
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 27, 2017 (July 24, 2017)

VISTEON CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-15827
(Commission
File Number)

38-3519512
(IRS Employer
Identification No.)

One Village Center Drive, Van Buren Township, Michigan
(Address of principal executive offices)

48111
(Zip Code)

Registrant's telephone number, including area code (800)-VISTEON

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

SECTION 2 – FINANCIAL INFORMATION

Item 2.02. Results of Operations and Financial Condition.

On July 27, 2017, the registrant issued a press release regarding its financial results for the second quarter of 2017. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SECTION 5 – CORPORATE GOVERNANCE AND MANAGEMENT

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 24, 2017, Steven S. Fitzgerald, Senior Vice President and Chief Human Resources Officer of Visteon Corporation (the “Company”), gave notice of his resignation and will leave the Company on August 8, 2017.

SECTION 7 – REGULATION FD

Item 7.01. Regulation FD Disclosure.

See “Item 2.02. Results of Operations and Financial Condition” above.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 27, 2017.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VISTEON CORPORATION

Date: July 27, 2017

By: /s/ Brett D. Pynnonen

Brett D. Pynnonen

Senior Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>Page</u>
99.1	Press release dated July 27, 2017.	



Visteon Announces Second-Quarter 2017 Results

- ***Delivered strong financial performance***
 - ***Sales of \$774 million***
 - ***Net income of \$45 million***
 - ***Adjusted EBITDA of \$84 million***
- ***Increased China domestic sales 38 percent year-over-year, excluding impact of currency***
- ***Awarded \$3.1 billion in new business year-to-date***
 - ***Two additional SmartCore™ awards year-to-date***
 - ***Record \$17.3 billion order backlog***
- ***Executed \$160 million of share repurchases year-to-date***

VAN BUREN TOWNSHIP, Mich., July 27, 2017 — Visteon Corporation (NYSE: VC) today announced second-quarter 2017 results, reporting sales of \$774 million compared with \$773 million in the second quarter of 2016. Second-quarter net income attributable to Visteon was \$45 million or \$1.41 per diluted share for 2017, compared with \$26 million or \$0.76 per diluted share for 2016.

Second-quarter Electronics sales were \$774 million compared with \$762 million for the same period in 2016. Electronics second-quarter net income was \$45 million or \$1.41 per diluted share for 2017, compared with \$43 million or \$1.25 per diluted share for 2016.

Electronics adjusted EBITDA, a non-GAAP financial measure as defined below, was \$84 million for the second quarter, compared with \$79 million in the same period last year. Electronics adjusted net income, a non-GAAP financial measure as defined below, was \$44 million for the second quarter or \$1.38 per diluted share, compared with \$44 million or \$1.28 per diluted share in the second quarter of 2016.

During the first half, global vehicle manufacturers awarded Visteon new business of \$3.1 billion in lifetime revenue. The ongoing backlog, defined as cumulative remaining life-of-program booked sales, was approximately \$17.3 billion as of June 30, 2017, up from \$16.5 billion at the end of 2016.

“Our second-quarter performance was very solid, with improved year-over-year sales and adjusted EBITDA,” said Visteon President and CEO Sachin Lawande. “Sales grew 3 percent, excluding currency, despite flat global vehicle production volumes. This growth was driven by a high number of new product launches over the past several quarters, particularly in China. Adjusted EBITDA improved due to higher sales and our ongoing focus on cost reduction.”

Lawande added: “New business wins remained strong, with about 50 percent in the fast-growing segments of all-digital instrument clusters and display audio. With \$3.1 billion in new business wins in the first half, we are on track to achieve our target for the full year.”

Second Quarter in Review

Visteon Corporation

Second-quarter sales were \$774 million, compared with \$773 million for the same period in 2016. The \$1 million increase is primarily related to higher electronics production volumes and new product launches, partially offset by unfavorable currency and the exit of other operations.

Gross margin was \$112 million, compared with \$109 million a year earlier. The \$3 million increase in gross margin reflected higher sales and the exit of other climate operations, partially offset by unfavorable currency. Selling, general and administrative expenses were \$53 million for the second quarter of 2017, compared with \$54 million for the second quarter of 2016.

