

# Visteon JP Morgan Auto Conference

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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. 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, 2016).
- 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. 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.

# Visteon Today and Shareholder Value Creation



**\$3.1B** Annual sales (Electronics)

**10,000** Employees

**18** Countries

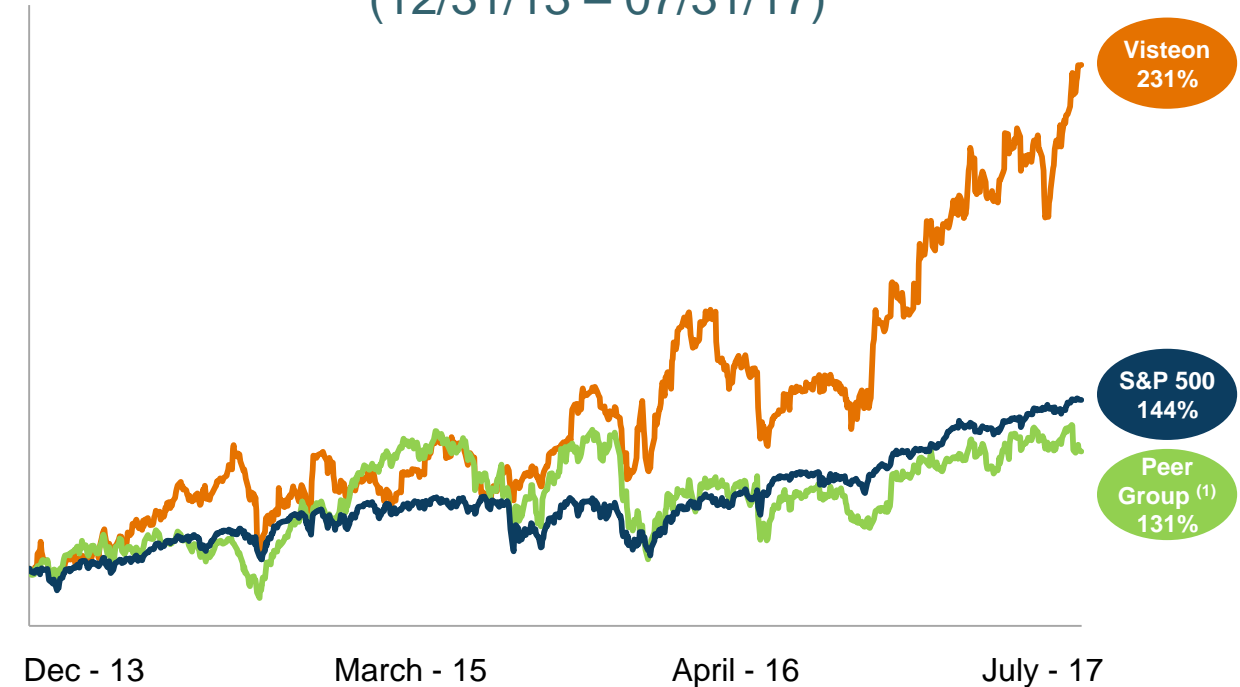
**22** Manufacturing locations

**18** Technical centers

Van Buren Township,  
Michigan, United States

Company headquarters

Long-Term Total Shareholder Return  
(12/31/13 – 07/31/17)



(1) Peer group includes average returns of Autoliv, Continental, Delphi and Gentex.

