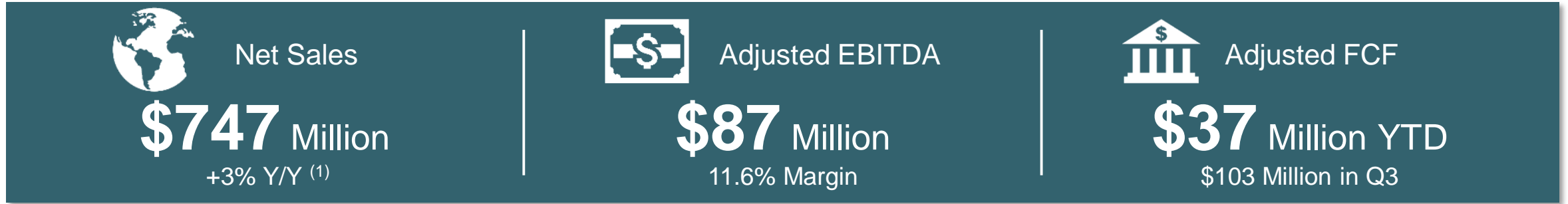


# Visteon Q3 2020 Earnings

October 29, 2020



Visteon®



## PROACTIVE INITIATIVES DRIVING STRONG PERFORMANCE

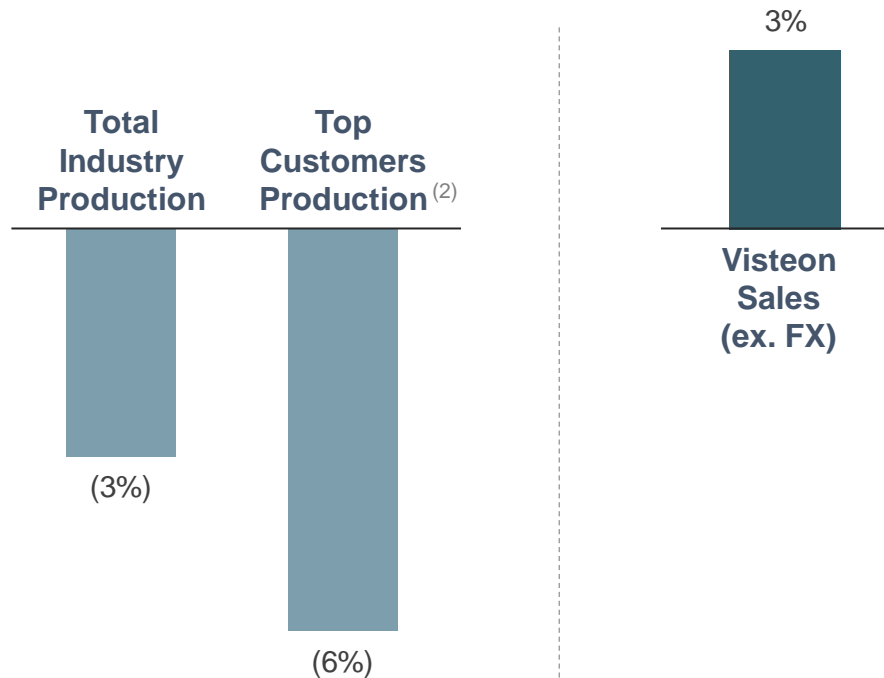


# Q3 2020 Sales Performance

*Continue to outperform in challenging market*



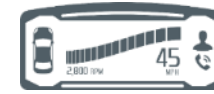
## Growth-Over-Market of 6% <sup>(1)</sup>



***Continued mid-to-high single digit growth-over-market***



## Visteon Sales Performance



Digital Clusters

- Digital cluster sales nearly doubled Y/Y and now represent 45% of total cluster sales
- Strong sales with PSA, Renault and Daimler



Audio Infotainment

- Ramp up of audio system with Ford and Android infotainment with VW
- Non-recurrence of 2019 SGM sales promotion and ongoing Mazda roll off



Displays

- Displays sales up 12% Y/Y with increasing demand for large center information displays
- Ramp up of multi-display module with SGM and center stack displays with BMW in China

***Benefit from ramp up of digital cockpit solutions for multiple OEMs***

# Q3 2020 Product Launches

Record number of new products launched in Q3



## Key New Product Launches



### Ford F-150

Digital Cluster, Audio,  
Telematics



### Daimler S-Class

Digital Cluster



### Mazda CX-5

Display



### Buick Envision

Hybrid Cluster



### Peugeot 308

Digital Cluster



### Royal Enfield Meteor

Digital Cockpit System



## Launches Driven by Next-Gen Products



### Americas

- 12" digital cluster on best-selling pickup in North America
- 12" digital cluster as mid-cycle upgrade for Cadillac CT5



### Europe

- 12" digital cluster for S-Class with first-to-market features
- 10" digital cluster for the new Peugeot 308



### China

- 8" hybrid cluster for Buick Envision luxury SUV for SGM
- 8" digital cluster for multiple models with VW



