

Visteon Q4 and Full-Year 2016 Earnings

February 23, 2017



Visteon®



Electronics Product Group Q4 2016 Summary

- Sales of \$803 million, up 4% vs. Q4 2015
- Delivered adjusted EBITDA of \$98 million
 - 12.2% adjusted EBITDA margin
 - 150 basis point increase vs. Q4 2015
- Generated positive adjusted free cash flow of \$79 million, 20% increase vs. Q4 2015
- Won \$1.3 billion in new business in Q4 2016

2016 Key Accomplishments



Sales

- ✓ Delivered \$3.1 billion in Electronics sales
- ✓ Launched 59 new products with 2/3 in China
- ✓ Achieved record new business of \$5.4 billion, resulting in year-end backlog of \$16.5 billion



Profitability

- ✓ Achieved Electronics adjusted EBITDA margin of 11.1%, an increase of 160 bps vs. 2015
- ✓ Generated positive Electronics adjusted free cash of \$167 million
- ✓ Initiated new share repurchase authorization for \$400 million



Operational

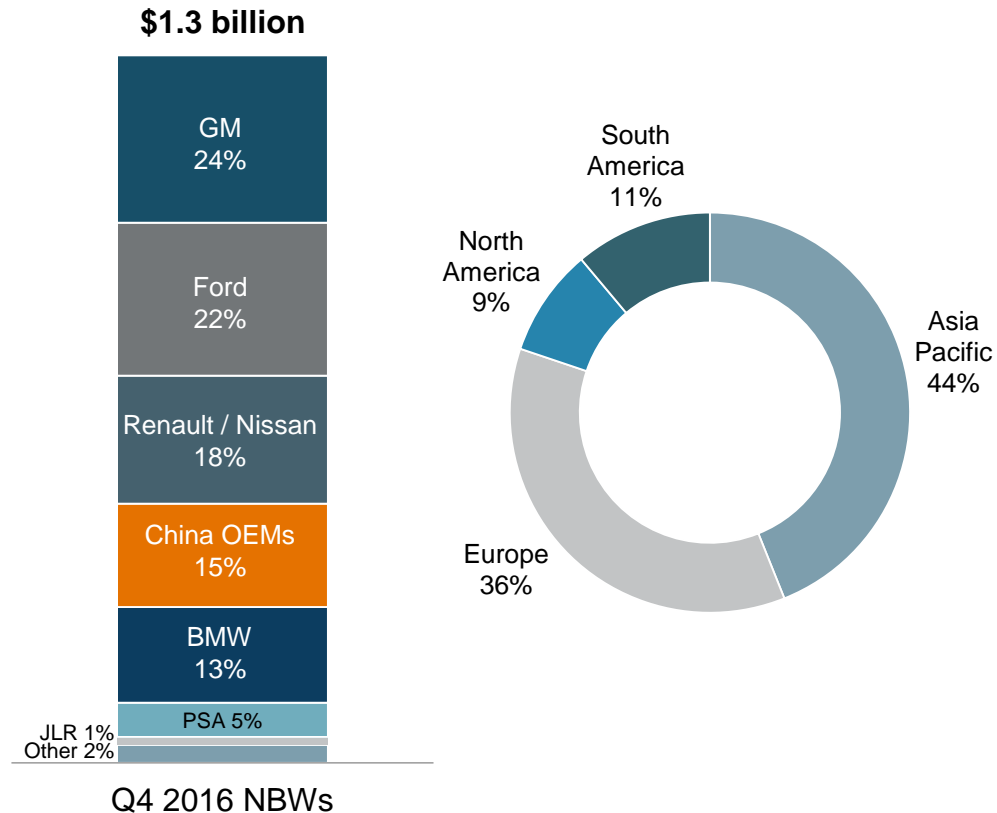
- ✓ Launched next-generation infotainment and developing autonomous driving platform
- ✓ Successfully recruited high-caliber tech talent
- ✓ Substantially completed legacy restructuring actions

