

Visteon Q3 2023 Earnings

October 26, 2023



Q3 2023 in Review



Net Sales

\$1,014 Million

9% Y/Y Base Sales Growth⁽¹⁾



Adjusted EBITDA

\$128 Million

Increasing Midpoint of FY Guidance



Adjusted FCF

\$98 Million

\$485 Million Total Cash

CONTINUED
MARKET OUT-
PERFORMANCE



18th consecutive
quarter of GoM⁽²⁾

EXECUTING ON
PRODUCT
LAUNCHES



33 new product
launches

STRONG LEVEL
OF NEW
BUSINESS WINS



\$1.8 billion of new
business wins

MOMENTUM IN
NEXT-GENERATION
PRODUCTS



Multiple awards in
connected services

RETURNING
CAPITAL TO
SHAREHOLDERS



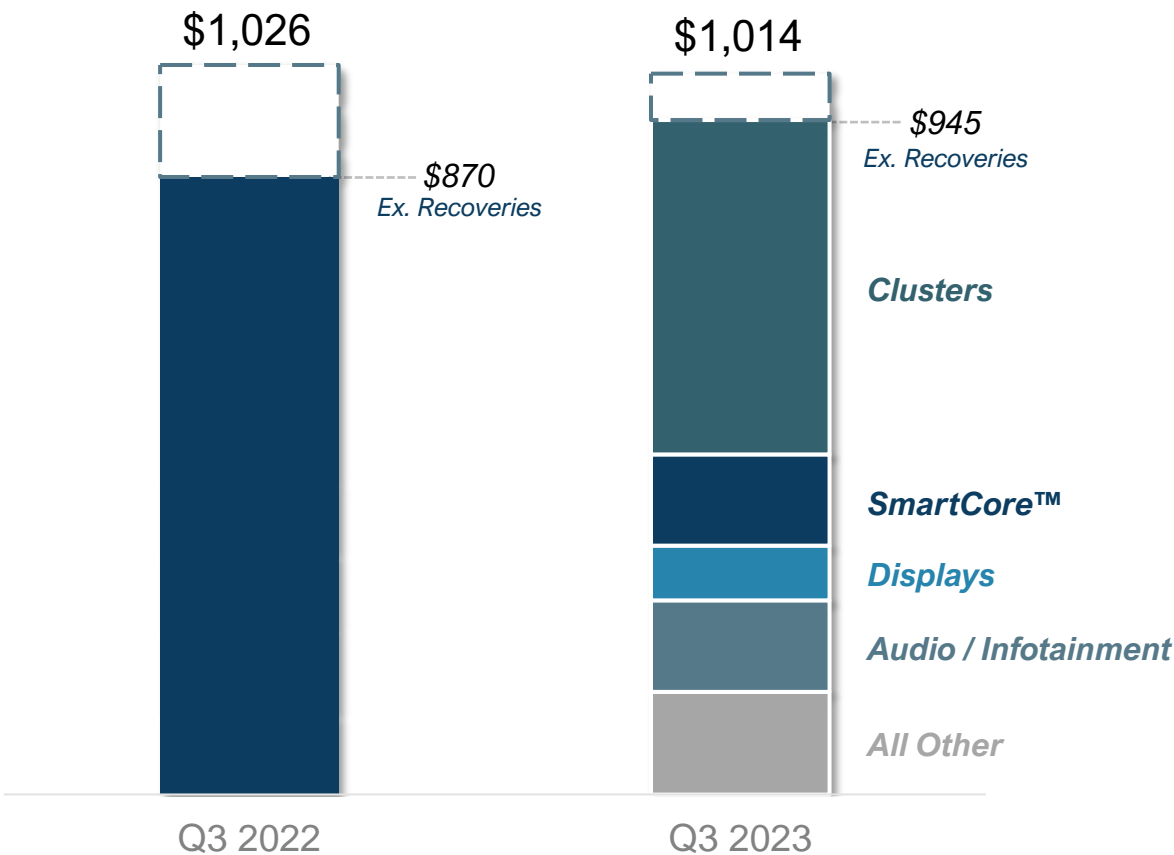
\$46 million share
buyback executed

Product Sales Growth

Strong growth-over-market in a flat customer production environment

(Dollars in millions)

