


Visteon Q1 2022 Earnings

April 28, 2022



Visteon®

 Net Sales \$818 Million 11% Y/Y Growth ⁽¹⁾	 Adjusted EBITDA \$71 Million 8.7% Margin	 Adjusted FCF (\$37) Million \$405 Million Total Cash
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STRONG PRODUCT PORTFOLIO CONTINUED TO DRIVE GROWTH

<p>CONTINUED MARKET OUT-PERFORMANCE</p>  <p>~22% GoM⁽²⁾ vs. customer production</p>	<p>HIGH NUMBER OF NEW PRODUCT LAUNCHES</p>  <p>16 product launches in Q1</p>	<p>STRONG NEW BUSINESS WIN PIPELINE FOR 2022</p>  <p>\$950 million of new business wins in Q1</p>	<p>BEST-IN-CLASS PRODUCT PORTFOLIO</p>  <p>Growing portfolio of display technologies</p>	<p>MAINTAINING STRONG LIQUIDITY</p>  <p>\$56 million net cash position at end of Q1</p>
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Q1 Macro and Micro Dynamics

Visteon continued to outperform in a volatile macro-environment

Industry Production Factors



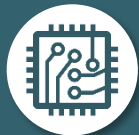
Russia / Ukraine Conflict

Russia / Ukraine conflict drove negative customer mix with European OEMs



COVID-19 Lockdowns

Pandemic related lockdowns in China caused further disruptions to the supply chain



Semiconductor Supply

Semiconductor supply improved with key suppliers throughout the quarter

Visteon Growth-Over-Market Drivers



Higher Content Vehicles

OEMs prioritizing higher trim level vehicles



Robust Launch Cadence

Over 50 launches in last year driving sustainable market outperformance



Redesigns & Open Market Purchases

Proactively mitigating semiconductor shortages



Cost Recoveries

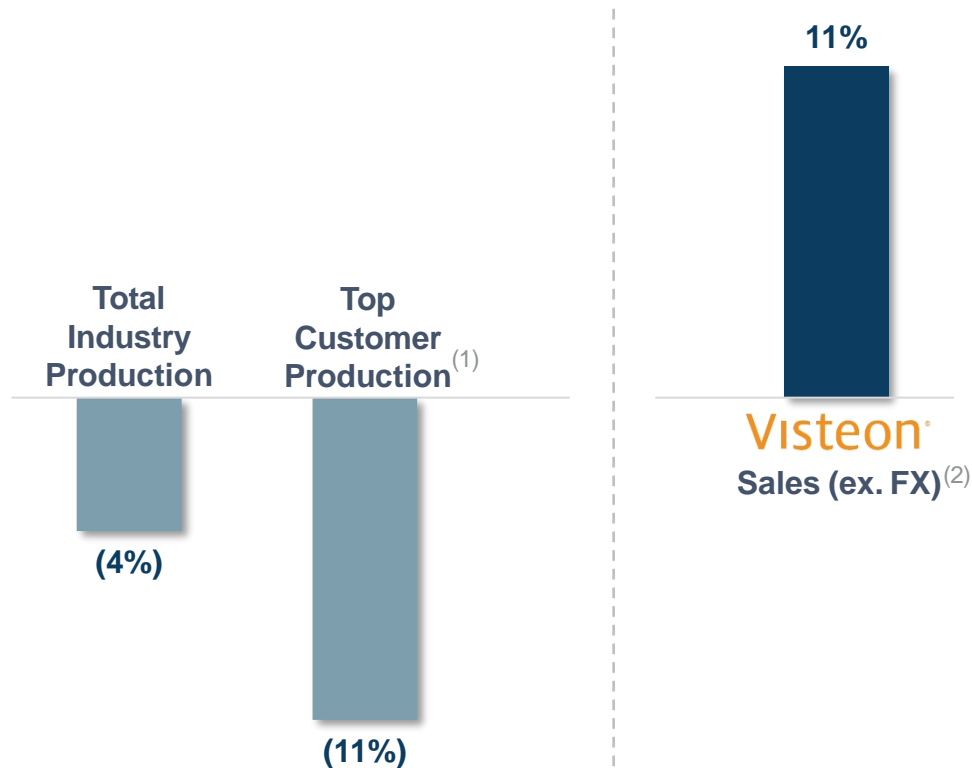
Recoveries contributing to net positive pricing year-over-year