Building the foundation through operational excellence

Sales: \$1.3 Billion of New Business Wins in Q4 2016



Q4 2016 Wins Breakdown



Key Q4 2016 Wins



First windshield HUD with leading China domestic OEM



First infotainment system win in China commercial vehicle market

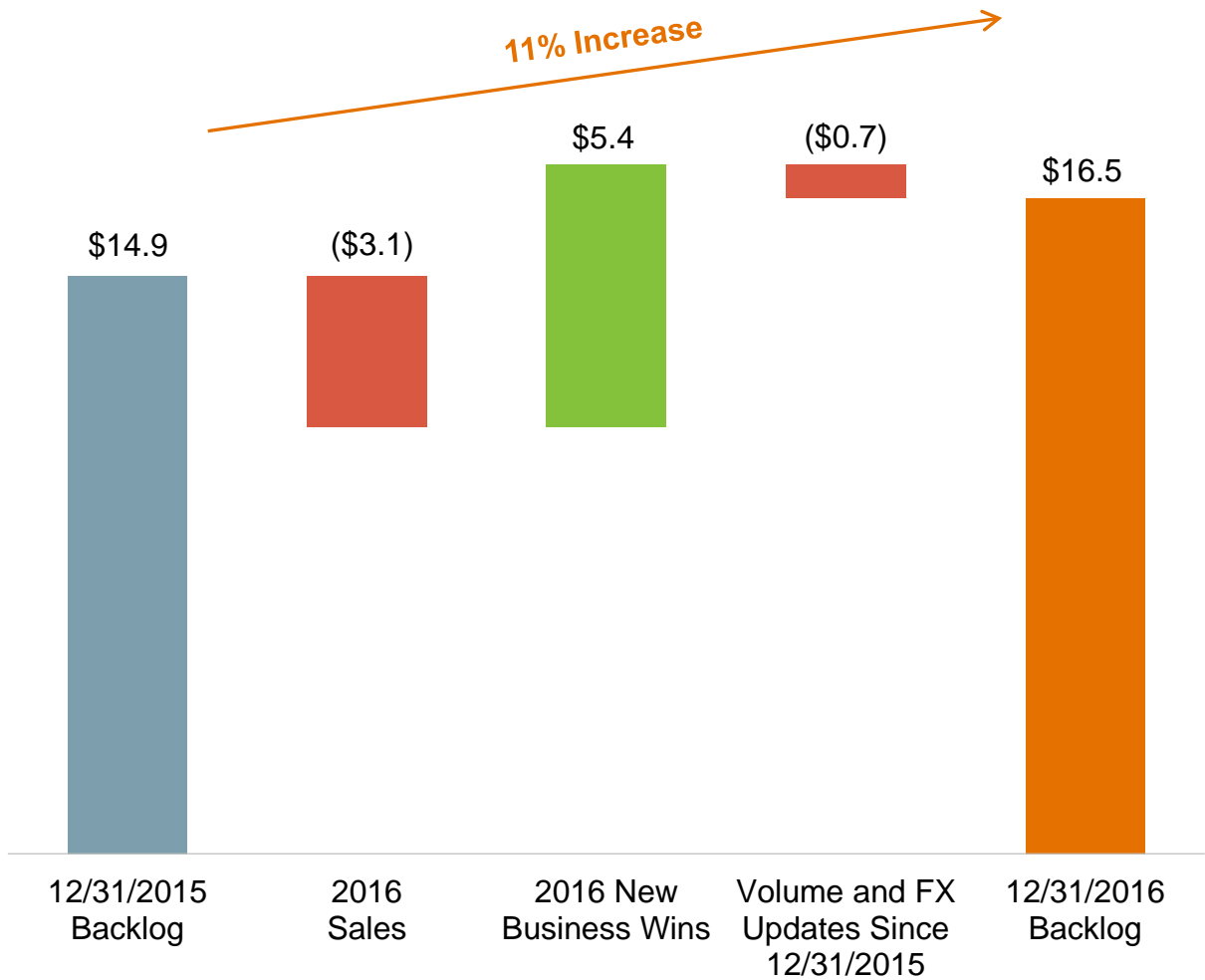


Significant global instrument cluster award with N. America-based OEM

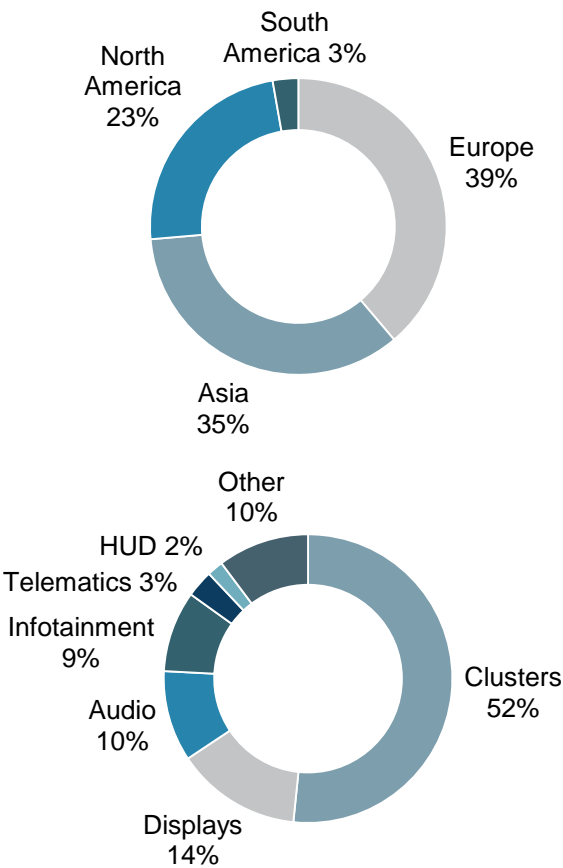
Strong finish to a record year for new business wins

Sales: Record Backlog of \$16.5 Billion

(Dollars in Billions)



\$16.5 Billion Backlog Breakdown

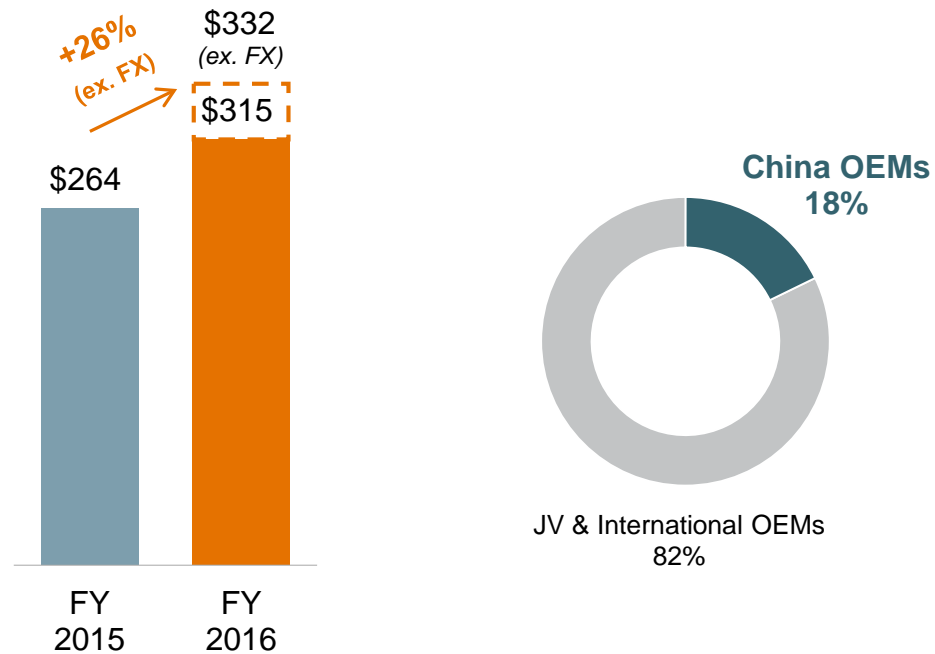


Note: Backlog represents cumulative remaining life-of-program booked sales.

11% increase in order backlog offers solid base for future growth

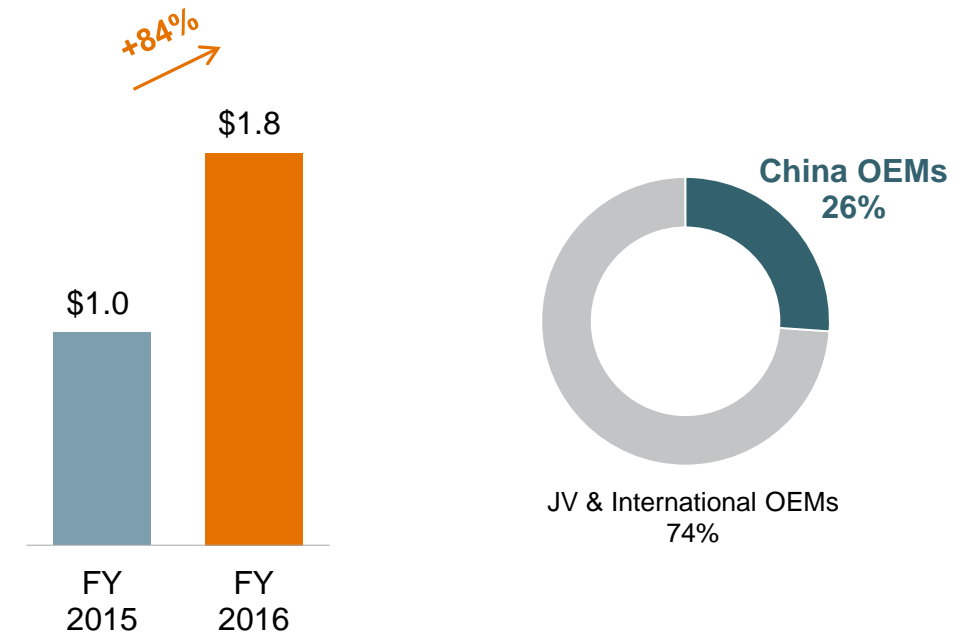
Sales: Exceptional Performance in China

Visteon China Domestic Sales (\$M)



Note: Q4 2016 up 43% (ex. FX)

Visteon China Domestic New Business Wins (\$B)



26% of new business wins came from Chinese OEMs

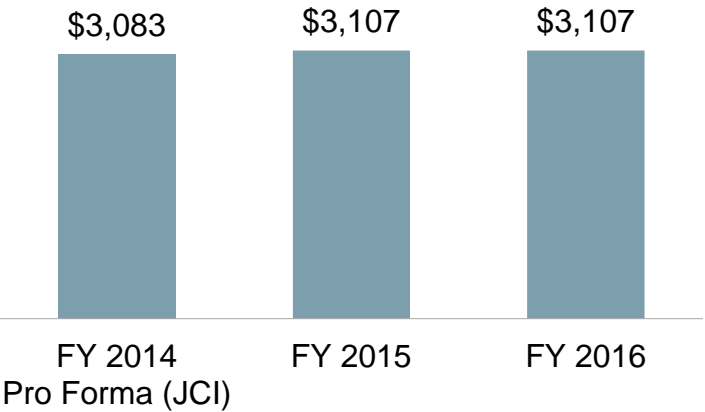
Visteon sales and new business wins in China grew by double-digits in 2016

