Visteon Q1 2018 Earnings

April 26, 2018

Visteon®

Q1 2018 Highlights

Visteon

$814 million in sales and 12.8% adjusted EBITDA margin

smartcore

DAIMLER

Launched first cockpit domain controller

Automotive News PACE AWARD

Automotive News PACE Award

GEELY

Conquest win for Geely's next-generation EV

Strong performance in China with sales up 24% Y/Y

$1.6 billion in new business, backlog of $20.1 billion

Q1 2018 Financial Results

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Sales	**$814** million	1% Y/Y	Sales up 1% Y/Y, despite lower industry production volumes
Adj. EBITDA	**$104** million *(12.8% margin)*	3% Y/Y	13th straight quarter of Y/Y increase in adjusted EBITDA margin
Adj. FCF	**$48** million	$79 million Y/Y	Significant Y/Y increase, largely driven by trade working capital

Operational excellence drives solid Q1 financial results

SmartCore™ Introduction and Industry Recognition

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First SmartCore™ Introduction

Visteon and Daimler launch industry-first cockpit domain controller on Mercedes-Benz A-Class

Industry Recognition for Innovation

Visteon receives Automotive News PACE Award for SmartCore™ for innovation in technology

Launch of industry-first cockpit ECU consolidation technology

Increasing Momentum for SmartCore™ in 2018

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Expansion with Daimler

- ✓ Multiple launches following A-Class through 2020
- ✓ Includes passenger and commercial vehicles
- ✓ Incremental SmartCore™ award in Q1 2018 on additional vehicle model

New Win with Geely

- ✓ SmartCore™ to power cockpit electronics for Geely's new EV platform
- ✓ Geely 2017 volume of 1.2 million vehicles; growth of 60% Y/Y
- ✓ 1st vehicle launch in 2020, supporting 20% new energy mandate in China

Strong Pipeline

- ✓ Number of SmartCore™ pursuits has more than doubled Y/Y
- ✓ SmartCore™ pursuits now represent over 20% of total Visteon pursuits
- ✓ Market shift toward cockpit domain controllers

Q1 2018 Performance for Visteon China

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Visteon China Domestic Sales

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$98 million

24% Y/Y

- 10 new product launches in Q1 (vs. 3 in prior year)
- New business wins of $0.9 billion
- Strong market reception for SmartCore™
- FY sales forecasted to grow double digits

China Industry Production Volumes

6.7 million units

(3%) Y/Y

- Q1 production volumes down Y/Y, as forecasted
- Q1 vehicle sales up ~3% Y/Y
- Inventories remain at low levels
- FY production forecasted to grow ~2%

Strong start for Visteon in China for sales and new business wins

Q1 2018 New Business Wins and Order Backlog

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New Business Wins

$1.6 billion

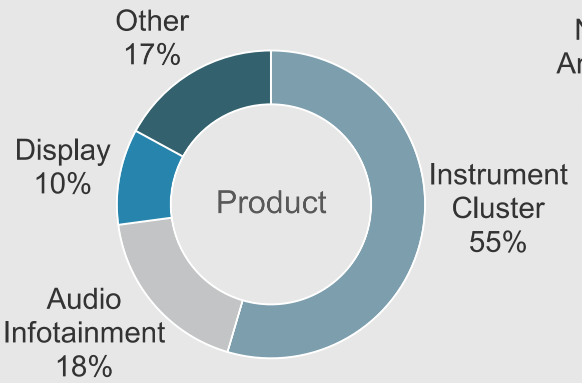
7% Y/Y

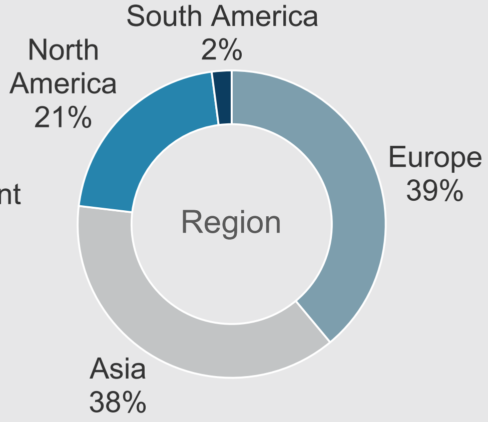
- Key wins in SmartCore™, All-Digital Clusters and Telematics product categories
- Partnerships with cloud ecosystems in China for connected infotainment
- Average win size up over 15% vs. 2017

