

Visteon Q2 2022 Earnings

July 28, 2022



Visteon®

 Net Sales \$848 Million 42% Y/Y Growth ⁽¹⁾	 Adjusted EBITDA \$79 Million 9.3% Margin	 Adjusted FCF (\$62) Million \$325 Million Total Cash
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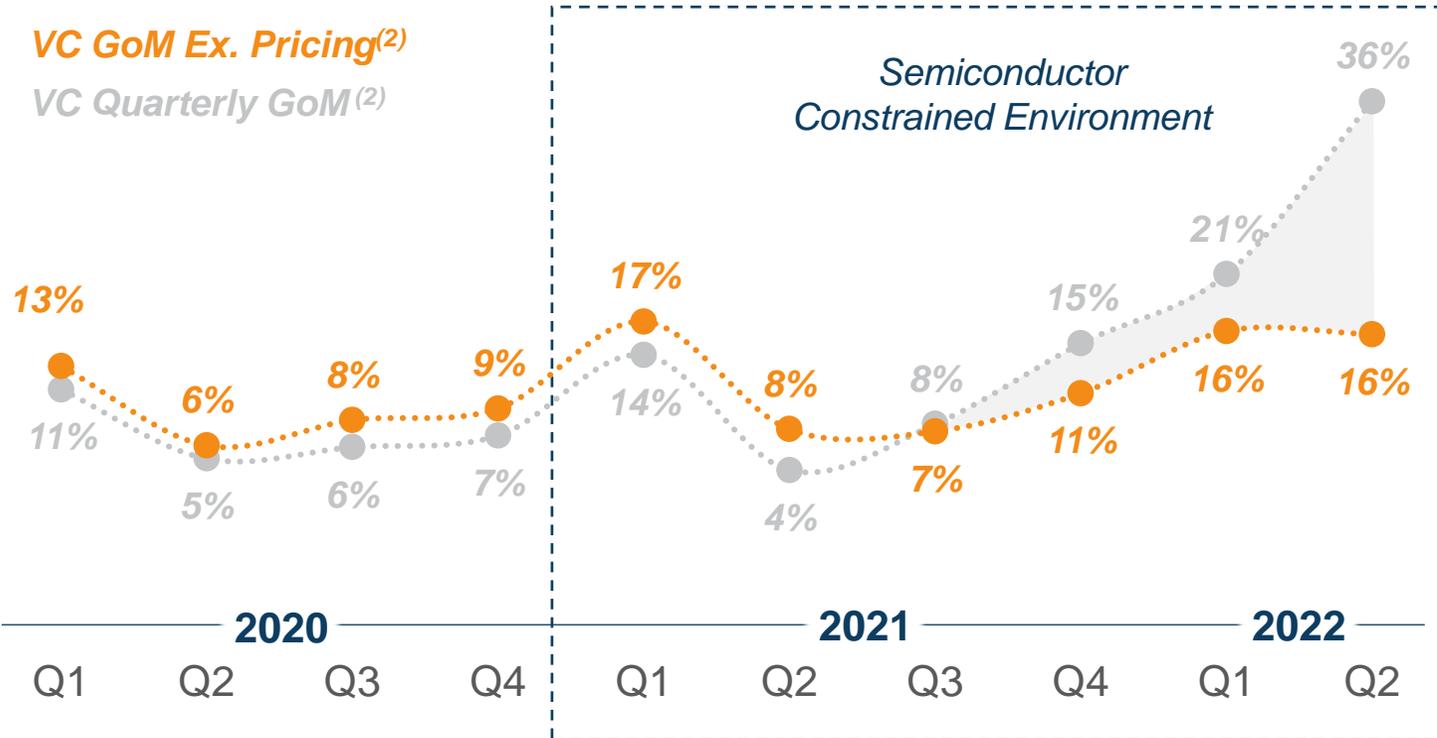
STRONG PRODUCT PORTFOLIO CONTINUES TO DRIVE GROWTH

CONTINUED MARKET OUT-PERFORMANCE  13 consecutive quarters of GoM ⁽²⁾	HIGH NUMBER OF NEW PRODUCT LAUNCHES  27 product launches YTD	ROBUST NEW BUSINESS WIN ACTIVITY  \$3.1 billion of new business wins YTD	LEADING DOMAIN CONTROLLER PLATFORM  Positioned for further SmartCore™ growth	MAINTAINING STRONG LIQUIDITY  Refinanced debt maturities out to 2027
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Robust Sales Performance in a Constrained Environment

