First Quarter 2021 Earnings Conference Call

May 6, 2021

NYSE: TEN

Safe Harbor

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, future performance improvement plans; 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 course of the COVID-19 pandemic and its impact on general economic, business and market conditions: our ability (or inability) to execute on our plans to respond to the COVID-19 pandemic and our previously announced Accelerate plan and to realize the anticipated benefits of these actions; our financial flexibility in addressing the impact of the COVID-19 pandemic; our ability to maintain compliance with the agreements governing our indebtedness and otherwise have sufficient liquidity through the COVID-19 pandemic; the possibility that Tenneco may not complete a separation of the Aftermarket & Ride Performance business from the Powertrain Technology business; the possibility that Tenneco will be unable to execute on its strategy and maintain compliance with the covenants in its Credit Agreement; supply chain disruptions, including constraints on steel and semiconductors and resulting increases in costs, impacting the Company, its customers or the automotive industry; the ability to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; 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. Additional information regarding these risk factors and uncertainties is detailed from time to time in the company's SEC filings, including but not limited to its annual report on Form 10-K for the year ended December 31, 2020.

In addition, please see Tenneco's press release issued on May 6, 2021 for factors that could cause Tenneco's future performance to vary from the expectations expressed or implied by the forward-looking statements herein and for certain reconciliations of GAAP to non-GAAP results.

Agenda

Q1 2021 Highlights & Overview	Brian Kesseler, CEO
Enterprise & Segment Performance	Kevin Baird, COO
Balance Sheet & Outlook	Matti Masanovich, CFO
Driving Shareholder Value Creation	Kesseler
Q&A	All

Non-GAAP Results: Please see the tables that reconcile GAAP results with non-GAAP results at the end of this presentation and in Tenneco's financial results press release, which is incorporated herein by reference.

EBITDA: EBITDA for purposes of this presentation means EBITDA including noncontrolling interests.

First Quarter Highlights

Strong Business Execution

- Strong profit conversion on higher volume despite supply chain volatility and material cost headwinds
- Accelerate+ program delivering results
  - Structural profitability improvement
  - Expected incremental savings of $110M in 2021; $35M carryover into 2022

Strengthening Balance Sheet

- Solid quarter-end liquidity position at $2.1B; no balance drawn on $1.5B revolver
- Extended $800M of debt maturities to 2029 at similar cost
- Refinancing clears path to address refinancing of credit facility and Term Loan A and Term Loan B in the future

Driving Shareholder Value

- Potential to unlock significant near-term value through debt reduction focus
- Realigning product lines and investments to bolster core growth platforms
  - Motorparts, Performance Solutions* and CTOHI
  - Shifting revenue mix to position enterprise for long-term sustainable growth

Continuing positive performance momentum

* Beginning in first quarter 2021, Ride Performance segment was renamed Performance Solutions - please see appendix for more details.

Tenneco – Q1 Overview

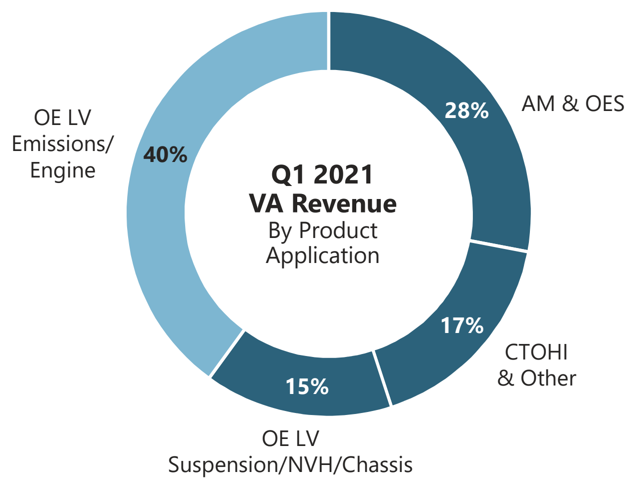
Strong margin expansion and net leverage reduction

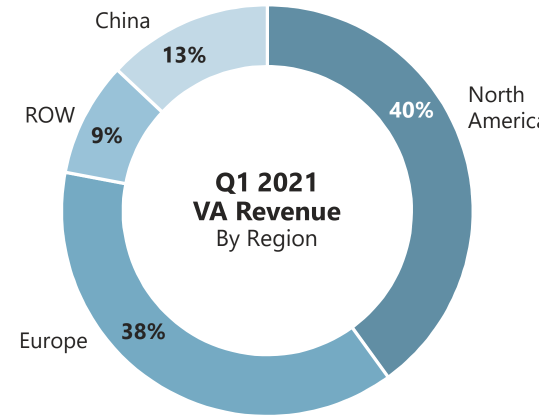
REVENUE
$4.7B
- Up 23% YoY
- Substrates $1,088M

VA REVENUE
$3.6B
- Up 13%[1] YoY, excluding currency impact of $104M
- LV+14%[1]; CTOHI +38%[1]; AM&OES +1%[1]

