

# Visteon Q4 and Full-Year 2021 Earnings

February 17, 2022



Visteon®

# Full-Year 2021 Summary



## MARKET OUTPERFORMANCE DESPITE A CHALLENGING ENVIRONMENT



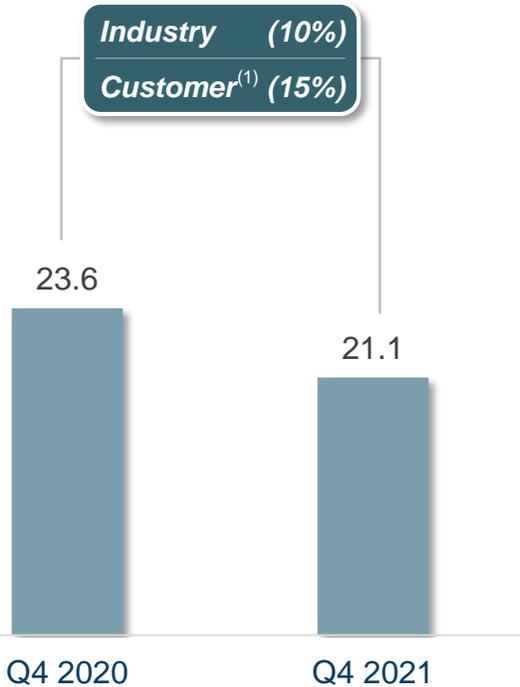
# Q4 Y/Y Industry Production and Visteon Sales Performance



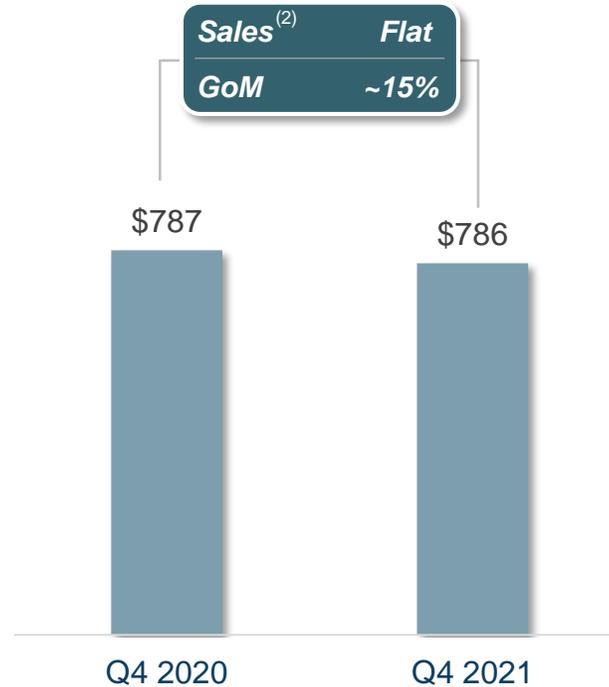
Market outperformance driven by robust product portfolio

(Units and dollars in millions)

## Global Production



## Visteon Sales



**Q4 2021 Growth-Over-Market of ~15%**

## Q4 Performance Drivers

<b>Semiconductor Supply</b>	Improved sequentially but remains constrained
<b>Customer Production Mix</b>	(5%) negative mix from customer vehicle production
<b>Digital Clusters &amp; SmartCore™</b>	Robust growth driven by ongoing product launches
<b>Net Pricing</b>	Favorable pricing due to customer recoveries

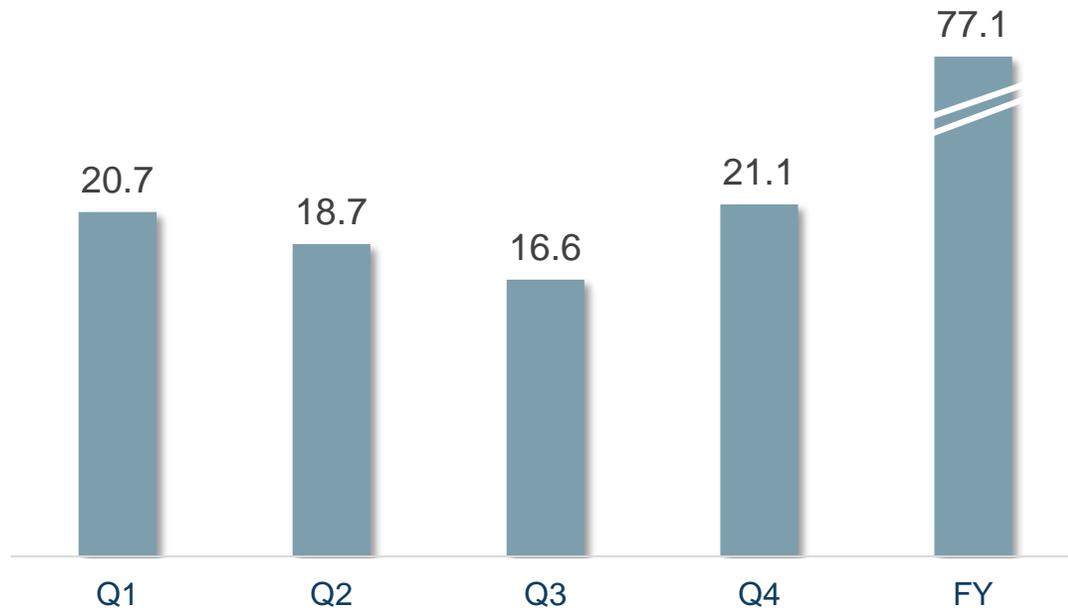
Proactive sourcing measures and collaborative customer engagement resulted in higher than anticipated sales

