Q2 2026 Investor Relations Presentation

Published August 10, 2026

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The following information contains forward-looking statements. The words “believe,” “expect,” “anticipate,” “intend,” “estimate” and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters identify forward-looking statements. You should not place undue reliance on these forward-looking statements. Although forward-looking statements reflect management’s good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements speak only as of the date the statements are made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to: the significant costs we are expected to incur in connection with the integration of the Off-Highway Drive & Motion Systems business of Dana Incorporated (now referred to as the “Allison Off-Highway Business”); our ability to successfully integrate the Allison Off-Highway Business and its operations in the expected time frame; our ability to realize all of the anticipated benefits from the integration of the Allison Off-Highway Business and its operations and to effectively manage our expanded operations; our participation in markets that are competitive; our ability to prepare for, respond to and successfully achieve our objectives relating to technological and market developments, competitive threats and changing customer needs, including with respect to electric hybrid and fully electric commercial vehicles; increases in cost, disruption of supply or shortage of labor, freight, raw materials, energy or components used to manufacture or transport our products or those of our customers or suppliers, including as a result of geopolitical risks, natural disasters, extreme weather events, wars and public health crises such as pandemics; global economic volatility; general economic and industry conditions, including the risk of prolonged inflation and recession; labor strikes, work stoppages or similar labor disputes, which could significantly disrupt our operations or those of our principal customers or suppliers; the highly cyclical industries in which certain of our end users operate; uncertainty in the global regulatory and business environments in which we operate; the concentration of our net sales in our top five customers and the loss of any one of these customers; cybersecurity risks to our operational systems, security systems or infrastructure owned by us or our third-party vendors and suppliers; the failure of markets outside North America to increase adoption of fully automatic transmissions; the success of our research and development efforts, the outcome of which is uncertain; U.S. and foreign defense spending; risks associated with our international operations, including acts of war and increased trade protectionism and tariffs; the discovery of defects in our products, resulting in delays in new model launches, recall campaigns and/or increased warranty costs and reduction in future sales or damage to our brand and reputation; our ability to identify, consummate and effectively integrate acquisitions and collaborations; and risks related to our indebtedness.

Allison cannot assure you that the assumptions made in preparing any of the forward-looking statements will prove accurate or that any long-term financial goals will be realized. All forward-looking statements included in this presentation speak only as of the date made, and Allison undertakes no obligation to update or revise publicly any such forward-looking statements, whether as a result of new information, future events, or otherwise. In particular, Allison cautions you not to place undue weight on certain forward-looking statements pertaining to potential growth opportunities or long-term financial goals set forth herein. Actual results may vary significantly from these statements.

Allison business is subject to numerous risks and uncertainties, which may cause future results of operations to vary significantly from those presented herein. Important factors that could cause actual results to differ materially are discussed in Allison Annual Report on Form 10-K for the year ended December 31, 2025.

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Allison Off-Highway

Acquisition Overview

Allison Off-Highway Acquisition – Transaction Highlights

Purchase Price	• Acquisition completed January 1, 2026 with purchase price of approximately $2.7B • Represents 6.8x Adjusted EBITDA (LTM 12/31/24) of ~$400M[1] and 5.2x including estimated run-rate synergies of ~$120M • Purchased using a combination of cash on hand, proceeds from the 5.875% Senior Notes 2033, proceeds from the borrowings under the incremental term loan facility and borrowings under the revolving credit facility
Financial Highlights	• Pro forma net leverage of less than 3.0x as of June 30, 2026 • Near-term net leverage target of less than 2.0x • Combined company cash flow expected to preserve capital allocation flexibility
Accretion and Synergies	• Anticipated to be immediately accretive to net income and diluted earnings per share in 2026 • Expected annual run-rate synergies of ~$120M • Cost savings primarily driven by Procurement & Logistics (60%), Operations & Footprint Optimization (20%) and SG&A / People (20%) • Timing for synergies: 40% by end of 2027, 80% by end of 2028 and full realization by end of 2029
Integration	• Execution is tracking with internal planning, proceeding in a disciplined and structured manner • Initial phases of synergy realization taking shape across several key areas, with value capture beginning to positively impact financial performance later in 2026

(1) Represents Adjusted EBITDA associated with the acquired portions of the Dana Off-Highway business

Allison Off-Highway Acquisition – Synergy Capture

Allison

Source of Savings and % of Expected $120M Annual Run-Rate

Procurement & Logistics

- Strategic sourcing for purchased components
- Increased vertical integration / insourcing opportunities
- Optimize scale and category leverage

60%

Operations & Footprint Optimization

- Agile and lean manufacturing
- Manufacturing with more "Local for Local" production
- Expanding "Best Cost Country" practices

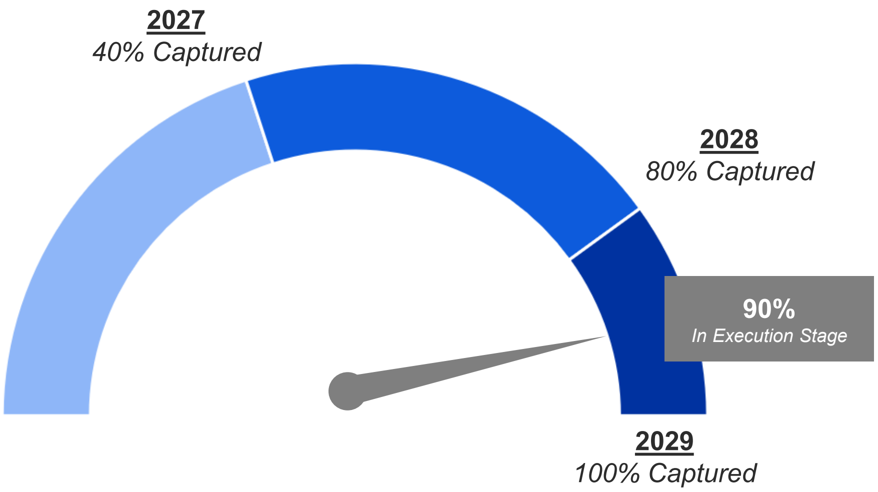
20%

SG&A / People

- SG&A optimization via buying leverage
- Global talent strategy
- Transformation of operating model

20%

Synergy Realization Progress & Timing



- Expectation of annual run-rate synergies of ~$48M by end of 2027
- 90% of identified $120M annual run-rate synergies currently in-flight with resource planning completed and capital appropriated

Allison Off-Highway Acquisition – Global Growth Platform

Off-Highway acquisition accelerates combined businesses' current growth objectives while multiplying future global growth opportunities

Key Growth Drivers for Allison as a Premier Industrial Company

Facilities & People

- Combined company has a strong global reach with **more "Local for Local" production and markets presence**
- Seasoned and innovative leadership team with **sophisticated global employee base**
- Manufacturing in **best-cost countries** and adapting to global market dynamics
- **~14,000 global employees*** including ~5,000 in Europe, Middle East and Africa and ~4,500 in Asia Pacific

Products & Customers

- End markets revenue growth leveraging **strategic localization** near customers
- Harmonious propulsion categories **extending applications of existing and combined portfolios**
- Sales growth resulting from **increased set of diverse drivetrain components & services and work solutions** to current customers
- Opportunity to **support customers globally** across Allison's aftermarket network

Engineering & Vertical Integration

- **Agile and market-driven** technology, service and product development across diverse drivetrain components and work solutions
- **Accelerated product innovation** with increased local IR&D and engineering capabilities
- Best-in-class SG&A driven by effective deployment of **centers of excellence and shared services**
- **Opportunities for cost reductions in current product portfolios** with increased scale

M&A Platform

- **Broader platform** enabling further inorganic growth
- Combined company has established M&A playbook to **grow share of wallet in established end markets**
- Footprint and capabilities provide for **synergy development across future opportunities**
- Ability and reach to support **multiple end markets growth opportunities**

Summary Growth Opportunities

- Seasoned and innovative leadership team with sophisticated global employee base increasing in-regions capabilities
- Combined company has strong global reach and footprint with more "Local for Local" production to meet commercial and government customers' requirements and adapt to global market dynamics
- Broader platform enabling further inorganic growth with established M&A playbook to grow in established end markets
- Key capabilities in software & controls and fully integrated commercial-duty propulsion solutions
- Complementary customer mix provides for potential cross-selling with enhanced ability and reach to support multiple end markets growth opportunities
- Strong procurement, supply chain and logistics synergies with opportunities for cost reductions in current product portfolios with increased scale

*Including contractors

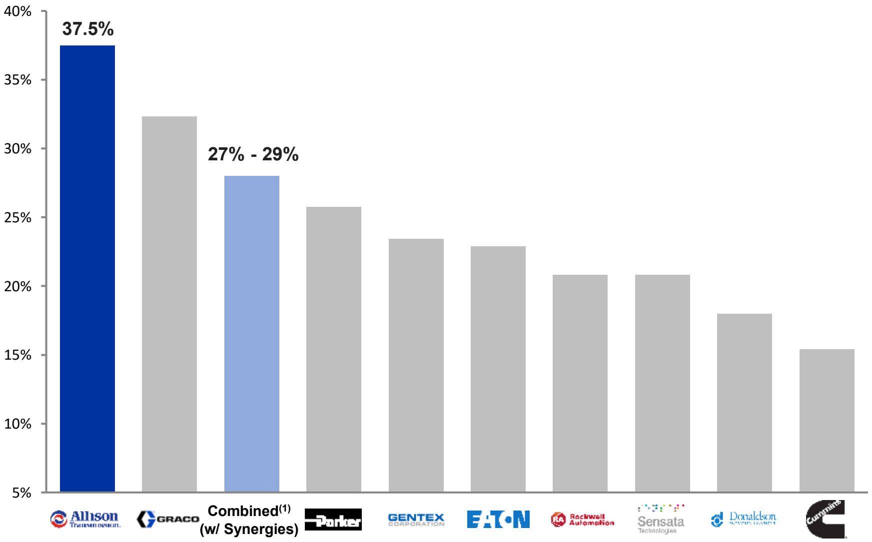
Step-Up in Scale; Preserves Industry-Leading EBITDA Margin

Expected to achieve $5.7B in net sales and increase Adjusted EBITDA by ~40% while maintaining an industry-leading Adjusted EBITDA margin profile

Financial Profile (LTM 6/30/25)

	Allison	Combined[1]
Net Sales	$3.2B	$5.7B
Adjusted EBITDA	$1.2B[2]	$1.6-1.7B
Adjusted EBITDA Margin	37.0%[2]	27-29%

EBITDA Margin (2025)[3]



(1) LTM 6/30/25 pro forma. Combined results include expected annual run-rate synergies of $120M

(2) See Appendix for the reconciliation from Allison's Net income and Net income as a percent of Net sales. Rounding may impact Adjusted EBITDA margin percentage.