For the second quarter of 2017, the company reported net income attributable to Visteon of \$45 million or \$1.41 per diluted share, compared with \$26 million or \$0.76 per diluted share for the same period in 2016. The \$19 million increase in net income included a gain on sale of a non-consolidated affiliate of \$3 million, lower restructuring expense of \$4 million and the non-recurrence of 2016 loss from discontinued operations of \$9 million, net of tax.

Electronics Product Group

Sales totaled \$774 million and \$762 million during the second quarter of 2017 and 2016, respectively, for an increase of \$12 million, resulting from new product launches, particularly in China. Unfavorable currency movements and contractual customer pricing reductions partially offset the increase. On a regional basis, Asia accounted for 38 percent of sales, Europe 31 percent, North America 29 percent, and South America 2 percent.

Gross margin for the second quarter of 2017 was \$112 million, compared with \$109 million a year earlier. The \$3 million increase reflected the impact of higher sales volume, material cost efficiencies and a decline in engineering expenses, partially offset by customer pricing and unfavorable currency.

Adjusted EBITDA for the Electronics Product Group was \$84 million for the second quarter of 2017, compared with \$79 million for the same quarter last year. The improvement was primarily driven by increased sales and cost efficiencies, partially offset by unfavorable currency. Selling, general and administrative expenses were \$53 million for the second quarter, compared with \$54 million for the same quarter in 2016. Adjusted EBITDA margins were 10.9 percent for the second quarter of 2017, a 50-basis point improvement from prior-year levels.

For the second quarter of 2017, net income was \$45 million or \$1.41 per diluted share, compared with net income of \$43 million or \$1.25 per diluted share for the same period in 2016. Second-quarter 2017 net income benefited from the sale of a non-consolidated affiliate, which more than offset restructuring transformation and related costs. Adjusted net income, which excludes these items, was \$44 million or \$1.38 per diluted share for the second quarter of 2017, compared with \$44 million or \$1.28 per diluted share for the same period in 2016.

Other Operations

By the end of 2016, Visteon exited its other operations, consisting of climate operations in South America and South Africa. The second quarter of 2016 included sales of \$11 million, negative adjusted EBITDA of \$2 million and a net loss of \$8 million.

Cash and Debt Balances

As of June 30, 2017, Visteon had global cash and equivalents totaling \$734 million. Total debt as of June 30 was \$389 million.

For the second quarter of 2017, cash from operations was \$96 million and capital expenditures were \$15 million. Total Visteon adjusted free cash flow for the second quarter of 2017 was \$87 million, compared with \$79 million during the second quarter of 2016. Year-to-date, adjusted free cash flow was \$57 million.

Share Repurchases

During the first half of the year, the company repurchased 1,659,466 shares at an average price of \$96.41. A total of \$240 million remains under the company's share repurchase authorization. As of June 30, 2017, the company had 31.7 million diluted shares of common stock outstanding.

Full-Year 2017 Outlook

Visteon affirmed its full-year 2017 guidance for its key financial metrics. The company projects 2017 sales in the range of \$3.1 billion to \$3.2 billion. Adjusted EBITDA is projected in the range of \$355 million to \$370 million. Adjusted free cash flow, as defined below, for the Electronics Product Group is projected in the range of \$165 million to \$180 million.

About Visteon

Visteon is a global technology company that designs, engineers and manufactures innovative cockpit electronics products and connected car solutions for most of the world's major vehicle manufacturers. Visteon is a leading provider of instrument clusters, head-up displays, information displays, infotainment, audio systems, telematics and SmartCore™ cockpit domain controllers. Visteon also supplies embedded multimedia and smartphone connectivity software solutions to the global automotive industry. Headquartered in Van Buren Township, Michigan, Visteon has approximately 10,000 employees at more than 40 facilities in 19 countries. Visteon had sales of \$3.16 billion in 2016. Learn more at www.visteon.com.

Conference Call and Presentation

Today, Thursday, July 27, at 9 a.m. ET, the company will host a conference call for the investment community to discuss the quarter's results and other related items. The conference call is available to the general public via a live audio webcast.

