



# Baird 2019 Global Industrial Conference – Investor Presentation

Roger Wood, Co-CEO  
Jason Hollar, CFO

November 7, 2019  
Chicago, IL

**NYSE: TEN**

## Forward-Looking Statements

This communication contains forward-looking statements. These forward-looking statements include, but are not limited to, (i) all statements, other than statements of historical fact, included in this communication that address activities, events or developments that we expect or anticipate will or may occur in the future or that depend on future events and (ii) statements about our future business plans and strategy and other statements that describe Tenneco's outlook, objectives, plans, intentions or goals, and any discussion of future operating or financial performance. These forward-looking statements are included in various sections of this communication and the words "may," "will," "believe," "should," "could," "plan," "expect," "anticipate," "estimate," and similar expressions (and variations thereof) are intended to identify forward-looking statements. Forward-looking statements included in this communication concern, among other things, benefits of the Federal-Mogul acquisition; the combined company's plans, objectives and expectations (including the proposed separation of DRiV™ from the Powertrain Technology business); future financial and operating results; and other statements that are not historical facts. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to materially differ from those described in the forward-looking statements, including the possibility that the combined company may not complete the separation of DRiV from the Powertrain Technology business (or achieve some or all of the anticipated benefits of such a separation); the possibility that the transaction may have an adverse impact on existing arrangements with Tenneco, including those related to transition, manufacturing and supply services and tax matters; the ability to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; the risk that the benefits of the transaction, including synergies, may not be fully realized or may take longer to realize than expected; the risk that the transaction may not advance the combined company's business strategy; the risk that the combined company may experience difficulty integrating or separating all employees or operations; the potential diversion of Tenneco management's attention resulting from the transaction; as well as the risk factors and cautionary statements included in Tenneco's periodic and current reports (Forms 10-K, 10-Q and 8-K) filed from time to time with the SEC. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Unless otherwise indicated, the forward-looking statements in this release are made as of the date of this communication, and, except as required by law, Tenneco does not undertake any obligation, and disclaims any obligation, to publicly disclose revisions or updates to any forward-looking statements.

Non-GAAP and Pro Forma Results: Please see the tables that reconcile GAAP results with non-GAAP and pro forma results at the end of this presentation and in Tenneco's financial results press release dated October 31, 2019, which is incorporated herein by reference. Pro forma results include the Federal-Mogul acquisition in prior periods.

In addition, please see Tenneco's financial results press release dated October 31, 2019 for factors that could cause Tenneco's future performance to vary from the expectations expressed or implied by the forward-looking statements herein. References to earnings guidance refer to such guidance as provided by Tenneco on October 31, 2019.

# Q3 Tenneco Highlights



## Q3 revenue \$4.3B

*Pro forma revenue growth +3%<sup>(1)</sup> YOY,  
excluding a YOY currency headwind of -2%*

- New Tenneco +7%<sup>(1)</sup> YOY
- DRiV™ -3%<sup>(1)</sup> YOY

## Adjusted EBITDA \$387M; Value-add (VA) EBITDA margin 10.9%

*VA EBITDA margin +100 bps<sup>(2)</sup> compared to last year*

- Driven by synergy capture and cost management

**Revenue and earnings around the mid-point of previous guidance range, excluding the impact of GM strike**

## Adjusted EPS \$1.23

(1) Pro Forma revenue growth is measured at 2018 constant currency rates and includes FM acquisition in prior periods.

(2) Adjusted EBITDA measured on a pro forma basis, including FM acquisition in prior periods

## Separation Update

- Significant progress has been made on the separation of the two business divisions
  - Earnings synergy full run rate by end of 2019
  - Expect to be operationally ready to separate at year-end
- Tenneco continues to pursue a spin-off of DRiV
- **Additionally**, the Company is **evaluating multiple strategic options to deleverage and facilitate a separation**

VA adj. EBITDA margin +100 bps<sup>(2)</sup> YOY, driven by synergy capture and cost management



New Tenneco  
Powertrain Technology Company

# New Tenneco Overview

Driving Progress Toward Cleaner, More Efficient Mobility



## SIZE & SCALE

- Pro Forma revenues of \$11.4B
- Pro Forma adjusted EBITDA of \$1.1B (9.7% margin)
- Top 3 global share in all major product categories

## GLOBAL FOOTPRINT

- ~50,000 global team members
- 150 manufacturing locations worldwide
- 22 globally networked technology centers



## PORTFOLIO OF PRODUCTS & TECHNOLOGIES



Catalytic Converters



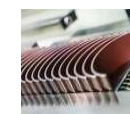
Full Exhaust Systems



System Protection



Pistons



Bearings



Valves



Gasoline Particulate Filters



Electronic Valve



Sealing / Heat Shields



Ignition

Global pure-play powertrain supplier, positioned to capture significant opportunities

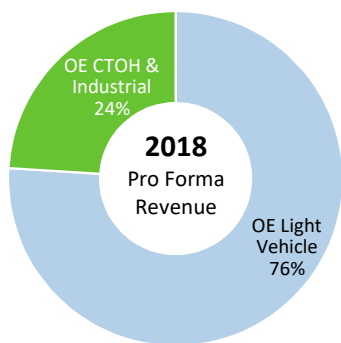
\* Pro Forma revenue and EBITDA includes Federal Mogul acquisition as if it occurred prior to 1/1/18

# Revenue and Business Mix

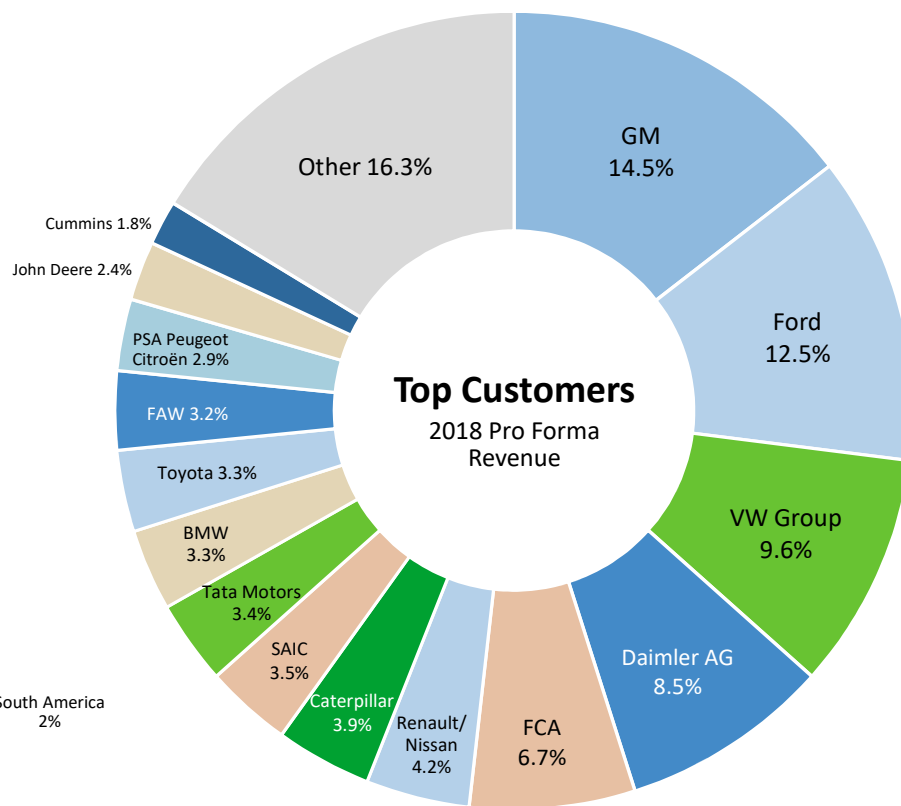
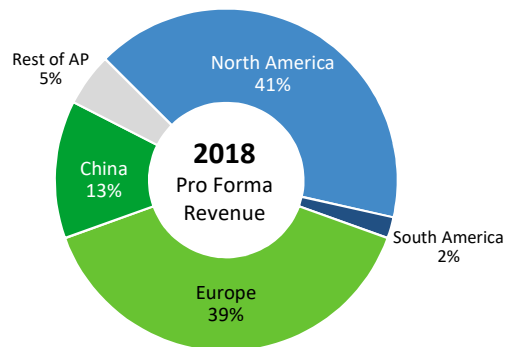
New Tenneco – 2018 Pro Forma Revenue \$11.4 Billion



Product Applications



Regions



Top OE Platforms (Models)

7%	VW MQB/PQ35	(Golf, Octavia, Sagitar pass cars)
4%	Ford T3/P558 HD	(HD Super Duty truck)
4%	Ford T3/P552 LD	(LD F-150 truck)
4%	GM K2XX HD	(HD Silverado, Sierra trucks)
3%	GM D2XX/Delta	(Cruze pass car; Equinox, Verano SUV)
3%	Daimler MRA	(E and C class pass cars)
3%	GM C1XX/Lambda	(Traverse, Enclave and Acadia SUVs)
2%	Daimler MFA	(CLA and A-Class pass cars, GLA SUV)
2%	Land Rover PLA-D7u	(RR Sport, Discovery, Range Rover SUVs)
2%	BMW LU	(X1 and Mini pass cars)
2%	GM K2XX LD	(LD Silverado and Sierra trucks)
1%	GM E2XX/Epsilon	(Malibu, Lacrosse, Regal pass cars)
1%	Toyota MC-M	(Sienna van and RAV4 SUV)
1%	FCA EVO/CUSW	(Jeep Cherokee SUV)
1%	Daimler NCV3	(Sprinter Van)