Q3 Base Sales Growth of +9%⁽¹⁾



Q3 Product Sales Performance



Clusters

Robust digital cluster growth including ramp-up of Nissan programs and new Mercedes vehicle launches



SmartCore™

Sales growth from new roll-ons with Harley Davidson and Volvo and ramp-up with Geely and Mahindra



Displays

Ramp-up of multi-display systems offset by ongoing roll-off of BMW center display



Audio / Infotainment

Significant growth Y/Y driven by ramp-up of Android-based infotainment systems with Volkswagen

New launches and ongoing roll-ons driving continued growth in cockpit electronics

Q3 New Product Launches

New model launches supporting continued market outperformance



Key Q3 2023 Model Launches



Mercedes EQE
Digital Cluster



Volvo EX30
Cockpit Domain Controller



Honda Two-Wheeler
Digital Cluster



Ford Transit Europe & China
Multi-Display, Audio, Hybrid Cluster



Renault Trucks
Digital Cluster



Tata Nexon
Digital Cluster

YTD 2023 Highlights

102

New Product Launches

62

Digital Cluster and CDC Product Launches

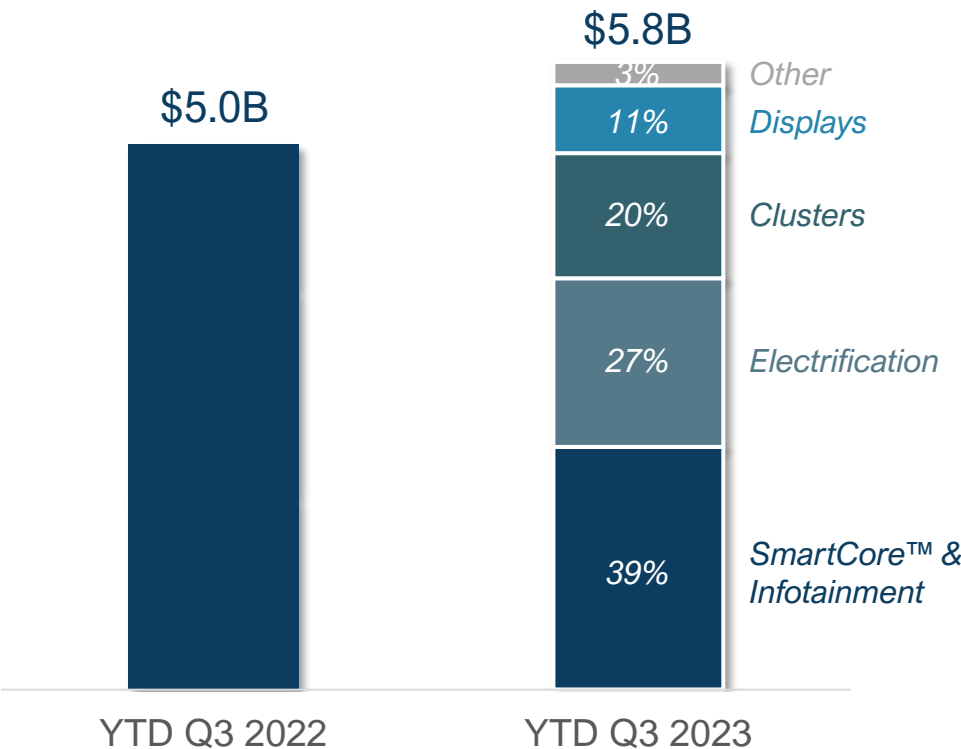
18

OEMs with New Product Launches

Q3 New Business Wins

Third quarter momentum keeps us on track to exceed full-year target

Q3 2023 YTD New Business Wins



~\$1.8B Digital Cockpit Awards in Q3 2023

~40% Cockpit Electronics Wins on Electric Vehicles YTD

Key Q3 New Business Wins



Digital Cockpit
Cross-platform cockpit domain controller for premium German OEM



Infotainment System and Display
10" display with Android-based infotainment system for Global OEM



