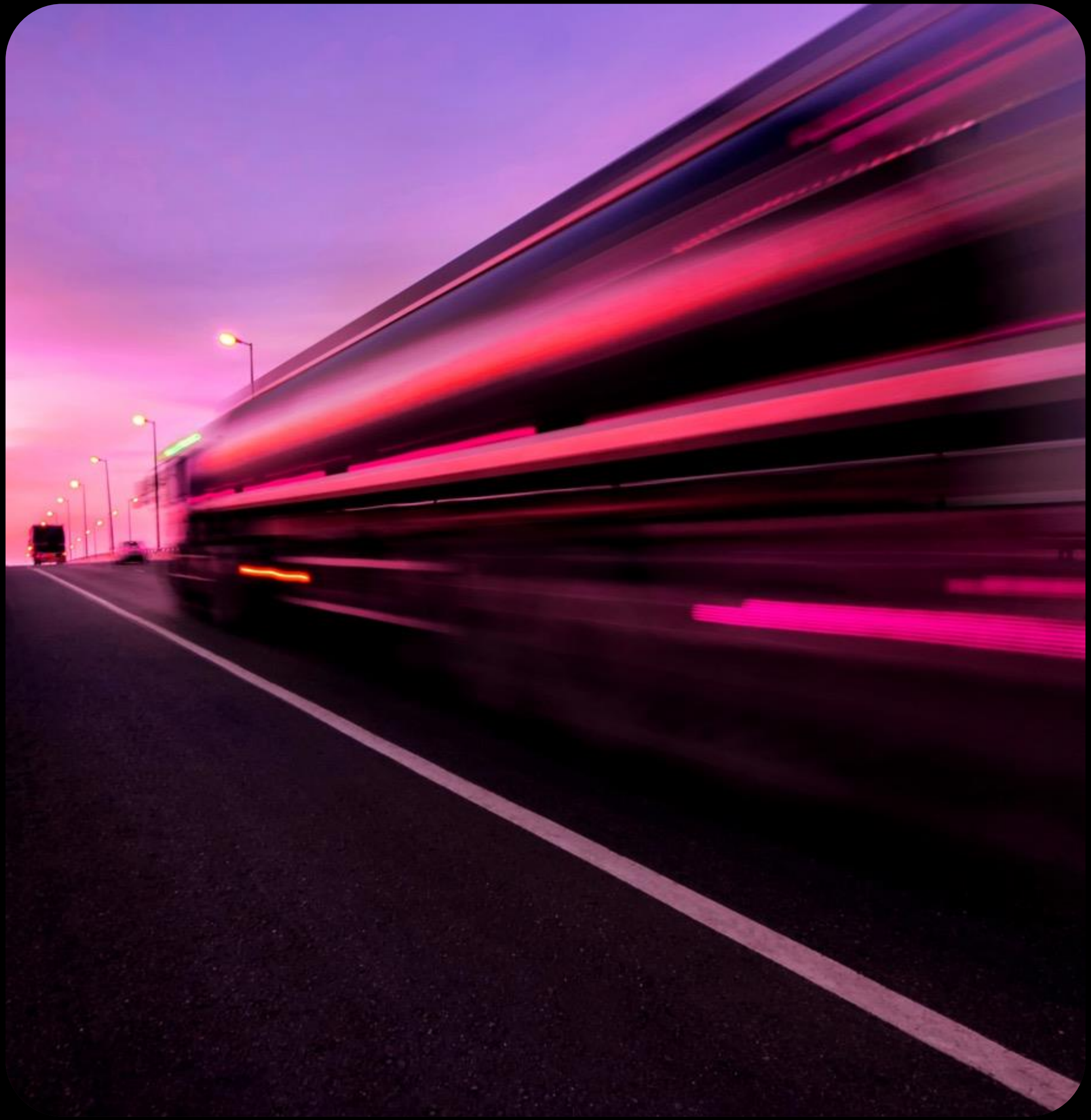
PHINIA

Q4 2023 EARNINGS



February 21, 2024

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 impacting the vehicle and industrial equipment industries; our ability to deliver new products, services and technologies in response to changing consumer preferences, increased regulation of greenhouse gas emissions, and acceleration of the market for electric vehicles; competitive industry conditions; failure to identify, consummate, effectively integrate or realize the expected benefits from acquisitions or partnerships; pricing pressures from original equipment manufacturers (OEMs); inflation rates and volatility in the costs of commodities used in the production of our products; changes in U.S. administrative policy, including changes to existing trade agreements and any resulting changes in international trade relations; our ability to protect our intellectual property; failure of or disruption in our information technology infrastructure, including a disruption related to cybersecurity; our ability to identify, attract, retain and develop a qualified global workforce; difficulties launching new vehicle programs; failure to achieve the anticipated savings and benefits from restructuring and product portfolio optimization actions; 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; the impact of economic, political, and market conditions on our business in China; our reliance on a limited number of OEM customers; supply chain disruptions; work stoppages, production shutdowns and similar events or conditions; governmental investigations and related proceedings regarding vehicle emissions standards; current and future environmental and health and safety laws and regulations; the impact of climate change and regulations related to climate change; liabilities related to product warranties, litigation and other claims; compliance with legislation, regulations, and policies, investigations and legal proceedings, and new interpretations of existing rules and regulations; tax audits and changes in tax laws or tax rates taken by taxing authorities; volatility in the credit market environment; impairment charges on goodwill and indefinite-lived intangible assets; the impact of changes in interest rates and asset returns on our pension funding obligations; the impact of restrictive credit agreement covenants and requirements on our financial and operating flexibility; our ability to achieve some or all of the benefits that we expect to achieve from the Spin-Off; other risks relating to the Spin-Off, including a delay or inability to transition key infrastructure, services and solutions, a determination that the Spin-Off does not qualify as tax-free for U.S. federal income tax purposes, restrictions under the Tax Matters Agreement, and our or BorgWarner Inc.’s failure to perform under various transaction agreements; 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