The dial-in numbers to participate in the call are:

U.S./Canada: 866-411-5196

Outside U.S./Canada: 970-297-2404

(Call approximately 10 minutes before the start of the conference.)

The conference call and live audio webcast, related presentation materials and other supplemental information will be accessible in the investors section of Visteon's website. A news release on Visteon's first-quarter results will be available in the news section of the website.

A replay of the conference call will be available through the company's website or by dialing 855-859-2056 (toll-free from the U.S. and Canada) or 404-537-3406 (international). The conference ID for the phone replay is 43585810. The phone replay will be available for one week following the conference call.

Forward-looking Information

This press release 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: (1) 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 or suppliers, including work stoppages, 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; (2) 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; (3) our ability to satisfy pension and other post-employment benefit obligations; (4) our ability to access funds generated by foreign subsidiaries and joint ventures on a timely and cost-effective basis; (5) our ability to execute on our transformational plans and cost-reduction initiatives in the amounts and on the timing contemplated; (6) general economic conditions, including changes in interest rates, currency exchange rates and fuel prices; (7) the timing and expenses related to internal restructurings, employee reductions, acquisitions or dispositions and the effect of pension and other post-employment benefit obligations; (8) 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 (9) those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the fiscal year ended Dec. 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 release, 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 June 30, 2017. New business wins and rewins 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 price reductions and currency exchange rates.

Use of Non-GAAP Financial Information

This press release contains information about Visteon's financial results which is not presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Such non-GAAP financial measures are reconciled to their closest GAAP financial measures at the end of this press release. The provision of these comparable GAAP financial measures for 2016 is not intended to indicate that Visteon 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 press release and the adjustments that management can reasonably predict.

Follow Visteon:



Contacts:

Media:

Jim Fisher
734-710-5557
734-417-6184 – mobile
jfishe89@visteon.com

Investors:

Bill Robertson
734-710-8349
william.robertson@visteon.com

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Millions, Except Per Share Data)
(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Sales	\$ 774	\$ 773	\$1,584	\$1,575
Cost of sales	662	664	1,341	1,345
Gross margin	112	109	243	230
Selling, general and administrative expenses	53	54	104	110
Restructuring expense	3	7	4	17
Interest expense, net	4	3	9	5
Equity in net income of non-consolidated affiliates	3	3	5	3
Other (income) expense, net	(3)	—	(2)	4
Income before income taxes	58	48	133	97
Provision for income taxes	10	9	26	22
Net income from continuing operations	48	39	107	75
Income (loss) from discontinued operations, net of tax	—	(9)	8	(22)
Net income	48	30	115	53
Net income attributable to non-controlling interests	3	4	7	8
Net income attributable to Visteon Corporation	<u>\$ 45</u>	<u>\$ 26</u>	<u>\$ 108</u>	<u>\$ 45</u>
<u>Earnings per share data:</u>				
Basic earnings per share				
Continuing operations	\$ 1.43	\$ 1.03	\$ 3.12	\$ 1.85
Discontinued operations	—	(0.26)	0.25	(0.61)
Basic earnings per share attributable to Visteon Corporation	<u>\$ 1.43</u>	<u>\$ 0.77</u>	<u>\$ 3.37</u>	<u>\$ 1.24</u>
Diluted earnings per share				
Continuing operations	\$ 1.41	\$ 1.02	\$ 3.07	\$ 1.83
Discontinued operations	—	(0.26)	0.24	(0.60)
Diluted earnings per share attributable to Visteon Corporation	<u>\$ 1.41</u>	<u>\$ 0.76</u>	<u>\$ 3.31</u>	<u>\$ 1.23</u>
Average shares outstanding (in millions)				
Basic	31.5	34.0	32.1	36.3
Diluted	32.0	34.4	32.6	36.7
<u>Comprehensive income:</u>				
Comprehensive income	\$ 56	\$ 29	\$ 146	\$ 71
Comprehensive income attributable to Visteon Corporation	\$ 52	\$ 27	\$ 137	\$ 65

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)
(Unaudited)