Profitability: Delivering Significant Margin Increase



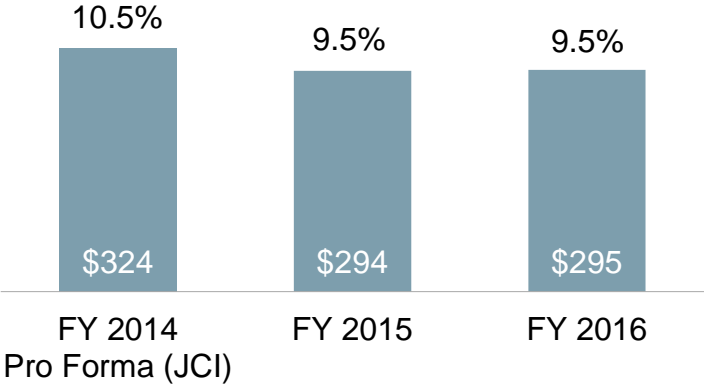
(Dollars in Millions)

Sales



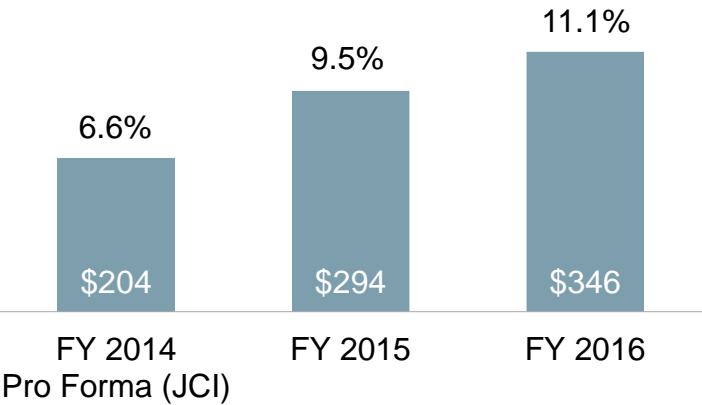
Volume growth offset by pricing / currency

Engineering Costs



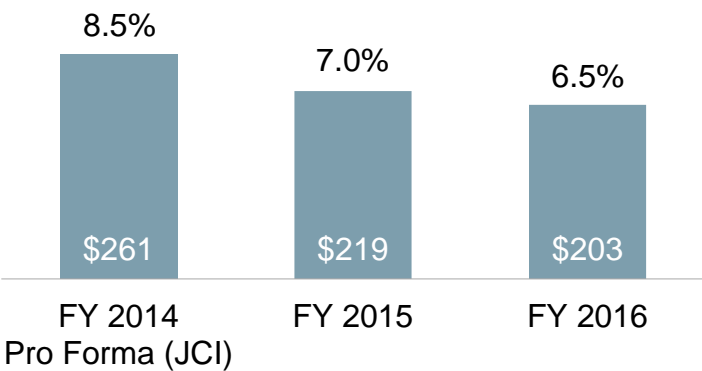
Cost focus while investing in new technologies

Adjusted EBITDA



Significant YoY improvement

Adjusted SG&A



Continue to drive SG&A cost reductions

Note: All financials for Electronics product group only.

Operational: Industry Leading Cockpit Electronics Portfolio

Visteon®



Top 5 Connected car Tier 1 supplier ⁽¹⁾

#2 Automotive display systems ⁽²⁾
Center stack displays and
instrument cluster displays ⁽²⁾

#3 Head-up displays ⁽²⁾

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

⁽¹⁾ <https://www.abiresearch.com/press/abi-research-ranks-bosch-harman-and-continental-le/>

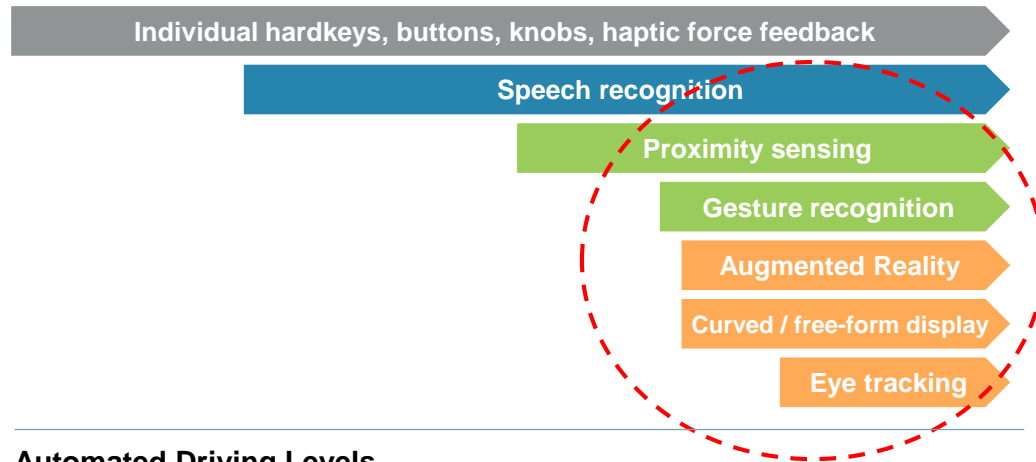
⁽²⁾ <http://news.ihsmarket.com/press-release/continental-visteon-lead-automotive-display-systems-suppliers-2016-face-threats-new-en>

New business wins consolidate Visteon's position as global leader

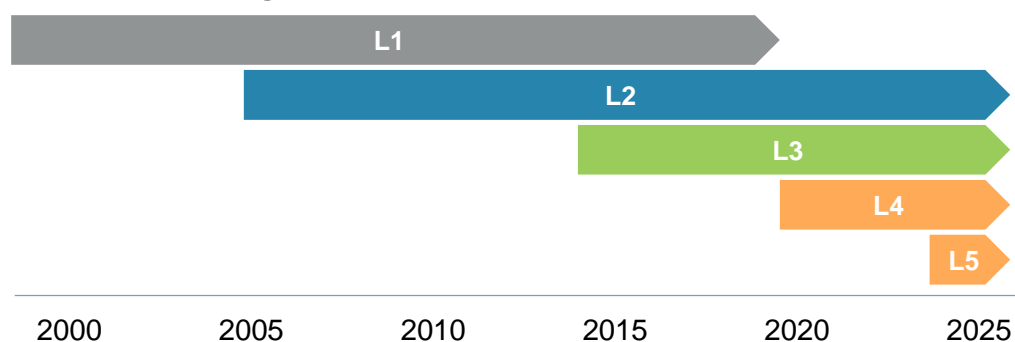
Operational: Positioned to Capitalize in the Autonomous Market **Visteon**

The Interconnection of HMI and Automated Driving

HMI Component Technologies ⁽¹⁾



Automated Driving Levels



Visteon is well-positioned to provide HMI solutions as the industry transitions to autonomous technology

(1) Source: <http://blog.ihs.com/the-symbiosis-of-hmi-and-automated-driving>.

