



Visteon Announces Third Quarter 2024 Results

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VAN BUREN TOWNSHIP, Mich., Oct. 24, 2024 (GLOBE NEWSWIRE) -- Visteon Corporation (NASDAQ: VC) today reported third quarter financial results. Highlights include:

- **Sales of \$980 million with Growth-over-Market of 6%¹**
- **Net income of \$39 million and adjusted net income of \$63 million**
- **Adjusted EBITDA of \$119 million**
- **Launched 30 new products in the quarter and 71 year-to-date**
- **New business wins of \$4.9 billion year-to-date**
- **Net cash of \$229 million at quarter end**

Visteon reported solid net sales of \$980 million in a challenging production environment. We delivered 6% outperformance relative to customer vehicle production, driven by strong demand for digital cockpit and electrification products. Our market outperformance was offset by lower customer production and reduced customer recoveries resulting from improved semiconductor supply.

Gross margin in the third quarter was \$131 million. Net income attributable to Visteon was \$39 million or \$1.40 per diluted share and adjusted net income, a non-GAAP measure defined below, was \$63 million or \$2.26 per diluted share. Net income, as compared to the prior year, includes the favorable impact of strong operational performance and lower net engineering, partially offset by restructuring expense incurred in the third quarter of 2024. Adjusted EBITDA, a non-GAAP measure defined below, was \$119 million in the third quarter and reflects the Company's strong focus on operational execution, commercial excellence, and cost discipline.

For the first nine months, cash from operations was \$224 million, capital expenditures were \$96 million and adjusted free cash flow, a non-GAAP measure defined below, was \$135 million. The company ended the third quarter with cash of \$553 million and debt of \$324 million. Our strong balance sheet, with a net cash position of \$229 million, provides the flexibility to deliver on our capital allocation priorities.

Visteon launched 30 new products in the third quarter, with launches across each of its product lines. Key third quarter launches include an infotainment display system on the Tata Punch, highlighting our continued momentum in India; SmartCore^(TM) on an electric SUV for Lynk & Co for the European market and the Renault Grand Koleos hybrid for the Korean market; a digital cluster on the Nissan Qashqai, a popular SUV in Europe; and a wireless BMS for the all-electric Jeep Wagoneer.

Visteon secured \$4.9 billion in new business through the first nine months of the year, including \$2.5 billion of wins with OEMs in Asia excluding China. Our success in diversifying into adjacent end-markets also continued, with further momentum with two-wheeler and commercial vehicle OEMs. Third quarter wins included a large, curved display for multiple mass market vehicles in Europe for a global OEM, SmartCoreTM and display wins for a SUV model for an Indian OEM and for an electric vehicle for a domestic China OEM. We also had a follow-on win for a digital cluster with a two-wheeler OEM in India.

"Visteon delivered solid sales and growth-over-market in the third quarter, demonstrating our ability to navigate a challenging customer production environment," said President and CEO Sachin Lawande. "Demand from our customers remains robust for our diverse product portfolio targeting automotive megatrends of digitalization and electrification. Our continued success in securing new business wins and our momentum with two-wheeler and commercial vehicle OEMs provide a strong foundation for future growth."

Based on our year-to-date performance and outlook for the fourth quarter, Visteon is updating its full-year 2024 guidance and anticipates sales in the range of \$3.85 – \$3.90 billion, adjusted EBITDA in the range of \$465 – \$480 million, and adjusted free cash flow in the range of \$165 – \$185 million.

About Visteon

Visteon is advancing mobility through innovative technology solutions that enable a software-defined and electric future. With next-generation digital cockpit and electrification products, Visteon leverages the strength and agility of its global network with a local footprint to deliver a cleaner, safer and more connected vehicle experience. Headquartered in Van Buren Township, Michigan, Visteon operates in 17 countries worldwide, recorded approximately \$3.95 billion in annual sales and booked \$7.2 billion of new business in 2023. Learn more at investors.visteon.com/.

Conference Call and Presentation

Today, Thursday, October 24, at 9 a.m. ET, the company will host a conference call for the investment community to discuss the quarter's results and other related items. The conference call is available to the general public via a live audio webcast.

The dial-in numbers to participate in the call are:

U.S./Canada: 1-888-330-2508
Outside U.S./Canada: 1-240-789-2735
Conference ID: 8897485

(Call approximately 10 minutes before the start of the conference.)

The conference call and live audio webcast, related presentation materials and other supplemental information will be accessible in the Investors section of Visteon's website.

Use of Non-GAAP Financial Information

Because not all companies use identical calculations, adjusted EBITDA, adjusted net income, adjusted EPS, free cash flow and adjusted free cash flow used throughout this press release may not be comparable to other similarly titled measures of other companies.

