administrative policy, including increases in tariffs, changes to existing trade agreements and import or export licensing requirements and exchange controls, and any resulting changes in international trade relations; our inability to identify, attract, retain and develop a qualified global workforce; our inability to protect our intellectual property; failure to achieve the anticipated savings and benefits from restructuring and other actions, including those intended to improve future profitability and competitiveness, optimize our product portfolio and operations and execute our strategy; extraordinary events, including natural disasters or extreme weather events, political disruptions, terrorist attacks, pandemics or other public health crises, and acts of war; risks related to our international operations; economic, geopolitical, social and market conditions impacting our business in China; supply chain disruptions, including due to U.S. and foreign government action; our reliance on a limited number of OEM customers; work stoppages, production shutdowns and similar events or conditions; liabilities related to product warranties, litigation and other claims; current and future environmental, health and safety, human rights and other laws and regulations related to corporate sustainability; tax audits or similar processes, and changes in tax laws or tax rates taken by taxing authorities; governmental investigations and related proceedings regarding vehicle emissions standards, including related to diesel defeat devices; the impacts of climate change, regulations related to climate change, various stakeholders' emphasis on reducing the impacts of climate change and other related matters; compliance with and changes in other laws and regulations impacting our operations; impairment charges on goodwill, indefinite-lived intangible assets and long-lived assets; changes in interest rates and asset returns that increase our pension funding obligations; restrictive covenants and other requirements impacting our financial and operating flexibility pursuant to the agreements governing our indebtedness;; risks relating to the spin-off from our former parent, including a determination that the spin-off does not qualify as tax-free for U.S. federal income tax purposes, our or our former parent's failure to perform under, or additional disputes that may arise between the parties relating to, various transaction agreements executed in connection with the spin-off and any amendments and restatements thereto, and the availability of, and our ability to use, various credits and offsets detailed in such agreements or the settlement agreement between the Company and our former parent; and other risks and uncertainties described in our reports filed from time to time with the Securities and Exchange Commission.

We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

This presentation contains information about PHINIA's financial results that is not presented in accordance with accounting principles generally accepted in the United States (GAAP). Such non-GAAP financial measures are reconciled to their most directly comparable GAAP financial measures in the Appendix. The reconciliations include all information reasonably available to the company at the date of this presentation and the adjustments that management can reasonably predict. Management believes that these non-GAAP financial measures are useful to management, investors, and banking institutions in their analysis of the Company's business and operating performance. Management also uses this information for operational planning and decision-making purposes.

Non-GAAP financial measures are not and should not be considered a substitute for any GAAP measure. Additionally, because not all companies use identical calculations, the non-GAAP financial measures as presented by PHINIA may not be comparable to similarly titled measures reported by other companies. A reconciliation of each of projected Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Free Cash Flow, which are forward-looking non-GAAP financial measures, to the most directly comparable GAAP financial measure, is not provided because the Company is unable to provide such reconciliation without unreasonable effort. The inability to provide each reconciliation is due to the unpredictability of the amounts and timing of events affecting the items we exclude from the non-GAAP measure.

VISION FOR LONG TERM VALUE CREATION

Product Leadership

Technology Expert and Partner of Choice for Customers

Stable Growth Strategy

Pursue Attractive Growth Opportunities in Right-to-Win Categories

Financially Disciplined

Sustainable, High-Quality Margin and Cash Flow Generation to Create Shareholder Value

Total Shareholder Returns

Disciplined Investment for Growth and Competitive Capital Returns While Preserving Balance Sheet

FOURTH QUARTER 2025 RESULTS

4th Quarter Strong Financial Performance Supported Return of $40M to Shareholders, Debt Reduction of $24M, and $10M Increase in Cash and Cash Equivalents

$889M
Net Sales

$116M
Adjusted EBITDA (1)

13.0%
Adjusted EBITDA Margin (1)

$1.18
Adjusted Diluted EPS (1)

Key Financial Metrics

- **12.6%** Total Segment Adj. Operating Income Margin (1)
  - **10.7%** Fuel Systems
  - **15.8%** Aftermarket

Strong Balance Sheet

- **$359M** Cash & Cash Equivalents
- Net leverage(2) Target of **~1.5x**
- **$859M** of Liquidity

$30M
Share Repurchases

1.3x
Net Leverage(2)

$10M
Dividends Paid to Shareholders

(1) Adjusted amounts are Non-GAAP metrics. See Appendix for definitions and reconciliations to the most directly comparable GAAP measures.
(2) Net leverage is a Non-GAAP metric and is calculated as net debt divided by adjusted EBITDA.

FUEL SYSTEMS – SEGMENT WINS

Conquest

A Post Combustion Fuel Valve Conquest Win with a Global Aerospace and Defense Contractor. Our Third Aerospace and Defense Business Win, Further Proving Our Right to Play in the Sector

Extension

Commercial Vehicle (CV) Truck Contract Extensions with Global CV OEMs. Reinforces CV Customers' Need for Long-Lasting Business with Precision Component Manufacturers

New Business

New Business Win in India with a Leading OEM for Port Fuel Injectors Used with Compressed Natural Gas (PFI-CNG), Underscoring Our Commitment to Lower Carbon Mobility and Alternative Fuel Systems

Images for illustrative purposes only

AFTERMARKET – SEGMENT WINS

New Business

New Vehicle Electronics Program With a Major Aftermarket Distributor in France

Conquest

New Gasoline Fueling Conquest Wins with Two Major Distributors in the United States and Four New Customers in South America

