Visteon Q3 2018 Earnings

October 25, 2018

Q3 2018 Overview

Visteon

Sales of $681 million with adjusted EBITDA margin of 10.4%

YTD new business wins of $5.4 billion, up 17% Y/Y

- Complex display digital cluster *(~$410 million)*
- Display audio infotainment *(~$210 million)*
- Cockpit domain controller *(~$160 million)*

$250 million in share repurchases YTD ($450 million authorization remains)

Strong balance sheet (cash of $442 million, debt of $380 million)

Industry Update

Visteon

North America

- Q3 production volumes increased 2% Y/Y
- Volumes for Visteon key customers down ~2%
- Market continues to shift toward trucks / SUVs and away from sedans

Europe

- Q3 production volumes decreased 5% Y/Y
- Volumes for Visteon key customers down ~6%
- Headwinds from WLTP and diesel [(1)]

China & Japan

- Q3 production volumes decreased 7% Y/Y in China and 3% Y/Y in Japan
- Volumes for Visteon key China customers down ~15%
- Japan volumes impacted by flooding

(1) Europe's Worldwide Harmonised Light Vehicle Test Procedure (WLTP) introduced on September 1, 2018.

Q3 industry volumes softened globally – top Visteon customers down ~6%

Q3 2018 Financial Results

Visteon®

(Dollars in millions)

Sales	$681	↓ 11% Y/Y
Adj. EBITDA	$71 *(10.4% margin)*	↓ 40 bps Y/Y
Adj. FCF YTD	$35	↓ $53 Y/Y

Q3 Key Drivers

- ▼ Volume for top Visteon customers down ~6% Y/Y
  - Drop in China automotive production
  - Japan floods disrupting production and supply chain
  - WLTP and diesel impact on sales in Europe
- ▼ Roll-off of end of production programs
- ▲ New product launches

Q3 results impacted by lower production volume at Visteon customers

Q3 2018 Performance for Visteon China

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China Industry Production Volumes

China Industry	Total Industry	Visteon Top 10 Customers
		
China Industry	7% Y/Y	~15% Y/Y

- Production volumes for top 10 Visteon customers down ~15%
- Top 5 Visteon customers in China:

GM, VW, HONDA, JAGUAR LAND ROVER, DONGFENG

Visteon China Domestic Performance

Visteon	Q3 Sales *$91 million*	YTD NBWs [1] *$1.7 billion*
	4% Y/Y	~40% Y/Y

- Product launches offset lower production volumes
- Increased interest in Android-based infotainment and CDCs [2]
- ~75% of NBWs from next-generation products

(1) NBW = new business win.
(2) CDC = cockpit domain controller.

Lower production impacted Q3 sales; strong NBW performance continues

Key Global New Business Wins in Q3 2018

Cockpit Domain Controller

- $160 million win with leading China OEM
- Integrated Android infotainment with Tencent “AI in Car” technology
- YTD cockpit domain controller wins approaching $1 billion (~70% in China)

Complex Display / Digital Cluster

- $410 million win with leading Japan OEM
- Integrated all-digital cluster plus IVI display with seamless cover-lens glass
- YTD all-digital cluster / complex display wins of $1.9 billion

Display Audio

- $210 million win with leading Europe OEM
- 10.25” display audio with smartphone projection, Bluetooth and USB audio
- YTD infotainment new business wins exceed full-year 2017 wins

Strong Q3 new business wins in key technology areas

Shift to Next-Generation Technologies

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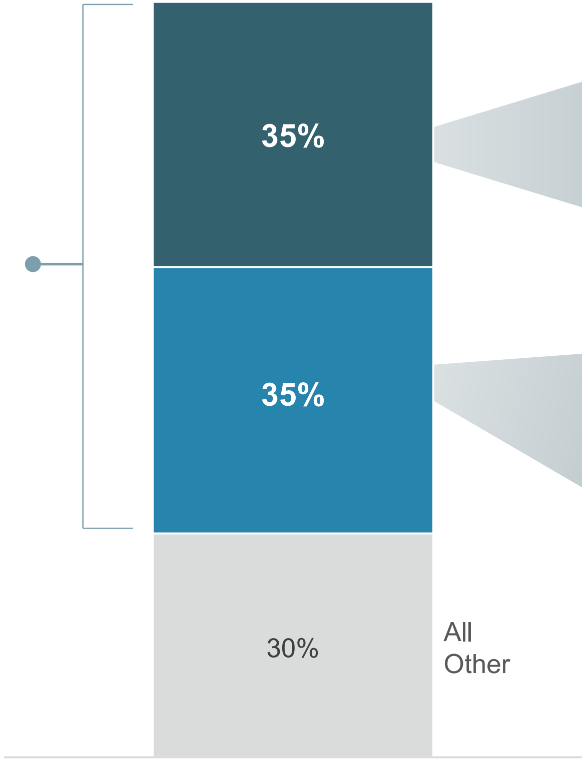
$5.4 billion

