

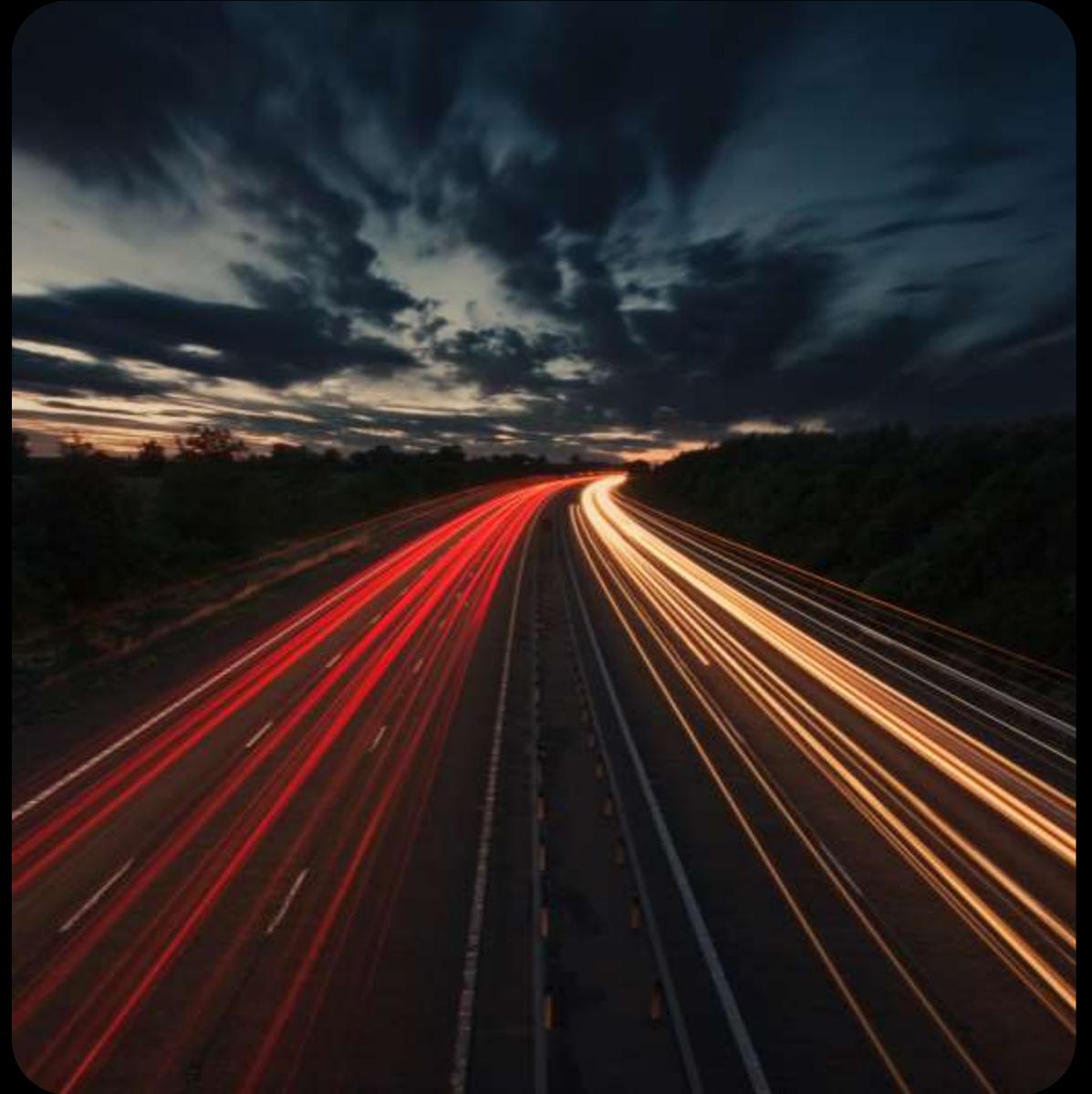


DB 31st Annual Leveraged Finance Conference



Brady Ericson
Chief Executive Officer

October 4, 2023



Forward-Looking Statements

This presentation contains forward-looking statements that are based on management's current outlook, expectations, estimates and projections. Words such as "anticipates," "believes," "continues," "could," "designed," "effect," "estimates," "evaluates," "expects," "forecasts," "goal," "guidance," "initiative," "intends," "may," "outlook," "plans," "potential," "predicts," "project," "pursue," "seek," "should," "target," "when," "will," "would," and variations of such words and similar expressions are intended to identify such forward-looking statements. Further, all statements, other than historical statements, contained in this presentation that we expect or anticipate will or may occur in the future regarding our financial position, business strategy and measures to implement that strategy are forward-looking statements. Accounting estimates, such as those described in our Information Statement furnished with the Company's Registration Statement on Form 10-12B/A filed with the Securities and Exchange Commission ("SEC") on June 9, 2023 and subsequent reports filed with the SEC, are inherently forward-looking. All forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Forward-looking statements are not guarantees of performance and are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed, projected or implied in or by the forward-looking statements. These risks and uncertainties include: the ability of PHINIA to succeed as a standalone publicly traded company and its expected financial performance; the possibility that the spin-off will not achieve its intended benefits; the possibility of disruption, including changes to existing business relationships, disputes, litigation, or unanticipated costs; supply disruptions, work stoppages, or similar events impacting us or our customers; commodities availability and pricing; competitive challenges from existing and new competitors; challenges associated with rapidly-changing technologies; the ability to identify targets and consummate acquisitions on acceptable terms; the failure to promptly and effectively integrate acquired businesses; the potential for unknown or inestimable liabilities relating to acquired businesses; our dependence on commercial vehicle, industrial application and light vehicle production, which are highly cyclical and subject to disruptions; our reliance on major OEM customers; fluctuations in interest rates and foreign currency exchange rates; our dependence on information systems; the uncertainty of the global economic environment; the outcome of existing or any future legal proceedings; future changes in laws and regulations; and these and other risks more fully described in reports that we file with the SEC. We do not undertake any obligation to update or announce publicly any updates to or revisions to any of the forward-looking statements in this presentation to reflect any change in our expectations or in events, conditions, circumstances, or assumptions underlying the statements.