(3) Fiscal year 2025 peer EBITDA provided by S&P Capital IQ Pro. EBITDA included above may not be consistent with such entity's reported EBITDA or Adjusted EBITDA, if available. EBITDA Margin: EBITDA or Adjusted EBITDA divided by Net sales.

Allison Transmission

Business Unit Overview

Allison Transmission at a Glance

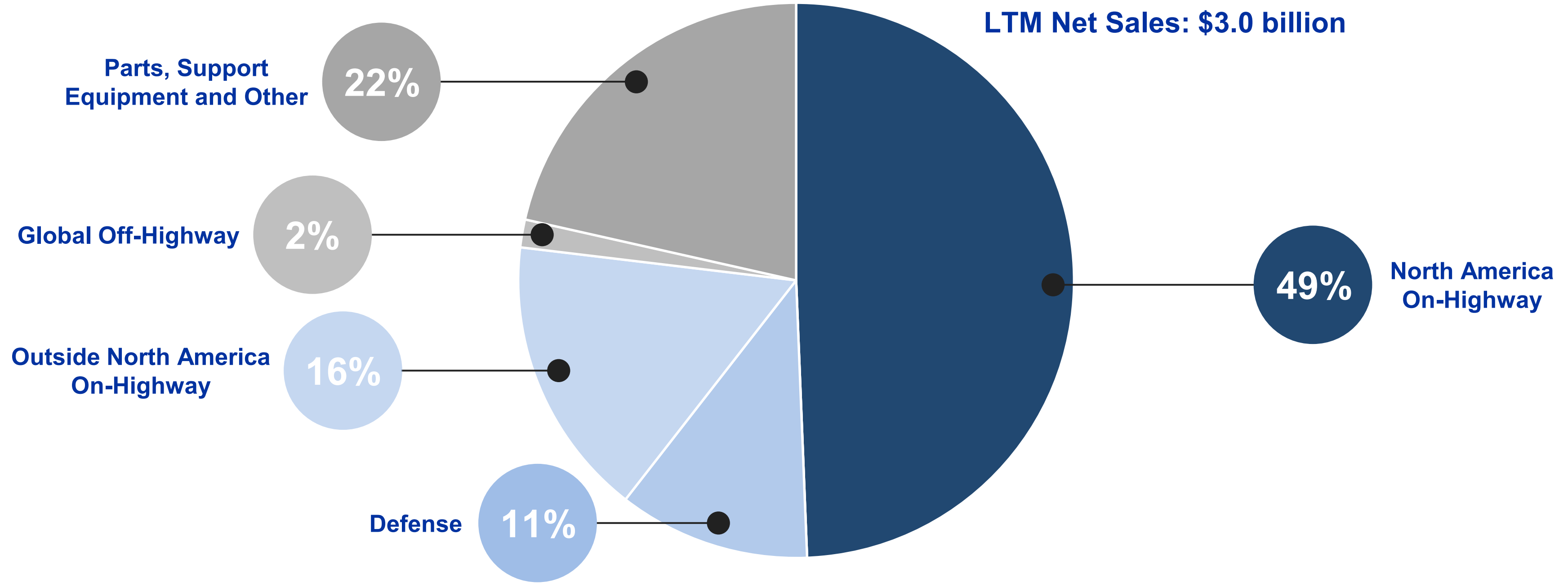
Leading designer and manufacturer of propulsion solutions for commercial and defense vehicles	Premier brand, offering superior performance, frequently specified by end users	Well-positioned for revenue and earnings growth	Strong cash flow generation and well-defined capital allocation policy
• World's largest manufacturer of medium- and heavy-duty fully automatic transmissions and hybrid propulsion solutions	• Premium price component • Differentiated technology • Lower total cost of ownership	• Further adoption outside North America • Expanding addressable market • Funded growth opportunities in asset-light business model • $300 million of incremental annual revenue opportunities*	• History of strong free cash flow generation • Capital allocation priorities include: investing to grow the business, strategic acquisition opportunities, debt reduction to meet leverage targets and returning cash to shareholders

*$100 million incremental annual revenue opportunity in Defense end market achieved in 2025

Allison Transmission Revenue by End Market

Allison

LTM[1] Net Sales by End Market



(1) LTM 6/30/26

Q2 2026 Net Sales Performance – Allison Transmission

($ in millions, variance % from Q2 2025)

End Markets		Q2 2026	Variance	Commentary
	**North America On-Hwy**	**$430**	3%	Market is showing signs of improvement although uncertainty persists around geopolitical impacts, including tariffs, and emissions regulations. Class 8 vocational truck demand driven by infrastructure spending and megaprojects. Medium-duty truck demand impacted by consumer spending and overall macroeconomic health.
	**Outside North America On-Hwy**	**$132**	(7%)	European Union economic stabilization remains uncertain due to ongoing conflict in the Middle East. Penetration initiatives in Asia Pacific with near-term impacted by regional economic differences. Trend of increased automaticity drives long-term growth opportunities.
	**Global Off-Hwy**	**$22**	38%	Implications for hydraulic frac due to conflict in Middle East uncertain. Mining strong due to elevated commodity prices and global growth initiatives.
	**Defense**	**$99**	57%	Continued strength from International customers, primarily in tracked programs, with both new and legacy products. Growth outlook bullish with global defense budgets increasing and national security more relevant to nations.
	**Service Parts, Support Equipment & Other**	**$177**	1%	Global parts outlook impacted by increased fleet ages across multiple sectors and fielded population outside of warranty. Support equipment driven by transmission volume.
	Total	**$860**	6%	

North America On-Highway End Market

		Underserved	Core Addressable Market				Underserved	
	Class 1-3	Class 4-5	Motor Home	School Bus	Class 6-7	Class 8 Straight	Class 8 Tractor Day Cab	Class 8 Tractor Sleeper (Linehaul)
Vehicles								
Weight (000s of lbs)	<14 lbs	14-19 lbs	16-33 lbs	16-33 lbs	19-33 lbs	33 lbs+	33 lbs+	33 lbs+
Industry Units Produced (2025)	13,490,549	75,937	11,976	32,985	77,221	95,771	66,573	92,403
Allison Share (2025)	0%	9%	28%	82%	75%	80%	5%	0%

- ~30-40% of Allison Transmission's North America On-Highway end market volume is driven by municipal spending, reducing volatility
- Opportunity to further grow share in Class 6/7 with Mack MD Series and Isuzu F-Series medium-duty truck models, exclusively featuring Allison fully automatic transmissions
- $100 million incremental annual revenue growth opportunity in the Class 8 Tractor Day Cab market with the Allison 3000 and 4000 Series™ fully automatic transmissions

Note: Analysis excludes Allison Transmission's Transit/Coach Bus and Electric Hybrid Transit Bus volume. Class 8 Straight industry units include Dockspotters
Sources: Class 1-3 from US Truck Sales and Inventory by Weight Class (December 2025); Core Addressable Market from Allison Backcast and Class 8 Tractor from Allison and ACT Research *State of the Industry* (January 2026)

Allison Transmission Strategic Priorities

1000/2000 Series™

3000 Series™

4000 Series™

FracTran®

eGen Force™

eGen Flex®

Expand global market leadership

- Capitalize on improving developed markets demand
- New vocational offerings to expand addressable market
- Over 20-year history in hybrid propulsion
- Fully-integrated electrified propulsion solutions

Emerging markets penetration

- Automaticity, fuel efficiency and safety trends
- Lower total cost of ownership
- Increasing number of vehicle releases

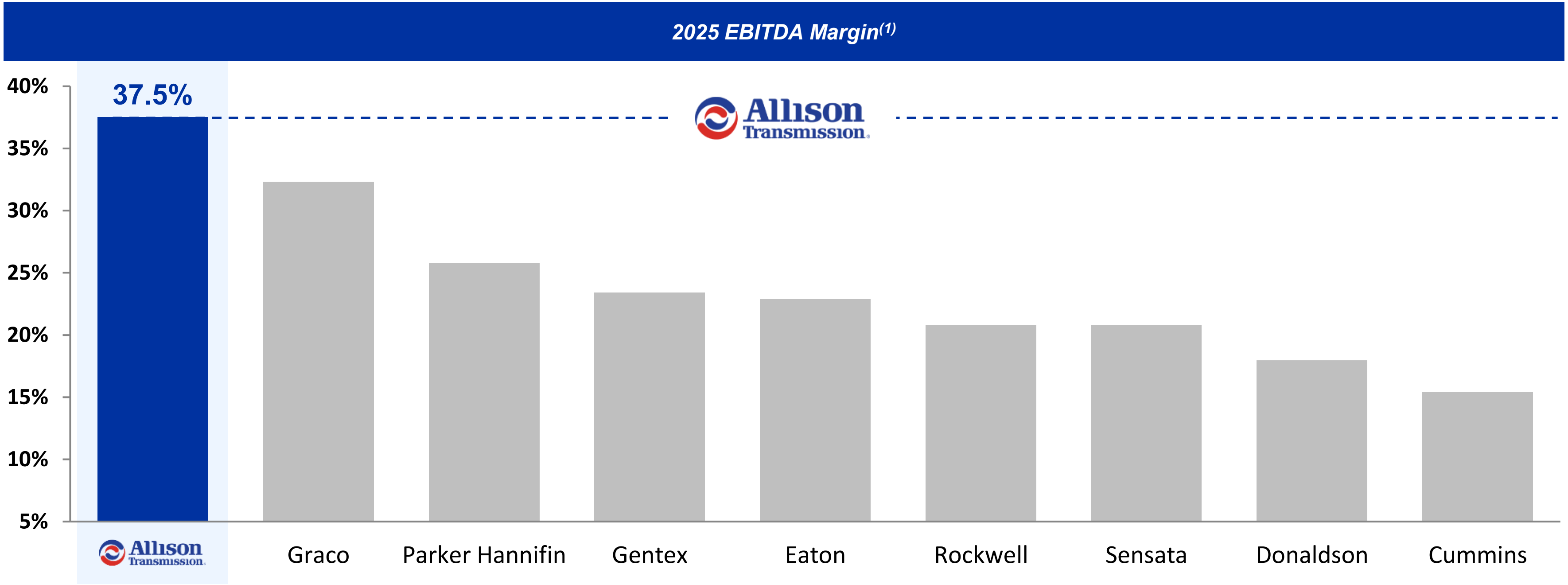
Continued focus on new technologies and product development

- Alternative fuels and hybrid propulsion
- Advanced fuel efficient and emissions-reduction technologies
- Enhancements to core technologies for new products and variants

Deliver strong financial results

- Exploit capacity availability and asset-light business model
- Earnings growth and cash flow generation
- Focus on margin sustainment
- Well-defined capital allocation priorities

Allison Transmission Elite EBITDA Margin



(1) Fiscal year 2025 peer EBITDA provided by S&P Capital IQ Pro. EBITDA included above may not be consistent with such entity's reported EBITDA or Adjusted EBITDA, if available. EBITDA margin: EBITDA or Adjusted EBITDA divided by net sales. See appendix for comments regarding the presentation of non-GAAP financial information.