smartcore (1)

~25% of next-gen wins powered by SmartCore™



2018 YTD

All-Digital Clusters / Complex Displays

Increased cluster and infotainment display sizes driving demand for curved and integrated displays

Display Audio / Embedded Infotainment

Display Audio becoming standard equipment and represents ~2/3rds of infotainment wins

(1) SmartCore™ wins include several wins related to All-Digital Clusters, Display Audio and Embedded Infotainment products.

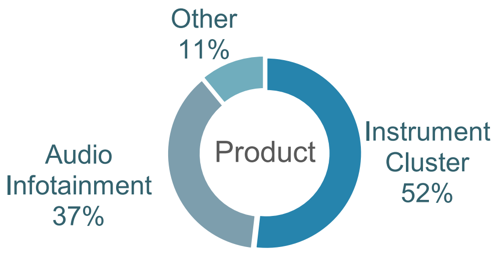
70% of YTD new business wins from next-generation digital products

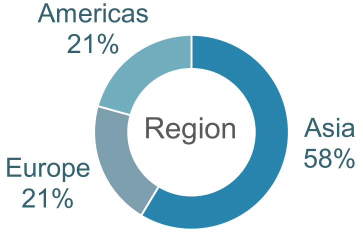
Strong Growth in New Business Wins

(Dollars in billions)

New Business Wins

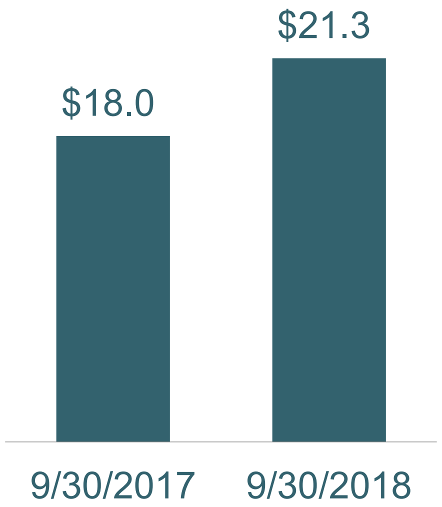
17% Y/Y Increase



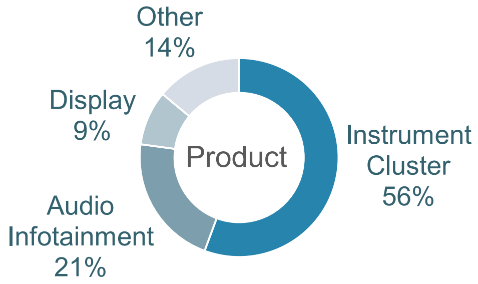


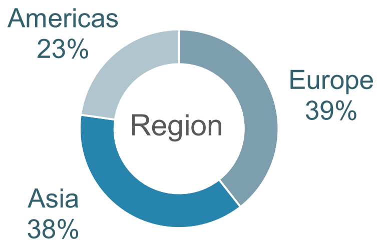
- New business wins driving increased customer diversification
- Won first all-digital cluster award with Top 3 global OEM
- Added two new OEM customers

Order Backlog



18% Y/Y Increase





- All-time record backlog of $21.3 billion
- Backlog adjusted for lower forecasted volumes and currency
- Higher concentration in faster growing markets

New business wins increase 17% Y/Y, driving record backlog of $21.3 billion

Artificial Intelligence in Cockpit

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Machine Learning Delivers Significant Improvements

Driver Monitoring System

- Required for Euro NCAP 5-star rating
- Key requirement for level-3 self-driving
- Machine learning vs. computer vision