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Fourth Quarter 2023 Highlights

$858M
Adjusted Sales

$127M
Adjusted EBITDA

14.8%
Adjusted EBITDA margin

12.6%
Total segment adjusted operating margin

Rapid progress

On exiting TSAs and establishing independent standalone services

Strong Balance sheet

Ended quarter with
- $365M cash
- net leverage of <1x

$0.71
Adjusted diluted EPS per share

$55M
Adj. free cash flow

$26M
Returned to shareholders via dividends and share repurchases. Accelerated repurchases from Q3

Adjusted Sales, adjusted diluted EPS, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow and net leverage are Non-GAAP metrics. See Appendix pgs. 20-23 for definitions and reconciliations to the most directly comparable GAAP measures.

Business Wins

PHINIA is winning new business and retaining existing business across LV and CV / Industrial markets and all regions.

Notable wins in Q4 include:

Conquest Business

To Supply

GDi fuel system to a leading OEM specializing in hybrid and low emission powertrain technology

Retention / Extension

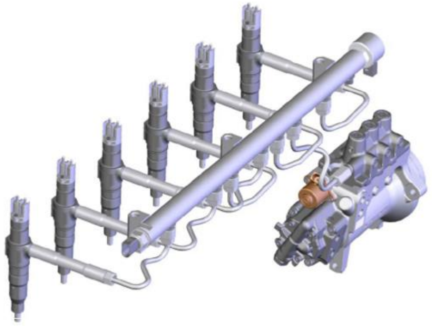
To Supply

Next generation heavy duty diesel fuel systems to a leading Global OEM

Retention / Expansion

To Supply

Medium duty diesel fuel systems to a leading Global OEM in the commercial vehicle segment



Accomplishments/Next Steps

2023 Accomplishments

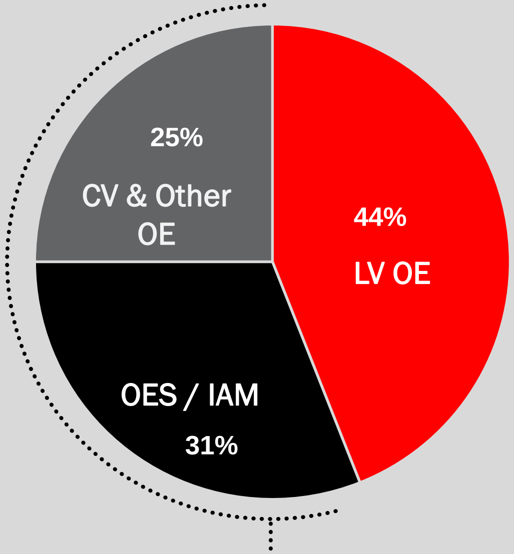
- Completed Spin-Off and NYSE Listing
- Full year Adj. EBITDA $490M, and Adj. EBITDA Margin 14.2%
- Strong Segment Adj. Operating Margin of 11.9%
- High business retention and conquest win rates
- Initiated $0.25/quarter Dividend – ~$23M to shareholders
- Authorized $150M share repurchase program
    - ~$24M repurchased in last four months of 2023

What to Look for in 2024

- Exit nearly all low/no margin CMAs by Q2
- Exit of all TSAs by Q3
- Launch of key new technologies
    - H2 Injector for ICE
    - 500 Bar GDi System
    - Value-based D-Di derived from GDi technology
    - First internally designed and developed ECU
- Ongoing efficiency and supply chain improvements
- Further working capital improvements
- Return of capital to shareholders and debt optimization

Diverse Markets And Customers

Diverse, Resilient End Markets Exposure – Majority CV & OES / IAM*

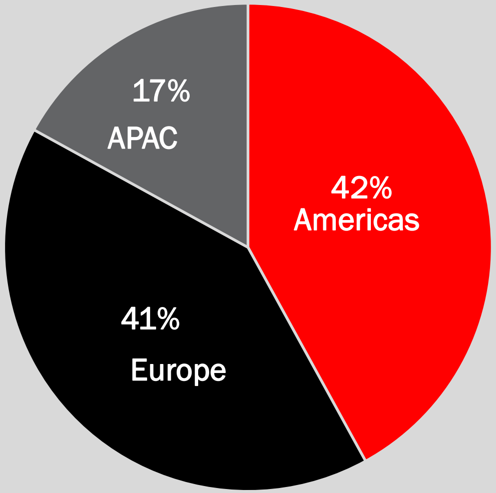


56% CV & OES / IAM

Embedded Relationship with Global OEMs

PACCAR
HYUNDAI
VOLVO TRUCKS
CATERPILLAR
VOLKSWAGEN
DAIMLER TRUCKS
FORD
DFM
BMW
CHN INDUSTRIAL
STELLANTIS
GENERAL MOTORS

Globally Diverse Footprint



$3.5B of Net Sales (2023)

