

Visteon Q1 2024 Earnings

April 25, 2024



Q1 2024 in Review



Net Sales

\$933 Million

2% Growth-over-Market⁽¹⁾



Adjusted EBITDA

\$102 Million

10.9% Margin



Adjusted FCF

\$34 Million

33% Conversion Ratio

DIGITAL CLUSTERS
AND SMARTCORE™
GROWING



~20% Y/Y growth for
both product lines

EXPANDING
OUR
PROFITABILITY



70 bps improvement in
adj. EBITDA margin

EXECUTING ON
PRODUCT
LAUNCHES



26 new product
launches

STRONG NEW
BUSINESS
WINS



\$1.4 billion of new
business wins

RETURNING
CAPITAL TO
SHAREHOLDERS



\$20 million share
buyback executed

Q1 2024 Market and Visteon Sales Dynamics



Lower customer vehicle production driven by weakness in Europe and Asia



North America

- Robust OEM production partially offset by customer vehicle launch delays
- VC outperformance driven by BMS and digital cluster sales



Europe

- Soft consumer demand and phase-out of government incentives for EVs
- Lower VC sales due to timing of product roll-ons and customer launch delays



Asia

- Global OEMs continue to lose market share to domestic OEMs in China
- VC outperformed the market ex-China with OEMs in Japan, Korea, and India

Return to positive GoM in a mixed customer vehicle production environment

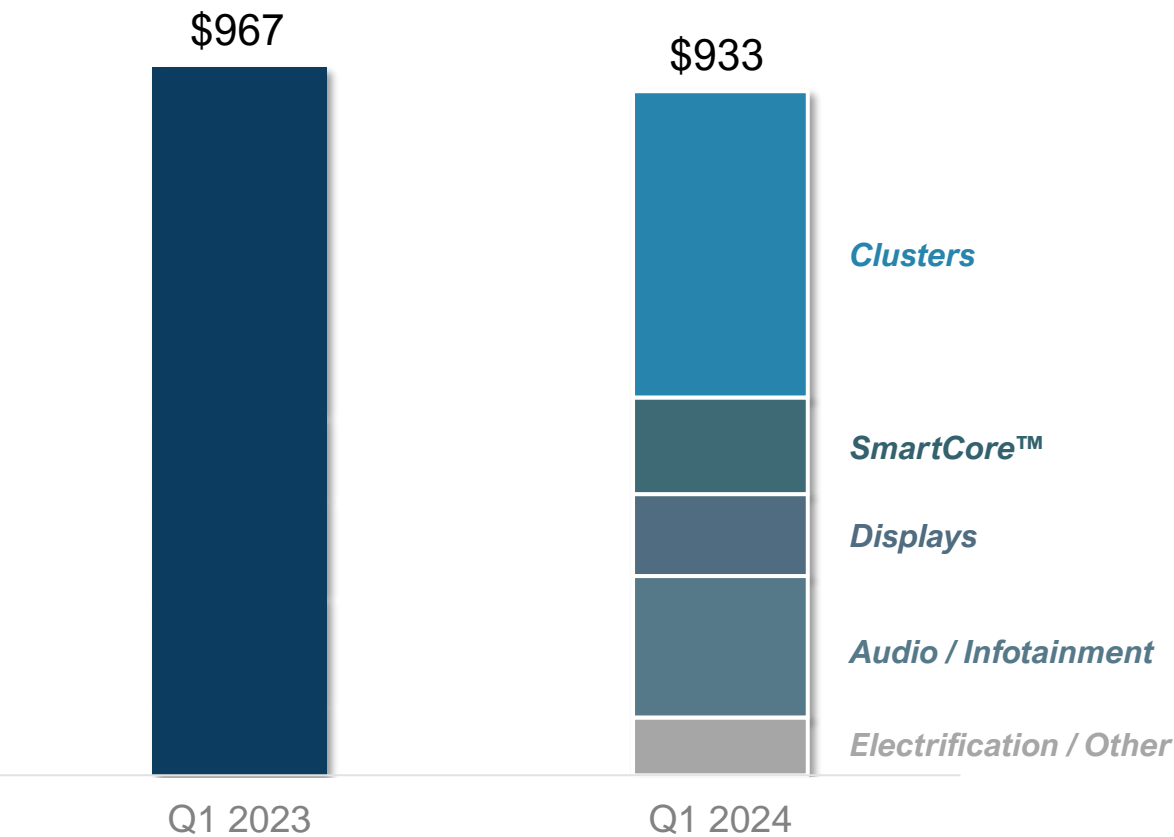
Q1 2024 Product Sales

Continued momentum with next-generation products

(Dollars in millions)