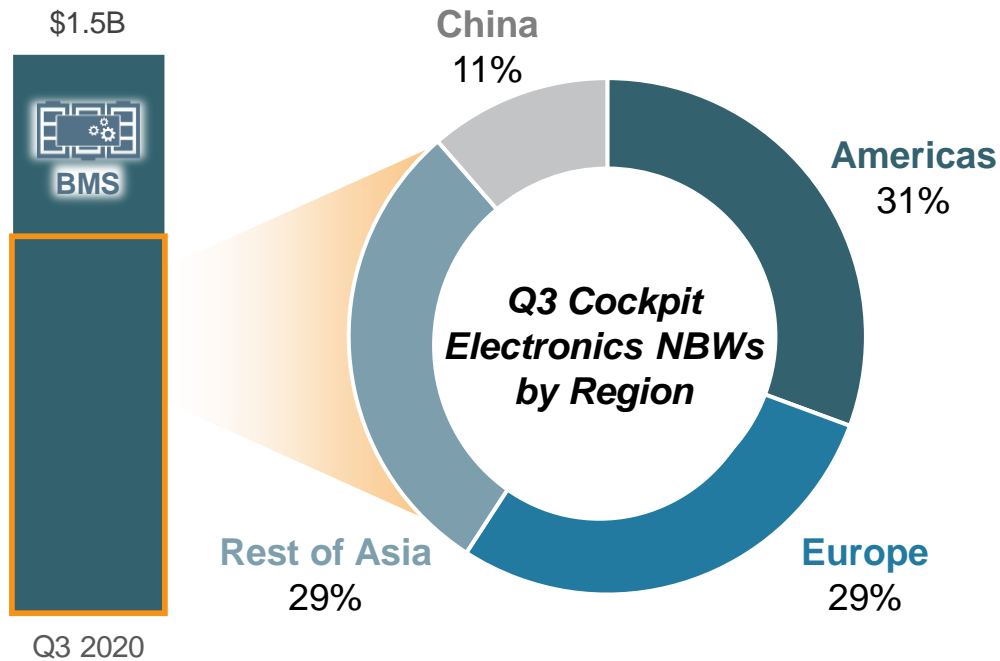
### Rest of Asia

- 10" display as mid-cycle upgrade for Mazda compact SUV
- Digital cockpit with turn-by-turn navigation for Royal Enfield

# Q3 2020 New Business Wins and Outlook

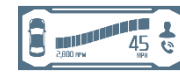
Activity levels increasing across our portfolio

## \$1.5B in Q3 New Business Wins



*Balanced product and regional business wins with recovery in Americas and Europe*

## Robust Pipeline Driven by Next-Gen Products



### Digital Clusters

Large, all-digital clusters moving to mass market



### Audio Infotainment

Momentum in Android-based display audio



### Displays

Continued increase in size and complexity of displays



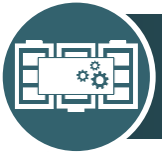
### Battery Management

Growing interest driven by electrification of vehicles

*Continue to benefit from the digitization of the cockpit*

# Battery Management Systems (BMS)

*Innovative wireless BMS technology for electric vehicle makers*

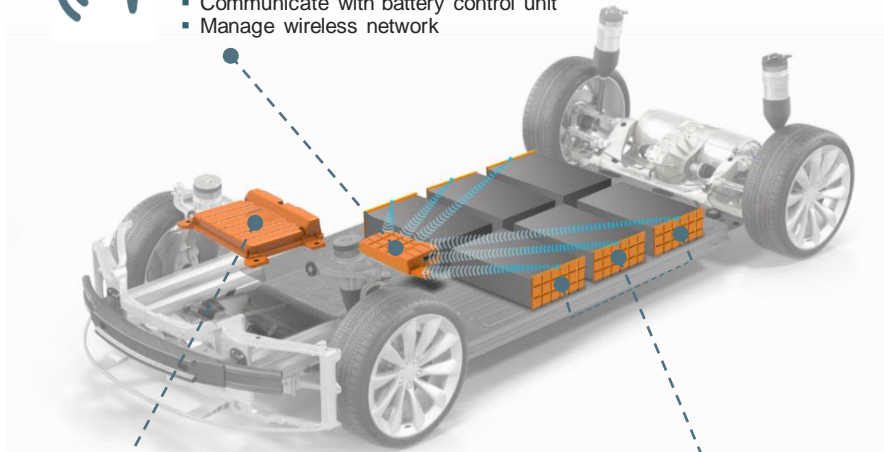


## Visteon Wireless BMS Features



### Wireless Network Manager Unit

- Aggregate individual battery cell data
- Communicate with battery control unit
- Manage wireless network



### Battery Control Unit

- Battery cell state management
- Charging management and control
- Vehicle interface and contactor management



### Wireless Cell Monitoring Unit

- Monitor battery cell data
- Secure mesh wireless technology
- Modular and scalable configuration