Order Backlog

$20.1 billion

20% Y/Y





On track to achieve long-term sales targets

FY 2018 Strategic Priorities

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Deliver Strong Financial Performance

- Achieve 2018 sales, adjusted EBITDA and adjusted FCF targets
- Generate double-digit China sales growth
- Enhance shareholder returns via disciplined capital allocation

Accelerate New Business Wins

- Win new business awards of $6+ billion, in support of long-term sales targets
- Double new business awards in China vs. 2017
- Drive continued wins of SmartCore™ technology

Advance Technology Innovations

- Expand customer engagements for L3/L4 autonomous systems
- Launch highway pilot feature based on DriveCore™ platform
- Develop driver monitoring technology for safety functions

Q1 2018 Financial Results

April 26, 2018

Q1 2018 Key Financials *

(Dollars in millions)

	Q1 2017	Q1 2018	2018 vs. 2017
Sales	$810	$814	$4
Adjusted EBITDA	$101 *12.5%*	$104 *12.8%*	$3 30 bps
Adjusted free cash flow	($31)	$48	$79

* All items above except sales are non-GAAP measures
Please see appendix for definitions and important disclosures regarding “Use of Non-GAAP Financial Information”

Sales and Adjusted EBITDA Growth

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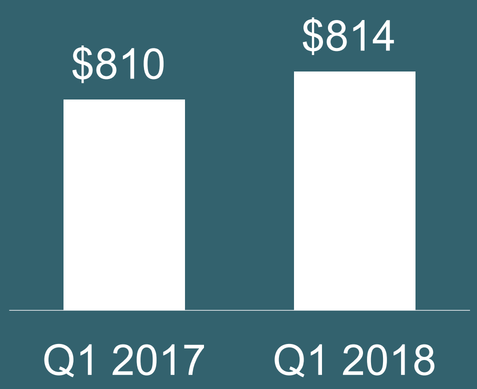
(Dollars in millions)

Y/Y Variance

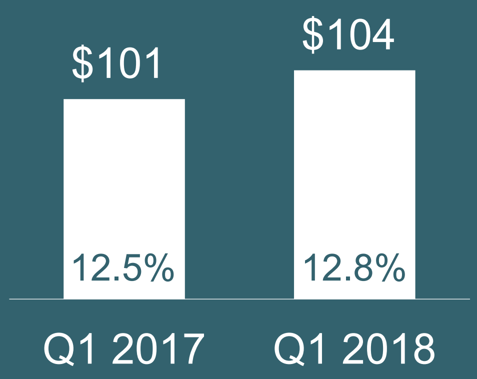
Sales



1% Y/Y

Asia Pacific	$19
Europe	–
Americas	(20)
Eliminations	5
Variance	**$4**

Adj. EBITDA



3% Y/Y

Volume	($13)
Currency	9
Business Equation (1)	7
Variance	**$3**

(1) Reflects manufacturing, material, SG&A and engineering cost efficiencies, net of customer pricing

Adjusted EBITDA growth reflects cost efficiencies and favorable currency

Q1 2018 Cash Flow and Balance Sheet

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(Dollars in millions)

Adj. FCF	**$48** million
Net Cash	**$526** million cash **$382** million debt
Debt / EBITDA	**1.0x**

	Q1 2017	Q1 2018
Adjusted EBITDA	$101	$104
Trade Working Capital	(29)	72
Cash Taxes	(19)	(11)
Interest Payments	(4)	(4)
Other Changes	(48)	(69)
Capital Expenditures	(32)	(44)
Adjusted Free Cash Flow	**($31)**	**$48**