Double-digit growth-over-market driven by agile sourcing and product redesigns

Sales Growth-Over-Market Progression⁽¹⁾

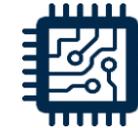


Key GoM Drivers



Product Launches

High number of new digital product launches



Customer Recoveries

Ongoing customer negotiations to recover elevated costs related to semiconductors



Agile Sourcing

Open market purchases and identification of alternative parts driving supply improvement



Redesigns

Proactive product redesigns to reduce use of critically short semiconductors

Strong Sales Across Regions and Products

Robust growth driven by recent launch activity

Y/Y Regional Sales Highlights⁽¹⁾

Visteon[®]

+60%

+30%

*Customer
Production*

Americas

- Customer vehicle production improved over last year
- Visteon sales higher due to ramp up of recently launched products

Visteon[®]

+17%

+9%

*Customer
Production*

Europe

- Positive customer mix primarily driven by luxury OEMs
- Open market purchases and product redesigns drove higher sales for Visteon

Visteon[®]

+2%

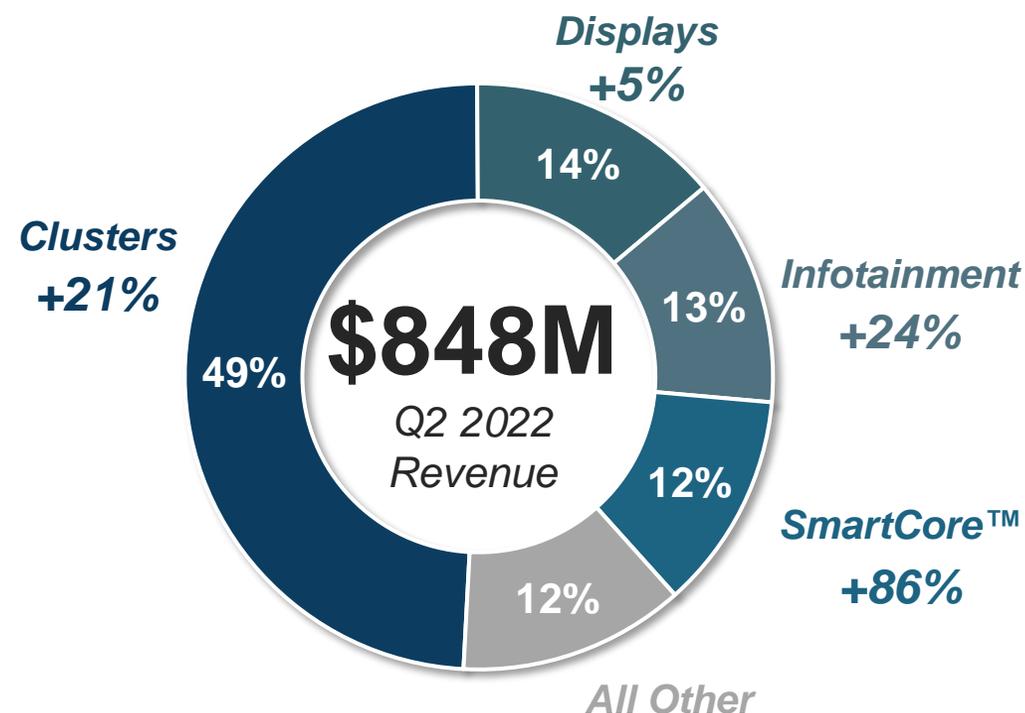
(11%)

*Customer
Production*

Asia

- Customer mix down in China and Japan
- Visteon sales driven by new SmartCore™ launches in China and India