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 provision of these comparable GAAP financial measures for 2023 is not intended to indicate that PHINIA is explicitly or implicitly providing projections on those GAAP financial measures, and actual results for such measures are likely to vary from those presented. 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 and Adjusted EBITDA Margin, 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.

Empowering the Transition to Carbon Neutrality

Market-leading systems and components that drive efficiency today, while powering towards a carbon-free tomorrow



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

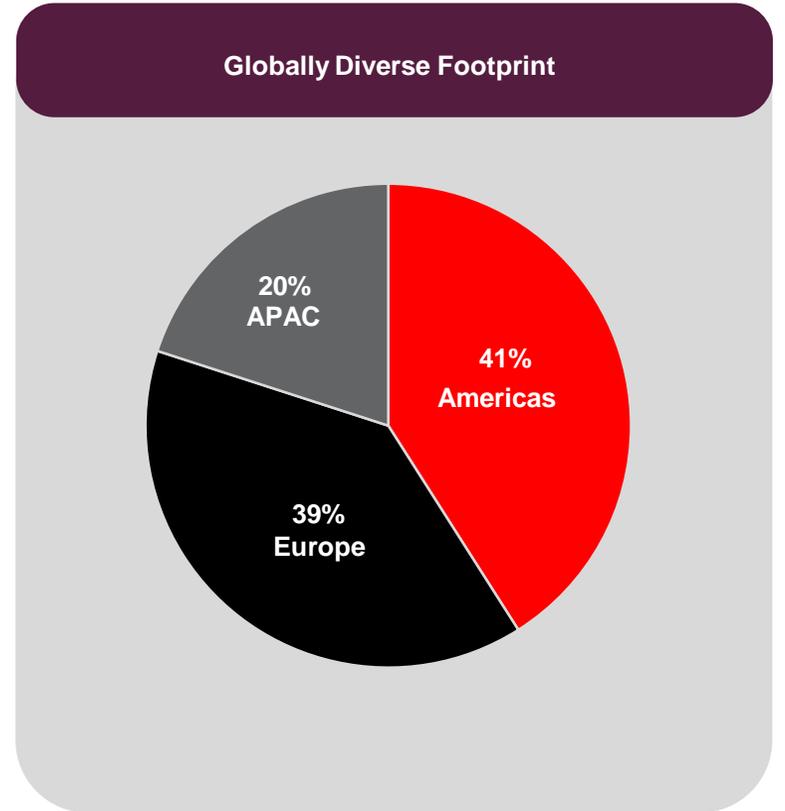
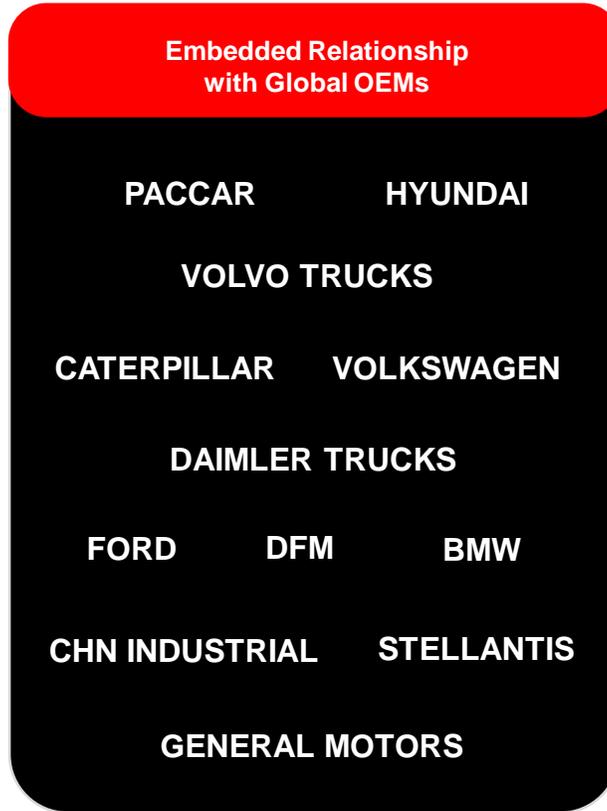
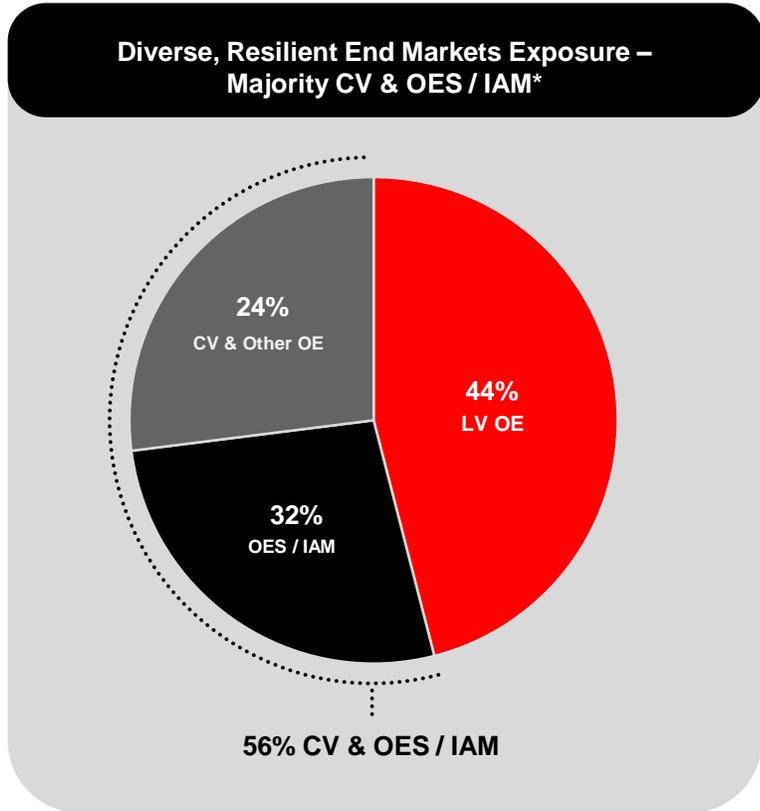