# 2021 in Review

Visteon growth-over-market driven by robust product portfolio

(Units in millions)

## 2021 Global Industry Production



### VC Y/Y Performance

GoM

9%

7%

7%

15%

9%

## Product Highlights



### Clusters

Digital clusters grew by ~40% and are now more than half of total cluster sales



### Cockpit Domain Controllers

Growth driven by new launches at Geely and Daimler



### Infotainment

Growth of Android-based systems offset by roll-off of legacy programs



### Displays

High-end display growth was offset by a decline in entry displays

# Strong Product Launch Performance

Ended the year with 17 new products launched in Q4

## FY 2021 Summary

18

All-Digital  
Cluster Launches

8

Infotainment and  
SmartCore™ Launches

43

Program Launches

20%

Launches on  
Electric Vehicles

1<sup>st</sup>

Wireless BMS  
in the Industry

## Q4 Key Launch Highlights



**GM SUVs and Trucks**  
Digital Cluster



**GM Hummer EV**  
Wireless BMS, Digital Cluster



**Nissan Ariya**  
Multi-Display Module



**Mahindra XUV700**  
Cockpit Domain Controller, Digital Cluster,  
Android-Based Infotainment



**Ford/Lincoln SUVs**  
Digital Cluster

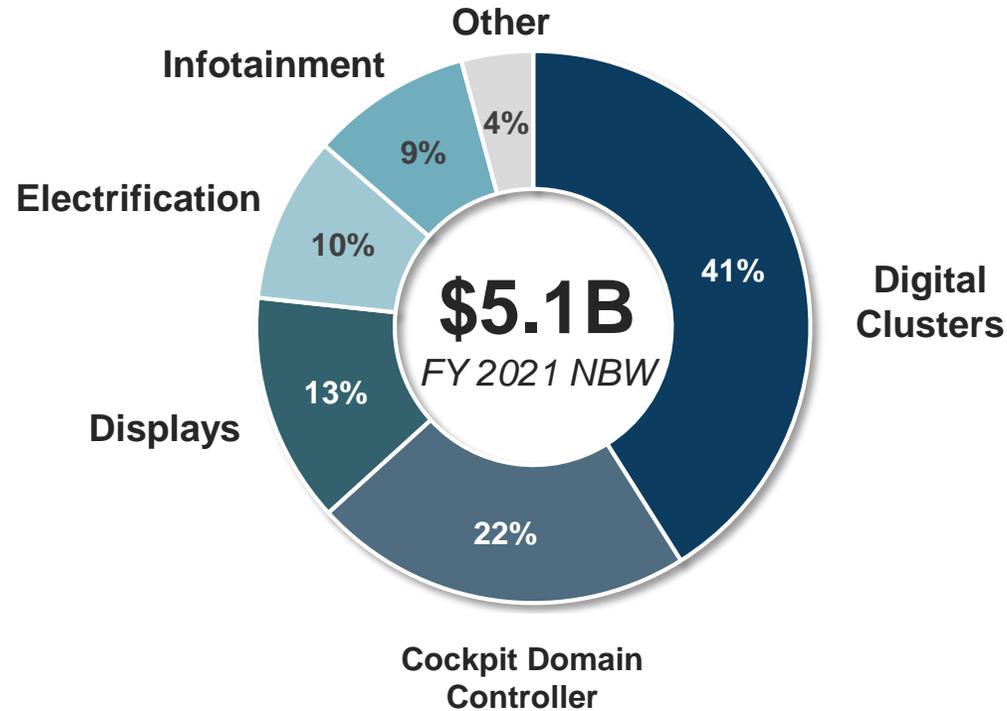


**JLR Group Range Rover**  
Digital Cluster, Rear Seat Infotainment,  
Control Panel

# New Business Wins

Next-generation products driving ongoing success in NBWs

## Full-Year New Business Wins



**2**

New customer logos added in FY 2021

**~33%**

Of FY 2021 new business wins on EVs

## Key Q4 New Business Wins



### Panoramic Display

Multi-display, curved module with ~25" of seamless display area for German luxury OEM



### SmartCore™ Cockpit Domain Controller

Advanced integrated cockpit computer supporting seven cockpit displays for Chinese OEM



### 10" Center Information Display

Display win on next-generation electric vehicle platform for European OEM



### Third Electrification Win

Cell Monitoring Controller on next-generation electric vehicle platform for luxury German OEM