Adjusted EBITDA
$388M
- Up $149M YoY
- 10.7% VA adjusted EBITDA margin, up 310 bps YoY

NET LEVERAGE
improvement since YE
0.4X
- Seasonally better Q1 cash flow and higher EBITDA drove reduction in net leverage to 3.9x



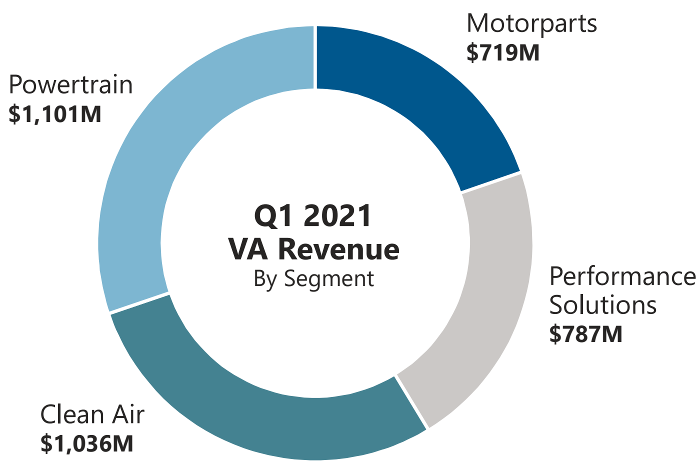


60% non OE light vehicle ICE

Advantaged scale and diversification in product lines, end markets and regions

Enterprise & Segment Performance

Q1 Enterprise Performance



VA revenue $3.6B, +13%[1] YoY

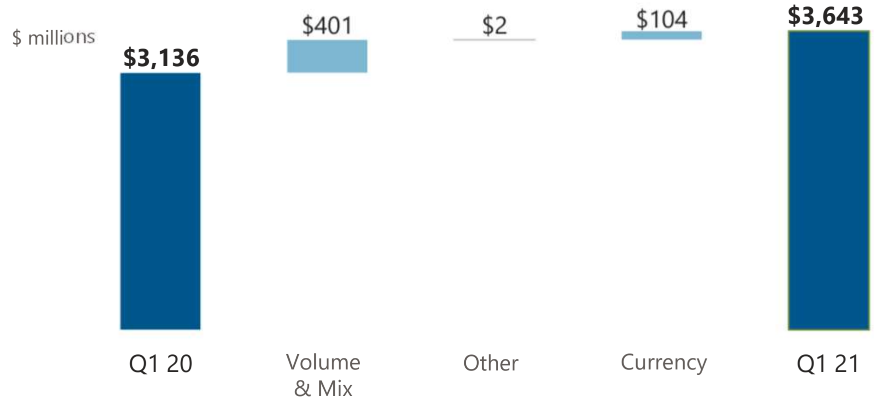
- Strong commercial truck, off-highway and industrial markets
- COVID-19 recovery in China

Adjusted EBITDA $388M, up 62% YoY

- VA adj. EBITDA margin 10.7%, up 310bps vs. a year ago
- Continued solid operating leverage on higher volumes
- Accelerate+ savings lifting operating performance

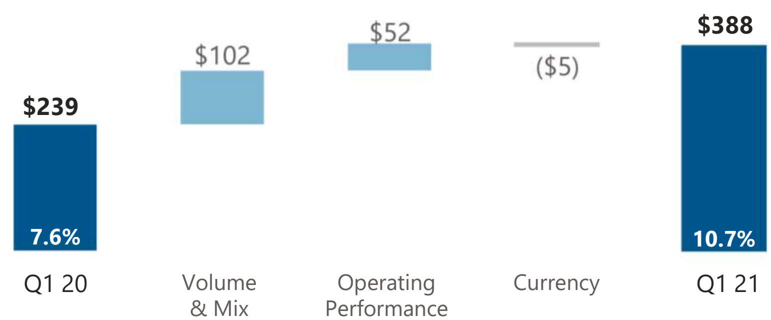
VA REVENUE [1]