Total Shareholder Returns

Disciplined investment for growth and competitive capital returns while preserving balance sheet



PHINIA's Diverse Markets and Customer Base...



\$3.3bn Revenue (2022)

*LV is Light Vehicle; CV is Commercial Vehicle; OES is Original Equipment Suppliers & IAM is Independent Aftermarket

Answers to Sectors' Most Pressing Needs

Reliable Supplier Partner



Global reach with scale –
engineering and manufacturing



Financially strong and
committed to market

Solutions that Drive Efficiency



Innovative technology that
drives value for end customers



Full system integration
capabilities – including software
and calibration services

Pathway to Carbon Neutrality



Leading alternative
fuel technologies



Committed to carbon
neutrality in all our
facilities by 2035

Delivering Innovation to Address OEMs' Needs

Current Systems

Future Systems

Alternative Fuels

CV



Current technology meeting the world's most stringent emission standards



Next-gen technology enhances fuel efficiency, reduces particulates to meet stringent Euro 7 emission standards



Leveraging base technology, deliver innovative alternative fuel technologies

350 bar Direct Injection

LV



Strong technology products and systems for excellent vehicle performance

500+ bar Direct Injection



Continued GDi technology investment providing even greater performance to customers

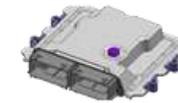
ECU



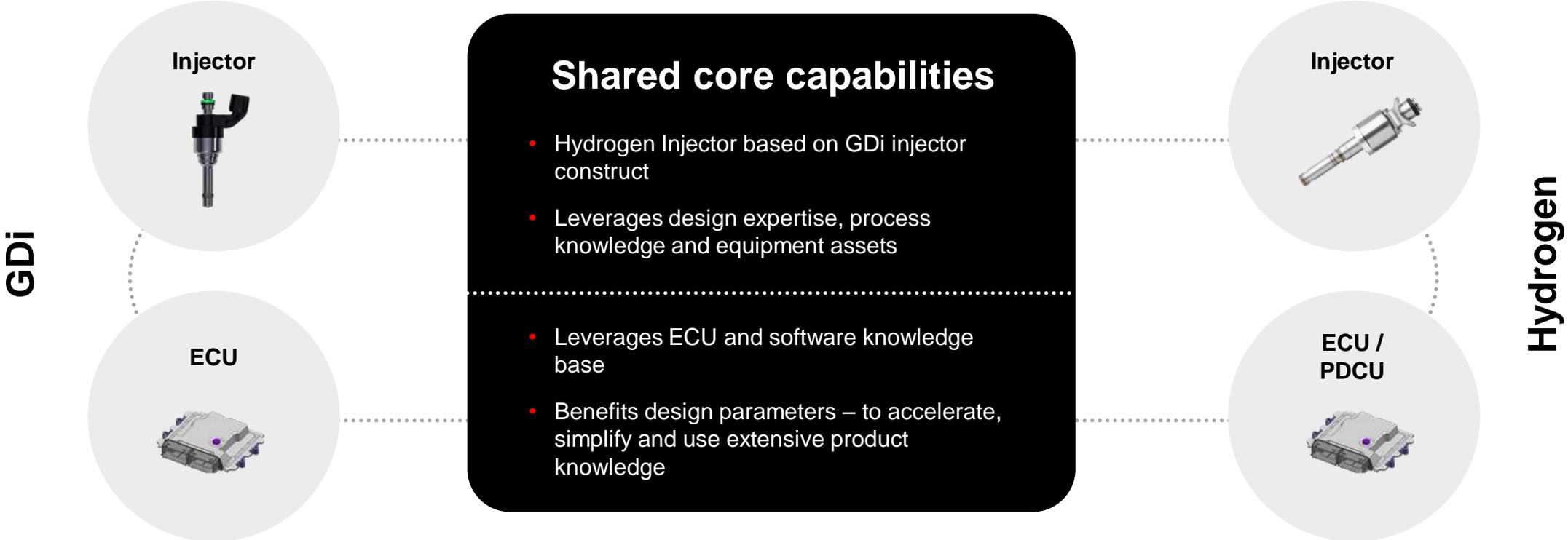
Design and development:



Design and development:



Hydrogen Injection Leverages GDi Technology...



