

Visteon Q4 and Full-Year 2023 Earnings

February 20, 2024



2023 in Review



Net Sales

\$3,954 Million

12% Y/Y Base Sales Growth⁽¹⁾



Adjusted EBITDA

\$434 Million

11.0% Margin



Adjusted FCF

\$150 Million

35% Conversion

DELIVERING ON
CONTINUED
GROWTH



~\$400M Y/Y increase
in base sales

EXPANDING
OUR
PROFITABILITY



170 bps improvement
in adj. EBITDA margin

EXECUTING ON
PRODUCT
LAUNCHES



129 new product
launches

STRONG NEW
BUSINESS WIN
ACTIVITY



\$7.2 billion of new
business wins

RETURNING
CAPITAL TO
SHAREHOLDERS

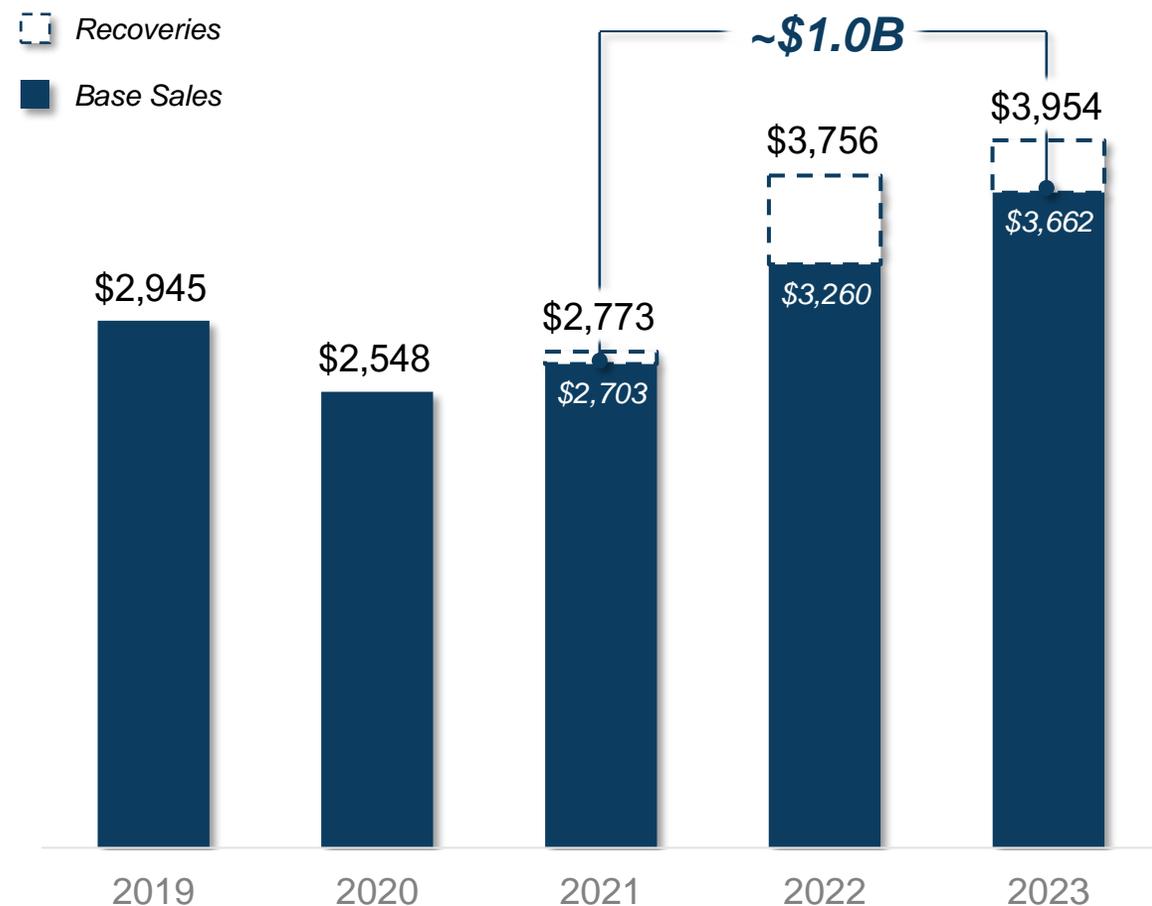


\$106 million share
buyback executed

Executing on our Strategic Objectives

Added ~\$1 billion in base sales over two years

(Dollars in millions)