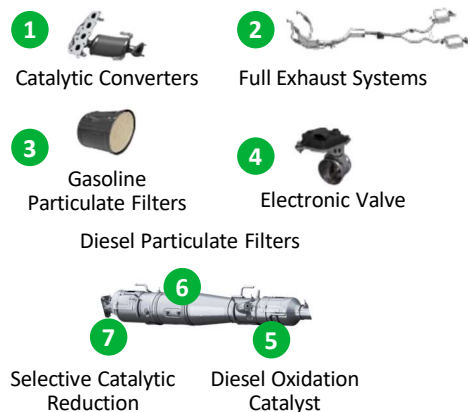
Expected growth in CTOH & Industrial further diversifies the business profile



# What is New Tenneco?

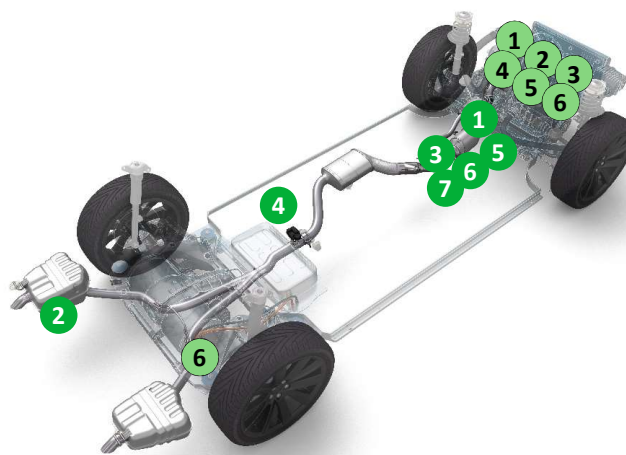
**TENNECO**

## Tenneco Clean Air



## Key Trends

- Tightening emissions regulations
- Electrification / Hybridization



## Legend

- Tenneco Clean Air
- Federal-Mogul Powertrain

## Federal-Mogul Powertrain



## Key Trends

- CO2 / Fuel economy regulations
- Engine performance – downsized, higher output engines

One of the largest pure powertrain suppliers with engine to tailpipe solutions, addressing both greenhouse gas and criteria pollutant emissions



# Tightening Emissions Regulations

**TENNECO**



## Regulatory-driven growth accelerates through the next decade

- **Commercial Truck**

- 2020-21 / 2023 – China VIa/VIb\*\*
- 2020 – India BS VI (skipping BS V)
- 2023-2027 – CARB & EPA Low NOx\*\*

- **Off-Highway**

- 2019 – EU Stage V
- 2020 – China 4R (equiv. EU Stage 3B + DPF)
- 2020/2024 – India BS IV/India BS V

- **Light Vehicle**

- 2017-2025 – US Tier 3
- 2017-2021 – Euro 6c/6d Real Driving Emissions
- 2020/2023 – China 6a/6b\*\*
- 2020 – India BS 6 (skipping BS 5)

### Growth of Powertrains Under Regulation

(millions)	2019	2022	2025	CAGR
CT: Euro VI (equivalent)	1.4	2.1	2.7	12%
Regulated Off-Hwy	2.9	4.0	5.0	10%
Total	4.3	6.1	7.7	10%

Source: PSR production forecast and Tenneco estimates, July 2019

### China VI Content Growth Opportunity

- **30% Increase in Light Vehicle VA CPV vs. 2018A**
- **Commercial VA CPV Expansion Higher**

CTOH market expands with increasing number of vehicles under regulation

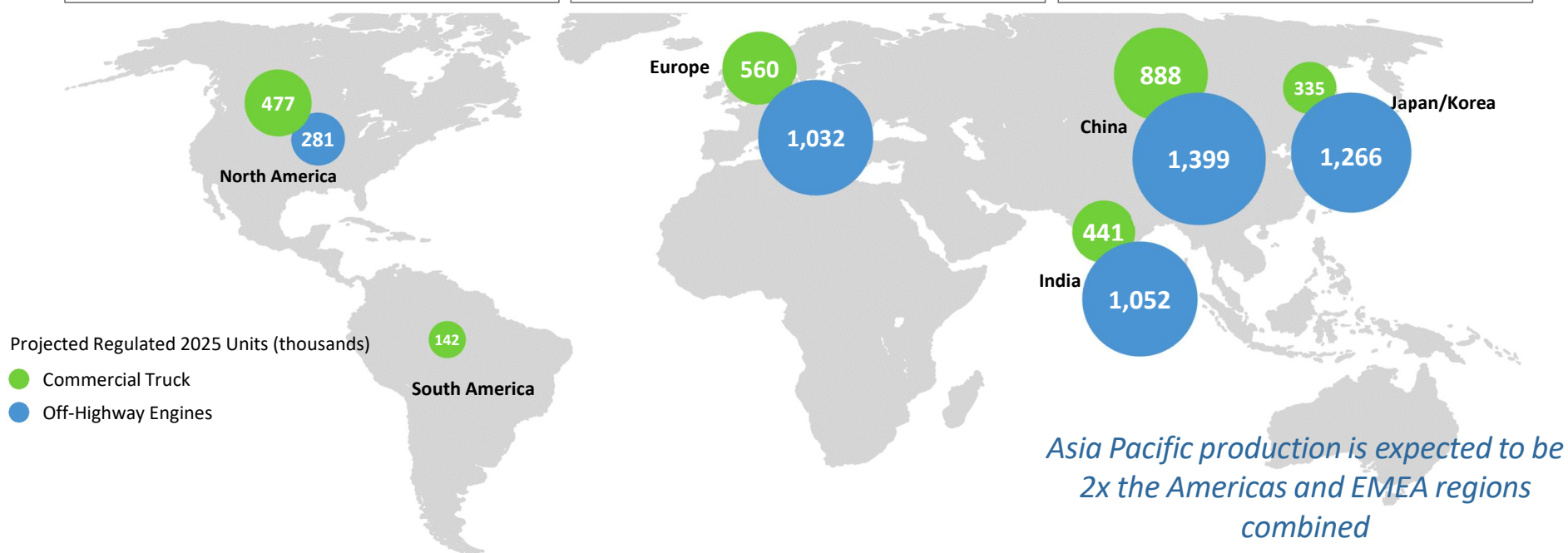
\*\* Tenneco estimates



# Significant Growth Potential in CTOH



Americas	EMEA	Asia Pacific
2025 CTOH Production: 1.3 million	2025 CTOH Production: 2.1 million	<b>2025 CTOH Production: 7.3 million</b>
Regulated Diesel 2019: 64%	Regulated Diesel 2019: 77%	<b>Regulated Diesel 2019: 30%</b>
Regulated Diesel 2025: 70%	Regulated Diesel 2025: 77%	<b>Regulated Diesel 2025: 72%</b>



CTOH regulated diesel volume expected to increase by nearly 3.5 million units by 2025, driven mainly by APAC

# Investment Appeals

Focused Strategy Provides Content Growth and Cash Generation Opportunities



- Pure play creates focus and specialty
- Tightening emissions standards and regulations offer content opportunities globally, particularly in commercial truck and off-highway (CTOH) markets
- Strong cash generation potential creates opportunity for long-term value creation
- Experienced management team that has had success generating value for shareholders

Global pure-play powertrain supplier, positioned to capture significant opportunities



# DRiV Incorporated

(SpinCo) Aftermarket and Ride Performance Company

# DRiV™ – Driving Advancements for Every Vehicle, Every Ride, Every Race, Every Journey

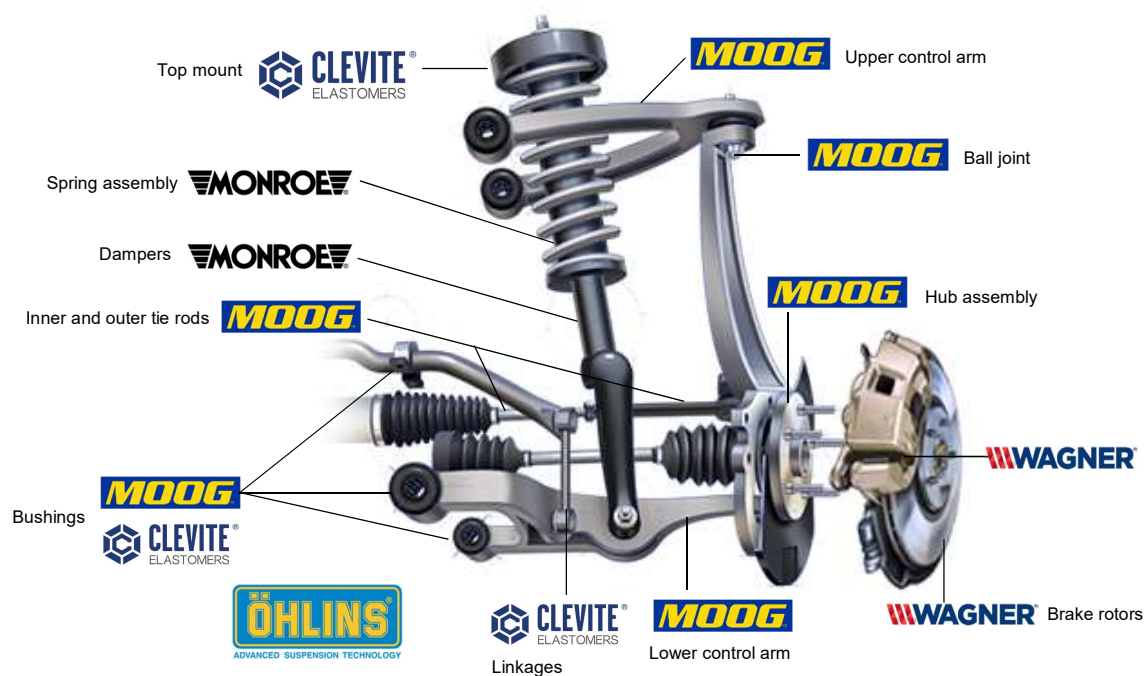
With global reach and scale, and a world-leading stable of automotive brands ranging from the highest level of performance to the broadest everyday use, DRiV is dedicated to helping drivers experience the perfect ride.