## Wireless BMS Benefits



Lack of wiring harness results in reduced weight and space of battery



No connectors means higher mechanical reliability



Scalable and reusable across vehicle models

# Electric Vehicle Ready Portfolio

Powertrain agnostic and well positioned to capitalize on EV trend



Proven Portfolio of EV Ready Products



**Innovative digital cockpit and BMS solutions for automakers' EV roadmap**



Visteon Solutions on Leading EV Platforms



**Renault Zoe**  
Digital Cluster



**Nissan New EV Platform**  
Digital Cluster, Multi-Display Module



**GM BEV3**  
Battery Management, Digital Cluster



**Geely PMA EV**  
SmartCore™ Digital Cockpit

**Visteon is capitalizing on continuing transition to EVs**

# Near-Term Outlook

*Visteon positioned to outperform the market*



Market Uncertainty Despite  
Strength in Retail Demand

## Key Industry Factors



### Healthy Retail Demand

Continued resiliency in demand driving OEM restocking



### COVID-19 Second Wave

Potential impact from increasing number of cases



### Europe Headwinds

Government incentives expiring and emission standards increasing



Visteon Positioned  
to Outperform

## Key Visteon Factors



### Favorable Industry Trends

Trends continue to drive digitization of the cockpit



### New Product Launches

High number of new launches with global OEMs



### Market Outperformance

Continued growth-over-market vs. industry volumes





## **Solid Execution in a Challenging Environment**

Delivered continued growth-over-market and 11.6% adjusted EBITDA margin



## **Continuing to Build the Foundation for Future Growth**

Launched 44 new products and won \$3.2 billion of new business YTD



## **Strengthening the Cockpit Technology Portfolio**

Launched key all-digital cluster, display and infotainment technologies



## **Aligned with Emerging Shift to Electric Vehicles**

Cockpit electronics, microZone™ displays and battery management systems driving growth