In order to provide the forward-looking non-GAAP financial measures for full-year 2024, the company provides reconciliations to the most directly comparable GAAP financial measures on the subsequent slides. The provision of these comparable GAAP financial measures is not intended to indicate that the company is explicitly or implicitly providing projections on those GAAP financial measures, and actual results for such measures are likely to vary from those presented. The reconciliations include all information reasonably available to the company at the date of this press release and the adjustments that management can reasonably predict.

Forward-looking Information

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "will," "may," "designed to," "outlook," "believes," "should," "anticipates," "plans," "expects," "intends," "estimates," "forecasts" and similar expressions identify certain of these forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various factors, risks and uncertainties that could cause our actual results to differ materially from those expressed in these forward-looking statements, including, but not limited to:

- continued and future impacts of the geopolitical conflicts and related supply chain disruptions, including but not limited to the conflicts in the Middle East, Russia and East Asia and the possible imposition of sanctions;
- significant or prolonged shortage of critical components from our suppliers, including but not limited to semiconductors, and particularly those who are our sole or primary sources;
- failure of the Company's joint venture partners to comply with contractual obligations or to exert influence or pressure in China;
- conditions within the automotive industry, including (i) the automotive vehicle production volumes and schedules of our customers, (ii) the financial condition of our customers and the effects of any restructuring or reorganization plans that may be undertaken by our customers, including work stoppages at our customers, and (iii) possible disruptions in the supply of commodities to us or our customers due to financial distress, work stoppages, natural disasters or civil unrest;
- our ability to satisfy future capital and liquidity requirements; including our ability to access the credit and capital markets at the times and in the amounts needed and on terms acceptable to us; our ability to comply with financial and other covenants in our credit agreements; and the continuation of acceptable supplier payment terms;
- our ability to access funds generated by foreign subsidiaries and joint ventures on a timely and cost-effective basis;
- general economic conditions, including changes in interest rates and fuel prices; the timing and expenses related to internal restructurings, employee reductions, acquisitions or dispositions and the effect of pension and other post-employment benefit obligations;
- disruptions in information technology systems including, but not limited to, system failure, cyber-attack, malicious computer software (malware including ransomware), unauthorized physical or electronic access, or other natural or man-made incidents or disasters;
- increases in raw material and energy costs and our ability to offset or recover these costs; increases in our warranty, product liability and recall costs or the outcome of legal or regulatory proceedings to which we are or may become a party;
- changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of our products or assets; and
- those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as updated by our subsequent filings with the Securities and Exchange Commission).

Caution should be taken not to place undue reliance on our forward-looking statements, which represent our view only as of the date of this release, and which we assume no obligation to update. The financial results presented herein are preliminary and unaudited; final financial results will be included in the company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024. New business wins and re-wins do not represent firm orders or firm commitments from customers, but are based on various assumptions, including the timing and duration of product launches, vehicle production levels, customer price reductions and currency exchange rates.

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VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 980	\$ 1,014	\$ 2,927	\$ 2,964
Cost of sales	(849)	(871)	(2,530)	(2,607)
Gross margin	131	143	397	357
Selling, general and administrative expenses	(51)	(52)	(152)	(156)
Restructuring, net	(28)	—	(31)	(2)
Interest expense, net	—	(1)	—	(7)
Equity in net income (loss) of non-consolidated affiliates	(3)	(1)	(7)	(8)
Other income (expense), net	2	3	7	(4)
Income (loss) before income taxes	51	92	214	180
Provision for income taxes	(11)	(21)	(55)	(48)
Net income (loss)	40	71	159	132
Less: Net (income) loss attributable to non-controlling interests	(1)	(5)	(7)	(12)
Net income (loss) attributable to Visteon Corporation	<u>\$ 39</u>	<u>\$ 66</u>	<u>\$ 152</u>	<u>\$ 120</u>
Comprehensive income (loss)	\$ 69	\$ 58	\$ 153	\$ 114
Less: Comprehensive (income) loss attributable to non-controlling interests	(7)	(4)	(10)	(6)
Comprehensive income (loss) attributable to Visteon Corporation	<u>\$ 62</u>	<u>\$ 54</u>	<u>\$ 143</u>	<u>\$ 108</u>
Basic earnings (loss) per share attributable to Visteon Corporation	<u>\$ 1.41</u>	<u>\$ 2.35</u>	<u>\$ 5.51</u>	<u>\$ 4.26</u>
Diluted earnings (loss) per share attributable to Visteon Corporation	<u>\$ 1.40</u>	<u>\$ 2.32</u>	<u>\$ 5.45</u>	<u>\$ 4.20</u>
Average shares outstanding (in millions)				
Basic	27.6	28.1	27.6	28.2
Diluted	27.9	28.5	27.9	28.6