Q1 Y/Y Industry Production and Visteon Sales Performance



Market outperformance driven by strong product portfolio

Q1 2022 Growth-Over-Market of ~22%



Product Highlights



Clusters

Robust digital cluster growth driven by recent program launches and higher content vehicle mix



Cockpit Domain Controllers

SmartCore™ sales nearly doubled from prior year as a result of recent program launches



Displays

Growth driven by improvement in supply and recent multi-display program launches



Infotainment

Market outperformance driven by Android-based programs

Strong Product Launch Performance

Robust launch cadence continued with 16 new program launches in Q1

Summary

16
Program
Launches

8
All-Digital
Cluster Launches

4
Display
Launches

Q1 Key Launch Highlights



Ford F-150 Lightning EV
Digital Cluster



Mazda CX-60 PHEV
Center Information Display



Honda e-NS1 EV
Digital Cluster



Nissan Z
Digital Cluster



VW MEB ID Platform
Digital Cluster

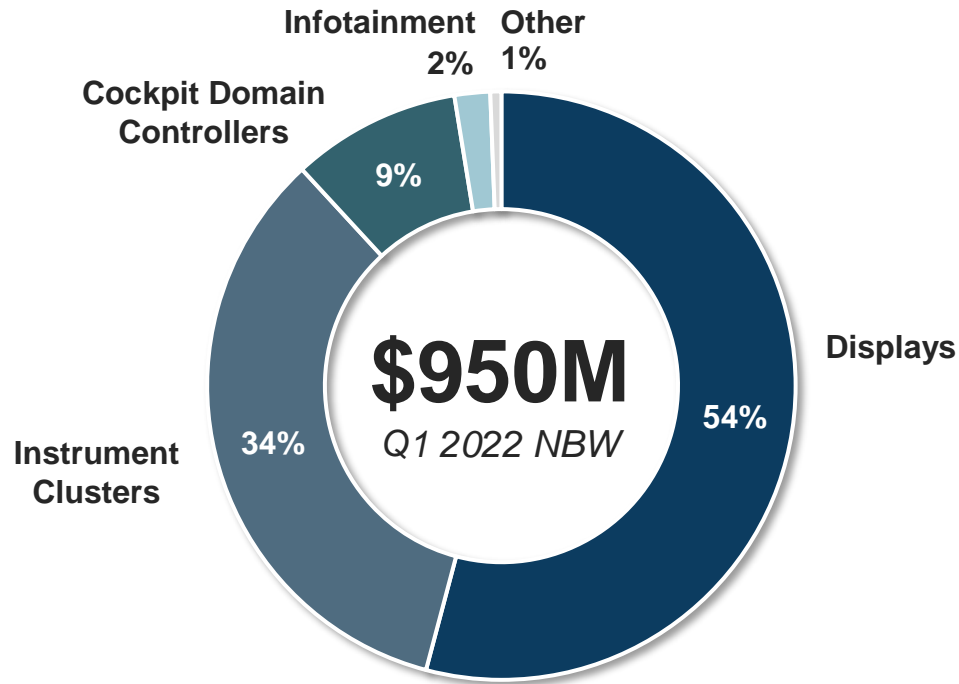


Ford Ranger
Audio / Infotainment System

New Business Wins

Next-generation products driving ongoing success in NBWs

Q1 2022 New Business Wins



~20% of Q1 2022 new business wins on electric vehicle variants

Key Q1 New Business Wins



All-Digital Cluster

All-digital cluster win on high volume vehicle with Japanese OEM



Two-Wheeler Digital Cockpit

All-digital cockpit win with Indian OEM on electric vehicle two-wheeler model



Cockpit Domain Controller

New SmartCore™ customer with advanced chip for domestic Chinese OEM's pickup segment