As a global leader serving both aftermarket and OE markets, DRiV is dedicated to helping its customers innovate the ride experience in an emerging age of advanced suspension, autonomous driving, shared mobility and electrification.

## SOLUTIONS PROVIDED FOR

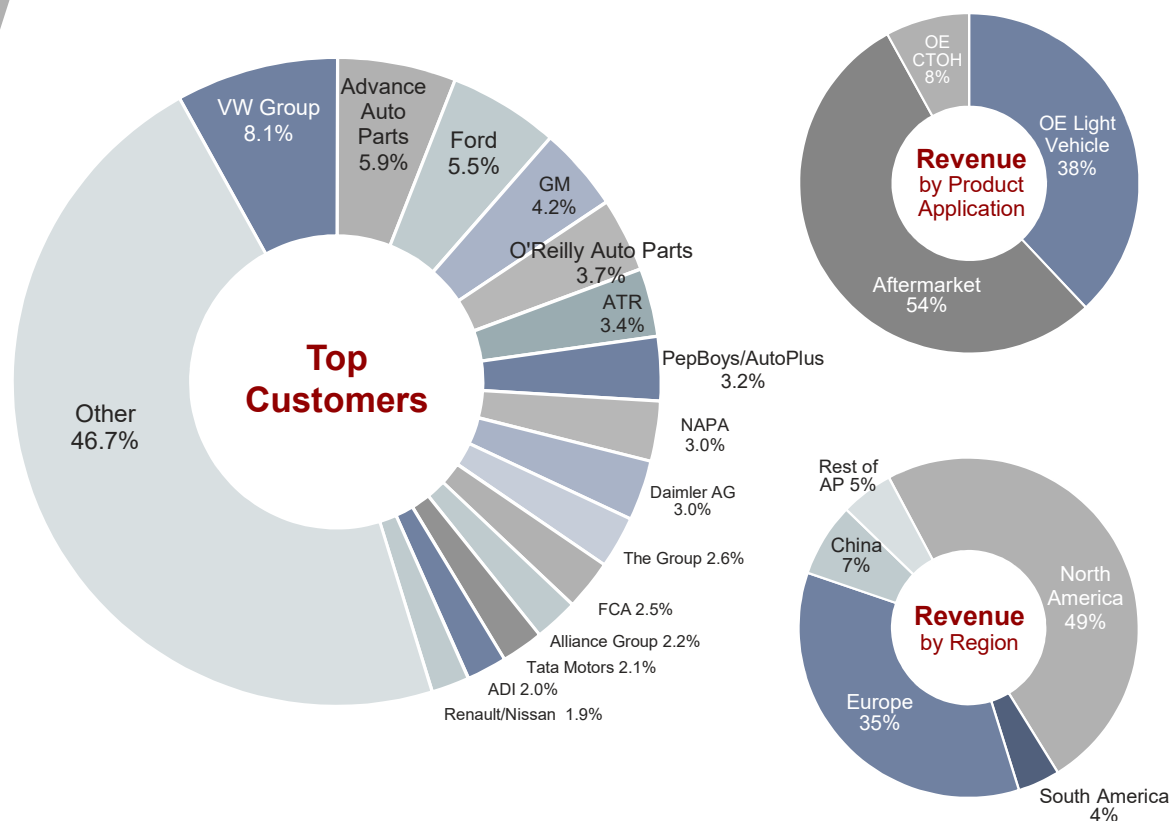


## “AROUND THE WHEEL” PRODUCT OFFERING



# Serving Aftermarket and OE Customers Globally

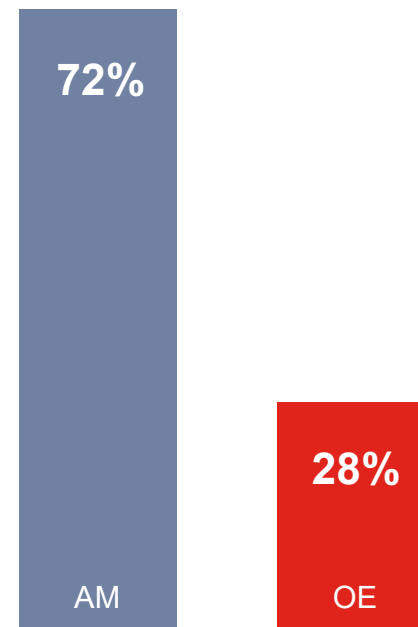
Global Footprint with ~31,000 Team Members



## DIVERSIFIED BUSINESS PROFILE:

Strong aftermarket counterbalance to OE market cyclicalities

Segment Adjusted EBITDA



Motorparts











Ride Performance

2018 pro forma Revenue and Adjusted EBITDA includes Federal Mogul acquisition as if it occurred prior to 1/1/18

# Motorparts Segment

## Leading Aftermarket Product Categories, Brands and Services

### PREMIER AFTERMARKET “HOUSE OF BRANDS”

	Products	Position
	<ul style="list-style-type: none"> <li>Shocks and struts</li> <li>Suspension systems</li> </ul>	#1 Globally
	<ul style="list-style-type: none"> <li>Steering, hubs</li> <li>Driveline</li> </ul>	#1 North America #3 EMEA
	<ul style="list-style-type: none"> <li>Brake pads, shoes, linings</li> <li>Rotors and drums</li> </ul>	#1 North America
	<ul style="list-style-type: none"> <li>Gaskets</li> <li>Seals</li> </ul>	#1 Globally
	<ul style="list-style-type: none"> <li>Underhood service</li> <li>Ignition</li> </ul>	#3 Globally
 	<ul style="list-style-type: none"> <li>Brake pads, shoes, linings</li> </ul>	#2 EMEA
	<ul style="list-style-type: none"> <li>Emission control products</li> </ul>	#1 NA & EMEA
 	<ul style="list-style-type: none"> <li>Suspension links, bushings, mounts, exhaust isolators</li> <li>Shocks and struts</li> </ul>	#1 South America

### AFTERMARKET GROWTH OPPORTUNITIES

In three priority markets



#### North America

- Vehicles In Operation (VIO) tailwind – VIO aged 6 to 13 years growing 2.8% CAGR through 2025
- Opportunity to recapture previous years' channel conflict business loss (~\$300M)



#### Europe

- Share capture opportunity – Europe business is ~40% the size of our North America business with a larger VIO










#### China

- China market growth – poised to be the largest aftermarket in the world by 2025 with low double digit growth in VIO aged 6 to 13 years

Global multi-category, multi-brand portfolio of products, services and solutions

# Motorparts Segment:

Our Categories, Product Lines, Brands Create Depth and Scale

Categories	Chassis Solutions Group			Power Tech Solutions Group			
	Shocks & Struts	Steering & Suspension	Braking	Sealing	Engine	Emissions	Maintenance
Brands							
Product lines	Shock Absorbers	Control Arms	Shoes	Head Gaskets	Pistons	Catalytic Converters	Spark Plug
	Strut Assemblies	Ball Joints	Pads	Valve Cover Gaskets	Piston Ring Set	Exhaust Manifolds	Air Filters
	Bare Strut	Tie Rod Ends	Rotors	Oil Seals	Engine Bearings	Exhaust Pipes	Oil Filters
	Coil Springs	Wheel Bearings	Drums	Other Gaskets	Valves	Mufflers	Cabin Air Filter
	Top Mounts	Sway Bar Links	Master Cylinders		Valve-train		Batteries
	RC Accessories	Hub Assembly			Camshaft		Headlamps
		Universal Joints			Valve Lifters		Glow plug
					Oil Pump		Chemical
	CHASSIS SOLUTIONS GROUP			POWER TECH SOLUTIONS GROUP			

OE heritage brings strong culture of engineering, performance and quality



# Ride Performance Segment

## Elevating the OE Ride Experience

The Ride Performance team is dedicated to helping drivers experience the perfect ride and delivering advanced suspension technologies that offer performance, comfort and the power to differentiate vehicles.

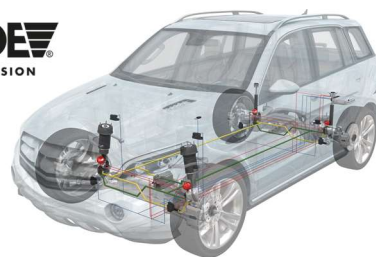
### ADVANCED SUSPENSION TECHNOLOGIES

#### Advanced Solutions

Monroe® Intelligent Suspension products meet the growing demand from manufacturers and consumers for advanced suspension systems.



Scalable architecture



#### Performance Technologies

Premium OE automotive and motorsports performance products that offer enhanced portfolios in the broader mobility market.



External valves

Internal valves

### RIDE CONTROL

A global leader in conventional suspension solutions, DRiV™ sells more than 75 million OE shocks and struts globally.