2023 Achievements



Gaining Share in Digital Clusters

Extended our market leadership position with ~30% Y/Y growth in digital cluster sales



Enabling Consolidation in the Cockpit

SmartCore™ customers increased to 8 with launches at Harley and JMC-Ford



Vision & Cloud Offerings

Moving up the value chain with fully integrated cloud and vision technologies



Expanding Product Portfolio

First smart junction box win opens opportunities in growing Power Electronics market



Diversifying Customer Base

Added three new customers in 2023, continuing our momentum from recent years

2023 New Product Launches

Successful launches of new products driving growth

FY 2023 New Product Launches Summary

129

New Product Launches

~45%

Digital Cluster

~35%

SmartCore™, Infotainment, & Displays

~20%

BMS & Other

24

OEMs with New Product Launches

~15%

New Product Launches on Electric Vehicles

Key Q4 2023 New Product Launches



JMC-Ford Ranger
SmartCore™, Display



Mahindra XUV
SmartCore™, Display

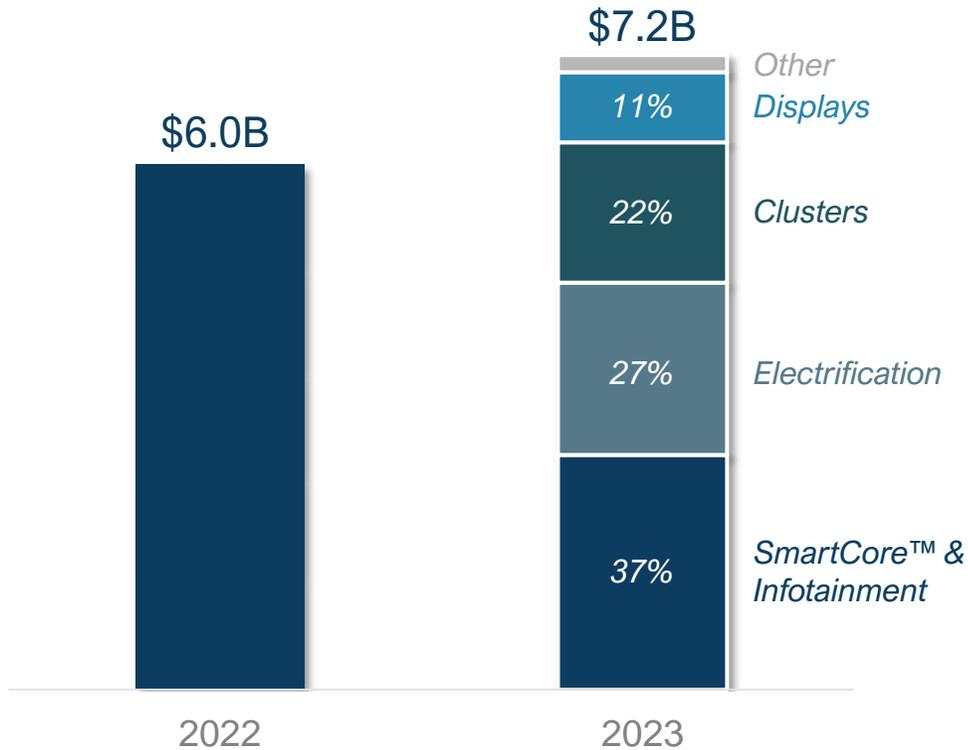


Nissan Rogue
12" Digital Cluster

2023 New Business Wins

Strong demand for Visteon products drove \$7.2B in NBWs, significantly above initial target

FY New Business Wins



Key Q4 New Business Wins



Infotainment System and Display
Infotainment system and 10" display for SUV platform with Global OEM



Infotainment System and Display
Infotainment system and 10" display for multiple vehicles with Indian OEM



Panorama Display w/ Digital Cluster
12" digital cluster and 13" center display for electric SUV with German luxury OEM

New business wins diversified across product portfolio and powertrains

2024 Sales Outlook

Anticipating robust growth-over-market driven by new product launches

Industry Factors



Global Light Vehicle Production

Assumptions roughly in line with industry production forecasts of ~90M units



Visteon Customer Production

Slight customer mix headwind of ~1% driven by regional and customer mix



Electric Vehicles

Increased production of electric vehicles to drive higher demand for BMS products



Semiconductor Supply

Improved supply chain reduces the impact of production disruptions and level of cost recoveries