	June 30 2017	December 31 2016
ASSETS		
Cash and equivalents	\$ 730	\$ 878
Restricted cash	4	4
Accounts receivable, net	519	505
Inventories, net	165	151
Other current assets	159	170
Total current assets	1,577	1,708
Property and equipment, net	352	345
Intangible assets, net	127	129
Investments in non-consolidated affiliates	39	45
Other non-current assets	151	146
Total assets	<u>\$ 2,246</u>	<u>\$ 2,373</u>
LIABILITIES AND EQUITY		
Short-term debt, including current portion of long-term debt	\$ 42	\$ 36
Accounts payable	439	463
Accrued employee liabilities	90	103
Other current liabilities	234	309
Total current liabilities	805	911
Long-term debt	347	346
Employee benefits	305	303
Deferred tax liabilities	22	20
Other non-current liabilities	62	69
Stockholders' equity		
Preferred stock	—	—
Common stock	1	1
Additional paid-in capital	1,331	1,327
Retained earnings	1,377	1,269
Accumulated other comprehensive loss	(204)	(233)
Treasury stock	(1,936)	(1,778)
Total Visteon Corporation stockholders' equity	569	586
Non-controlling interests	136	138
Total equity	705	724
Total liabilities and equity	<u>\$ 2,246</u>	<u>\$ 2,373</u>

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS ¹
(Dollars in Millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2017	2016	2017	2016
OPERATING				
Net income	\$ 48	\$ 30	\$ 115	\$ 53
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation and amortization	22	20	41	41
Equity in net income of non-consolidated affiliates, net of dividends remitted	(3)	(3)	(5)	(3)
Non-cash stock-based compensation	4	2	6	4
Gain on India operations repurchase	—	—	(7)	—
(Gains) losses on divestitures and impairments	(3)	3	(2)	4
Other non-cash items	—	1	3	1
Changes in assets and liabilities:				
Accounts receivable	47	51	8	27
Inventories	—	(4)	(8)	5
Accounts payable	(38)	(21)	(20)	(17)
Accrued income taxes	2	(6)	2	(49)
Other assets and other liabilities	17	(1)	(47)	(52)
Net cash provided from operating activities	96	72	86	14
INVESTING				
Capital expenditures	(15)	(12)	(47)	(37)
India operations repurchase	—	—	(47)	—
Climate Transaction withholding tax refund	—	—	—	356
Settlement of net investment hedge	5	—	5	—
Short-term investments	—	—	—	47
Loan to non-consolidated affiliates, net of repayments	—	(4)	—	(12)
Proceeds from asset sales and business divestitures	3	1	13	4
Net cash (used by) provided from investing activities	(7)	(15)	(76)	358
FINANCING				
Short-term debt, net	(8)	(10)	7	(10)
Principal payments on debt	—	—	(2)	(1)
Distribution payment	—	—	(1)	(1,736)
Repurchase of common stock	(35)	—	(160)	(500)
Dividends paid to non-controlling interests	(11)	—	(11)	—
Stock based compensation tax withholding payments	—	—	(1)	(11)
Other	—	—	(3)	—
Net cash used by financing activities	(54)	(10)	(171)	(2,258)
Effect of exchange rate changes on cash and equivalents	7	(3)	13	4
Net increase (decrease) in cash and equivalents	42	44	(148)	(1,882)
Cash and equivalents at beginning of period	688	803	878	2,729
Cash and equivalents at end of period	<u>\$ 730</u>	<u>\$ 847</u>	<u>\$ 730</u>	<u>\$ 847</u>

¹ The Company has combined cash flows from discontinued operations with cash flows from continuing operations within the operating, investing and financing categories. As such, cash and equivalents above include amounts reflected as assets held for sale within other current assets on the Consolidated Balance Sheets.

