Q2 2026 Earnings Release

August 3, 2026

Dave Graziosi – Chair, President & CEO
Scott Mell – CFO & Treasurer
Fred Bohley – COO & Allison Transmission President
Craig Price – Allison Off-Highway President

Safe Harbor Statement

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.

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.

Call Agenda

- Q2 Business Update
- Q2 Business Units Net Sales Performance & Strategy Update
- Synergy Capture
- Q2 Financial Performance
- 2026 Guidance Update

Q2 2026 Allison Business Update

($ in millions, variance % from Q2 2025)

Allison in Action

- **Content-rich platform highlighting the value we provide to our customers, the trust they place in Allison products and the measurable impact our solutions offer across a broad range of industries and markets**
- **Site brings together compelling customer stories from around the world, showcasing in-depth testimonials, engaging multimedia content, product achievements and real-world business outcomes that demonstrate the value Allison delivers every day**
- **Supplemental to corporate press releases, providing investors, customers, partners and other stakeholders greater visibility into the global momentum that continues to drive our long-term growth**

Allison in Action Site: ***allisontransmission.com/action***
Allison in Action Email Alert: ***ir.allisontransmission.com/investor-resources/email-alerts***

Q2 2026 End Market Performance

Net Sales

$1,566
+92%

Year-over-year increase driven by addition of the Allison Off-Highway business unit and 6 percent increase in the Allison Transmission business unit

Recent Announcements – Programs Supporting Defense Growth

Zetros by Arquus 6x6 Tactical Truck

- French Land Forces PL6T modernization program awarded to Zetros by Arquus tactical truck
- **Allison 4500 Specialty Series™ fully automatic transmission will be standard offering in truck**
- PL6T program will produce and deliver 7,000 trucks over a period of more than 10 years with deliveries beginning in 2027

BAE Hägglunds CV90 MkIV Infantry Fighting Vehicle

- $250M contract with BAE Hägglunds to supply Allison 4040 MX™ cross-drive transmissions for CV90 MkIV program with option for additional units valued at $50M with deliveries beginning in 2028
- **Inaugural production platform for 4040 MX™ transmission and largest tracked defense order in Allison history**

EAGLE V 6x6 Medium Armored Ambulance Vehicle

- Order with General Dynamics European Land Systems (GDELS) for approximately 3,000 EAGLE V armored vehicles (contract includes option for up to 2,000 additional vehicles) with deliveries beginning in 2027
- **Allison 2500 Specialty Series™ fully automatic transmission is exclusive option for all EAGLE variants**

Business Unit End Market Commentary

Allison Transmission

- Record quarterly revenue of $860 million, up 6% year-over-year
- Continued strength in Defense end market, with second quarter revenue up 57% year-over-year to $99 million
- Expect sequential improvement in North America On-Highway end market in 2H’26, primarily driven by medium-duty and Class 8 vocational trucks

Allison Off-Highway

- Quarterly revenue of $706 million with all end markets up year-over-year, except Agriculture end market which has yet to inflect positively, particularly in the Americas region
- Year-over-year improvement in Europe for Construction & Material Handling end market, while the Americas region remains soft for construction
- Continued strength in Mining end market driven by elevated commodity prices
- Achieved notable program wins in 1H’26 representing over $50 million of annual run-rate net new business across Construction & Material Handling, Mining and Agriculture end markets

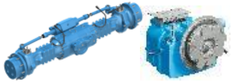
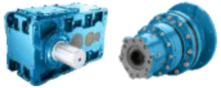
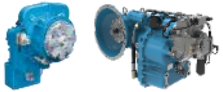
Q2 2026 Net Sales Performance – Allison Transmission

($ 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%	

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 Acquisition – Synergy Capture