We Believe Core Technology Positions PHINIA to be the Leader in Hydrogen

(ECU) Electronic Control Unit
(PDCU) Powertrain Domain Control Unit

...And is Right-to-Win Growth Category for **PHINIA**

Hydrogen Tailwinds Boost Appeal as BEV Alternative

“Premiere: Volvo Trucks tests hydrogen-powered electric trucks on public roads”
 - May 8, 2023

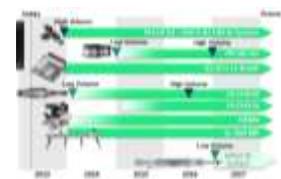
“Honda teaming up with GM to build hydrogen-powered cars ... Fuel cell CR-V coming in 2024”
 - February 3, 2023

“Porsche’s Propulsion Future Includes Hydrogen, Green Fuel”
 Porsche has developed a hydrogen-powered internal-combustion engine to replace its gas-powered V-8 and a synthetic fuel stock that replaces gasoline.
 - January 17, 2023

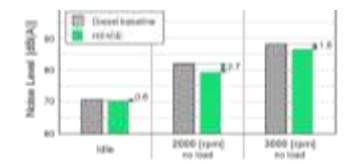
“Senators Coons, Cornyn reintroduce legislation to support hydrogen technologies for emissions reductions”
 Bipartisan package of four bills will support hydrogen infrastructure buildout and help grow the U.S. hydrogen economy”
 - March 2, 2023

50 Partners / Projects Engaged Last Year

Since 2021
50 Opportunities



Roadmap Consultations



Technology Evaluations

32 Initiations



Durability Engine Testing



Vehicle Conversions

23 Executions



Development Engines



Operating Vehicles

Growth Opportunity from End Market Expansion

Industrial Applications

Existing Applications



Heavy-Duty Marine



Stationary Power Generation

Existing Areas



Linear Power Generation



Aerospace Turbine Engines



GDI for Diesel

- ➔ Opportunity unaffected by BEV transition
- ➔ Leverages core capabilities and skills
- ➔ Benefit from strong demand for fuel system performance