Distributors

Added New Distributors for Starters & Alternators in North America

Range Development

In 2025, ~5,800 New SKUs Were Added Across Our Portfolio

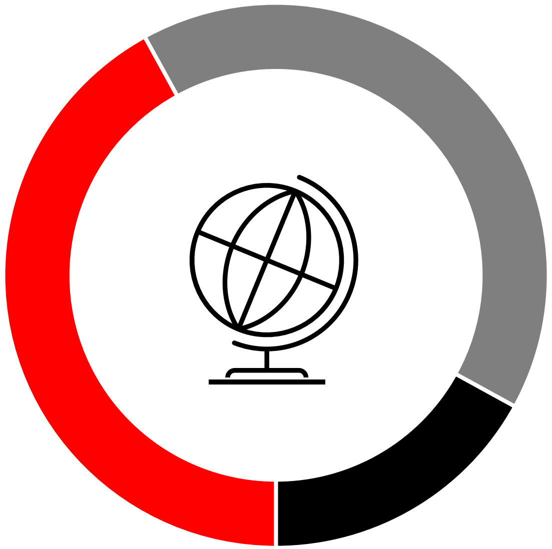
Images for illustrative purposes only

DIVERSIFIED INDUSTRIAL

Sales By Region, Customer & End-Markets Served In 2025

Sales By Region

- Americas - 43%
- Europe - 40%
- APAC - 17%

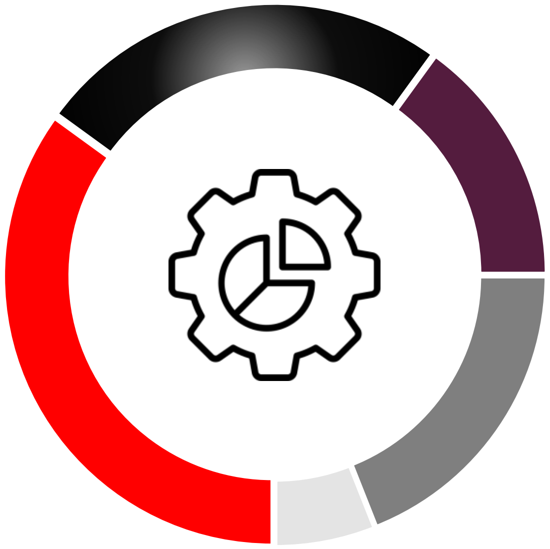


Sales By Customer

- Top 5 - 37%
- Other - 63%

Sales By End Market

- Service - 35%
- MD/HD CV - 15%
- Off-Hwy / Ind. / Other – 6%
- LPV - 25%
- LCV - 19%



Flexibility to Redeploy Capital & Workforce Across All of These Areas

Definitions: APAC is Asia-Pacific; Service includes IAM & OES; IAM is Independent Aftermarket; OES is Original Equipment Service; LPV is Light Passenger Vehicle; MD/HD is Medium Duty/Heavy Duty; CV is Commercial Vehicle; LCV is Light Commercial Vehicle, Off-Hwy / Industrial / Other includes Construction and Agricultural Machinery; Vocational Vehicles; Marine; Industrial Applications; Power Generation; Aerospace and Defense; and Other

DISCIPLINED CAPITAL ALLOCATION

Expect >$200M Adjusted Free Cash Flow(1) Per Year Average Through End Of Decade

Strong Foundation – Balance Sheet

- Strong Balance Sheet
- Net Leverage of 1.3x(3), Target of ~1.5x
- Robust Liquidity Levels

Competitive Capital Return(2)

- Expect to Maintain Competitive Dividend
  - Increased Dividend Declared for Q1 2026
  - Life-to-Date (Through 12/31/25) $109M Dividends Paid
- Opportunistic Share Repurchases
  - Repurchase Program Increased to $750M in 2026
  - Life-to-Date (Through 12/31/25) $436M / 9.8M Shares Repurchased
  - Repurchased 21% of Outstanding Shares Since Spin in July '23

Investment for Growth

- Disciplined, ROIC-Focused Reinvestment
- Growth Areas:
  - CV, Off-highway, Industrial, Aerospace & Power Generation
  - Alternative Fuel Technologies
  - Aftermarket
  - Electronic Systems
- Strategic and Accretive M&A
  - First Acquisition Completed in Q3 2025

(1) Forward-looking non-GAAP metric. See slide 2, Non-GAAP Financial Measures, and the Appendix for definition and further information.
(2) Dividends and share repurchases subject to approval by PHINIA Board of Directors.
(3) Net leverage is a non-GAAP metric calculated as net debt divided by adjusted EBITDA.

ACCOMPLISHMENTS & OBJECTIVES

2025 Accomplishments

M&A
Completed First Acquisition In August

Shareholder Return
TSR of 140% based on PHINIA Share Price and Dividends Paid (2024-2025)

Quality
Aerospace Quality Certification & 1st Production Launch

Performance
Continued Strong Financial Performance In Volatile Markets

2026 Objectives

Sales
Organic Growth at High-End 2-4% CAGR Target Range

Operations
Disciplined Capital Allocation with Continued Resilient & Consistent Operational Performance

Opportunities
Target New Opportunities in CV, Off-Highway, & Aftermarket

Efficiency
Standardize & Modernize IT Landscape

EXPECTED CONSISTENT PERFORMANCE THROUGH THE DECADE

Global Scale with Growth

2 - 4%
Average Organic Revenue CAGR(1)

Strong Margins

14 - 15%
Adj. EBITDA Margin(2)

Highly Cash Generative

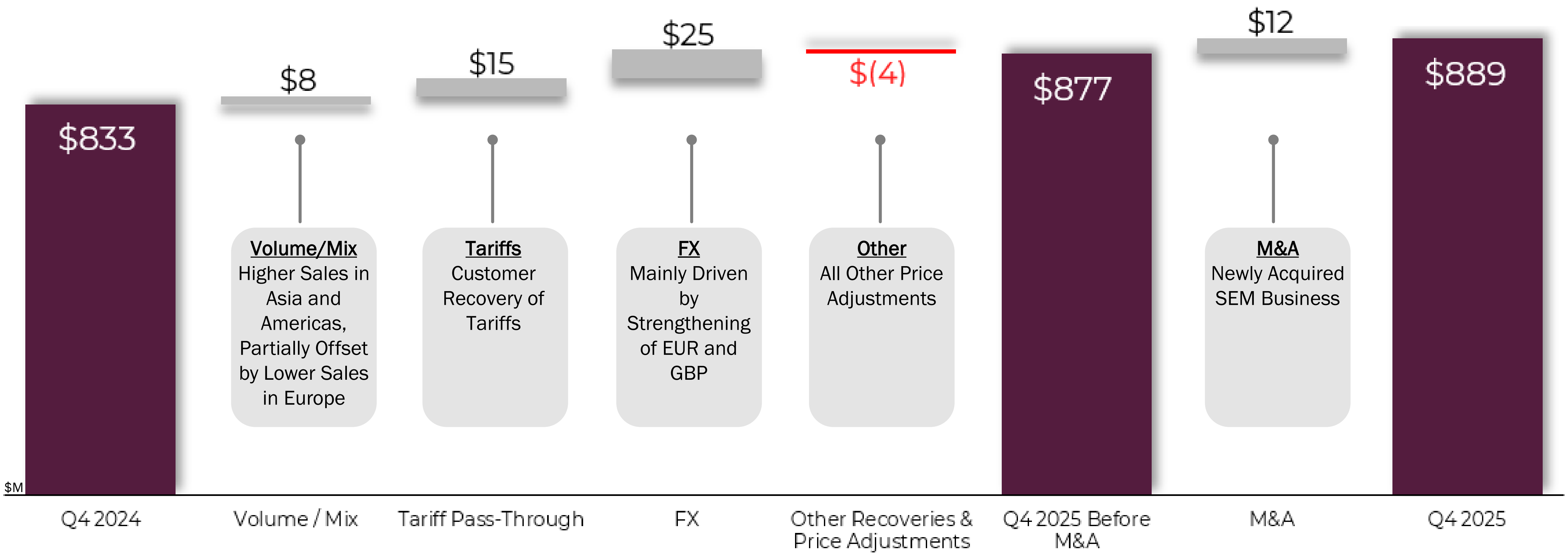
>40%
Adj. Cash Flow Conversion(3)