Strong adjusted free cash flow, driven by improved receivable performance

Capital Return Update

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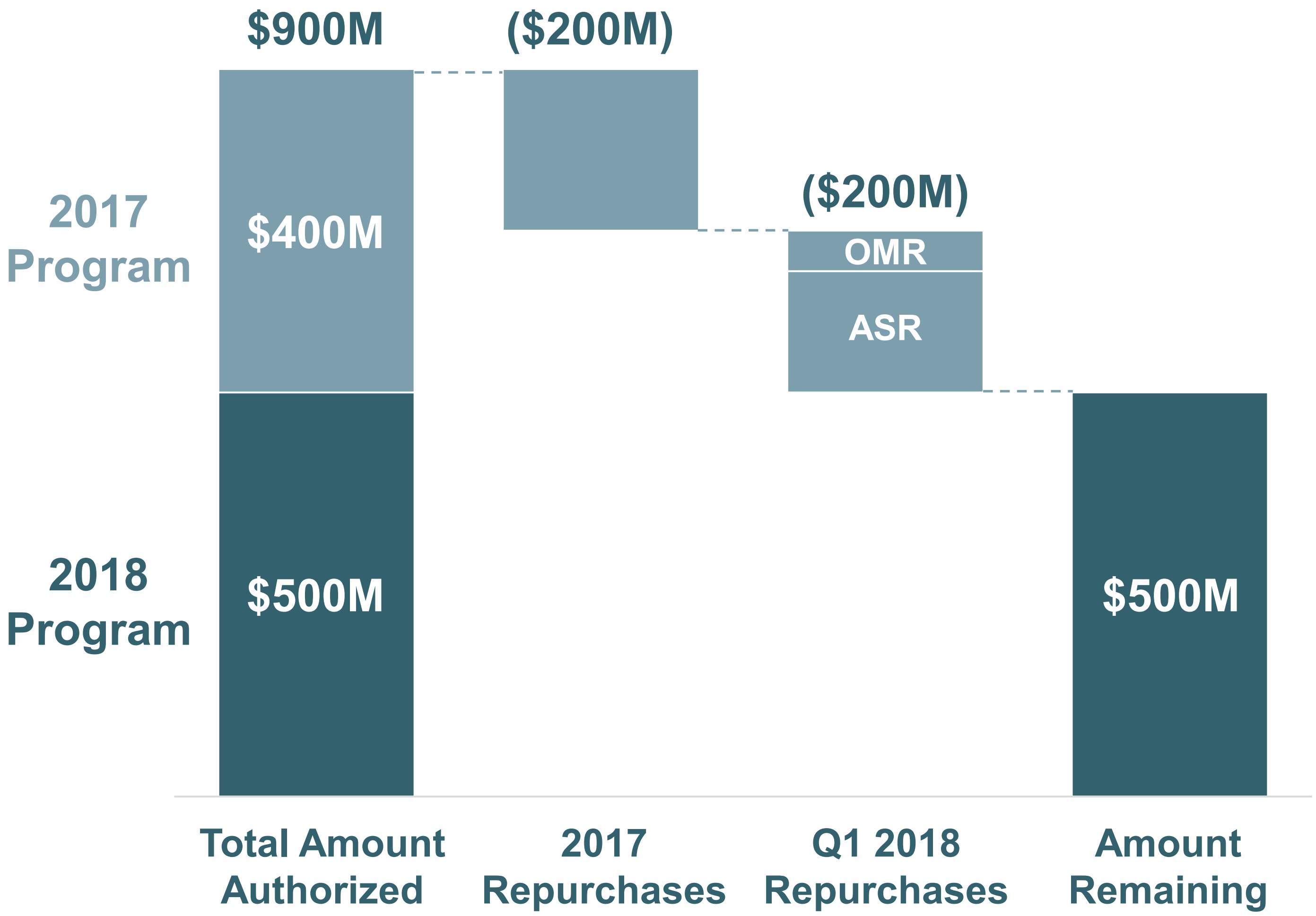

Executed 2017 share repurchase program

To be completed through 2020

OMR = Open-market repurchase
ASR = Accelerated share repurchase

$4 billion returned to shareholders since 2012

Reaffirming Full-Year 2018 Guidance

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	FY 2017 Actual	FY 2018 Guidance	2018 vs. 2017
Sales	$3,146 million	$3,175-3,275 million	↑
Adj. EBITDA	$370 million	$370-380 million	↑
Adj. FCF	$146 million	$160-180 million	↑

Building the Foundation Through Operational Excellence

Visteon

Executing on Our Long-Term Strategies

- ✓ New business wins of $1.6 billion, leading to backlog of $20.1 billion
- ✓ Capitalizing on market shift to ECU consolidation with SmartCore™

