



Visteon Announces First Quarter 2024 Financial Results

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VAN BUREN TOWNSHIP, Mich., April 25, 2024 (GLOBE NEWSWIRE) -- Visteon Corporation (NASDAQ: VC) today reported first quarter financial results. Highlights include:

- **Net sales of \$933 million with a return to positive growth-over-market¹**
- **Net income of \$42 million**
- **Adjusted EBITDA of \$102 million or 10.9% of sales**
- **Operating cash flow of \$69 million and adjusted free cash flow of \$34 million**
- **Launched 26 new products across 14 OEMs**
- **Won \$1.4 billion in new business, including over \$400 million of displays wins**
- **Net cash of \$175 million at quarter end**

Visteon reported net sales of \$933 million compared to \$967 million in the first quarter of the prior year. The decline in net sales was primarily due to lower recoveries resulting from improved semiconductor supply in the first quarter of 2024 and 1% lower customer vehicle production. Visteon's sales outperformed customer vehicle production volumes by 2%¹, driven by the ramp up of recent product launches and continued growth of our electrification products.

Gross margin in the first quarter was \$119 million, and net income attributable to Visteon was \$42 million, or \$1.50 per diluted share. Adjusted EBITDA, a non-GAAP measure as defined below, was \$102 million, an increase of \$3 million compared to the prior year. The increase in adjusted EBITDA reflects the favorable impact of strong operational performance and ongoing cost and commercial discipline, partially offset by the timing of engineering recoveries and an unfavorable foreign exchange impact. Adjusted EBITDA margin was 10.9% of sales, an increase of 70 basis points compared to the prior year.

The company won \$1.4 billion in new business in the first quarter, continuing to position Visteon as a leader in the digitalization of the cockpit. First quarter wins included over \$400 million of displays wins, including dual 12" displays for a European commercial vehicle OEM, a 10" cross-carline display for a European OEM, and an 8" ultra-thin OLED rear seat monitor for a German luxury OEM. Additional wins in the quarter included a 12" digital cluster with a Japanese OEM, demonstrating further momentum with a recently added customer, and a SmartCore™ program win with a domestic Chinese OEM for a premium brand. We continue to diversify and expand into adjacent markets with over \$300 million of wins for the two-wheeler and commercial vehicle markets in the quarter.

Visteon's products launched on 26 vehicle models across 14 OEMs in the first quarter. These product launches continue to build the foundation for Visteon's ongoing market outperformance. Key new launches included a digital cluster, a center display, and audio infotainment on the Ford Puma for Europe, a digital cluster on the Honda e:NS2 electric vehicle for several Asian markets including China, and a SmartCore™ program on Scania commercial vehicles, providing another example of our success in the commercial vehicle market.

For the first three months of 2024, cash provided by operations was \$69 million and capital expenditures were \$37 million. Adjusted free cash flow, a non-GAAP financial measure as defined below was \$34 million. The company ended the first quarter of 2024 with cash of \$507 million and debt of \$332 million, representing a net cash position of \$175 million.

Visteon repurchased \$20 million of shares in the first quarter of 2024 under the \$300 million share repurchase authorization announced in March 2023.

"Our first quarter results highlight our continued progress on addressing the megatrends of digitalization and electrification that are rapidly changing the automotive industry. I am very proud of our continued operational execution and launching a high number of new products across the globe to support our customers and deliver near-term growth," said President and CEO Sachin Lawande. "We are also strengthening our future with another strong quarter of new business wins across our digital cockpit products while further diversifying into adjacent end markets."

Visteon is maintaining its full-year 2024 guidance and anticipates sales in the range of \$4.0 to \$4.2 billion, adjusted EBITDA in the range of \$470 to \$500 million, and adjusted free cash flow in the range of \$155 to \$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, April 25, 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 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;
- our ability to avoid or continue to operate during a strike, or partial work stoppage or slow down at any of our principal customers;
- 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 March 31, 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	
	March 31,	
	2024	2023
Net sales	\$ 933	\$ 967
Cost of sales	(814)	(857)
Gross margin	119	110
Selling, general and administrative expenses	(52)	(52)
Restructuring, net	(2)	(1)
Interest expense, net	—	(3)
Equity in net income (loss) of non-consolidated affiliates	(4)	(5)
Other income, net	2	3
Income (loss) before income taxes	63	52
Provision for income taxes	(19)	(14)
Net income (loss)	44	38
Less: Net (income) loss attributable to non-controlling interests	(2)	(4)
Net income (loss) attributable to Visteon Corporation	<u>\$ 42</u>	<u>\$ 34</u>
Comprehensive income	\$ 29	\$ 53
Less: Comprehensive (income) loss attributable to non-controlling interests	(1)	(3)
Comprehensive income (loss) attributable to Visteon Corporation	<u>\$ 28</u>	<u>\$ 50</u>
Basic earnings (loss) per share attributable to Visteon Corporation	<u>\$ 1.52</u>	<u>\$ 1.21</u>
Diluted earnings (loss) per share attributable to Visteon Corporation	<u>\$ 1.50</u>	<u>\$ 1.18</u>
Average shares outstanding (in millions)		
Basic	27.6	28.2
Diluted	28.0	28.7

