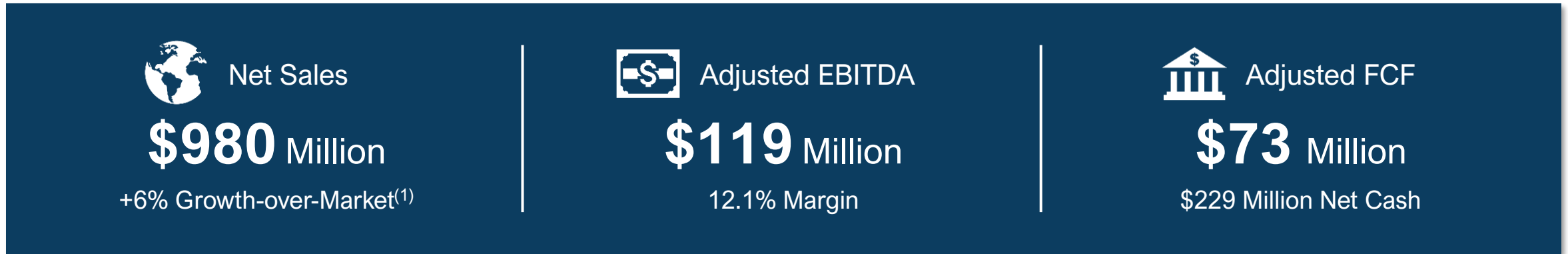


# Visteon Q3 2024 Earnings

October 24, 2024



# Q3 2024 in Review



*Adj. EBITDA and adj. FCF guidance<sup>(2)</sup> increased to reflect strong Q3 performance*



(1) Visteon y/y sales growth (ex. FX and net pricing) compared to production for Visteon customers weighted on Visteon sales contribution.

(2) At the midpoint of guidance.

# Q3 2024 Sales Highlights

*GoM of +6% from strong performance in Americas and Rest of Asia partially offset by China*

## Product Sales Highlights



### Strong Performance in Digital Cockpit excluding China

- Ramp up of recent launches of digital clusters driven by Asia passenger vehicle and 2W OEMs
- Return to growth of large displays with multiple program launches in Europe and North America
- SmartCore™ growth in India and Europe



### Electrification

- Ramp up of new EV model launches, including Chevy Equinox and Jeep Wagoneer

## Regional GoM Highlights



### Americas

Robust outgrowth driven by ramp up of recently launched products in flat customer production environment



### Europe

Slight underperformance due to soft demand from key customers



### Rest of Asia

Market outperformance due to ramp up of SmartCore™ and displays programs with customers in India and Japan



### China

Underperformance driven by market share loss by global OEMs in a highly competitive domestic market