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)

	<i>(Unaudited)</i>	
	September 30, 2024	December 31, 2023
ASSETS		
Cash and equivalents	\$ 550	\$ 515
Restricted cash	3	3
Accounts receivable, net	719	666
Inventories, net	321	298
Other current assets	109	134
Total current assets	<u>1,702</u>	<u>1,616</u>
Property and equipment, net	438	418
Intangible assets, net	157	90
Right-of-use assets	103	109

Investments in non-consolidated affiliates	27	35
Deferred tax assets	387	384
Other non-current assets	79	75
Total assets	<u>\$ 2,893</u>	<u>\$ 2,727</u>

LIABILITIES AND EQUITY

Short-term debt	\$ 18	\$ 18
Accounts payable	547	551
Accrued employee liabilities	98	99
Current lease liability	29	30
Other current liabilities	245	233
Total current liabilities	<u>937</u>	<u>931</u>
Long-term debt, net	306	318
Employee benefits	143	160
Non-current lease liability	79	79
Deferred tax liabilities	46	31
Other non-current liabilities	109	85
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,369	1,356
Retained earnings	2,426	2,274
Accumulated other comprehensive loss	(263)	(254)
Treasury stock	(2,348)	(2,339)
Total Visteon Corporation stockholders' equity	<u>1,185</u>	<u>1,038</u>
Non-controlling interests	88	85
Total equity	<u>1,273</u>	<u>1,123</u>
Total liabilities and equity	<u>\$ 2,893</u>	<u>\$ 2,727</u>

VISTEON CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
OPERATING				
Net income (loss)	\$ 40	\$ 71	\$ 159	\$ 132
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:				
Depreciation and amortization	25	24	71	79
Non-cash stock-based compensation	10	9	31	26
Equity in net loss (income) of non-consolidated affiliates, net of dividends remitted	3	1	7	8
Tax valuation allowance benefit	(7)	—	(7)	—
Other non-cash items	3	1	10	(3)
Changes in assets and liabilities:				
Accounts receivable	(6)	(12)	(55)	(19)
Inventories	—	6	(23)	23
Accounts payable	(5)	35	3	(54)
Other assets and other liabilities	35	(8)	28	(23)
Net cash provided from (used by) operating activities	<u>98</u>	<u>127</u>	<u>224</u>	<u>169</u>
INVESTING				
Capital expenditures, including intangibles	(28)	(31)	(96)	(82)
Acquisition of business, net of cash acquired	(48)	—	(48)	—
Contributions to equity method investments	(1)	(1)	(1)	(1)
Loan provided to non-consolidated affiliate	—	—	(5)	—

	1	1	2	3
Other				
Net cash used by investing activities	(76)	(31)	(148)	(80)
FINANCING				
Dividends to non-controlling interests	—	(12)	—	(27)
Short-term debt, net	—	(3)	—	—
Repurchase of common stock	—	(46)	(20)	(76)
Stock based compensation tax withholding payments	—	(1)	(7)	(16)
Proceeds from the exercise of stock options	—	4	—	8
Principal repayment of term debt facility	(4)	(4)	(13)	(8)
Net cash used by financing activities	(4)	(62)	(40)	(119)
Effect of exchange rate changes on cash	27	(8)	(1)	(8)
Net decrease in cash, equivalents, and restricted cash	45	26	35	(38)
Cash, equivalents, and restricted cash at beginning of the period	508	459	518	523
Cash, equivalents, and restricted cash at end of the period	<u>\$ 553</u>	<u>\$ 485</u>	<u>\$ 553</u>	<u>\$ 485</u>

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions except per share amounts)

(Unaudited)

Adjusted EBITDA: Adjusted EBITDA is presented as a supplemental measure of the Company's performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. The Company defines adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, provision for (benefit from) income taxes, non-cash stock-based compensation expense, net interest expense, net income attributable to non-controlling interests, net restructuring expense, equity in net (income)/loss of non-consolidated affiliates, gain on non-consolidated affiliate transactions, and other gains and losses not reflective of the Company's ongoing operations. Because not all companies use identical calculations, this presentation of adjusted EBITDA may not be comparable to similarly titled measures of other companies.