# Growth of Visteon's Electrification Business



*Third electrification customer win secured in Q4*



*Wireless BMS on Ultium platform*



**SOP: Q4 2021**

**North American Brand with Global OEM**

*Wireless BMS to be introduced first on North American SUV vehicle line*

**SOP: 2023**

**Q4 2021 NBW**

**Premium Brands with German OEM**

*Wired BMS to launch on various models across three luxury brands*

**SOP: 2024**

## **Electrification Highlights**

**3**

*Global OEM customers with electrification orders*

**\$3B+**

*Lifetime revenue of electrification new business wins to-date*



*Active new business pursuits currently in the pipeline for FY 2022*

# Key Factors Driving 2022 Production Outlook

*Expecting industry vehicle production to grow to ~84 million units*



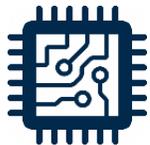
## Robust Vehicle Demand

Pent-up consumer demand and low inventory levels driving high customer orders



## Non-Recurrence of Supply Disruptions

Non-recurrence of Texas winter storm, plant fire at supplier in Japan, and back-end semi processing disruptions



## Improved Semi Supply Chain Efficiencies

Higher wafer allocation for automotive semiconductors in the supply chain



## Increased Demand for Semiconductors

Higher semiconductor content due to digitalization, ADAS, and EVs absorbing some of the supply increase



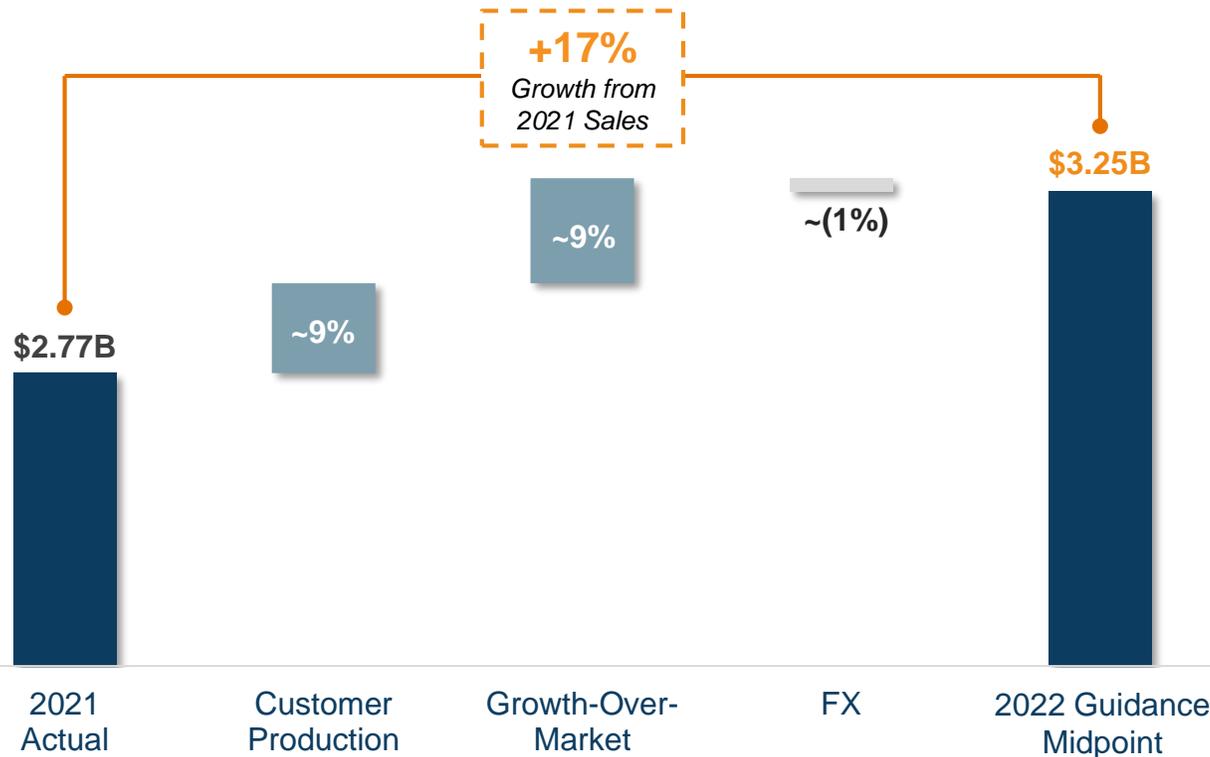
## Ongoing COVID-19 Pandemic

Continued challenges of COVID-19 related shutdowns due to ongoing global pandemic

# 2022 Sales Outlook

Product portfolio driving sustainable growth-over-market

## 2022 Full-Year Sales Outlook



***New digital cockpit and electrification product launches drive market outperformance***

## Key Assumptions and Outlook



### Industry Production

Robust vehicle demand partially offset by ongoing semiconductors constraints



### Customer Mix

Neutral customer production mix as top customers perform in-line with industry



### Growth-Over-Market

Sustainable outperformance driven by ongoing product launches and accelerating take rates



### 2023 Targets Remain Unchanged

Strong demand supporting ~\$4B in sales and 12% EBITDA target at ~89M units in global production