# High Number of New Product Launches in Q3

Another quarter of strong execution with 30 new product launches



## Key Q3 2024 Model Launches



**Tata Punch**  
Infotainment & Display



**Ford Bronco Sport**  
Digital Cluster & Audio Infotainment



**Lynk & Co 01**  
SmartCore™



**Renault Grand Koleos**  
SmartCore™



**Nissan Qashqai**  
Digital Cluster



**Jeep Wagoneer S**  
Battery Management System

## YTD 2024 Highlights

71

New Product Launches

### Launches by Geography

~20%  
Europe

~30%  
Americas

~35%  
RoA<sup>(1)</sup>

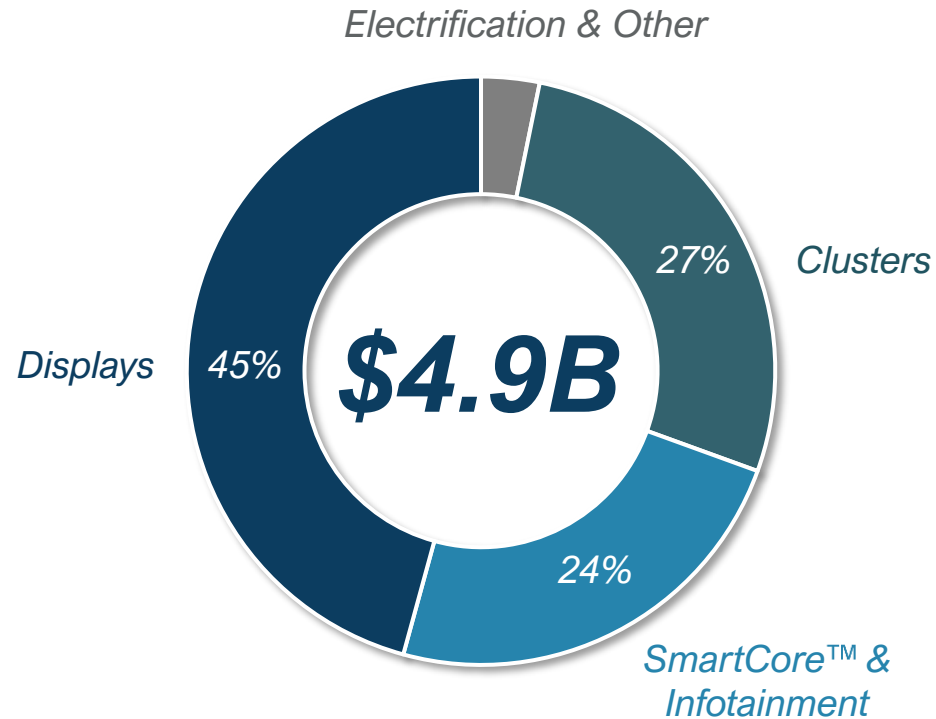
~15%  
China

# On Track to Achieve \$6B+ New Business Wins for Full Year



Digital cockpit products more than offsetting weakness in electrification

## YTD Q3 2024 New Business Wins



~50% of wins with Asia (excl. China) OEMs

Continued momentum with two-wheelers and CVs

## Key Q3 New Business Wins



### Multi-Display Module

Curved multi-display system for mass market vehicles in Europe for global OEM



### SmartCore™ & Display

Cockpit domain controller and multi-display module on SUV model for Indian OEM



### SmartCore™ & Display

Cockpit domain controller and display on electric vehicle for domestic China OEM



### Two-Wheeler Digital Cluster

Follow-on win for digital cluster with two-wheeler OEM in India

# Q4 and Full-Year Outlook

*Forecasting year-over-year market outgrowth in all regions except China*



## Americas Sales Growth Continues

Double-digit growth-over-market driven by electrification and ramp up of recently launched products



## New Product Launches Offset Lower Vehicle Production in Europe

Q3 product launches with multiple European OEMs drive double-digit market outperformance



## RoA Momentum and China Headwinds

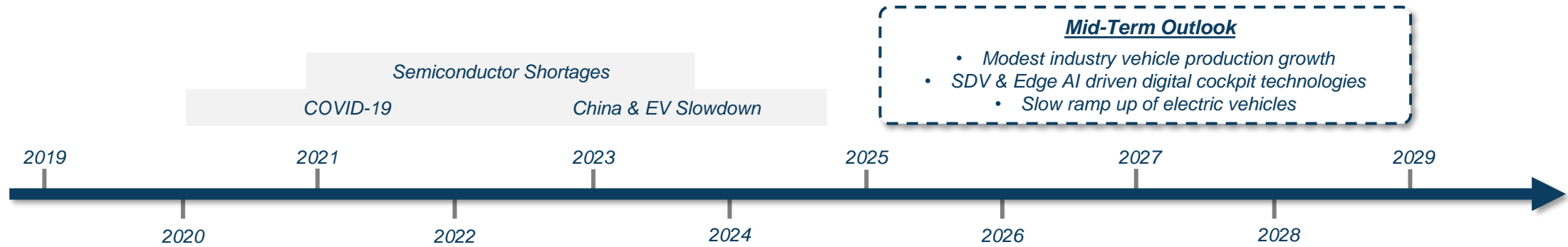
Solid outperformance in Asia excluding China continues while sales in China expected to remain flat sequentially in Q4 and underperforming the market



## Full-Year Sales Outlook

- Full-year customer production expected to be down 3%
- Visteon sales expected to grow 6% over market despite headwinds in China