	Three Months Ended		Nine Months Ended		Estimated
	September 30,		September 30,		Full Year
	2024	2023	2024	2023	2024
Visteon:					
Net income attributable to Visteon Corporation	\$ 39	\$ 66	\$ 152	\$ 120	202
Depreciation and amortization	25	24	71	79	96
Provision for income taxes	11	21	55	48	75
Non-cash, stock-based compensation expense	10	9	31	26	42
Restructuring, net	28	—	31	2	34
Interest expense, net	—	1	—	7	—
Net income attributable to non-controlling interests	1	5	7	12	10
Equity in net loss (income) of non-consolidated affiliates	3	1	7	8	9
Other	2	1	3	15	5
Adjusted EBITDA	<u>\$ 119</u>	<u>\$ 128</u>	<u>\$ 357</u>	<u>\$ 317</u>	<u>\$ 473²</u>

Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies, and (iii) because the Company's credit agreements use similar measures for compliance with certain covenants.

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions except per share amounts)

(Unaudited)

Free Cash Flow and Adjusted Free Cash Flow: Free cash flow and adjusted free cash flow are presented as supplemental measures of the Company's liquidity that management believes are useful to investors in analyzing the Company's ability to service and repay its debt. The Company defines free cash flow as cash flow provided from operating activities less capital expenditures, including intangibles. The Company defines adjusted free cash flow as cash flow provided from operating activities less capital expenditures, including intangibles as further adjusted for restructuring related payments. Because not all companies use identical calculations, this presentation of free cash flow and adjusted free cash flow may not be comparable to other similarly titled measures of other companies.

	Three Months Ended September 30,		Nine Months Ended September 30,		Estimated Full Year
	2024	2023	2024	2023	2024
Visteon:					
Cash provided from (used by) operating activities	\$ 98	\$ 127	\$ 224	\$ 169	305
Capital expenditures, including intangibles	(28)	(31)	(96)	(82)	(145)
Free cash flow	\$ 70	\$ 96	\$ 128	\$ 87	\$ 160
Restructuring related payments	3	2	7	6	15
Adjusted free cash flow	\$ 73	\$ 98	\$ 135	\$ 93	\$ 175 ³

Free cash flow and adjusted free cash flow are not recognized terms under U.S. GAAP and do not purport to be a substitute for cash flows from operating activities as a measure of liquidity. Free cash flow and adjusted free cash flow have limitations as analytical tools as they do not reflect cash used to service debt and do not reflect funds available for investment or other discretionary uses. In addition, the Company uses free cash flow and adjusted free cash flow (i) as factors in incentive compensation decisions and (ii) for planning and forecasting future periods.

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions except per share amounts)
(Unaudited)

Adjusted Net Income and Adjusted Earnings Per Share: Adjusted net income and adjusted earnings per share are presented as supplemental measures that management believes are useful to investors in analyzing the Company's profitability, providing comparability between periods by excluding certain items that may not be indicative of recurring business operating results. The Company believes management and investors benefit from referring to these supplemental measures in assessing company performance and when planning, forecasting and analyzing future periods. The Company defines adjusted net income as net income attributable to Visteon adjusted to eliminate the impact of restructuring expense, loss on divestiture, gain on non-consolidated affiliate transactions, other gains and losses not reflective of the Company's ongoing operations and related tax effects. The Company defines adjusted earnings per share as adjusted net income divided by diluted shares. Because not all companies use identical calculations, this presentation of adjusted net income and adjusted earnings per share may not be comparable to other similarly titled measures of other companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to Visteon	\$ 39	\$ 66	\$ 152	\$ 120
Diluted earnings per share:				
Net income attributable to Visteon	\$ 39	\$ 66	\$ 152	\$ 120
Average shares outstanding, diluted	27.9	28.5	27.9	28.6
Diluted earnings per share	\$ 1.40	\$ 2.32	\$ 5.45	\$ 4.20
Adjusted net income and adjusted earnings per share:				
Net income attributable to Visteon	\$ 39	\$ 66	\$ 152	\$ 120
Restructuring, net	28	—	31	2
Other	2	1	3	15
Tax impacts of adjustments	(6)	—	(7)	—
Adjusted net income	\$ 63	\$ 67	\$ 179	\$ 137
Average shares outstanding, diluted	27.9	28.5	27.9	28.6
Adjusted earnings per share	\$ 2.26	\$ 2.35	\$ 6.42	\$ 4.79

Adjusted net income and adjusted earnings per share are not recognized terms under U.S. GAAP and do not purport to be a substitute for profitability. Adjusted net income and adjusted earnings per share have limitations as analytical tools as they do not consider certain restructuring and transaction-related payments and/or expenses. In addition, the Company uses adjusted net income and adjusted earnings per share for internal planning and forecasting purposes.

¹ Excludes Y/Y impact of currency fluctuations

² Based on mid-point of the range of the Company's financial guidance

³ Based on mid-point of the range of the Company's financial guidance