2024 Growth-over-Market

High number of launches in 2023 and 2024 supports higher market outgrowth

Non-recurrence of UAW strike and one-time OEM production constraints in Europe

Strong growth in BMS sales from GM and launches with 2 OEMs

Sequential rebound in Q1 2024 growth-over-market with acceleration throughout 2024

Expecting 10% to 12% GoM

Delivering Multi-Year Growth

Targeting significant market outgrowth through 2026

2026 Sales Outlook

\$5B

Visteon sales target

+8%

Sales CAGR from 2023 - 2026

Low Double-Digit

Annual GoM from 2023 - 2026

Attractive Growth Profile



Strong GoM Trajectory

Significant market outgrowth supported by wins in recent years



Diversifying Product Mix

Substantial growth in SmartCore™, Displays, and BMS product sales



Operational & Commercial Excellence

Strong execution of product launches globally and mitigating net pricing

What's Changed Since Investor Day?



Lower Customer Production



Reduced EV Demand



China Mix Shift

Summary



Delivering on Growth

Increased base sales 12% Y/Y driven by growth-over-market and higher customer production



Strong Commercial Performance and Continued Operational Excellence

Drove adjusted EBITDA margin to 11.0%, an expansion of 170bps Y/Y



Successfully Delivering Product Launches

Delivered 129 new product launches across 24 OEM customers globally



Building the Foundation for Future Growth

Secured \$7.2 billion in new business wins with strong performance across each product line



Returning Capital to Shareholders

Executed on capital allocation strategy with \$106 million of share repurchases

Q4 and Full-Year 2023 Financial Results

February 20, 2024



Q4 2023 Financial Review

Solid quarter with continued commercial and operational discipline

Visteon®



Net Sales

\$990 Million

1% Y/Y Base Sales Growth⁽¹⁾

- ▶ Continued strong customer demand for digital cockpit and BMS products
- ▶ Impacts from UAW strike, timing of roll-offs and roll-ons, and negative customer mix in China
- ▶ Recoveries lower by ~\$85M Y/Y due to improving semiconductor supply situation



Adjusted EBITDA

\$117 Million

11.8% Margin

- ▶ Higher margins driven by operational improvements and manufacturing efficiencies
- ▶ Strong focus on cost discipline and commercial excellence throughout the organization
- ▶ Lower engineering due to cost control and timing of project costs



Adjusted FCF

\$57 Million

\$182 Million Net Cash

- ▶ Strong cash flow generation in Q4 supports capital allocation priorities
- ▶ Total cash position of \$518 million at the end of the quarter
- ▶ Executed share repurchases of \$30 million during the quarter

2023 Financial Performance

Delivering sales growth and margin expansion

(Dollars in millions)

Key Performance Drivers



Growth-Over-Market

Base sales growth of 12% and market outgrowth supported by ramp-up of product launches



Supply Chain Recoveries

Improving semi supply drove lower open market purchases while recoveries totaled ~\$300M



Operational Performance

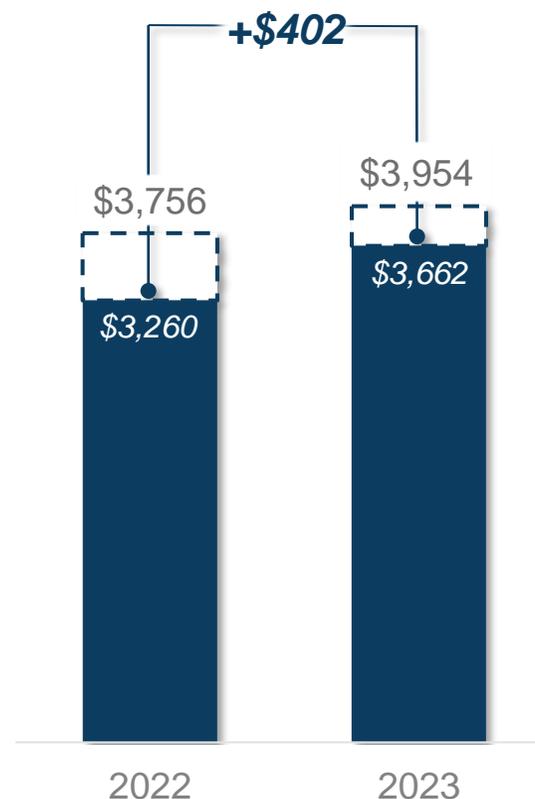
Executed on operational improvements while launching 129 new products