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(Unaudited, Dollars in Millions)

Adjusted EBITDA: Adjusted EBITDA is presented as a supplemental measure of the Company's performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. 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, loss on debt extinguishment, equity in net income of non-consolidated affiliates, loss on divestiture, gain on non-consolidated affiliate transactions, other net expense, provision for income taxes, discontinued operations, net income attributable to non-controlling interests, non-cash stock-based compensation expense, and other non-operating gains and losses. Because not all companies use identical calculations, this presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

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

	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Electronics				
Adjusted EBITDA	\$ 84	\$ 79	\$ 185	\$ 173
Depreciation and amortization	22	20	41	41
Restructuring expense	3	—	4	10
Interest expense, net	4	3	9	5
Equity in net income of non-consolidated affiliates	(3)	(3)	(5)	(3)
Other (income) expense, net	(3)	1	(2)	4
Provision for income taxes	10	9	26	22
Net income attributable to non-controlling interests	3	4	7	8
Non-cash, stock-based compensation expense	4	2	6	4
Other	(1)	—	(1)	1
Net income	<u>\$ 45</u>	<u>\$ 43</u>	<u>\$ 100</u>	<u>\$ 81</u>
(Income) loss from discontinued operations, net of tax	—	9	(8)	22
All other income, net of tax	—	8	1	14
Net income attributable to Visteon	<u>\$ 45</u>	<u>\$ 26</u>	<u>\$ 108</u>	<u>\$ 45</u>

Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses Adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies, and (iii) because the Company's credit agreements use similar measures for compliance with certain covenants.

Free Cash Flow and Adjusted Free Cash Flow: Free cash flow and Adjusted free cash flow are presented as supplemental measures of the Company's liquidity that management believes are useful to investors in analyzing the Company's ability to service and repay its debt. 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. Free cash flow and Adjusted free cash flow include amounts associated with discontinued operations. Because not all companies use identical calculations, this presentation of Free cash flow and Adjusted free cash flow may not be comparable to other similarly titled measures of other companies.

	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Total Visteon				
Cash provided from operating activities - Electronics	\$ 96	\$ 92	\$ 86	\$ 79
Cash used by operating activities - discontinued operations and other	—	(20)	—	(65)
Cash provided from operating activities total Visteon	\$ 96	\$ 72	\$ 86	\$ 14
Capital expenditures	(15)	(12)	(47)	(37)
Free cash flow	\$ 81	\$ 60	\$ 39	\$ (23)
Restructuring/transformation-related payments	6	19	18	74
Adjusted free cash flow	\$ 87	\$ 79	\$ 57	\$ 51

	Three Months Ended June 30		Six Months Ended June 30		Estimated Full Year 2017*
	2017	2016	2017	2016	
Electronics					
Cash provided from operating activities	\$ 96	\$ 92	\$ 86	\$ 79	\$ 205 - \$220
Capital expenditures	(15)	(12)	(47)	(36)	(80)
Free cash flow	\$ 81	\$ 80	\$ 39	\$ 43	\$ 125 - \$140
Restructuring/transformation-related payments	6	7	18	22	40
Adjusted free cash flow	\$ 87	\$ 87	\$ 57	\$ 65	\$ 165 - \$180

* Guidance excludes the restructuring, transformation payments associated with other legacy and discontinued operations.

Free cash flow and Adjusted free cash flow are not recognized terms under U.S. GAAP and do not purport to be a substitute for cash flows from operating activities as a measure of liquidity. Free cash flow and Adjusted free cash flow have limitations as analytical tools as they do not reflect cash used to service debt and do not reflect funds available for investment or other discretionary uses. In addition, the Company uses Free cash flow and Adjusted free cash flow (i) as factors in incentive compensation decisions and (ii) for planning and forecasting future periods.

Adjusted Net Income and Adjusted Earnings Per Share: Adjusted net income and Adjusted earnings per share are presented as supplemental measures that management believes are useful to investors in analyzing the Company's profitability, providing comparability between periods by excluding certain items that may not be indicative of recurring business operating results. The Company believes management and investors benefit from referring to these supplemental measures in assessing company performance and when planning, forecasting and analyzing future periods. The Company defines Adjusted net income as net income attributable to Visteon adjusted to eliminate the impact of restructuring expense, loss on debt extinguishment, loss on divestiture, gain on non-consolidated affiliate transactions, other net expenses, other non-operating gains and losses, discontinued operations and related tax effects. The Company defines Adjusted earnings per share as Adjusted net income divided by diluted shares. Because not all companies use identical calculations, this presentation of Adjusted net income and Adjusted earnings per share may not be comparable to other similarly titled measures of other companies.