Q1 Product Sales



Q1 Highlights



Digital Clusters

Robust digital cluster growth of ~20%, driven by programs with JLR, Ford, and Stellantis



SmartCore™

Sales increased ~20% from ramp up of Harley Davidson and Mahindra programs



Displays

Sales declined due to end-of-life of program with BMW, partially offset by ramp up with Mazda and Mahindra



Audio / Infotainment

Sales declined mainly due to roll-off of program with Mazda, partially offset by launches with Stellantis



Electrification / Other

Strong sales growth due to higher demand for BMS with GM and start of production for a second customer

Q1 2024 New Product Launches

Launched 26 new products across 14 different OEMs, supporting our growth

Key Product Launches



Ford Puma – ICE & HEV

Digital Cluster, Display, Audio Infotainment



Scania Truck – ICE & BEV

SmartCore™



Hyundai Creta

Multi-Display Module



Honda e:NS2 – China

Digital Cluster

In the Spotlight

Integrated cockpit controller for commercial vehicle



Premium Audio

OTA Enabled

Voice Control

Embedded Navigation

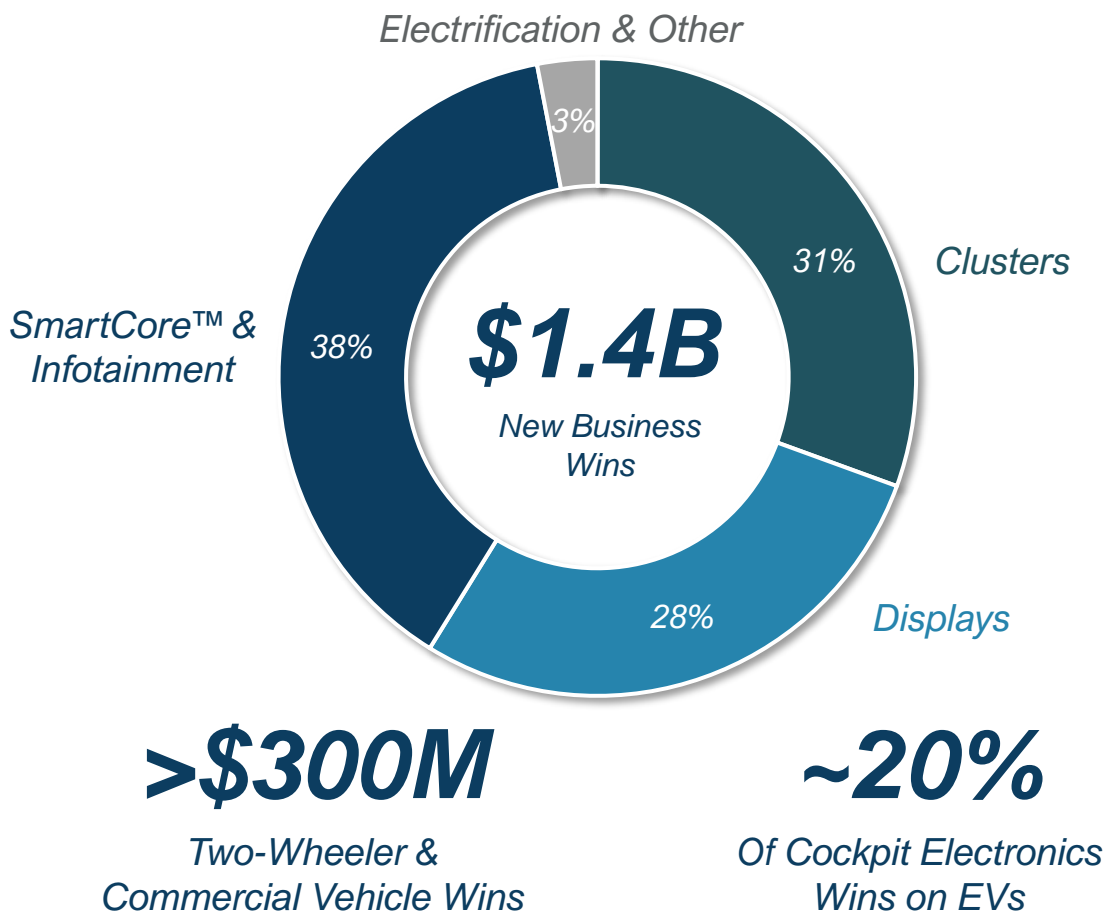
Smartphone Projection

Q1 2024 New Business Wins



Wins balanced across digital cockpit products and regions

Q1 New Business Wins



Key New Business Win Highlights



Digital Cluster

12" digital cluster for multiple vehicles with Japanese OEM



Cockpit Domain Controller

SmartCore™ program on a premium brand for a domestic Chinese OEM



Multiple Displays Wins

Six displays programs across four OEMs, including ICE, electric, and commercial vehicles



Displays Gaining Momentum

More than \$400 million of displays wins during the quarter

Visteon®

Visteon Value Proposition



Vertically Integrated



Leading-Edge Design



Regional Manufacturing

Display

Highlights

SOP



*8" Rear Seat OLED Monitor
for German Luxury OEM*

*First OLED win for
Visteon*

2026



*10" Cross-Carline Display
Platform for European OEM*

*For light commercial vans
and passenger vehicles*

2027



*12" Driver and Center Displays
for European CV OEM*

*Dual displays for heavy
commercial vehicles*

2027

Tunisia Plant Grand Opening

Investment to support continued growth for next-generation products in Europe

Visteon®



Tunisia Plant Highlights



*State-of-the-Art Manufacturing
for Displays and Electronics*