# Track Record of Driving Growth in Challenging Industry Environment



## Strong Growth Despite Industry Headwinds

	<u>2019</u>	<u>2024<sup>(1)</sup></u>	
<b>Sales</b>	~\$2.9B	~\$3.9B	<b>Added \$1B of Sales</b>
<b>Adj. EBITDA</b>	\$234M	\$473M	<b>Doubled Adj. EBITDA</b>
<b>Margin</b>	7.9%	12.2%	
<b>Adj. FCF</b>	\$56M	\$175M	<b>Tripled Adj. FCF</b>
<b>Global LVP</b>	89M	88M	<b>Flat Global LVP</b>

## Continue Profitable Growth Through Further Diversification and Expansion in CV & 2W Markets

- 
**Best-in-Class Software Capabilities**  
 Offer scalable software platforms to support emerging industry trends including AI
- 
**Diversifying with Asian OEMs**  
 Expand business with underrepresented customers in Japan, India, and Korea as well as China domestic OEMs
- 
**Expanding in CV / 2W Markets**  
 Leverage digitalization trends within commercial vehicle and two-wheeler markets
- 
**Advanced Design and R&D Services**  
 Meet growing need at OEMs for advanced technology and software services

(1) Based on the midpoint of guidance.

# YTD 2024 Summary



## Continued Momentum with Digital Cockpit Solutions

Technology portfolio aligns with key trends, including connected car, digitalization, and electrification



## Continued Market Outperformance

Delivered another quarter of growth-over-market relative to our customers' vehicle production



## Strong Margin Performance and Cash Generation

Strong YTD margin performance of 12.2% and adj. free cash flow of \$135 million



## Excellent Operational Execution with High Number of Product Launches

Delivered 30 new product launches in the third quarter, increasing YTD total to 71



## Robust New Business Wins

Continued momentum across digital cockpit product lines bringing YTD wins to \$4.9 billion



# Q3 2024 Financial Results

October 24, 2024



# Q3 2024 Financial Review

*Strong quarter with continued commercial and operational discipline*



## Net Sales

**\$980** Million

6% Growth-over-Market<sup>(1)</sup>

- ▶ Strong demand with y/y sales increasing for digital clusters, displays, and electrification
- ▶ GoM driven by Americas and Rest of Asia, partially offset by underperformance in China
- ▶ Lower y/y customer recoveries due to improved semiconductor supply, stable levels YTD



## Adjusted EBITDA

**\$119** Million

12.1% Margin

- ▶ Strong adj. EBITDA performance with continued cost discipline and operational performance
- ▶ Lower net engineering due to the timing of project spend and higher recoveries
- ▶ Commercial excellence and strong cost controls support margins in excess of 12%



## Adjusted FCF

**\$73** Million

\$229 Million Net Cash


- ▶ Strong cash flow driven by adj. EBITDA, delivering 38% conversion YTD
- ▶ Total cash position of \$553 million at the end of the quarter supports capital allocation priorities
- ▶ Completed bolt-on acquisition for \$48 million (net)

# Q3 2024 Y/Y Financial Performance


Growth-over-market driven by robust demand for digital cockpit and electrification products

(Dollars in millions)