Cost Structure

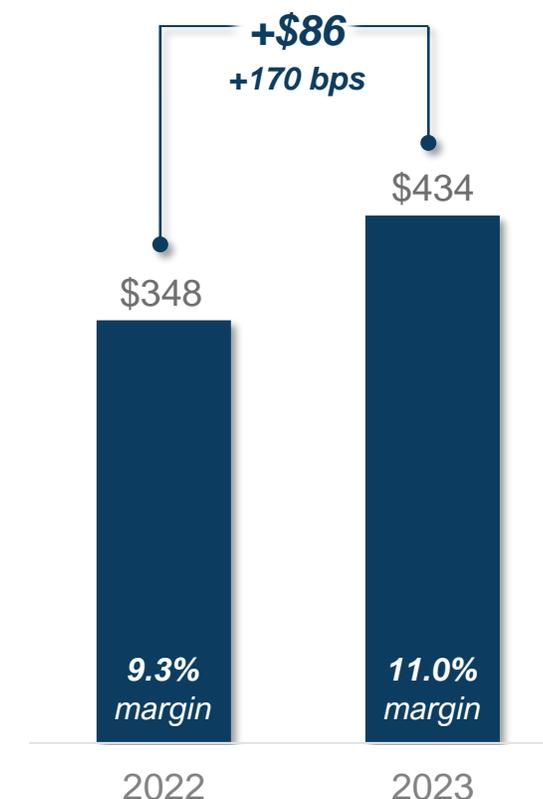
Leveraged best cost structure to drive further margin expansion

Sales



Recoveries

Adjusted EBITDA



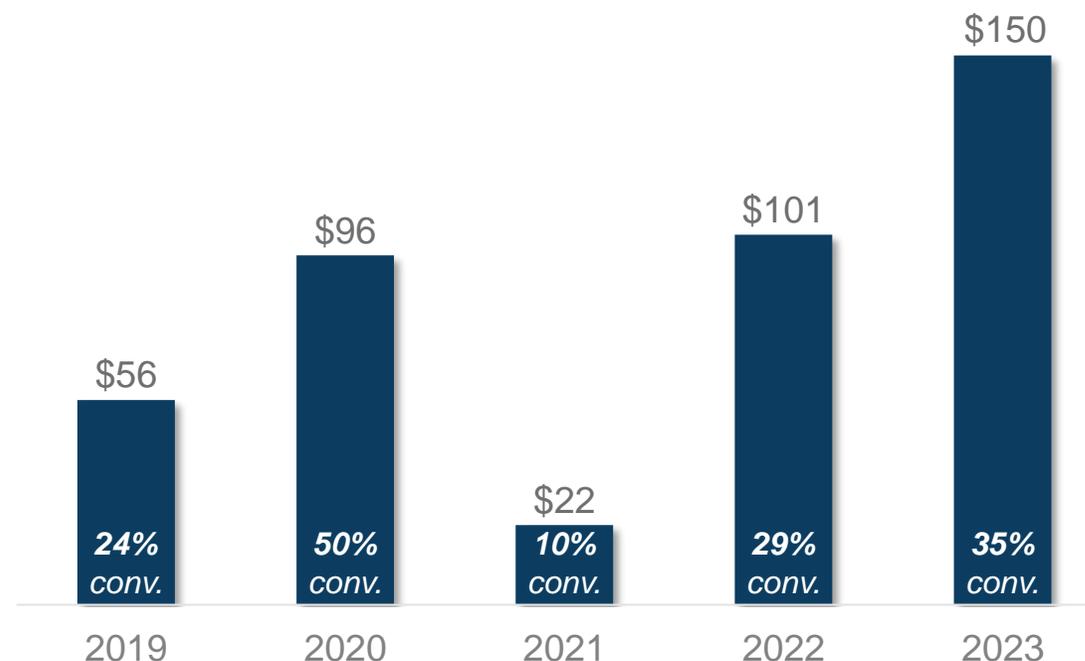
2023 Balance Sheet and Adjusted Free Cash Flow

Net cash position and substantial cash generation allowed balanced capital allocation

(Dollars in millions)

(Dollars in Millions)	FY 2022	FY 2023
Adjusted EBITDA	\$348	\$434
Trade Working Capital	(115)	(65)
Cash Taxes	(29)	(68)
Interest Payments	(12)	(5)
Other Changes	(10)	(21)
Capital Expenditures	(81)	(125)
Adjusted FCF	\$101	\$150