*Close Proximity to
European Customers*



*Capacity Expansion
Enabling Future Growth*

2024 Market and Visteon Sales Outlook



Maintaining full-year guidance after solid start to the year



Customer Production

Expect full-year decline of ~2%, slightly below initial expectations with potential upside from vehicle incentives in China



Electrification

Strong start for BMS in Q1 helps de-risk electrification outlook for the rest of the year



Growth-over-Market

Anticipate sequential improvement from ramp up of recent and upcoming product launches

Expect growth-over-market to accelerate through the year

Summary



Continued Momentum with Digital Cockpit Solutions

Technology portfolio aligns with key trends, including connected car, digitalization, and electrification



Delivering on Growth-Over-Market

Returned to positive growth-over-market in Q1 with anticipated acceleration through rest of 2024



Strong Commercial Performance and Continued Operational Excellence

Drove adjusted EBITDA margin to 10.9%, an expansion of 70 bps year-over-year



Successfully Delivering Product Launches

Delivered 26 new product launches across 14 OEM customers globally



Building the Foundation for Future Growth

Secured \$1.4 billion in new business wins, with further diversification into adjacent markets

Q1 2024 Financial Results

April 25, 2024



Q1 2024 Financial Review

Solid quarter with continued commercial and operational discipline

Visteon®



Net Sales

\$933 Million

2% Growth-over-Market

- ▶ Strong demand for digital clusters, cockpit domain controllers, and BMS
- ▶ Lower customer production in Europe and Asia, partially offset in the Americas
- ▶ Reduced recoveries due to improved semiconductor supply



Adjusted EBITDA

\$102 Million

10.9% Margin

- ▶ Strong margin performance driven by operational improvements and manufacturing efficiencies
- ▶ Strong focus on cost discipline and commercial excellence throughout the organization
- ▶ Net engineering higher due to timing of recoveries



Adjusted FCF

\$34 Million

\$175 Million Net Cash

- ▶ Stronger Y/Y cash flow generation due to improved working capital performance
- ▶ Total cash position of \$507 million at the end of the quarter
- ▶ Executed share repurchases of \$20 million during the quarter