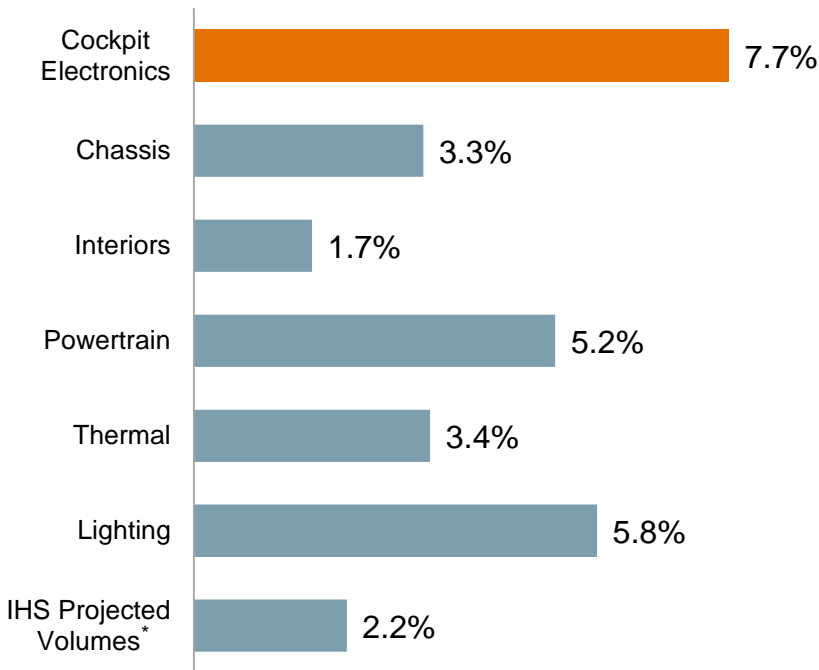
A global leader in automotive cockpit electronics and software