Multi-Display Module
25" dual display and passenger display win on SUV platform with Global OEM



Automotive App Store
First win for Visteon App Store to launch with Indian OEM

Visteon's AllGo Connected Services Platform

Gaining momentum with cloud-based user experience products

Visteon®

Visteon App Store Value Offering



Visteon Connected Services Suite



Automotive
App Store



Vehicle
Analytics



Over-the-Air
Updates



Data and Subscription
Management



Remote Vehicle
Commands

New Business Wins in Q3

App Store



Passenger Vehicle

OTA Service

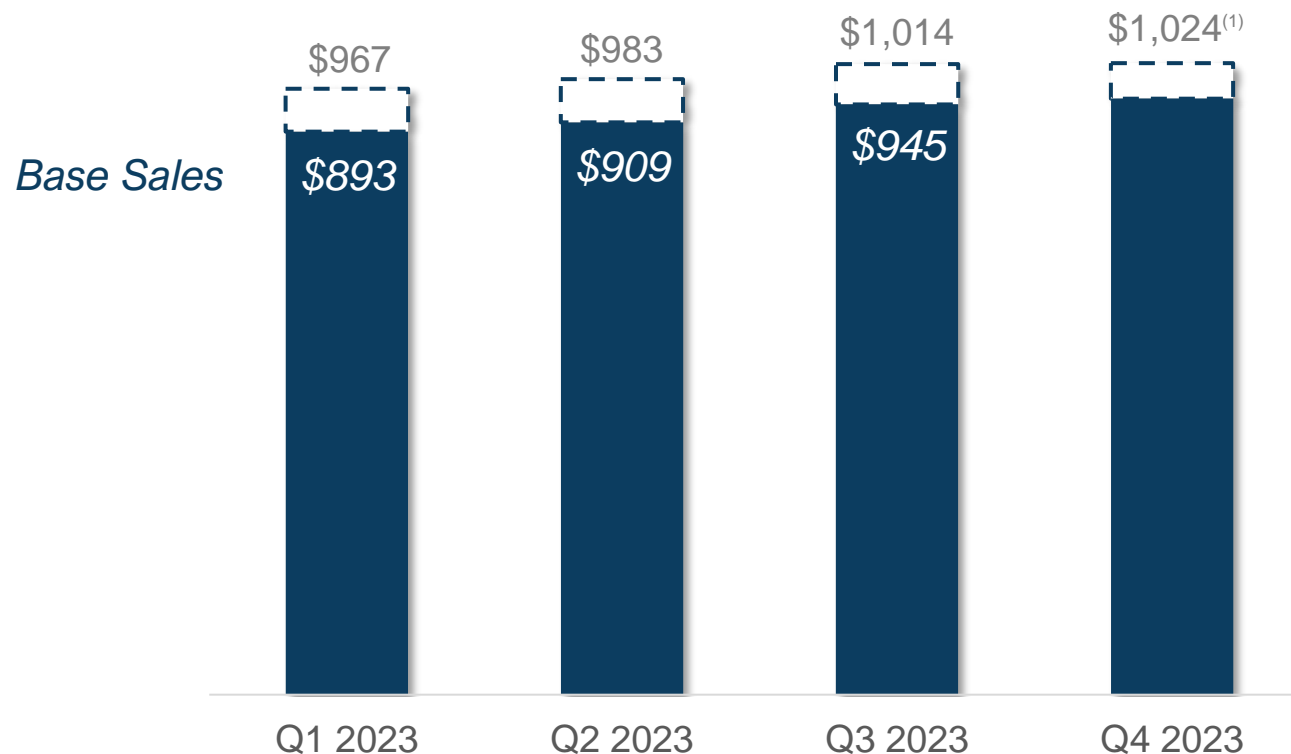


Two-Wheeler

YTD Performance and Q4 Outlook

Anticipate resilient performance despite emerging challenges

Success of digital products driving sequential growth of base sales

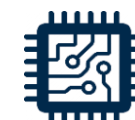


Key Drivers



Growth-Over-Market

Strong launch cadence driving base sales growth despite slower wireless BMS ramp



Improving Supply Chain

Reduced open market purchases resulting in lower revenue from associated recoveries



Declining Share of Global OEMs in China

Global car makers production declining as domestic and EV OEMs gain market share



UAW Strike Impact

Plant shutdowns resulting in loss of vehicle production at Detroit 3 OEMs

(1) Q4 sales at midpoint of full-year guidance.