Q1 2024 Y/Y Financial Performance



On track to deliver full-year margin expansion

(Dollars in millions)

Key Performance Drivers



Growth-Over-Market

Ramp-up of recent product launches drove 2% growth-over-market



Customer Production

Visteon customer production declined 1% Y/Y, slightly lower than industry production



Pricing Environment

Lower recoveries Y/Y with continued focus on commercial discipline



Cost Structure

Leveraged operational efficiencies and lean cost structure to drive margin expansion

Sales

(\$34)

\$967

\$933

Q1 2023

Q1 2024

Adjusted EBITDA

+70 bps

\$99

\$102

10.2%
margin




10.9%
margin

Q1 2023

Q1 2024

Q1 2024 Balance Sheet and Adjusted Free Cash Flow

Net cash position of \$175 million and strong cash conversion of 33%

 <p>Cash</p>	<p>\$507 million</p> <p>Provides flexibility and supports capital allocation</p>
 <p>Debt</p>	<p>\$332 million</p> <p>No material debt maturities until 2027</p>
 <p>Net Cash</p>	<p>\$175 million</p> <p>Strong balance sheet provides significant flexibility</p>

(Dollars in Millions)	Q1 2023	Q1 2024
Adjusted EBITDA	\$99	\$102
Trade Working Capital	(77)	(11)
Cash Taxes	(18)	(12)
Interest (Paid) / Received	(3)	1
Other Changes	(17)	(9)
Capital Expenditures	(21)	(37)
Adjusted FCF	(\$37)	\$34

Investment Thesis

Visteon®

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
- ▶ Continue disciplined capital allocation strategy

Appendix

April 25, 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 of the geopolitical conflicts and related supply chain disruptions, including but not limited to the conflicts in the middle east, Russia and East Asia and the possible the imposition of sanctions;
- 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 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, 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 Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024. 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)	2023					2024
	Q1	Q2	Q3	Q4	Full Year	Q1
Gross margin	\$110	\$104	\$143	\$130	\$487	\$119
<u>Less:</u>						
Non-cash stock-based compensation	3	4	4	3	14	4
Intangibles amortization	—	—	—	1	1	—
Other	1	—	1	1	3	1
Subtotal	\$4	\$4	\$5	\$5	\$18	\$5
Adjusted gross margin	\$114	\$108	\$148	\$135	\$505	\$124

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)	2023					2024
	Q1	Q2	Q3	Q4	Full Year	Q1
SG&A	\$52	\$52	\$52	\$51	\$207	\$52
<u>Less:</u>						
Non-cash stock-based compensation	(5)	(5)	(5)	(5)	(20)	(6)
Intangibles amortization	(3)	(2)	(3)	(1)	(9)	(1)
Other	—	(1)	—	(1)	(2)	—
Subtotal	(\$8)	(\$8)	(\$8)	(\$7)	(\$31)	(\$7)
Adjusted SG&A	\$44	\$44	\$44	\$44	\$176	\$45

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 net restructuring 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.

	2023					2024
(Dollars and shares in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1
Net income / (loss) attributable to Visteon	\$34	\$20	\$66	\$366	\$486	\$42
Average shares outstanding, diluted	28.7	28.7	28.5	28.2	28.5	28.0
Earnings / (loss) per share	\$ 1.18	\$ 0.70	\$ 2.32	\$ 12.98	\$ 17.05	\$ 1.50
Net income / (loss) attributable to Visteon	\$34	\$20	\$66	\$366	\$486	\$42
Restructuring, net	1	1	—	3	5	2
Non-operating costs, net	1	13	1	2	17	1
Tax effect of adjustments	—	—	—	(4)	(4)	—
Subtotal	\$2	\$14	\$1	\$1	\$18	\$3
Adjusted net income / (loss)	\$36	\$34	\$67	\$367	\$504	\$45
Average shares outstanding, diluted	28.7	28.7	28.5	28.2	28.5	28.0
Adjusted earnings / (loss) per share	\$ 1.25	\$ 1.18	\$ 2.35	\$ 13.01	\$ 17.68	\$ 1.61