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)

	<i>(Unaudited)</i> March 31,	December 31,
	2024	2023
ASSETS		
Cash and equivalents	\$ 504	\$ 515
Restricted cash	3	3
Accounts receivable, net	652	666
Inventories, net	342	298
Other current assets	129	134
Total current assets	1,630	1,616
Property and equipment, net	415	418
Intangible assets, net	87	90
Right-of-use assets	120	109
Investments in non-consolidated affiliates	30	35
Deferred tax assets - non-current	378	384
Other non-current assets	<u>79</u>	<u>75</u>

Total assets	\$ 2,739	\$ 2,727
LIABILITIES AND EQUITY		
Short-term debt	\$ 18	\$ 18
Accounts payable	566	551
Accrued employee liabilities	84	99
Current lease liability	31	30
Other current liabilities	239	233
Total current liabilities	938	931
Long-term debt, net	314	318
Employee benefits non-current	156	160
Non-current lease liability	89	79
Deferred tax liabilities - non-current	32	31
Other non-current liabilities	76	85
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,350	1,356
Retained earnings	2,316	2,274
Accumulated other comprehensive loss	(268)	(254)
Treasury stock	(2,350)	(2,339)
Total Visteon Corporation stockholders' equity	1,049	1,038
Non-controlling interests	85	85
Total equity	1,134	1,123
Total liabilities and equity	\$ 2,739	\$ 2,727

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
OPERATING		
Net income	\$ 44	\$ 38
Adjustments to reconcile net income to net cash provided from (used by) operating activities:		
Depreciation and amortization	22	29
Non-cash stock-based compensation	10	8
Equity in net loss/(income) of non-consolidated affiliates, net of dividends remitted	4	5
Other non-cash items	3	(2)
Changes in assets and liabilities:		
Accounts receivable	3	(13)
Inventories	(51)	(5)
Accounts payable	37	(59)
Other assets and other liabilities	(3)	(20)
Net cash provided from (used by) operating activities	69	(19)
INVESTING		
Capital expenditures, including intangibles	(37)	(21)
Other	—	1
Net cash used by investing activities	(37)	(20)
FINANCING		
Short-term debt, net	—	3
Principal repayment of term debt facility	(4)	—
Dividends paid to non-controlling interests	—	(8)
Repurchase of common stock	(20)	—
Stock based compensation tax withholding payments	(7)	—
Net cash used by financing activities	(31)	(5)

Effect of exchange rate changes on cash	(12)	8
Net decrease in cash, equivalents, and restricted cash	(11)	(36)
Cash, equivalents, and restricted cash at beginning of the period	518	523
Cash, equivalents, and restricted cash at end of the period	<u>\$ 507</u>	<u>\$ 487</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 March 31,		Estimated Full Year
	2024	2023	2024
Visteon:			
Net income attributable to Visteon Corporation	\$ 42	\$ 34	\$ 220
Depreciation and amortization	22	29	105
Provision for (benefit from) income taxes	19	14	80
Non-cash, stock-based compensation expense	10	8	35
Interest expense, net	—	3	5
Net income (loss) attributable to non-controlling interests	2	4	20
Restructuring, net	2	1	5
Equity in net (income) loss of non-consolidated affiliates	4	5	10
Other	1	1	5
Adjusted EBITDA	<u>\$ 102</u>	<u>\$ 99</u>	<u>\$ 485²</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 March 31,		Estimated Full Year
	2024	2023	2024
Visteon:			
Cash provided from (used by) operating activities	\$ 69	\$ (19)	\$ 305
Capital expenditures, including intangibles	(37)	(21)	(145)
Free cash flow	\$ 32	\$ (40)	\$ 160
Restructuring related payments	2	3	10
Adjusted free cash flow	<u>\$ 34</u>	<u>\$ (37)</u>	<u>\$ 170³</u>

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 March 31,	
	2024	2023
Net income attributable to Visteon	\$ 42	\$ 34
<u>Diluted earnings per share:</u>		
Net income attributable to Visteon	\$ 42	\$ 34
Average shares outstanding, diluted	28.0	28.7
Diluted earnings per share	\$ 1.50	\$ 1.18
<u>Adjusted net income and adjusted earnings per share:</u>		
Net income attributable to Visteon	\$ 42	\$ 34
Restructuring, net	2	1
Other, including tax effects of adjustments	1	1
Adjusted net income	\$ 45	\$ 36
Average shares outstanding, diluted	28.0	28.7
Adjusted earnings per share	<u>\$ 1.61</u>	<u>\$ 1.25</u>

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 Visteon Y/Y sales growth (ex. FX and net pricing) compared to production for Visteon Customers weighted on Visteon sales contribution.

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.