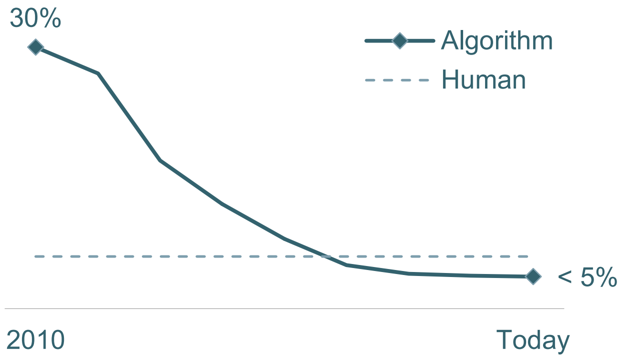
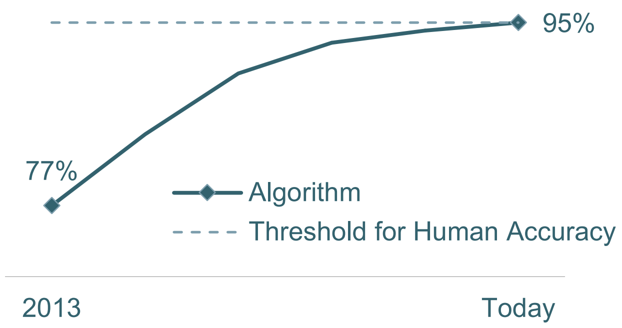


Image Recognition Error Rates

Voice Enabled Smart Assistant

- Natural language interaction
- Edge vs. cloud-based smart assistant
- Optimized for in-car experience



Voice Recognition Accuracy

Visteon “AI in Cockpit”

- Leverage AI capabilities for autonomous plus cockpit applications
- Real-time tracking of head position and eye-gaze for driver distraction detection
- Voice commands for in-vehicle controls
- Edge AI processing augmented by cloud

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- Developing edge AI for autonomous and cockpit applications
- Integration of DMS into cluster and Voice Smart Assistant into infotainment
- Partnering with Tencent for China market

Q3 2018 Summary

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Financial Results	• Delivered $681 million in sales and $71 million in adjusted EBITDA • Outperformed market in China, driven by new product launches • Adjusted free cash flow impacted by lower volumes and timing of working capital
NBW Performance	• Won $5.4 billion in new business YTD, up 17% Y/Y – All-digital clusters / complex displays represent $1.9 billion – Display audio / embedded infotainment wins of $1.9 billion – Nearly $1 billion in wins powered by SmartCore™
Business Outlook	• Softness in market environment expected to continue into Q4 2018 • Technology trends continue to favor Visteon next-generation digital products • Emerging demand for artificial intelligence

Q3 2018 Financial Results

October 25, 2018

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Q3 and YTD 2018 Key Financials *

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(Dollars in millions)

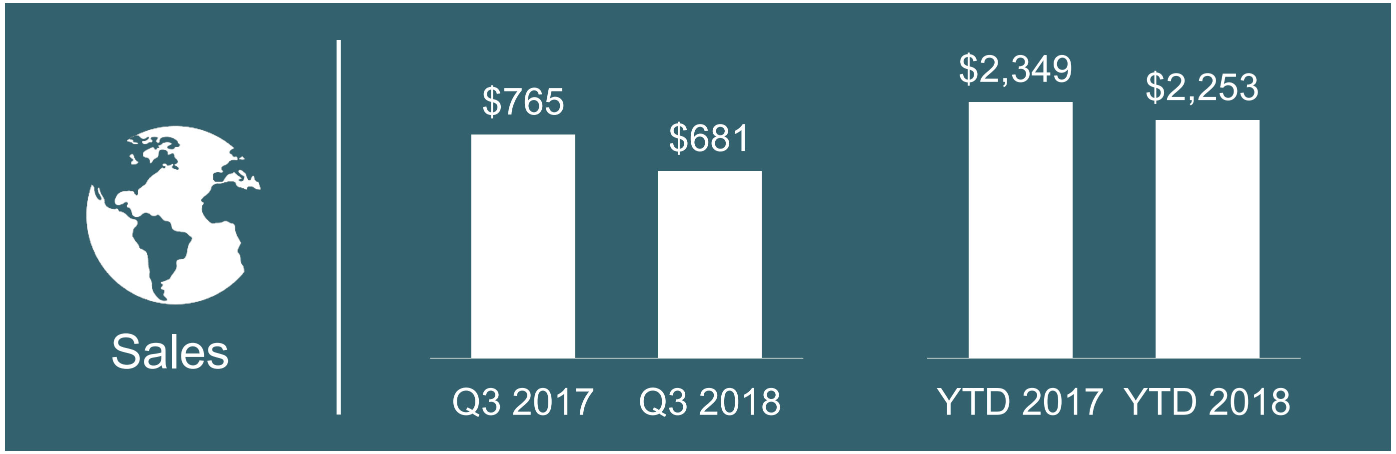
	Q3 2017	Q3 2018	2018 vs. 2017
Sales	$765	$681	($84)
Adjusted EBITDA	$83	$71	($12)
% margin	*10.8%*	*10.4%*	(40) bps
Adjusted free cash flow	$32	($42)	($74)