Adjusted Free Cash Flow



Share repurchases of \$106M in 2023

Conversion ratio of 35% of adj. EBITDA

2024 Full-Year Guidance

Continuing sales growth and margin expansion with outgrowth and ongoing cost performance

(Dollars in millions unless otherwise noted)

Key Assumptions



Sales

\$4.0B – \$4.2B

*Base Sales +8% Y/Y**



Adj. EBITDA

\$470 – \$500

*11.8% Margin**



Adj. FCF

\$155 – \$185

*35% Conversion**

- Customer production declines ~1%
 - 10% to 12% growth-over-market driven by product launches
 - Improved supply chain reduces level of cost recoveries
-
- Continued strong commercial and operational performance
 - High-teens adj. EBITDA incrementals from growth in base sales
-
- Capex of ~\$145 million for the full-year
 - Delivering on targeted conversion ratio of ~35%

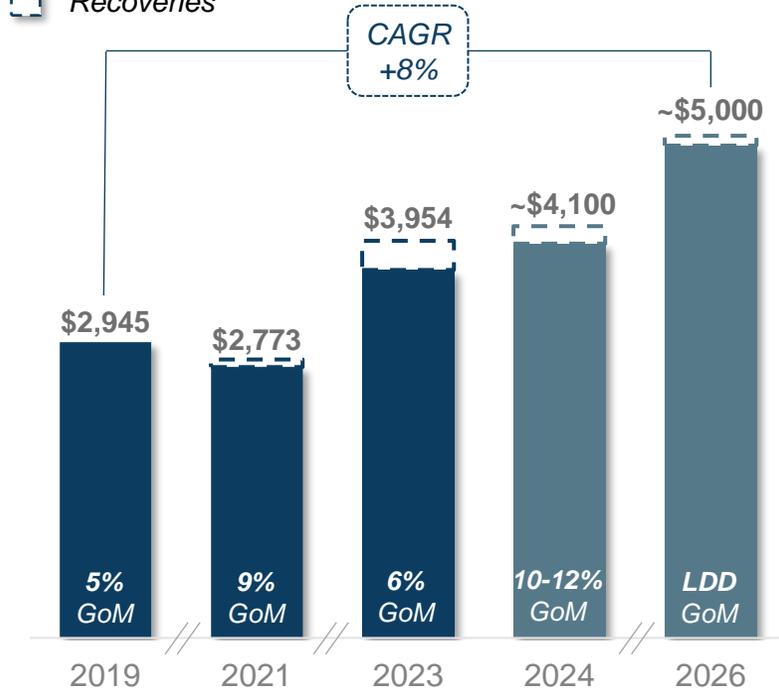
2026 Targets

Attractive growth profile with substantial margin improvement

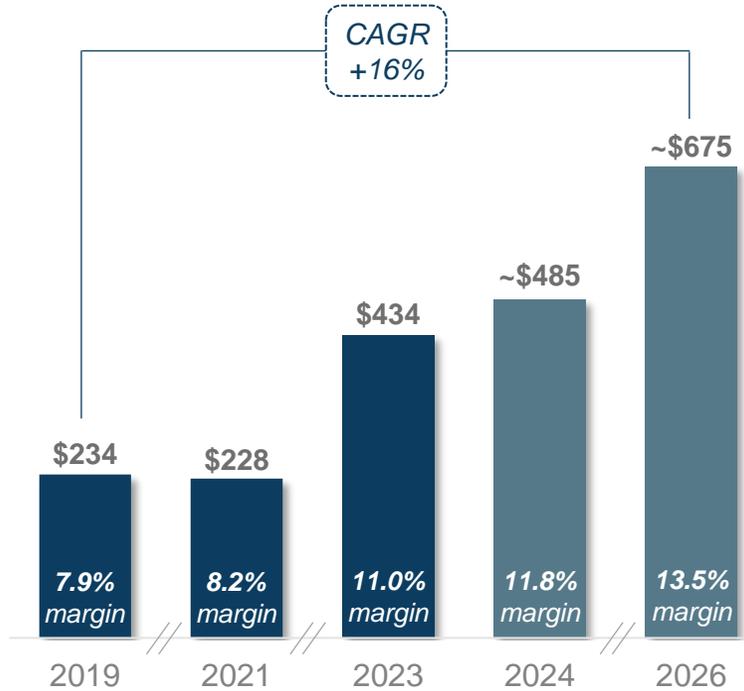
(Dollars in millions, 2024 figures at midpoint of guidance)