Y/Y Product Sales Highlights⁽¹⁾



Total sales +42% (ex. F/X) and +22% ex. net pricing and F/X

Key Q2 Launches

11 program launches across 8 car manufacturers

Q2 2022 Key Launches



Ford T6 Platform
Digital Cluster



Maserati Grecale
Multi-Display Module,
Rear-Seat Entertainment



smart #1 SUV
Cockpit Domain Controller



Citroen C3
Infotainment System

In the Spotlight: Curved Center Stacked Display – Maserati Grecale



Single Curved
Cover Lens Design

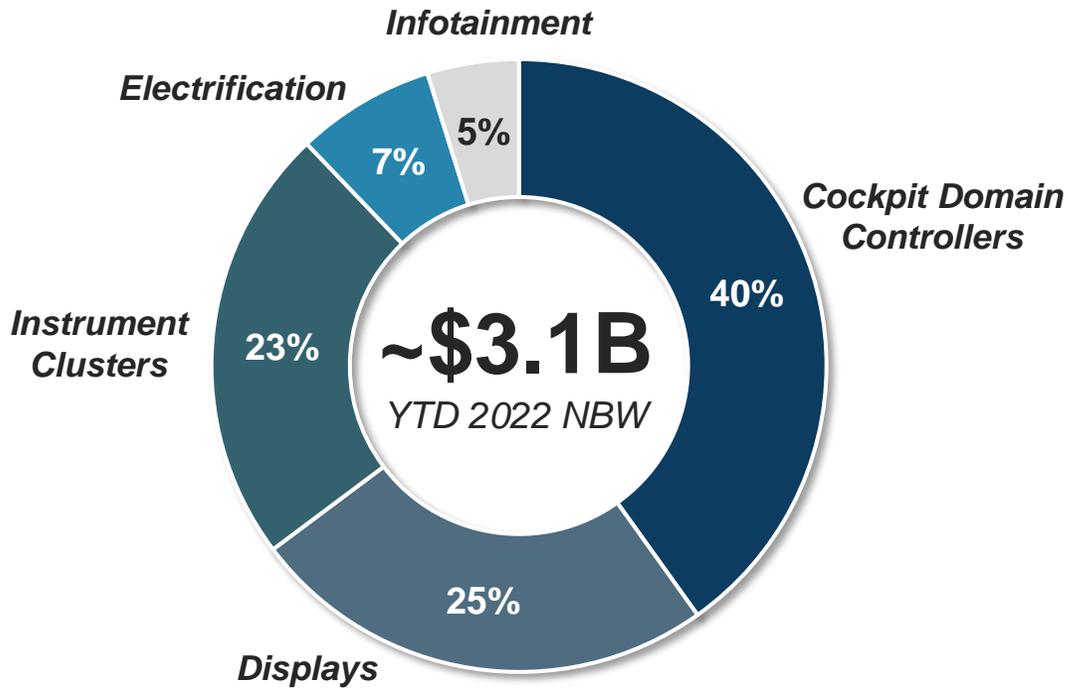
Complex Manufacturing
Capabilities

Optical Bonding
Expertise

New Business Wins

Next-generation products driving ongoing success in NBWs

YTD 2022 New Business Wins



2

New SmartCore™ customers added

50%+

Of YTD 2022 new business wins on EVs

Key Q2 New Business Win Highlights



Center Information Display

First major cockpit display program win with luxury European OEM



Digital Cluster

12" all-digital cluster platform program for B-Segment vehicles with Japanese OEM



Cockpit Domain Controller

New SmartCore™ customer for all-new EV platform in Europe

SmartCore™ Cockpit Domain Controller

Industry-leading, next-generation technology for digital cockpits



SmartCore™ Summary

12
Customers

6
Customers
Launched To-Date

10%+
Expected % of Total
Sales for FY2022

Visteon's Latest Generation SmartCore™ Solution



Advanced software capabilities of SmartCore™ enabling centralized computing systems for next-gen cockpits

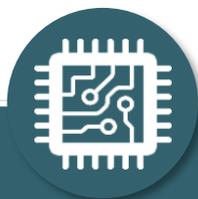
Market Dynamics for Remainder of Year

Continuing to deliver in-line with full-year guidance



Customer Demand

- ❑ Continues to be robust driven by an increased demand for digitalization
- ❑ Recent launches contribute to incremental sales in second half
- ❑ Pent-up demand for dealer inventory restocking



Supply Availability

- ❑ Improved supply from Shanghai lockdown recovery
- ❑ Product redesigns providing alternative sources for parts
- ❑ Reduced number of critical parts in short supply



Commercial Recoveries

- ❑ Negotiations on-track with most OEM customers
- ❑ Improving semiconductor supply expected to reduce open market purchases
- ❑ On track to achieve full-year recovery goals

Maintaining full-year guidance

Summary



Record Sales Performance in a Challenging Environment

Delivered 13th straight quarter of growth-over-market relative to our customers' production



Operational Excellence Delivers Robust Financial Performance

Commercial and cost discipline drove 9.3% EBITDA margin



Fundamentals of Business Remain Strong

27 new product launches year-to-date across product portfolio and customer base



SmartCore™ Enabling Software Defined Future

Leading cockpit domain controller business supporting OEMs' digital transformation