*CV is Commercial Vehicle; OE is Original Equipment; OES is Original Equipment Service; LV is Light Vehicle; IAM is Independent Aftermarket

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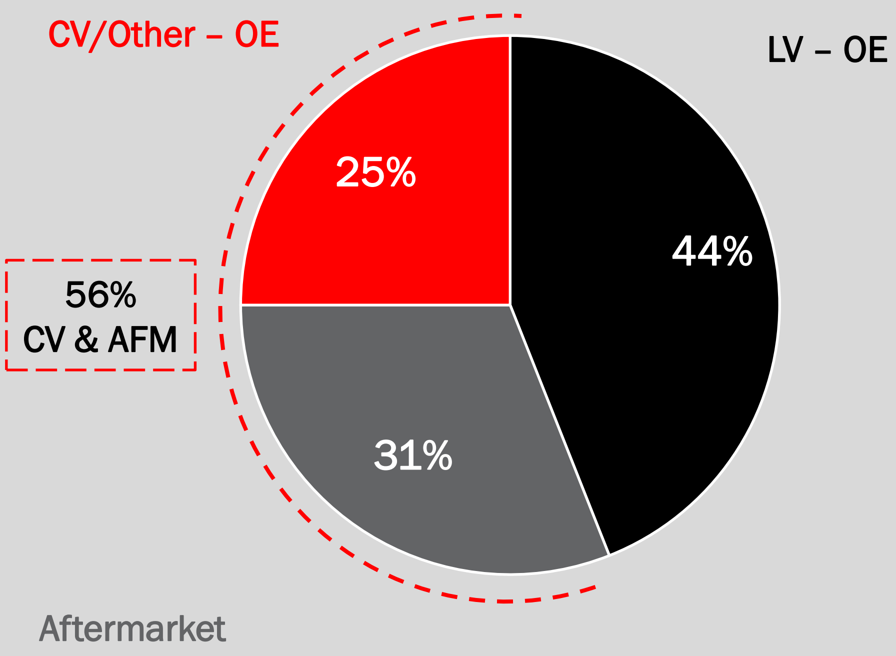
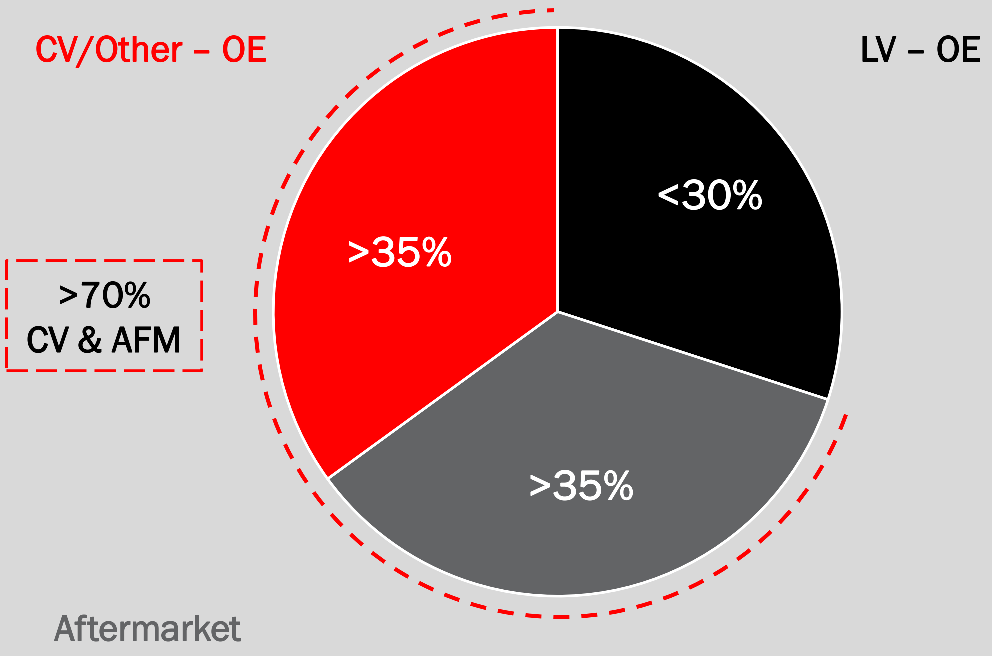
Strategic Focus On CV And AFM

$3.5B of Net Sales 2023



2030 Net Sales Target - $5.0B(1)



(1) Assumes both Organic and Inorganic growth
*CV is Commercial Vehicle; OE is Original Equipment; LV is Light Vehicle; AFM is Aftermarket including independent and original equipment service channels

Disciplined Capital Allocation

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

Investment for Growth

- Disciplined, ROIC-focused reinvestment
- Growth areas:
  - Alternative fuel technologies
  - Electronic systems
  - CV and Industrial
  - Aftermarket
- Strategic and accretive M&A

Competitive Capital Return (2)

- Expect to maintain competitive dividend of ~$1.00/year
- Opportunistic share repurchases
  - $150M authorization
  - $24M / 0.9M shares repurchased

Strong Foundation - Balance Sheet

- Strong balance sheet
- Net leverage of 1x
- Robust liquidity levels

(1) Forward-looking non-GAAP measure. See Appendix p. 22 for definition and more information.
(2) Dividends subject to approval by PHINIA Board of Directors

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Expected Consistent Performance Through The Decade

Global Scale with Growth

2-4%[1]
Average Organic Revenue CAGR

Strong Margins

14-15%
Adj. EBITDA Margin[2]

Highly Cash Generative

>90%
Adj. Cash Flow Conversion[3]

Appropriate Leverage

~1x
Net Leverage

(1) Does not include Contract Manufacturing Revenue to BorgWarner – Phased out by end of 2024; Organic Growth
(2) Forward-looking non-GAAP metric. See Appendix p. 20 for Adj. EBITDA and Adj. EBITDA Margin definition and more information.
(3) Forward-looking non-GAAP metric. See Appendix p. 22 for definition and more information.