Leading Technology and Innovation

1. Next Generation of Commercial Propulsion
2. Allison Transmission eGen Flex® Electric Hybrid Propulsion
3. Allison Transmission eGen Force™ Electrified Transmission

Next Generation of Commercial Propulsion

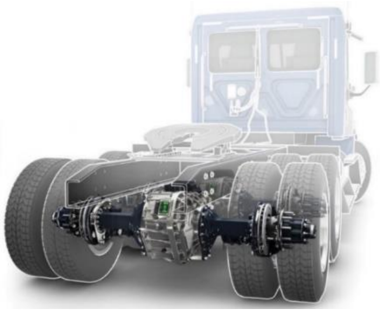
Incremental growth opportunities for an established and experienced propulsion supplier such as Allison

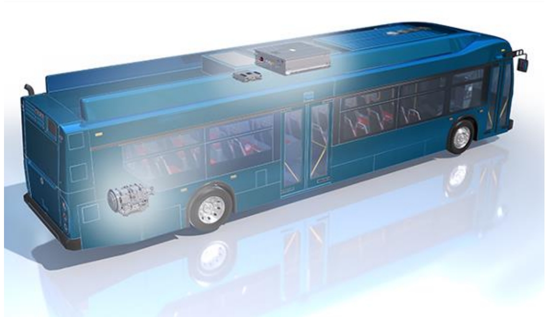
- Expertise in commercial propulsion, vehicle controls and vocational duty-cycles
- Deep experience in systems integration, battery management and power distribution
- State-of-the-art product development and testing capabilities
- Established service network
- Allison brand promise of quality, reliability and durability

Positioning Allison to advance the next generation of commercial vehicle propulsion

- Expertise in commercial propulsion, vehicle controls and vocational duty-cycles
- Deep experience in systems integration, battery management and power distribution
  - Fully-Integrated Electric Axles
  - Extended Range Electric Hybrid Propulsion
  - Systems & Battery Management
  - Transmission Integrated Generators
  - Electrification of Accessories

Portfolio of Electric Products





eGEN Power®

- Fully-integrated zero-emission electric axles for medium- and heavy-duty commercial trucks
- Content per vehicle opportunity of more than 3x compared to a fully automatic transmission

eGEN Flex®

- Next generation zero-emission capable electric hybrid propulsion system
- Enables transit bus fleets to utilize full electric capability without range limitations or infrastructure investment
- Selected by multiple transit authorities across the United States
- Released with major transit OEMs, GILLIG and New Flyer
- Content per vehicle of 10x-15x compared to a fully automatic transmission for transit buses

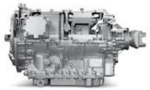
eGEN Force™

- New electric hybrid propulsion system for tracked combat vehicles
- Designed for 50-ton tracked vehicles, also scalable to 70-ton tracked vehicles meeting future Main Battle Tank requirements
- Power distribution system featuring an electric motor and inverter for on-board vehicle power and parallel hybrid operation
- Engine-off mobility for reduced enemy detection, both acoustic and thermal, increasing soldier survivability
- Leverages use of content from X1100 transmission, used in Abrams Main Battle Tank

Electric Hybrid Propulsion

eGEN Flex®

- Over $1.6 billion in sales since 2003 launch
- Allison's electric hybrid propulsion system for transit buses is among the most dependable and efficient electric hybrid systems in the world
- Demonstrated ability to operate in full engine-off mode for more than 50% of its time in operation across multiple routes
- Drive unit integrates multiple electric motors and multi-speeds to optimize vehicle performance and fuel economy
- Allison is the electrification and system integrator, controlling the entire powertrain including the engine
- Over 10,000 Allison electric hybrid propulsion systems delivered globally
  - 476 million gallons of fuel saved
  - Serving 230+ cities
  - 4.1 billion miles of reliable operation



Drive Unit

- Proven industry-leading reliability
- Disconnect clutch to enable disengaging input shaft from the engine
- Provides propulsion while the engine is at zero speed

Inverter

- Improved efficiency
- Improved packaging – one-third the size and 116 lbs. lighter
- WEG cooling – no oil-coolant lines from drive unit, reducing installation complexity and maintenance costs

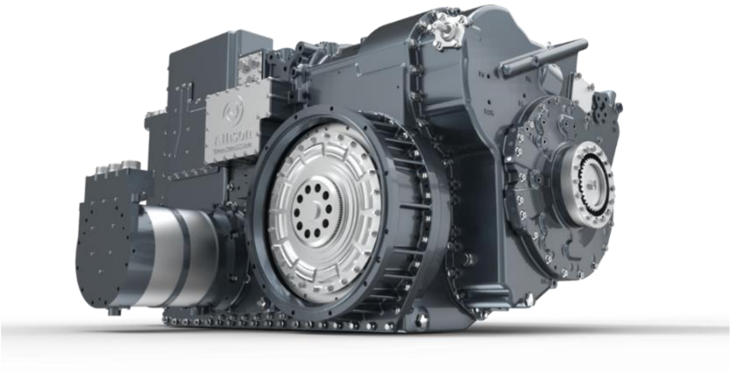
Rechargeable Energy Storage System

- Lithium Titanate (LTO) chemistry, ideal for electric hybrid operation
- Increased energy capacity
- Industry-leading battery design life
- Faster charging than other chemistries

Next-Generation Electrified Transmission

eGEN Force™

- Newest product in Allison's extensive tracked vehicle portfolio
- Will enable electric hybrid propulsion, electric-only silent maneuverability and exportable power provisions for on- and off-board systems
- High efficiency range pack utilizes eight forward and three reverse gears providing an efficient 12:1 ratio coverage, generating 220 kilowatts of electrical power



- Designed to meet requirements across a broad spectrum of applications, including the heavy Infantry Fighting Vehicle and future Main Battle Tank markets
- Allison will provide the Next-Generation Electrified Transmission propulsion system for American Rheinmetall's Lynx vehicle, competing for the U.S. Army's XM30 Combat Vehicle (formerly, the Optionally Manned Fighting Vehicle) program
  - Strategic partnership with American Rheinmetall Vehicles, and its Team Lynx consortium including Raytheon Technologies, Textron Systems and L3 Harris
- XM30 program is a U.S. Army priority ground modernization initiative that could replace nearly 4,000 Bradley Infantry Fighting Vehicles
- In June 2023, the U.S. Army down-selected from 5 to 2 OEMs, including American Rheinmetall Vehicles, to continue into the Detailed Design and Prototype Build and Testing phases
- Development of prototype vehicles began late-2024, with government testing in 2026 and estimated start of production in 2029

Premier Industrial Company

1. Global Market Leader and Premier Brand
2. End User Value Proposition
3. Leader in Commercial Propulsion
4. Diverse End Markets
5. Growth Opportunities
6. Capital Allocation and Free Cash Flow Utilization

A Recognized Leader and Respected Brand

Over 110-year history of providing high-quality innovative products and demonstrated value to end users

Proprietary and patented technology developed over many decades and over eight million global units

End users frequently request Allison Transmission products by name and pay a premium for them

The Allison Transmission brand is associated with:

- High Quality
- Reliability
- Durability
- Vocational Value and Expertise
- Technological Leadership
- Superior Customer Service
- Attractive Total Lifecycle Value

End User Value Proposition

Advantages of a fully automatic Allison transmission

Productivity (acceleration)	Maintenance Savings (life cycle costs)	Fuel Agnostic and Fuel Efficiency / Reduced Emissions	Driver Skillset / Wages
Training (time, cost)	Shift Quality	Safety	Residual Value

End users are willing to pay a premium price for Allison transmissions

Payback period for an Allison transmission averages less than 3 years

Leader in Commercial Propulsion

Allison Transmission's addressable market encompasses a broad range of vocations with complex and diverse duty-cycles

On-Highway

- Fire and Emergency
- Pick-up, Delivery and Distribution
- Construction
- Refuse
- School, Transit, Shuttle and Coach Bus
- Day Cab Tractors
- Utility
- Motorhome

Off-Highway

- Hydraulic Fracturing
- Oilfield Service and Support
- Rigid Mining Trucks
- Articulated Mining Trucks
- Underground Mining
- Construction
- Agriculture
- Specialty

Defense

- Light / Medium / Heavy Wheeled
  - US: FMTV, HEMTT, Stryker
  - Other: Jackal, Eitan, Boxer IFV, Tigon, Zetros by Arquus, EAGLE Series
- Light / Medium / Heavy Tracked
  - US: M1 Abrams
  - Other: K9, Krab, AS21 Redback, K200 KIFV, CV90 MkIV

Vocational diversity results in a complex application space that requires a range of propulsion solutions where Allison is a natural supplier

- Internal combustion engine applications
- Alternative fuel vehicles, including natural gas and propane, with proven performance advantages and a funded infrastructure
- Electric hybrid systems, including flexible hybrid, range extender and plug-in options
- Full electric solutions, including hydrogen fuel cell applications

Very Diverse End Markets

Allison

		Distribution	Emergency	Motorhome	Rugged Duty	School/Shuttle Bus	Transit
Global	On-Highway	 FedEx, ups, pepsi, Coca-Cola, PENSKE Truck Leasing, Ryder	 BAA British Airport Authority, Fire Department City of New York	 WINNEBAGO INDUSTRIES, PREVOST, MCI, TIFFIN, NEWMAR	 VEOLIA ENVIRONMENTAL SERVICES, WM WASTE MANAGEMENT, The City of New York Department of Sanitation	 First Student, BLUE BIRD, Thomas Built Buses	 MTA New York City Transit, IndyGo, M metro
Global	Off-Highway	  HALLIBURTON, Jereh, NHL, BELL Mining & Construction, Epiroc, SANY, XCMG					
Defense	Light / Medium / Heavy Wheeled and Tracked	  					
	Parts, Support Equipment & Other	Allison APPROVED FLUID™, Allison EXTENDED COVERAGE, Allison HUB™, Allison Transmission FUELSENSE 2.0, Allison AUTHORIZED™, Allison GENUINE PARTS™, Allison GENUINE REMAN™, W WALKER DIE CASTING					