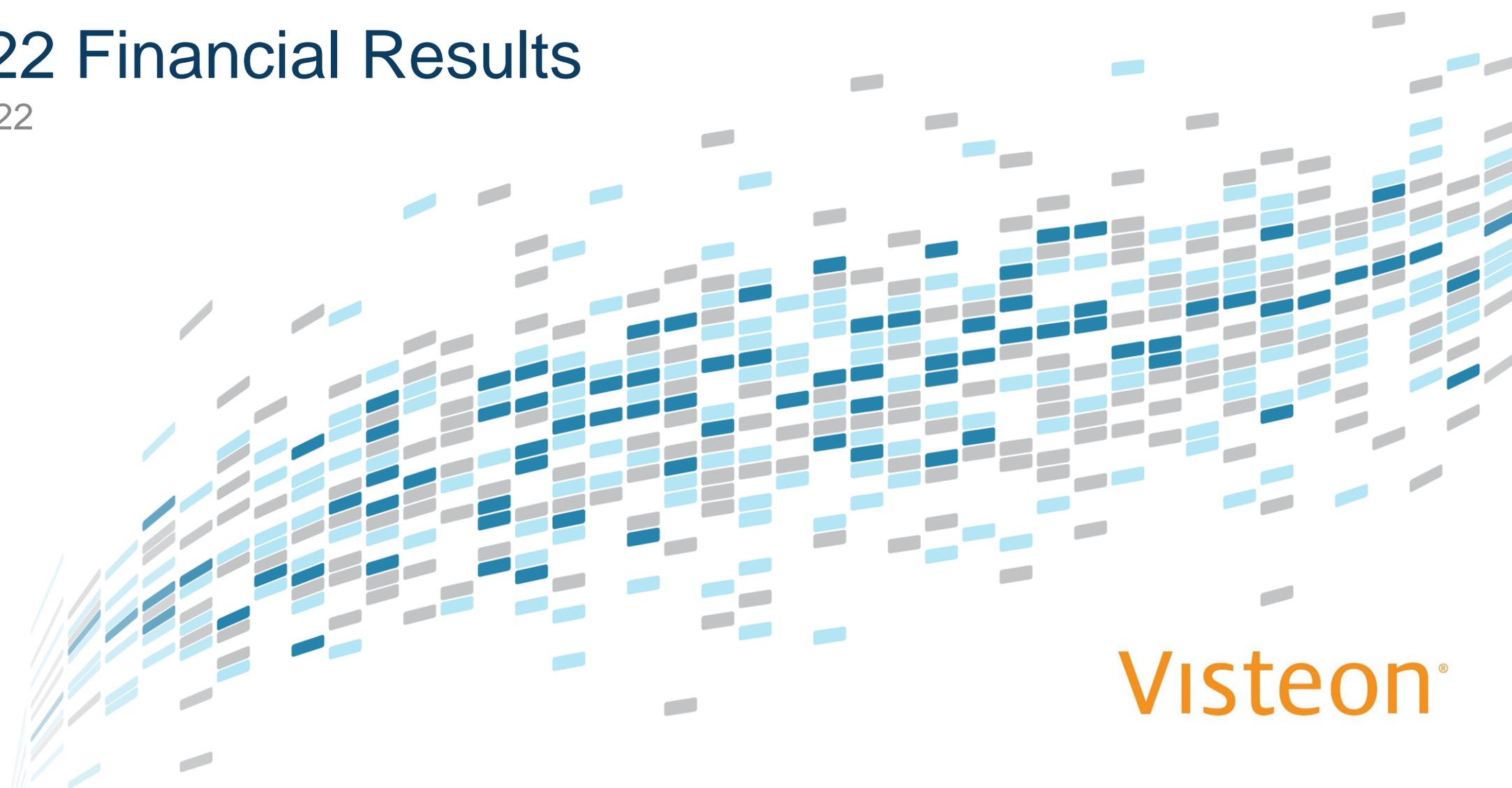
Building the Foundation for Future Growth

\$3.1 billion in new business wins including strong momentum in SmartCore™ wins



Q2 2022 Financial Results

July 28, 2022



Visteon®

Q2 2022 in Review

Robust results in a challenging environment



Net Sales

\$848 Million

42% Y/Y Growth⁽¹⁾

- ▶ Strong top-line growth driven by robust demand for digital cockpit products
- ▶ Performance supported by proactive open market purchases and product redesigns
- ▶ Incremental supply chain cost recoveries through ongoing customer negotiations



Adjusted EBITDA

\$79 Million

9.3% Margin

- ▶ Benefiting from operating leverage due to higher sales
- ▶ Costs remain elevated due to ongoing supply chain pressures
- ▶ Margin benefited from ongoing commercial and cost discipline