Modest Leverage Target

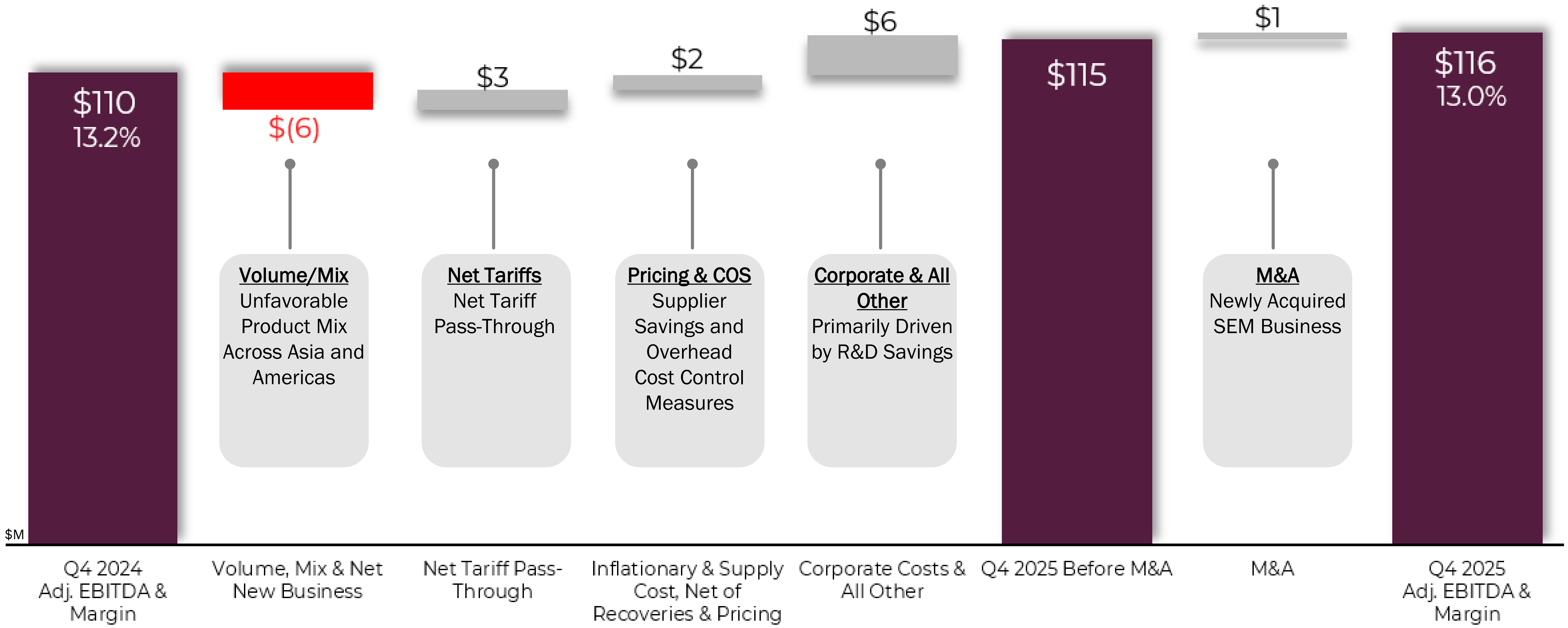
~1.5x
Net Leverage(4)

(1) Does not include Contract Manufacturing Revenue to BorgWarner, which ended in Q3 2024.
(2) Forward-looking non-GAAP metric. See Appendix for Adj. EBITDA and Adj. EBITDA Margin definition and more information.
(3) Forward-looking non-GAAP metric, calculated as Adj. FCF / Adj. EBITDA.
(4) Forward-looking non-GAAP metric, calculated as net debt divided by Adj. EBITDA.

Q4 2025 NET SALES

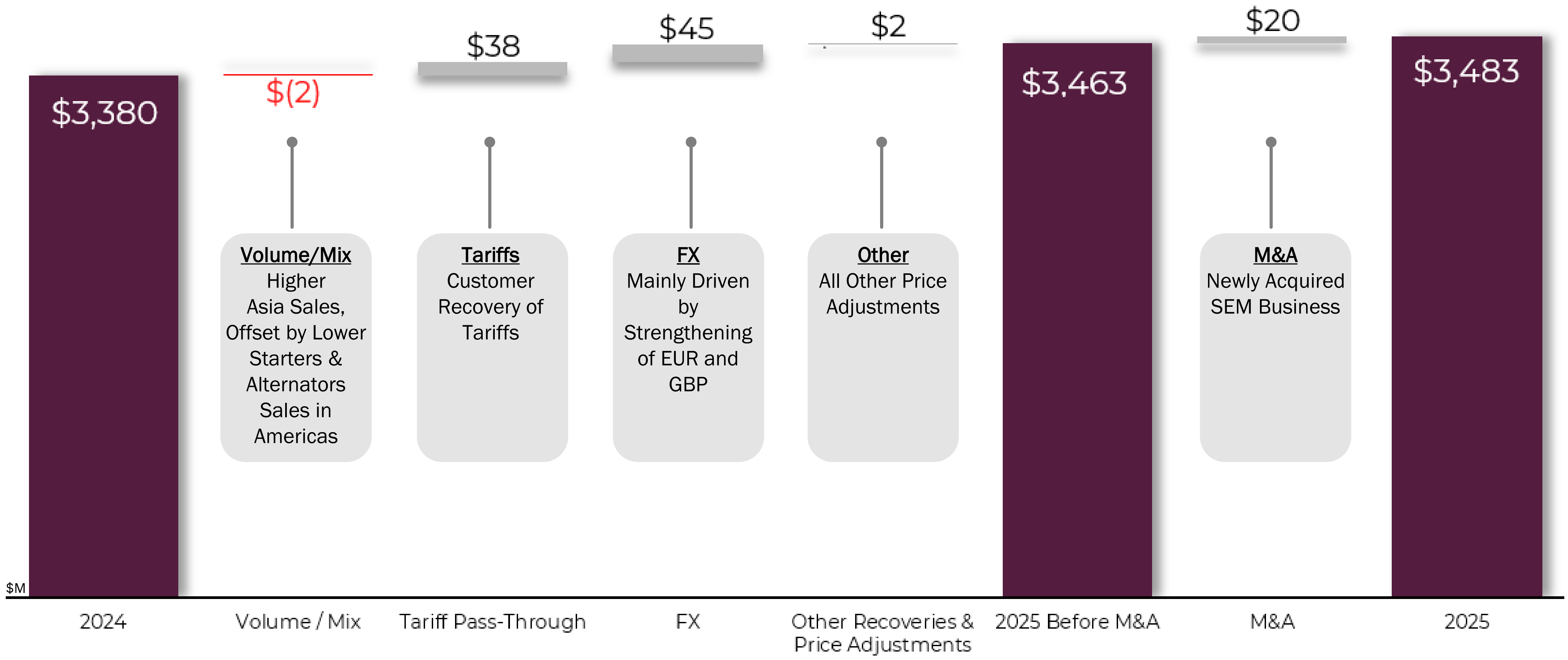


Q4 2025 ADJUSTED EBITDA(1)