Allison

Over 350 OEMs Rely on Allison Transmission

North America	On-Highway	KENWORTH, INTERNATIONAL, FREIGHTLINER, Thomas BUILT BUSES, VOLVO, Peterbilt, MACK, BLUE BIRD, OSHKOSH, HINO TRUCKS A Toyota Group Company, ISUZU, AUTOCAR
North America	Transit Bus	GILLIG, NEW FLYER, NOVABUS
North America	Off-Highway	WESTERN STAR, MACK, Peterbilt, TEREX ADVANCE, UE Manufacturing, OSHKOSH, KENWORTH, HALLIBURTON, AUTOCAR, STEWART & STEVENSON, LIBERTY, NEXTIER, FREIGHTLINER Custom Chassis
Outside North America	On-Highway	DAF, KING LONG, ASHOK LEYLAND, Mercedes-Benz, ISUZU TRUCK, RENAULT TRUCKS, KIA, MAN, TEMSA, IVECO, HYUNDAI, SCANIA, VANHOOL, Marcopolo, Otokar, AGRALE, TERBERG, TATA, HINO TRUCKS A Toyota Group Company, 中国重汽 SINOTRUK, YUTONG
Outside North America	Off-Highway	Jereh, Epiroc, VOLVO Construction Equipment, BELL, ROKBAK, SANY, बी ई एम एल beml NEW FRONTIERS. NEW DREAMS, LIUGONG, LGMG, XCMG, NHL
Defense	Light / Medium / Heavy Wheeled and Tracked	RHEINMETALL, Hanwha Defense, BAE SYSTEMS, TATA, Otokar DEFENCE, OSHKOSH DEFENSE, Mahindra DEFENCE, GENERAL DYNAMICS Land Systems, ND DEFENSE, FNSS, IDV, TEXTRON, AM General, TATA ADVANCED SYSTEMS, URO, TATRA DEFENCE VEHICLE, MACK DEFENSE

Allison Transmission Growth Opportunities

1. $300M of Incremental Annual Revenue Opportunities
2. Outside North America On-Highway Growth Strategy
3. Global Off-Highway Growth Strategy
4. North America On-Highway Growth Strategy
5. Global Defense Growth Strategy
6. Value Added On-Highway Variants & Enhancements

$300M of Incremental Annual Revenue Opportunities

Wide Body Mining Dump

- Penetration of new market for Allison's 4000 Series™ and 6000 Series™ On-Highway transmissions
- ALSN is released in all OEMs operating in the WBMD truck market
- Gaining market share in Chinese domestic market and export markets globally including India, South America, Africa and Indonesia
- **Represents $100M of incremental annual revenue opportunity**

FracTran®

- Next-generation, designed-from-the-ground-up Oil Field Series™ (OFS) transmission, purpose-built for hydraulic fracturing applications to maximize customer productivity with high reliability and powerful performance
- Dual fuel compatibility for natural gas-powered engines, increased horsepower ratings and substantially reduced idle time
- Introduced in 2021 and currently being tested in multiple oilfield fleets across the United States and Canada. Start of production began in mid-2023.
- **Represents $100M of incremental annual revenue opportunity**

Class 8 Day Cab and Regional Haul Tractor Market

- Allison 4000 Series™ transmission and 3414 Regional Haul Series™ transmission, an uprated variant of Allison's proven 3000 Series™ fully automatic transmission designed to support the higher engine and torque requirements of Distribution and Regional Haul Class 8 Day Cab tractors
- 3414 Regional Haul Series™ transmission is lighter than competitive automated manual transmissions, and provides fleets with 25% faster acceleration and up to 8% fuel economy improvement
- **Represents $100M of incremental annual revenue opportunity**

Defense End Market

- **Growth opportunity realized in 2025 with full-year revenue of $267M**
- Increased global defense spending due to shifts in geopolitical dynamics, the war in Ukraine and US DoD modernization priorities will continue to drive future growth over new baseline
- Maintain long-standing relationship with US DoD with primary opportunity in tracked vehicle programs and international growth accomplished through:
  - Expansion of sales of existing products to international allies
  - Growing relationships with global defense OEMs
  - New products and variants gaining interest globally

Total of $300M of Annual Incremental Revenue Opportunities

Outside North America On-Highway Growth Strategy

Global market leadership expansion and emerging markets penetration

- Substantial investments in the expansion of global sales presence
- Ongoing OEM release activities
- Targeted end user initiatives drive demand for the Allison brand
- Facilitates service channel build out in developing markets
- Labor availability of skilled drivers poses opportunity for further penetration of automatic transmissions

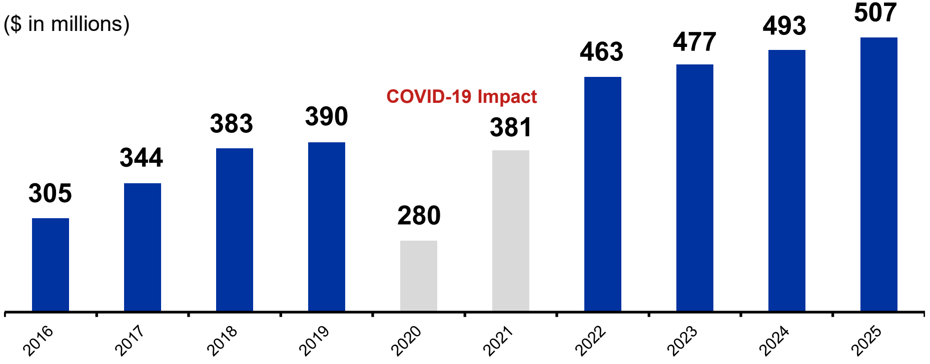
Demand drivers vary by region

- Increasing vehicle sophistication
- Stricter emissions, fuel economy and safety standards
- Growing demand for productivity improvements
- Micro and demographic trends
- Focus on reducing lifecycle costs

Focus on high value vocational vehicles

- Transit, refuse, fire & emergency, airport support, terminal tractors, dock spotters, mining and oil field support, construction, etc.
- Cost of vehicle downtime is high
- Enhanced value proposition supported by 2-3 year payback period

5 years of consecutive revenue growth pre-COVID in Outside North America On-Highway, followed by continued growth and record net sales 2022-2025



Wide Body Mining Dump Truck market represents growth opportunity of $100 million in incremental annual revenue

Allison Transmission Global Off-Highway Growth Strategy

Energy Sectors

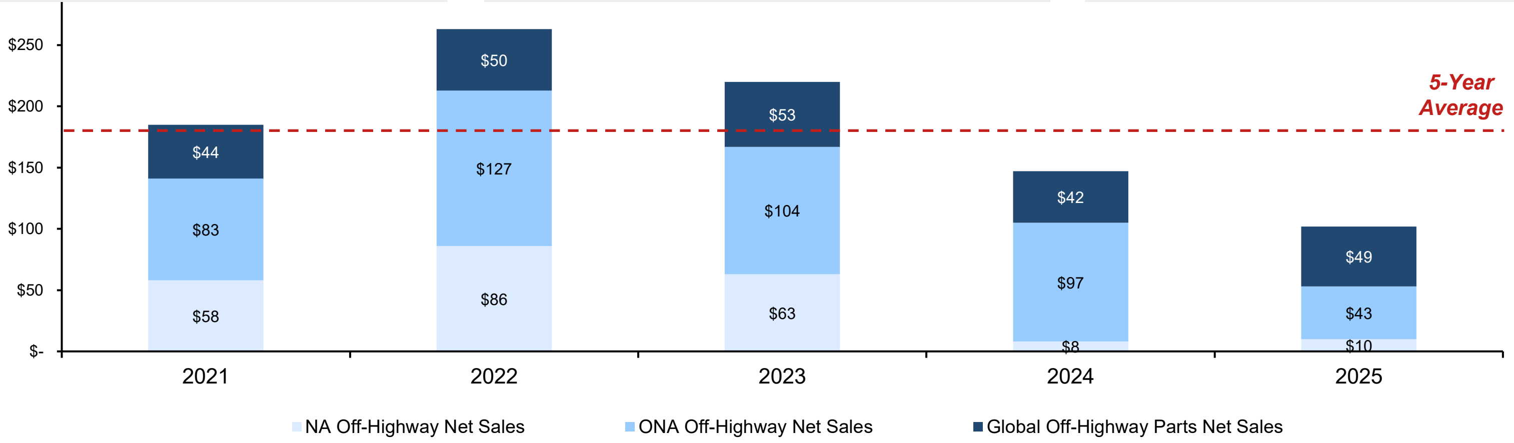
- Equipment is being utilized with aging fleets, cyclical recovery usually accelerated
- Investments for energy security driven by national security threats
- Market tightness remains with capital discipline and limited equipment availability
- Continued investments in differentiated and higher horsepower solutions

High Horsepower Hydraulic Fracturing Transmissions

- Launched FracTran®, purpose-built to meet the harsh demands of global oil and gas fields
- Addressing global market demand for higher horsepower, extended duty-cycles, lower days-to-depth, higher recovery factors and smaller footprints
- New OFS models based on six decades of industry expertise

Mining and Construction

- Commodity prices support further expansion projects and continued demand in mining
- Construction markets improving from low levels, driven by infrastructure projects and spending for data center buildout
- Global economic recovery and increasing global urbanization and sustainability initiatives, driving increased construction activity and raw material demand



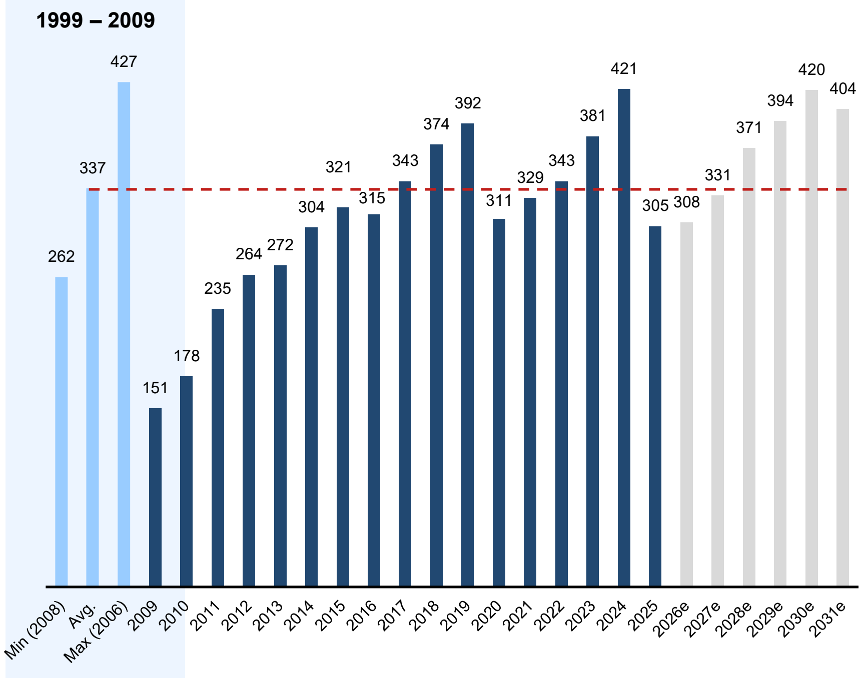
North America On-Highway Growth Strategy

- Market is showing signs of improvement although uncertainty persists around geopolitical impacts, including tariffs, and emissions regulations. Class 8 vocational truck demand driven by infrastructure spending and megaprojects. Medium-duty truck demand impacted by consumer spending and overall macroeconomic health.