# Summary



## **Solid Sales Performance in a Challenging Environment**

Delivered 9% sales growth-over-market relative to our customers' production



## **Operational Excellence Delivers Robust Financial Performance**

Cost and commercial discipline drove 8.2% EBITDA margin



## **Fundamentals of Business Remain Strong**

43 new product launches including industry's first wireless battery management system



## **Technology Portfolio Aligned with Key Trends**

Digital cockpit and electrification products in line with industry mega trends



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

\$5.1 billion in new business wins including a third electrification customer



# Q4 and Full-Year 2021 Financial Results

February 17, 2022



Visteon<sup>®</sup>

# Full-Year 2021 in Review

*Resilient results in a challenging environment*

Visteon®



## CONTINUING TO BUILD A FOUNDATION FOR SUSTAINABLE GROWTH



**SALES AND MARGIN PERFORMANCE**

- ▶ 9% GoM despite significant supply chain impacts
- ▶ Margins driven by disciplined cost management and improved scale



**SEMICONDUCTOR COST RECOVERIES**

- ▶ Recoveries showed sequential improvement in Q4
- ▶ Full-year net cost impact of (\$40M) in line with previous expectations



**CASH FLOW AND BALANCE SHEET**

- ▶ Total cash balance of \$455 million, net cash balance of \$102 million
- ▶ Net debt / last 12-months EBITDA of (0.4x)



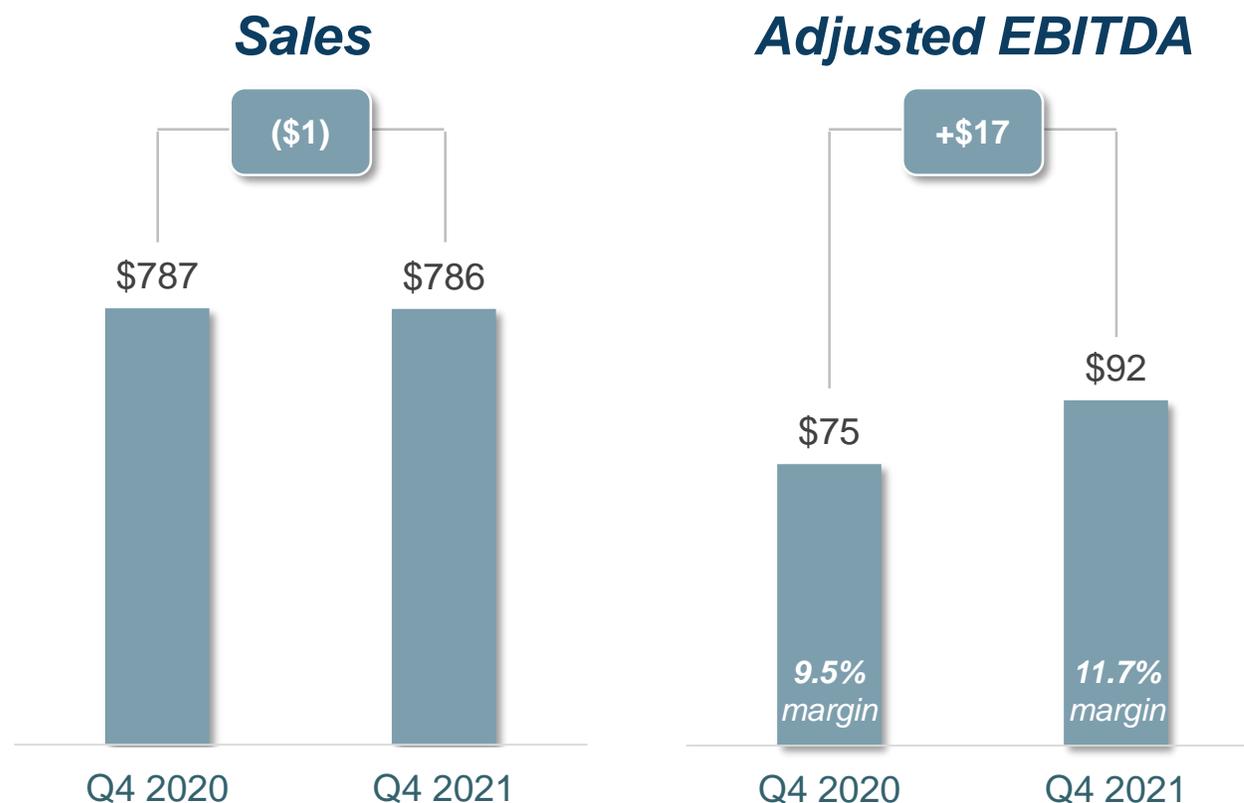
**FULL-YEAR GUIDANCE**

- ▶ Industry vehicle production expected to improve in 2022
- ▶ Expecting sales growth, margin expansion, and cash improvement

# Q4 2021 Y/Y Key Drivers

*Strong EBITDA margin performance in a challenging environment*

*(Dollars in millions)*



***Sales growth muted by global semiconductor shortages while EBITDA benefited from commercial discipline***

## Q4 2021 Key Drivers

- Growth-over-market driven by product transformation and higher pricing
- Proactive supply chain actions reduced semiconductor shortages related disruptions
- Strong EBITDA margin performance driven by:
  - ▲ Engineering recoveries
  - ▲ One-time \$9M customer recovery
  - ▼ Margin dilution from semiconductor costs and recoveries