Q1 21 Substrate revenue $1,088M



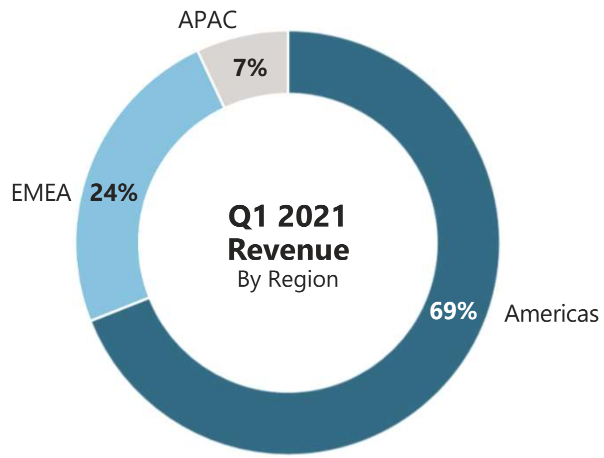
ADJUSTED EBITDA

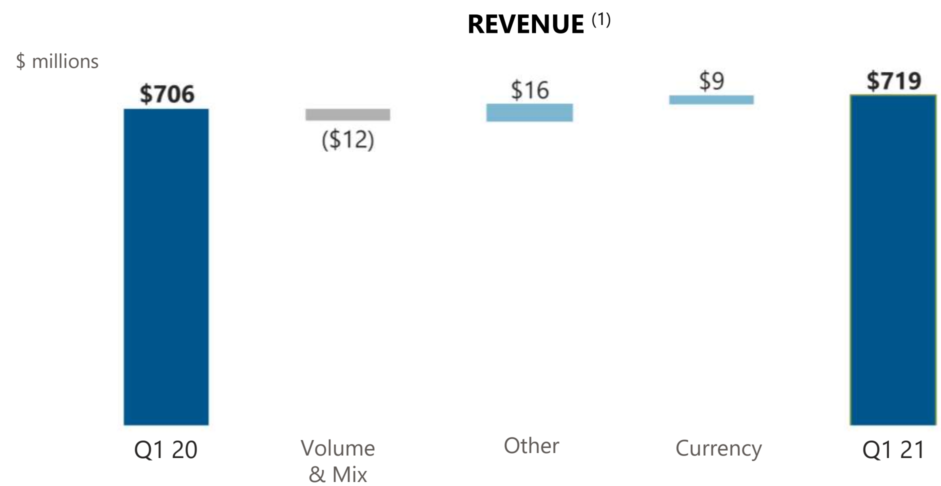
Q1 21 includes corporate costs of $47M

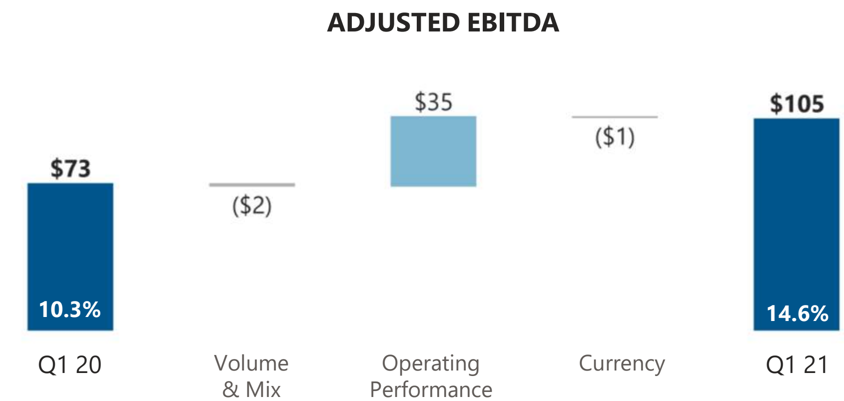


Presentation footnotes available on page 22.

Motorparts – Q1 Segment Performance







Revenue $719M, +1%[1] YoY

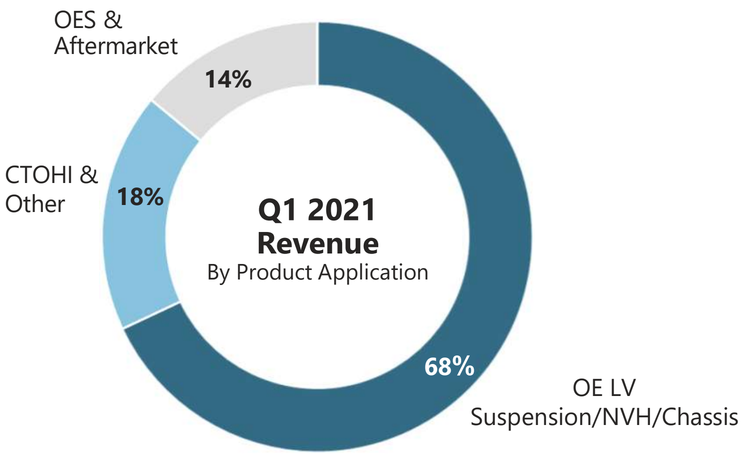
- Adverse weather and supply chain constraints mitigated growth; Q2 order book is strong

Adjusted EBITDA $105M, +44% YoY

- Adj. EBITDA margin 14.6%, up 430 bps YoY
- Operating performance benefiting from restructuring cost savings

Presentation footnotes available on page 22.