# Only Pure-Play in Automotive Cockpit Electronics



Cockpit electronics is the fastest growing segment

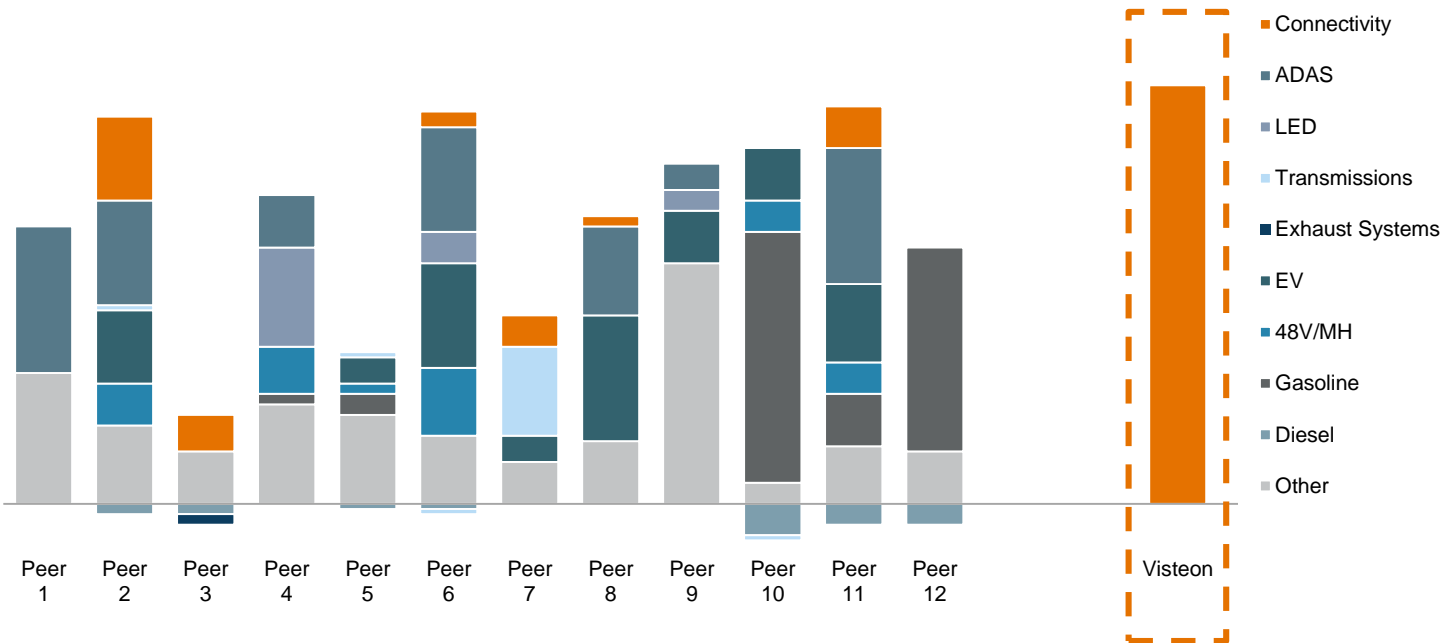
Revenue Growth (CAGR) : 2015-2022



Source: IHS Markit.  
\* Represents global production volumes from 2016-2021

Visteon is the only pure-play cockpit electronics company in the automotive industry

Visteon vs. Peers – Revenue Growth (CAGR) : 2016-2025



Source: UBS Autos Global Megatrends.

Only auto supplier with exclusive focus on fastest growing segment of auto electronics

# Industry Leading Cockpit Electronics Product Portfolio

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**Top 5** Connected car Tier 1 supplier<sup>(1)</sup>

**#2** Automotive display systems<sup>(2)</sup>  
Center stack displays and  
Instrument cluster displays<sup>(2)</sup>

**#3** Head-Up displays<sup>(2)</sup>

*As ranked by ABI Research  
and IHS Automotive for 2016*

(1) ABI Research.  
(2) IHS Markit.

Complete product portfolio and strong market position

# The Opportunity for Visteon



## Leader in Cockpit Displays

\$10B Market in 2016

\$18B by 2021

**#2** share in Instrument Clusters

**#2** share in Center Stack Displays

**#3** in Head-Up Displays

## Transformation of Infotainment

\$16B Market in 2016

\$22B by 2021

From closed & proprietary to open

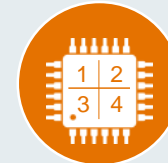
Success of CarPlay & Android Auto

Launch of Phoenix & AllGo acquisition



## New Industry Trends

ECU consolidation with Domain Controllers



**SmartCore™**

Autonomous Driving hardware & software platforms



**drivecore**

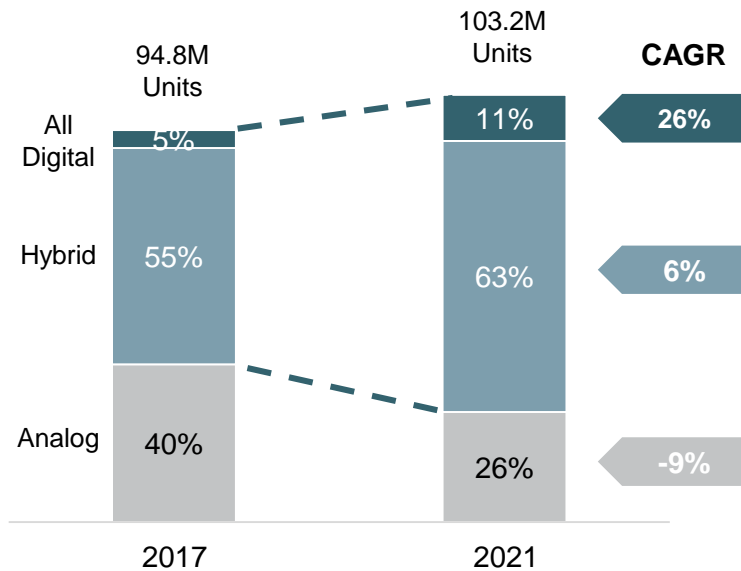
Source: IHS and Strategy Analytics.