Summary



Continued Market Outperformance

Delivered 18th consecutive quarter of growth-over-market relative to our customers' vehicle production



Strong Commercial Performance

Commercial discipline and cost performance drove adjusted EBITDA margin expansion



Product Launches Driving Sales Growth

Delivered 33 new vehicle and market launches in the third quarter



Robust New Business Wins

\$1.8 billion in new business wins with momentum in connected services



Updating 2023 Full-Year Guidance

Reflecting strong year-to-date performance and current outlook

Q3 2023 Financial Results

October 26, 2023



Q3 2023 Financial Review



Strong quarter with continued commercial and operational discipline



Net Sales

\$1,014 Million

9% Y/Y Base Sales Growth⁽¹⁾

- ▶ Strong base sales growth Y/Y supported by digital cluster, SmartCore™, and BMS
- ▶ Minimal open market purchases and associated recoveries as semi supply continues to improve
- ▶ Limited impact from UAW strike in Q3 as Detroit 3 plants continued accepting shipments



Adjusted EBITDA

\$128 Million

12.6% Margin

- ▶ Improved margin driven by higher volume and strong operational improvements
- ▶ Lower engineering due to timing of project costs offset by SG&A increase
- ▶ Timing of commercial items and engineering spend favorably impacted margin by ~150 bps



Adjusted FCF

\$98 Million

\$144 Million Net Cash

- ▶ Q3 cash inflow driven by strong Adjusted EBITDA and improved working capital
- ▶ Total cash position of \$485 million at the end of the quarter
- ▶ Executed share repurchases of \$46 million during the quarter

Q3 2023 Y/Y Financial Performance

Higher base sales and operational performance driving margin improvement

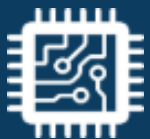
(Dollars in millions)

Key Performance Drivers



Growth-Over-Market

Product sales growth and market outgrowth supported by ramp-up of product launches



Supply Chain Recoveries

Improving semi supply driving minimal open market purchases and associated recoveries