# 2021 Cash Flow and Balance Sheet

*Negative impact from working capital partially offset by capex discipline*

## Strong Balance Sheet

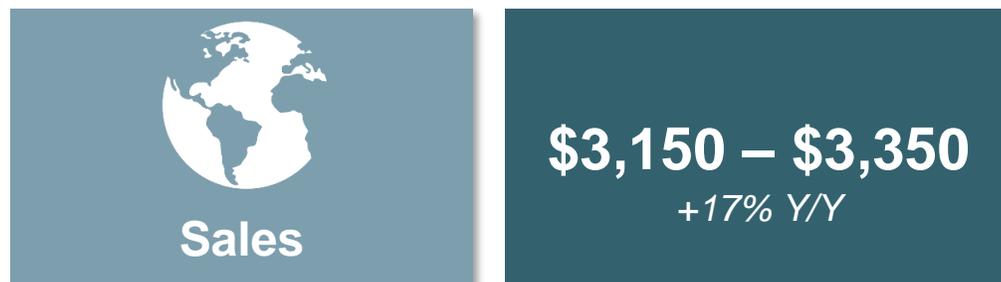
	<b>\$455 million</b>
Cash	Provides flexibility and supports future growth
	<b>\$102 million</b>
Net Cash	No material debt maturities until 2024
	<b>(0.4x)</b>
Net Debt / LTM EBITDA	Strong balance sheet provides significant flexibility

(Dollars in Millions)	FY 2020	FY 2021
Adjusted EBITDA	\$192	\$228
Trade Working Capital	36	(142)
Cash Taxes	(19)	(15)
Interest Payments	(23)	(15)
Other Changes	14	36
Capital Expenditures	(104)	(70)
<b>Adjusted FCF</b>	<b>\$96</b>	<b>\$22</b>

# 2022 Full-Year Outlook

*Increasing sales, expanding margins, and improving adjusted free cash flow*

*(Dollars in millions, percentages at midpoint)*



## Commentary

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- Anticipating industry and customer production volumes increase ~9% year-over-year
  - Strong product portfolio driving ~9% growth-over-market
- 
- Increased scale and reduced net impact from semiconductors driving margin expansion
  - Headwinds related to non-recurrence of customer reimbursement and increase of engineering spend
- 
- Capex of ~\$110 million (~3.5% of sales at mid-point)
  - Investment in working capital due to sales growth, partially offset by modest reduction of inventory
-