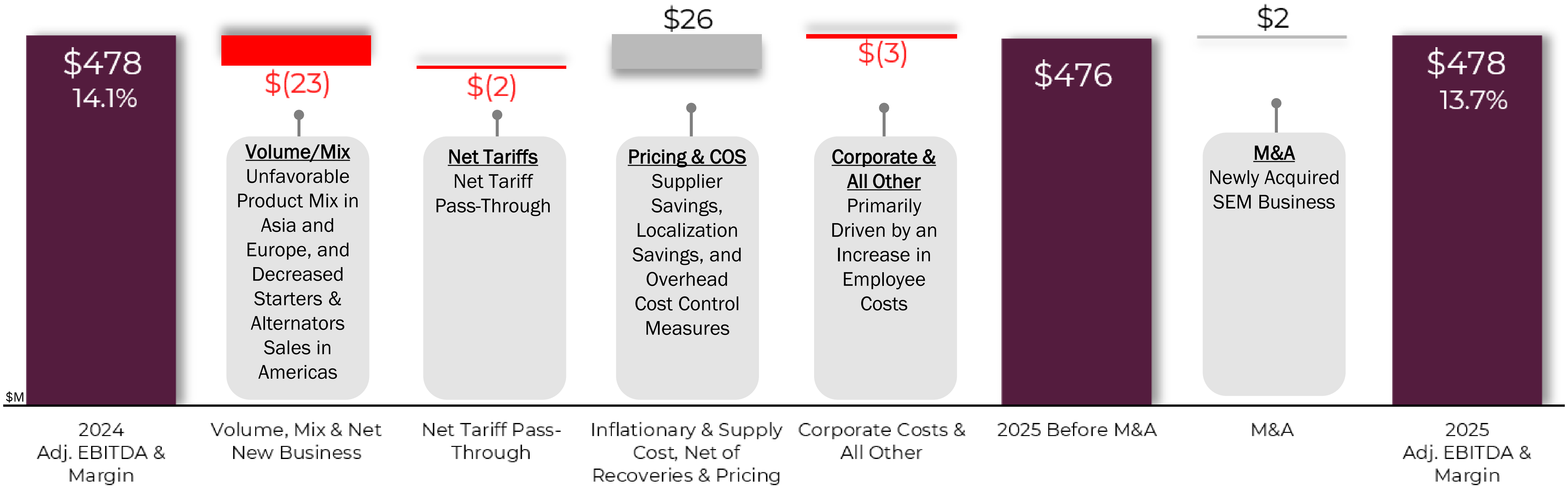
(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure.

FULL YEAR 2025 ADJUSTED SALES(1)



(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure

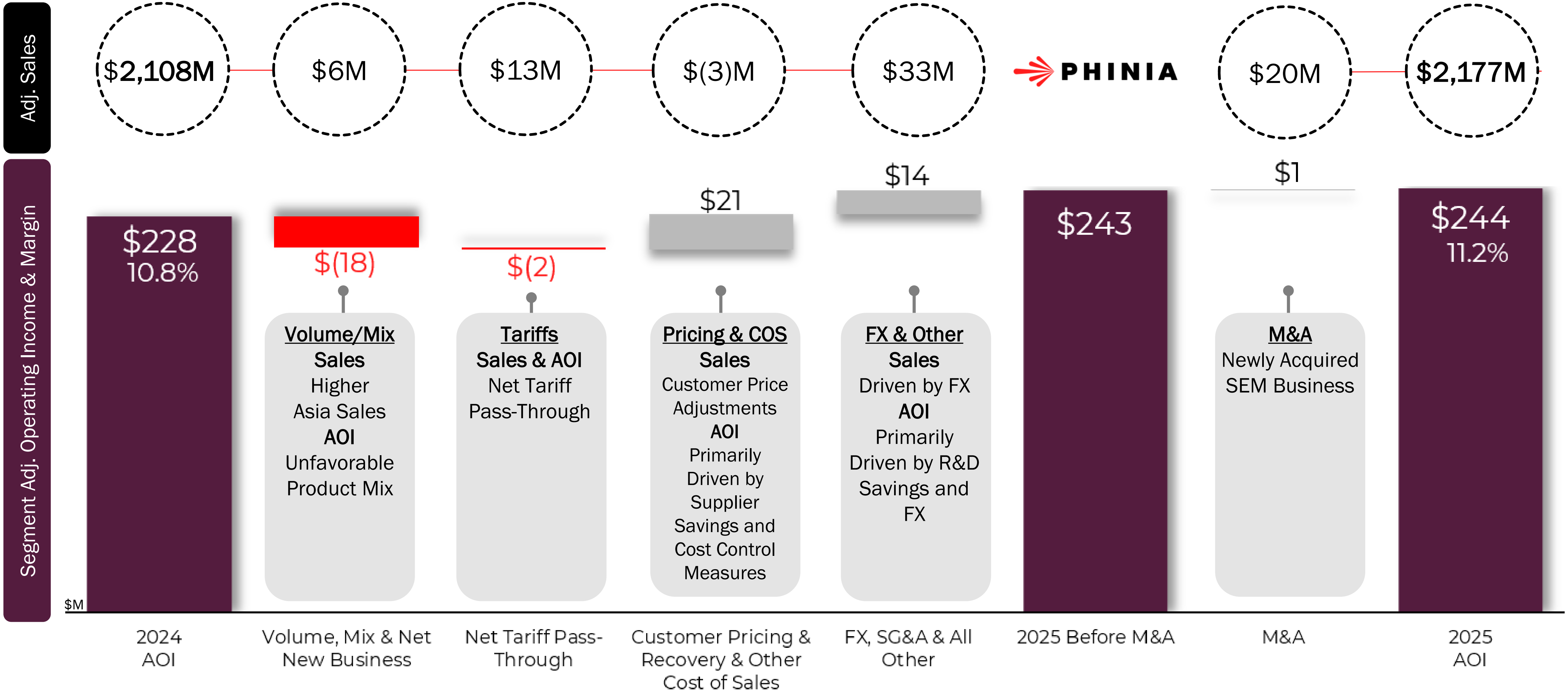
FULL YEAR 2025 ADJUSTED EBITDA[1]



(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure

FY 2025 ADJUSTED SALES(1) & SEGMENT ADJUSTED OPERATING INCOME(1)