Geographic Expansion



Americas

Secure additional CV and GDI production across the Americas

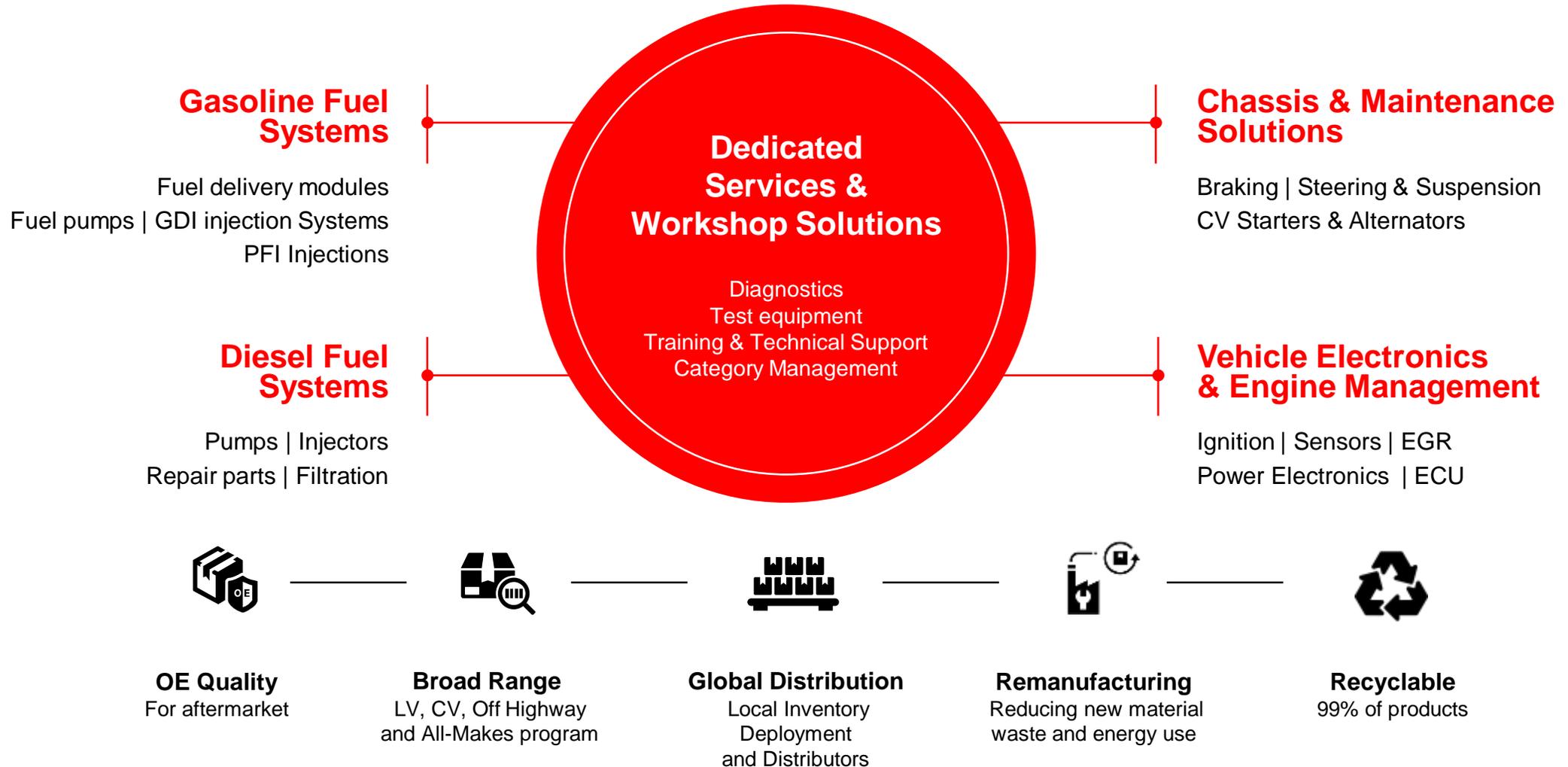
Europe

Leverage existing assets to boost new business for discerning customers

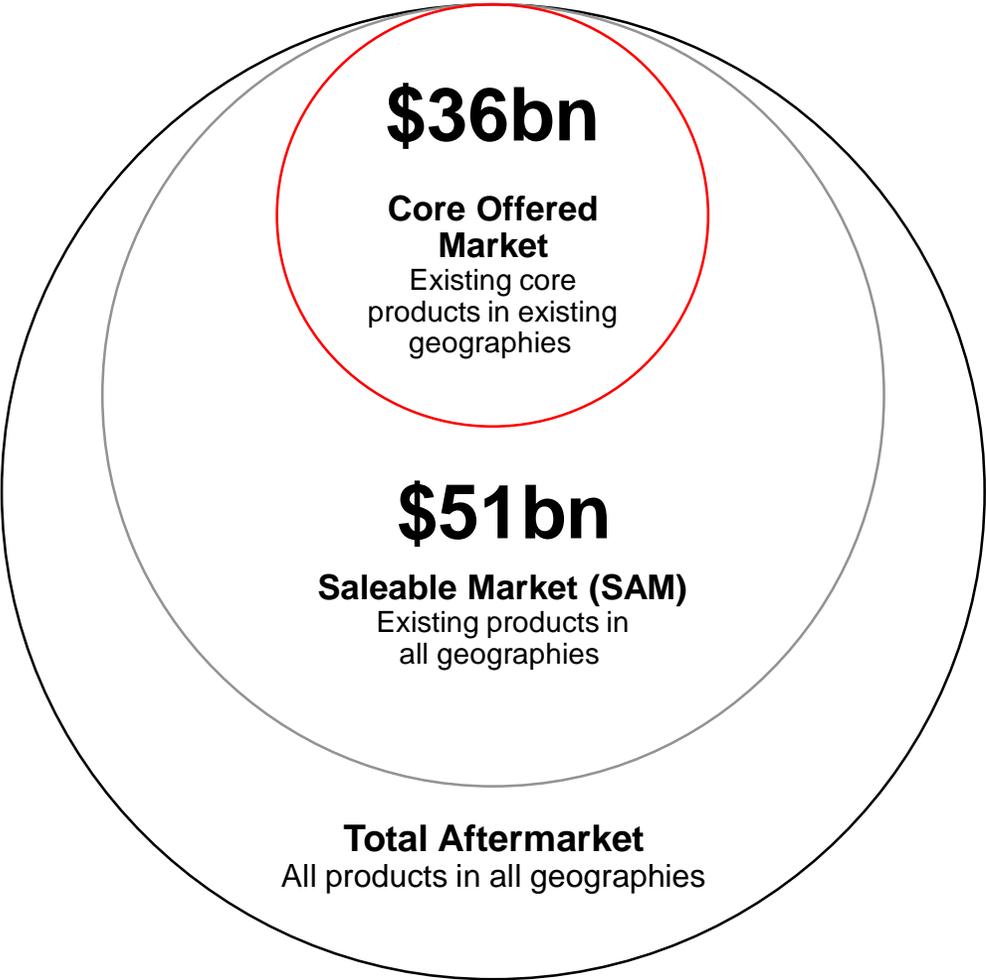
APAC

Continue to localize capacity and supply

Holistic Approach to Winning in the Aftermarket



Large Aftermarket Opportunity with Sustained Tailwinds



 **Market Drivers**

- Growing number of vehicles in operation
- Increasing vehicle age and miles travelled
- Saleable market includes 40% propulsion agnostic products

Well-Defined Growth Opportunities in Aftermarket

Market Expansion



- ➔ Sell existing programs in new geographies
- ➔ Grow market share by expanding coverage to >95% in selected programs
- ➔ Support customers building more resilient supply chains by near-shoring production

Extend Product Offer



- ➔ Remanufacture competitor products
- ➔ Leverage global sourcing capability to selectively enter adjacent categories
- ➔ Use **PHINIA** manufacturing capacity to address competitor part replacement opportunities

Acquisitions



- ➔ Bolt-on acquisitions as market consolidates
- ➔ Vertical integration opportunities to expand margin
- ➔ Expand remanufactured offerings beyond Delphi / Delco Remy products

Remanufacturing: Sustainability in our DNA

Sustainability



- ~900 remanufactured SKUs in offer
- Remanufactured ~10,000 mt of material since 2010
- Largest remanufacturing location reduced CO2 emissions by 65% from 2018 baseline