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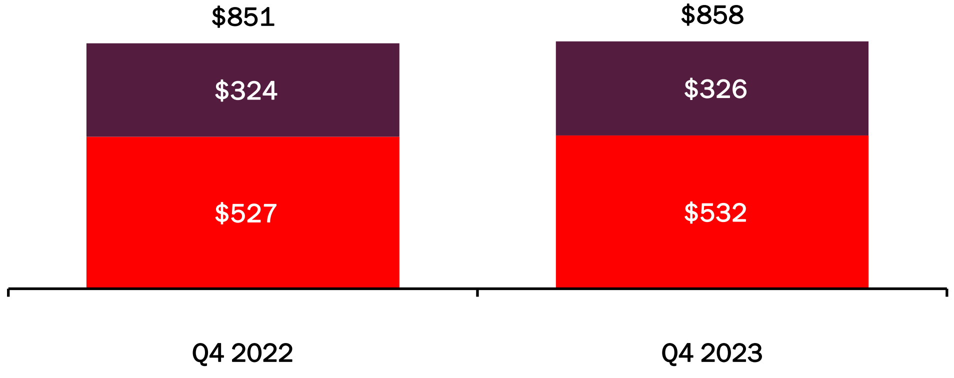
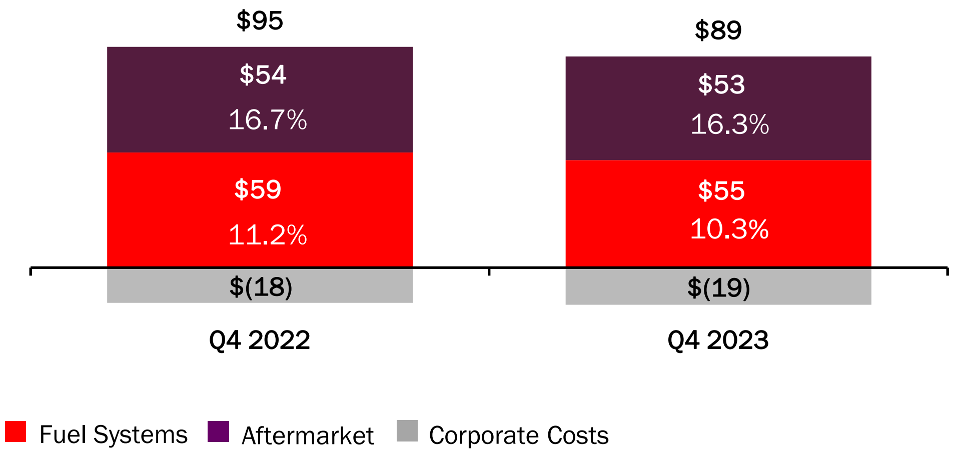
Fourth Quarter Financial Performance

Adjusted Sales [1] ($M)



Adjusted Operating Income [1] ($M)



Commentary

YoY Adjusted Sales Growth

- Aftermarket performance primarily driven by noncontractual commercial negotiations, as well as foreign currencies
- Fuel Systems growth driven by noncontractual commercial negotiations, contractual commodity pass-through arrangements and favorable foreign currencies; partially offset by volume, mix and net new business primarily from lower commercial vehicle sales in China

YoY Adjusted Operating Income

- Aftermarket margin decrease driven by higher inflationary costs partially offset by noncontractual commercial negotiations
- Fuel Systems decrease primarily due to higher inflationary costs and supplier issues partially offset by customer pricing negotiations

(1) Non-GAAP metric. See Appendix pgs. 21-22 for Adj. Sales, Adj. Operating Income and Adj. Operating Income Margin definitions and reconciliations to the most directly comparable GAAP measures.