## Key Performance Drivers




**Vehicle Production**  
Lower customer production was offset by growth-over-market of 6%



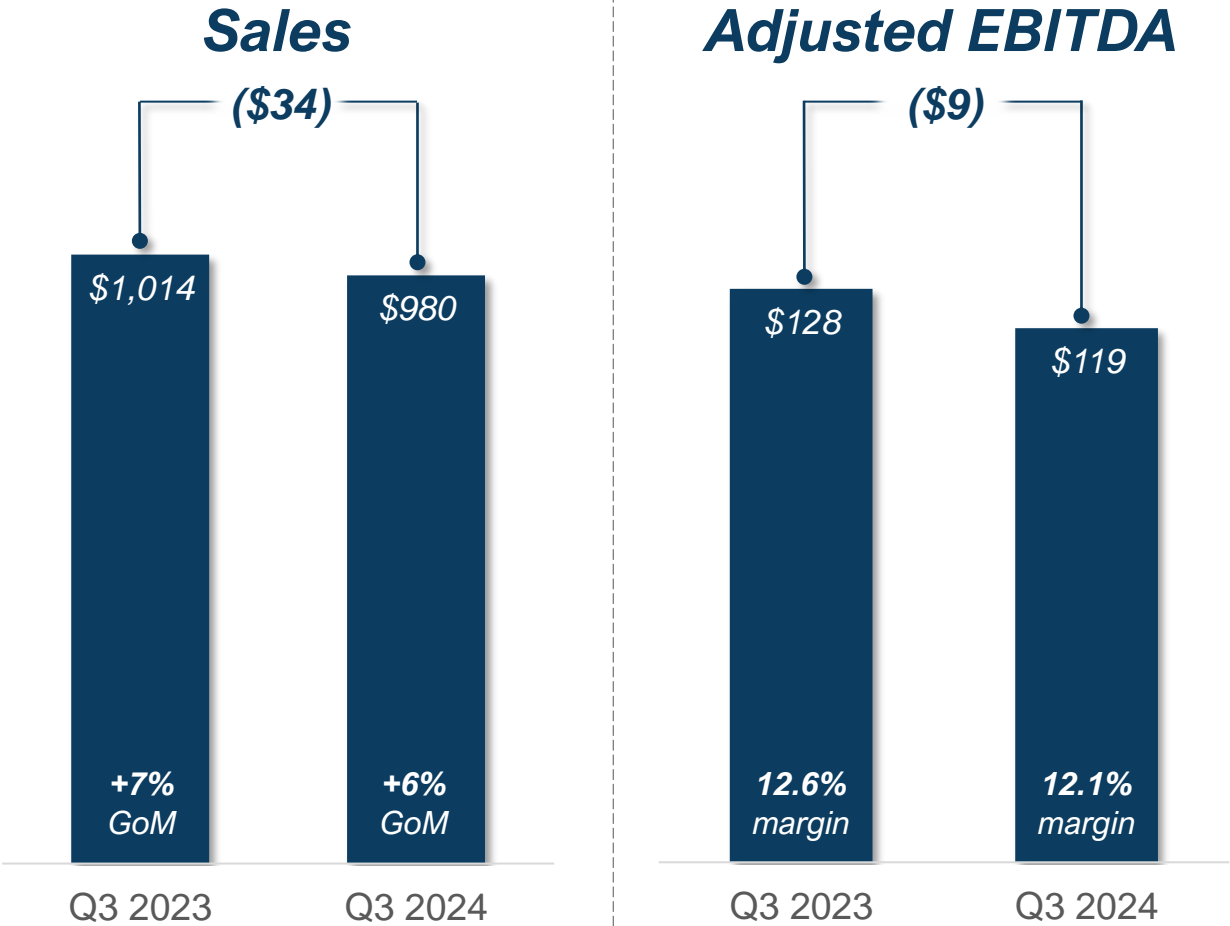
**Supply Chain Recoveries**  
Slight reduction of recoveries as supply chain normalizes



**Operational Efficiencies**  
Cost performance remains strong across manufacturing, engineering, and SG&A



**Commercial Items**  
Non-recurrence of favorable commercial items benefited prior year margins by ~100bp



# Balance Sheet and Adjusted Free Cash Flow

*Strong cash generation and net cash position supports balanced capital allocation framework*

(Dollars in millions)	YTD 2023	YTD 2024
Adjusted EBITDA	\$317	\$357
Trade Working Capital	(50)	(75)
Cash Taxes	(55)	(51)
Interest Payments	(5)	2
Other Changes	(32)	(2)
Capital Expenditures	(82)	(96)
<b>Adjusted FCF</b>	<b>\$93</b>	<b>\$135</b>

## Balanced Capital Allocation

	Maintain current levels of capex <sup>(1)</sup> to support continued growth
Capital Expenditures	
	Continue bolt-on acquisitions to expand product offering
Mergers & Acquisitions	
	Return cash to shareholders through share repurchases
Shareholder Returns	