# Investment Thesis

*Visteon is 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

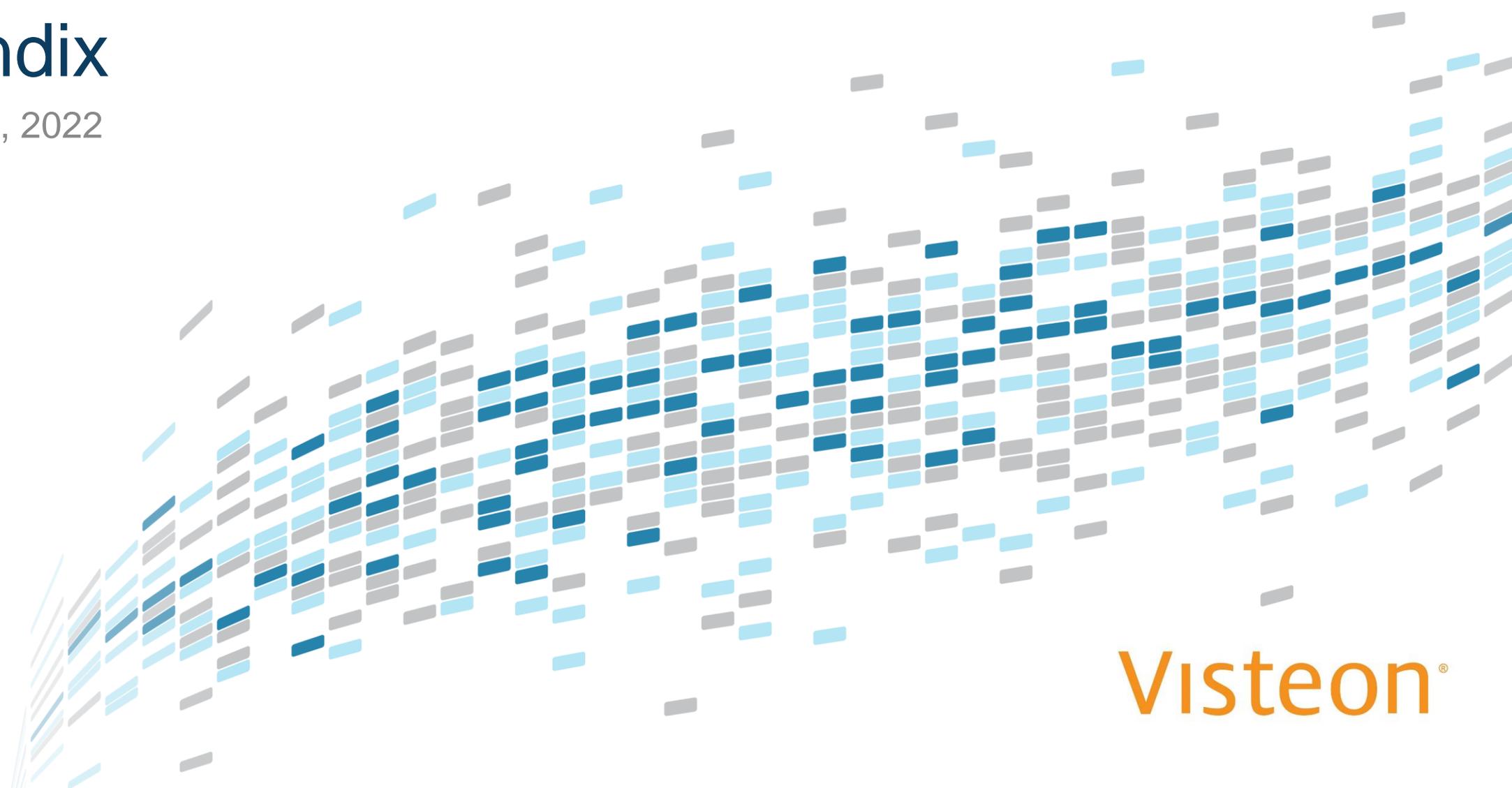


## Strong Balance Sheet

- ▶ \$455M in cash to provide flexibility and support future growth
- ▶ No material debt maturities until 2024
- ▶ (0.4x) net debt / trailing 12-month adjusted EBITDA