### NVH PERFORMANCE MATERIALS

DRiV™ offers a suite of noise vibration and harshness (NVH) solutions that are critical to electric vehicle development.



### BRAKING



DRiV offers one of the broadest product portfolios of friction products in the market, including solutions for zero-copper friction materials.





# A Focused, Purpose-built Aftermarket & OE Company



## INVESTMENT APPEALS

- Global reach and scale – engineering, supply chain, manufacturing, and distribution
- Diversified business profile – 70% AM / 30% OE (EBITDA)
- Leading Aftermarket product categories, brands and services
- OE products at the center of secular trends in advanced suspension, autonomous driving, shared mobility and electrification
- System level and product lifecycle capabilities in largest product categories
- Scalable business model and management structure
- Countercyclical business with strong cash flow generation potential

Built to unlock value and create a compelling investment opportunity



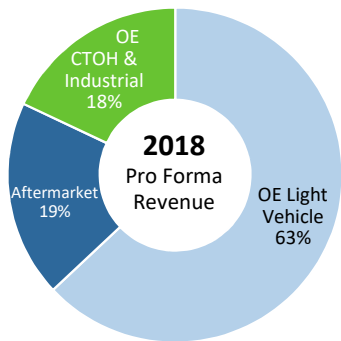
## Appendix

# Diversified Business Profile

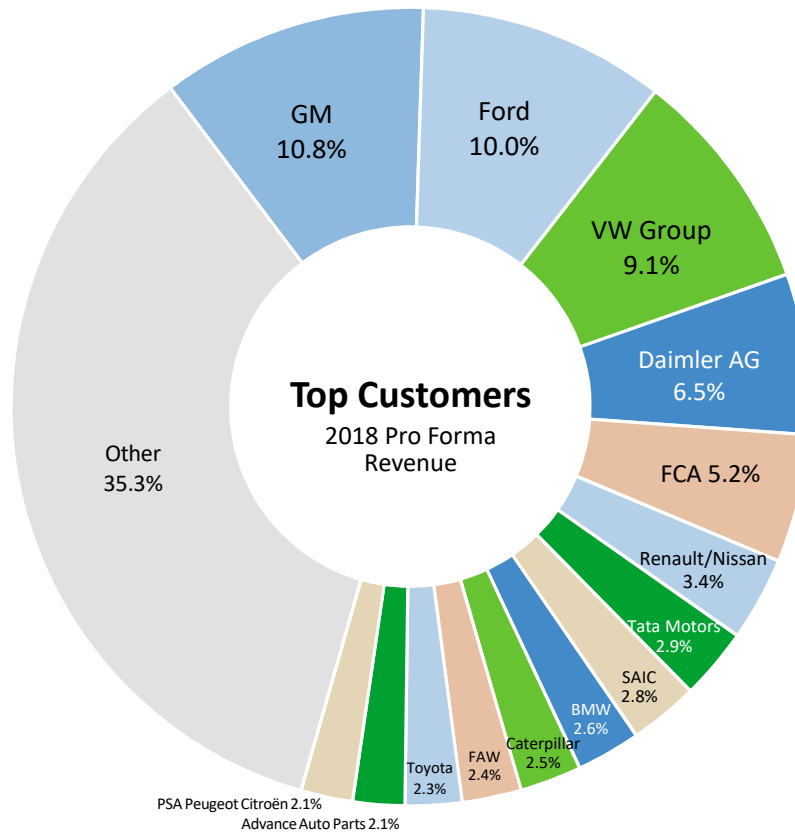
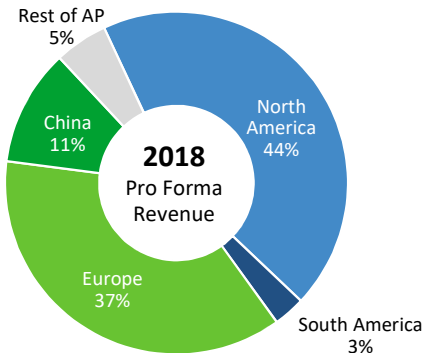
Combined Tenneco – 2018 Pro Forma Revenue \$17.8 billion



Product Applications



Regions



Top OE Platforms (Models)

6%	VW MQB/PQ35	(Golf, Octavia, Sagitar pass cars)
3%	Ford T3/P558 HD	(HD Super Duty truck)
2%	Ford T3/P552 LD	(LD F-150 truck)
2%	GM K2XX HD	(HD Silverado and Sierra trucks)
2%	GM D2XX/Delta	(Cruze pass car; Equinox, Verano SUV)
2%	Daimler MRA	(E and C class pass cars)
2%	GM K2XX LD	(LD Silverado and Sierra trucks)
2%	GM C1XX/Lambda	(Traverse, Enclave and Acadia SUVs)
2%	Daimler MFA	(CLA and A-Class pass cars and GLA SUV)
1%	Land Rover PLA-D7u	(RR Sport, Discovery, Range Rover SUVs)
1%	GM E2XX/Epsilon	(Malibu, Lacrosse, Regal pass cars)
1%	BMW LU	(X1 and Mini pass cars)
1%	Ford C1	(Focus pass car and C-Max van)
1%	Jaguar PLA-D7a	(Range Rover Velar and F-Pace SUVs)
1%	VW MLB B	(Audi A4 pass car and Audi Q5 SUV)

Diversified business profile enables long-term growth

## Two Focused, Purpose-Built Companies



**DRiV™** (SpinCo)

Aftermarket and Ride Performance Company

DRiV is a new breed of business, a more than \$6 billion start-up, built from the combined strengths of Tenneco, Federal-Mogul and Öhlins Racing. The company's global scale, stable of well-respected and enduring aftermarket brands and longtime partnerships with the world's leading OE manufacturers give DRiV a unique competitive advantage.

DRiV is strategically positioned for long term growth, capitalizing on secular trends such as the expansion of vehicles in operation globally, as well as growth in advanced suspension, new mobility models and the evolution of autonomous driving.

### Reporting Segments\*

- Motorparts (all AM business)
- Ride Performance (all OE business)



**New Tenneco**

Powertrain Technology Company

The new Tenneco combines the expertise of two established companies to create a pure-play powertrain leader dedicated to enabling cleaner mobility. By building more efficient, more powerful and more sophisticated powertrain systems, Tenneco's advanced solutions reduce emissions in traditional and hybrid applications. It will realize growth from increased emission regulations, hybridization and commercial truck and off-highway expansion opportunities.

### Reporting Segments\*

- Clean Air
- Powertrain

Unique strategic combination building upon the strength, depth and industry experience of the combined teams

\*Beginning with Q1 2019 financials

# Enterprise 2019 Outlook\*\*

As of October 31, 2019 – Q3 2019 Earnings



## Q4 Outlook

- **Revenue \$3.95 to \$4.05B**  
(VA Rev \$3.2 to \$3.3B)
  - At mid-point -5% YOY, in constant currency, vs. production -6%
- **Adj. EBITDA \$295 to \$315M**
  - Includes expected GM strike impact of ~\$35M, or 70 bps
  - DRiV division expecting Q4 margin improvement of ~50 bps YOY

## FY Outlook

- Revenue expected ~flat\*, outpacing light vehicle industry production -6%
  - GM strike expected to reduce revenue by ~1%
- Earnings synergy run rate on track to be realized by year-end

## Full Year 2019 Outlook

	Previous	As of 10.31.19	Comments
Revenue	\$17.6-\$17.8B	\$17.25-\$17.35B	Weaker market conditions; ~flat* YOY vs. LV production -6% <sup>(1)</sup> ; -\$0.5B YOY FX impact (FY: Euro @ \$1.12)
VA revenue	\$14.6-14.8B	\$14.25-\$14.35B	VA revenue = Revenue less Substrate revenue
Adj. EBITDA	\$1,515-\$1,565M	\$1,425-\$1,445M	Lower volumes, unfavorable business mix and GM strike impact
VA adj. EBITDA margin	10.4-10.6%	~10.0%	Lower volumes and change in business mix
Interest expense	~\$335M	~\$325M	Improved on lower rates and FX benefit from Euro notes
Adjusted effective tax rate	28-30%	28-29%	Improved to lower end of range
Cash taxes	\$180-\$200M	\$180-\$190M	Improved to lower end of range
Capital expenditures <sup>(2)</sup>	~\$730M	~\$710M	Improved \$20M
D&A	~\$660M	~\$660M	N/C
Net debt / LTM adj. EBITDA	3.3x	3.4x-3.5x	Lower EBITDA due to lower volumes and change in business mix

(1) Global LV industry production down 6% for FY 2019. Source: IHS Markit October 2019 global light vehicle production forecast.

(2) Excludes expenditures for software that are estimated around \$23M in 2019

• Pro Forma revenue growth is measured at 2018 constant currency rates and includes FM acquisition in prior periods

\*\* Outlook provided in the October 31, 2019 Tenneco Third Quarter Earnings Presentation and speaks only as of such date. See explanation of projections on page 29.