- Structural growth drivers remain intact
  - Slowing demand for full-EV with OEMs increasingly interested in conventional fuel-efficiency features, such as Allison's FuelSense® 2.0 and Neutral at Stop, to comply with emissions regulations
  - Continued growth in first- and last-mile delivery sector

- Increased penetration opportunities
  - Growth opportunity of $100 million in incremental annual revenue in the Class 8 Regional Haul Day Cab market with the Allison 4000 Series™ fully automatic transmission and 3414 Regional Haul Series™ (RHS)
  - Mack MD Series line of medium-duty trucks and Isuzu F-Series Class 6/7 models, exclusive with the Allison fully automatic transmission

North America Production in Allison's Core Addressable Market (units in 000s)[(1)]



(1) Source: ACT Research, July 2026. Includes: Class 4 through 8 less Class 8 Tractor & Class 8 Straight with Sleeper. 2026: Total 495,018 less Class 8 Tractor of 184,109 less Class 8 Straight with Sleeper of 3,400.

Global Defense Growth Strategy

- Allison is committed to investing in and pursuing further opportunities resulting from increased global defense spending in a multi-year growth cycle
- Poised to capture growth through continuation of long-standing partnership with United States Department of Defense and diversifying revenue through increased international defense sales
- Opportunities for future long-term growth including eGen Force™ electric hybrid propulsion system for tracked combat vehicles. The eGen Force™ system has been selected by American Rheinmetall for their XM30 offering.

United States

- Allison provides transmissions to the US Department of Defense for all wheeled vehicles heavier than the Humvee and more than half of the armored combat vehicles used by the US Military
- Expectation of substantial growth in tracked vehicle programs including continuation of the Abrams Main Battle Tank contract
- Growth and sustainment for numerous wheeled vehicle programs

International

- Opportunities through expansion of sales of existing products
- Increased relationships with global defense OEMs
  - Growing relationship with South Korea's Hanwha Aerospace as Allison's largest defense OEM
  - Hanwha's K9 Thunder Self-Propelled Howitzer planned sales to Egypt and Poland and further global opportunity with Hanwha's new Redback Infantry Fighting Vehicle, selected for Australia's LAND 400 program
- Development of new products and product variants driving growth
  - Allison's new 3040 MX and 4040 MX medium-weight cross-drive transmissions
    - 3040 MX was selected by all OEMs currently competing for India's FICV (Future Infantry Combat Vehicle) program as well as selection in the Korkut program in Turkey and Poland's Borsuk Infantry Fighting Vehicle (IFV)
    - 4040 MX selected by BAE Systems Hägglunds for CV90 Infantry Fighting Vehicle programs with $250M contract
- Allison's X1100 variant developed for the Turkish Firtina Self-Propelled Howitzer program

Value Added On-Highway Variants & Enhancements

FuelSense® 2.0

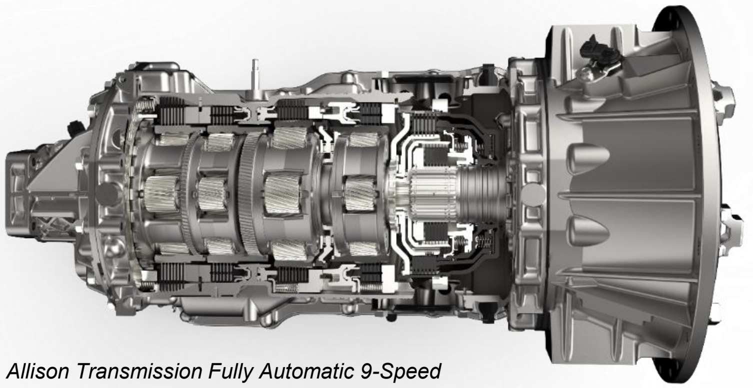
- Proprietary software ideally suited for shift-dense vocations such as transit, school bus, refuse, construction and distribution
- DynActive® Shifting utilizes learning algorithm to continuously find the ideal balance of fuel economy and performance
- Neutral at Stop trims fuel consumption and emissions by reducing load on the engine when the vehicle is stopped
- Acceleration Rate Management limits vehicle acceleration to a customized calibrated rate

9-Speed Transmission

- New design leverages the proven reliability of the Allison six-speed 2000 Series™
- New benchmark in fuel efficiency and reduced emissions standards
- Significant fuel savings due to deep first gear ratio, industry leading ratio coverage and advanced engine stop-start capability
- Improved driver comfort and acceleration, allowing for a smoother launch and increased productivity

xFE Models

- New transmissions with redesigned torque converter damper, optimized gear ratios and coupled with FuelSense® Max packages
- Represents the latest in fuel savings innovation
  - Fuel savings of up to 7% over comparatively equipped models with FuelSense® features
  - Best fuel economy from an automatic transmission
- Available in the 1000, 2000 and 3000 Series™ fully automatic transmission models



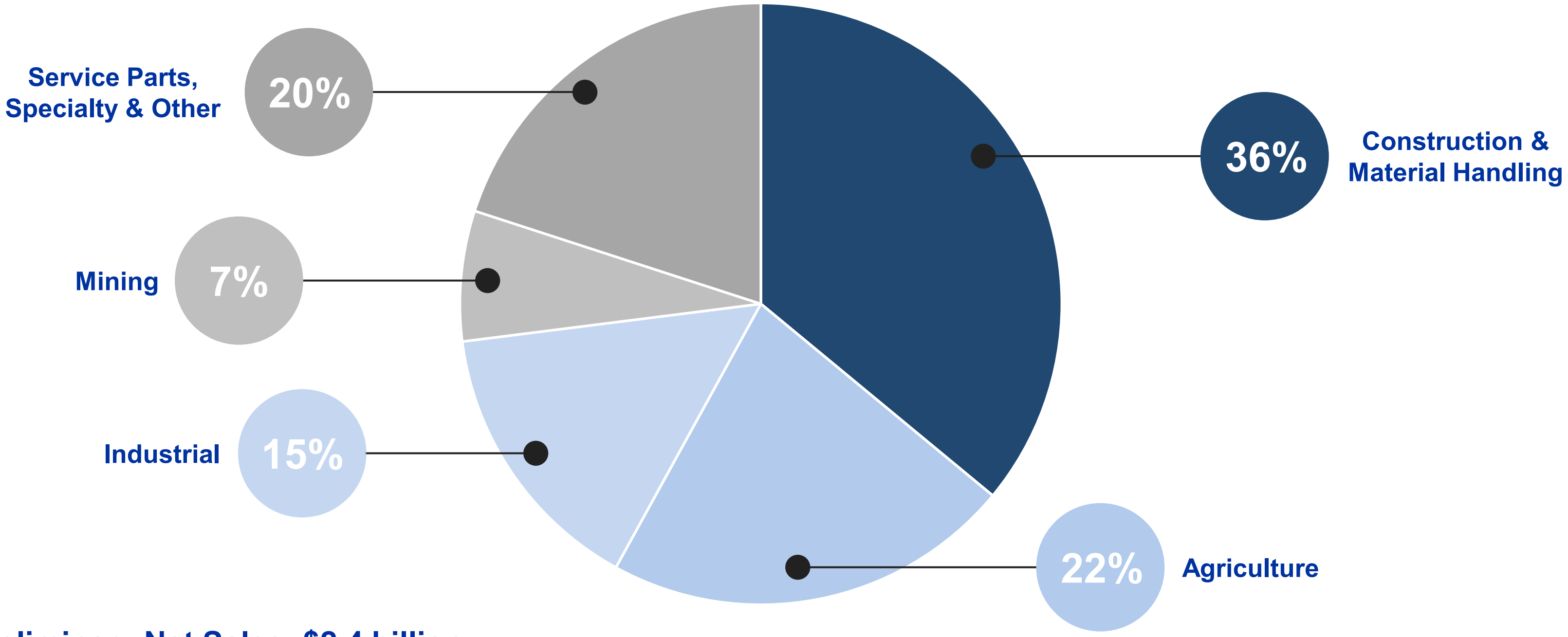
Allison Transmission Fully Automatic 9-Speed

Allison Off-Highway

Business Unit Overview

Allison Off-Highway Revenue by End Market

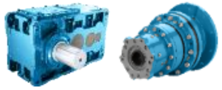
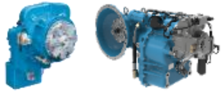
2025 Net Sales by End Market



2025 Preliminary Net Sales: $2.4 billion

Q2 2026 Net Sales Performance – Allison Off-Highway

($ in millions)