Performance Solutions – Q1 Segment Performance

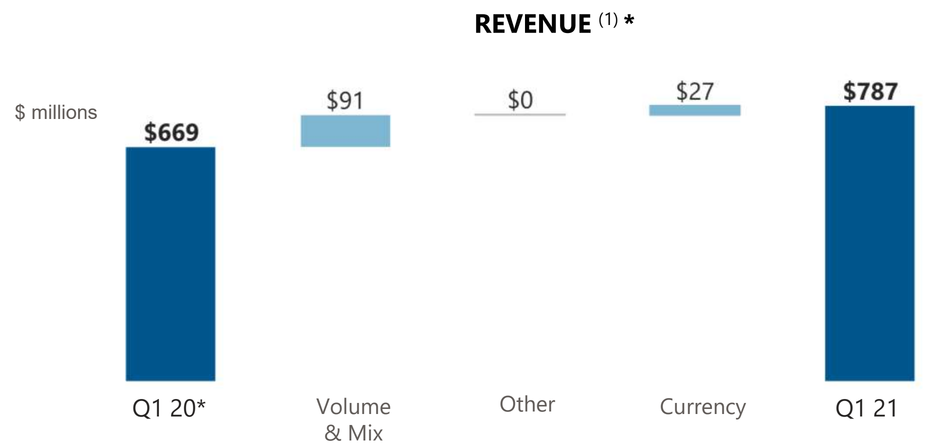


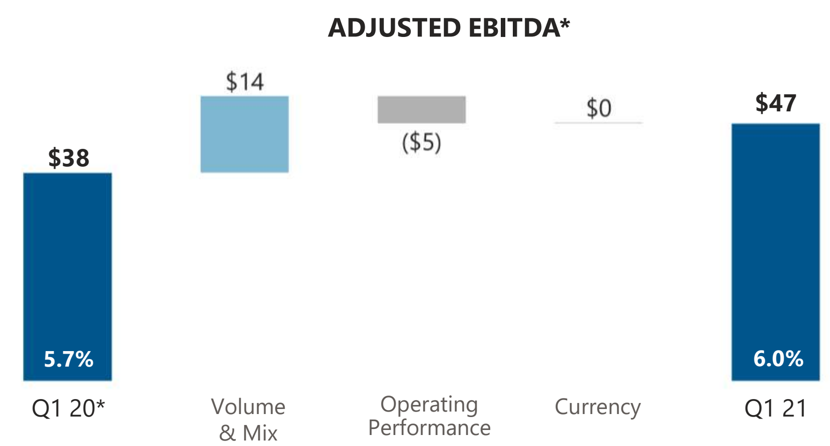
Revenue $787M, +14%(1) YoY*

Light Vehicle +11%(1); CTOHI +45%(1); AM/OES +5%(1)

Adjusted EBITDA $47M, +24% YoY*

- Adj. EBITDA margin 6.0%, up 30 bps YoY
- Operating leverage on higher volumes

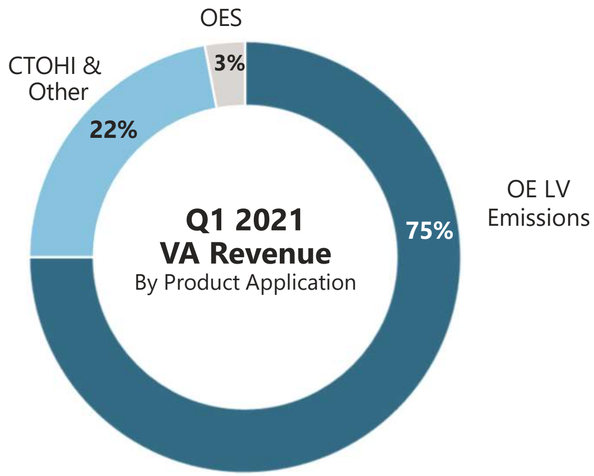




*Q1 2020 pro forma for segment realignment. Reconciliation is in the appendix.

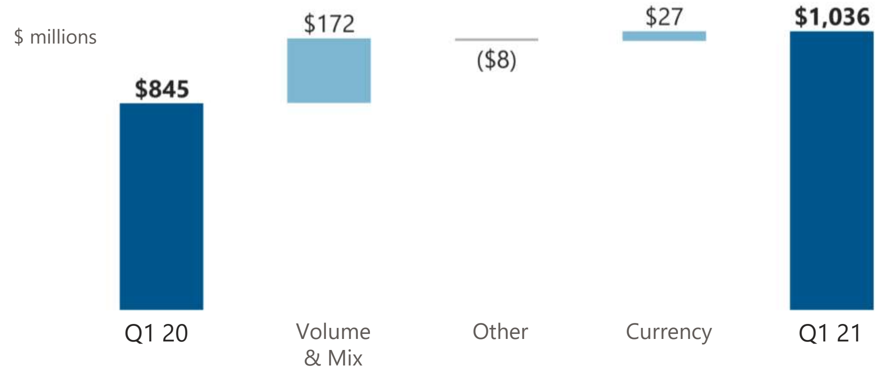
Presentation footnotes available on page 22.