Global Capability



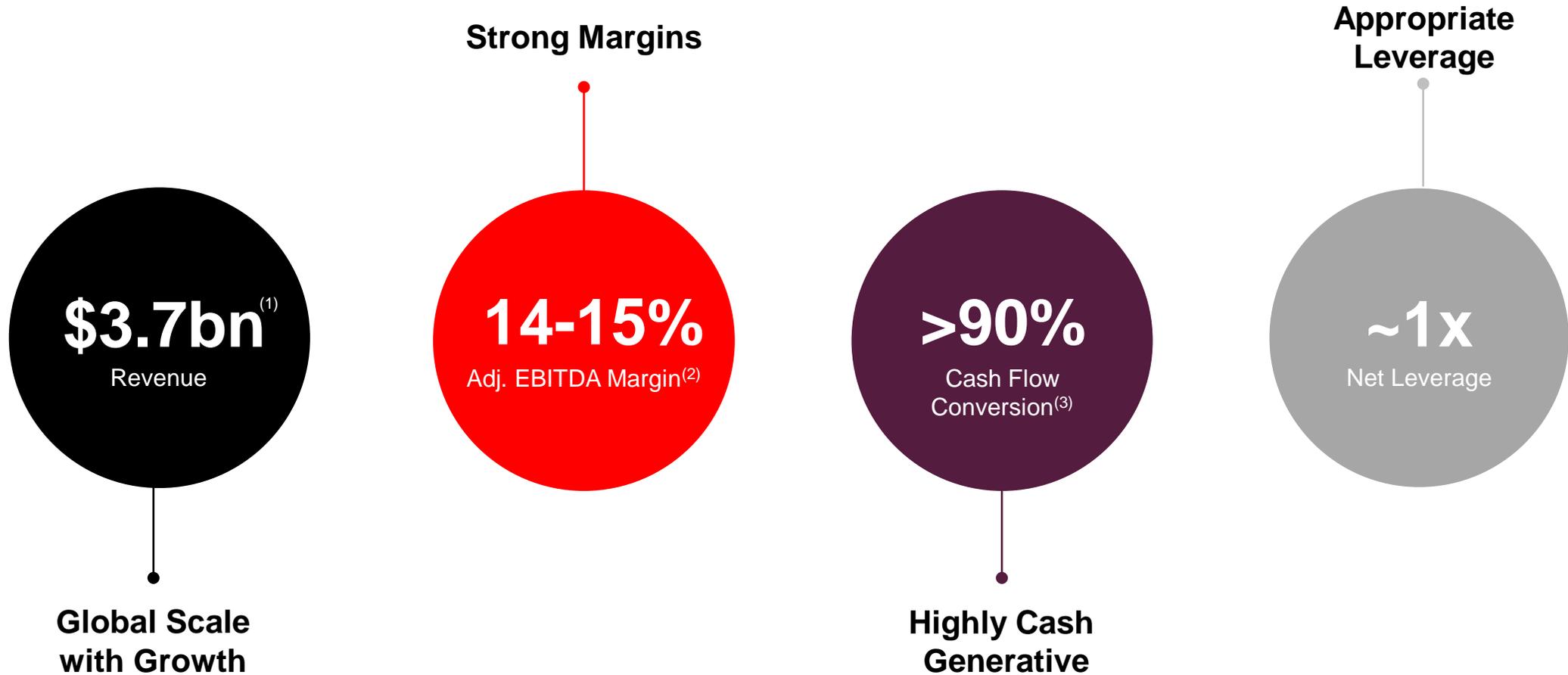
- 5 Remanufacturing locations
- Diesel Fuel Injection
- Starters & Alternators

Growth Opportunity



- ~ 10% of Aftermarket revenue from remanufactured products
- Invested in Capacity to Remanufacture competitor Diesel products in 2022
- Expect 30% growth in next 3 years

...Expect Strong Financials for 2025 and Beyond



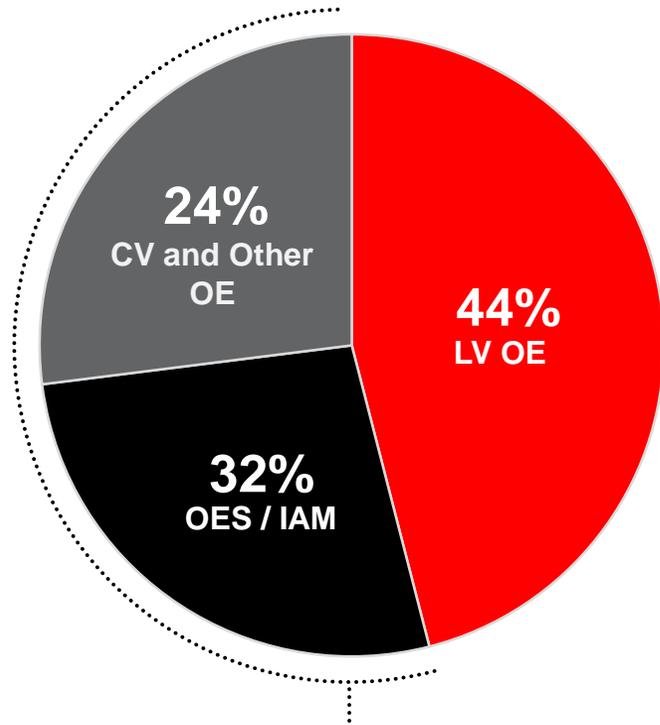
(1) Does not include \$95-100mm of Contract Manufacturing Revenue to BorgWarner – Phased out by end of 2024

(2) Non-GAAP metric. See p. 22 for Adj. EBITDA and Adj. EBITDA Margin definition.

(3) Non-GAAP metric defined as (Cash Flow from Operations – Capex) / Adj. Net Earnings. See p. 24 and 25 for Adj. Net Earnings and FCF definitions

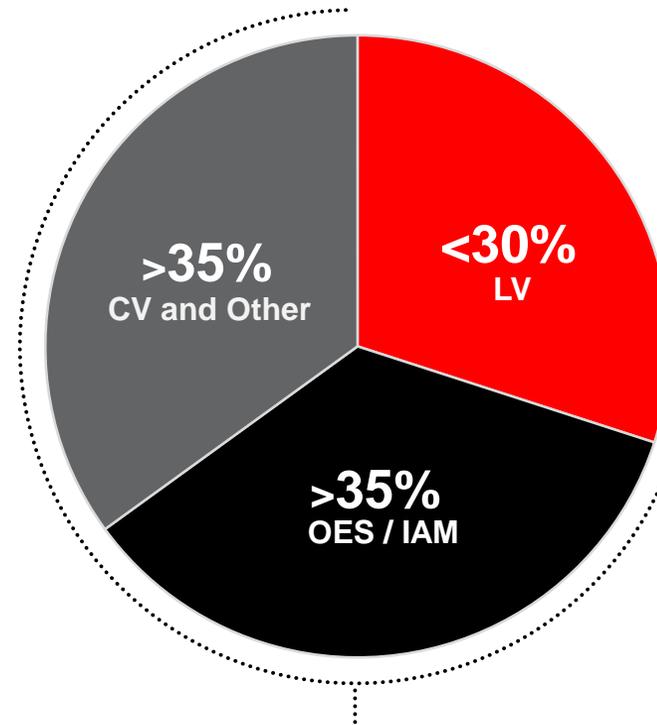
Strategic Focus on Growing CV & OES / IAM