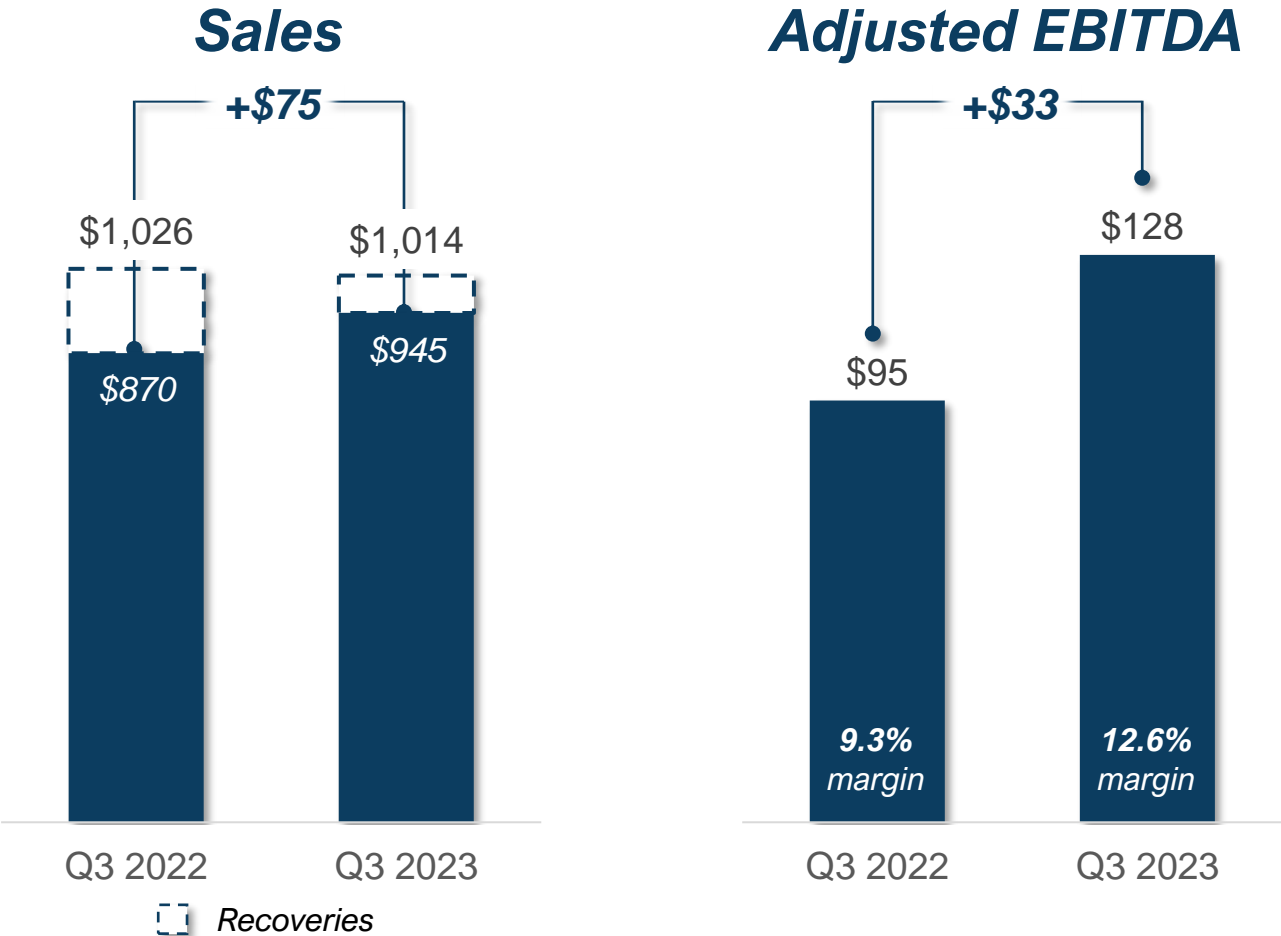
Operational Performance

Executing on operational improvements while launching significant number of products



Favorable Commercial Items

Adjusted EBITDA impacted by timing of commercial items



Balance Sheet and Adjusted Free Cash Flow

Strong adjusted free cash flow generation of \$98 million in Q3

 <p>Cash</p>	<p>\$485 million</p> <p>Provides flexibility and supports capital allocation</p>
 <p>Debt</p>	<p>\$341 million</p> <p>No material debt maturities until 2027</p>
 <p>Net Cash</p>	<p>\$144 million</p> <p>Strong balance sheet provides significant flexibility</p>

(Dollars in Millions)	YTD 2022	YTD 2023
Adjusted EBITDA	\$245	\$317
Trade Working Capital	(183)	(50)
Cash Taxes	(21)	(55)
Interest Payments	(8)	(5)
Other Changes	(19)	(32)
Capital Expenditures	(54)	(82)
Adjusted FCF	(\$40)	\$93

2023 Full-Year Guidance

Updating guidance for YTD performance and UAW strike impact⁽¹⁾

(Dollars in millions unless otherwise noted)

Key Assumptions



Sales

\$3.950B – \$4.025B

Base Sales +14% Y/Y

- Continued growth-over-market driven by product launches
- Midpoint assumes current UAW strike levels until Thanksgiving



Adj. EBITDA

\$415 – \$445

10.5 – 11.0% Margin

- Strong operational and commercial performance
- Partially offset by UAW strike assumptions



Adj. FCF

\$115 – \$165

~33% Conversion

- Capex of ~\$130 million for the full-year
- Delivering on targeted conversion ratio of >30%

(1) Guidance assumes strike actions as of October 25, 2023.