Leveraging global HMI leadership for autonomous driving solutions

Operational: Delivering on Technology Roadmap

Visteon®

2015

Launched domain controller for cockpit

2017

Launched next-generation infotainment

2018

Launch autonomous driving domain controller platform



SmartCore™



Phoenix™



- ✓ More than 1,100 total visitors, including representatives from 45 vehicle manufacturers
- ✓ 41 media and industry analyst briefings with publications such as Automotive News, Forbes, New York Times, TheStreet.com

Operational: 2017 Production Volume & Sourcing Trends



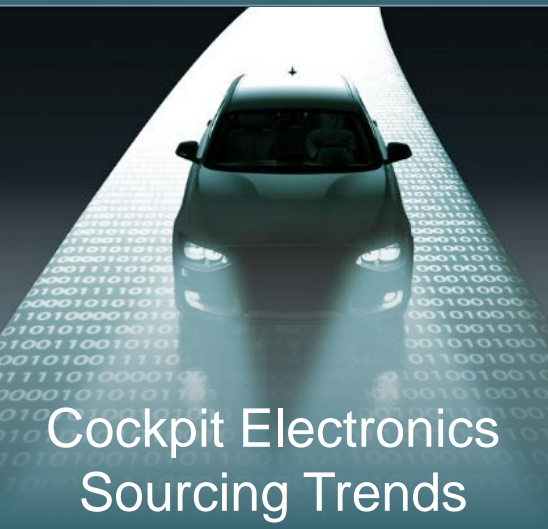
Overall Market

Visteon Specific



- 2017 global IHS volumes increase 1.9%
 - N. America: –1.5%
 - Europe: +1.7%
 - Asia Pacific (incl. China): +2.5%
 - China: +2.6%

- Visteon top 10 customers weighted on sales growing at 0.9% Y/Y
- Visteon 2017 sales guidance: \$3.1-\$3.2B
- China new product launches expected to drive Visteon sales faster than market



- Hybrid clusters transitioning to all digital
- ECU consolidation into cockpit domain controller
- Upgrade of in-vehicle infotainment
- Increased demand for windshield HUD
- Increased interest in Level 3+ autonomous driving solutions

- Visteon leads in digital technology
- SmartCore™ – leading cockpit domain controller solution in the industry
- Phoenix™ debuted at CES 2017
- Building on 1st windshield HUD win in 2016
- Launch autonomous driving domain controller platform in 2018

2017 Strategic Priorities



Strengthen Core Business



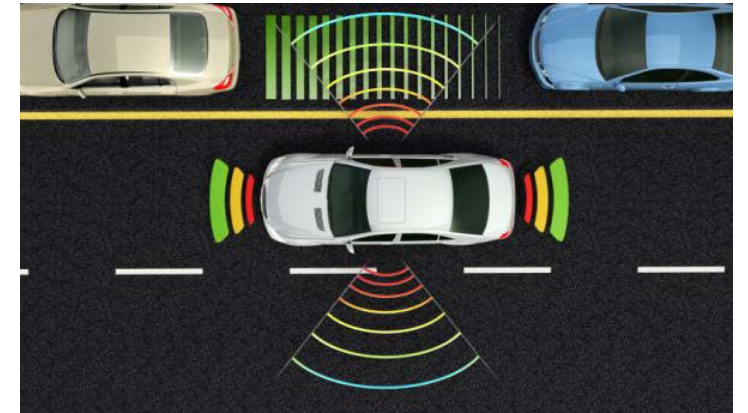
- Deliver higher sales and improve margins to ~11.5%
- Drive new business wins to achieve combined ~\$12 billion target for 2017/2018
- Continue focus on operational excellence

Accelerate China Business



- Achieve double-digit China sales growth in 2017
- Introduce SmartCore™ and Phoenix™ technologies in China
- Leverage joint venture relationships to drive adoption of new offerings

Develop Level 3+ Autonomous Driving Platform



- Leverage SmartCore™ technology platform for sensor fusion
- Pursue early engagement with selected customers
- Launch technology platform at CES 2018

Q4 and Full-Year 2016 Financial Results

February 23, 2017



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Q4 and Full-Year 2016 Key Financials*

(Dollars in Millions)

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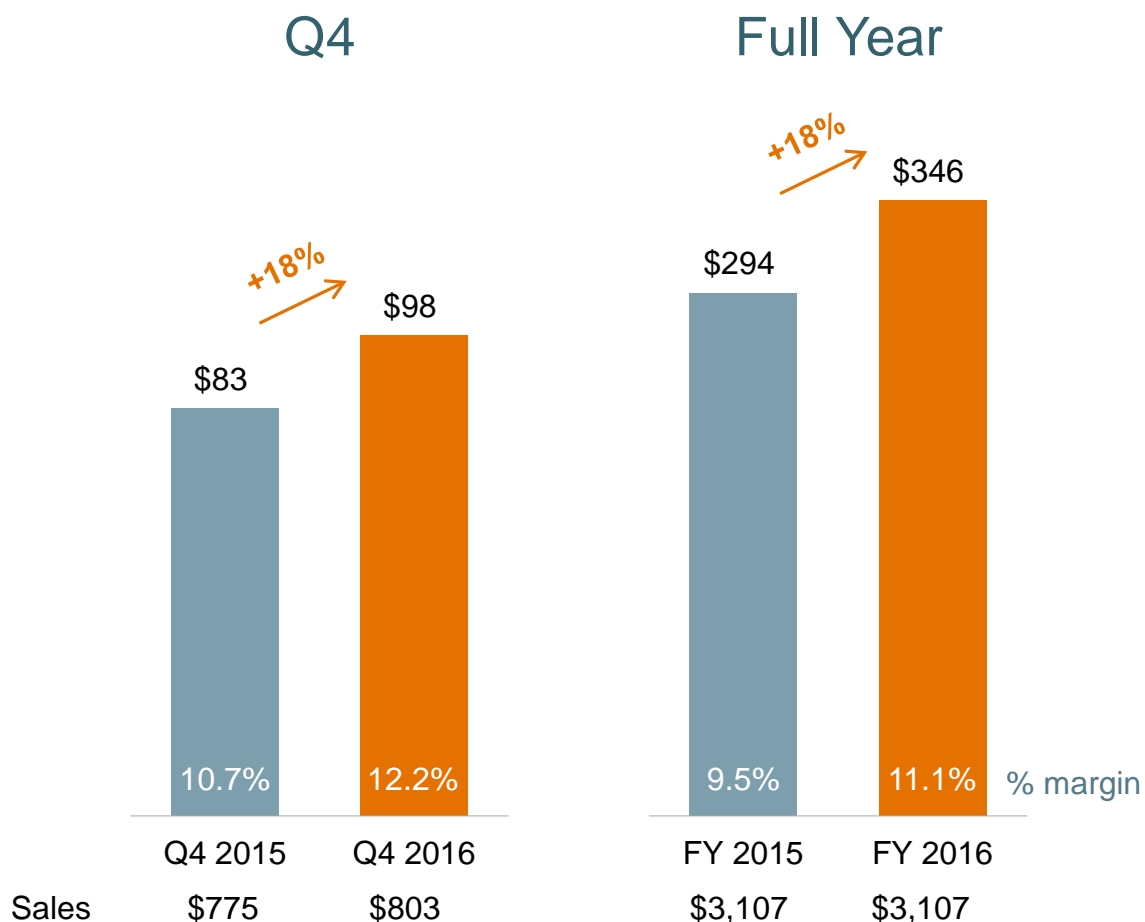
Electronics Product Group	Q4 2015	Q4 2016
Sales	\$775	\$803
Adjusted SG&A	\$55 7.1%	\$53 6.6%
Adjusted EBITDA	\$83 10.7%	\$98 12.2%
Adjusted EPS	\$1.31	\$1.55
Adjusted free cash flow	\$66	\$79

FY 2015	FY 2016
\$3,107	\$3,107
\$219 7.0%	\$203 6.5%
\$294 9.5%	\$346 11.1%
\$2.67	\$5.25
\$212	\$167

2016 B/(W) 2015	
Q4	FY
	
	
	
	
	

Delivering Solid Growth in Electronics Adjusted EBITDA

(Dollars in Millions)



Sales	Q4	FY
2016 Actual	\$803	\$3,107
2015 Actual	775	3,107
2016 B/(W) 2015	\$28	\$0

Key Drivers		
Volume / Mix / New Business	\$56	\$115
Currency	(3)	(27)
Pricing and Other Changes	(25)	(88)
Total	\$28	\$0

Adjusted EBITDA	Q4	FY
2016 Actual	\$98	\$346
2015 Actual	83	294
2016 B/(W) 2015	\$15	\$52

Key Drivers		
Volume / Mix / New Business	\$5	\$15
Currency	10	12
Business Equation ⁽¹⁾	0	25
Total	\$15	\$52

(1) Business equation represents material, manufacturing, and other cost savings, net of customary pricing productivity given to customers.