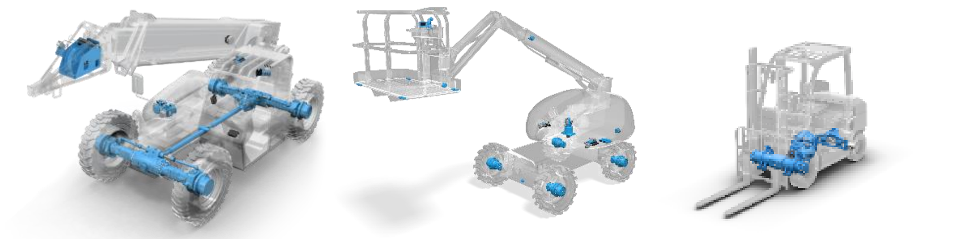
End Markets		Q2 2026	Commentary
	**Construction & Material Handling**	**$249**	Global construction markets seeing steadier investments, while rate-sensitive residential segments lag. European construction activity is showing signs of strength, althought the potential impacts of the conflict in the Middle East remain uncertain. Americas construction weak due to lower telehandler production. Warehousing and e-commerce activities driving demand for fork trucks.
	**Agriculture**	**$152**	Commodity prices remain low, and the potential effects of the conflict in the Middle East are still uncertain. High-horsepower equipment demand is soft, with farm margins playing a critical role in purchase decisions. Meanwhile, low-horsepower segments continue to grow in India.
	**Industrial**	**$99**	Large machine projects, industrial output and manufacturing health driven by interest rate environment.
	**Mining**	**$54**	Mineral prices, including key commodities such as gold, copper and rare-earth minerals remain elevated globally, driving demand for equipment.
	**Service Parts, Specialty & Other**	**$152**	Increased fleet ages across multiple sectors impacting global parts outlook.
	Total	**$706**	

Allison Off-Highway – Construction & Material Handling

36%

Representative Applications

Telehandlers, Lifts (Boom / Scissor / Fork), Excavators and Wheel Loaders

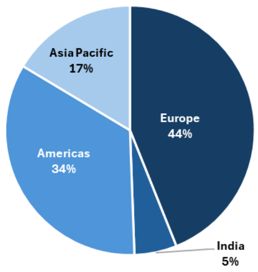


Leading Indicators

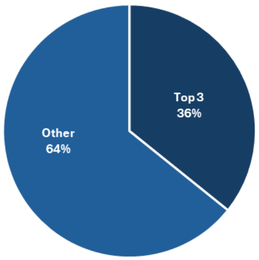
- Infrastructure budgets
- Housing starts
- Purchasing Managers' Index
- Rental fleet utilization
- Industrial production index
- E-Commerce logistics growth
- Warehouse CapEx
- Commentary from public OEM customers

2025 Sales Breakdown(1)

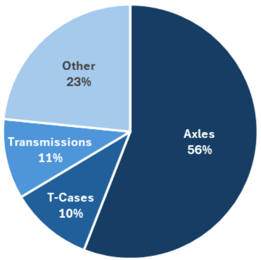
Geography(2)



Customers



Product Breakdown



Market Outlook

Global construction markets seeing steadier investments, while rate-sensitive residential segments lag. European construction showing signs of strength but to be determined impacts from conflict in Middle East. Americas construction weak due to lower telehandler production. Warehousing and e-commerce activities driving demand for fork trucks

% of 2025 Total Sales

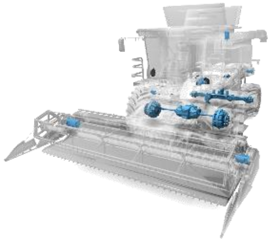
(1) *% of preliminary 2025 revenue*
(2) *Based on ship-to location*

Allison Off-Highway – Agriculture

22%

Representative Applications

Combines and Tractors

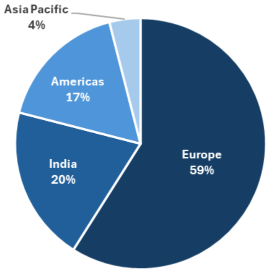


Leading Indicators

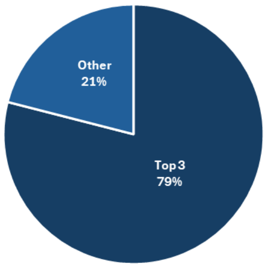
- Commodity prices, particularly corn, wheat and soybean
- CEMA Business Barometer
- Purchasing Managers' Index
- Farmer income
- Commentary from public OEM customers

2025 Sales Breakdown[1]

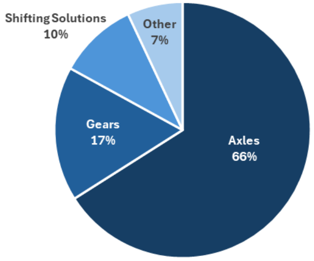
Geography[2]



Customers



Product Breakdown



Market Outlook

Commodity prices remain low, although impacts from Middle East conflict to be seen. High-horsepower slower with margins at farms important for new equipment purchases. Growth in low-horsepower in India.

(1) *% of preliminary 2025 revenue*
(2) *Based on ship-to location*

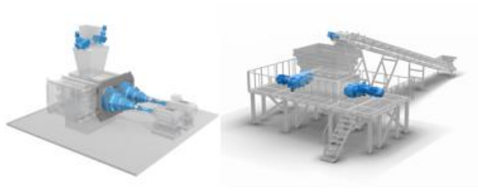
% of 2025 Total Sales

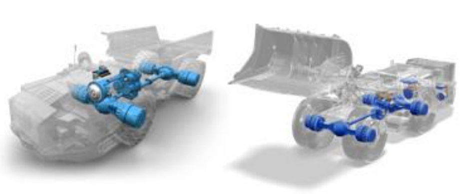
Allison Off-Highway – Industrial and Mining

15% Industrial
7% Mining

Representative Applications

Roller Presser and Shredder	Mining Truck and Load Haul Dumper
Industrial	*Mining*





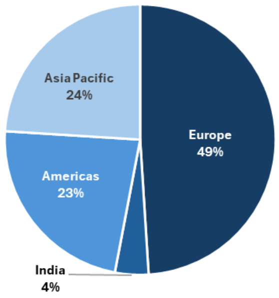
Leading Indicators

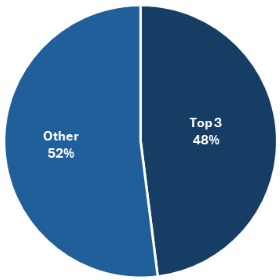
Industrial
- Manufacturing PMI
- Industrial output
- Energy project pipelines

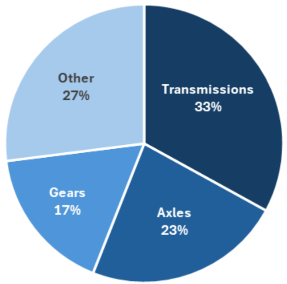
Mining
- Commodity prices, particularly precious metals and rare-earth metals
- Mining CapEx
- Commentary from public OEM customers

2025A Sales Breakdown(1)

Geography(2)	Customers	Product Breakdown







Market Outlook

Industrial
Large machine projects, industrial output and manufacturing health aided by favorable interest rate environment

Mining
Mineral prices, including key commodities such as gold, copper and rare-earth minerals elevated globally, driving demand for equipment

(1) *% of preliminary 2025 revenue. Mining end market only. Industrial end market is fragmented and project-based with many customers, majority in Europe.*
(2) *Based on ship-to location*

% of 2025 Total Sales

Allison Consolidated

Financial Overview

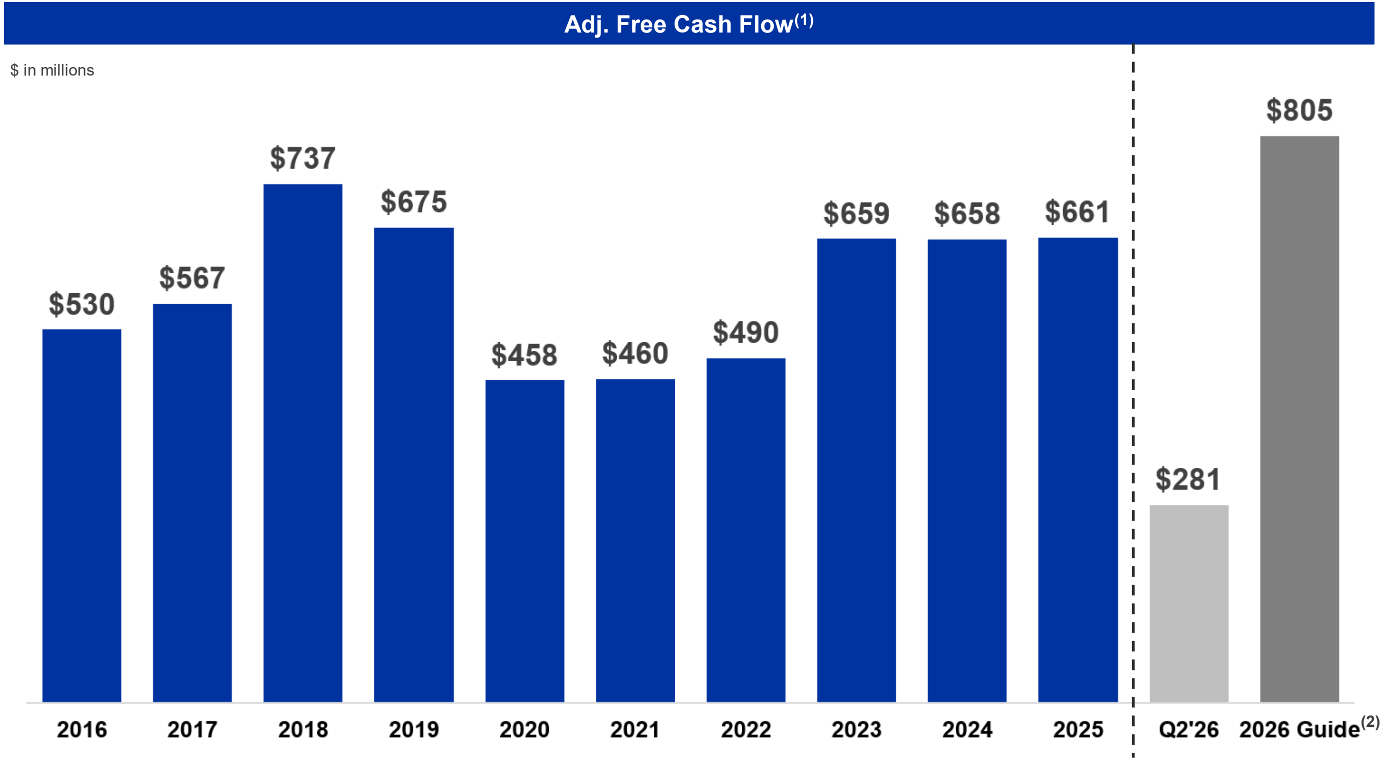
Capital Allocation & Free Cash Flow Utilization