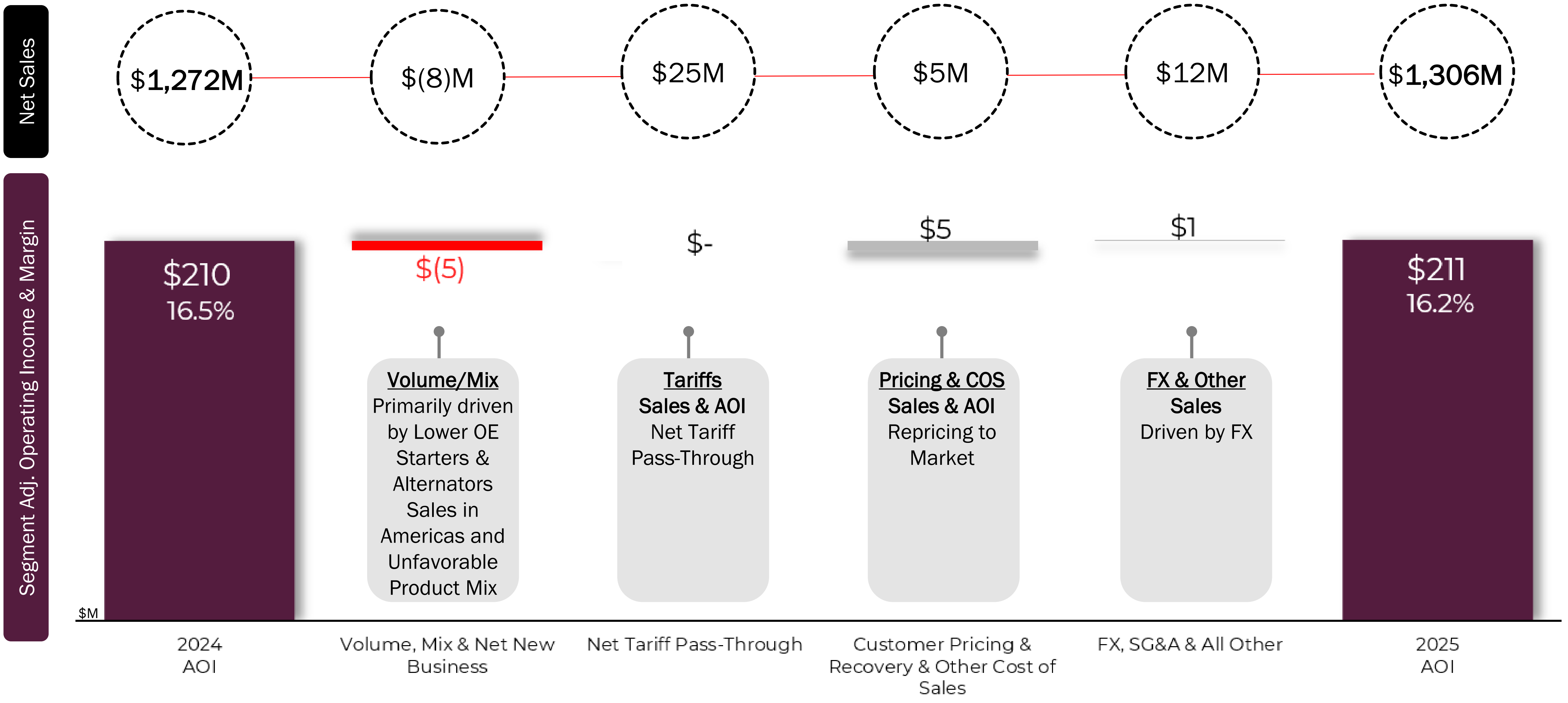
Fuel Systems



(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure.

FY 2025 NET SALES & SEGMENT ADJUSTED OPERATING INCOME (1)

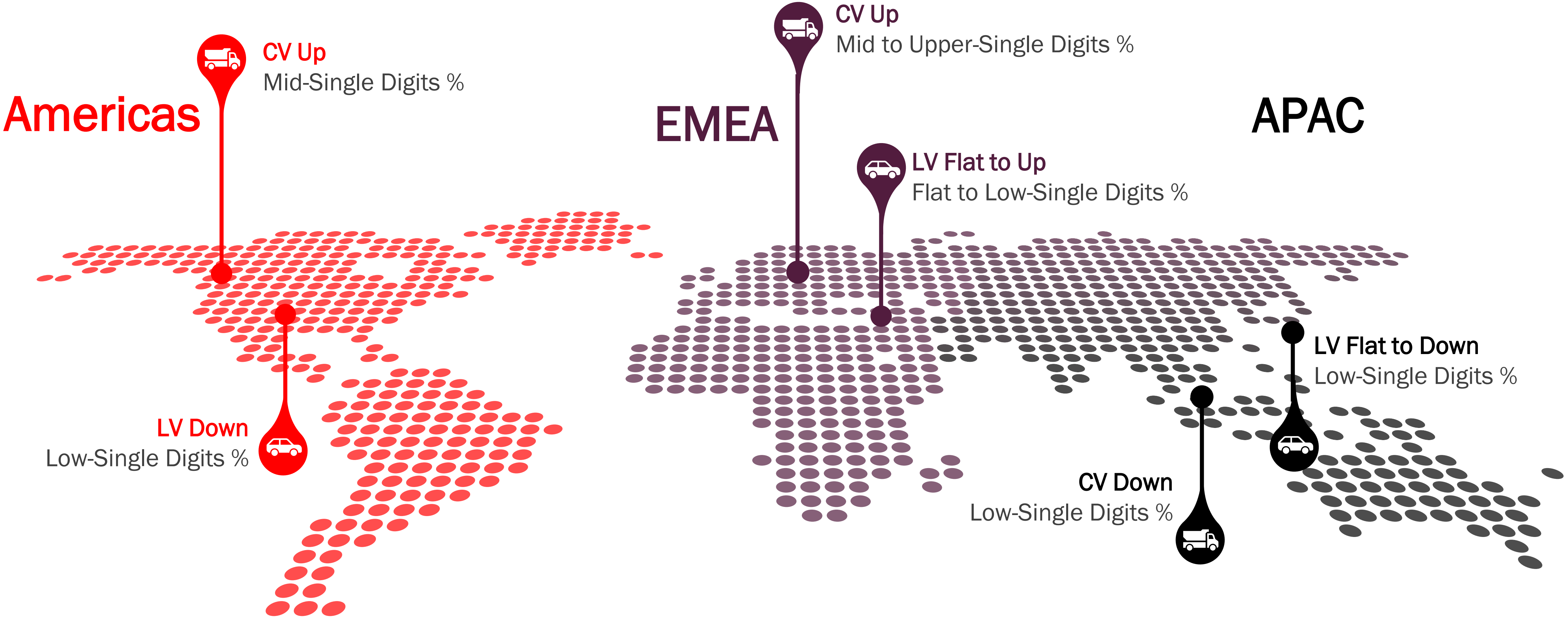
Aftermarket



(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure.