## **Focusing on Operational Excellence and New Product Launches**

Positioned to outperform market



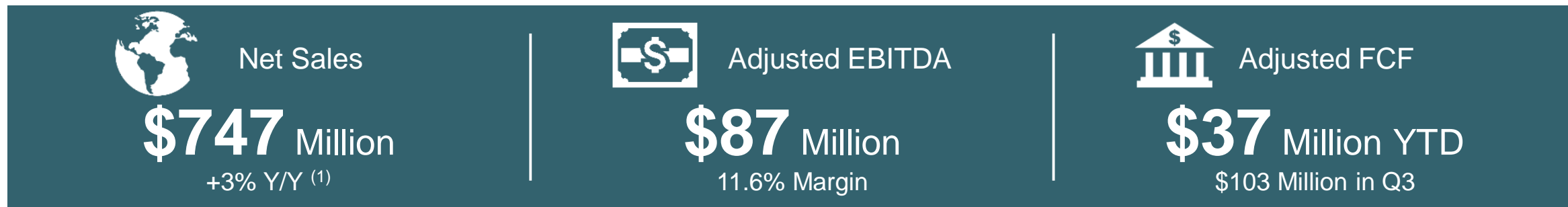
# Q3 2020 Financial Results

October 29, 2020

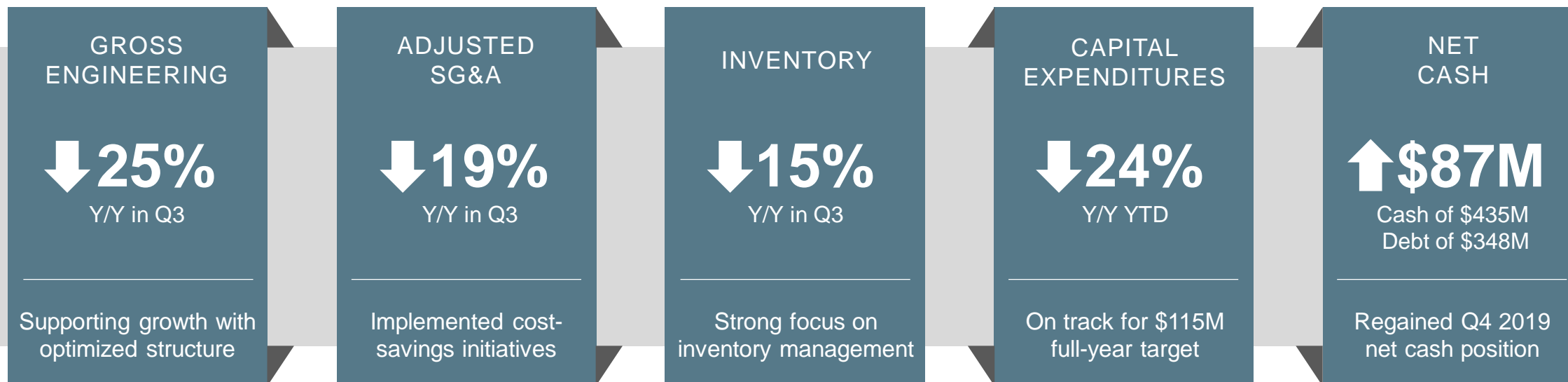


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# Q3 2020 Financial Summary



## PROACTIVE INITIATIVES DRIVING STRONG PERFORMANCE

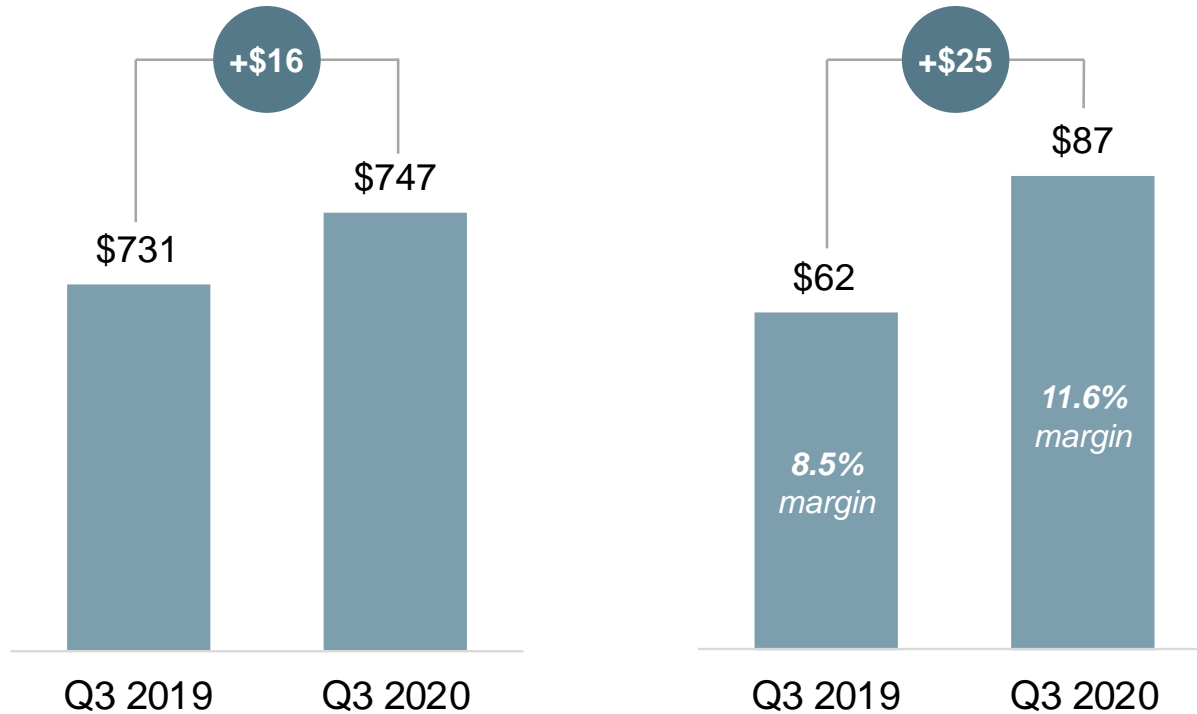


# Q3 2020 vs. Q3 2019 Key Drivers

*Proactive initiatives driving strong performance*

*(Dollars in millions)*

## Sales and Adjusted EBITDA Performance



***Strong performance driven by recent product launches and significant cost performance***

## Key Y/Y Drivers

- ▼ Unfavorable impact of lower industry production volumes
- ▲ Strong sales on recent product launches
- ▲ Operational savings from sourcing and manufacturing
- ▲ Engineering and SG&A efficiencies including footprint optimization
- ▲ Temporary Q2 and Q3 salary reductions

# YTD 2020 Cash Flow and Balance Sheet

Repaid \$400 million of revolving credit facility

## Strong Balance Sheet

	<b>\$435 million</b>
Cash	Ability to withstand uncertainty and drive future growth
	<b>\$87 million</b>
Net Cash	No significant debt maturities until 2024
	<b>(0.4x)</b>
Net Debt / LTM EBITDA	Strong balance sheet provides significant flexibility

(Dollars in Millions)	YTD 2019	YTD 2020
Adjusted EBITDA	\$149	\$117
Trade Working Capital	53	54
Cash Taxes	(32)	(13)
Interest Payments	(11)	(17)
Other Changes	(29)	(21)
Capital Expenditures	(109)	(83)
<b>Adjusted FCF</b>	<b>\$21</b>	<b>\$37</b>

# Investment Thesis

*Visteon is a compelling long-term investment opportunity*



## Pure Play Cockpit Electronics Company

- ▶ Secular trends transforming cockpit electronics
- ▶ Nimble and adaptable to changing environment
- ▶ Leading supplier of cockpit electronics to global OEMs



## Innovative Product Portfolio

- ▶ Leading analog-to-digital transition in clusters
- ▶ Introduced industry-first cockpit domain controller
- ▶ Innovative display technologies



## Competitive Cost Structure

- ▶ Leveraging industry-leading engineering footprint
- ▶ Commercial and operational discipline
- ▶ Emerging stronger post COVID-19