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

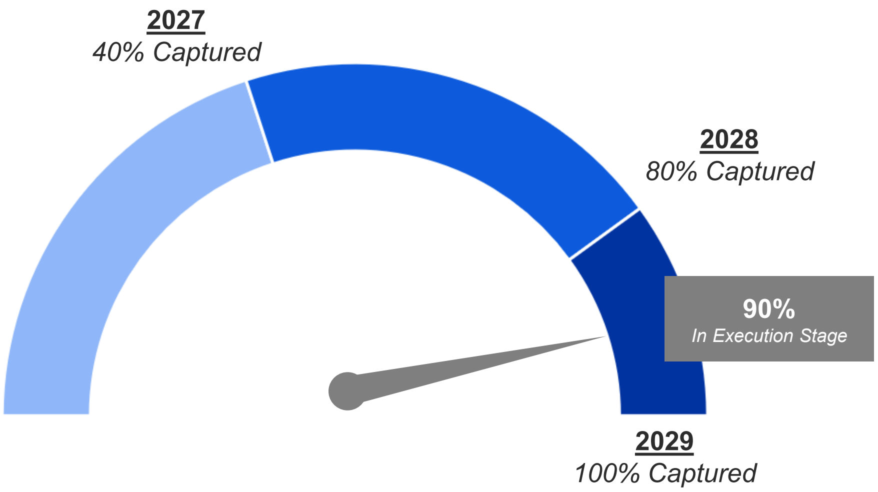
20%

SG&A / People

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

20%

Synergy Realization Progress & Timing



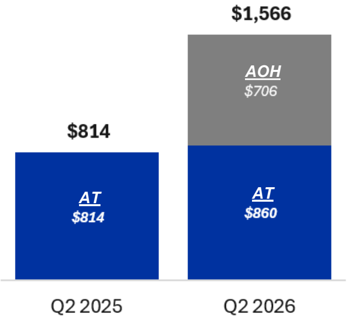
- Expectation of annual run-rate synergies of ~$48M by end of 2027
- 90% of identified $120M annual run-rate synergies currently in-flight with resource planning completed and capital appropriated

Q2 2026 Allison Consolidated Financial Performance

Allison

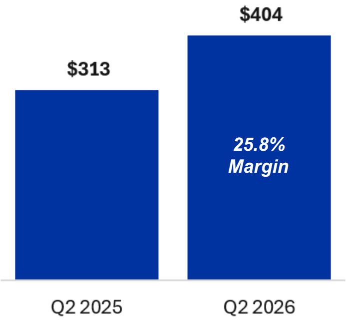
($ in millions, except per share data)

Net Sales



- Net Sales increased 92% year-over-year, including the addition of the Allison Off-Highway business unit acquired on January 1, 2026
- **Allison Transmission revenue increased 6% year-over-year to quarterly record of $860 million**

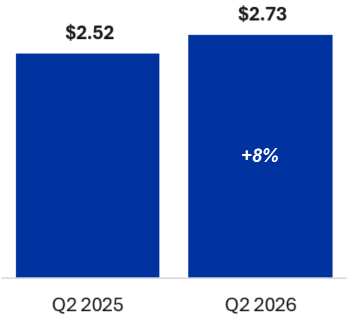
Adj. EBITDA*



- Consolidated Adjusted EBITDA of $404 million, with Adjusted EBITDA margin of 25.8%
- **Year-over-year Adjusted EBITDA increased $91 million, primarily driven by the addition of the Allison Off-Highway business unit**

Net Income: $181, 11.6% of Net Sales in Q2 2026 and $195, 24.0% of Net Sales in Q2 2025

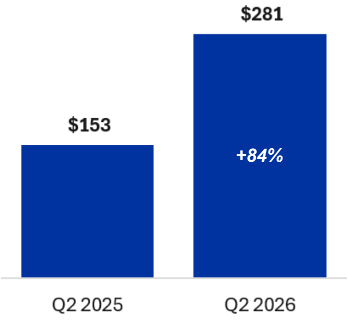
Adj. Diluted EPS**



- **Adjusted Diluted EPS increased 8% year-over-year to $2.73**
- Q2 2025 diluted shares outstanding of 85 million and Q2 2026 diluted shares outstanding of 84 million

Diluted EPS: $2.15 in Q2 2026 and $2.29 in Q2 2025

Adj. Free Cash Flow***



- **Consolidated Adjusted Free Cash Flow increased 84% year-over-year to quarterly record of $281 million, despite cost pressures**
- Capital Expenditures of $31 million flat year-over-year

Q2 2026 Capital Allocation

- Repaid remaining $150 million outstanding on revolving credit facility
- $46 million of share repurchases
- $24 million dividend payments

Net Cash Provided by Operating Activities: $312 in Q2 2026 and $184 in Q2 2025

*See Appendix for the reconciliation from Net Income and Net Income as a percentage of Net Sales
**See Appendix for the reconciliation from Net Income to Adjusted Net Income, Basic EPS to Adjusted Basic EPS and Diluted EPS to Adjusted Diluted EPS
***See Appendix for the reconciliation from Net Cash Provided by Operating Activities

Q2 2026 Allison Segment Financial Performance

($ in millions)	Allison Transmission	Allison Off-Highway	Allison Central Group	Consolidated
Net Sales	**$860**	**$706**	**-**	**$1,566**
Gross Profit	**$397**	**$118**	**-**	**$515**
Gross Margin	***46.2%***	***16.7%***	-	***32.9%***
Operating Income / (Loss)	**$281**	**$47**	**($37)**	**$291**
Operating Income / (Loss) as a % of Net Sales	***32.7%***	***6.7%***	-	***18.6%***
Adjusted EBITDA*	**$318**	**$104**	**($18)**	**$404**
Adjusted EBITDA Margin*	***37.0%***	***14.7%***	-	***25.8%***

*See Appendix for the reconciliation from Segment Operating Income / (Loss) and Segment Operating Income / (Loss) as a percentage of Net Sales

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

Appendix

Non-GAAP Financial Information

Non-GAAP Reconciliations (1 of 5)

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	Guidance Year Ending December 31, 2026 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**