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, net restructuring 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)	2023					2024	FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	
Net income / (loss) attributable to Visteon	\$34	\$20	\$66	\$366	\$486	\$42	\$220
Depreciation and amortization	29	26	24	25	104	22	105
Restructuring, net	1	1	—	3	5	2	5
Interest expense, net	3	3	1	—	7	—	5
Equity in net (income) / loss of non-consolidated affiliates	5	2	1	2	10	4	10
Provision for (benefit from) income taxes	14	13	21	(296)	(248)	19	80
Net income / (loss) attributable to non-controlling interests	4	3	5	7	19	2	20
Non-cash, stock-based compensation	8	9	9	8	34	10	35
Other	1	13	1	2	17	1	5
Subtotal	\$65	\$70	\$62	(\$249)	(\$52)	\$60	\$265
Adjusted EBITDA	\$99	\$90	\$128	\$117	\$434	\$102	\$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)	2023					2024	FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	
Cash flow from (for) operating activities	(\$19)	\$61	\$127	\$98	\$267	\$69	\$305
Less: Capital expenditures, including intangibles	(21)	(30)	(31)	(43)	(125)	(37)	(145)
Free cash flow	(\$40)	\$31	\$96	\$55	\$142	\$32	\$160
Exclude: Restructuring-related payments	3	1	2	2	8	2	10
Adjusted free cash flow	(\$37)	\$32	\$98	\$57	\$150	\$34	\$170

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



Adjusted EBITDA Build-up

(Dollars in millions)		2023					2024
		Q1	Q2	Q3	Q4	Full Year	Q1
Sales		\$967	\$983	\$1,014	\$990	\$3,954	\$933
Gross margin		\$110	\$104	\$143	\$130	\$487	\$119
Intangibles amortization		—	—	—	1	1	—
Non-cash stock-based compensation		3	4	4	3	14	4
Other		1	—	1	1	3	1
Adjusted gross margin		\$114	\$108	\$148	\$135	\$505	\$124
% of sales		11.8%	11.0%	14.6%	13.6%	12.8%	13.3%
SG&A		(\$52)	(\$52)	(\$52)	(\$51)	(\$207)	(\$52)
Intangibles amortization		3	2	3	1	9	1
Non-cash stock-based compensation		5	5	5	5	20	6
Other		—	1	—	1	2	—
Adjusted SG&A		(\$44)	(\$44)	(\$44)	(\$44)	(\$176)	(\$45)
Adjusted EBITDA							
Adjusted gross margin		\$114	\$108	\$148	\$135	\$505	\$124
Adjusted SG&A		(44)	(44)	(44)	(44)	(176)	(45)
D&A		26	24	21	23	94	21
Other income, net		3	2	3	3	11	2
Adjusted EBITDA		\$99	\$90	\$128	\$117	\$434	\$102
% of sales		10.2%	9.2%	12.6%	11.8%	11.0%	10.9%
Equity income (loss) in affiliates		(\$5)	(\$2)	(\$1)	(\$2)	(\$10)	(\$4)
Noncontrolling interests		(4)	(3)	(5)	(7)	(19)	(2)

Net Engineering



	2023					2024
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1
Engineering costs, net						
Engineering costs, gross	(\$83)	(\$91)	(\$79)	(\$77)	(\$330)	(\$83)
Recoveries	27	29	25	39	120	23
Engineering costs, net	(\$56)	(\$62)	(\$54)	(\$38)	(\$210)	(\$60)

Financial Results – U.S. GAAP



	2023					2024
(Dollars in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1
<u>Income Statement</u>						
Sales	\$967	\$983	\$1,014	\$990	\$3,954	\$933
Gross margin	110	104	143	130	487	119
SG&A	52	52	52	51	207	52
Net income / (loss) attributable to Visteon	34	20	66	366	486	42
Earnings / (loss) per share, diluted	\$1.18	\$0.70	\$2.32	\$12.98	\$17.05	\$1.50
<u>Cash Flow Statement</u>						
Cash flow from (for) operating activities	(\$19)	\$61	\$127	\$98	\$267	\$69
Capital expenditures, including intangibles	21	30	31	43	125	37

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®