Multi-Display Module

High-end, dual display win on multiple vehicle models with Japanese OEM

Visteon Advanced Display Technology

Differentiated capabilities and unique solutions driving future growth



Emerging Display Trends



Visteon® Best-in-Class Capabilities



Innovative Global Manufacturing with Optical Bonding Expertise



Leading Design Platform with Global Footprint



Robust Multi-Display Program Experience

Visteon Display IP

**microZone™
Performance LCD**

**TrueColor Image
Enhancement**

**Active Passenger
Display Privacy**

**AI Low Light
Enhancement**

**Full Array Local
Dimming**

Full-Year Expectations

Maintaining full-year guidance driven by strong growth-over-market

Industry Production Outlook



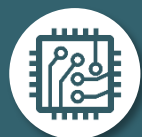
China COVID-19 Lockdowns

Plant shutdowns and supply chain disruptions due to lockdown in China



Russia / Ukraine Conflict

Production disruptions to moderate with European OEMs, reversing negative Q1 mix



Semiconductor Supply

Semiconductor supply expected to improve in 2nd half of the year as previously anticipated

Visteon GoM Assumptions



Higher Content Vehicles

OEMs will prioritize higher trim level vehicles



Robust Launch Cadence

Launch momentum expected throughout the remainder of the year



Redesign & Open Market Purchases

Extending proactive measures throughout the year to mitigate semiconductor challenges



Cost Recoveries

Continued recoveries driving positive pricing for the full-year

Summary



Record Sales Performance in a Challenging Environment

Delivered 22% sales growth-over-market relative to our customers' production



Operational Excellence Delivers Robust Financial Performance

Commercial and cost discipline drove 8.7% EBITDA margin



Fundamentals of Business Remain Strong

16 new product launches including several electric vehicle programs



Technology Portfolio Aligned with Key Trends

Digital cockpit and electrification products in line with industry mega trends



Building the Foundation for Future Growth

\$950 million in new business wins including a global cluster program with Japanese OEM



Q1 2022 Financial Results

April 28, 2022



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Q1 2022 in Review

Robust results in a challenging environment

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Net Sales

\$818 Million

11% Y/Y Growth⁽¹⁾



Adjusted EBITDA

\$71 Million

8.7% Margin



Adjusted FCF

(\$37) Million

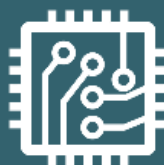
\$405 Million Total Cash

CONTINUING TO BUILD THE FOUNDATION FOR SUSTAINABLE GROWTH



SALES AND MARGIN PERFORMANCE

- ▶ ~22% GoM despite significant supply chain impacts
- ▶ Cost recoveries partially offset supply chain cost increases



SUPPLY CHAIN MANAGEMENT

- ▶ Customer demand remains robust despite dynamic market conditions
- ▶ Proactively mitigating semiconductor supply shortages



CASH FLOW AND BALANCE SHEET

- ▶ Total cash balance of \$405 million, net cash balance of \$56 million
- ▶ Net debt / trailing 12-month EBITDA of (0.2x)



MAINTAINING FULL-YEAR GUIDANCE

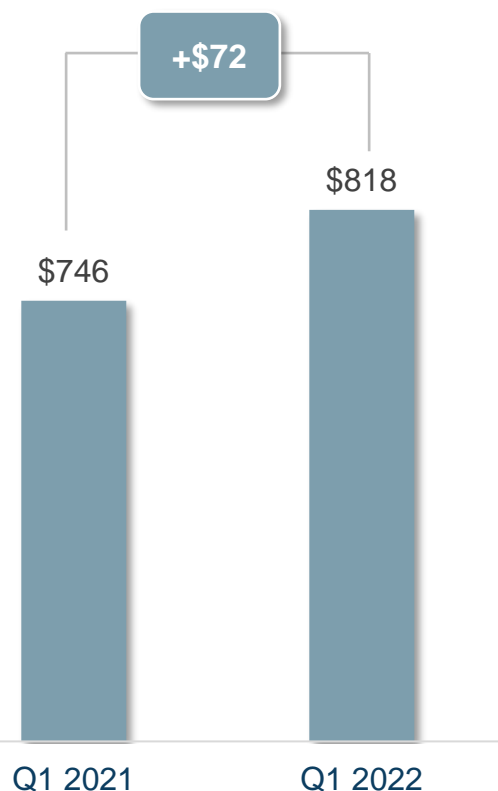
- ▶ Robust GoM offsetting reduction in industry production assumptions
- ▶ Customer recovery negotiations on track to achieve full-year target