INDUSTRY VOLUME ASSUMPTIONS

2026 Versus 2025 (Expectation By Region)



LV ICE Industry Volume Expected to be Down Mid-Single Digits, While CV ICE Industry Volume Expected to be Down Low-Single Digits

Year-over-year 2026 vs 2025 vehicle production based on October 2025 IHS on highway forecasts.
Light Vehicle includes all propulsion types. Light Vehicle ICE (Internal Combustion Engine) includes combustion and hybrid applications.

2026 FULL YEAR OUTLOOK

Net Sales

$3,515 - $3,715M

Adj. Free Cash Flow(1)

$200 – $240M

Adj. EBITDA & Margin(1)

$485 - $525M

13.7% - 14.3%

Adj. Effective Tax Rate(2)

30% - 34%

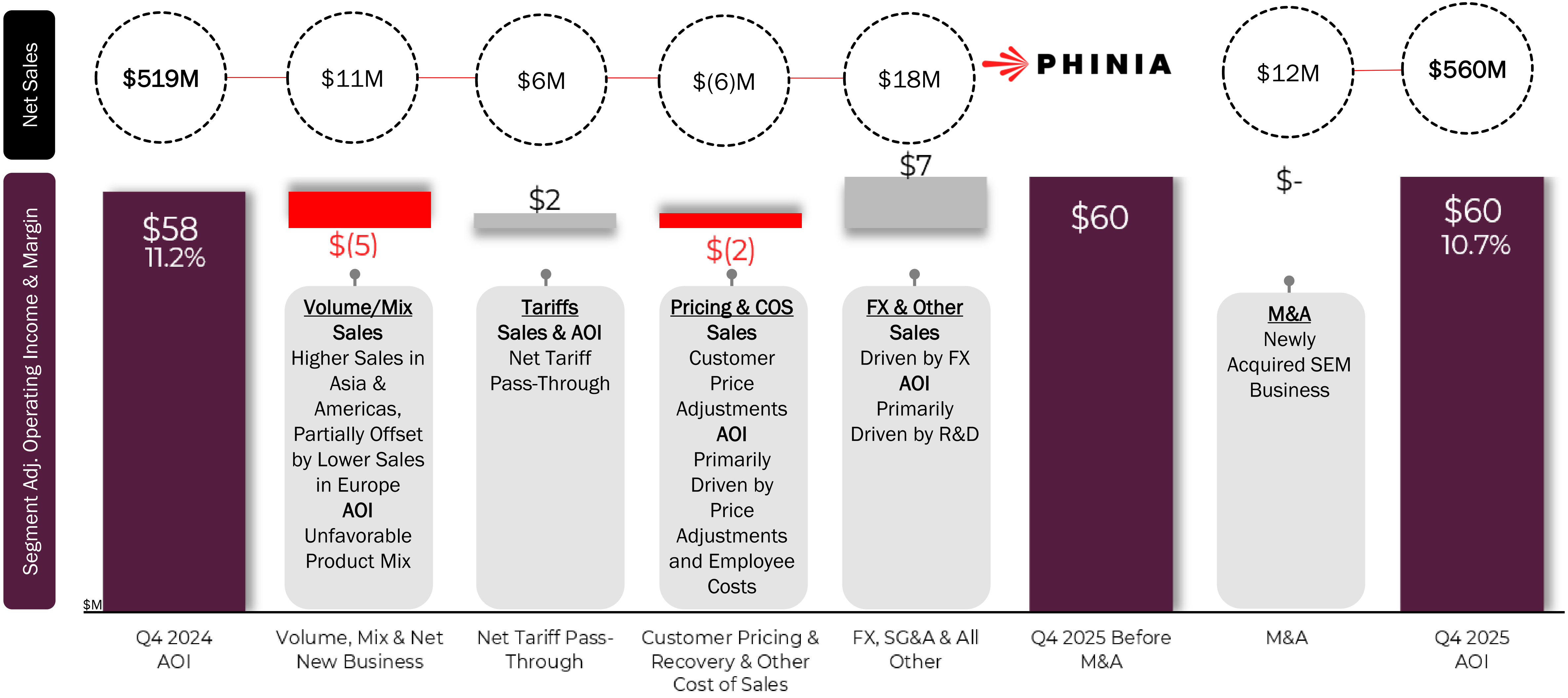
(1) Forward-looking non-GAAP metric. See slide 2, Non-GAAP Financial Measures, and the Appendix for definition and further information.

(2) Adjusted Effective Tax Rate excludes the tax effect of adjusted items and tax amounts not reflective of the Company's ongoing operations

APPENDIX

Q4 2025 NET SALES & SEGMENT ADJUSTED OPERATING INCOME[(1)]