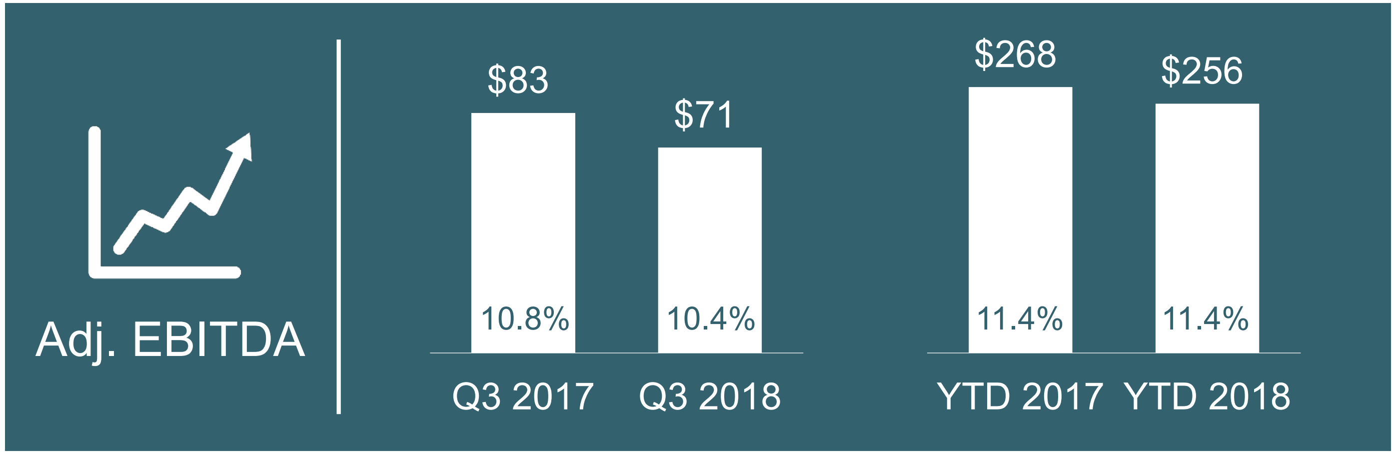
	YTD 2017	YTD 2018	2018 vs. 2017
Sales	$2,349	$2,253	($96)
Adjusted EBITDA	$268	$256	($12)
% margin	*11.4%*	*11.4%*	0 bps
Adjusted free cash flow	$88	$35	($53)

* 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 (2018 vs. 2017)

(Dollars in millions)





Y/Y Variance

	Q3	YTD
China Domestic	($4)	$29
Rest of Asia	(39)	(49)
Europe	(7)	5
Americas / Other	(34)	(81)
Variance	**($84)**	**($96)**

	Q3	YTD
Currency	($2)	$13
SG&A / Engineering (1)	6	14
Volume / Other (2)	(16)	(39)
Variance	**($12)**	**($12)**

(1) Adjusted to exclude currency impacts.
(2) Reflects changes in volumes and business equation (manufacturing, material and other cost efficiencies, net of customer pricing).