Strong share in Display systems; opportunity in Infotainment; leader in new trends



# Digitization of Instrument Clusters

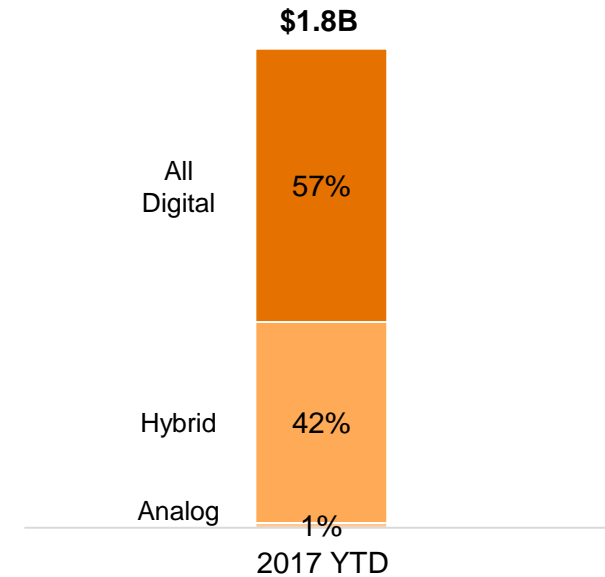
Instrument Cluster Market Trends



- All-digital is fastest-growing segment of clusters
- All-digital clusters expanding from luxury to mass market vehicles
- Hybrid clusters with larger displays growing fastest within the product segment

Source: IHS global production forecast March 2017

Visteon 2017 YTD Instrument Cluster NBWs

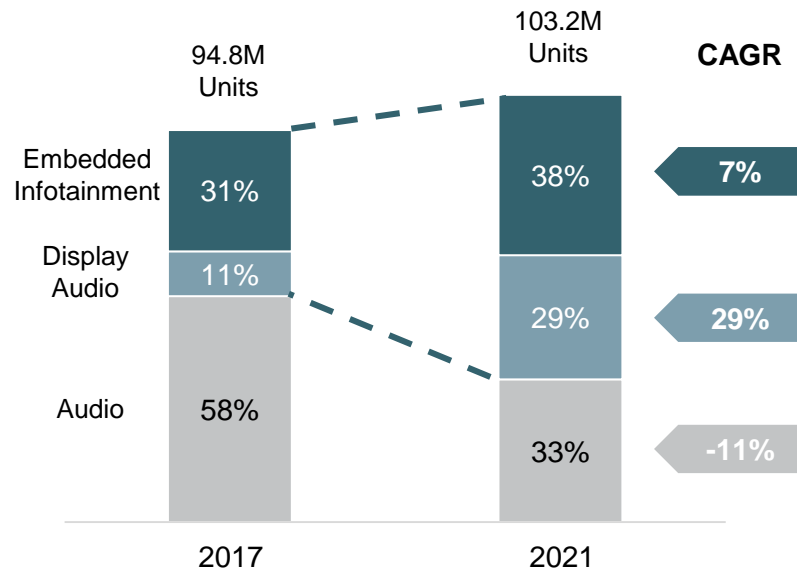


- Instrument clusters make up \$1.8B out of \$3.1B in YTD NBWs
- 99% incorporate digital displays and more than half are all-digital
- Digitization of clusters supports domain controller trend