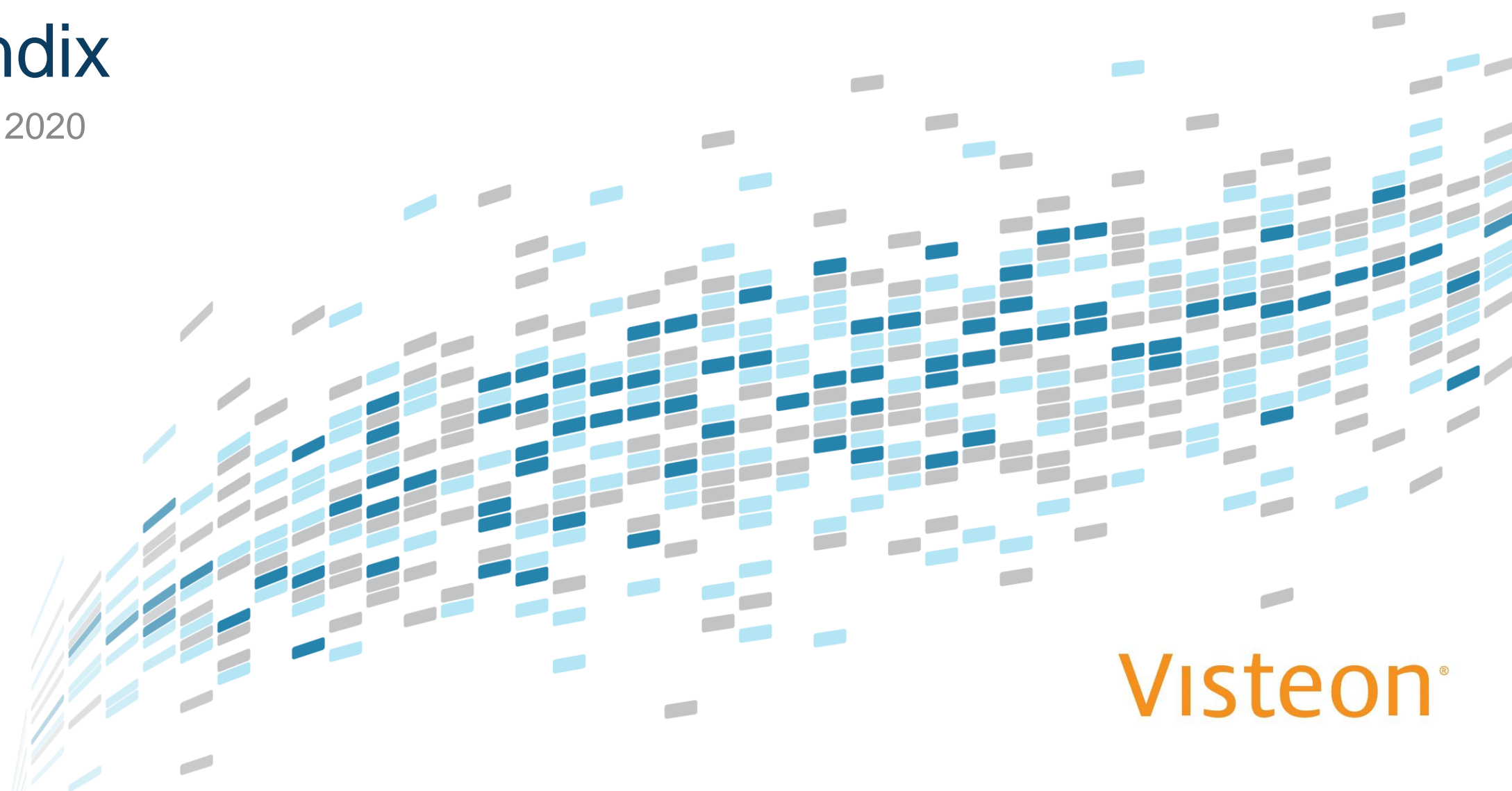


## Strong Balance Sheet

- ▶ \$435M in cash to withstand uncertainty and drive future growth
- ▶ No significant near-term debt maturities
- ▶ (0.4x) net debt / trailing 12-month adjusted EBITDA

# Appendix

October 29, 2020



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# Forward-Looking Information



- This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "will," "may," "designed to," "outlook," "believes," "should," "anticipates," "plans," "expects," "intends," "estimates," "forecasts" and similar expressions identify certain of these forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various factors, risks and uncertainties that could cause our actual results to differ materially from those expressed in these forward-looking statements, including, but not limited to:
  - continued and future impacts of the coronavirus (COVID-19) pandemic on our financial condition and business operations including global supply chain disruptions, market downturns, reduced consumer demand, and new government actions or restrictions;
  - 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, 2019 as updated by our subsequent filings with the Securities and Exchange Commission).
- Caution should be taken not to place undue reliance on our forward-looking statements, which represent our view only as of the date of this presentation, and which we assume no obligation to update. The financial results presented herein are preliminary and unaudited; final financial results will be included in the company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2020. New business wins, re-wins and backlog do not represent firm orders or firm commitments from customers, but is based on various assumptions, including the timing and duration of product launches, vehicle production levels, customer cancellations, installation rates, customer price reductions and currency exchange rates.