Cost efficiencies offsetting softer volume environment

Q3 2018 Cash Flow and Balance Sheet

Visteon

(Dollars in millions)

Adj. FCF

$35 million
YTD 2018

Net Cash

$442 million cash
$380 million debt

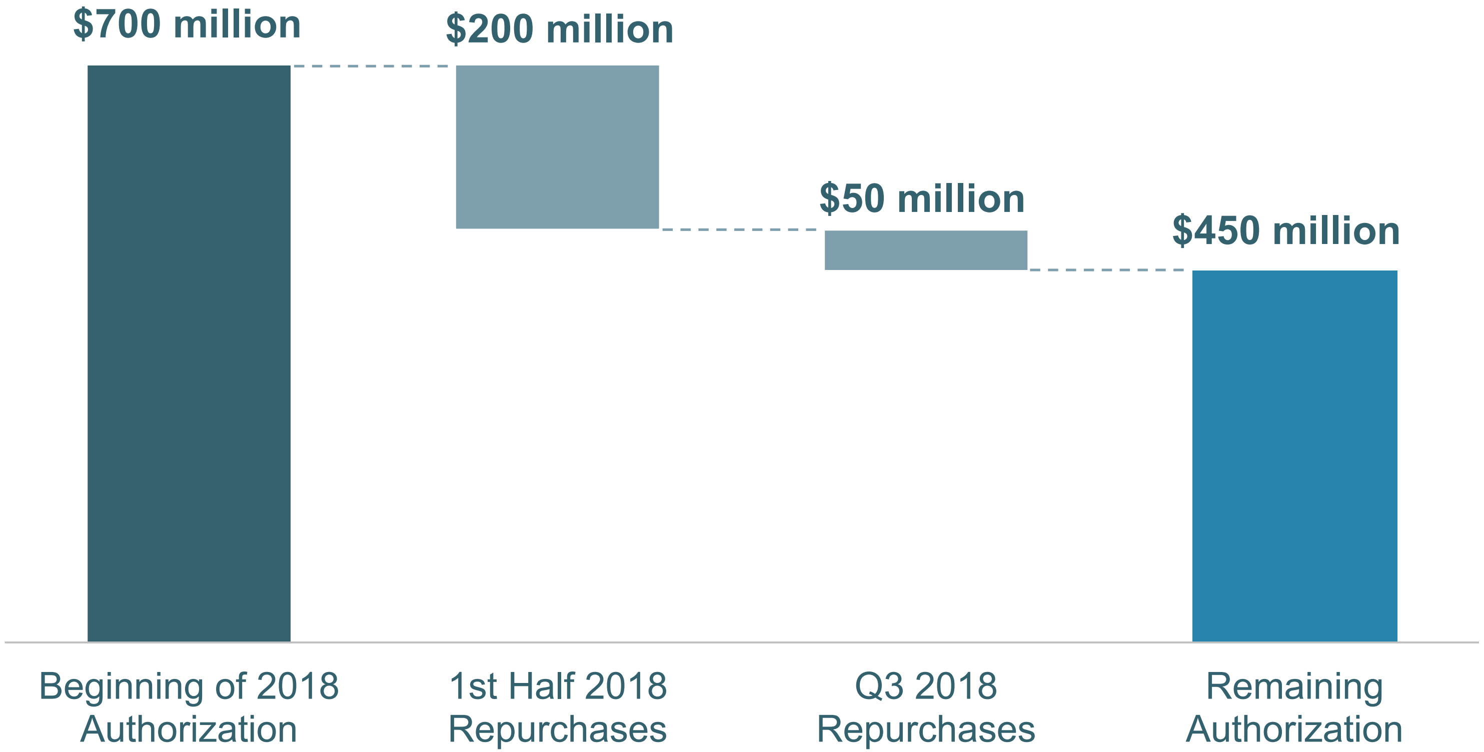
Debt / EBITDA

1.1x

	Q3 2017	Q3 2018
Adjusted EBITDA	$83	$71
Trade Working Capital	(4)	(36)
Cash Taxes	(18)	(16)
Interest Payments	(4)	(3)
Other Changes	(3)	(31)
Capital Expenditures	(22)	(27)
Adjusted FCF	**$32**	**($42)**
Memo: YTD Adjusted FCF	*$88*	*$35*

Q3 adjusted FCF impacted by lower adjusted EBITDA and unfavorable trade working capital

Shareholder Distributions Update



Returned $250 million to shareholders in YTD 2018

$450 million remains of 2018 share repurchase authorization

Updated Full-Year 2018 Guidance

(Dollars in millions)

	FY 2017 Actual	FY 2018 Guidance
Sales	$3,146	$2,950-3,000
Adj. EBITDA	$370 *(11.8% margin)*	$315-335 *(~10.9% margin)*
Adj. FCF	$146	$80-100