Q1 2022 Y/Y Key Drivers

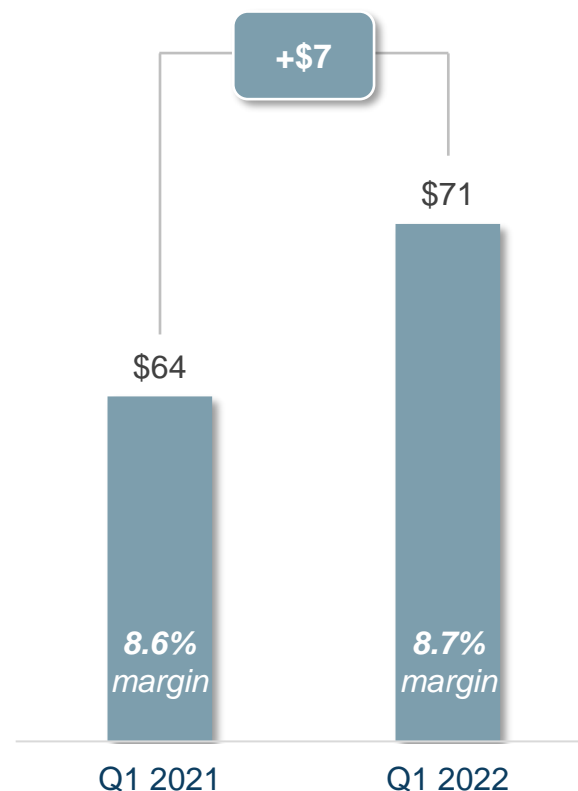
Sales and EBITDA expansion despite challenging environment

(Dollars in millions)

Sales



Adjusted EBITDA



Q1 2022 Key Drivers

- ❑ Strong growth-over-market continued despite decline in customer production
- ❑ New product launches and favorable customer pricing drove sales growth
- ❑ EBITDA performance driven by:
 - ▲ Increased sales volume
 - ▲ Higher pricing
 - ▲ Higher engineering recoveries
 - ▼ Higher semiconductor costs
 - ▼ Margin dilution from recoveries

Q1 2022 Cash Flow and Balance Sheet

Continuing to maintain net cash position

Strong Balance Sheet

	\$405 million
Cash	Provides flexibility and supports future growth
	\$56 million
Net Cash	No material debt maturities until 2024
	(0.2x)
Net Debt / LTM EBITDA	Strong balance sheet provides significant flexibility

(Dollars in Millions)	Q1 2021	Q1 2022
Adjusted EBITDA	\$64	\$71
Trade Working Capital	(11)	(40)
Cash Taxes	(5)	(7)
Interest Payments	(3)	(3)
Other Changes	(18)	(37)
Capital Expenditures	(18)	(21)
Adjusted FCF	\$9	(\$37)

Maintaining 2022 Full-Year Outlook

Confirming guidance despite reduction in industry vehicle production assumptions

(Dollars in millions, percentages at midpoint)

Commentary



Sales

\$3,150 – \$3,350
+17% Y/Y

- Anticipating low single digit customer production volume growth
- Strong product portfolio and customer cost recoveries driving mid-teens growth-over-market



Adj. EBITDA

\$295 – \$335
~9.7% Margin

- Customer cost recovery negotiations progressing as anticipated
- Continuing to leverage optimized cost structure