# Revising 2024 Full-Year Guidance

*Delivering growth-over-market, margin expansion, and cash generation*

*(Dollars in millions unless otherwise noted)*

	Prior	Revised	Key Assumptions
<p><b>Sales</b></p>	<p><b>\$3.85B – \$3.95B</b> ~7% Growth-over-Market*</p>	<p><b>\$3.85B – \$3.90B</b> ~6% Growth-over-Market*</p>	<ul style="list-style-type: none"> <li>▪ LVP decline of ~2% y/y; customer production down ~3%</li> <li>▪ GoM driven by strong cadence of product launches, partially offset by mid-single digit headwind from China</li> <li>▪ Improved supply chain reduces level of customer recoveries</li> </ul>
<p><b>Adj. EBITDA</b></p>	<p><b>\$455 – \$475</b> 11.9% Margin*</p>	<p><b>\$465 – \$480</b> 12.2% Margin*</p>	<ul style="list-style-type: none"> <li>▪ Continued focus on commercial and operational performance</li> <li>▪ Net engineering and adj. SG&amp;A expected to be ~10% of sales</li> </ul>
<p><b>Adj. FCF</b></p>	<p><b>\$155 – \$185</b> ~37% EBITDA Conversion*</p>	<p><b>\$165 – \$185</b> ~37% EBITDA Conversion*</p>	<ul style="list-style-type: none"> <li>▪ Capex of ~\$145 million for the full-year</li> <li>▪ Targeting conversion ratio of 35-40%</li> </ul>

# Investment Thesis

*Visteon continues to be a compelling long-term investment opportunity*



## Digital Cockpit Electronics Leader

- ▶ Digital cockpit leader for cars, trucks, and two-wheelers
- ▶ Supporting industry shift to electric vehicles
- ▶ Nimble and adaptable to changing environment



## Innovative Product Portfolio

- ▶ Leading analog-to-digital transition in automotive cockpits
- ▶ Industry leader in cockpit domain controllers
- ▶ Industry-first wireless battery management system



## Competitive Cost Structure

- ▶ Leveraging industry-leading engineering footprint
- ▶ Optimizing spend through platform-based approach
- ▶ Commercial and operational discipline



## Strong Balance Sheet

- ▶ Cash position provides flexibility and supports future growth
- ▶ No material near-term debt maturities
- ▶ Balanced and disciplined capital allocation strategy

# Earnings Q&A

October 24, 2024



# Appendix

October 24, 2024





# Forward-Looking Statements

This presentation 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 the 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 undue 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.

# Use of Non-GAAP Financial Information

- Because not all companies use identical calculations, Adjusted Gross Margin, Adjusted SG&A, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS, Free Cash Flow and Adjusted Free Cash Flow used throughout this presentation 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 is providing 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 presentation and the adjustments that management can reasonably predict.

# Reconciliation of Non-GAAP Financial Information

## Adjusted Gross Margin

The Company defines Adjusted Gross Margin as gross margin, adjusted to eliminate the impacts of stock-based compensation expense, intangibles amortization and other non-operating costs.

(Dollars in millions)	2023					2024			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>Gross margin</b>	<b>\$110</b>	<b>\$104</b>	<b>\$143</b>	<b>\$130</b>	<b>\$487</b>	<b>\$119</b>	<b>\$147</b>	<b>\$131</b>	<b>\$397</b>
<u>Less:</u>									
Non-cash, stock-based compensation expense	3	4	4	3	14	4	5	4	13
Intangibles amortization	—	—	—	1	1	—	—	—	—
Other	1	—	1	1	3	1	—	1	2
<b>Subtotal</b>	<b>\$4</b>	<b>\$4</b>	<b>\$5</b>	<b>\$5</b>	<b>\$18</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$15</b>
<b>Adjusted gross margin</b>	<b>\$114</b>	<b>\$108</b>	<b>\$148</b>	<b>\$135</b>	<b>\$505</b>	<b>\$124</b>	<b>\$152</b>	<b>\$136</b>	<b>\$412</b>

## Adjusted SG&A

The Company defines Adjusted SG&A as SG&A, adjusted to eliminate the impacts of stock-based compensation expense, intangibles amortization and other non-operating costs.