1 Significant Cash Flow Generation

2 Capital Allocation Priorities

3 Free Cash Flow Utilization

Significant Cash Flow Generation

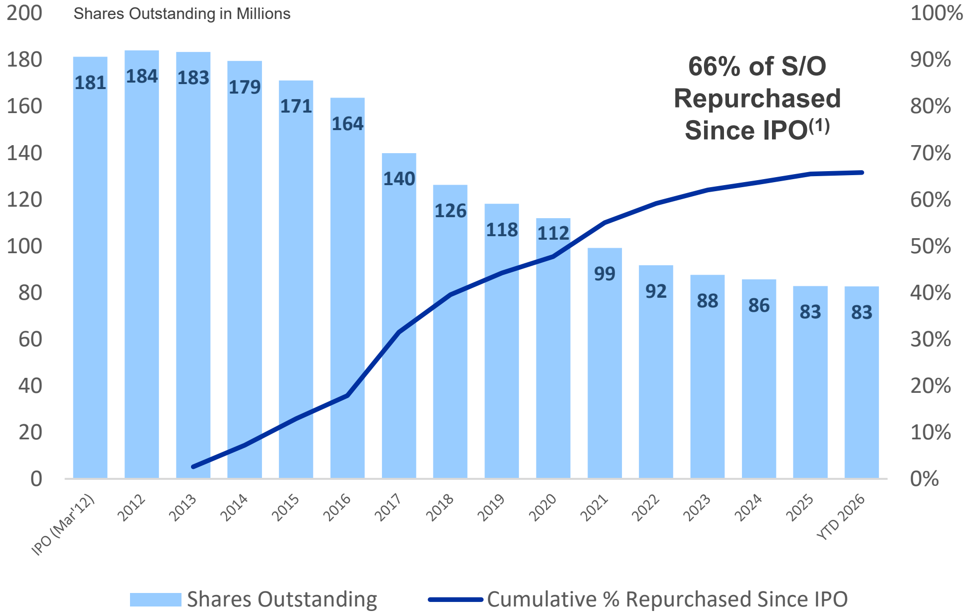


(1) See appendix for a reconciliation of Adjusted Free Cash Flow
(2) Midpoint of Guidance range $745 million to $865 million. Includes approximately $85 million of one-time cash outlays associated with the acquisition of the Allison Off-Highway business unit
Note: 2016-2025 Adj. FCF for Allison Transmission business unit only. Q2'26 and 2026 Guide includes addition of Allison Off-Highway business unit

Capital Allocation Priorities

- Organic revenue and earnings growth
- New product and technology development
- Strategic acquisition opportunities
- Debt reduction to meet near-term leverage targets
- Return of capital to shareholders
- Prudent balance sheet management
- Low-cost, flexible and pre-payable debt structure with long dated maturities
- As of 6/30/26, 66% of shares outstanding repurchased since IPO with $1.1B of share repurchase authorization remaining
- Increased quarterly dividend by over 90% in the last 7 years

Share Repurchase History



(1) Repurchased ~119M shares outstanding as of 6/30/26

Allison Financial Highlights

- Solid operating margins
  - Diverse end markets
  - Premium vocational pricing model
  - Cost controls and productivity improvements
- Low recurring (maintenance) capital expenditure requirements
- Positioned for long-term cash earnings growth
  - Multiple growth opportunities in asset-light business model
- Strong free cash flow

Q2 2026 Financial Metrics(1)

$ in millions, except per share data

Net Sales	$1,566
Adj. EBITDA*	$404
Adj. EBITDA Margin*	25.8%
Adj. FCF*	$281
Adj. Diluted EPS*	$2.73

(1) Q2’26 includes addition of Allison Off-Highway business unit
*See Appendix for the reconciliation for non-GAAP financial measures

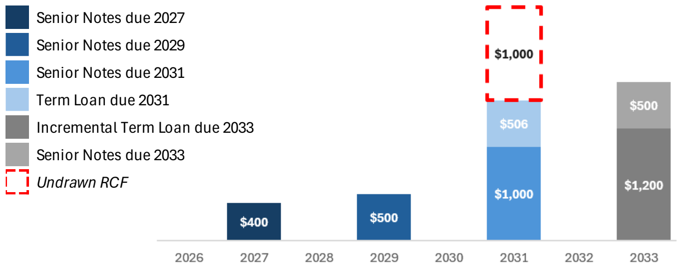
Strong Liquidity Profile

- Cash and Available Borrowing Capacity of $1.4 billion as of June 30, 2026
  - — $399 million of cash and cash equivalents
  - — $995 million of available revolving credit facility commitments
- History of robust free cash flow generation
- Staggered, flexible, long-dated and covenant light debt structure with the earliest maturity due in October 2027
- Financial Covenants point to First Lien Net Leverage Ratio
  - — Maximum threshold of 5.5x First Lien Net Leverage ratio (Net First Lien Debt to LTM Adj. EBITDA)
- Net Leverage ratio of less than 3.0x as of June 30, 2026, based on pro forma LTM Adjusted EBITDA including addition of the Allison Off-Highway business unit
- Capital Allocation
  - — Progress toward leverage target with repayment of $300 million on revolving credit facility YTD in 2026, reducing all amounts outstanding
  - — Increased quarterly dividend to $0.29 per share in Q1 2026, the seventh consecutive year of dividend increases
  - — Repurchased $46 million of outstanding shares in the second quarter of 2026, with 66% of outstanding shares repurchased since IPO in 2012

Long-Term Debt Profile & Credit Statistics

(in millions)	6/30/2026
Cash and cash equilvalents	$399
Revolving Credit Facility due Jan 2031	$0
Term Loan due Mar 2031	$506
Incremental Term Loan due Jan 2033	$1,197
Total First Lien Debt	$1,703
Senior Notes due Oct 2027 (Fixed 4.75%)	$400
Senior Notes due Jun 2029 (Fixed 5.875%)	$500
Senior Notes due Jan 2031 (Fixed 3.75%)	$1,000
Senior Notes due Dec 2033 (Fixed 5.875%)	$500
Finance Lease Liabilities	$37
Total Debt	$4,140
Net Debt	$3,741
First Lien Net Debt	$1,304

Current Debt Maturity Profile



Summary

Allison is the global leader in the markets it serves	Strong financial position	Substantial growth opportunities
• Premier brands across Allison Transmission and Allison Off-Highway business units • Global leader in high-performance mobility and work solutions built for the needs of the modern industrial world • Over 100-year operating history	• Elite EBITDA margin • Asset-light business model • Significant free cash flow generation • Returning capital to shareholders	• Expand global leadership • Penetrate emerging markets • Address underserved markets • Continuous product innovation

Guidance and Supplemental Financial Information

Full Year 2026 Guidance Update

($ in millions)

	Prior Guide (May 4, 2026)	Updated Guide (August 3, 2026)
Net Sales	**$5,575 to $5,925** *$5,750 Midpoint*	**$5,800 to $6,000** *$5,900 Midpoint*
Net Income*	**$600 to $750** *$675 Midpoint*	**$600 to $700** *$650 Midpoint*
Adjusted EBITDA**	**$1,365 to $1,515** *$1,440 Midpoint*	**$1,465 to $1,575** *$1,520 Midpoint*
Net Cash Provided by Operating Activities	**$970 to $1,100** *$1,035 Midpoint*	**$1,025 to $1,125** *$1,075 Midpoint*
Capital Expenditures	**$295 to $315** *$305 Midpoint*	**$260 to $280** *$270 Midpoint*
Adjusted Free Cash Flow**	**$655 to $805** *$730 Midpoint*	**$745 to $865** *$805 Midpoint*

*Subject to the completion of purchase price accounting associated with the acquisition of the Allison Off-Highway business unit. Net Income guidance includes additional non-cash cost associated with the Allison Off-Highway acquisition.
**See Appendix for the Guidance Reconciliation

Historical Financial Summary

Financial Summary

In $ millions	Annual									YTD(1)
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net Sales	$2,262	$2,713	$2,698	$2,081	$2,402	$2,769	$3,035	$3,225	$3,010	$2,972
% Growth	22.9%	19.9%	(0.6%)	(22.9%)	15.4%	15.3%	9.6%	6.3%	(6.7%)	-
Adj. EBITDA	868	1,128	1,083	732	844	961	1,108	1,165	1,130	766
% of Net Sales	38.4%	41.6%	40.1%	35.2%	35.1%	34.7%	36.5%	36.1%	37.5%	25.8%
Total CapEx	91	100	172	115	175	167	125	143	175	84
% of Net Sales	4.0%	3.7%	6.4%	5.5%	7.3%	6.0%	4.1%	4.4%	5.8%	2.8%
Adj. Free Cash Flow	567	737	675	458	460	490	659	658	661	384
% of Net Sales	25.1%	27.2%	25.0%	22.0%	19.2%	17.7%	21.7%	20.4%	22.0%	12.9%

Note 1: See appendix for comments regarding the presentation of non-GAAP financial information.
Note 2: YTD 2026 includes the addition of the Allison Off-Highway business unit. All other time periods shown reflect only the legacy Allison Transmission business unit.
(1) YTD through 6/30/2025

Allison Quarterly Net Sales Summary

Quarterly Net Sales by End Market

	2019					2020					2021				
Net Sales - Allison Transmission	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
NA On-Highway	$377	$398	$369	$330	$1,474	$352	$164	$281	$284	$1,081	$319	$302	$275	$281	$1,177
ONA On-Highway	$94	$106	$99	$91	$390	$72	$60	$71	$77	$280	$84	$98	$93	$106	$381
Global Off-Highway	$41	$49	$30	$19	$139	$35	$22	$5	$12	$74	$18	$27	$34	$62	$141
Defense	$32	$37	$40	$42	$151	$40	$42	$56	$44	$182	$45	$48	$39	$54	$186
Parts, Support Equipment & Other	$131	$147	$131	$135	$544	$138	$89	$119	$118	$464	$122	$128	$126	$141	$517
Total Net Sales	**$675**	**$737**	**$669**	**$617**	**$2,698**	**$637**	**$377**	**$532**	**$535**	**$2,081**	**$588**	**$603**	**$567**	**$644**	**$2,402**

	2022					2023					2024				
Net Sales - Allison Transmission	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
NA On-Highway	$346	$340	$340	$333	$1,359	$376	$397	$376	$380	$1,529	$420	$456	$457	$419	$1,752
ONA On-Highway	$109	$105	$118	$131	$463	$108	$123	$118	$128	$477	$115	$128	$126	$124	$493
Global Off-Highway	$48	$52	$60	$53	$213	$47	$49	$28	$43	$167	$46	$23	$20	$16	$105
Defense	$35	$29	$35	$47	$146	$27	$33	$43	$63	$166	$48	$43	$53	$68	$212
Parts, Support Equipment & Other	$139	$138	$157	$154	$588	$183	$181	$171	$161	$696	$160	$166	$168	$169	$663
Total Net Sales	**$677**	**$664**	**$710**	**$718**	**$2,769**	**$741**	**$783**	**$736**	**$775**	**$3,035**	**$789**	**$816**	**$824**	**$796**	**$3,225**