- Because not all companies use identical calculations, adjusted gross margin, adjusted SG&A, adjusted EBITDA, adjusted net income, adjusted EPS, free cash flow and adjusted free cash flow used throughout this presentation may not be comparable to other similarly titled measures of other companies.
- In order to provide the forward-looking non-GAAP financial measures for full-year 2020, the Company is providing reconciliations to the most directly comparable GAAP financial measures on the subsequent slides. The provision of these comparable GAAP financial measures is not intended to indicate that the Company is explicitly or implicitly providing projections on those GAAP financial measures, and actual results for such measures are likely to vary from those presented. The reconciliations include all information reasonably available to the Company at the date of this presentation and the adjustments that management can reasonably predict.

# Reconciliation of Non-GAAP Financial Information



## Adjusted Gross Margin

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

(Dollars in millions)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>Gross margin</b>	<b>\$66</b>	<b>\$70</b>	<b>\$84</b>	<b>\$104</b>	<b>\$324</b>	<b>\$53</b>	<b>\$4</b>	<b>\$99</b>	<b>\$156</b>
<u>Less:</u>									
Stock-based compensation expense	1	1	1	-	3	1	1	1	3
Intangibles amortization	1	-	2	1	4	1	1	-	2
Other	-	1	-	2	3	-	1	1	2
<b>Subtotal</b>	<b>\$2</b>	<b>\$2</b>	<b>\$3</b>	<b>\$3</b>	<b>\$10</b>	<b>\$2</b>	<b>\$3</b>	<b>\$2</b>	<b>\$7</b>
<b>Adjusted gross margin</b>	<b>\$68</b>	<b>\$72</b>	<b>\$87</b>	<b>\$107</b>	<b>\$334</b>	<b>\$55</b>	<b>\$7</b>	<b>\$101</b>	<b>\$163</b>

## Adjusted SG&A

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

(Dollars in millions)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>SG&amp;A</b>	<b>\$57</b>	<b>\$58</b>	<b>\$52</b>	<b>\$54</b>	<b>\$221</b>	<b>\$54</b>	<b>\$41</b>	<b>\$45</b>	<b>\$140</b>
<u>Less:</u>									
Stock-based compensation expense	(4)	(5)	(2)	(3)	(14)	(4)	(3)	(3)	(10)
Intangibles amortization	(3)	(3)	(2)	(2)	(10)	(2)	(3)	(3)	(8)
Other	-	-	-	(1)	(1)	-	(1)	-	(1)
<b>Subtotal</b>	<b>(\$7)</b>	<b>(\$8)</b>	<b>(\$4)</b>	<b>(\$6)</b>	<b>(\$25)</b>	<b>(\$6)</b>	<b>(\$7)</b>	<b>(\$6)</b>	<b>(\$19)</b>
<b>Adjusted SG&amp;A</b>	<b>\$50</b>	<b>\$50</b>	<b>\$48</b>	<b>\$48</b>	<b>\$196</b>	<b>\$48</b>	<b>\$34</b>	<b>\$39</b>	<b>\$121</b>

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



## Adjusted Net Income and Adjusted EPS

- The Company defines Adjusted net income as net income / (loss) attributable to Visteon adjusted to eliminate the impact of restructuring expense, discontinued operations and related tax effects and other gains and losses not reflective of the Company's ongoing operations.
- The Company defines Adjusted earnings per share as Adjusted net income divided by diluted shares.

(Dollars and shares in millions, except per share data)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>Net income / (loss) attributable to Visteon</b>	<b>\$14</b>	<b>\$7</b>	<b>\$14</b>	<b>\$35</b>	<b>\$70</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>(\$74)</b>
Average shares outstanding, diluted	28.4	28.2	28.1	28.2	28.2	27.9	27.8	28.0	27.9
<b>Earnings / (loss) per share</b>	<b>\$0.49</b>	<b>\$0.25</b>	<b>\$0.50</b>	<b>\$1.24</b>	<b>\$2.48</b>	<b>(\$1.25)</b>	<b>(\$1.62)</b>	<b>\$0.21</b>	<b>(\$2.65)</b>
<b>Memo: Adjusted EPS</b>									
<b>Net income / (loss) attributable to Visteon</b>	<b>\$14</b>	<b>\$7</b>	<b>\$14</b>	<b>\$35</b>	<b>\$70</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>(\$74)</b>
Restructuring expense	1	-	1	2	4	33	4	32	69
Discontinued operations	-	-	-	1	1	-	-	-	-
Other	-	1	-	3	4	-	2	1	3
Tax effect of adjustments	-	-	-	(1)	(1)	-	(1)	(1)	(2)
<b>Subtotal</b>	<b>\$1</b>	<b>\$1</b>	<b>\$1</b>	<b>\$5</b>	<b>\$8</b>	<b>\$33</b>	<b>\$5</b>	<b>\$32</b>	<b>\$70</b>
<b>Adjusted net income</b>	<b>\$15</b>	<b>\$8</b>	<b>\$15</b>	<b>\$40</b>	<b>\$78</b>	<b>(\$2)</b>	<b>(\$40)</b>	<b>\$38</b>	<b>(\$4)</b>
Average shares outstanding, diluted	28.4	28.2	28.1	28.2	28.2	27.9	27.8	28.0	27.9
<b>Adjusted earnings per share</b>	<b>\$0.53</b>	<b>\$0.28</b>	<b>\$0.53</b>	<b>\$1.42</b>	<b>\$2.77</b>	<b>(\$0.07)</b>	<b>(\$1.44)</b>	<b>\$1.36</b>	<b>(\$0.14)</b>

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



## Adjusted EBITDA

The Company defines Adjusted EBITDA as net income / (loss) attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, equity in net (income) / loss of non-consolidated affiliates, provision for income taxes, discontinued operations, net income / (loss) attributable to non-controlling interests, non-cash stock-based compensation expense, and other gains and losses not reflective of the Company's ongoing operations.