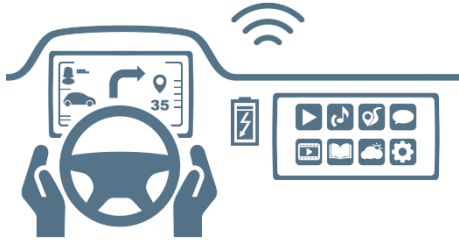
Adj. FCF

\$85 – \$115
~30% Conversion

- Capex of ~\$110 million (~3.5% of sales at mid-point)
- Investment in working capital to support sales growth and temporary inventory build

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

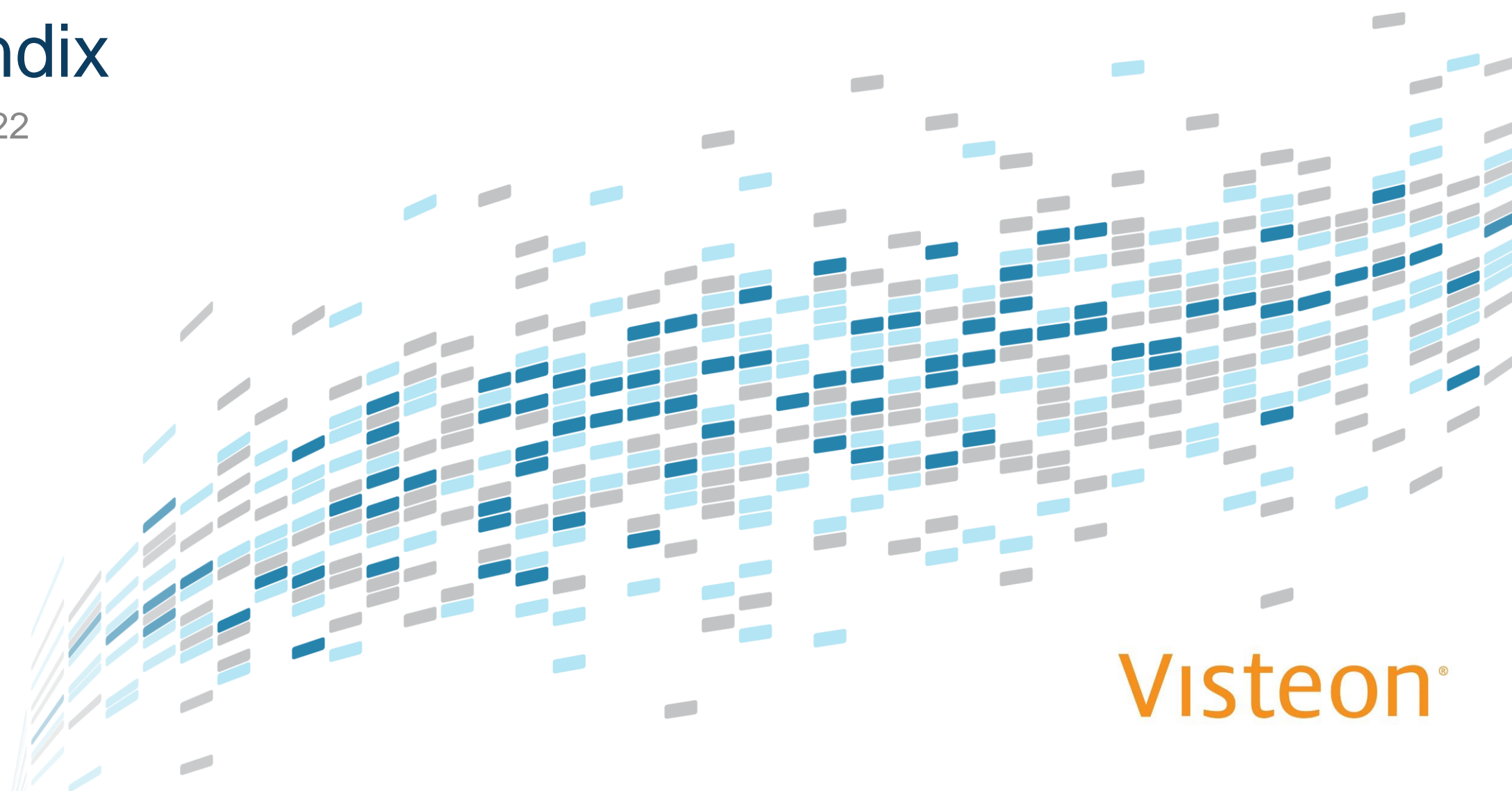


Strong Balance Sheet

- ▶ \$405 million in cash to provide flexibility and support future growth
- ▶ No material debt maturities until 2024
- ▶ (0.2x) net debt / trailing 12-month adjusted EBITDA

Appendix

April 28, 2022



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Forward-Looking Information



- 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 coronavirus (COVID-19) pandemic on our financial condition and business operations including global supply chain disruptions, market downturns, reduced consumer demand, and new government actions or restrictions;
 - continued and future impacts related to the conflict between Russia and the Ukraine including supply chain disruptions, reduction in customer demand, and the imposition of sanctions on Russia;
 - 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;
 - 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 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;
 - 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, 2021 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 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, 2022. 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 production levels, customer cancellations, installation rates, customer price reductions and currency exchange rates