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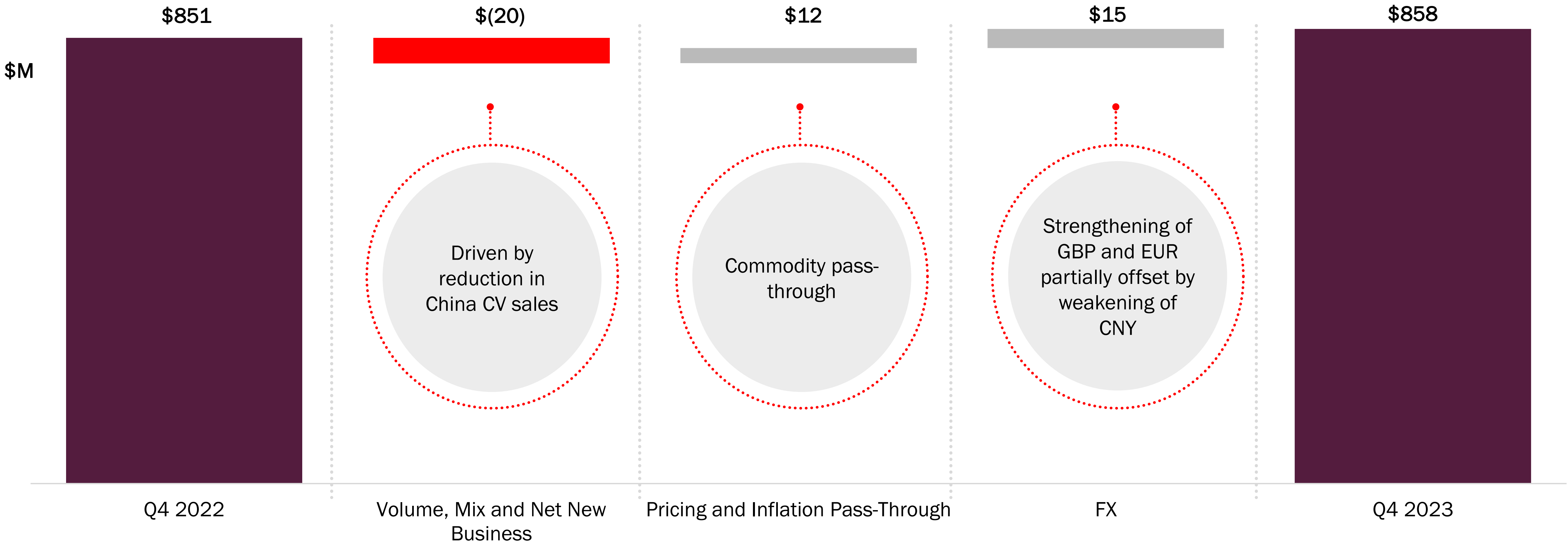
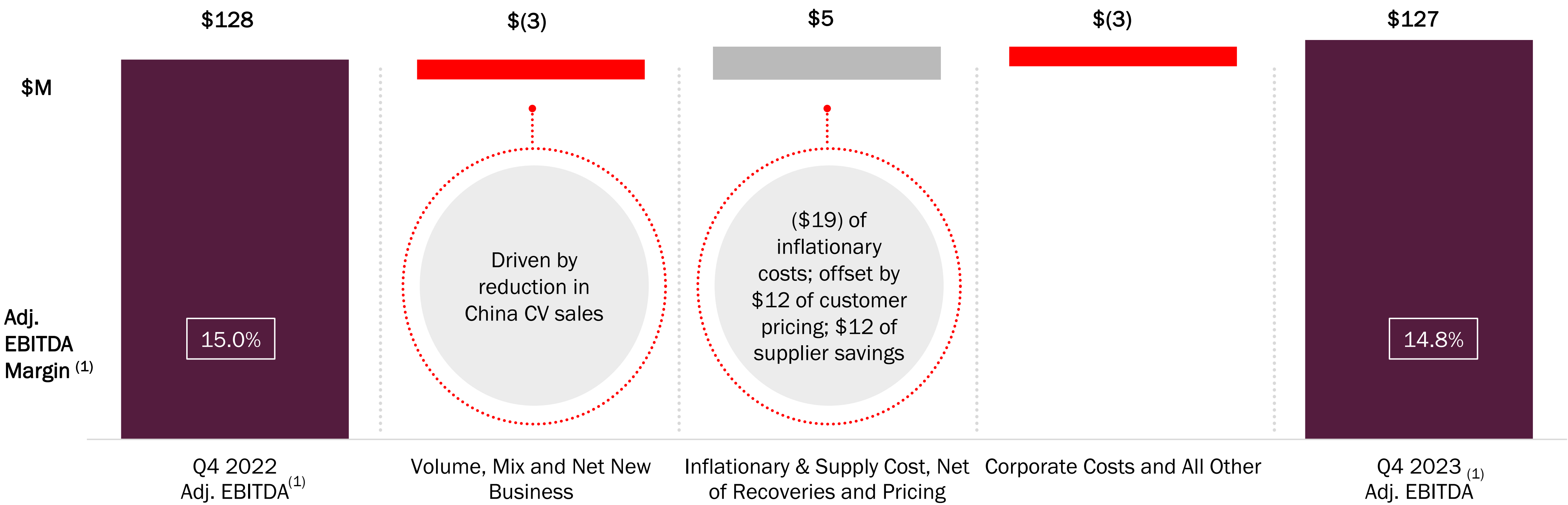
Q4 2023 Adjusted Sales (1)



(1) Non-GAAP metric. See Appendix p. 22 for definition and reconciliation to the most directly comparable GAAP measure.

Q4 2023 Adjusted EBITDA[1]



(1) Non-GAAP metric. See Appendix p. 20 for definition and reconciliation to the most directly comparable GAAP measure.