Visteon leading industry transition toward digital clusters

# Capitalizing on Trends in Audio/Infotainment

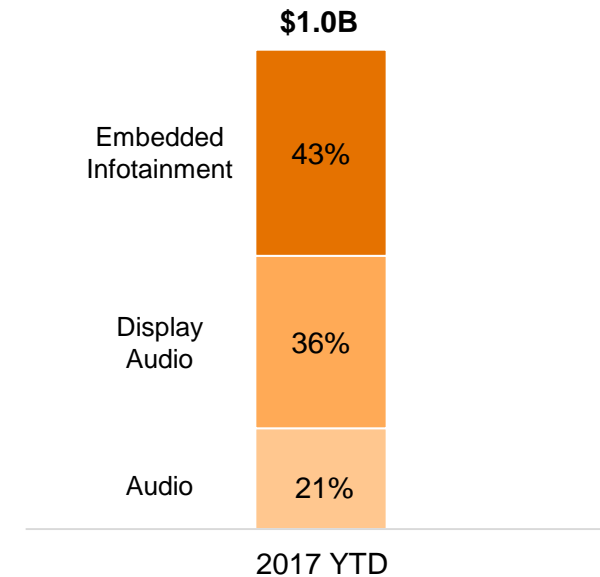
## Audio/Infotainment Market Trends



- Display Audio with CarPlay and Android Auto is fastest-growing segment
- HTML5 and Android expected to be key technologies for Embedded Infotainment
- Audio systems remain relevant in emerging markets

Source: IHS global production forecast March 2017

## Visteon 2017 YTD Audio/Infotainment NBWs



- Audio/Infotainment NBWs represent \$1B of \$3.1B total
- Majority of wins are in Embedded or Display Audio segments
- Acquisition of AllGo Systems positions Visteon well in Display Audio
- Active customer engagements for Phoenix™ infotainment solution

Winning in faster-growing Infotainment product segments



# Growing Customer Engagements with New Offerings



## SmartCore™

- Drives ECU consolidation and reduces cost to OEMs
- First tier 1 to deliver solution launching in early 2018
- Four OEM customers adopting this technology



## Infotainment Solutions

- Developer friendly platform using HTML5 enables third-party applications
- AllGo acquisition complements display audio capabilities
- Highly secure and over the air upgradeable