Electronics adjusted EBITDA as a % of sales increased from 9.5% in 2015 to 11.1% in 2016

Cash Flow Generation and Healthy Balance Sheet



(Dollars in Millions)

	Q4 2015			Q4 2016		
	Electronics	Other / Disc Ops	Total	Electronics	Other / Disc Ops	Total
Adjusted EBITDA	\$83	(\$4)	\$79	\$98	(\$2)	\$96
Disc Ops EBITDA	—	(4)	(4)	—	(1)	(1)
Trade Working Capital	3	(1)	2	18	(2)	16
Cash Taxes	(4)	—	(4)	(9)	—	(9)
Other Changes	23	2	25	(8)	7	(1)
Capital Expenditures	(39)	3	(36)	(20)	1	(19)
Adjusted FCF	\$66	(\$4)	\$62	\$79	\$3	\$82
Restructuring / Transaction	(16)	(18)	(34)	(13)	(6)	(19)
Free Cash Flow	\$50	(\$22)	\$28	\$66	(\$3)	\$63
<hr/>						
Memo: Full-Year Info	FY 2015			FY 2016		
Adjusted FCF	\$212	\$99	\$311	\$167	(\$9)	\$158

	12/31/16
Cash	\$882
Debt	382
Net Cash	\$500
<hr/>	
Visteon Leverage	
LTM Adj. EBITDA ⁽¹⁾	\$346
Debt / EBITDA	1.1x

(1) Excludes (\$9) million of adjusted EBITDA related to Other operations.

Electronics adjusted free cash flow grew 20% Y/Y in Q4 2016

Significant Legacy-Related Actions Completed in Q4 2016



Former Climate Product Group

- ✓ Divested 70% stake in HVCC *Q2 2015*
- ✓ Sold S. Africa operations *Q4 2016*
- ✓ Closed S. America operations *Q4 2016*
- Finalize India Electronics transaction (\$50M) *2017*



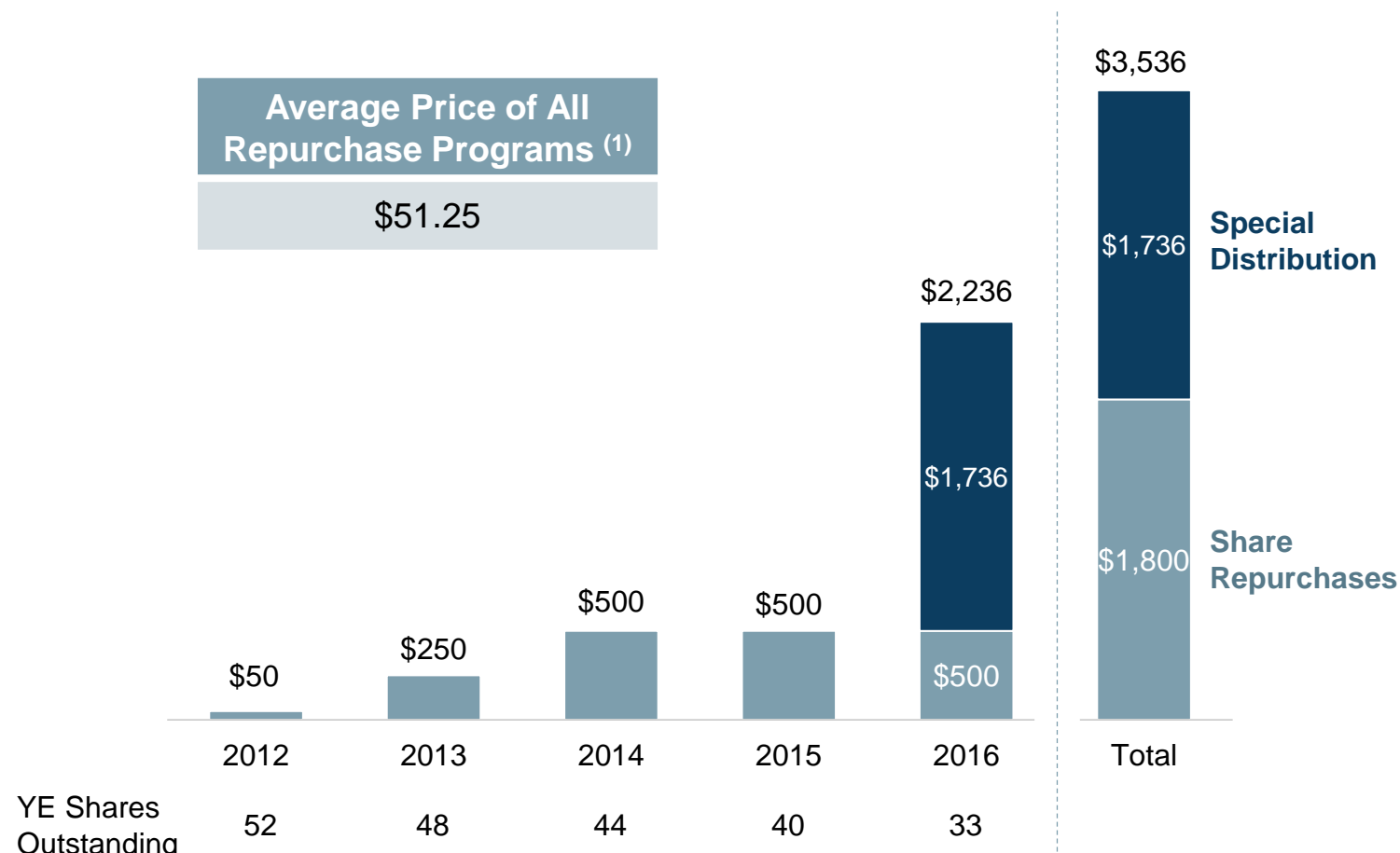
Former Interiors Product Group

- ✓ Divested majority of interiors business *Q4 2014*
- ✓ Berlin facility sale *Q4 2015*
- ✓ Sold S. America operations *Q4 2016*
- Payment of hold-back for Berlin facility (€30M) *2017*

No further legacy cash payments expected after first half 2017

\$3.5 Billion of Capital Returns to Shareholders Since 2012

(Dollars and Shares in Millions)



New share repurchase authorization for
\$400 million
to be executed through
March 2018

(1) Represents the dollar weighted average of the average price of shares purchased during the period 2012 through 2015 (adjusted for \$43.40 per share special distribution) and the actual average price for shares purchased in 2016.

Committed to future shareholder distributions

Full-Year 2017 Guidance

(Electronics Product Group)

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

Reaffirming 2017 guidance

Building the Foundation Through Operational Excellence



Executing on Our Long-Term Strategies

- ✓ New business wins of \$5.4 billion leading to record backlog of \$16.5 billion
- ✓ Delivering on our technology roadmap – next-gen infotainment and SmartCore™ domain controller technologies

Margin Expansion / Cash Flow Generation

- ✓ Improved adjusted EBITDA margin by 160 bps in 2016
- ✓ Consistently generating Adjusted Free Cash Flow

Return Enhancement Through Capital Deployment

- ✓ Distributed over \$2.2 billion in 2016 in share buybacks and special dividends
- ✓ New share repurchase authorization for \$400 million to be executed through March 2018

Appendix

February 23, 2017



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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. The financial results presented herein are preliminary and unaudited; final financial results will be included in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. 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.