Net income attributable to Visteon:	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
Electronics	\$ 45	\$ 43	\$ 100	\$ 81
Other/discontinued operations	—	(17)	8	(36)
Net income attributable to Visteon	<u>\$ 45</u>	<u>\$ 26</u>	<u>\$ 108</u>	<u>\$ 45</u>

	Three Months ended June 30, 2017			Six Months Ended June 30, 2017		
	Electronics	Other/ Discontinued Operations	Total Visteon	Electronics	Other/ Discontinued Operations	Total Visteon
Diluted earnings per share:						
Net income attributable to Visteon	\$ 45	\$ —	\$ 45	\$ 100	\$ 8	\$ 108
Average shares outstanding, diluted (in millions)	32.0	—	32.0	32.6	32.6	32.6
Diluted earnings per share	<u>\$ 1.41</u>	<u>\$ —</u>	<u>\$ 1.41</u>	<u>\$ 3.07</u>	<u>\$ 0.24</u>	<u>\$ 3.31</u>
Adjusted earnings per share:						
Net income attributable to Visteon	\$ 45	\$ —	\$ 45	\$ 100	\$ 8	\$ 108
Restructuring expense	3	—	3	4	—	4
Other (income) expense, net	(3)	—	(3)	(2)	—	(2)
Other non-operating costs	1	—	1	(1)	—	(1)
(Income) loss from discontinued operations, net of tax	—	—	—	—	(8)	(8)
Adjusted net income	<u>\$ 44</u>	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ 101</u>	<u>\$ —</u>	<u>\$ 101</u>
Average shares outstanding, diluted (in millions)	32.0	—	32.0	32.6	32.6	32.6
Adjusted earnings per share	<u>\$ 1.38</u>	<u>\$ —</u>	<u>\$ 1.38</u>	<u>\$ 3.10</u>	<u>\$ —</u>	<u>\$ 3.10</u>

	Three Months ended June 30, 2016			Six Months Ended June 30, 2016		
	Electronics	Other/ Discontinued Operations	Total Visteon	Electronics	Other/ Discontinued Operations	Total Visteon
Diluted earnings per share:						
Net income attributable to Visteon	\$ 43	\$ (17)	\$ 26	\$ 81	\$ (36)	\$ 45
Average shares outstanding, diluted (in millions)	34.4	34.4	34.4	36.7	36.7	36.7
Diluted earnings per share	<u>\$ 1.25</u>	<u>\$ (0.49)</u>	<u>\$ 0.76</u>	<u>\$ 2.21</u>	<u>\$ (0.98)</u>	<u>\$ 1.23</u>
Adjusted earnings per share:						
Net income attributable to Visteon	\$ 43	\$ (17)	\$ 26	\$ 81	\$ (36)	\$ 45
Restructuring expense	—	7	7	10	7	17
Other expense, net	1	8	9	4	—	4
Other	—	—	—	1	—	1
(Income) loss from discontinued operations, net of tax	—	—	—	—	22	22
Adjusted net income	<u>\$ 44</u>	<u>\$ (2)</u>	<u>\$ 42</u>	<u>\$ 96</u>	<u>\$ (7)</u>	<u>\$ 89</u>
Average shares outstanding, diluted (in millions)	34.4	34.4	34.4	36.7	36.7	36.7
Adjusted earnings per share	<u>\$ 1.28</u>	<u>\$ (0.06)</u>	<u>\$ 1.22</u>	<u>\$ 2.62</u>	<u>\$ (0.19)</u>	<u>\$ 2.43</u>

Adjusted net income and Adjusted earnings per share are not recognized terms under U.S. GAAP and do not purport to be a substitute for profitability. Adjusted net income and Adjusted earnings per share have limitations as analytical tools as they do not consider certain restructuring and transaction-related payments and/or expenses. In addition, the Company uses Adjusted net income and Adjusted earnings per share for planning and forecasting future periods.