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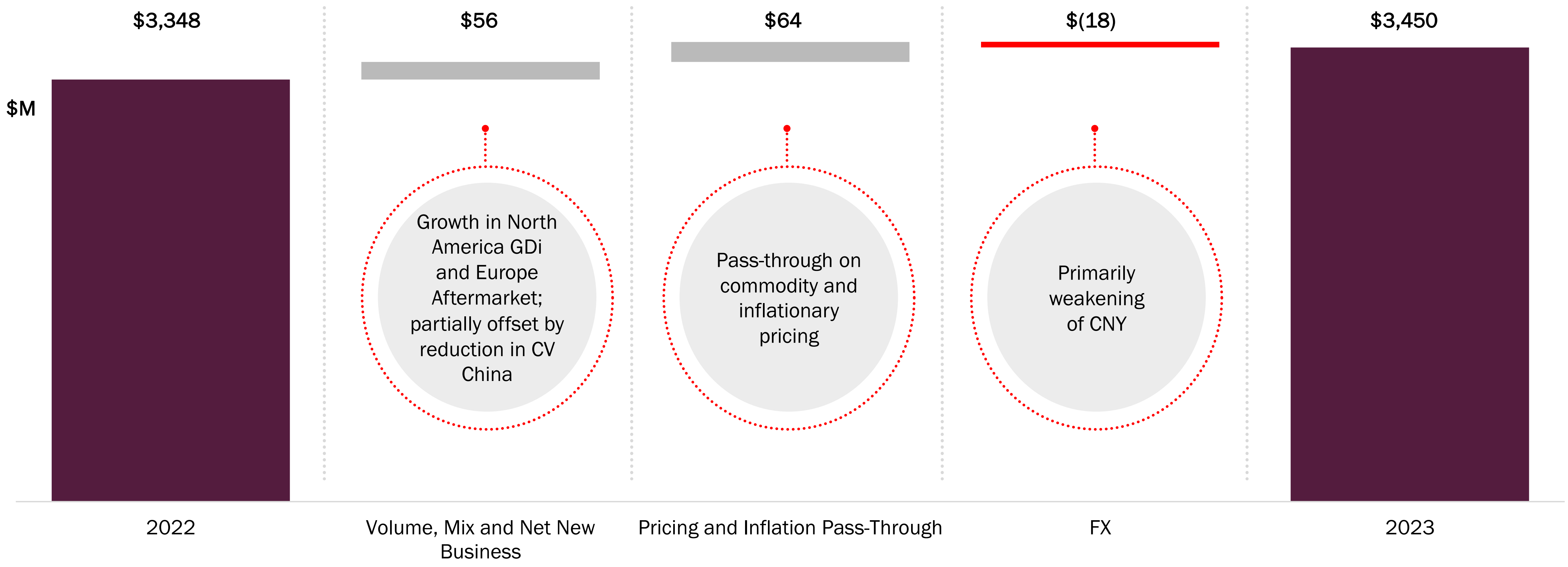
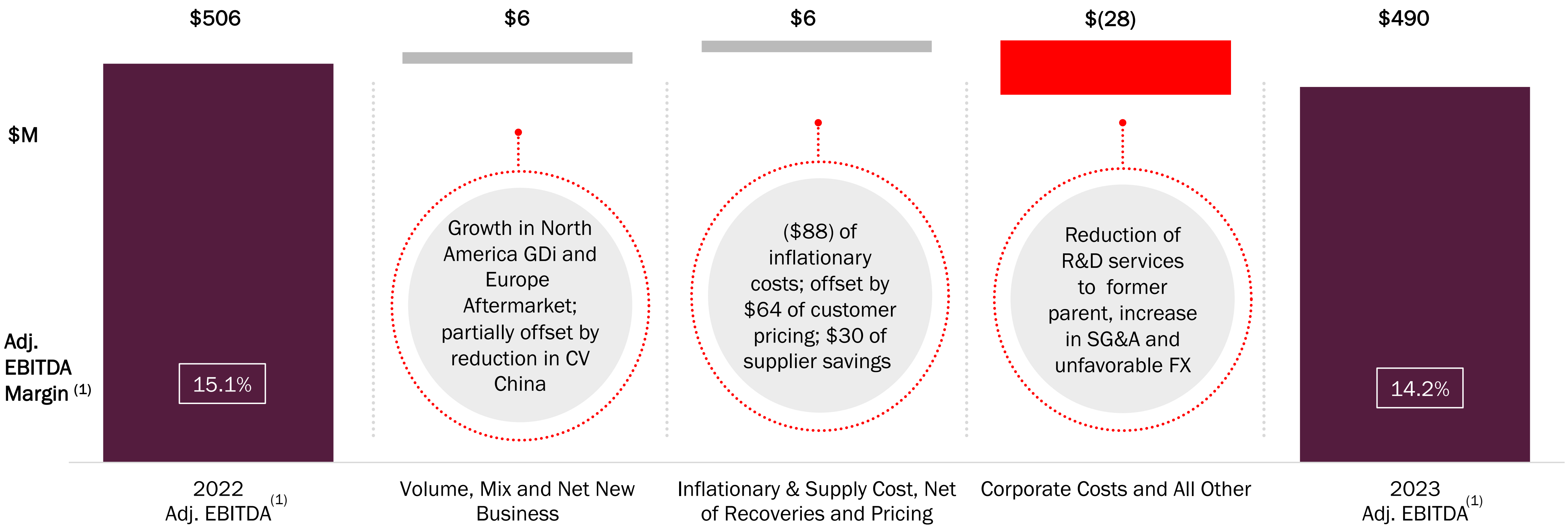
Full Year 2023 Adjusted Sales[1]



(1) Non-GAAP metric. See Appendix p. 22 for definition and reconciliation to the most directly comparable GAAP measure.

Full Year 2023 Adjusted EBITDA [1]



(1) Non-GAAP metric. See Appendix p. 20 for definition and reconciliation to the most directly comparable GAAP measure.