- 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 2016, 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 employee severance, pension settlements, other non-operating costs, intangibles amortization and stock-based compensation expense.

(Dollars in Millions)	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Gross margin	\$112	\$99	\$105	\$114	\$430	\$121	\$109	\$105	\$129	\$464
Less:										
Employee severance, pension settlements and other	-	-	3	-	3	-	-	-	-	-
Equity incentive compensation	-	-	-	-	-	-	-	-	(1)	(1)
Intangibles amortization - COGS	(2)	(2)	(2)	(1)	(7)	(2)	(1)	(2)	(1)	(6)
Subtotal	(\$2)	(\$2)	\$1	(\$1)	(\$4)	(\$2)	(\$1)	(\$2)	(\$2)	(\$7)
Adjusted gross margin	\$114	\$101	\$104	\$115	\$434	\$123	\$110	\$107	\$131	\$471

Adjusted SG&A

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

(Dollars in Millions)	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
SG&A	\$58	\$65	\$59	\$63	\$245	\$56	\$54	\$53	\$57	\$220
Less:										
Employee charges	-	3	-	4	7	1	-	-	-	1
Stock-based compensation expense	3	2	2	1	8	2	2	2	1	7
Intangibles amortization - SG&A	2	2	2	2	8	2	2	2	3	9
Subtotal	\$5	\$7	\$4	\$7	\$23	\$5	\$4	\$4	\$4	\$17
Adjusted SG&A	\$53	\$58	\$55	\$56	\$222	\$51	\$50	\$49	\$53	\$203

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



Adjusted EBITDA

(Dollars in Millions)	Total Visteon									
	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Adjusted EBITDA	\$78	\$60	\$65	\$79	\$282	\$89	\$77	\$75	\$96	\$337
Equity in net (income) / loss of non-consolidated affiliates	1	(12)	3	1	(7)	-	(3)	-	1	(2)
Noncontrolling interests - Continuing Operations	5	7	5	3	20	4	4	4	4	16
Noncontrolling interests - Discontinued Operations	15	9	-	-	24	-	-	-	-	-
Interest expense, net	5	6	2	1	14	2	3	5	2	12
Provision / (benefit) for income taxes	9	24	10	(16)	27	13	9	5	3	30
Depreciation and amortization	21	21	20	23	85	21	20	21	22	84
Restructuring expense	3	12	3	18	36	10	7	5	27	49
Loss on debt extinguishment	-	5	-	-	5	-	-	-	-	-
Other income and expense	12	(4)	7	10	25	4	-	12	8	24
Gain on Jinqiao disposition	-	(62)	-	-	(62)	-	-	-	-	-
Loss on divestiture	-	-	-	105	105	-	-	-	-	-
Other non-operating costs, net	-	-	(3)	-	(3)	-	-	-	-	-
Stock-based compensation expense / employee charges	3	5	2	5	15	3	2	2	2	9
(Income) / Loss from discontinued operations, net of tax	(46)	(2,159)	11	(92)	(2,286)	13	9	(7)	25	40
Net Income (loss) attributable to Visteon	\$50	\$2,208	\$5	\$21	\$2,284	\$19	\$26	\$28	\$2	\$75

Free Cash Flow and Adjusted Free Cash Flow

(Dollars in Millions)	Total Visteon									
	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Cash from (used by) operating activities	\$173	\$31	\$70	\$64	\$338	(\$58)	\$72	\$24	\$82	\$120
Less: Capital expenditures	55	67	29	36	187	25	12	19	19	75
Free cash flow	\$118	(\$36)	\$41	\$28	\$151	(\$83)	\$60	\$5	\$63	\$45
<u>Reconciliations to Adjusted Free Cash Flow</u>										
Free cash flow	\$118	(\$36)	\$41	\$28	\$151	(\$83)	\$60	\$5	\$63	\$45
Exclude: Restructuring / transformation-related payments	21	69	36	34	160	55	19	20	19	113
Adjusted free cash flow	\$139	\$33	\$77	\$62	\$311	(\$28)	\$79	\$25	\$82	\$158

Reconciliations of Adjusted Net Income, Earnings Per Share and Adjusted Earnings Per Share



	Total Visteon									
	2015					2016				
(Dollars and Shares in Millions, except per share data)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net income (loss) attributable to Visteon	\$50	\$2,208	\$5	\$21	\$2,284	\$19	\$26	\$28	\$2	\$75
Average shares outstanding, diluted	45.5	44.4	41.4	40.6	43.4	38.5	34.4	34.4	33.5	35.4
Earnings per share	\$1.10	\$49.73	\$0.12	\$0.52	\$52.63	\$0.49	\$0.76	\$0.81	\$0.06	\$2.12
Memo: Items Included in Net income (loss) attributable to Visteon										
Restructuring expense	(3)	(12)	(3)	(18)	(36)	(10)	(7)	(5)	(27)	(49)
Loss on debt extinguishment	-	(5)	-	-	(5)	-	-	-	-	-
Other income and expense	(12)	4	(7)	(10)	(25)	(4)	-	(12)	(8)	(24)
Gain on Jinqiao disposition	-	62	-	-	62	-	-	-	-	-
Loss on divestiture	-	-	-	(105)	(105)	-	-	-	-	-
Other non-operating costs, net	-	-	3	-	3	-	-	-	-	-
Employee charges	-	-	-	(4)	(4)	(1)	-	-	-	(1)
Tax on Jinqiao disposition	-	(8)	-	-	(8)	-	-	-	-	-
Tax benefits allocated to loss from continuing operations	-	-	-	18	18	-	-	-	-	-
Tax impact of adjustments	-	-	-	-	-	-	-	-	1	1
Income / (Loss) from discontinued operations, net of tax	46	2,159	(11)	92	2,286	(13)	(9)	7	(25)	(40)
Noncontrolling interests - Discontinued Operations	(15)	(9)	-	-	(24)	-	-	-	-	-
Total	\$16	\$2,191	(\$18)	(\$27)	\$2,162	(\$28)	(\$16)	(\$10)	(\$59)	(\$113)
Memo: Adjusted EPS										
Net income (loss) attributable to Visteon	\$50	\$2,208	\$5	\$21	\$2,284	\$19	\$26	\$28	\$2	\$75
Items in net income (loss) attributable to Visteon	16	2,191	(18)	(27)	2,162	(28)	(16)	(10)	(59)	(113)
Adjusted net income (loss)	\$34	\$17	\$23	\$48	\$122	\$47	\$42	\$38	\$61	\$188
Average shares outstanding, diluted	45.5	44.4	41.4	40.6	43.4	38.5	34.4	34.4	33.5	35.4
Adjusted earnings per share	\$0.75	\$0.38	\$0.56	\$1.18	\$2.81	\$1.22	\$1.22	\$1.10	\$1.82	\$5.31

Reconciliations of Adjusted Earnings Per Share (*Electronics PG*)