Sales⁽¹⁾

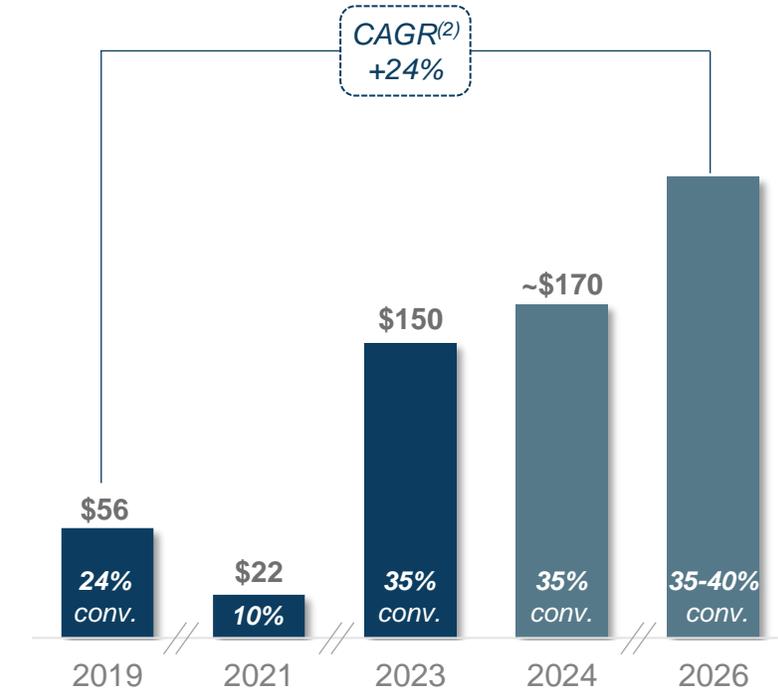
Recoveries



Adjusted EBITDA



Adjusted Free Cash Flow



(1) GoM excludes Y/Y impact of currency fluctuations and net pricing.
 (2) CAGR based on 2026 midpoint of Adj. EBITDA at 37.5% conversion midpoint.

Investment Thesis

Visteon continues to be a compelling long-term investment opportunity



Digital Cockpit Electronics Leader

- ▶ Digital cockpit leader for cars, trucks, and two-wheelers
- ▶ Supporting industry shift to electric vehicles
- ▶ Nimble and adaptable to changing environment



Innovative Product Portfolio

- ▶ Leading analog-to-digital transition in automotive cockpits
- ▶ Industry leader in cockpit domain controllers
- ▶ Industry-first wireless battery management system



Competitive Cost Structure

- ▶ Leveraging industry-leading engineering footprint
- ▶ Optimizing spend through platform-based approach
- ▶ Commercial and operational discipline



Strong Balance Sheet

- ▶ Strong cash position provides flexibility and supports future growth
- ▶ No material near-term debt maturities
- ▶ Returning cash to shareholders through repurchase program

Appendix

February 20, 2024



Forward-Looking Statements

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 related to the conflict between Russia and the Ukraine including supply chain disruptions, reduction in customer demand, and the imposition of sanctions on Russia;
- significant or prolonged shortage of critical components from our suppliers, including but not limited to semiconductors, and particularly those who are our sole or primary sources;
- failure of the Company's joint venture partners to comply with contractual obligations or to exert undue influence in China;
- 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 avoid or continue to operate during a strike, or partial work stoppage or slow down at any of our principal customers;
- 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 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;
- disruptions in information technology systems including, but not limited to, system failure, cyber-attack, malicious computer software (malware including ransomware), unauthorized physical or electronic access, or other natural or man-made incidents or disasters;
- 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;
- changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of our products or assets; 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, 2023, 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 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 Annual Report on Form 10-K for the fiscal quarter ended December 31, 2023. New business wins and re-wins 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

- 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 2024, 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 stock-based compensation expense, intangibles amortization and other non-operating costs.