- 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 2022, 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 intangibles amortization, stock-based compensation expense and other non-operating costs.

(Dollars in millions)	2021					2022
	Q1	Q2	Q3	Q4	Full Year	Q1
Gross margin	\$73	\$35	\$47	\$99	\$254	\$76
<u>Less:</u>						
Stock-based compensation expense	1	2	-	1	4	1
Intangibles amortization	-	-	-	1	1	-
Other	1	-	1	1	3	2
Subtotal	\$2	\$2	\$1	\$3	\$8	\$3
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79

Adjusted SG&A

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

(Dollars in millions)	2021					2022
	Q1	Q2	Q3	Q4	Full Year	Q1
SG&A	\$45	\$44	\$42	\$44	\$175	\$44
<u>Less:</u>						
Stock-based compensation expense	(3)	(3)	(4)	(4)	(14)	(4)
Intangibles amortization	(3)	(2)	(2)	(3)	(10)	(3)
Other	-	(1)	(1)	-	(2)	-
Subtotal	(\$6)	(\$6)	(\$7)	(\$7)	(\$26)	(\$7)
Adjusted SG&A	\$39	\$38	\$35	\$37	\$149	\$37

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 expense, 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.

(Dollars and shares in millions, except per share data)	2021					2022
	Q1	Q2	Q3	Q4	Full Year	Q1
Net income / (loss) attributable to Visteon	\$16	(\$11)	\$5	\$31	\$41	\$22
Average shares outstanding, diluted	28.4	28.0	28.4	28.4	28.4	28.4
Earnings / (loss) per share	\$0.56	(\$0.39)	\$0.18	\$1.09	\$1.44	\$0.77
<u>Memo: Adjusted EPS</u>						
Net income / (loss) attributable to Visteon	\$16	(\$11)	\$5	\$31	\$41	\$22
Restructuring and impairment expense	(1)	1	(2)	16	14	7
Other	1	1	2	1	5	2
Tax effect of adjustments	-	-	-	-	-	-
Subtotal	\$0	\$2	\$0	\$17	\$19	\$9
Adjusted net income / (loss)	\$16	(\$9)	\$5	\$48	\$60	\$31
Average shares outstanding, diluted	28.4	28.0	28.4	28.4	28.4	28.4
Adjusted earnings / (loss) per share	\$0.56	(\$0.32)	\$0.18	\$1.69	\$2.11	\$1.09