	Electronics Only			
	2015	2016	2015	2016
(Dollars in Millions)	4th Qtr	4th Qtr	Full Year	Full Year
Net Income (loss) - Electronics Only	\$25	\$20	\$39	\$139
Average shares outstanding, diluted	40.6	33.5	43.4	35.4
Earnings per share	\$0.62	\$0.60	\$0.90	\$3.93
<u>Memo: Items Included in Net income (loss) - Electronics Only</u>				
Restructuring expense, net	(\$18)	(\$26)	(\$36)	(\$37)
Other expense, net	(6)	(7)	(35)	(10)
Employee severance charges included in SG&A	(4)	-	(4)	(1)
Other	-	1	(2)	1
Total	(\$28)	(\$32)	(\$77)	(\$47)
<u>Memo: Adjusted EPS</u>				
Net Income (loss) - Electronics Only	\$25	\$20	\$39	\$139
Items Included in Net income (loss) - Electronics Only	(28)	(32)	(77)	(47)
Adjusted net income (loss) - Electronics Only	\$53	\$52	\$116	\$186
Average shares outstanding, diluted	40.6	33.5	43.4	35.4
Adjusted earnings per share - Electronics Only	\$1.31	\$1.55	\$2.67	\$5.25

2017 Guidance Reconciliation



Adjusted EBITDA *(Electronics Product Group)*

	Electronics Only					
	2015 4th Qtr	2016 4th Qtr	2015 Full Year	2016 Full Year	2017 FY Guidance	
(Dollars in Millions)					Low-end	High-end
Adjusted EBITDA - Electronics Only	\$83	\$98	\$294	\$346	\$355	\$370
Depreciation and amortization	22	22	83	84	85	85
Restructuring expense	18	26	36	37	10	10
Interest expense, net	1	2	14	12	15	15
Equity in net (income) / loss of non-consolidated affiliates	1	1	5	(2)	(5)	(5)
Other expense, net	6	7	35	10	5	5
Provision for income taxes	2	14	45	41	60	60
Net income attributable to non-controlling interests	3	4	20	16	20	20
Stock-based compensation expense / employee charges	5	2	15	9	10	10
Other	-	-	2	-	-	-
Net Income (loss) - Electronics Only	\$25	\$20	\$39	\$139	\$155	\$170
Loss (income) from discontinued operations, net of tax	(92)	25	(2,286)	40		
All other loss (income), net of tax	96	(7)	41	24		
Net Income (loss) attributable to Visteon	\$21	\$2	\$2,284	\$75		

2017 Guidance Reconciliation (cont'd)



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

(Dollars in Millions)	2015					2016					2017 FY Guidance	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	Low-end	High-end
Cash from (used by) operating activities												
Total Visteon	\$173	\$31	\$70	\$64	\$338	(\$58)	\$72	\$24	\$82	\$120		
Less: Discontinued operations and other operations	161	(35)	(14)	(25)	87	(45)	(20)	(9)	(4)	(78)		
Cash from (used by) operating activities (Electronics)	\$12	\$66	\$84	\$89	\$251	(\$13)	\$92	\$33	\$86	\$198	\$205	\$220
Capital expenditures												
Total Visteon	\$55	\$67	\$29	\$36	\$187	\$25	\$12	\$19	\$19	\$75		
Less: Discontinued operations and other operations	32	53	3	(3)	85	1	-	1	(1)	1		
Capital expenditures (Electronics)	\$23	\$14	\$26	\$39	\$102	\$24	\$12	\$18	\$20	\$74	\$80	\$80
Free cash flow (Electronics)												
Cash from (used by) operating activities (Electronics)	\$12	\$66	\$84	\$89	\$251	(\$13)	\$92	\$33	\$86	\$198	\$205	\$220
Less: Capital expenditures (Electronics)	23	14	26	39	102	24	12	18	20	74	80	80
Free cash flow (Electronics)	(\$11)	\$52	\$58	\$50	\$149	(\$37)	\$80	\$15	\$66	\$124	\$125	\$140
Exclude: Restructuring / transformation-related payments (Electronics)	17	5	25	16	63	15	7	8	13	43	40 ⁽¹⁾	40 ⁽¹⁾
Adjusted free cash flow (Electronics)	\$6	\$57	\$83	\$66	\$212	(\$22)	\$87	\$23	\$79	\$167	\$165	\$180

Visteon Q4 2016 Sales and Adjusted EBITDA



(Dollars in Millions)	2015 Actual					2016 Actual					Q4 2016 B/(W) Q4 2015	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	\$	%
Sales												
Electronics	\$781	\$780	\$771	\$775	\$3,107	\$793	\$762	\$749	\$803	\$3,107	\$28	3.6%
Other Operations	44	42	37	30	153	9	11	21	13	54	(17)	(56.7)
Eliminations	(9)	(10)	-	4	(15)	-	-	-	-	-	(4)	N/M
Total Sales	\$816	\$812	\$808	\$809	\$3,245	\$802	\$773	\$770	\$816	\$3,161	\$7	0.9%
Adjusted EBITDA												
Electronics	\$84	\$60	\$67	\$83	\$294	\$94	\$79	\$75	\$98	\$346	\$15	18.1%
Other Operations	(6)	-	(2)	(4)	(12)	(5)	(2)	-	(2)	(9)	2	N/M
Adjusted EBITDA	\$78	\$60	\$65	\$79	\$282	\$89	\$77	\$75	\$96	\$337	\$17	21.5%

Adjusted EBITDA by Product Group (FY 2016)



(Dollars in Millions)	Electronics	Other	Total
Sales	\$3,107	\$54	\$3,161
<u>Adjusted EBITDA Build-up</u>			
Adjusted Gross Margin	\$480	(\$9)	\$471
Adjusted SG&A	(203)	-	(203)
D&A	69	-	69
Adjusted EBITDA	\$346	(\$9)	\$337
%	11.1%	(16.7%)	10.7%
<u>Memo:</u>			
Equity in Affiliates	2	-	2
Non-controlling Interests	(16)	-	(16)

Reconciliation of Electronics Financial Information



Electronics Product Group

(Dollars in Millions)	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Product Sales	\$781	\$780	\$771	\$775	\$3,107	\$793	\$762	\$749	\$803	\$3,107
Gross Margin	\$118	\$98	\$107	\$118	\$441	\$126	\$111	\$105	\$131	\$473
Intangibles Amortization - COGS	(2)	(2)	(2)	(1)	(7)	(2)	(1)	(2)	(1)	(6)
Other Non-Operating / Equity Based Incentive Comp	-	-	3	-	3	-	-	-	(1)	(1)
Adjusted Gross Margin	\$120	\$100	\$106	\$119	\$445	\$128	\$112	\$107	\$133	\$480
<i>% of Sales</i>	<i>15.4%</i>	<i>12.8%</i>	<i>13.7%</i>	<i>15.4%</i>	<i>14.3%</i>	<i>16.1%</i>	<i>14.7%</i>	<i>14.3%</i>	<i>16.6%</i>	<i>15.4%</i>
SG&A										
Product Line Specific and Allocated SG&A	(\$57)	(\$64)	(\$59)	(\$62)	(\$242)	(\$56)	(\$54)	(\$53)	(\$57)	(\$220)
Intangibles Amortization - SG&A	2	2	2	2	8	2	2	2	3	9
Employee Charges / Corp Severance	-	3	-	4	7	1	-	-	-	1
Equity Based Incentive Comp	3	2	2	1	8	2	2	2	1	7
Adjusted SG&A	(\$52)	(\$57)	(\$55)	(\$55)	(\$219)	(\$51)	(\$50)	(\$49)	(\$53)	(\$203)
Adjusted EBITDA										
Adjusted Gross Margin	\$120	\$100	\$106	\$119	\$445	\$128	\$112	\$107	\$133	\$480
Adjusted SG&A	(52)	(57)	(55)	(55)	(219)	(51)	(50)	(49)	(53)	(203)
Exclude D&A	16	17	16	19	68	17	17	17	18	69
Adjusted EBITDA	\$84	\$60	\$67	\$83	\$294	\$94	\$79	\$75	\$98	\$346
<i>% of Sales</i>	<i>10.8%</i>	<i>7.7%</i>	<i>8.7%</i>	<i>10.7%</i>	<i>9.5%</i>	<i>11.9%</i>	<i>10.4%</i>	<i>10.0%</i>	<i>12.2%</i>	<i>11.1%</i>
Equity in Affiliates	(\$1)	-	(\$3)	(\$1)	(\$5)	-	\$3	-	(\$1)	\$2
Noncontrolling Interests	(5)	(7)	(5)	(3)	(20)	(4)	(4)	(4)	(4)	(16)