Margin Expansion / Cash Flow Generation

- ✓ Delivered $104 million in Q1 2018 adjusted EBITDA, 12.8% of sales
- ✓ Generated positive adjusted free cash flow of $48 million

Return Enhancement via Capital Deployment

- ✓ Executed $200 million in open-market repurchases and ASR
- ✓ $500 million remaining in authorized share buyback programs

Appendix

April 26, 2018

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Forward-Looking Information

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- This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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:
    - 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 execute on our transformational plans and cost-reduction initiatives in the amounts and on the timing contemplated;
    - 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 satisfy pension and other post-employment benefit obligations;
    - 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;
    - 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; 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, 2017).
- 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 presentation, 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, 2018. New business wins, re-wins and backlog 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 productions levels, customer price reductions and currency exchange rates.

Use of Non-GAAP Financial Information

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- 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 2018, 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

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Adjusted Gross Margin

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

	2017					2018
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1
Gross margin (1)	**$129**	**$111**	**$114**	**$139**	**$493**	**$129**
Less:						
Stock-based compensation expense	-	1	-	1	2	1
Intangibles amortization - COGS	1	1	1	-	3	1
Other	-	(1)	(3)	(2)	(6)	-
Subtotal	**$1**	**$1**	**($2)**	**($1)**	**($1)**	**$2**
Adjusted gross margin	**$130**	**$112**	**$112**	**$138**	**$492**	**$131**

Adjusted SG&A

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

	2017					2018
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1
SG&A (1)	**$52**	**$54**	**$55**	**$65**	**$226**	**$44**
Less:						
Stock-based compensation expense	(2)	(3)	(3)	(2)	(10)	7
Intangibles amortization - SG&A	(2)	(2)	(2)	(3)	(9)	(2)
Subtotal	**($4)**	**($5)**	**($5)**	**($5)**	**($19)**	**$5**
Adjusted SG&A	**$48**	**$49**	**$50**	**$60**	**$207**	**$49**

(1) 2017 gross margin and SG&A reflect the retrospective adoption of ASU 2017-07 – "Compensation – Retirement Benefits (Topic 715): Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost." See the Company's Form 10-Q for the quarter ending March 31, 2018 for further information.

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

Visteon

Adjusted Net Income and Adjusted EPS

- *The Company defines Adjusted net income as net income attributable to Visteon adjusted to eliminate the impact of restructuring expense, loss on divestiture, loss / gain on non-consolidated affiliate transactions, discontinued operations 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 diluted shares.*

	2017					2018
(Dollars and shares in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**
Average shares outstanding, diluted	33.0	32.0	31.8	31.7	32.2	30.8
Earnings per share	**$1.91**	**$1.41**	**$1.35**	**$0.79**	**$5.47**	**$2.11**
Memo: Adjusted EPS						
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**
Restructuring expense	1	3	6	4	14	5
Loss on divestiture	-	-	-	33	33	-
Discontinued operations	(8)	-	-	(9)	(17)	(2)
Other	1	(4)	(4)	(1)	(8)	(4)
Subtotal	**($6)**	**($1)**	**$2**	**$27**	**$22**	**($1)**
Adjusted net income	**$57**	**$44**	**$45**	**$52**	**$198**	**$64**
Average shares outstanding, diluted	33.0	32.0	31.8	31.7	32.2	30.8
Adjusted earnings per share	**$1.73**	**$1.38**	**$1.42**	**$1.64**	**$6.15**	**$2.08**

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

Visteon

Adjusted EBITDA

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

	2017					2018	FY 2018 Guidance	
(Dollars in millions)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Low-end**	**High-end**
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$198**	**$208**
Depreciation and amortization	19	22	21	25	87	22	90	90
Restructuring expense	1	3	6	4	14	5	10	10
Interest expense, net	5	4	3	4	16	2	10	10
Equity in net income of non-consolidated affiliates	(2)	(3)	(1)	(1)	(7)	(3)	(10)	(10)
Provision for income taxes	16	10	8	14	48	21	55	55
Income from discontinued operations, net of tax	(8)	-	-	(9)	(17)	(2)	(2)	(2)
Net income attributable to non-controlling interests	4	3	4	5	16	4	15	15
Non-cash, stock-based compensation	2	4	3	3	12	(6)	8	8
Other	1	(4)	(4)	32	25	(4)	(4)	(4)
Subtotal	**$38**	**$39**	**$40**	**$77**	**$194**	**$39**	**$172**	**$172**
Adjusted EBITDA	**$101**	**$84**	**$83**	**$102**	**$370**	**$104**	**$370**	**$380**