# New Tenneco 2019 Year Over Year Expectations\*\*\*

As of October 31, 2019 – Q3 2019 Earnings



	<u>Q4</u>	<u>Full Year</u>	<u>Q4 Commentary</u>
<b>VA REVENUE</b>	(8.5)% to (10.5)%* YOY in constant currency, or ~\$1.9B	~(3.0)%* YOY, or \$8.39-\$8.43B <i>Prior: (1)% at midpoint*</i> Substrate revenue \$3.0B <i>No change</i>	<ul style="list-style-type: none"> <li>• ~\$95M value-add revenue impact expected from GM strike; no recovery assumed for Q4</li> <li>• On YOY basis, Clean Air value-add revenue performance is expected to outperform Powertrain</li> </ul>
<b>VA ADJUSTED EBITDA MARGIN</b>	(340) bps** YOY or ~10%	(120) to (130) bps** YOY <i>Prior: (40) to (60) bps **</i>	<ul style="list-style-type: none"> <li>• Q4 decremental margin is above average because of CTOH/industrial declines and timing of recoveries</li> <li>• Includes estimated \$25M, or 80 bps, impact from GM strike</li> </ul>
<b>CAPEX</b>		\$460M - \$475M <i>Prior: \$470M-\$485M</i>	<ul style="list-style-type: none"> <li>• \$10M reduction vs. prior</li> </ul>

\* Pro Forma value-add revenue growth is measured at 2018 constant currency rates and includes FM acquisition in prior periods

\*\* Measured vs. pro forma 2018

\*\*\* Outlook provided in the October 31, 2019 Tenneco Third Quarter Earnings Presentation and speaks only as of such date. See explanation of projections on page 29.

# DRiV™ 2019 Year Over Year Expectations\*\*\*

As of October 31, 2019 – Q3 2019 Earnings



	<u><b>Q4</b></u>	<u><b>Full Year</b></u>	
<b>REVENUE</b>	Down 7% to 10%* YOY in constant currency, or ~\$1.36B	Down ~5%* YOY or \$5.88-\$5.92B <i>Prior: ~Down 3-4%*, or \$6.0-\$6.1B</i>	Q4 Revenue: <ul style="list-style-type: none"> <li>• Expect ~\$30M revenue impact from GM strike; no recovery expected in Q4</li> <li>• Softer market conditions in EMEA OE and Aftermarket</li> <li>• Planned program rationalization in NA Ride Control enables end of 2020 footprint solution</li> </ul>
<b>ADJUSTED EBITDA MARGIN</b>	Up 50 bps** YOY or ~8.5%	Up 40 bps** YOY or ~8.5% <i>Prior: Up 20 to 40 bps**</i>	<ul style="list-style-type: none"> <li>• Raising full year margin rate guidance to high end of previous range</li> <li>• Q4 includes estimated \$10M, or 50 bps, impact from GM strike</li> <li>• On track to pull ahead full earnings synergy run rate of \$115M by year-end, almost a year ahead of initial goal</li> </ul>
<b>CAPEX</b>		\$240 - \$250M <i>Prior: \$250 - \$260M</i>	<ul style="list-style-type: none"> <li>• \$10M reduction vs. prior</li> </ul>

DRiV raising full year margin guidance to high end of previous range despite lower revenue

\* Pro Forma revenue growth is measured at 2018 constant currency rates and includes FM acquisition in prior periods

\*\* Measured vs. pro forma 2018

\*\*\* Outlook provided in the October 31, 2019 Tenneco Third Quarter Earnings Presentation and speaks only as of such date. See explanation of projections on page 29

# Appendix: Tenneco Enterprise Financial Profile

2019 Actuals & Pro Forma 2018 and 2017 Revenue and Earnings, Recast by Segment



	2017	2018					2019		
(\$ millions)	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
<b>Tenneco Revenue</b>									
Clean Air	\$ 6,216	\$ 1,756	\$ 1,694	\$ 1,602	\$ 1,655	\$ 6,707	\$ 1,779	\$ 1,827	\$ 1,772
Powertrain	4,573	1,260	1,243	1,122	1,112	4,737	1,175	1,133	1,082
Motorparts	3,678	903	930	867	827	3,527	797	835	794
Ride Performance	2,686	761	753	690	684	2,888	733	709	671
	<b>\$ 17,153</b>	<b>\$ 4,680</b>	<b>\$ 4,620</b>	<b>\$ 4,281</b>	<b>\$ 4,278</b>	<b>\$ 17,859</b>	<b>\$ 4,484</b>	<b>\$ 4,504</b>	<b>\$ 4,319</b>
<b>Value-add Revenue</b>									
Clean Air	\$ 4,029	\$ 1,104	\$ 1,073	\$ 1,006	\$ 1,024	\$ 4,207	\$ 1,073	\$ 1,050	\$ 997
Powertrain	4,573	1,260	1,243	1,122	1,112	4,737	1,175	1,133	1,082
Motorparts	3,678	903	930	867	827	3,527	797	835	794
Ride Performance	2,686	761	753	690	684	2,888	733	709	671
	<b>\$ 14,966</b>	<b>\$ 4,028</b>	<b>\$ 3,999</b>	<b>\$ 3,685</b>	<b>\$ 3,647</b>	<b>\$ 15,359</b>	<b>\$ 3,778</b>	<b>\$ 3,727</b>	<b>\$ 3,544</b>
<b>Adj. EBITDA<sup>(1)</sup></b>									
Clean Air	\$ 598	\$ 160	\$ 162	\$ 149	\$ 154	\$ 625	\$ 140	\$ 168	\$ 157
Powertrain	563	140	148	109	135	532	116	118	109
Motorparts	462	108	125	118	97	448	90	126	121
Ride Performance	205	51	46	35	43	175	31	50	42
Corporate	(185)	(47)	(39)	(45)	(22)	(153)	(50)	(48)	(42)
	<b>\$ 1,643</b>	<b>\$ 412</b>	<b>\$ 442</b>	<b>\$ 366</b>	<b>\$ 407</b>	<b>\$ 1,627</b>	<b>\$ 327</b>	<b>\$ 414</b>	<b>\$ 387</b>
<b>Value-add Adj. EBITDA<sup>(1)</sup> Margin</b>									
Clean Air	14.8%	14.5%	15.1%	14.8%	15.0%	14.9%	13.0%	16.0%	15.7%
Powertrain	12.3%	11.1%	11.9%	9.7%	12.1%	11.2%	9.9%	10.4%	10.1%
Motorparts	12.6%	12.0%	13.4%	13.6%	11.7%	12.7%	11.3%	15.1%	15.2%
Ride Performance	7.6%	6.7%	6.1%	5.1%	6.3%	6.1%	4.2%	7.1%	6.3%
<b>Tenneco Total</b>	<b>11.0%</b>	<b>10.2%</b>	<b>11.1%</b>	<b>9.9%</b>	<b>11.2%</b>	<b>10.6%</b>	<b>8.7%</b>	<b>11.1%</b>	<b>10.9%</b>

See US GAAP reconciliations and footnotes on pages 23 – 32.

(1) Including noncontrolling interests



# Appendix: New Tenneco Financial Profile

2019 Actuals & Pro Forma 2018 and 2017 Revenue and Earnings, Recast by Segment



	2017	2018					2019		
(\$ millions)	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
<b>New Tenneco Revenue</b>									
Clean Air	\$ 6,216	\$ 1,756	\$ 1,694	\$ 1,602	\$ 1,655	\$ 6,707	\$ 1,779	\$ 1,827	\$ 1,772
Powertrain	4,573	1,260	1,243	1,122	1,112	4,737	1,175	1,133	1,082
	<b>\$ 10,789</b>	<b>\$ 3,016</b>	<b>\$ 2,937</b>	<b>\$ 2,724</b>	<b>\$ 2,767</b>	<b>\$ 11,444</b>	<b>\$ 2,954</b>	<b>\$ 2,960</b>	<b>\$ 2,854</b>
<b>Value-add Revenue</b>									
Clean Air	\$ 4,029	\$ 1,104	\$ 1,073	\$ 1,006	\$ 1,024	\$ 4,207	\$ 1,073	\$ 1,050	\$ 997
Powertrain	4,573	1,260	1,243	1,122	1,112	4,737	1,175	1,133	1,082
	<b>\$ 8,602</b>	<b>\$ 2,364</b>	<b>\$ 2,316</b>	<b>\$ 2,128</b>	<b>\$ 2,136</b>	<b>\$ 8,944</b>	<b>\$ 2,248</b>	<b>\$ 2,183</b>	<b>\$ 2,079</b>
<b>Adj. EBITDA<sup>(1)</sup></b>									
Clean Air	\$ 598	\$ 160	\$ 162	\$ 149	\$ 154	\$ 625	\$ 140	\$ 168	\$ 157
Powertrain	563	140	148	109	135	532	116	118	109
Corporate – New Tenneco	(71)	(15)	(15)	(17)	(3)	(50)	(20)	(23)	(21)
	<b>\$ 1,090</b>	<b>\$ 285</b>	<b>\$ 295</b>	<b>\$ 241</b>	<b>\$ 286</b>	<b>\$ 1,107</b>	<b>\$ 236</b>	<b>\$ 263</b>	<b>\$ 245</b>
<b>Value-add Adj. EBITDA<sup>(1)</sup> Margin</b>									
Clean Air	14.8%	14.5%	15.1%	14.8%	15.0%	14.9%	13.0%	16.0%	15.7%
Powertrain	12.3%	11.1%	11.9%	9.7%	12.1%	11.2%	9.9%	10.4%	10.1%
<b>New Tenneco Total</b>	<b>12.7%</b>	<b>12.1%</b>	<b>12.7%</b>	<b>11.3%</b>	<b>13.4%</b>	<b>12.4%</b>	<b>10.5%</b>	<b>12.0%</b>	<b>11.8%</b>

See US GAAP reconciliations and footnotes on pages 23 – 32.