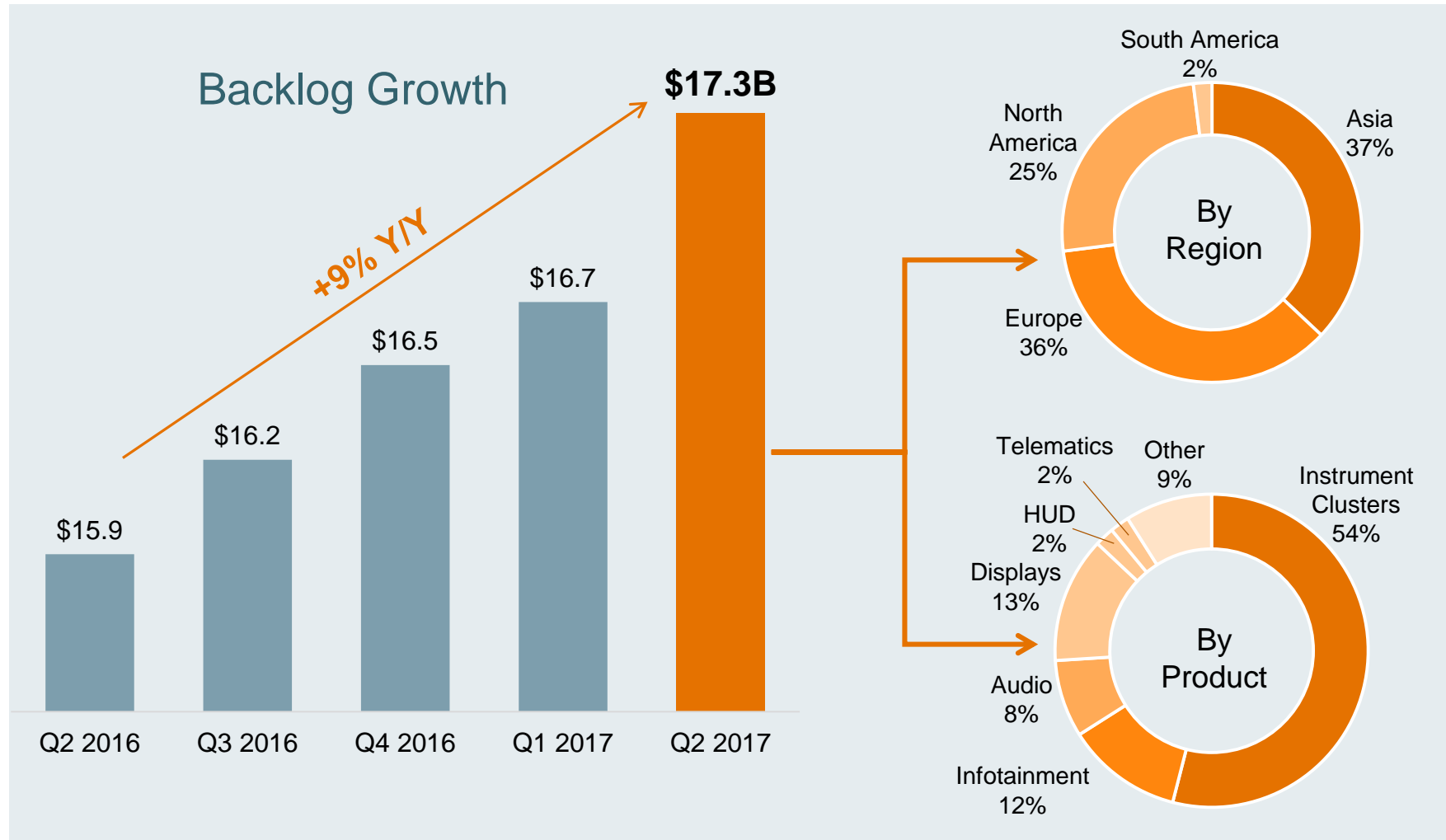


## Autonomous Driving

- Open development of AI based autonomous solution
- Complete suite of hardware and software tools for rapid development
- Launch technology platform at CES 2018

Momentum growing with all three new technology offerings

# Continued Growth in Backlog



- Nearly 75% of backlog in faster-growing markets
- Strong growth in backlog over last 12 months
- Majority of backlog is all-digital products
- Positions Visteon to drive domain controller trend

Business accelerating in faster-growing regions and product segments

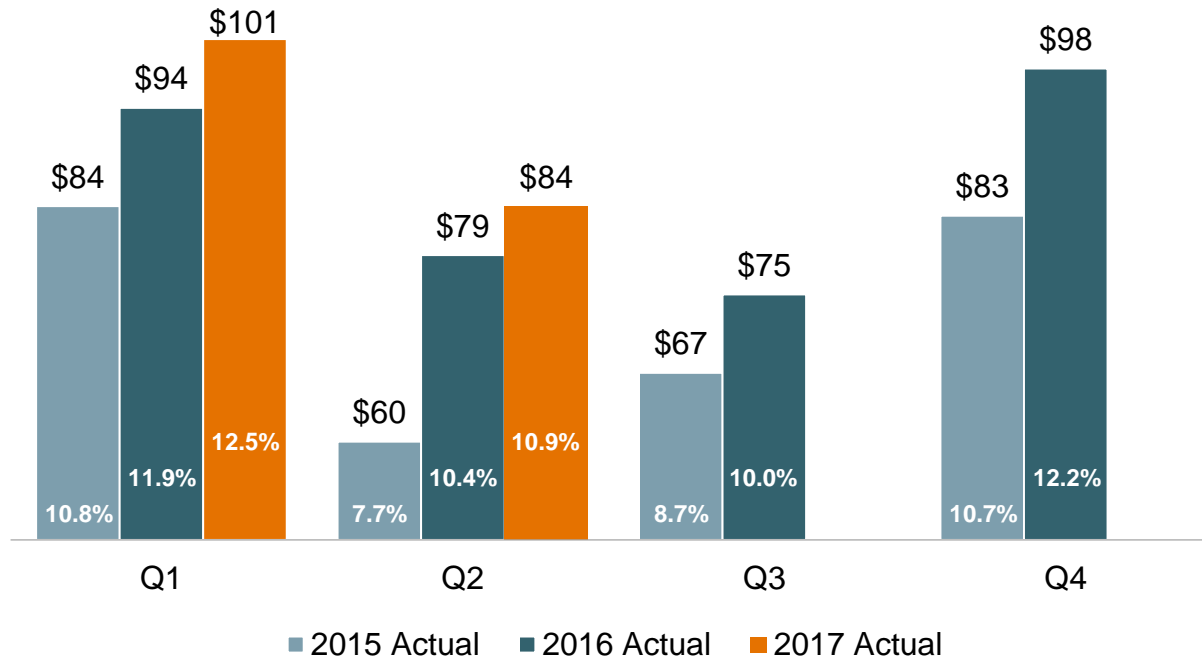
# Adjusted EBITDA: Continued Strong Performance