Building the Foundation Through Operational Excellence

Visteon®

YTD 2018 Performance

Executing on Our Long-Term Strategies

- ✓ New business wins of $5.4 billion, leading to backlog of $21.3 billion
- ✓ Leading the shift to ECU Consolidation, Display Audio and Digital Clusters

Margin Expansion / Cash Flow Generation

- ✓ Delivered $256 million in adjusted EBITDA, at a margin of 11.4%
- ✓ Generated positive adjusted free cash flow of $35 million

Return Enhancement via Capital Deployment

- ✓ Executed $250 million in open-market repurchases and ASR
- ✓ $450 million remaining in authorized share buyback programs

Appendix

October 25, 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 September 30, 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 production levels, customer cancellations, installation rates, customer price reductions and currency exchange rates.

Use of Non-GAAP Financial Information

Visteon

- 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	Q2	Q3	YTD
Gross margin (1)	$129	$111	$114	$139	$493	$129	$104	$82	$315
Less:									
Stock-based compensation expense	-	1	-	1	2	1	1	1	3
Intangibles amortization - COGS	1	1	1	-	3	1	1	1	3
Other	-	(1)	(3)	(2)	(6)	-	-	-	-
Subtotal	$1	$1	($2)	($1)	($1)	$2	$2	$2	$6
Adjusted gross margin	$130	$112	$112	$138	$492	$131	$106	$84	$321

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	Q2	Q3	YTD
SG&A (1)	$52	$54	$55	$65	$226	$44	$55	$40	$139
Less:									
Stock-based compensation expense	(2)	(3)	(3)	(2)	(10)	7	(5)	(3)	(1)
Intangibles amortization - SG&A	(2)	(2)	(2)	(3)	(9)	(2)	(2)	(3)	(7)
Subtotal	($4)	($5)	($5)	($5)	($19)	$5	($7)	($6)	($8)
Adjusted SG&A	$48	$49	$50	$60	$207	$49	$48	$34	$131

(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 September 30, 2018 for further information.

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

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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, 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	Q2	Q3	YTD
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$35**	**$21**	**$121**
Average shares outstanding, diluted	33.0	32.0	31.8	31.7	32.2	30.8	29.9	29.5	30.1
Earnings per share	**$1.91**	**$1.41**	**$1.35**	**$0.79**	**$5.47**	**$2.11**	**$1.17**	**$0.71**	**$4.02**
Memo: Adjusted EPS									
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$35**	**$21**	**$121**
Restructuring expense	1	3	6	4	14	5	5	18	28
Loss on divestiture	-	-	-	33	33	-	-	-	-
Discontinued operations	(8)	-	-	(9)	(17)	(2)	1	(1)	(2)
Gain on consolidation	-	-	-	-	-	-	-	(4)	(4)
Other	1	(4)	(4)	(1)	(8)	(4)	-	-	(4)
Tax effect of adjustments	-	-	-	-	-	-	-	(1)	(1)
Subtotal	**($6)**	**($1)**	**$2**	**$27**	**$22**	**($1)**	**$6**	**$12**	**$17**
Adjusted net income	**$57**	**$44**	**$45**	**$52**	**$198**	**$64**	**$41**	**$33**	**$138**
Average shares outstanding, diluted	33.0	32.0	31.8	31.7	32.2	30.8	29.9	29.5	30.1
Adjusted earnings per share	**$1.73**	**$1.38**	**$1.42**	**$1.64**	**$6.15**	**$2.08**	**$1.37**	**$1.12**	**$4.58**

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	Q2	Q3	YTD	Low-end	High-end
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$35**	**$21**	**$121**	**$141**	**$161**
Depreciation and amortization	19	22	21	25	87	22	23	22	67	90	90
Restructuring expense	1	3	6	4	14	5	5	18	28	30	30
Interest expense, net	5	4	3	4	16	2	2	2	6	8	8
Equity in net income of non-consolidated affiliates	(2)	(3)	(1)	(1)	(7)	(3)	(4)	(3)	(10)	(13)	(13)
Provision for income taxes	16	10	8	14	48	21	12	9	42	50	50
Income from discontinued operations, net of tax	(8)	-	-	(9)	(17)	(2)	1	(1)	(2)	(2)	(2)
Net income attributable to non-controlling interests	4	3	4	5	16	4	1	3	8	11	11
Non-cash, stock-based compensation	2	4	3	3	12	(6)	6	4	4	8	8
Other	1	(4)	(4)	32	25	(4)	-	(4)	(8)	(8)	(8)
Subtotal	**$38**	**$39**	**$40**	**$77**	**$194**	**$39**	**$46**	**$50**	**$135**	**$174**	**$174**
Adjusted EBITDA	**$101**	**$84**	**$83**	**$102**	**$370**	**$104**	**$81**	**$71**	**$256**	**$315**	**$335**