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, discontinued operations, 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)	2021					2022	FY 2022 Guidance
	Q1	Q2	Q3	Q4	Full Year	Q1	Midpoint
Net income / (loss) attributable to Visteon	\$16	(\$11)	\$5	\$31	\$41	\$22	\$116
Depreciation and amortization	27	28	27	26	108	27	105
Restructuring and impairment expense	(1)	1	(2)	16	14	7	10
Interest expense, net	2	2	2	2	8	2	10
Equity in net (income) / loss of non-consolidated affiliates	-	-	(2)	(4)	(6)	(3)	(6)
Provision for income taxes	12	4	4	11	31	8	40
Net income / (loss) attributable to non-controlling interests	3	-	2	4	9	1	10
Non-cash, stock-based compensation	4	5	4	5	18	5	25
Other	1	1	2	1	5	2	5
Subtotal	\$48	\$41	\$37	\$61	\$187	\$49	\$199
Adjusted EBITDA	\$64	\$30	\$42	\$92	\$228	\$71	\$315

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)	2021					2022	FY 2022
	Q1	Q2	Q3	Q4	Full Year	Q1	Guidance Midpoint
Cash flow from (for) operating activities	\$11	(\$10)	(\$13)	\$70	\$58	(\$21)	\$195
Less: Capital expenditures, including intangibles	(18)	(15)	(21)	(16)	(70)	(21)	(110)
Free cash flow	(\$7)	(\$25)	(\$34)	\$54	(\$12)	(\$42)	\$85
Exclude: Restructuring-related payments	16	9	4	5	34	5	15
Adjusted free cash flow	\$9	(\$16)	(\$30)	\$59	\$22	(\$37)	\$100

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



Adjusted EBITDA Build-up

(Dollars in millions)	2021					2022
	Q1	Q2	Q3	Q4	Full Year	Q1
Sales	\$746	\$610	\$631	\$786	\$2,773	\$818
Gross margin	\$73	\$35	\$47	\$99	\$254	\$76
Intangibles amortization	-	-	-	1	1	-
Stock-based compensation expense	1	2	-	1	4	1
Other	1	-	1	1	3	2
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79
<i>% of sales</i>	<i>10.1%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>13.0%</i>	<i>9.4%</i>	<i>9.7%</i>
SG&A	(\$45)	(\$44)	(\$42)	(\$44)	(\$175)	(\$44)
Intangibles amortization	3	2	2	3	10	3
Stock-based compensation expense	3	3	4	4	14	4
Other	-	1	1	-	2	-
Adjusted SG&A	(\$39)	(\$38)	(\$35)	(\$37)	(\$149)	(\$37)
Adjusted EBITDA						
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79
Adjusted SG&A	(39)	(38)	(35)	(37)	(149)	(37)
D&A	24	26	25	22	97	24
Pension financing benefits, net	4	5	4	5	18	5
Adjusted EBITDA	\$64	\$30	\$42	\$92	\$228	\$71
<i>% of sales</i>	<i>8.6%</i>	<i>4.9%</i>	<i>6.7%</i>	<i>11.7%</i>	<i>8.2%</i>	<i>8.7%</i>
Equity in affiliates	-	-	\$2	\$4	\$6	\$3
Noncontrolling interests	(3)	-	(2)	(4)	(9)	(1)

Net Engineering



(Dollars in millions)	2021					2022
	Q1	Q2	Q3	Q4	Full Year	Q1
<u>Engineering costs, net</u>						
Engineering costs, gross	(\$80)	(\$86)	(\$80)	(\$79)	(\$325)	(\$81)
Recoveries	21	39	28	46	134	33
Engineering costs, net	(\$59)	(\$47)	(\$52)	(\$33)	(\$191)	(\$48)

Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2021					2022
	Q1	Q2	Q3	Q4	Full Year	Q1
<u>Income Statement</u>						
Sales	\$746	\$610	\$631	\$786	\$2,773	\$818
Gross margin	73	35	47	99	254	76
SG&A	45	44	42	44	175	44
Net income / (loss) attributable to Visteon	16	(11)	5	31	41	22
Earnings / (loss) per share, diluted	\$0.56	(\$0.39)	\$0.18	\$1.09	\$1.44	\$0.77
<u>Cash Flow Statement</u>						
Cash flow from (for) operating activities	\$11	(\$10)	(\$13)	\$70	\$58	(\$21)
Capital expenditures, including intangibles	18	15	21	16	70	21

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