(Dollars in Millions)

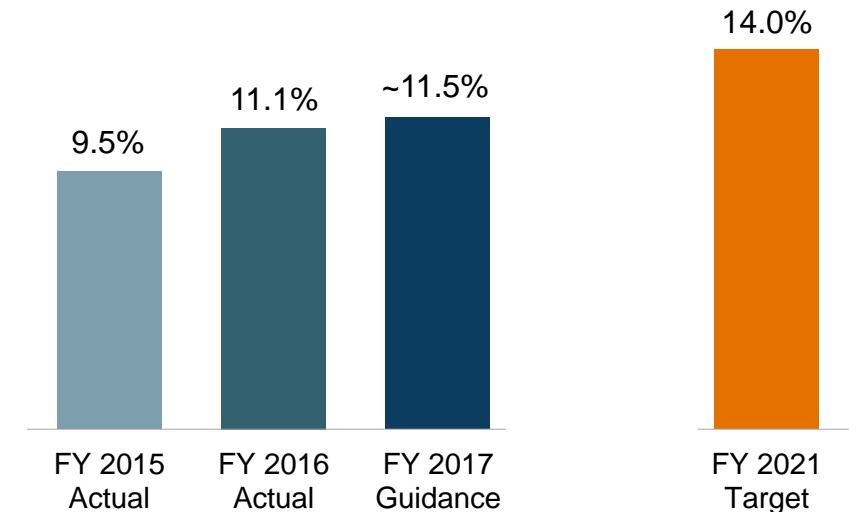
Adjusted EBITDA increased Y/Y every quarter for 10 straight quarters...

## Quarterly Adjusted EBITDA and Margins



...guiding to long-term margins reaching 14% while investing in new technologies.

## Annual Adjusted EBITDA Margins



Adjusted EBITDA and margins to track higher

# Share Buyback Program

	Q1	Q2	YTD
	\$125 Million*	\$35 Million	\$160 Million
# of Shares (in thousands)	1,300	359	1,659
Average Price	\$96.13	\$97.44	\$96.41

**\$400M Authorized**



\* \$125 share repurchase included final delivery of shares in May

Current diluted share count: 31.7M

# Building the Foundation Through Operational Excellence



## Executing on Our Long-Term Strategies

- ✓ YTD new business wins of \$3.1 billion, leading to backlog of \$17.3 billion
- ✓ Visteon at the leading edge of digital transformation of cockpit electronics

## Margin Expansion / Cash Flow Generation

- ✓ Delivered \$185 million in YTD adjusted EBITDA, 11.7% of sales
- ✓ Consistently generating Adjusted Free Cash Flow

## Return Enhancement Through Capital Deployment

- ✓ Executed \$160 million in share repurchases in 2017
- ✓ \$240 million remaining in authorized share buyback program

# Appendix

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- Because not all companies use identical calculations, adjusted EBITDA, 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 2016 and 2017, 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.