# Appendix

February 17, 2022



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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;
  - 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;
  - 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 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;
  - 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, 2021 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 Annual Report on Form 10-K for the fiscal quarter ended December 31, 2021. New business wins, re-wins and backlog 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 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 2022, 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)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Gross margin</b>	<b>\$53</b>	<b>\$4</b>	<b>\$99</b>	<b>\$89</b>	<b>\$245</b>	<b>\$73</b>	<b>\$35</b>	<b>\$47</b>	<b>\$99</b>	<b>\$254</b>
<u>Less:</u>										
Stock-based compensation expense	1	1	1	1	4	1	2	-	1	4
Intangibles amortization	1	1	-	-	2	-	-	-	1	1
Other	-	1	1	1	3	1	-	1	1	3
<b>Subtotal</b>	<b>\$2</b>	<b>\$3</b>	<b>\$2</b>	<b>\$2</b>	<b>\$9</b>	<b>\$2</b>	<b>\$2</b>	<b>\$1</b>	<b>\$3</b>	<b>\$8</b>
<b>Adjusted gross margin</b>	<b>\$55</b>	<b>\$7</b>	<b>\$101</b>	<b>\$91</b>	<b>\$254</b>	<b>\$75</b>	<b>\$37</b>	<b>\$48</b>	<b>\$102</b>	<b>\$262</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)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>SG&amp;A</b>	<b>\$54</b>	<b>\$41</b>	<b>\$45</b>	<b>\$53</b>	<b>\$193</b>	<b>\$45</b>	<b>\$44</b>	<b>\$42</b>	<b>\$44</b>	<b>\$175</b>
<u>Less:</u>										
Stock-based compensation expense	(4)	(3)	(3)	(4)	(14)	(3)	(3)	(4)	(4)	(14)
Intangibles amortization	(2)	(3)	(3)	(2)	(10)	(3)	(2)	(2)	(3)	(10)
Other	-	(1)	-	-	(1)	-	(1)	(1)	-	(2)
<b>Subtotal</b>	<b>(\$6)</b>	<b>(\$7)</b>	<b>(\$6)</b>	<b>(\$6)</b>	<b>(\$25)</b>	<b>(\$6)</b>	<b>(\$6)</b>	<b>(\$7)</b>	<b>(\$7)</b>	<b>(\$26)</b>
<b>Adjusted SG&amp;A</b>	<b>\$48</b>	<b>\$34</b>	<b>\$39</b>	<b>\$47</b>	<b>\$168</b>	<b>\$39</b>	<b>\$38</b>	<b>\$35</b>	<b>\$37</b>	<b>\$149</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)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Net income / (loss) attributable to Visteon</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>\$18</b>	<b>(\$56)</b>	<b>\$16</b>	<b>(\$11)</b>	<b>\$5</b>	<b>\$31</b>	<b>\$41</b>
Average shares outstanding, diluted	27.9	27.8	28.0	28.2	27.9	28.4	28.0	28.4	28.4	28.4
<b>Earnings / (loss) per share</b>	<b>(\$1.25)</b>	<b>(\$1.62)</b>	<b>\$0.21</b>	<b>\$0.64</b>	<b>(\$2.01)</b>	<b>\$0.56</b>	<b>(\$0.39)</b>	<b>\$0.18</b>	<b>\$1.09</b>	<b>\$1.44</b>
<b>Memo: Adjusted EPS</b>										
<b>Net income / (loss) attributable to Visteon</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>\$18</b>	<b>(\$56)</b>	<b>\$16</b>	<b>(\$11)</b>	<b>\$5</b>	<b>\$31</b>	<b>\$41</b>
Restructuring and impairment expense	33	4	32	7	76	(1)	1	(2)	16	14
Other	-	2	1	6	9	1	1	2	1	5
Tax effect of adjustments	-	(1)	-	(1)	(2)	-	-	-	-	-
<b>Subtotal</b>	<b>\$33</b>	<b>\$5</b>	<b>\$33</b>	<b>\$12</b>	<b>\$83</b>	<b>\$0</b>	<b>\$2</b>	<b>\$0</b>	<b>\$17</b>	<b>\$19</b>
<b>Adjusted net income / (loss)</b>	<b>(\$2)</b>	<b>(\$40)</b>	<b>\$39</b>	<b>\$30</b>	<b>\$27</b>	<b>\$16</b>	<b>(\$9)</b>	<b>\$5</b>	<b>\$48</b>	<b>\$60</b>
Average shares outstanding, diluted	27.9	27.8	28.0	28.2	27.9	28.4	28.0	28.4	28.4	28.4
<b>Adjusted earnings / (loss) per share</b>	<b>(\$0.07)</b>	<b>(\$1.44)</b>	<b>\$1.39</b>	<b>\$1.06</b>	<b>\$0.97</b>	<b>\$0.56</b>	<b>(\$0.32)</b>	<b>\$0.18</b>	<b>\$1.69</b>	<b>\$2.11</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)	2020					2021					FY 2022
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Guidance Midpoint
<b>Net income / (loss) attributable to Visteon</b>	<b>(\$35)</b>	<b>(\$45)</b>	<b>\$6</b>	<b>\$18</b>	<b>(\$56)</b>	<b>\$16</b>	<b>(\$11)</b>	<b>\$5</b>	<b>\$31</b>	<b>\$41</b>	<b>\$121</b>
Depreciation and amortization	25	25	25	29	104	27	28	27	26	108	105
Restructuring and impairment expense	33	4	32	7	76	(1)	1	(2)	16	14	5
Interest expense, net	2	3	5	1	11	2	2	2	2	8	10
Equity in net (income) / loss of non-consolidated affiliates	(1)	(1)	(2)	(2)	(6)	-	-	(2)	(4)	(6)	(6)
Provision for income taxes	5	2	12	9	28	12	4	4	11	31	40
Net income / (loss) attributable to non-controlling interests	(1)	3	4	2	8	3	-	2	4	9	10
Non-cash, stock-based compensation	5	4	4	5	18	4	5	4	5	18	25
Other	-	2	1	6	9	1	1	2	1	5	5
<b>Subtotal</b>	<b>\$68</b>	<b>\$42</b>	<b>\$81</b>	<b>\$57</b>	<b>\$248</b>	<b>\$48</b>	<b>\$41</b>	<b>\$37</b>	<b>\$61</b>	<b>\$187</b>	<b>\$194</b>
<b>Adjusted EBITDA</b>	<b>\$33</b>	<b>(\$3)</b>	<b>\$87</b>	<b>\$75</b>	<b>\$192</b>	<b>\$64</b>	<b>\$30</b>	<b>\$42</b>	<b>\$92</b>	<b>\$228</b>	<b>\$315</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)	2020					2021					FY 2022
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Guidance Midpoint
<b>Cash flow from (for) operating activities</b>	<b>\$25</b>	<b>(\$38)</b>	<b>\$110</b>	<b>\$71</b>	<b>\$168</b>	<b>\$11</b>	<b>(\$10)</b>	<b>(\$13)</b>	<b>\$70</b>	<b>\$58</b>	<b>\$200</b>
Less: Capital expenditures, including intangibles	(44)	(21)	(18)	(21)	(104)	(18)	(15)	(21)	(16)	(70)	(110)
<b>Free cash flow</b>	<b>(\$19)</b>	<b>(\$59)</b>	<b>\$92</b>	<b>\$50</b>	<b>\$64</b>	<b>(\$7)</b>	<b>(\$25)</b>	<b>(\$34)</b>	<b>\$54</b>	<b>(\$12)</b>	<b>\$90</b>
Exclude: Restructuring-related payments	5	7	11	9	32	16	9	4	5	34	10
<b>Adjusted free cash flow</b>	<b>(\$14)</b>	<b>(\$52)</b>	<b>\$103</b>	<b>\$59</b>	<b>\$96</b>	<b>\$9</b>	<b>(\$16)</b>	<b>(\$30)</b>	<b>\$59</b>	<b>\$22</b>	<b>\$100</b>