	2025					2026	
Net Sales - Allison Transmission	Q1	Q2	Q3	Q4	Total	Q1	Q2
NA On-Highway	$435	$417	$327	$361	$1,540	$375	$430
ONA On-Highway	$112	$142	$122	$131	$507	$110	$132
Global Off-Highway	$18	$16	$7	$12	$53	$8	$22
Defense	$53	$63	$78	$73	$267	$87	$99
Parts, Support Equipment & Other	$148	$176	$159	$160	$643	$153	$177
Total Net Sales	**$766**	**$814**	**$693**	**$737**	**$3,010**	**$733**	**$860**

	2025					2026	
Net Sales - Allison Off-Highway	Q1	Q2	Q3	Q4	Total	Q1	Q2
Construction & Material Handling	-	-	-	-	-	$227	$249
Agriculture	-	-	-	-	-	$154	$152
Industrial	-	-	-	-	-	$90	$99
Mining	-	-	-	-	-	$50	$54
Service Parts, Specialty and Other	-	-	-	-	-	$152	$152
Total Net Sales	-	-	-	-	-	**$673**	**$706**
Total Allison	-	-	-	-	-	**$1,406**	**$1,566**

Appendix

Non-GAAP Financial Information

Non-GAAP Financial Information

We use adjusted earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and adjusted EBITDA as a percent of net sales (“adjusted EBITDA margin”) to measure our operating profitability. We believe that adjusted EBITDA and adjusted EBITDA margin provide management, investors and creditors with useful measures of the operational results of our business and increase the period-to-period comparability of our operating profitability. Adjusted EBITDA margin is also used in the calculation of management’s incentive compensation program. The most directly comparable GAAP measure to adjusted EBITDA and adjusted EBITDA margin is net income or segment operating profit (loss) in the case of our segments and net income as a percent of net sales (“net income margin”) or segment operating profit (loss) as a percent of net sales in the case of our segments, respectively. Adjusted EBITDA is calculated as earnings before interest expense, net, income tax expense, amortization of intangible assets, depreciation of property, plant and equipment and other adjustments as defined by the Second Amended and Restated Credit Agreement dated as of March 29, 2019, as amended, governing Allison Transmission, Inc.’s term loans and revolving credit facility. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by net sales.

In addition, we believe adjusted net income, adjusted basic earnings per share attributable to common stockholders (“adjusted basic EPS”) and adjusted diluted earnings per share attributable to common stockholders (“adjusted diluted EPS") provide management, investors and creditors with useful measures of our core business performance and trends and increase the period-to-period comparability of our results of operations. The most directly comparable GAAP measure to adjusted net income, adjusted basic EPS and adjusted diluted EPS is net income, basic earnings per share attributable to common stockholders (“basic EPS”) and diluted earnings per share attributable to common stockholders (“diluted EPS"), respectively. Adjusted net income is calculated as net income excluding the effect of certain non-cash, non-recurring, infrequent or unusual items such as: amortization related to acquired intangible assets, depreciation of the stepped-up basis in property, plant and equipment related to acquired assets, stepped-up basis in acquired inventory, stock-based compensation expense, acquisition-related expenses, impairment charges, other one-off adjustments and the tax effect of the adjustments. Adjusted basic EPS is calculated by dividing adjusted net income by the weighted average shares of common stock outstanding and adjusted diluted EPS is calculated by dividing adjusted net income by the diluted weighted average shares of common stock outstanding.

We use adjusted free cash flow to evaluate the amount of cash generated by our business that, after the capital investment needed to maintain and grow our business and certain mandatory debt service requirements, can be used for repayment of debt, stockholder distributions and strategic opportunities, including investing in our business. We believe that adjusted free cash flow enhances the understanding of the cash flows of our business for management, investors and creditors. Adjusted free cash flow is also used in the calculation of management’s incentive compensation program. The most directly comparable GAAP measure to adjusted free cash flow is net cash provided by operating activities. Adjusted free cash flow is calculated as net cash provided by operating activities after cash used for additions of long-lived assets.

Adjusted EBITDA Reconciliation

$ in millions, Unaudited	For the year ended December 31,					Three months ended June 30,	
	2021	**2022**	**2023**	**2024**	**2025**	**2025**	**2026**
Net income (GAAP)	**$442**	**$531**	**$673**	**$731**	**$623**	**$195**	**$181**
plus:							
Interest expense, net	116	118	107	89	92	22	54
Income tax expense	130	114	154	166	181	47	47
Depreciation of property, plant and equipment	104	109	109	111	117	29	46
Amortization of intangible assets	46	46	45	10	7	1	21
Depreciation related to stepped-up basis in assets	—	—	—	—	—	—	18
Unrealized (gain) loss on marketable securities	(4)	22	1	9	(12)	(5)	12
Acquisition-related expenses	—	—	—	—	64	15	9
Stock-based compensation expense	14	18	22	26	27	8	10
Loss associated with impairment of long-lived assets	—	—	—	1	29	—	2
UAW Local 933 contract signing incentives	—	—	—	14	—	—	—
Pension plan settlement loss	—	—	—	4	—	—	—
Other	(4)	3	(3)	4	2	1	4
Adjusted EBITDA (Non-GAAP)	**$844**	**$961**	**$1,108**	**$1,165**	**$1,130**	**$313**	**$404**
Net sales (GAAP)	**$2,402**	**$2,769**	**$3,035**	**$3,225**	**$3,010**	**$814**	**$1,566**
Net income as a percent of Net sales (GAAP)	**18.4%**	**19.2%**	**22.2%**	**22.7%**	**20.7%**	**24.0%**	**11.6%**
Adjusted EBITDA as a percent of Net sales (Non-GAAP)	**35.1%**	**34.7%**	**36.5%**	**36.1%**	**37.5%**	**38.5%**	**25.8%**

Three months ended June 30, 2026 includes the addition of the Allison Off-Highway business unit. All other time periods shown reflect only the legacy Allison Transmission business unit.

Non-GAAP Reconciliations (2 of 5)

Segment Adjusted EBITDA Reconciliation

($ in millions)

	Allison Transmission	Allison Off-Highway	Central Group Function	Consolidated	
	Three months ended June 30,	Three months ended June 30,	Three months ended June 30,	Three months ended June 30,	
	2026	2026	2026	2026	2025
Segment Operating Profit/(Loss) (GAAP)	**$ 281**	**$ 47**	**$ (37)**	**$ 291**	**$ 256**
plus:					
Depreciation of property, plant and equipment	31	15	-	46	29
Amortization expense	-	21	-	21	1
Acquisition-related expenses	-	-	9	9	15
Depreciation of the stepped up basis in property, plant and equipment	-	18	-	18	-
Stock-based compensation expense	-	-	10	10	8
Loss associated with the impariment of long-lived assets	2	-	-	2	-
Other	4	3	-	7	4
Adjusted EBITDA (Non-GAAP)	**$ 318**	**$ 104**	**$ (18)**	**$ 404**	**$ 313**
Net sales (GAAP)	$ 860	$ 706	$ -	$ 1,566	$ 814
Segment Operating Profit/(Loss) as a percent of Net sales (GAAP)	32.7%	6.7%	-	18.6%	31.4%
Adjusted EBITDA as a percent of Net sales (Non-GAAP)	**37.0%**	**14.7%**	**-**	**25.8%**	**38.5%**

Non-GAAP Reconciliations (3 of 5)

Adjusted Net Income and Earnings Per Share Reconciliation

$ in millions	Three months ended June 30, 2026	Three months ended June 30, 2025
Net income (GAAP)	**$ 181**	**$ 195**
plus:		
Amortization expense	21	1
Depreciation of the stepped up basis in property, plant and equipment	18	-
Acquisition-related expenses	9	15
Stock-based compensation expense	10	8
Loss associated with impairment of long-lived assets	2	-
Income tax effect on adjustments	(12)	(5)
Adjusted net income (Non-GAAP)	**$ 229**	**$ 214**
Basic EPS (GAAP)	$ 2.18	$ 2.32
Diluted EPS (GAAP)	**$ 2.15**	**$ 2.29**
Adjusted basic EPS (Non-GAAP)	$ 2.76	$ 2.55
Adjusted diluted EPS (Non-GAAP)	**$ 2.73**	**$ 2.52**

Three months ended June 30, 2026 includes the addition of the Allison Off-Highway business unit.

Non-GAAP Reconciliations (4 of 5)

Adjusted Free Cash Flow Reconciliation

$ in millions, Unaudited	For the year ended December 31,					Three months ended June 30,	
	2021	**2022**	**2023**	**2024**	**2025**	**2025**	**2026**
Net cash provided by operating activities (GAAP)	**$635**	**$657**	**$784**	**$801**	**$836**	**$184**	**$312**
(Deductions)							
Long-lived assets	(175)	(167)	(125)	(143)	(175)	(31)	(31)
Adjusted free cash flow (Non-GAAP)	**$460**	**$490**	**$659**	**$658**	**$661**	**$153**	**$281**

Three months ended June 30, 2026 includes the addition of the Allison Off-Highway business unit. All other time periods shown reflect only the legacy Allison Transmission business unit.

Non-GAAP Reconciliations (5 of 5)

Guidance Reconciliation

$ in millions	Guidance Year Ending December 31, 2026	
	Low	High
Net income (GAAP)	**$ 600**	**$ 700**
plus:		
Income tax expense	135	185
Depreciation of property, plant and equipment	255	245
Interest expense, net	220	210
Amortization of intangible assets	80	80
Recognition of the stepped-up basis in inventory	75	75
Acquisition-related expenses	45	35
Stock-based compensation expense	30	30
Unrealized gain on marketable securities	(10)	(10)
Restructuring & One-Time expenses	30	20
Other	5	5
Adjusted EBITDA (Non-GAAP)	**$ 1,465**	**$ 1,575**
Net cash provided by Operating activities (GAAP)	**$ 1,025**	**$ 1,125**
Deductions to reconcile to Adjusted free cash flow:		
Additions of long-lived assets	$ (280)	$ (260)
Adjusted free cash flow (Non-GAAP)	**$ 745**	**$ 865**

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