# Full-Year 2017 Guidance

*(Electronics Product Group)*

	FY 2016 Actual	FY 2017 Guidance
Sales	\$3.107B	\$3.1 - 3.2B
Adjusted EBITDA	\$346M 11.1%	\$355 - 370M ~11.5%
Adjusted free cash flow	\$167M	\$165 - 180M

# 2017 Guidance Reconciliation



## Adjusted EBITDA *(Electronics Product Group)*

(Dollars in Millions)	Three Months Ended June 30		Six Months Ended June 30		Estimated Full Year
	2016	2017	2016	2017	2017
Electronics	\$79	\$84	\$173	\$185	
Other	(2)	-	(7)	-	
Adjusted EBITDA	<u>\$77</u>	<u>\$84</u>	<u>\$166</u>	<u>\$185</u>	<u>\$355 - \$370</u>
Depreciation and amortization	20	22	41	41	85
Restructuring expense	7	3	17	4	10
Interest expense, net	3	4	5	9	15
Equity in net income of non-consolidated affiliates	(3)	(3)	(3)	(5)	(10)
Other (income) expense, net	-	(3)	4	(2)	-
Provision for income taxes	9	10	22	26	53
(Income) loss from discontinued operations, net of tax	9	-	22	(8)	(8)
Non-cash, stock-based compensation expense	2	4	4	6	14
Net income attributable to non-controlling interests	4	3	8	7	15
Other	-	(1)	1	(1)	(1)
Net Income attributable to Visteon	<u><u>\$26</u></u>	<u><u>\$45</u></u>	<u><u>\$45</u></u>	<u><u>\$108</u></u>	<u><u>\$182 - \$197</u></u>

# 2017 Guidance Reconciliation (cont'd)



## Free Cash Flow and Adjusted Free Cash Flow (Electronics Product Group)

(Dollars in Millions)	2016					2017			2017 FY Guidance	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD	Low-end	High-end
<b><u>Cash from (used by) operating activities</u></b>										
Total Visteon	(\$58)	\$72	\$24	\$82	\$120	(\$10)	\$96	\$86		
Less: Discontinued operations and other operations	(45)	(20)	(9)	(4)	(78)	-	-	-		
<b>Cash from (used by) operating activities (Electronics)</b>	<b>(\$13)</b>	<b>\$92</b>	<b>\$33</b>	<b>\$86</b>	<b>\$198</b>	<b>(\$10)</b>	<b>\$96</b>	<b>\$86</b>	<b>\$205</b>	<b>\$220</b>
<b><u>Capital expenditures</u></b>										
Total Visteon	\$25	\$12	\$19	\$19	\$75	\$32	\$15	\$47		
Less: Discontinued operations and other operations	1	-	1	(1)	1	-	-	-		
<b>Capital expenditures (Electronics)</b>	<b>\$24</b>	<b>\$12</b>	<b>\$18</b>	<b>\$20</b>	<b>\$74</b>	<b>\$32</b>	<b>\$15</b>	<b>\$47</b>	<b>\$80</b>	<b>\$80</b>
<b><u>Free cash flow (Electronics)</u></b>										
Cash from (used by) operating activities (Electronics)	(\$13)	\$92	\$33	\$86	\$198	(\$10)	\$96	\$86	\$205	\$220
Less: Capital expenditures (Electronics)	24	12	18	20	74	32	15	47	80	80
<b>Free cash flow (Electronics)</b>	<b>(\$37)</b>	<b>\$80</b>	<b>\$15</b>	<b>\$66</b>	<b>\$124</b>	<b>(\$42)</b>	<b>\$81</b>	<b>\$39</b>	<b>\$125</b>	<b>\$140</b>
Exclude: Restructuring / transformation-related payments (Electronics)	15	7	8	13	43	12	6	18	40 <sup>(1)</sup>	40 <sup>(1)</sup>
<b>Adjusted free cash flow (Electronics)</b>	<b>(\$22)</b>	<b>\$87</b>	<b>\$23</b>	<b>\$79</b>	<b>\$167</b>	<b>(\$30)</b>	<b>\$87</b>	<b>\$57</b>	<b>\$165</b>	<b>\$180</b>

# Visteon®