(Dollars in millions)	2023					2024			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>SG&amp;A</b>	<b>\$52</b>	<b>\$52</b>	<b>\$52</b>	<b>\$51</b>	<b>\$207</b>	<b>\$52</b>	<b>\$49</b>	<b>\$51</b>	<b>\$152</b>
<u>Less:</u>									
Non-cash, stock-based compensation expense	(5)	(5)	(5)	(5)	(20)	(6)	(6)	(6)	(18)
Intangibles amortization	(3)	(2)	(3)	(1)	(9)	(1)	(1)	—	(2)
Other	—	(1)	—	(1)	(2)	—	—	(1)	(1)
<b>Subtotal</b>	<b>(\$8)</b>	<b>(\$8)</b>	<b>(\$8)</b>	<b>(\$7)</b>	<b>(\$31)</b>	<b>(\$7)</b>	<b>(\$7)</b>	<b>(\$7)</b>	<b>(\$21)</b>
<b>Adjusted SG&amp;A</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$176</b>	<b>\$45</b>	<b>\$42</b>	<b>\$44</b>	<b>\$131</b>

# Reconciliation of Non-GAAP Financial Information *(cont'd)*

## Adjusted Net Income and Adjusted EPS

- The Company defines Adjusted Net Income as net income / (loss) attributable to Visteon adjusted to eliminate the impact of restructuring and impairment expense, and related tax effects and other gains and losses not reflective of the Company's ongoing operations.
- The Company defines Adjusted Earnings Per Share as adjusted net income divided by average diluted shares outstanding.

(Dollars and shares in millions, except per share data)	2023					2024			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>Net income / (loss) attributable to Visteon</b>	<b>\$34</b>	<b>\$20</b>	<b>\$66</b>	<b>\$366</b>	<b>\$486</b>	<b>\$42</b>	<b>\$71</b>	<b>\$39</b>	<b>\$152</b>
Average shares outstanding, diluted	28.7	28.7	28.5	28.2	28.5	28.0	27.9	27.9	27.9
<b>Earnings / (loss) per share</b>	<b>\$ 1.18</b>	<b>\$ 0.70</b>	<b>\$ 2.32</b>	<b>\$ 12.98</b>	<b>\$ 17.05</b>	<b>\$ 1.50</b>	<b>\$ 2.54</b>	<b>\$ 1.40</b>	<b>\$ 5.45</b>
<b>Net income / (loss) attributable to Visteon</b>	<b>\$34</b>	<b>\$20</b>	<b>\$66</b>	<b>\$366</b>	<b>\$486</b>	<b>\$42</b>	<b>\$71</b>	<b>\$39</b>	<b>\$152</b>
Restructuring, net	1	1	—	3	5	2	1	28	31
Non-operating costs, net	1	13	1	2	17	1	—	2	3
Tax effect of adjustments	—	—	—	(4)	(4)	—	(1)	(6)	(7)
<b>Subtotal</b>	<b>\$2</b>	<b>\$14</b>	<b>\$1</b>	<b>\$1</b>	<b>\$18</b>	<b>\$3</b>	<b>\$—</b>	<b>\$24</b>	<b>\$27</b>
<b>Adjusted net income / (loss)</b>	<b>\$36</b>	<b>\$34</b>	<b>\$67</b>	<b>\$367</b>	<b>\$504</b>	<b>\$45</b>	<b>\$71</b>	<b>\$63</b>	<b>\$179</b>
Average shares outstanding, diluted	28.7	28.7	28.5	28.2	28.5	28.0	27.9	27.9	27.9
<b>Adjusted earnings / (loss) per share</b>	<b>\$ 1.25</b>	<b>\$ 1.18</b>	<b>\$ 2.35</b>	<b>\$ 13.01</b>	<b>\$ 17.68</b>	<b>\$ 1.61</b>	<b>\$ 2.54</b>	<b>\$ 2.26</b>	<b>\$ 6.42</b>

2023 includes a non-cash tax benefit of \$313 million, or \$11.10 per diluted share in the fourth quarter, and \$10.98 per diluted share for the full year, related to a reduction in the valuation allowance against the U.S. deferred tax assets.