Clean Air – Q1 Segment Performance

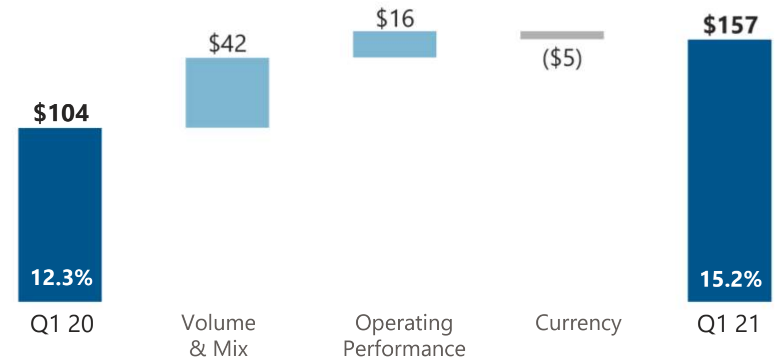


VA REVENUE (1)

Q1 21 Substrate revenue $1,088M



ADJUSTED EBITDA



VA revenue $1.0B, +19%(1) YoY

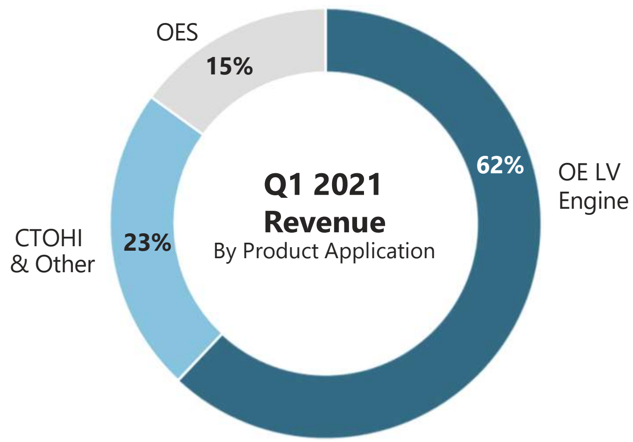
Light Vehicle +13%(1); CTOHI +44%(1); OES +26%(1)

Adjusted EBITDA $157M, +51% YoY

- VA adj. EBITDA margin 15.2%, up 290 bps
- Solid profit conversion on higher volume
- China volume and CTOH growth benefitted profit mix

Presentation footnotes available on page 22.

Powertrain – Q1 Segment Performance



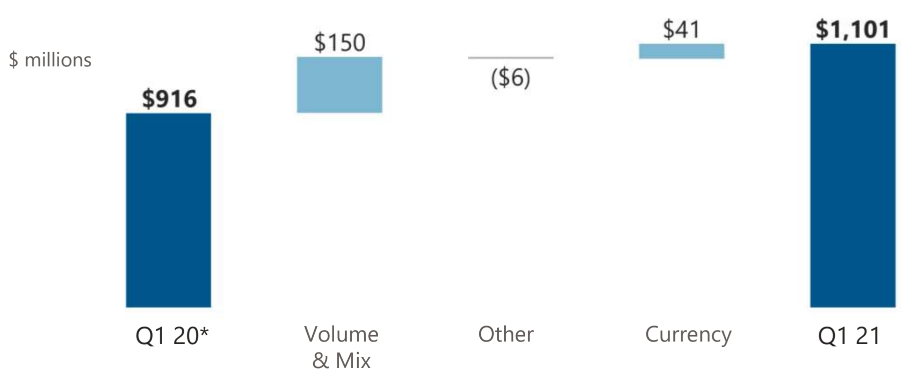
Revenue $1.1B, +16%(1) YoY*

Light Vehicle +16%(1); CTOHI +31%(1); OES -3%(1)

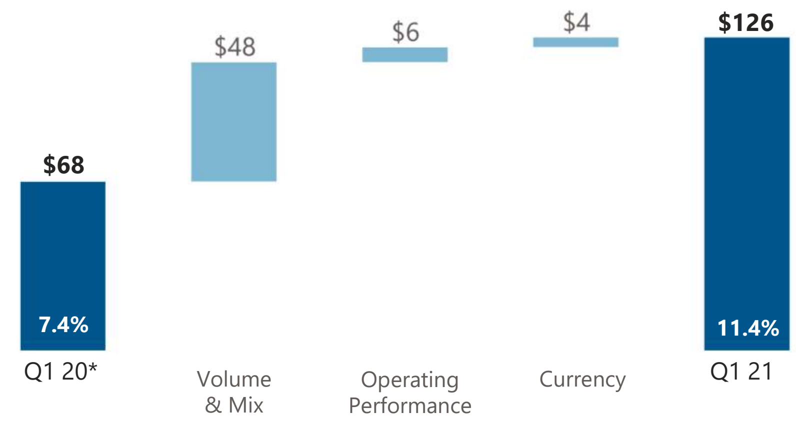
Adjusted EBITDA $126M, +85% YoY*

- Adj. EBITDA margin 11.4%, up 400 bps YoY
- Strong leverage on higher volume; favorable mix
- Restructuring savings and higher JV income

REVENUE (1) *



ADJUSTED EBITDA*



*Q1 2020 pro forma for segment realignment. Reconciliation is in the appendix.