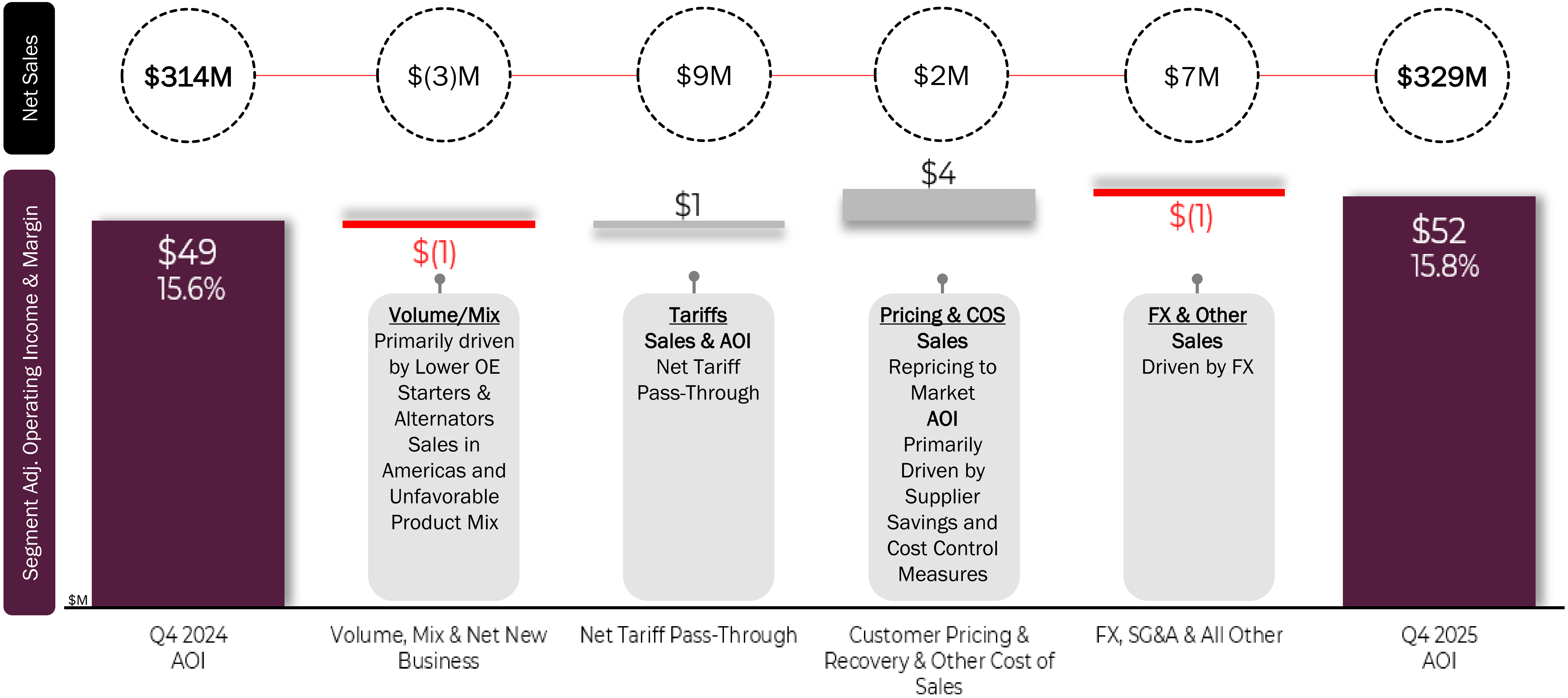
Fuel Systems



(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure

Q4 2025 NET SALES & SEGMENT ADJUSTED OPERATING INCOME(1)

Aftermarket



(1) Non-GAAP metric. See Appendix for definition and reconciliation to the most directly comparable GAAP measure

HISTORICAL QUARTERLY FINANCIAL METRICS[(1) (2)]

	2025					2024				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Fuel Systems	$ 490	$ 556	$ 571	$ 560	$ 2,177	$ 532	$ 545	$ 512	$ 519	$ 2,108
Aftermarket	306	334	337	329	1,306	314	318	326	314	1,272
Adjusted Sales	**$ 796**	**$ 890**	**$ 908**	**$ 889**	**$ 3,483**	**$ 846**	**$ 863**	**$ 838**	**$ 833**	**$ 3,380**
Fuel Systems	46	62	76	60	244	58	55	57	58	228
Margin %	*9.4%*	*11.2%*	*13.3%*	*10.7%*	*11.2%*	*10.9%*	*10.1%*	*11.1%*	*11.2%*	*10.8%*
Aftermarket	51	57	51	52	211	57	50	54	49	210
Margin %	*16.7%*	*17.1%*	*15.1%*	*15.8%*	*16.2%*	*18.2%*	*15.7%*	*16.6%*	*15.6%*	*16.5%*
Segment Adj. Operating Income	**$ 97**	**$ 119**	**$ 127**	**$ 112**	**$ 455**	**$ 115**	**$ 105**	**$ 111**	**$ 107**	**$ 438**
Margin %	*12.2%*	*13.4%*	*14.0%*	*12.6%*	*13.1%*	*13.6%*	*12.2%*	*13.2%*	*12.8%*	*13.0%*
Corporate Costs	(24)	(25)	(26)	(29)	(104)	(18)	(21)	(24)	(29)	(92)
Adj. Operating Income	**$ 73**	**$ 94**	**$ 101**	**$ 83**	**$ 351**	**$ 97**	**$ 84**	**$ 87**	**$ 78**	**$ 346**
Margin %	*9.2%*	*10.6%*	*11.1%*	*9.3%*	*10.1%*	*11.5%*	*9.7%*	*10.4%*	*9.4%*	*10.2%*
Depreciation Expense	30	32	32	33	127	34	33	33	32	132
Adj. EBITDA	**$ 103**	**$ 126**	**$ 133**	**$ 116**	**$ 478**	**$ 131**	**$ 117**	**$ 120**	**$ 110**	**$ 478**
Margin %	*12.9%*	*14.2%*	*14.6%*	*13.0%*	*13.7%*	*15.5%*	*13.6%*	*14.3%*	*13.2%*	*14.1%*

(1) Includes non-GAAP metrics. See Appendix for definitions and reconciliations to the most directly comparable GAAP measures.
(2) In the fourth quarter of 2025, the Company made a strategic decision to shift a significant portion of the OES business, previously reported in its Aftermarket segment, to the Fuel Systems segment, as distribution will now be handled by the Fuel Systems locations that manufacture the products. This is expected to streamline the sales structure to external customers while also reducing administrative efforts. The reporting segment disclosures have been updated accordingly which included recasting prior period information for the new reporting structure.

ADJUSTED EBITDA AND MARGIN RECONCILIATION TO US GAAP

The Company defines adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) as net earnings less interest, taxes, depreciation and amortization, adjusted to exclude the impact of restructuring expense, separation-related costs, merger and acquisition expense, other postretirement income and expense, equity in affiliates' earnings, net of tax, impairment charges, other net expenses, and other gains and losses not reflective of our ongoing operations. Adjusted EBITDA margin is defined as adjusted EBITDA divided by adjusted sales. Management utilizes adjusted EBITDA and adjusted EBITDA margin in its financial decision-making process and to evaluate performance of the Company's consolidated results. Management also believes adjusted EBITDA and adjusted EBITDA margin are useful to investors in assessing the Company’s ongoing consolidated financial performance, as they provide improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company’s core operating performance.

	2025					2024				
$ in millions	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Net earnings	$ 26	$ 46	$ 13	$ 45	$ 130	$ 29	$ 14	$ 31	$ 5	$ 79
Depreciation and tooling amortization	30	32	32	33	127	34	33	33	32	132
Provision for income taxes	24	29	6	9	68	27	23	22	36	108
Intangible asset amortization expense	7	7	8	8	30	7	7	7	7	28
Interest expense, net	15	17	17	18	67	18	35	16	14	83
EBITDA	$ 102	$ 131	$ 76	$ 113	$ 422	$ 115	$ 112	$ 109	$ 94	$ 430
Separation-related costs	(4)	(6)	53	—	43	17	3	4	7	31
Asset impairment	—	—	—	—	—	—	—	—	21	21
Restructuring expense	5	2	4	6	17	2	3	6	3	14
Merger and acquisition costs	3	2	4	—	9	—	—	—	—	—
Equity in affiliates' earnings, net of tax	(4)	(4)	(3)	(4)	(15)	(3)	(2)	(3)	(3)	(11)
Other postretirement (income) expense	1	1	1	1	4	—	1	—	(1)	—
(Gains) losses for other one-time events	—	—	(2)	—	(2)	—	—	4	(11)	(7)
Adjusted EBITDA	$ 103	$ 126	$ 133	$ 116	$ 478	$ 131	$ 117	$ 120	$ 110	$ 478
Adjusted sales	796	890	908	889	3,483	846	863	838	833	3,380
Adjusted EBITDA margin %	12.9%	14.2%	14.6%	13.0%	13.7%	15.5%	13.6%	14.3%	13.2%	14.1%

ADJUSTED OPERATING INCOME AND MARGIN RECONCILIATION TO US GAAP

The Company defines adjusted operating income as operating income adjusted to exclude the impact of restructuring expense, separation-related costs, merger and acquisition expense, impairment charges, other net expenses, and other gains and losses not reflective of the Company's ongoing operations, and intangibles amortization expense associated with acquisitions that occurred prior to the Spin-off. Adjusted operating margin is defined as adjusted operating income divided by adjusted sales. Management utilizes adjusted operating income and adjusted operating margin as key performance measures of segment income and for planning and forecasting purposes to allocate resources to our segments. Management believes these measures provide useful information to investors, when reconciled to the corresponding U.S. GAAP measure, as they are reflective of the operational profitability or loss of our segments.