(1) Including noncontrolling interests

# Appendix: DRiV™ Financial Profile

2019 Actuals & Pro Forma 2018 and 2017 Revenue and Earnings, Recast by Segment



	2017	2018					2019		
(\$ millions)	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
<b>DRiV Revenue</b>									
Motorparts	\$ 3,678	\$ 903	\$ 930	\$ 867	\$ 827	\$ 3,527	\$ 797	\$ 835	\$ 794
Ride Performance	2,686	761	753	690	684	2,888	733	709	671
	<b>\$ 6,364</b>	<b>\$ 1,664</b>	<b>\$ 1,683</b>	<b>\$ 1,557</b>	<b>\$ 1,511</b>	<b>\$ 6,415</b>	<b>\$ 1,530</b>	<b>\$ 1,544</b>	<b>\$ 1,465</b>
<b>Adj. EBITDA<sup>(1)</sup></b>									
Motorparts	\$ 462	\$ 108	\$ 125	\$ 118	\$ 97	\$ 448	\$ 90	\$ 126	\$ 121
Ride Performance	205	51	46	35	43	175	31	50	42
Corporate - DRiV	(114)	(32)	(24)	(28)	(19)	(103)	(30)	(25)	(21)
	<b>\$ 553</b>	<b>\$ 127</b>	<b>\$ 147</b>	<b>\$ 125</b>	<b>\$ 121</b>	<b>\$ 520</b>	<b>\$ 91</b>	<b>\$ 151</b>	<b>\$ 142</b>
<b>Adj. EBITDA<sup>(1)</sup> Margin</b>									
Motorparts	12.6%	12.0%	13.4%	13.6%	11.7%	12.7%	11.3%	15.1%	15.2%
Ride Performance	7.6%	6.7%	6.1%	5.1%	6.3%	6.1%	4.2%	7.1%	6.3%
<b>DRiV Total</b>	<b>8.7%</b>	<b>7.6%</b>	<b>8.7%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.1%</b>	<b>5.9%</b>	<b>9.8%</b>	<b>9.7%</b>

See US GAAP reconciliations and footnotes on pages 23 – 32.

(1) Including noncontrolling interests

## Appendix: Industry Production – YOY% Change



Major Regions	Q3'19	Q4'19	FY'19	H1'19	H2'19
North America	0%	-10%	-4%	-3%	-5%
South America	-5%	-2%	-3%	-3%	-3%
Europe	1%	-4%	-4%	-6%	-2%
China	-5%	-1%	-9%	-14%	-3%
India	-20%	-20%	-14%	-7%	-20%
<b>Global LV Industry Production</b>	<b>-3%</b>	<b>-6%</b>	<b>-6%</b>	<b>-7%</b>	<b>-5%</b>
<i>TEN revenue weighted production</i>	<i>-2%</i>	<i>-6%</i>	<i>-5%</i>	<i>-6%</i>	<i>-4%</i>

Source: IHS Markit October 2019 global light vehicle production forecast and Tenneco estimates.

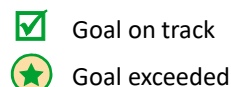
Global 2019 light vehicle production forecast down 6% YOY

## Appendix:

### Synergy Update from Federal-Mogul Acquisition (as of October 31, 2019)



#### Earnings Synergies



#### Working Capital Synergies



ESTIMATED COST TO ACHIEVE SYNERGIES OF APPROXIMATELY \$150M

Still expect to pull ahead earnings synergy target and achieve by year-end 2019

## Appendix: Tenneco Projections



Tenneco's revenue outlook for 2019 is as of October 2019. Revenue assumptions are based on projected customer production schedules, IHS Automotive October 2019 forecasts, Power Systems Research October 2019 forecasts and Tenneco estimates. Furthermore:

- Projections are based on original equipment manufacturers' programs that have been formally awarded to the company; programs where the company is highly confident that it will be awarded business based on informal customer indications consistent with past practices; and Tenneco's status as supplier for the existing programs and its relationship with customers.
- Projections are based on the anticipated pricing of each program over its life.
- Except as otherwise indicated, projections assume a fixed foreign currency value. This value is used to translate foreign business to the U.S. dollar.
- Projections are subject to increase or decrease due to changes in customer requirements, customer and consumer preferences, the number of vehicles actually produced by our customers, and pricing.

In addition to the information set forth herein, Tenneco's projections are based on the type of information set forth under "Order Fulfillment" in Item 1 – "Business" as set forth in Tenneco's Annual Report on Form 10-K for the year ended December 31, 2018. Please see that disclosure for further information.

Certain elements of the restructuring and related expenses, legal settlements and other unusual charges we incur from time to time cannot be forecasted accurately and may be material. In this respect, we are not able to reconcile forecasted EBITDA (and the related margins) on a forward-looking basis to GAAP measures without unreasonable efforts on account of these factors and other factors not in our control.

# Q1 2018 Recast Pro Forma<sup>(2)</sup> Revenue and Adjusted EBITDA

## Reconciliation of GAAP<sup>(1)</sup> to Non-GAAP Results



(\$ millions except per share amounts)	Pro Forma New Tenneco				Pro Forma DRiV				Other/Elim	Pro Forma Total Tenneco
	Clean Air	Powertrain	Corporate-New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate-DRiV	DRiV		
Net sales and operating revenues	\$ 1,756	\$ 1,260	-	\$ 3,016	\$ 903	\$ 761	-	\$ 1,664	-	\$ 4,680
Less: Substrate sales	652	-	-	652	-	-	-	-	-	652
Value-add revenues <sup>(3)</sup>	1,104	1,260	-	2,364	903	761	-	1,664	-	4,028
EBIT, Earnings (Loss) before interest expense, income taxes and noncontrolling interests	119	60	-	179	96	(18)	-	78	(51)	206
Depreciation and amortization of other intangibles	37	61	-	98	24	38	-	62	-	160
Total EBITDA including noncontrolling interests <sup>(4)</sup>	156	121	-	277	120	20	-	140	(51)	366
Loss on Sale of Receivables reclass	1	1	1	3	5	-	-	5	-	8
Segment change impact	2	12	(16)	(2)	(19)	17	(32)	(34)	36	-
Total EBITDA including noncontrolling interests after reclass and segment change <sup>(4)</sup>	159	134	(15)	278	106	37	(32)	111	(15)	374
Adjustments <sup>(2)</sup>										
Restructuring and related expenses	1	-	-	1	2	7	-	9	-	10
Cost reduction initiatives	-	-	-	-	-	2	-	2	-	2
Acquisition advisory costs	-	-	-	-	-	-	-	-	13	13
Warranty charge	-	-	-	-	-	5	-	5	-	5
Purchase price contingency	-	5	-	5	-	-	-	-	-	5
Transaction related costs	-	-	-	-	-	-	-	-	1	1
Other	-	1	-	1	-	-	-	-	1	2
Adjusted EBITDA <sup>(5)</sup>	\$ 160	\$ 140	\$ (15)	\$ 285	\$ 108	\$ 51	\$ (32)	\$ 127	\$ -	\$ 412
Adjusted EBITDA as % of value-add revenue <sup>(6)</sup>	14.5%	11.1%		12.1%	12.0%	6.7%		7.6%		10.2%

See footnotes on slide 39

# Q2 2018 Recast Pro Forma<sup>(2)</sup> Revenue and Adjusted EBITDA

## Reconciliation of GAAP<sup>(1)</sup> to Non-GAAP Results



(\$ millions except per share amounts)	Pro Forma New Tenneco				Pro Forma DRiV				Other/Elim	Pro Forma Total Tenneco
	Clean Air	Powertrain	Corporate-New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate-DRiV	DRiV		
Net sales and operating revenues	\$ 1,694	\$ 1,243	-	\$ 2,937	\$ 930	\$ 753	-	\$ 1,683	-	\$ 4,620
Less: Substrate sales	621	-	-	621	-	-	-	-	-	621
Value-add revenues <sup>(3)</sup>	1,073	1,243	-	2,316	930	753	-	1,683	-	3,999
EBIT, Earnings (Loss) before interest expense, income taxes and noncontrolling interests	103	70	-	173	109	(19)	-	90	(65)	198
Depreciation and amortization of other intangibles	39	61	-	100	21	34	-	55	1	156
Total EBITDA including noncontrolling interests <sup>(4)</sup>	142	131	-	273	130	15	-	145	(64)	354
Loss on Sale of Receivables reclass	-	-	1	1	5	-	-	5	-	6
Segment change impact	3	13	(16)	-	(17)	14	(24)	(27)	27	-
Total EBITDA including noncontrolling interests after reclass and segment change <sup>(4)</sup>	145	144	(15)	274	118	29	(24)	123	(37)	360
Adjustments <sup>(2)</sup>										
Restructuring and related expenses	11	1	-	12	1	10	-	11	-	23
Cost reduction initiatives	-	-	-	-	-	8	-	8	-	8
Acquisition advisory costs	-	-	-	-	-	-	-	-	18	18
Costs to achieve synergies	6	-	-	6	1	-	-	1	2	9
Environmental charge	-	-	-	-	-	-	-	-	4	4
Transaction related costs	-	-	-	-	-	-	-	-	13	13
Cost to exit a multiemployer pension plan	-	5	-	5	-	-	-	-	-	5
Other	-	(2)	-	(2)	5	(1)	-	4	-	2
Adjusted EBITDA <sup>(5)</sup>	\$ 162	\$ 148	\$ (15)	\$ 295	\$ 125	\$ 46	\$ (24)	\$ 147	\$ -	\$ 442
Adjusted EBITDA as % of value-add revenue <sup>(6)</sup>	15.1%	11.9%		12.7%	13.4%	6.1%		8.7%		11.1%