Reconciliation of Other Financial Information



Other Operations

(Dollars in Millions)	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Product Sales	\$44	\$42	\$37	\$30	\$153	\$9	\$11	\$21	\$13	\$54
Gross Margin	(\$6)	\$1	(\$2)	(\$4)	(\$11)	(\$5)	(\$2)	-	(\$2)	(\$9)
Intangibles Amortization - COGS	-	-	-	-	-	-	-	-	-	-
Other Non-Operating	-	-	-	-	-	-	-	-	-	-
Adjusted Gross Margin	(\$6)	\$1	(\$2)	(\$4)	(\$11)	(\$5)	(\$2)	-	(\$2)	(\$9)
<i>% of Sales</i>	<i>(13.6%)</i>	<i>2.4%</i>	<i>(5.4%)</i>	<i>(13.3%)</i>	<i>(7.2%)</i>	<i>(55.6%)</i>	<i>(18.2%)</i>	<i>0.0%</i>	<i>(15.4%)</i>	<i>(16.7%)</i>
SG&A										
Product Line Specific and Allocated SG&A	(\$1)	(\$1)	-	(\$1)	(\$3)	-	-	-	-	-
Employee Charges / Corp Severance	-	-	-	-	-	-	-	-	-	-
Adjusted SG&A	(\$1)	(\$1)	-	(\$1)	(\$3)	-	-	-	-	-
Adjusted EBITDA										
Adjusted Gross Margin	(\$6)	\$1	(\$2)	(\$4)	(\$11)	(\$5)	(\$2)	-	(\$2)	(\$9)
Adjusted SG&A	(1)	(1)	-	(1)	(3)	-	-	-	-	-
Exclude D&A	1	-	-	1	2	-	-	-	-	-
Adjusted EBITDA	(\$6)	-	(\$2)	(\$4)	(\$12)	(\$5)	(\$2)	-	(\$2)	(\$9)
<i>% of Sales</i>	<i>(13.6%)</i>	<i>0.0%</i>	<i>(5.4%)</i>	<i>(13.3%)</i>	<i>(7.8%)</i>	<i>(55.6%)</i>	<i>(18.2%)</i>	<i>0.0%</i>	<i>(15.4%)</i>	<i>(16.7%)</i>
Equity in Affiliates	-	\$12	-	-	\$12	-	-	-	-	-
Noncontrolling Interests (related to disc. ops.)	(15)	(9)	-	-	(24)	-	-	-	-	-

Sales Eliminations



Sale Eliminations

(Dollars in Millions)	2015					2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Product Sales	(\$9)	(\$10)	-	\$4	(\$15)	-	-	-	-	-

Cash Restructuring and Transformation Payments



(Dollars in Millions)	2016 Actual					2017E
	Q1	Q2	Q3	Q4	Full Year	Estimated Payments
Electronics / Corporate Cash Payments						
Restructuring and Transformation Cash Payments	\$15	\$7	\$8	\$13	\$43	\$40
Legacy Climate / Interiors Cash Payments						
IT - Costs to Facilitate Climate Transition	\$10	\$9	\$8	\$7	\$34	\$2
Payments Related to Interiors Facility Sale	-	-	-	-	-	31
Halla India Electronics Facility ⁽¹⁾	-	-	-	-	-	50
Taxes Related to Other Legacy Items	9	-	-	-	9	-
South America Climate Restructuring Cash	-	-	-	10	10	3
Other - including Pro Fees / Other Restructuring / Additional IT Costs	6	3	4	1	14	4
Total Climate / Interiors Cash Payments	\$25	\$12	\$12	\$18 ⁽²⁾	\$67	\$90
Korea Withholding Tax Recovery (Gross)	(\$356)	-	-	-	(\$356)	-
U.S. Tax Payment Related to Climate Withholding Tax Refund	15	-	-	(12)	3	-
Net Korea Withholding Tax Recovery	(\$341)	-	-	(\$12)	(\$353)	-

- Visteon expects to pay \$40 million of Electronics-related restructuring costs during 2017
- Visteon incurred \$67 million of cash restructuring and transformation-related payments related to legacy Climate and Interior operations in 2016
- Currently forecast \$90 million of additional legacy cash payments during 2017 (at which point legacy restructuring costs will largely be complete)
 - Cash outflows related to former Interiors product group will largely be complete after €30 million remaining Berlin payment
 - Other costs are primarily related to the purchase of the Halla India Electronics facility and Climate restructuring
- In early 2016, Visteon also received a \$356 million cash inflow associated with the successful outcome of a Korean withholding tax refund relating to the Climate transaction

(1) Visteon agreed to terms to purchase this facility shortly before closing the HVCC transaction. Halla India Electronics financials are consolidated into Visteon Financials since Visteon has effective control over the entity.

(2) Excludes \$19 million of cash outflows related to South America Interiors transaction (included in investing activities).

2016 Actual and 2017 Projected Income Taxes



	Taxes	
	FY 2016 Actual	FY 2017 Estimate
(Dollars in Millions)		
<u>Tax Expense</u>		
Visteon and Affiliates (Profitable)	\$211	
Visteon and Affiliates (Non-Profitable)	(52)	
Visteon Income Before Income Taxes ⁽¹⁾	\$159	
Taxes from "Normal" Cont. Operations, Including Withholding Tax	\$42	
Taxes from "Unique/Special" Items	(12)	
Total Tax Expense	\$30	\$60
<i>Implied Tax Rate, including "Unique/Special" Items</i>	18.9%	
<u>Cash Taxes</u>		
Taxes from "Normal" Cont. Operations, Including Withholding Tax	\$77	
U.S. Tax Liability due to Climate Sale	3	
Tax Contingencies / Other	12	
Total Cash Taxes	\$92	\$65

- Visteon's full-year 2016 implied effective tax rate was 18.9%, well below the U.S. statutory rate of 35%
 - Visteon has significantly reduced its effective tax rate over time by reducing losses in unprofitable jurisdictions and utilizing its U.S. tax Net Operating Loss (NOL) balances
- After divesting its Climate business, Visteon estimates its remaining U.S. NOL balance at ~\$1.8 billion
 - Of this amount, the Company is able to utilize up to ~\$120 million per year to offset U.S. taxable income. This "limitation" is due to an IRC Sec. 382 change in ownership that occurred in 2010
 - The Company continues to track shareholders' ownership for IRC Sec. 382 purposes and although future owner shifts are not within the Company's control, the most recent calculation suggests Visteon is well below the threshold for triggering a subsequent change in ownership under IRC Sec. 382

Fourth-Quarter 2016 Financial Results – U.S. GAAP



(Dollars in Millions)

Consolidated Visteon	Q4 2015	Q4 2016
Sales	\$809	\$816
Gross margin	\$114	\$129
SG&A	\$63	\$57
Net income attributable to Visteon	\$21	\$2
Diluted EPS	\$0.52	\$0.06
Cash from operations ⁽¹⁾	\$64	\$82
Capital expenditures ⁽¹⁾	\$36	\$19

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