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2024 Industry Volume Assumptions

North America

LV flat year-over-year
CV down mid-single digits %

CV demand down due to softer economic outlook

Europe

LV down low single digits %
CV down high single digits %

Continuing impact of high interest rates on demand

Asia Pacific

LV flat to down low single digits %
CV up low single digits %

China driving continuing CV recovery from low 2022 baseline

LV ICE industry volume expected to be down ~5% globally in 2024:
PHINIA expects to outperform through GDi penetration and share gains

Year over Year 2024 vs 2023 vehicle production based on January 2024 IHS on highway forecasts
Light Vehicle includes all propulsion types. Light Vehicle ICE (Internal Combustion Engine) includes combustion and hybrid applications

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Full Year 2024 Outlook

Metric	FY 2024 Outlook*	FY 2023
Adj. Sales(1)	$3,400 – $3,550M	$3,450M
Adj. EBITDA(1)(2)	$470 – $510M	$490M
Adj. EBITDA Margin(1)(2)	13.8 – 14.4%	14.2%
Adj. Free Cash Flow(1)(3)	$160 – $200M	$161M
Adj. Tax Rate(4)	28 – 32%	37%

(1) Non-GAAP metric. See Appendix pgs. 20-23 for definitions and reconciliations to the most directly comparable GAAP measures.
(2) Adj. EBITDA includes $64M of corporate costs for 2023 actuals or approximately $16M (0.5%) benefit versus a normalized run rate of approximately $80mm of annual corporate costs.
(3) Capex is expected to be approximately 4% of Adj. Net Sales.
(4) Adj. Tax Rate excludes the tax effect of adjusted items and tax amounts not reflective of the Company's ongoing operations.

*2024 key currency assumptions: USDGBP 1.27; USDEUR 1.08; CNYUSD 7.17; MXNUSD 17.22; BRLUSD 4.95; INRUSD 83.10

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APPENDIX

Historical Quarterly Financial Metrics (1)

	2022					2023 Actual				
	Q1	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
Fuel Systems	$538	$473	$534	$527	$2,072	$509	$551	$535	$532	$2,127
Aftermarket	304	323	325	324	1,276	326	336	335	326	1,323
Adjusted Sales(1)	**$842**	**$796**	**$859**	**$851**	**$3,348**	**$835**	**$887**	**$870**	**$858**	**$3,450**
Fuel Systems	66	43	84	59	252	43	62	55	55	215
Margin %	*12.3%*	*9.1%*	*15.7%*	*11.2%*	*12.2%*	*8.4%*	*11.3%*	*10.3%*	*10.3%*	*10.1%*
Aftermarket	38	51	48	54	191	48	49	46	53	196
Margin %	*12.5%*	*15.8%*	*14.8%*	*16.7%*	*15.0%*	*14.7%*	*14.6%*	*13.6%*	*16.3%*	*14.8%*
Segment Adj. Operating Income(1)	**$104**	**$94**	**$132**	**$113**	**$443**	**$91**	**$111**	**$101**	**$108**	**$411**
Margin %	*12.4%*	*11.8%*	*15.4%*	*13.3%*	*13.2%*	*10.9%*	*12.5%*	*11.6%*	*12.6%*	*11.9%*
Corporate Costs	(20)	(24)	(17)	(18)	(79)	(9)	(17)	(19)	(19)	(64)
Adj. Operating Income(1)	**$84**	**$70**	**$115**	**$95**	**$364**	**$82**	**$94**	**$82**	**$89**	**$347**
Margin %	*10.0%*	*8.8%*	*13.4%*	*11.2%*	*10.9%*	*9.8%*	*10.6%*	*9.4%*	*10.4%*	*10.1%*
Depreciation Expense	37	36	36	33	142	34	36	35	38	143
Adj. EBITDA(1)	**$121**	**$106**	**$151**	**$128**	**$506**	**$116**	**$130**	**$117**	**$127**	**$490**
Margin %	*14.4%*	*13.3%*	*17.6%*	*15.0%*	*15.1%*	*13.9%*	*14.7%*	*13.4%*	*14.8%*	*14.2%*

(1) Includes non-GAAP metrics. See Appendix pgs. 20-22 for definitions and reconciliations to the most directly comparable GAAP measures.

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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 and transaction 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 adjusted sales.

	2022					2023				
$ in millions	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3[1]	Q4	FY
Net earnings (loss)	$ 57	$ 41	$ 89	$ 75	$ 262	$ 35	$ 35	$ (1)	$ 33	$ 102
Depreciation and tooling amortization	37	36	36	33	142	34	36	35	38	143
Provision for income taxes	21	13	32	19	85	23	21	31	29	104
Intangible asset amortization expense	7	7	7	7	28	7	7	7	7	28
Interest expense, net	4	4	3	3	14	3	4	18	18	43
EBITDA	126	101	167	137	531	102	103	90	125	420
Separation and transaction expense (income)	10	12	5	4	31	18	41	25	(4)	80
Restructuring expense	2	3	3	3	11	4	2	4	2	12
Royalty income from Former Parent	(7)	(6)	(9)	(9)	(31)	(5)	(12)	—	—	(17)
Equity in affiliates' earnings, net of tax	(2)	(1)	(5)	(3)	(11)	(3)	(3)	(2)	(2)	(10)
Other postretirement (income) expense	(9)	(8)	(8)	(7)	(32)	—	(1)	—	3	2
Asset impairments and lease modifications	1	5	(2)	1	5	—	—	—	—	—
Other non-comparable items	—	—	—	2	2	—	—	—	3	3
Adjusted EBITDA	$ 121	$ 106	$ 151	$ 128	$ 506	$ 116	$ 130	$ 117	$ 127	$ 490
Adjusted sales	$ 842	$ 796	$ 859	$ 851	$ 3,348	$ 835	$ 887	$ 870	$ 858	$ 3,450
Adjusted EBITDA margin %	14.4 %	13.3 %	17.6 %	15.0 %	15.1 %	13.9 %	14.7 %	13.4 %	14.8 %	14.2 %