See footnotes on slide 39

# Q3 2018 Recast Pro Forma<sup>(2)</sup> Revenue and Adjusted EBITDA

## Reconciliation of GAAP<sup>(1)</sup> to Non-GAAP Results



(\$ millions except per share amounts)	Pro Forma New Tenneco				Pro Forma DRiV				Other/Elim	Pro Forma Total Tenneco
	Clean Air	Powertrain	Corporate-New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate-DRiV	DRiV		
Net sales and operating revenues	\$ 1,602	\$ 1,122	-	\$ 2,724	\$ 867	\$ 690	-	\$ 1,557	-	\$ 4,281
Less: Substrate sales	596	-	-	596	-	-	-	-	-	596
Value-add revenues <sup>(3)</sup>	1,006	1,122	-	2,128	867	690	-	1,557	-	3,685
EBIT, Earnings (Loss) before interest expense, income taxes and noncontrolling interests	105	21	-	126	102	28	-	130	(51)	205
Depreciation and amortization of other intangibles	38	62	-	100	22	35	-	57	2	159
Total EBITDA including noncontrolling interests <sup>(4)</sup>	143	83	-	226	124	63	-	187	(49)	364
Loss on Sale of Receivables reclass	1	1	1	3	5	-	-	5	-	8
Segment change impact	4	13	(18)	(1)	(16)	16	(28)	(28)	29	-
Total EBITDA including noncontrolling interests after reclass and segment change <sup>(4)</sup>	148	97	(17)	228	113	79	(28)	164	(20)	372
Adjustments										
Restructuring and related expenses	1	8	-	9	8	10	-	18	-	27
Acquisition advisory costs	-	-	-	-	-	-	-	-	12	12
Costs to achieve synergies	-	-	-	-	-	1	-	1	3	4
Litigation settlement accrual	-	-	-	-	-	9	-	9	1	10
Gain (loss) on sale of assets	-	-	-	-	-	(65)	-	(65)	-	(65)
Charge for extinguishment of dissenting shareholders' shares	-	-	-	-	-	-	-	-	5	5
Other	-	4	-	4	(3)	1	-	(2)	(1)	1
Adjusted EBITDA <sup>(5)</sup>	\$ 149	\$ 109	\$ (17)	\$ 241	\$ 118	\$ 35	\$ (28)	\$ 125	\$ -	\$ 366
Adjusted EBITDA as % of value-add revenue <sup>(6)</sup>	14.8%	9.7%		11.3%	13.6%	5.1%		8.0%		9.9%

See footnotes on slide 39



# Q4 2018 Recast Pro Forma<sup>(2)</sup> Revenue and Adjusted EBITDA

## Reconciliation of GAAP<sup>(1)</sup> to Non-GAAP Results



	Pro Forma New Tenneco				Pro Forma DRiV				Other/Elim	Pro Forma Total Tenneco
	Clean Air	Powertrain	Corporate-New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate-DRiV	DRiV		
(\$ millions except per share amounts)										
Net sales and operating revenues	\$ 1,655	\$ 1,112	-	\$ 2,767	\$ 827	\$ 684	-	\$ 1,511	-	\$ 4,278
Less: Substrate sales	631	-	-	631	-	-	-	-	-	631
Value-add revenues <sup>(3)</sup>	1,024	1,112	-	2,136	827	684	-	1,511	-	3,647
EBIT, Earnings (Loss) before interest expense, income taxes and noncontrolling interests	116	33	-	149	(31)	(47)	-	(78)	(102)	(31)
Depreciation and amortization of other intangibles	40	59	-	99	29	37	-	66	-	165
Total EBITDA including noncontrolling interests <sup>(4)</sup>	156	92	-	248	(2)	(10)	-	(12)	(102)	134
Loss on Sale of Receivables reclass	-	-	1	1	6	1	-	7	-	8
Segment change impact	3	1	(4)	-	(17)	12	(19)	(24)	24	-
Total EBITDA including noncontrolling interests after reclass and segment change <sup>(4)</sup>	159	93	(3)	249	(13)	3	(19)	(29)	(78)	142
Adjustments <sup>(2)</sup>										
Restructuring and related expenses	(2)	(2)	-	(4)	2	19	-	21	-	17
Cost reduction initiatives	-	-	-	-	-	-	-	-	8	8
Acquisition advisory costs	-	-	-	-	-	-	-	-	53	53
Costs to achieve synergies	(3)	-	-	(3)	35	10	-	45	7	49
Purchase accounting adjustments	-	44	-	44	57	5	-	62	-	106
Anti-dumping duty charge	-	-	-	-	16	-	-	16	-	16
Loss on debt modification	-	-	-	-	-	-	-	-	10	10
Pension charges / Stock vesting	-	-	-	-	-	3	-	3	-	3
Goodwill impairment charge	-	-	-	-	-	3	-	3	-	3
Adjusted EBITDA <sup>(5)</sup>	\$ 154	\$ 135	\$ (3)	\$ 286	\$ 97	\$ 43	\$ (19)	\$ 121	\$ -	\$ 407
Adjusted EBITDA as % of value-add revenue <sup>(6)</sup>	15.0%	12.1%		13.4%	11.7%	6.3%		8.0%		11.2%

See footnotes on slide 39

# FY 2018 Recast Pro Forma<sup>(2)</sup> Revenue and Adjusted EBITDA

## Reconciliation of GAAP<sup>(1)</sup> to Non-GAAP Results



(\$ millions except per share amounts)	Pro Forma New Tenneco				Pro Forma DRiV				Other/Elim	Pro Forma Total Tenneco
	Clean Air	Powertrain	Corporate-New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate-DRiV	DRiV		
Net sales and operating revenues	\$ 6,707	\$ 4,737	-	\$ 11,444	\$ 3,527	\$ 2,888	-	\$ 6,415	-	\$ 17,859
Less: Substrate sales	2,500	-	-	2,500	-	-	-	-	-	2,500
Value-add revenues <sup>(3)</sup>	4,207	4,737	-	8,944	3,527	2,888	-	6,415	-	15,359
EBIT, Earnings (Loss) before interest expense, income taxes and noncontrolling interests	443	184	-	627	276	(56)	-	220	(269)	578
Depreciation and amortization of other intangibles	154	243	-	397	96	144	-	240	3	640
Total EBITDA including noncontrolling interests <sup>(4)</sup>	597	427	-	1,024	372	88	-	460	(266)	1,218
Loss on Sale of Receivables reclass	2	2	4	8	21	1	-	22	-	30
Segment change impact	12	39	(54)	(3)	(69)	59	(103)	(113)	116	-
Total EBITDA including noncontrolling interests after reclass and segment change <sup>(4)</sup>	611	468	(50)	1,029	324	148	(103)	369	(150)	1,248
Adjustments <sup>(2)</sup>										
Restructuring and related expenses	11	7	-	18	13	46	-	59	-	77
Cost reduction initiatives	-	-	-	-	-	10	-	10	8	18
Acquisition advisory costs	-	-	-	-	-	-	-	-	96	96
Costs to achieve synergies	3	-	-	3	36	11	-	47	12	62
Purchase accounting adjustments	-	44	-	44	57	5	-	62	-	106
Anti-dumping duty charge	-	-	-	-	16	-	-	16	-	16
Environmental charge	-	-	-	-	-	-	-	-	4	4
Warranty charge	-	-	-	-	-	5	-	5	-	5
Litigation settlement accrual	-	-	-	-	-	9	-	9	1	10
Loss on debt modification	-	-	-	-	-	-	-	-	10	10
Pension charges / Stock vesting	-	-	-	-	-	3	-	3	-	3
Goodwill settlement charge	-	-	-	-	-	3	-	3	-	3
Purchase price contingency	-	5	-	5	-	-	-	-	-	5
Transaction related costs	-	-	-	-	-	-	-	-	14	14
Cost to exit a multiemployer pension plan	-	5	-	5	-	-	-	-	-	5
Gain (loss) on sale of assets	-	-	-	-	-	(65)	-	(65)	-	(65)
Charge for extinguishment of dissenting shareholders' shares	-	-	-	-	-	-	-	-	5	5
Other	-	3	-	3	2	-	-	2	-	5
Adjusted EBITDA <sup>(5)</sup>	\$ 625	\$ 532	\$ (50)	\$ 1,107	\$ 448	\$ 175	\$ (103)	\$ 520	\$ -	\$ 1,627
Adjusted EBITDA as % of value-add revenue <sup>(6)</sup>	14.9%	11.2%		12.4%	12.7%	6.1%		8.1%		10.6%