(Dollars in millions)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Gross margin	\$76	\$74	\$104	\$114	\$368	\$110	\$104	\$143	\$130	\$487
Less:										
Stock-based compensation expense	1	3	3	3	10	3	4	4	3	14
Intangibles amortization	—	—	1	—	1	—	—	—	1	1
Other	2	10	(2)	2	12	1	—	1	1	3
Subtotal	\$3	\$13	\$2	\$5	\$23	\$4	\$4	\$5	\$5	\$18
Adjusted gross margin	\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$135	\$505

Adjusted SG&A

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

(Dollars in millions)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
SG&A	\$44	\$43	\$47	\$54	\$188	\$52	\$52	\$52	\$51	\$207
Less:										
Stock-based compensation expense	(4)	(5)	(3)	(4)	(16)	(5)	(5)	(5)	(5)	(20)
Intangibles amortization	(3)	(3)	(2)	(3)	(11)	(3)	(2)	(3)	(1)	(9)
Other	—	—	(2)	—	(2)	—	(1)	—	(1)	(2)
Subtotal	(\$7)	(\$8)	(\$7)	(\$7)	(\$29)	(\$8)	(\$8)	(\$8)	(\$7)	(\$31)
Adjusted SG&A	\$37	\$35	\$40	\$47	\$159	\$44	\$44	\$44	\$44	\$176

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 and impairment expense, 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 average diluted shares outstanding.

(Dollars and shares in millions, except per share data)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net income / (loss) attributable to Visteon	\$22	\$24	\$44	\$34	\$124	\$34	\$20	\$66	\$366	\$486
Average shares outstanding, diluted	28.4	28.4	28.5	28.7	28.5	28.7	28.7	28.5	28.2	28.5
Earnings / (loss) per share	\$ 0.77	\$ 0.85	\$ 1.54	\$ 1.18	\$ 4.35	\$ 1.18	\$ 0.70	\$ 2.32	\$ 12.98	\$ 17.05
Net income / (loss) attributable to Visteon	\$22	\$24	\$44	\$34	\$124	\$34	\$20	\$66	\$366	\$486
Restructuring and impairment expense	7	4	1	2	14	1	1	—	3	5
Non-operating costs, net	2	10	—	2	14	1	13	1	2	17
Tax effect of adjustments	—	—	—	—	—	—	—	—	(4)	(4)
Subtotal	\$9	\$14	\$1	\$4	\$28	\$2	\$14	\$1	\$1	\$18
Adjusted net income / (loss)	\$31	\$38	\$45	\$38	\$152	\$36	\$34	\$67	\$367	\$504
Average shares outstanding, diluted	28.4	28.4	28.5	28.7	28.5	28.7	28.7	28.5	28.2	28.5
Adjusted earnings / (loss) per share	\$ 1.09	\$ 1.34	\$ 1.58	\$ 1.32	\$ 5.33	\$ 1.25	\$ 1.18	\$ 2.35	\$ 13.01	\$ 17.68

2023 includes a non-cash tax benefit of \$313 million, or \$11.10 per diluted share in the fourth quarter, and \$10.98 per diluted share for the full year, related to a reduction in the valuation allowance against the U.S. deferred tax assets.

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 and impairment expense, net interest expense, equity in net (income) / loss of non-consolidated affiliates, provision for (benefit from) income taxes, 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)	2022					2023					FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Net income / (loss) attributable to Visteon	\$22	\$24	\$44	\$34	\$124	\$34	\$20	\$66	\$366	\$486	\$220
Depreciation and amortization	27	25	27	29	108	29	26	24	25	104	105
Restructuring and impairment expense	7	4	1	2	14	1	1	—	3	5	5
Interest expense, net	2	3	2	3	10	3	3	1	—	7	5
Equity in net (income) / loss of non-consolidated affiliates	(3)	(1)	1	4	1	5	2	1	2	10	10
Provision for (benefit from) income taxes	8	7	9	21	45	14	13	21	(296)	(248)	80
Net income / (loss) attributable to non-controlling interests	1	(1)	5	1	6	4	3	5	7	19	20
Non-cash, stock-based compensation	5	8	6	7	26	8	9	9	8	34	35
Other	2	10	—	2	14	1	13	1	2	17	5
Subtotal	\$49	\$55	\$51	\$69	\$224	\$65	\$70	\$62	(\$249)	(\$52)	\$265
Adjusted EBITDA	\$71	\$79	\$95	\$103	\$348	\$99	\$90	\$128	\$117	\$434	\$485

2023 includes a non-cash tax benefit of \$313 million related to a reduction in the valuation allowance against the U.S. deferred tax assets.