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



## Adjusted EBITDA Build-up

(Dollars in millions)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	\$643	\$371	\$747	\$787	\$2,548	\$746	\$610	\$631	\$786	\$2,773
Gross margin	\$53	\$4	\$99	\$89	\$245	\$73	\$35	\$47	\$99	\$254
Intangibles amortization	1	1	-	-	2	-	-	-	1	1
Stock-based compensation expense	1	1	1	1	4	1	2	-	1	4
Other	-	1	1	1	3	1	-	1	1	3
<b>Adjusted gross margin</b>	<b>\$55</b>	<b>\$7</b>	<b>\$101</b>	<b>\$91</b>	<b>\$254</b>	<b>\$75</b>	<b>\$37</b>	<b>\$48</b>	<b>\$102</b>	<b>\$262</b>
<i>% of sales</i>	<i>8.6%</i>	<i>1.9%</i>	<i>13.5%</i>	<i>11.6%</i>	<i>10.0%</i>	<i>10.1%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>13.0%</i>	<i>9.4%</i>
SG&A	(\$54)	(\$41)	(\$45)	(\$53)	(\$193)	(\$45)	(\$44)	(\$42)	(\$44)	(\$175)
Intangibles amortization	2	3	3	2	10	3	2	2	3	10
Stock-based compensation expense	4	3	3	4	14	3	3	4	4	14
Other	-	1	-	-	1	-	1	1	-	2
<b>Adjusted SG&amp;A</b>	<b>(\$48)</b>	<b>(\$34)</b>	<b>(\$39)</b>	<b>(\$47)</b>	<b>(\$168)</b>	<b>(\$39)</b>	<b>(\$38)</b>	<b>(\$35)</b>	<b>(\$37)</b>	<b>(\$149)</b>
Adjusted EBITDA										
Adjusted gross margin	\$55	\$7	\$101	\$91	\$254	\$75	\$37	\$48	\$102	\$262
Adjusted SG&A	(48)	(34)	(39)	(47)	(168)	(39)	(38)	(35)	(37)	(149)
D&A	22	21	22	27	92	24	26	25	22	97
Pension financing benefits, net	4	3	3	4	14	4	5	4	5	18
<b>Adjusted EBITDA</b>	<b>\$33</b>	<b>(\$3)</b>	<b>\$87</b>	<b>\$75</b>	<b>\$192</b>	<b>\$64</b>	<b>\$30</b>	<b>\$42</b>	<b>\$92</b>	<b>\$228</b>
<i>% of sales</i>	<i>5.1%</i>	<i>(0.8%)</i>	<i>11.6%</i>	<i>9.5%</i>	<i>7.5%</i>	<i>8.6%</i>	<i>4.9%</i>	<i>6.7%</i>	<i>11.7%</i>	<i>8.2%</i>
Equity in affiliates	\$1	\$1	\$2	\$2	\$6	-	-	\$2	\$4	\$6
Noncontrolling interests	1	(3)	(4)	(2)	(8)	(3)	-	(2)	(4)	(9)

# Net Engineering



(Dollars in millions)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Engineering costs, net</u>										
Engineering costs, gross	(\$100)	(\$78)	(\$79)	(\$78)	(\$335)	(\$80)	(\$86)	(\$80)	(\$79)	(\$325)
Recoveries	27	33	31	43	134	21	39	28	46	134
<b>Engineering costs, net</b>	<b>(\$73)</b>	<b>(\$45)</b>	<b>(\$48)</b>	<b>(\$35)</b>	<b>(\$201)</b>	<b>(\$59)</b>	<b>(\$47)</b>	<b>(\$52)</b>	<b>(\$33)</b>	<b>(\$191)</b>

# Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Income Statement</b>										
Sales	\$643	\$371	\$747	\$787	\$2,548	\$746	\$610	\$631	\$786	\$2,773
Gross margin	53	4	99	89	245	73	35	47	99	254
SG&A	54	41	45	53	193	45	44	42	44	175
Net income / (loss) attributable to Visteon	(35)	(45)	6	18	(56)	16	(11)	5	31	41
Earnings / (loss) per share, diluted	(\$1.25)	(\$1.62)	\$0.21	\$0.64	(\$2.01)	\$0.56	(\$0.39)	\$0.18	\$1.09	\$1.44
<b>Cash Flow Statement</b>										
Cash flow from (for) operating activities	\$25	(\$38)	\$110	\$71	\$168	\$11	(\$10)	(\$13)	\$70	\$58
Capital expenditures, including intangibles	44	21	18	21	104	18	15	21	16	70

# Recast: Sales Build by Product

## Sales by product category

- Effective as of the 2021 10-K Filing, the Company updated its product lines reporting to better reflect its product portfolio given the emergence of new and growing product lines
- The below table provides an overview of sales by product based on the new categorization and we are providing quarterly data for comparative purposes only on a like-for-like basis

(Dollars in millions)	2020					2021				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Instrument Clusters	284	183	347	383	1,197	351	298	309	398	1,356
Information Displays	109	54	135	125	423	118	97	86	101	402
Infotainment	120	42	108	114	384	118	77	86	89	370
Cockpit Domain Controller	35	22	49	49	155	46	43	60	77	226
Body & Security	25	13	28	33	99	35	28	25	39	127
Telematics	12	17	14	14	57	18	16	15	15	64
Other	58	40	66	69	233	60	51	50	67	228
<b>Total</b>	<b>\$643</b>	<b>\$371</b>	<b>\$747</b>	<b>\$787</b>	<b>\$2,548</b>	<b>\$746</b>	<b>\$610</b>	<b>\$631</b>	<b>\$786</b>	<b>\$2,773</b>

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