Investment Thesis



Visteon continues to be a compelling long-term investment opportunity



Digital Cockpit Electronics Leader



Innovative Product Portfolio



Competitive Cost Structure



Strong Balance Sheet

- ▶ Digital cockpit leader for cars, trucks, and two-wheelers
- ▶ Supporting industry shift to electric vehicles
- ▶ Nimble and adaptable to changing environment
- ▶ Leading analog-to-digital transition in automotive cockpits
- ▶ Industry leader in cockpit domain controllers
- ▶ Industry-first wireless battery management system
- ▶ Leveraging industry-leading engineering footprint
- ▶ Optimizing spend through platform-based approach
- ▶ Commercial and operational discipline
- ▶ Strong cash position provides flexibility and supports future growth
- ▶ No material near-term debt maturities
- ▶ Returning cash to shareholders through repurchase program

Appendix

October 26, 2023



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 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;
- 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 influence or pressure 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, 2022, 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-Q for the fiscal quarter ended September 30, 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 2023, 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 *(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.

	2022					2023			
(Dollars and shares in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Net income / (loss) attributable to Visteon	\$22	\$24	\$44	\$34	\$124	\$34	\$20	\$66	\$120
Average shares outstanding, diluted	28.4	28.4	28.5	28.7	28.5	28.7	28.7	28.5	28.6
Earnings / (loss) per share	\$ 0.77	\$ 0.85	\$ 1.54	\$ 1.18	\$ 4.35	\$ 1.18	\$ 0.70	\$ 2.32	\$ 4.20
Net income / (loss) attributable to Visteon	\$22	\$24	\$44	\$34	\$124	\$34	\$20	\$66	\$120
Restructuring and impairment expense	7	4	1	2	14	1	1	—	2
Non-operating costs, net	2	10	—	2	14	1	13	1	15
Subtotal	\$9	\$14	\$1	\$4	\$28	\$2	\$14	\$1	\$17
Adjusted net income / (loss)	\$31	\$38	\$45	\$38	\$152	\$36	\$34	\$67	\$137
Average shares outstanding, diluted	28.4	28.4	28.5	28.7	28.5	28.7	28.7	28.5	28.6
Adjusted earnings / (loss) per share	\$ 1.09	\$ 1.34	\$ 1.58	\$ 1.32	\$ 5.33	\$ 1.25	\$ 1.18	\$ 2.35	\$ 4.79

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 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 2023 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	
Net income / (loss) attributable to Visteon	\$22	\$24	\$44	\$34	\$124	\$34	\$20	\$66	\$120	\$170
Depreciation and amortization	27	25	27	29	108	29	26	24	79	105
Restructuring and impairment expense	7	4	1	2	14	1	1	—	2	5
Interest expense, net	2	3	2	3	10	3	3	1	7	10
Equity in net (income) / loss of non-consolidated affiliates	(3)	(1)	1	4	1	5	2	1	8	10
Provision for income taxes	8	7	9	21	45	14	13	21	48	65
Net income / (loss) attributable to non-controlling interests	1	(1)	5	1	6	4	3	5	12	15
Non-cash, stock-based compensation	5	8	6	7	26	8	9	9	26	35
Other	2	10	—	2	14	1	13	1	15	15
Subtotal	\$49	\$55	\$51	\$69	\$224	\$65	\$70	\$62	\$197	\$260
Adjusted EBITDA	\$71	\$79	\$95	\$103	\$348	\$99	\$90	\$128	\$317	\$430

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.

	2022					2023			
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Gross margin	\$76	\$74	\$104	\$114	\$368	\$110	\$104	\$143	\$357
<u>Less:</u>									
Stock-based compensation expense	1	3	3	3	10	3	4	4	11
Intangibles amortization	—	—	1	—	1	—	—	—	—
Other	2	10	(2)	2	12	1	—	1	2
Subtotal	\$3	\$13	\$2	\$5	\$23	\$4	\$4	\$5	\$13
Adjusted gross margin	\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$370

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.