[1] During the course of preparing the Company's consolidated financial statements to be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (Form 10-K), the Company identified an intercompany loan that had not properly been accounted for in connection with the Spin-Off resulting in expense being understated by $12 million in the Company's income statement for the fiscal quarter ended September 30, 2023. The Company is correcting the misstatement, which will be more fully described in Note 26 of the Form 10-K.

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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 and transaction expense, intangible asset amortization expense, impairment charges, other net expenses, and other gains and losses not reflective of the Company's ongoing operations. Adjusted operating margin is defined as adjusted operating income divided by adjusted sales.

	2022					2023				
$ in millions	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Operating income	$ 71	$ 49	$ 111	$ 87	$ 318	$ 58	$ 56	$ 46	$ 81	$ 241
Separation and transaction expense (income)	10	12	5	4	31	18	41	25	(4)	80
Intangible asset amortization expense	7	7	7	7	28	7	7	7	7	28
Restructuring expense	2	3	3	3	11	4	2	4	2	12
Royalty income from Former Parent	(7)	(6)	(9)	(9)	(31)	(5)	(12)	—	—	(17)
Asset impairments and lease modifications	1	5	(2)	1	5	—	—	—	—	—
Other non-comparable items	—	—	—	2	2	—	—	—	3	3
Adjusted operating income	$ 84	$ 70	$ 115	$ 95	$ 364	$ 82	$ 94	$ 82	$ 89	$ 347
Net sales	$ 842	$ 796	$ 859	$ 851	$ 3,348	$ 835	$ 887	$ 896	$ 882	$ 3,500
Operating margin %	8.4 %	6.2 %	12.9 %	10.2 %	9.5 %	6.9 %	6.3 %	5.1 %	9.2 %	6.9 %
Adjusted sales	$ 842	$ 796	$ 859	$ 851	$ 3,348	$ 835	$ 887	$ 870	$ 858	$ 3,450
Adjusted operating margin %	10.0 %	8.8 %	13.4 %	11.2 %	10.9 %	9.8 %	10.6 %	9.4 %	10.4 %	10.1 %

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Adjusted Sales Reconciliation to US GAAP

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

	Three Months Ended December 31,					
	Fuel Systems		Aftermarket		Total	
$ in millions	2023	2022	2023	2022	2023	2022
Net sales	$ 556	$ 527	$ 326	$ 324	$ 882	$ 851
Spin-off agreement adjustment	(24)	—	—	—	(24)	—
Adjusted sales	$ 532	$ 527	$ 326	$ 324	$ 858	$ 851

	Year Ended December 31,					
	Fuel Systems		Aftermarket		Total	
$ in millions	2023	2022	2023	2022	2023	2022
Net sales	$ 2,177	$ 2,072	$ 1,323	$ 1,276	$ 3,500	$ 3,348
Spin-off agreement adjustment	(50)	—	—	—	(50)	—
Adjusted sales	$ 2,127	$ 2,072	$ 1,323	$ 1,276	$ 3,450	$ 3,348

Adjusted Free Cash Flow Reconciliation to US 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.

	Three Months Ended December 31,		Year Ended December 31,	
$ in millions	2023	2022	2023	2022
Net cash provided by operating activities	$ 62	$ 181	$ 250	$ 303
Capital expenditures, including tooling outlays	(33)	(21)	(150)	(107)
Effects of separation-related transactions	26	4	61	31
Adjusted free cash flow	$ 55	$ 164	$ 161	$ 227

Adjusted Net Earnings per Diluted Share Reconciliation to US GAAP

The Company defines adjusted net earnings per diluted share as net earnings per share adjusted to exclude the tax-effected impact of restructuring expense, separation and transaction expense, intangible asset amortization, impairment charges, other net expenses, and other gains, losses and tax amounts not reflective of the Company's ongoing operations.

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net earnings per diluted share	$ 0.70	$ 1.60	$ 2.17	$ 5.57
Separation and transaction expense	(0.15)	0.09	1.57	0.66
Restructuring expense	0.02	0.10	0.19	0.23
Intangible amortization	0.13	0.15	0.53	0.60
Royalty income from Former Parent	—	(0.19)	(0.36)	(0.66)
Asset impairments and lease modifications	—	0.02	—	0.11
Tax adjustments	0.01	(0.02)	0.03	—
Adjusted net earnings per diluted share	$ 0.71	$ 1.75	$ 4.13	$ 6.51

Adjusted Sales Reconciliation to US GAAP - Guidance

The Company defines adjusted sales as net sales adjusted to exclude certain contract manufacturing agreements with BorgWarner that were entered into in connection with the spin-off.

	Full Year 2024 Guidance	
$ in millions	Low	High
Net sales	$ 3,415	$ 3,570
Spin-off agreement adjustment	(15)	(20)
Adjusted sales	$ 3,400	$ 3,550