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

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Free Cash Flow and Adjusted Free Cash Flow

- *The Company defines Free cash flow as cash flow provided from operating activities less capital expenditures.*
- *The Company defines Adjusted free cash flow as cash flow provided from operating activities less capital expenditures, as further adjusted for restructuring and transformation-related payments.*

	2017					2018	FY 2018 Guidance	
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Low-end	High-end
Cash from (used by) operating activities [(1)]	**($11)**	**$96**	**$44**	**$86**	**$215**	**$81**	**$245**	**$265**
Less: Capital expenditures, including intangibles	(32)	(15)	(22)	(30)	(99)	(44)	(110)	(105)
Free cash flow	**($43)**	**$81**	**$22**	**$56**	**$116**	**$37**	**$135**	**$160**
Exclude: Restructuring / transformation-related payments	12	6	10	2	30	11	25	20
Adjusted free cash flow	**($31)**	**$87**	**$32**	**$58**	**$146**	**$48**	**$160**	**$180**

(1) 2017 cash from (used by) operating activities reflect the retrospective adoption of ASU 2016-15 "Statement of Cash Flows (Topic 230): Classification of certain cash receipts and cash payments." See the Company's 10-Q for the quarter ending March 31, 2018 for further information.

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

Visteon

Adjusted EBITDA Build-up

(Dollars in millions)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full Year	2018 Q1
Product Sales	$810	$774	$765	$797	$3,146	$814
Gross Margin	$129	$111	$114	$139	$493	$129
Intangibles Amortization - COGS	1	1	1	-	3	1
Other / Stock-based compensation expense	-	-	(3)	(1)	(4)	1
Adjusted Gross Margin	**$130**	**$112**	**$112**	**$138**	**$492**	**$131**
% of Sales	*16.0%*	*14.5%*	*14.6%*	*17.3%*	*15.6%*	*16.1%*
SG&A						
Product Line Specific and Allocated SG&A	($52)	($54)	($55)	($65)	($226)	($44)
Intangibles Amortization - SG&A	2	2	2	3	9	2
Other / Stock-based compensation expense	2	3	3	2	10	(7)
Adjusted SG&A	**($48)**	**($49)**	**($50)**	**($60)**	**($207)**	**($49)**
Adjusted EBITDA						
Adjusted Gross Margin	$130	$112	$112	$138	$492	$131
Adjusted SG&A	(48)	(49)	(50)	(60)	(207)	(49)
D&A	16	19	18	22	75	19
Pension Financing Benefits, net	3	2	3	2	10	3
Adjusted EBITDA	**$101**	**$84**	**$83**	**$102**	**$370**	**$104**
% of Sales	*12.5%*	*10.9%*	*10.8%*	*12.8%*	*11.8%*	*12.8%*
Equity in Affiliates	$2	$3	$1	$1	$7	$3
Noncontrolling Interests	(4)	(3)	(4)	(5)	(16)	(4)

Q1 2018 Financial Results – U.S. GAAP

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(Dollars in millions, except per share data)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full Year	2018 Q1
Income Statement						
Sales	$810	$774	$765	$797	$3,146	$814
Gross margin (1)	129	111	114	139	493	129
SG&A (1)	52	54	55	65	226	44
Net income attributable to Visteon	63	45	43	25	176	65
Earnings per share, diluted	$1.91	$1.41	$1.35	$0.79	$5.47	$2.11
Cash Flow Statement						
Cash from (used by) operating activities (2)	($11)	$96	$44	$86	$215	$81
Capital expenditures, including intangibles	32	15	22	30	99	44

(1) 2017 gross margin and SG&A reflect the retrospective adoption of ASU 2017-07 – "Compensation – Retirement Benefits (Topic 715): Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost."
(2) 2017 cash from (used by) operating activities reflect the retrospective adoption of ASU 2016-15 "Statement of Cash Flows (Topic 230): Classification of certain cash receipts and cash payments."
See the Company's 10-Q for the quarter ending March 31, 2018 for further information.

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