# Reconciliation of Non-GAAP Financial Information *(cont'd)*

## Adjusted EBITDA

The Company defines Adjusted EBITDA as net income / (loss) attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, equity in net (income) / loss of non-consolidated affiliates, provision for income taxes, net income / (loss) attributable to non-controlling interests, non-cash stock-based compensation expense, and other gains and losses not reflective of the Company's ongoing operations.

(Dollars in millions)	2023					2024				FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	
<b>Net income / (loss) attributable to Visteon</b>	<b>\$34</b>	<b>\$20</b>	<b>\$66</b>	<b>\$366</b>	<b>\$486</b>	<b>\$42</b>	<b>\$71</b>	<b>\$39</b>	<b>\$152</b>	<b>\$202</b>
Depreciation and amortization	29	26	24	25	104	22	24	25	71	96
Restructuring, net	1	1	—	3	5	2	1	28	31	34
Interest expense, net	3	3	1	—	7	—	—	—	—	—
Equity in net (income) / loss of non-consolidated affiliates	5	2	1	2	10	4	—	3	7	9
Provision for (benefits from) income taxes	14	13	21	(296)	(248)	19	25	11	55	75
Net income / (loss) attributable to non-controlling interests	4	3	5	7	19	2	4	1	7	10
Non-cash, stock-based compensation	8	9	9	8	34	10	11	10	31	42
Other	1	13	1	2	17	1	—	2	3	5
<b>Subtotal</b>	<b>\$65</b>	<b>\$70</b>	<b>\$62</b>	<b>(\$249)</b>	<b>(\$52)</b>	<b>\$60</b>	<b>\$65</b>	<b>\$80</b>	<b>\$205</b>	<b>\$271</b>
<b>Adjusted EBITDA</b>	<b>\$99</b>	<b>\$90</b>	<b>\$128</b>	<b>\$117</b>	<b>\$434</b>	<b>\$102</b>	<b>\$136</b>	<b>\$119</b>	<b>\$357</b>	<b>\$473</b>

2023 includes a non-cash tax benefit of \$313 million related to a reduction in the valuation allowance against the U.S. deferred tax assets.

# Reconciliation of Non-GAAP Financial Information *(cont'd)*

## Free Cash Flow and Adjusted Free Cash Flow

- The Company defines Free Cash Flow as cash flow from (for) operating activities less capital expenditures.
- The Company defines Adjusted Free Cash Flow as cash flow from (for) operating activities less capital expenditures, as further adjusted for restructuring-related payments.

(Dollars in millions)	2023					2024				FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	
<b>Cash flow from (for) operating activities</b>	<b>(\$19)</b>	<b>\$61</b>	<b>\$127</b>	<b>\$98</b>	<b>\$267</b>	<b>\$69</b>	<b>\$57</b>	<b>\$98</b>	<b>\$224</b>	<b>\$305</b>
Less: Capital expenditures, including intangibles	(21)	(30)	(31)	(43)	(125)	(37)	(31)	(28)	(96)	(145)
<b>Free cash flow</b>	<b>(\$40)</b>	<b>\$31</b>	<b>\$96</b>	<b>\$55</b>	<b>\$142</b>	<b>\$32</b>	<b>\$26</b>	<b>\$70</b>	<b>\$128</b>	<b>\$160</b>
Exclude: Restructuring-related payments	3	1	2	2	8	2	2	3	7	15
<b>Adjusted free cash flow</b>	<b>(\$37)</b>	<b>\$32</b>	<b>\$98</b>	<b>\$57</b>	<b>\$150</b>	<b>\$34</b>	<b>\$28</b>	<b>\$73</b>	<b>\$135</b>	<b>\$175</b>