Presentation footnotes available on page 22.

Balance Sheet & Outlook

Strengthening Balance Sheet

Improved net leverage position

- **Significant available liquidity of $2.1B*** at quarter end
  - Available revolving credit facility capacity of $1.5B; revolver undrawn at quarter end
- **Net leverage improved 0.4x** since year-end to 3.9x
  - Q1 cash usage well below historical seasonal pattern
  - Structural Q1 margin expansion

Extended debt maturity profile

- **New $800M senior secured notes due April 2029**, issued on March 17, 2021
  - Proceeds used to **redeem 2024 senior secured notes**
  - Offering was **leverage neutral** and **extended our maturity profile**
  - **Pricing similar** to notes replaced

See current debt maturity schedule and leverage ratios in appendix

Significant net leverage reduction and extended debt maturity profile

* Liquidity as of 3/31/2021 consists of available revolving credit facility capacity of $1.5B (and cash balances of $0.6B)

2021 Full Year Outlook Raised and Q2 Outlook Initiated*

	Raised FY 2021 OUTLOOK*	FY 2020	New Q2 2021 OUTLOOK*	Q2 2020
Revenue (previous)	$17.6 – 18.1B ($17.2 – 17.8B)	$15.4B	$4.35 – 4.55B	$2.6B
VA revenue (previous)	$13.5 – 14.0B ($13.2 - 13.8B)	$12.0B	$3.3 – 3.5B	$2.0B
Adjusted EBITDA (previous)	$1.35 - 1.45B ($1.3 - 1.4B)	$1,045M	$325 – 355M	$8M
Net debt(1) (previous)	<$4.2B ($4.2B)	$4.5B	Leverage ratio target ~3.0x	

2021 Key Assumptions (at midpoint)

- Global light vehicle build assumption of 80M in 2021 (no change)
  - More conservative than IHS Markit, mostly in Europe and North America
- Incremental margin (YoY) strongest in Q1
  - 2020 non-recurring temporary cost actions - Q2 $100M; Q3 $50M
- Expect normal seasonality of cash flow with H2 inflow
- Cash taxes $140 – 160M (no change)
- Capex $450 – 500M (no change)

Top line growth, margin expansion and cash generation expected to drive full year net debt reduction

(1) Net debt (debt less total cash balances) forecast based on the mid-point of 2021 range for Adjusted EBITDA.
*Outlook provided at May 6, 2021 Tenneco First Quarter Earnings Presentation and speaks only as of such date.

Driving Shareholder Value Creation Near and Long-Term

Continuing performance momentum and accelerating value creation

Disciplined Performance Focus

- **Execute Accelerate+ Program**
  - Structural Cost Reduction
  - $265M of run rate savings expected by end of 2021 (vs. 2019 baseline)
- **Lower Capital Intensity**
  - Mid-term annual capex targets of <= $500M
  - Continuing focus on working capital efficiency
- **Deploy Value Stream Simplification (VSS) across enterprise**

Capital Structure Optimization

- **Maintain strong liquidity position**
- **Focus on free cash flow for debt service to unlock significant near-term value creation potential**
- **Improving debt maturity profile**
- **Prioritized capital allocation**
  - I. Organic growth/core competitiveness
  - II. Debt reduction
  - III. Evaluate strategic acquisitions vs returns to shareholders

Long-term Sustainable Growth

- **Bolster core platforms to enable higher than market level growth**
  - Motorparts
  - Performance Solutions
  - CTOHI
- **Reduce revenue mix from OE light vehicle ICE business lines**
  - Clean Air & Powertrain cash engines funding core growth investments and debt reduction

Providing solutions for global mobility markets – today and tomorrow

Appendix

Appendix:

Q1 2021 Financial Results

(millions, except percents and per share data)	Q1 2021
Revenue	$4,731
VA revenue	3,643
Adjusted EBITDA	388
VA adjusted EBITDA margin	10.7%
Interest expense	70
Adjusted tax expense	54
Noncontrolling interest expense	22
Adjusted net income	90
Diluted shares outstanding	82.5
Adjusted EPS	$1.09

(1) See Proceeds from deferred purchase price of factored receivables in the investing section of the cash flow statement. GAAP requires reclassification of amount from Change in receivables in the Cash from operations section.