See footnotes on slide 39

# FY 2017 Recast Pro Forma<sup>(2)</sup> Revenue and Adjusted EBITDA

## Reconciliation of GAAP<sup>(1)</sup> to Non-GAAP Results



(\$ millions except per share amounts)	Pro Forma New Tenneco				Pro Forma DRiV				Other/Elim	Pro Forma Total Tenneco
	Clean Air	Powertrain	Corporate-New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate-DRiV	DRiV		
Net sales and operating revenues	\$ 6,216	\$ 4,573	-	\$ 10,789	\$ 3,678	\$ 2,686	-	\$ 6,364	-	\$ 17,153
Less: Substrate sales	2,187	-	-	2,187	-	-	-	-	-	2,187
Value-add revenues <sup>(3)</sup>	4,029	4,573	-	8,602	3,678	2,686	-	6,364	-	14,966
EBIT, Earnings (Loss) before interest expense, income taxes and noncontrolling interests	420	234	-	654	394	(42)	-	352	(272)	734
Depreciation and amortization of other intangibles	142	254	-	396	92	132	-	224	4	624
Total EBITDA including noncontrolling interests <sup>(4)</sup>	562	488	-	1,050	486	90	-	576	(268)	1,358
Loss on Sale of Receivables reclass	2	2	-	4	16	1	-	17	-	21
Segment change impact	7	54	(71)	(10)	(67)	75	(114)	(106)	116	-
Total EBITDA including noncontrolling interests after reclass and segment change <sup>(4)</sup>	571	544	(71)	1,044	435	166	(114)	487	(152)	1,379
Adjustments <sup>(2)</sup>										
Restructuring and related expenses	23	16	-	39	21	23	-	44	1	84
Cost reduction initiatives	4	-	-	4	3	12	-	15	3	22
Loss on debt modification	-	-	-	-	-	-	-	-	5	5
Pension charges / Stock vesting	-	-	-	-	-	-	-	-	13	13
Goodwill impairment charge	-	11	-	11	4	7	-	11	-	22
Antitrust settlement accrual	-	-	-	-	-	-	-	-	132	132
Warranty settlement	-	-	-	-	-	7	-	7	-	7
Gain on sale of unconsolidated JV	-	-	-	-	-	-	-	-	(5)	(5)
Gain from termination of customer contract	-	-	-	-	-	(6)	-	(6)	-	(6)
Warranty release	-	-	-	-	(4)	-	-	(4)	-	(4)
Release of deferred purchase price payment	-	-	-	-	-	(3)	-	(3)	-	(3)
EBITDA contribution of pending asset sales	-	(2)	-	(2)	-	-	-	-	-	(2)
Transaction related costs	-	3	-	3	1	-	-	1	3	7
Gain (loss) on sale of business	-	(3)	-	(3)	-	-	-	-	-	(3)
Gain (loss) on sale of nonconsolidated affiliates	-	-	-	-	2	-	-	2	-	2
Gain (loss) on sale of assets	-	(6)	-	(6)	-	(1)	-	(1)	-	(7)
Adjusted EBITDA <sup>(5)</sup>	\$ 598	\$ 563	\$ (71)	\$ 1,090	\$ 462	\$ 205	\$ (114)	\$ 553	\$ -	\$ 1,643
Adjusted EBITDA as % of value-add revenue <sup>(6)</sup>	14.8%	12.3%		12.7%	12.6%	7.6%		8.7%		11.0%

See footnotes on slide 39

# Q1 2019 Revenue and Adjusted EBITDA

## Reconciliation of Non-GAAP Results



(\$ millions except percents)	New Tenneco Division				DRiV Division				Total Tenneco
	Clean Air	Powertrain	Corporate- New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate- DRiV	DRiV	
<b>Net sales and operating revenues</b>	\$ 1,779	\$ 1,175	-	\$ 2,954	\$ 797	\$ 733	-	\$ 1,530	\$ 4,484
<b>Less: Substrate sales</b>	706	-	-	706	-	-	-	-	706
<b>Value-add revenues <sup>(3)</sup></b>	1,073	1,175	-	2,248	797	733	-	1,530	3,778
<b>Adjusted EBITDA <sup>(5)</sup></b>	\$ 140	\$ 116	\$ (20)	\$ 236	\$ 90	\$ 31	\$ (30)	\$ 91	\$ 327
<b>Adjusted EBITDA as % of value-add revenue <sup>(6)</sup></b>	13.0%	9.9%		10.5%	11.3%	4.2%		5.9%	8.7%

See reconciliations of GAAP to non-GAAP financial metrics at the segment level in Tenneco's earnings release and attachments for first quarter 2019.

See footnotes on slide 39

## Q2 2019 Revenue and Adjusted EBITDA

### Reconciliation of Non-GAAP Results



(\$ millions except percents)	New Tenneco Division				DRiV Division				Total Tenneco
	Clean Air	Powertrain	Corporate- New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate- DRiV	DRiV	
<b>Net sales and operating revenues</b>	\$ 1,827	\$ 1,133	-	\$ 2,960	\$ 835	\$ 709	-	\$ 1,544	\$ 4,504
<b>Less: Substrate sales</b>	777	-	-	777	-	-	-	-	777
<b>Value-add revenues <sup>(3)</sup></b>	1,050	1,133	-	2,183	835	709	-	1,544	3,727
<b>Adjusted EBITDA <sup>(5)</sup></b>	\$ 168	\$ 118	\$ (23)	\$ 263	\$ 126	\$ 50	\$ (25)	\$ 151	\$ 414
<b>Adjusted EBITDA as % of value-add revenue <sup>(6)</sup></b>	16.0%	10.4%		12.0%	15.1%	7.1%		9.8%	11.1%

See reconciliations of GAAP to non-GAAP financial metrics at the segment level in Tenneco's earnings release and attachments for second quarter 2019.

See footnotes on slide 39

# Q3 2019 Revenue and Adjusted EBITDA

## Reconciliation of Non-GAAP Results



(\$ millions except percents)	New Tenneco Division				DRiV Division				Total Tenneco
	Clean Air	Powertrain	Corporate- New Tenneco	New Tenneco	Motorparts	Ride Performance	Corporate- DRiV	DRiV	
<b>Net sales and operating revenues</b>	\$ 1,772	\$ 1,082	-	\$ 2,854	\$ 794	\$ 671	-	\$ 1,465	\$ 4,319
<b>Less: Substrate sales</b>	775	-	-	775	-	-	-	-	775
<b>Value-add revenues <sup>(3)</sup></b>	997	1,082	-	2,079	794	671	-	1,465	3,544
<b>Adjusted EBITDA <sup>(5)</sup></b>	\$ 157	\$ 109	\$ (21)	\$ 245	\$ 121	\$ 42	\$ (21)	\$ 142	\$ 387
<b>Adjusted EBITDA as % of value-add revenue <sup>(6)</sup></b>	15.7%	10.1%		11.8%	15.2%	6.3%		9.7%	10.9%

See reconciliations of GAAP to non-GAAP financial metrics at the segment level in Tenneco's earnings release and attachments for third quarter 2019.

See footnotes on slide 39

## Footnotes to slides 30 - 38



- (1) U.S. Generally Accepted Accounting Principles.
- (2) Tenneco presents pro forma revenues and earnings measures to show what the company's performance would have been had Federal-Mogul been consolidated with Tenneco for the entirety of 2017 and 2018. We believe this supplemental information is useful to investors who are trying to understand the results of the entire enterprise, including Federal-Mogul. The Motorparts segment reflects the company's historical Aftermarket segment plus the Motorparts aftermarket business acquired in the Federal-Mogul acquisition. The Ride Performance segment reflects the company's historical Ride Performance segment plus the Motorparts OE business acquired in the Federal-Mogul acquisition.
- (3) Tenneco presents the above reconciliation of revenues in order to reflect value-add revenues separately from substrate sales. Substrate sales include precious metals pricing, which may be volatile. Substrate sales occur when, at the direction of its OE customers, Tenneco purchases catalytic converters or components thereof from suppliers, uses them in its manufacturing processes and sells them as part of the completed system. While Tenneco original equipment customers assume the risk of this volatility, it impacts reported revenue. Excluding substrate sales removes this impact. Tenneco uses this information to analyze the trend in revenues before these factors. Tenneco believes investors find this information useful in understanding period to period comparisons in the company's revenues.
- (4) EBITDA including noncontrolling interests represents income before interest expense, income taxes, noncontrolling interests and depreciation and amortization. We have also presented EBITDA including noncontrolling interests to give effect to the reclassification of financing charges on sale of receivables that took place in the first quarter 2019 and to give effect to the impact of the segment changes that occurred in the first quarter of 2019. EBITDA including noncontrolling interests is not a calculation based upon GAAP. The amounts included in the EBITDA including noncontrolling interests calculation, however, are derived from amounts included in the historical statements of income data. In addition, EBITDA including noncontrolling interests should not be considered as an alternative to net income (loss) attributable to Tenneco Inc. or operating income as an indicator of the company's operating performance, or as an alternative to operating cash flows as a measure of liquidity. Tenneco has presented EBITDA including noncontrolling interests because it regularly reviews EBITDA including noncontrolling interests as a measure of the company's performance. In addition, Tenneco believes its investors utilize and analyze the company's EBITDA including noncontrolling interests for similar purposes. Tenneco also believes EBITDA including noncontrolling interests assists investors in comparing a company's performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending upon many factors. However, the EBITDA including noncontrolling interests measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.
- (5) "Adjusted EBITDA" is EBITDA including noncontrolling interests (after giving effect to the reclassification and segment change described above) and is presented in order to reflect the results in a manner that allows a better understanding of operational activities separate from the financial impact of decisions made for the long term benefit of the company and other items impacting comparability between the periods. Similar adjustments to EBITDA including noncontrolling interests have been recorded in earlier periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. The company believes investors find the non-GAAP information helpful in understanding the ongoing performance of operations separate from items that may have a disproportionate positive or negative impact on the company's financial results in any particular period.
- (6) Tenneco presents the above reconciliation in order to reflect Adjusted EBITDA as a percent of both value-add revenues. Presenting Adjusted EBITDA as a percent of value-add revenue assists investors in evaluating the company's operational performance without the impact of substrate sales, which can be volatile.