	2025					2024				
$ in millions	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Operating income	$ 62	$ 89	$ 34	$ 69	$ 254	$ 71	$ 71	$ 66	$ 51	$ 259
Separation-related costs	(4)	(6)	53	—	43	17	3	4	7	31
Merger and acquisitions expense	3	2	4	—	9	—	—	—	—	—
Asset impairment	—	—	—	—	—	—	—	—	21	21
Intangible asset amortization expense	7	7	8	8	30	7	7	7	7	28
Restructuring expense	5	2	4	6	17	2	3	6	3	14
(Gains) losses for other one-time events	—	—	(2)	—	(2)	—	—	4	(11)	(7)
Adjusted operating income	**$ 73**	**$ 94**	**$ 101**	**$ 83**	**$ 351**	**$ 97**	**$ 84**	**$ 87**	**$ 78**	**$ 346**
Net sales	$ 796	$ 890	$ 908	$ 889	$ 3,483	$ 863	$ 868	$ 839	$ 833	$ 3,403
Operating margin %	7.8%	10.0%	3.7%	7.8%	7.3%	8.2%	8.2%	7.9%	6.1%	7.6%
Adjusted sales	$ 796	$ 890	$ 908	$ 889	$ 3,483	$ 846	$ 863	$ 838	$ 833	$ 3,380
Adjusted operating margin %	9.2%	10.6%	11.1%	9.3%	10.1%	11.5%	9.7%	10.4%	9.4%	10.2%

ADJUSTED SALES RECONCILIATION TO US GAAP (1)

The Company defines adjusted sales as net sales adjusted to exclude certain agreements with our former parent that were entered into in connection with the spin-off. Management believes that adjusted sales is useful to investors, as it provides improved comparability between periods through the exclusion of certain temporary agreements with our former parent that are not indicative of the Company's ongoing operations.

	2025					2024				
$ in millions	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
Fuel Systems net sales	$ 490	$ 556	$ 571	$ 560	$ 2,177	$ 549	$ 550	$ 513	$ 519	$ 2,131
Spin-off agreement adjustment	—	—	—	—	—	(17)	(5)	(1)	—	(23)
Fuel system adjusted sales	**$ 490**	**$ 556**	**$ 571**	**$ 560**	**$ 2,177**	**$ 532**	**$ 545**	**$ 512**	**$ 519**	**$ 2,108**
Aftermarket net sales	306	334	337	329	1,306	314	318	326	314	1,272
Adjusted sales	**$ 796**	**$ 890**	**$ 908**	**$ 889**	**$ 3,483**	**$ 846**	**$ 863**	**$ 838**	**$ 833**	**$ 3,380**

(1) In the fourth quarter of 2025, the Company made a strategic decision to shift a significant portion of the OES business, previously reported in its Aftermarket segment, to the Fuel Systems segment, as distribution will now be handled by the Fuel Systems locations that manufacture the products. This is expected to streamline the sales structure to external customers while also reducing administrative efforts. The reporting segment disclosures have been updated accordingly which included recasting prior period information for the new reporting structure.

ADJUSTED FREE CASH FLOW RECONCILIATION TO GAAP

The Company defines adjusted free cash flow as net cash provided by operating activities after adding back adjustments related to the ongoing effects of separation-related transactions, less capital expenditures, including tooling outlays. Management believes that adjusted free cash flow is useful to investors in assessing the Company's ability to service and repay its debt and return capital to shareholders. Further, management uses this non-GAAP measure for planning and forecasting purposes.

	Three Months Ended December 31,		Year Ended December 31,	
$ in millions	**2025**	**2024**	**2025**	**2024**
Net cash provided by operating activities	$ 96	$ 73	$ 312	$ 308
Capital expenditures, including tooling outlays	(29)	(20)	(124)	(105)
Effects of separation-related transactions	24	19	24	50
Adjusted free cash flow	**$ 91**	**$ 72**	**$ 212**	**$ 253**

ADJUSTED NET EARNINGS RECONCILIATION TO US GAAP

The Company defines adjusted net earnings and adjusted net earnings per diluted share as net earnings and net earnings per share adjusted to exclude: (i) the tax-effected impact of restructuring expense, separation-related costs, merger and acquisition expense, impairment charges and other gains, losses and tax effects and adjustments not reflective of the Company's ongoing operations; and (ii) acquisition-related intangibles amortization expense because it pertains to non-cash expenses that the Company does not use to evaluate core operating performance. Management believes that adjusted net earnings and adjusted net earnings per diluted share are useful to investors in assessing the Company's ongoing financial performance, as they provide improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance.

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net earnings	$ 45	$ 5	$ 130	$ 79
Amortization of acquisition-related intangibles	8	7	30	28
Restructuring expense	6	3	17	14
Separation-related costs	—	7	43	31
Asset impairment	—	21	—	21
Merger and acquisition costs	—	—	9	—
(Gains) losses for other one-time events	—	(11)	(2)	(7)
Loss on extinguishment of debt	—	—	—	22
Tax effects and adjustments	(13)	(1)	(28)	(15)
Adjusted net earnings	**$ 46**	**$ 31**	**$ 199**	**$ 173**

ADJUSTED NET EARNINGS PER DILUTED SHARE RECONCILIATION TO US GAAP

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net earnings per diluted share	$ 1.15	$ 0.12	$ 3.24	$ 1.76
Amortization of acquisition-related intangibles	0.20	0.16	0.75	0.63
Restructuring expense	0.15	0.07	0.42	0.31
Separation-related costs	—	0.16	1.07	0.69
Asset impairment	—	0.49	—	0.47
Merger and acquisition costs	—	—	0.22	—
(Gains) losses for other one-time events	—	(0.26)	(0.05)	(0.16)
Loss on extinguishment of debt	—	—	—	0.49
Tax effects and adjustments	(0.32)	(0.03)	(0.69)	(0.33)
Adjusted net earnings per diluted share	**$ 1.18**	**$ 0.71**	**$ 4.96**	**$ 3.86**

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