# Reconciliation of Non-GAAP Financial Information *(cont'd)*

## Adjusted EBITDA Build-up

(Dollars in millions)	2023					2024			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Sales	\$967	\$983	\$1,014	\$990	\$3,954	\$933	\$1,014	\$980	\$2,927
Gross margin	\$110	\$104	\$143	\$130	\$487	\$119	\$147	\$131	\$397
Intangibles amortization	—	—	—	1	1	—	—	—	—
Stock-based compensation expense	3	4	4	3	14	4	5	4	13
Other	1	—	1	1	3	1	—	1	2
<b>Adjusted gross margin</b>	<b>\$114</b>	<b>\$108</b>	<b>\$148</b>	<b>\$135</b>	<b>\$505</b>	<b>\$124</b>	<b>\$152</b>	<b>\$136</b>	<b>\$412</b>
<i>% of sales</i>	<i>11.8%</i>	<i>11.0%</i>	<i>14.6%</i>	<i>13.6%</i>	<i>12.8%</i>	<i>13.3%</i>	<i>15.0%</i>	<i>13.9%</i>	<i>14.1%</i>
SG&A	(\$52)	(\$52)	(\$52)	(\$51)	(\$207)	(\$52)	(\$49)	(\$51)	(\$152)
Intangibles amortization	3	2	3	1	9	1	1	—	2
Stock-based compensation expense	5	5	5	5	20	6	6	6	18
Other	—	1	—	1	2	—	—	1	1
<b>Adjusted SG&amp;A</b>	<b>(\$44)</b>	<b>(\$44)</b>	<b>(\$44)</b>	<b>(\$44)</b>	<b>(\$176)</b>	<b>(\$45)</b>	<b>(\$42)</b>	<b>(\$44)</b>	<b>(\$131)</b>
Adjusted EBITDA									
Adjusted gross margin	\$114	\$108	\$148	\$135	\$505	\$124	\$152	\$136	\$412
Adjusted SG&A	(44)	(44)	(44)	(44)	(176)	(45)	(42)	(44)	(131)
D&A	26	24	21	23	94	21	23	25	69
Other income, net	3	2	3	3	11	2	3	2	7
<b>Adjusted EBITDA</b>	<b>\$99</b>	<b>\$90</b>	<b>\$128</b>	<b>\$117</b>	<b>\$434</b>	<b>\$102</b>	<b>\$136</b>	<b>\$119</b>	<b>\$357</b>
<i>% of sales</i>	<i>10.2%</i>	<i>9.2%</i>	<i>12.6%</i>	<i>11.8%</i>	<i>11.0%</i>	<i>10.9%</i>	<i>13.4%</i>	<i>12.1%</i>	<i>12.2%</i>
Equity income (loss) in affiliates	(\$5)	(\$2)	(\$1)	(\$2)	(\$10)	(\$4)	\$—	(\$3)	(\$7)
Noncontrolling interests	(4)	(3)	(5)	(7)	(19)	(2)	(4)	(1)	(7)

# Net Engineering

(Dollars in millions)	2023					2024			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Engineering costs, net									
Engineering costs, gross	(\$83)	(\$91)	(\$79)	(\$77)	(\$330)	(\$83)	(\$81)	(\$80)	(\$244)
Recoveries	27	29	25	39	120	23	31	33	87
<b>Engineering costs, net</b>	<b>(\$56)</b>	<b>(\$62)</b>	<b>(\$54)</b>	<b>(\$38)</b>	<b>(\$210)</b>	<b>(\$60)</b>	<b>(\$50)</b>	<b>(\$47)</b>	<b>(\$157)</b>



# Financial Results – U.S. GAAP

(Dollars in millions, except per share data)	2023					2024			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<u>Income Statement</u>									
Sales	\$967	\$983	\$1,014	\$990	\$3,954	\$933	\$1,014	\$980	\$2,927
Gross margin	110	104	143	130	487	119	147	131	397
SG&A	52	52	52	51	207	52	49	51	152
Net income / (loss) attributable to Visteon	34	20	66	366	486	42	71	39	152
Earnings / (loss) per share, diluted	\$1.18	\$0.70	\$2.32	\$12.98	\$17.05	\$1.50	\$2.54	\$1.40	\$5.45
<u>Cash Flow Statement</u>									
Cash flow from (for) operating activities	(\$19)	\$61	\$127	\$98	\$267	\$69	\$57	\$98	\$224
Capital expenditures, including intangibles	21	30	31	43	125	37	31	28	96

2023 includes a non-cash tax benefit of \$313 million, or \$11.10 per diluted share in the fourth quarter, and \$10.98 per diluted share for the full year, related to a reduction in the valuation allowance against the U.S. deferred tax assets.

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