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)	2022					2023					FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Cash flow from (for) operating activities	(\$21)	(\$51)	\$74	\$165	\$167	(\$19)	\$61	\$127	\$98	\$267	\$305
Less: Capital expenditures, including intangibles	(21)	(15)	(18)	(27)	(81)	(21)	(30)	(31)	(43)	(125)	(145)
Free cash flow	(\$42)	(\$66)	\$56	\$138	\$86	(\$40)	\$31	\$96	\$55	\$142	\$160
Exclude: Restructuring-related payments	5	4	3	3	15	3	1	2	2	8	10
Adjusted free cash flow	(\$37)	(\$62)	\$59	\$141	\$101	(\$37)	\$32	\$98	\$57	\$150	\$170

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



Adjusted EBITDA Build-up

(Dollars in millions)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	\$818	\$848	\$1,026	\$1,064	\$3,756	\$967	\$983	\$1,014	\$990	\$3,954
Gross margin	\$76	\$74	\$104	\$114	\$368	\$110	\$104	\$143	\$130	\$487
Intangibles amortization	—	—	1	—	1	—	—	—	1	1
Stock-based compensation expense	1	3	3	3	10	3	4	4	3	14
Other	2	10	(2)	2	12	1	—	1	1	3
Adjusted gross margin	\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$135	\$505
<i>% of sales</i>	<i>9.7%</i>	<i>10.3%</i>	<i>10.3%</i>	<i>11.2%</i>	<i>10.4%</i>	<i>11.8%</i>	<i>11.0%</i>	<i>14.6%</i>	<i>13.6%</i>	<i>12.8%</i>
SG&A	(\$44)	(\$43)	(\$47)	(\$54)	(\$188)	(\$52)	(\$52)	(\$52)	(\$51)	(\$207)
Intangibles amortization	3	3	2	3	11	3	2	3	1	9
Stock-based compensation expense	4	5	3	4	16	5	5	5	5	20
Other	—	—	2	—	2	—	1	—	1	2
Adjusted SG&A	(\$37)	(\$35)	(\$40)	(\$47)	(\$159)	(\$44)	(\$44)	(\$44)	(\$44)	(\$176)
Adjusted EBITDA										
Adjusted gross margin	\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$135	\$505
Adjusted SG&A	(37)	(35)	(40)	(47)	(159)	(44)	(44)	(44)	(44)	(176)
D&A	24	22	24	26	96	26	24	21	23	94
Other income, net	5	5	5	5	20	3	2	3	3	11
Adjusted EBITDA	\$71	\$79	\$95	\$103	\$348	\$99	\$90	\$128	\$117	\$434
<i>% of sales</i>	<i>8.7%</i>	<i>9.3%</i>	<i>9.3%</i>	<i>9.7%</i>	<i>9.3%</i>	<i>10.2%</i>	<i>9.2%</i>	<i>12.6%</i>	<i>11.8%</i>	<i>11.0%</i>
Equity income (loss) in affiliates	\$3	\$1	(\$1)	(\$4)	(\$1)	(\$5)	(\$2)	(\$1)	(\$2)	(\$10)
Noncontrolling interests	(1)	1	(5)	(1)	(6)	(4)	(3)	(5)	(7)	(19)

Net Engineering



(Dollars in millions)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Engineering costs, gross	(\$81)	(\$81)	(\$83)	(\$96)	(\$341)	(\$83)	(\$91)	(\$79)	(\$77)	(\$330)
Recoveries	33	40	25	47	145	27	29	25	39	120
Engineering costs, net	(\$48)	(\$41)	(\$58)	(\$49)	(\$196)	(\$56)	(\$62)	(\$54)	(\$38)	(\$210)

Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Income Statement</u>										
Sales	\$818	\$848	\$1,026	\$1,064	\$3,756	\$967	\$983	\$1,014	\$990	\$3,954
Gross margin	76	74	104	114	368	110	104	143	130	487
SG&A	44	43	47	54	188	52	52	52	51	207
Net income / (loss) attributable to Visteon	22	24	44	34	124	34	20	66	366	486
Earnings / (loss) per share, diluted	\$0.77	\$0.85	\$1.54	\$1.18	\$4.35	\$1.18	\$0.70	\$2.32	\$12.98	\$17.05
<u>Cash Flow Statement</u>										
Cash flow from (for) operating activities	(\$21)	(\$51)	\$74	\$165	\$167	(\$19)	\$61	\$127	\$98	\$267
Capital expenditures, including intangibles	21	15	18	27	81	21	30	31	43	125

2023 includes a non-cash tax benefit of \$313 million, or \$11.10 per diluted share in the fourth quarter, and \$10.98 per diluted share for the full year, related to a reduction in the valuation allowance against the U.S. deferred tax assets.

Visteon®