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

Visteon

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	Q2	Q3	YTD	Low-end	High-end
Cash from (used by) operating activities (1)	**($11)**	**$96**	**$44**	**$86**	**$215**	**$81**	**$45**	**($19)**	**$107**	**$165**	**$180**
Less: Capital expenditures, including intangibles	(32)	(15)	(22)	(30)	(99)	(44)	(25)	(27)	(96)	(120)	(110)
Free cash flow	**($43)**	**$81**	**$22**	**$56**	**$116**	**$37**	**$20**	**($46)**	**$11**	**$45**	**$70**
Exclude: Restructuring / transformation-related payments	12	6	10	2	30	11	9	4	24	35	30
Adjusted free cash flow	**($31)**	**$87**	**$32**	**$58**	**$146**	**$48**	**$29**	**($42)**	**$35**	**$80**	**$100**

(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 September 30, 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	2018 Q2	2018 Q3	2018 YTD
Product Sales	$810	$774	$765	$797	$3,146	$814	$758	$681	$2,253
Gross Margin	$129	$111	$114	$139	$493	$129	$104	$82	$315
Intangibles Amortization - COGS	1	1	1	-	3	1	1	1	3
Other / Stock-Based Compensation Expense	-	-	(3)	(1)	(4)	1	1	1	3
Adjusted Gross Margin	**$130**	**$112**	**$112**	**$138**	**$492**	**$131**	**$106**	**$84**	**$321**
% of Sales	*16.0%*	*14.5%*	*14.6%*	*17.3%*	*15.6%*	*16.1%*	*14.0%*	*12.3%*	*14.2%*
SG&A	($52)	($54)	($55)	($65)	($226)	($44)	($55)	($40)	($139)
Intangibles Amortization - SG&A	2	2	2	3	9	2	2	3	7
Other / Stock-Based Compensation Expense	2	3	3	2	10	(7)	5	3	1
Adjusted SG&A	**($48)**	**($49)**	**($50)**	**($60)**	**($207)**	**($49)**	**($48)**	**($34)**	**($131)**
Adjusted EBITDA									
Adjusted Gross Margin	$130	$112	$112	$138	$492	$131	$106	$84	$321
Adjusted SG&A	(48)	(49)	(50)	(60)	(207)	(49)	(48)	(34)	(131)
D&A	16	19	18	22	75	19	20	18	57
Pension Financing Benefits, net	3	2	3	2	10	3	3	3	9
Adjusted EBITDA	**$101**	**$84**	**$83**	**$102**	**$370**	**$104**	**$81**	**$71**	**$256**
% of Sales	*12.5%*	*10.9%*	*10.8%*	*12.8%*	*11.8%*	*12.8%*	*10.7%*	*10.4%*	*11.4%*
Equity in Affiliates	$2	$3	$1	$1	$7	$3	$4	$3	$10
Noncontrolling Interests	(4)	(3)	(4)	(5)	(16)	(4)	(1)	(3)	(8)

Financial Results – U.S. GAAP

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	2017					2018			
(Dollars in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Income Statement									
Sales	$810	$774	$765	$797	$3,146	$814	$758	$681	$2,253
Gross margin (1)	129	111	114	139	493	129	104	82	315
SG&A (1)	52	54	55	65	226	44	55	40	139
Net income attributable to Visteon	63	45	43	25	176	65	35	21	121
Earnings per share, diluted	$1.91	$1.41	$1.35	$0.79	$5.47	$2.11	$1.17	$0.71	$4.02
Cash Flow Statement									
Cash (used by) from operating activities (2)	($11)	$96	$44	$86	$215	$81	$45	($19)	$107
Capital expenditures, including intangibles	32	15	22	30	99	44	25	27	96

(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 September 30, 2018 for further information.

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