(Dollars in millions)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>Net income / (loss) attributable to Visteon</b>	<b>\$14</b>	<b>\$7</b>	<b>\$14</b>	<b>\$35</b>	<b>\$70</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>(\$74)</b>
Depreciation and amortization	25	24	25	26	100	25	25	25	75
Restructuring expense	1	-	1	2	4	33	4	32	69
Interest expense, net	2	2	3	2	9	2	3	5	10
Equity in net (income) / loss of non-consolidated affiliates	(3)	(3)	(1)	1	(6)	(1)	(1)	(2)	(4)
Provision for income taxes	(5)	8	13	8	24	5	2	12	19
Income from discontinued operations, net of tax	-	-	-	1	1	-	-	-	-
Net income / (loss) attributable to non-controlling interests	2	1	4	4	11	(1)	3	4	6
Non-cash, stock-based compensation	5	6	3	3	17	5	4	4	13
Other	-	1	-	3	4	-	2	1	3
<b>Subtotal</b>	<b>\$27</b>	<b>\$39</b>	<b>\$48</b>	<b>\$50</b>	<b>\$164</b>	<b>\$68</b>	<b>\$42</b>	<b>\$81</b>	<b>\$191</b>
<b>Adjusted EBITDA</b>	<b>\$41</b>	<b>\$46</b>	<b>\$62</b>	<b>\$85</b>	<b>\$234</b>	<b>\$33</b>	<b>(\$3)</b>	<b>\$87</b>	<b>\$117</b>
<u>Memo: Adjusted Net Income</u>									
<b>Net income / (loss) attributable to Visteon</b>	<b>\$14</b>	<b>\$7</b>	<b>\$14</b>	<b>\$35</b>	<b>\$70</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>(\$74)</b>
Restructuring expense	1	-	1	2	4	33	4	32	69
Discontinued operations	-	-	-	1	1	-	-	-	-
Other	-	1	-	3	4	-	2	1	3
Tax effect of adjustments	-	-	-	(1)	(1)	-	(1)	(1)	(2)
<b>Subtotal</b>	<b>\$1</b>	<b>\$1</b>	<b>\$1</b>	<b>\$5</b>	<b>\$8</b>	<b>\$33</b>	<b>\$5</b>	<b>\$32</b>	<b>\$70</b>
<b>Adjusted net income</b>	<b>\$15</b>	<b>\$8</b>	<b>\$15</b>	<b>\$40</b>	<b>\$78</b>	<b>(\$2)</b>	<b>(\$40)</b>	<b>\$38</b>	<b>(\$4)</b>

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



## Free Cash Flow and Adjusted Free Cash Flow

- The Company defines Free cash flow as cash flow from (for) operating activities less capital expenditures.
- The Company defines Adjusted free cash flow as cash flow from (for) operating activities less capital expenditures, as further adjusted for restructuring-related payments.

(Dollars in millions)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<b>Cash flow from (for) operating activities</b>	<b>\$4</b>	<b>\$57</b>	<b>\$57</b>	<b>\$65</b>	<b>\$183</b>	<b>\$25</b>	<b>(\$38)</b>	<b>\$110</b>	<b>\$97</b>
Less: Capital expenditures, including intangibles	(37)	(34)	(38)	(33)	(142)	(44)	(21)	(18)	(83)
<b>Free cash flow</b>	<b>(\$33)</b>	<b>\$23</b>	<b>\$19</b>	<b>\$32</b>	<b>\$41</b>	<b>(\$19)</b>	<b>(\$59)</b>	<b>\$92</b>	<b>\$14</b>
Exclude: Restructuring-related payments	3	5	4	3	15	5	7	11	23
<b>Adjusted free cash flow</b>	<b>(\$30)</b>	<b>\$28</b>	<b>\$23</b>	<b>\$35</b>	<b>\$56</b>	<b>(\$14)</b>	<b>(\$52)</b>	<b>\$103</b>	<b>\$37</b>