($ millions)

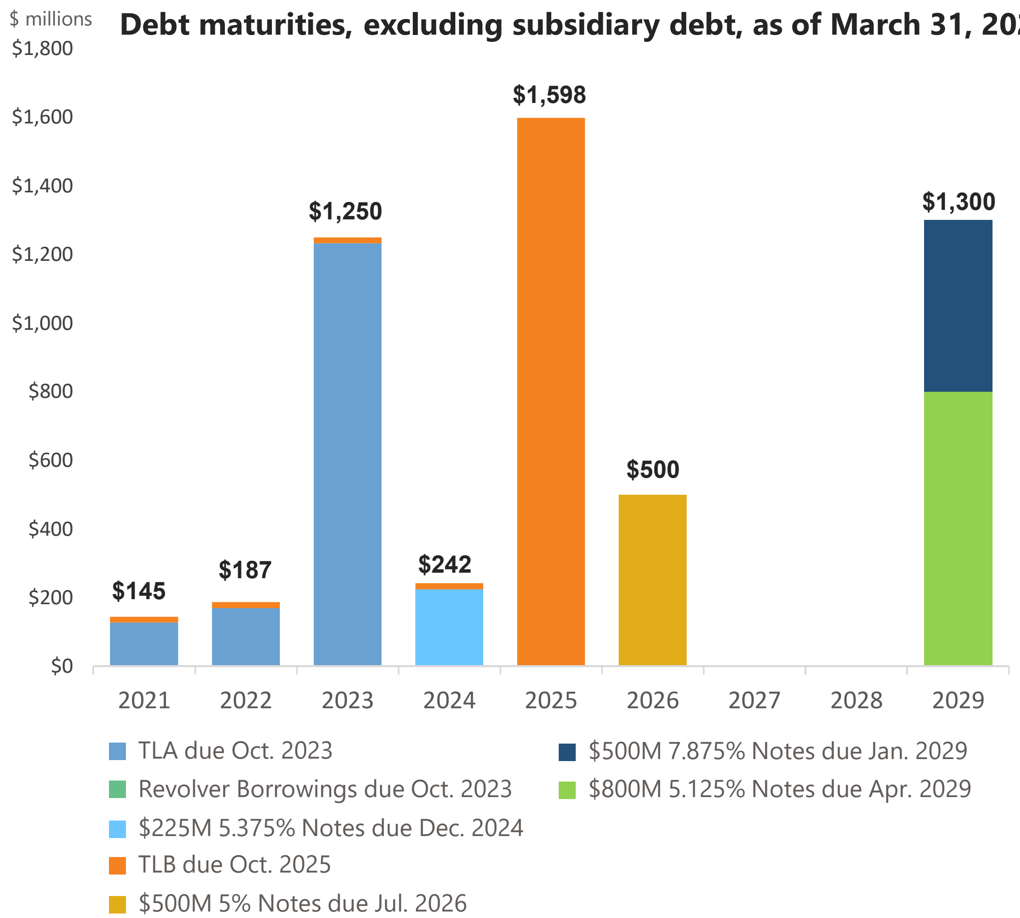
Free Cash Flow for debt service[(2)]	Q1 2021
Cash from Operations	$(50)
Proceeds from deferred purchase price of factored receivables[(1)]	115
Capital expenditures	(95)
Payments to non-controlling interest partners	(7)
Other investing / financing	(37)
Free Cash Flow for debt reduction	**$(74)**

(2) Free Cash Flow for debt service represents cash flow from operations, plus the proceeds from deferred purchase price of factored receivables less the amount of cash payments for property, plant and equipment and payments to noncontrolling interest partners, as well as various other amounts. Free Cash Flow for debt service is not a GAAP calculation and should not be considered as an alternative to operating cash flows as a measure of liquidity. Tenneco has presented Free Cash Flow for debt service because it regularly reviews Free Cash Flow for debt service as a measure of the company's performance and ability to reduce net debt. In addition, Tenneco believes its investors utilize and analyze the company's Free Cash Flow for debt service for similar purposes. However, the Free Cash Flow for debt service measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

Appendix:

Debt Maturity Schedule and Leverage Ratio

Debt maturities, excluding subsidiary debt, as of March 31, 2021:



($ millions)

Book Net Leverage Ratio	3/31/2021
Total Debt	$5,235
Total Cash Balances	$631
Net Debt	$4,604
LTM Adjusted EBITDA	$1,194
Net Leverage Ratio	3.9x

Bank Financial Maintenance Covenants	3/31/2021
Senior secured net leverage ratio (below max. 8.25x)	2.62x
Interest coverage ratio (above min. 1.50x)	6.10x

(Bank covenant ratio required as of 3/31/2021)

Significant cushion on debt covenants

Appendix:

Depreciation and Amortization by Segment

($ millions)	2021	2020				
	Q1	Q1	Q2	Q3	Q4	YTD
Depreciation & amortization						
Motorparts	$ 37	$ 32	$ 29	$ 30	$ 30	$ 121
Performance Solutions	32	56	43	32	31	162
Clean Air	44	39	43	40	49	171
Powertrain	41	43	44	45	46	178
Corporate	1	1	-	4	2	7
Total Tenneco	$ 155	$ 171	$ 159	$ 151	$ 158	$ 639
Adjustments(1)						
Motorparts	$ -	$ -	$ -	$ -	$ -	$ -
Performance Solutions	-	(5)	(2)	-	-	(7)
Clean Air	-	-	-	-	-	-
Powertrain	(3)	-	-	-	-	-
Corporate	-	-	-	(1)	-	(1)
Total Tenneco	$ (3)	$ (5)	$ (2)	$ (1)	$ -	$ (8)
Adjusted depreciation & amortization						
Motorparts	$ 37	$ 32	$ 29	$ 30	$ 30	$ 121
Performance Solutions	32	51	41	32	31	155
Clean Air	44	39	43	40	49	171
Powertrain	38	43	44	45	46	178
Corporate	1	1	-	3	2	6
Total Tenneco	$ 152	$ 166	$ 157	$ 150	$ 158	$ 631