2022



56% CV & OES / IAM

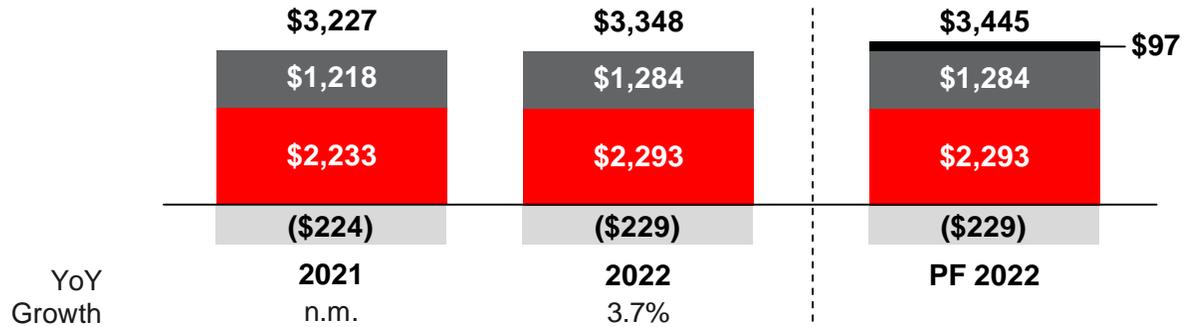
2030 Target



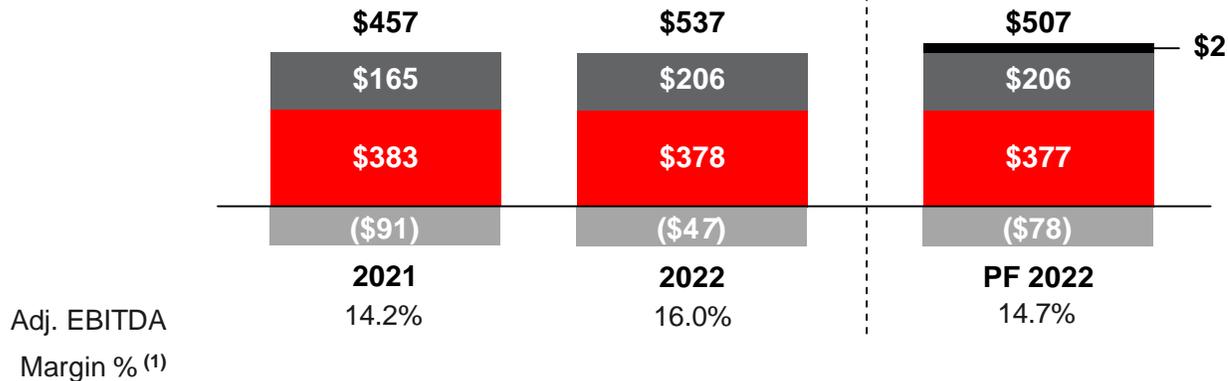
>70% CV & OES / IAM

Historical Financial Performance

Revenue (\$mm)



Adj. EBITDA (\$mm)⁽¹⁾



Commentary

YoY Revenue Growth

- ➔ Fuel Systems growth driven by higher production and customer pricing
- ➔ Aftermarket growth driven by higher demand and increased pricing

YoY Adj. EBITDA⁽¹⁾

- ➔ Fuel Systems' slight decrease primarily due to conversions on higher sales and reduced net R&D costs being offset by launch costs for a production facility in North America
- ➔ Aftermarket increase primarily due to higher sales

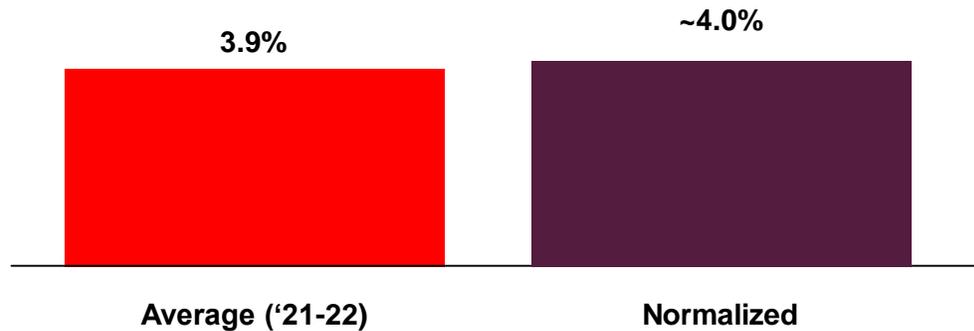
(1) Non-GAAP metric. See p. 22 for Adj. EBITDA and Adj. EBITDA Margin definitions.

■ Fuel Systems ■ Aftermarket ■ Inter-segment Elimination ■ Corporate Costs ■ Contact Mfg. to BorgWarner

High-Return Story with Modest Spend Intensity

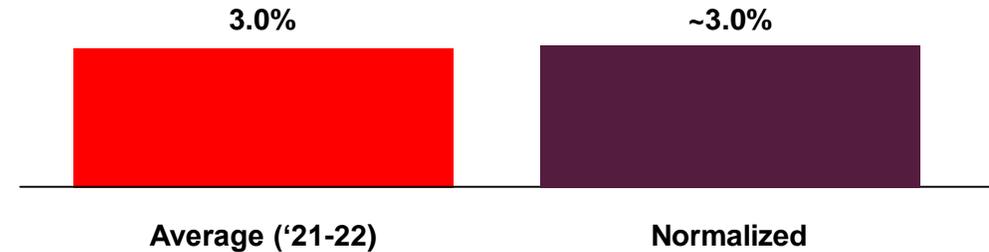
Historically Low Capex Intensity...