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



## Adjusted EBITDA Build-up

(Dollars in millions)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Sales	\$737	\$733	\$731	\$744	\$2,945	\$643	\$371	\$747	\$1,761
Gross margin	\$66	\$70	\$84	\$104	\$324	\$53	\$4	\$99	\$156
Intangibles amortization	1	-	2	1	4	1	1	-	2
Stock-based compensation expense	1	1	1	-	3	1	1	1	3
Other	-	1	-	2	3	-	1	1	2
<b>Adjusted gross margin</b>	<b>\$68</b>	<b>\$72</b>	<b>\$87</b>	<b>\$107</b>	<b>\$334</b>	<b>\$55</b>	<b>\$7</b>	<b>\$101</b>	<b>\$163</b>
<i>% of sales</i>	<i>9.2%</i>	<i>9.8%</i>	<i>11.9%</i>	<i>14.4%</i>	<i>11.3%</i>	<i>8.6%</i>	<i>1.9%</i>	<i>13.5%</i>	<i>9.3%</i>
SG&A	(\$57)	(\$58)	(\$52)	(\$54)	(\$221)	(\$54)	(\$41)	(\$45)	(\$140)
Intangibles amortization	3	3	2	2	10	2	3	3	8
Stock-based compensation expense	4	5	2	3	14	4	3	3	10
Other	-	-	-	1	1	-	1	-	1
<b>Adjusted SG&amp;A</b>	<b>(\$50)</b>	<b>(\$50)</b>	<b>(\$48)</b>	<b>(\$48)</b>	<b>(\$196)</b>	<b>(\$48)</b>	<b>(\$34)</b>	<b>(\$39)</b>	<b>(\$121)</b>
Adjusted EBITDA									
Adjusted gross margin	\$68	\$72	\$87	\$107	\$334	\$55	\$7	\$101	\$163
Adjusted SG&A	(50)	(50)	(48)	(48)	(196)	(48)	(34)	(39)	(121)
D&A	21	21	21	23	86	22	21	22	65
Pension financing benefits, net	2	3	2	3	10	4	3	3	10
<b>Adjusted EBITDA</b>	<b>\$41</b>	<b>\$46</b>	<b>\$62</b>	<b>\$85</b>	<b>\$234</b>	<b>\$33</b>	<b>(\$3)</b>	<b>\$87</b>	<b>\$117</b>
<i>% of sales</i>	<i>5.6%</i>	<i>6.3%</i>	<i>8.5%</i>	<i>11.4%</i>	<i>7.9%</i>	<i>5.1%</i>	<i>(0.8%)</i>	<i>11.6%</i>	<i>6.6%</i>
Equity in affiliates	\$3	\$3	\$1	(\$1)	\$6	\$1	\$1	\$2	\$4
Noncontrolling interests	(2)	(1)	(4)	(4)	(11)	1	(3)	(4)	(6)

# Reconciliation of Gross Margin



## Gross Margin Build-up

(Dollars in millions)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Sales	\$737	\$733	\$731	\$744	\$2,945	\$643	\$371	\$747	\$1,761
Cost of sales (ex. engineering)	(586)	(576)	(574)	(585)	(2,321)	(517)	(322)	(600)	(1,439)
Engineering costs, net	(85)	(87)	(73)	(55)	(300)	(73)	(45)	(48)	(166)
<b>Gross margin</b>	<b>\$66</b>	<b>\$70</b>	<b>\$84</b>	<b>\$104</b>	<b>\$324</b>	<b>\$53</b>	<b>\$4</b>	<b>\$99</b>	<b>\$156</b>
<hr/>									
<u>% of Sales</u>									
Cost of sales (ex. engineering)	79.5%	78.6%	78.5%	78.6%	78.8%	80.4%	86.8%	80.3%	81.7%
Engineering costs, net	11.5	11.9	10.0	7.4	10.2	11.4	12.1	6.4	9.4
<b>Gross margin</b>	<b>9.0%</b>	<b>9.5%</b>	<b>11.5%</b>	<b>14.0%</b>	<b>11.0%</b>	<b>8.2%</b>	<b>1.1%</b>	<b>13.3%</b>	<b>8.9%</b>
<hr/>									
<u>Engineering costs, net</u>									
Engineering costs, gross	(\$108)	(\$113)	(\$105)	(\$114)	(\$440)	(\$100)	(\$78)	(\$79)	(\$257)
Recoveries	23	26	32	59	140	27	33	31	91
<b>Engineering costs, net</b>	<b>(\$85)</b>	<b>(\$87)</b>	<b>(\$73)</b>	<b>(\$55)</b>	<b>(\$300)</b>	<b>(\$73)</b>	<b>(\$45)</b>	<b>(\$48)</b>	<b>(\$166)</b>

# Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2019					2020			
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<u>Income Statement</u>									
Sales	\$737	\$733	\$731	\$744	\$2,945	\$643	\$371	\$747	\$1,761
Gross margin	66	70	84	104	324	53	4	99	156
SG&A	57	58	52	54	221	54	41	45	140
Net income / (loss) attributable to Visteon	14	7	14	35	70	(35)	(45)	6	(74)
Earnings / (loss) per share, diluted	\$0.49	\$0.25	\$0.50	\$1.24	\$2.48	(\$1.25)	(\$1.62)	\$0.21	(\$2.65)
<u>Cash Flow Statement</u>									
Cash flow from (for) operating activities	\$4	\$57	\$57	\$65	\$183	\$25	(\$38)	\$110	\$97
Capital expenditures, including intangibles	37	34	38	33	142	44	21	18	83



Visteon<sup>®</sup>