(1) Adjusted depreciation and amortization represents depreciation and amortization adjusted to eliminate 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 depreciation and amortization 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 depreciation and amortization of the business separate from items that may have a disproportionate positive or negative impact on the company's financial results in any particular period.

Appendix:

Explanation of Segment Changes in Q1

Beginning with the first quarter of 2021, the Company changed the name of its Ride Performance segment to Performance Solutions. Relative to its predecessor name, management believes the new name better describes the broad offering of the segment's products and solutions available to customers. The segment supplies mission critical products and applications to the automotive, commercial vehicle, aerospace, industrial, rail, two-wheel, and motorsports industries.

Beginning with the first quarter of 2021, the Company transferred a business line previously managed within the Powertrain segment to the Performance Solutions segment. Management determined that the business line's products, applications, diversification and solutions competency aligned better with the long-term strategic goals and positioning of the Performance Solutions segment. As such, prior period operating segment results and related disclosures have been conformed to reflect the Company's current operating segments. There is no impact to the consolidated financial statements of the Company as a result of this change. The company has provided a reconciliation of 2020 segment financials on page 21.

Appendix:

Segment Recast Impact on 2020

($ millions)

	2020 Segment Performance As Previously Reported		Segment Change		2020 Segment Performance As Recast		
	Total Revenue (a)	Adjusted EBITDA (b)	Total Revenue (a)	Adjusted EBITDA (b)	Total Revenue (a)	Adjusted EBITDA (b)	*Adjusted EBITDA Margin* (b)
Powertrain:							
Q1	$ 997	$ 90	$ (81)	$ (22)	$ 916	$ 68	*7.4%*
Q2	$ 602	$ (21)	$ (42)	$ (7)	$ 560	$ (28)	*-5.0%*
Q3	$ 1,007	$ 124	$ (79)	$ (23)	$ 928	$ 101	*10.9%*
Q4	$ 1,120	$ 152	$ (93)	$ (28)	$ 1,027	$ 124	*12.1%*
YTD 2020	$ 3,726	$ 345	$ (295)	$ (80)	$ 3,431	$ 265	*7.7%*
Performance Solutions:							
Q1	$ 588	$ 16	$ 81	$ 22	$ 669	$ 38	*5.7%*
Q2	$ 336	$ (41)	$ 42	$ 7	$ 378	$ (34)	*-9.0%*
Q3	$ 600	$ 32	$ 79	$ 23	$ 679	$ 55	*8.1%*
Q4	$ 683	$ 29	$ 93	$ 28	$ 776	$ 57	*7.3%*
YTD 2020	$ 2,207	$ 36	$ 295	$ 80	$ 2,502	$ 116	*4.6%*

(a) Total revenue is equal to value add revenue for these segments.

(b) See Tenneco's earnings release dated May 6, 2021, for a description of why we present Adjusted EBITDA and Adjusted EBITDA margin. Refer to the Attachments to the earnings Press Release dated May 6, 2021, for U.S. GAAP reconciliations.

Appendix:

Tenneco Projections and Presentation Footnotes

Tenneco's revenue outlook is as of May 6, 2021. Revenue assumptions are based on projected customer production schedules, IHS Markit light vehicle production April 2021 forecasts, IHS Markit commercial truck February 2021 forecasts, Power Systems Research April 2021 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, 2020. Please see that disclosure for further information.

Certain elements of the restructuring and related expenses, legal settlements, substrate pricing, and other unusual charges we incur from time to time cannot be forecasted accurately. In this respect, we are not able to forecast corresponding GAAP measures without unreasonable efforts on account of these factors and other factors not in our control.

Presentation Footnotes

1) Revenue comparisons measured at constant currency rates.
2) IHS Markit April 2021 global light vehicle production forecast.
3) Free Cash Flow for debt service represents cash flow from operations, plus the proceeds from deferred purchase price of factored receivables less the amount of cash payments for property, plant and equipment and payments to noncontrolling interest partners, as well as various other amounts. Free Cash Flow for debt service is not a GAAP calculation and should not be considered as an alternative to operating cash flows as a measure of liquidity. Tenneco has presented Free Cash Flow for debt service because it regularly reviews Free Cash Flow for debt service as a measure of the company's performance and ability to reduce net debt. In addition, Tenneco believes its investors utilize and analyze the company's Free Cash Flow for debt service for similar purposes. However, the Free Cash Flow for debt service measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.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