Capex as % of Revenue



...Combined with Incremental R&D Leverage

R&D as % of Revenue



Leveraging Financial Capacity and Technological Expertise for High-Return Investments

Trendline Capex

~4% of revenue
(includes growth investment)

Growth Initiatives

- ➔ CV expansion
- ➔ Aftermarket expansion
- ➔ Hydrogen fuel and renewable ICE technology

Rationale

- ➔ Leverage capacity of established manufacturing assets in the best-cost countries
- ➔ Global distribution and sourcing capabilities facilitate natural expansion into new regions and products
- ➔ Existing technology and manufacturing assets are highly leverageable

DEBT AND LIQUIDITY AT SPIN

| Credit Agreement – 5-Year Maturity ⁽³⁾ | \$mm | |
|---------------------------------------------------|------------|---------------------------------|
| \$500M Revolving Credit Facility SOFR + 250 b.p. | 75 | |
| Term Loan A SOFR + 250 b.p. | 300 | |
| Term Loan B SOFR + 400 b.p. | 425 | |
| Secured Debt | 800 | |
| Other Debt | 24 | |
| Total Debt | 824 | |
| Cash ⁽²⁾ | ~(300) | |
| Net Debt | 524 | |
| Total Debt / Adj. EBITDA ⁽¹⁾ (TTM) | 1.6x | — Conservative leverage profile |
| Net Debt / Adj. EBITDA ⁽¹⁾ (TTM) | 1.0x | |
| Total Liquidity (Cash & Undrawn RCF) | 725 | |
| Credit Rating | Ba1/BB+ | — Strong credit rating |

(1) Non-GAAP metric. See Appendix p. 22 for Adj. EBITDA definition. Estimated figures pending final term conditions and cash adjustments.

(2) Cash subject to adjustments per separation agreement with BorgWarner.

(3) Key financial covenants - Net leverage \leq 3.0x EBITDA. Interest Coverage \geq 3.0x EBITDA.

Empowering the Transition to Carbon Neutrality

Market-leading systems and components that drive efficiency today, while powering towards a carbon-free tomorrow



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



APPENDIX



ADJUSTED EBITDA & 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, merger, acquisition and divestiture expense, other postretirement income, 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 net sales.

| | 2022 | | | | | 2023 | |
|---------------------------------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 |
| Net earnings | \$57 | \$41 | \$89 | \$75 | \$262 | \$35 | \$35 |
| Depreciation and tooling amortization | 37 | 36 | 36 | 33 | 142 | 34 | 36 |
| Provision for income taxes | 21 | 13 | 32 | 19 | 85 | 23 | 21 |
| Intangible asset amortization expense | 7 | 7 | 7 | 7 | 28 | 7 | 7 |
| Interest expense, net | 4 | 4 | 3 | 3 | 14 | 3 | 4 |
| EBITDA | 126 | 101 | 167 | 137 | 531 | 102 | 103 |
| Merger, acquisition and divestiture expense, net | 10 | 12 | 5 | 4 | 31 | 18 | 41 |
| Restructuring expense | 2 | 3 | 3 | 3 | 11 | 4 | 2 |
| Royalty income from BorgWarner | (7) | (6) | (9) | (9) | (31) | (5) | (12) |
| Equity in affiliates' earnings, net of tax | (2) | (1) | (5) | (3) | (11) | (3) | (3) |
| Other postretirement income | (9) | (8) | (8) | (7) | (32) | — | (1) |
| Other | 1 | 5 | (2) | 3 | 7 | — | — |
| Adjusted EBITDA | \$121 | \$106 | \$151 | \$128 | \$506 | \$116 | \$130 |
| Net Sales | \$842 | \$796 | \$859 | \$851 | \$3,348 | \$835 | \$887 |
| Adjusted EBITDA margin % | 14.4 % | 13.3 % | 17.6 % | 15.0 % | 15.1 % | 13.9 % | 14.7% |

ADJUSTED SALES RECONCILIATION TO US GAAP

The Company defines adjusted sales as sales adjusted to exclude certain agreements with BorgWarner that were entered into in connection with the Spin-Off.

Full Year 2023 Guidance

| | Low | High |
|------------------------------------|----------------|----------------|
| Sales | \$3,495 | \$3,600 |
| Post Spin-Off agreement adjustment | 45 | 50 |
| Adjusted sales | \$3,450 | \$3,550 |

Adjusted Net Earnings Reconciliation

| (\$mm) | 2021 | 2022 | PF 2022 |
|-----------------------------------------------------------------|--------------|--------------|--------------|
| Net Earnings (Loss) Attributable to PHINIA (Per Form 10) | \$152 | \$262 | \$192 |
| 1 (+) Merger, Acquisition and Divestiture Expense | 7 | 31 | 31 |
| 2 (+) Restructuring Expense | 53 | 9 | 9 |
| 3 (+) Asset Impairments, Write-offs and Lease Modifications | 13 | 5 | 5 |
| (+) Intangible Asset Amortization | (23) | (11) | (11) |
| (+) Other | -- | 1 | 1 |
| Adjusted Net Earnings | \$202 | \$297 | \$227 |

Key Adjustments

- 1 Add-back of non-recurring M&A expenses primarily related to professional fees associated with the Spin-Off and the Delphi acquisition
- 2 Add-back of non-recurring restructuring expenses:
 - 2022 expenses primarily relate to equipment relocation and professional fees
 - 2021 expenses relate to Delphi's legacy restructuring plan to reshape and realign its global technical center footprint and reduce salaried and contract staff
- 3 2021 relates to the impairment of an Aftermarket tradename and a right-of-use lease asset in China. 2022 relates to the impairment of intangible assets associated with the wind down of the Company's business in Russia

Free Cash Flow Reconciliation

(\$mm)

2021

2022

Net Cash (Used In) Provided By Operating Activities

\$147

\$303

(-) Capital Expenditures, Including Tooling Outlays

146

107

Free Cash Flow

\$1

\$196