	2022					2023			
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
SG&A	\$44	\$43	\$47	\$54	\$188	\$52	\$52	\$52	\$156
<u>Less:</u>									
Stock-based compensation expense	(4)	(5)	(3)	(4)	(16)	(5)	(5)	(5)	(15)
Intangibles amortization	(3)	(3)	(2)	(3)	(11)	(3)	(2)	(3)	(8)
Other	—	—	(2)	—	(2)	—	(1)	—	(1)
Subtotal	(\$7)	(\$8)	(\$7)	(\$7)	(\$29)	(\$8)	(\$8)	(\$8)	(\$24)
Adjusted SG&A	\$37	\$35	\$40	\$47	\$159	\$44	\$44	\$44	\$132

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 2023 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD	
Cash flow from (for) operating activities	(\$21)	(\$51)	\$74	\$165	\$167	(\$19)	\$61	\$127	\$169	\$260
Less: Capital expenditures, including intangibles	(21)	(15)	(18)	(27)	(81)	(21)	(30)	(31)	(82)	(130)
Free cash flow	(\$42)	(\$66)	\$56	\$138	\$86	(\$40)	\$31	\$96	\$87	\$130
Exclude: Restructuring-related payments	5	4	3	3	15	3	1	2	6	10
Adjusted free cash flow	(\$37)	(\$62)	\$59	\$141	\$101	(\$37)	\$32	\$98	\$93	\$140

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	YTD
Sales		\$818	\$848	\$1,026	\$1,064	\$3,756	\$967	\$983	\$1,014	\$2,964
Gross margin		\$76	\$74	\$104	\$114	\$368	\$110	\$104	\$143	\$357
Intangibles amortization		—	—	1	—	1	—	—	—	—
Stock-based compensation expense		1	3	3	3	10	3	4	4	11
Other		2	10	(2)	2	12	1	—	1	2
Adjusted gross margin		\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$370
<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>12.5%</i>
SG&A		(\$44)	(\$43)	(\$47)	(\$54)	(\$188)	(\$52)	(\$52)	(\$52)	(\$156)
Intangibles amortization		3	3	2	3	11	3	2	3	\$8
Stock-based compensation expense		4	5	3	4	16	5	5	5	\$15
Other		—	—	2	—	2	—	1	—	\$1
Adjusted SG&A		(\$37)	(\$35)	(\$40)	(\$47)	(\$159)	(\$44)	(\$44)	(\$44)	(\$132)
Adjusted EBITDA										
Adjusted gross margin		\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$370
Adjusted SG&A		(37)	(35)	(40)	(47)	(159)	(44)	(44)	(44)	(\$132)
D&A		24	22	24	26	96	26	24	21	\$71
Other income, net		5	5	5	5	20	3	2	3	\$8
Adjusted EBITDA		\$71	\$79	\$95	\$103	\$348	\$99	\$90	\$128	\$317
<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>10.7%</i>
Equity income (loss) in affiliates		\$3	\$1	(\$1)	(\$4)	(\$1)	(\$5)	(\$2)	(\$1)	(\$8)
Noncontrolling interests		(1)	1	(5)	(1)	(6)	(4)	(3)	(5)	(\$12)

Net Engineering

	2022					2023			
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
Engineering costs, net									
Engineering costs, gross	(\$81)	(\$81)	(\$83)	(\$96)	(\$341)	(\$83)	(\$91)	(\$79)	(\$253)
Recoveries	33	40	25	47	145	27	29	25	81
Engineering costs, net	(\$48)	(\$41)	(\$58)	(\$49)	(\$196)	(\$56)	(\$62)	(\$54)	(\$172)

Financial Results – U.S. GAAP

	2022					2023			
(Dollars in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	YTD
<u>Income Statement</u>									
Sales	\$818	\$848	\$1,026	\$1,064	\$3,756	\$967	\$983	\$1,014	\$2,964
Gross margin	76	74	104	114	368	110	104	143	\$357
SG&A	44	43	47	54	188	52	52	52	\$156
Net income / (loss) attributable to Visteon	22	24	44	34	124	34	20	66	\$120
Earnings / (loss) per share, diluted	\$0.77	\$0.85	\$1.54	\$1.18	\$4.35	\$1.18	\$0.70	\$2.32	\$4.20
<u>Cash Flow Statement</u>									
Cash flow from (for) operating activities	(\$21)	(\$51)	\$74	\$165	\$167	(\$19)	\$61	\$127	\$169
Capital expenditures, including intangibles	21	15	18	27	81	21	30	31	\$82

Visteon®