Adjusted FCF

(\$62) Million

\$325 Million Total Cash

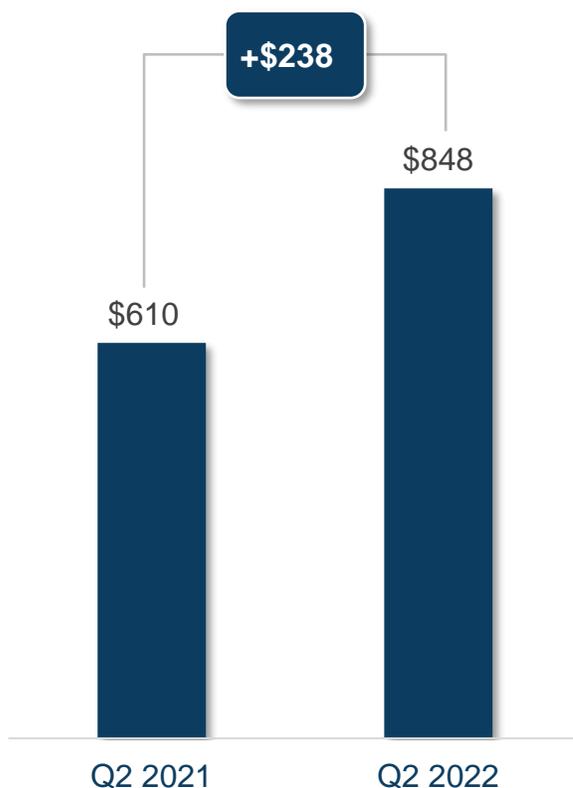
- ▶ Year-to-date increase in inventory due to unevenness of supply chain
- ▶ Unfavorable timing of customer recovery collections
- ▶ Finished the quarter with net debt of \$24 million and net leverage ratio of 0.1x

Q2 2022 Y/Y Key Drivers

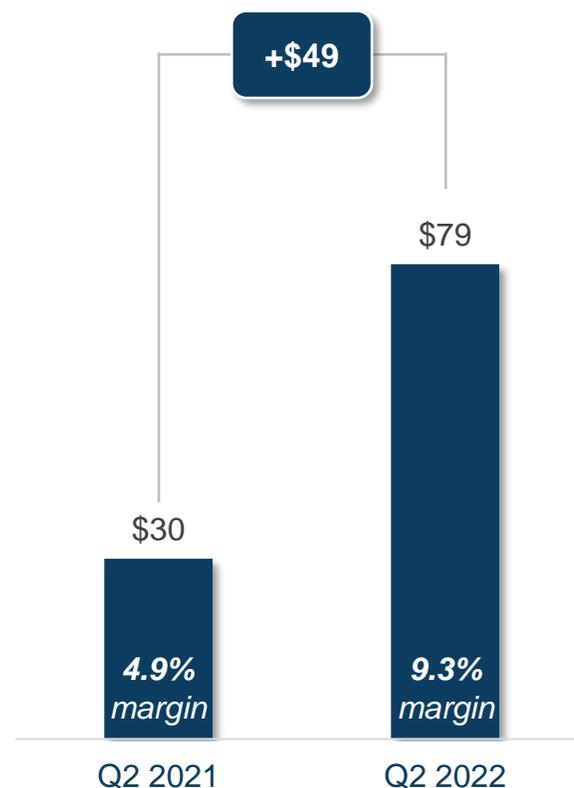
Sales and EBITDA expansion despite challenging environment

(Dollars in millions)

Sales



Adjusted EBITDA



Q2 2022 Key Drivers

- ☐ Robust growth-over-market driven by product launches and customer pricing
- ☐ Pricing includes partial recovery of Q1 supply chain costs and elevated open market purchases in Q2
- ☐ EBITDA performance driven by:
 - ▲ Higher sales volume
 - ▲ Positive pricing mitigating increased semiconductor costs
 - ▲ Gross engineering and SG&A remain stable
 - ▼ Higher freight and logistics costs
 - ▼ Margin dilution from recoveries

YTD 2022 Cash Flow and Balance Sheet

Extended debt maturity profile through 2027

Strong Balance Sheet

	\$325 million
Cash	Provides flexibility and supports future growth
	2027 Maturity
Debt	Refinanced credit facilities to extend maturity out to 2027
	0.1x
Net Debt / LTM EBITDA	Strong balance sheet provides significant flexibility

(Dollars in Millions)	YTD 2021	YTD 2022
Adjusted EBITDA	\$94	\$150
Trade Working Capital	(50)	(138)
Cash Taxes	(11)	(15)
Interest Payments	(7)	(5)
Other Changes	(0)	(55)
Capital Expenditures	(33)	(36)
Adjusted FCF	(\$7)	(\$99)

Maintaining 2022 Full-Year Outlook

Commercial and cost discipline support outlook

(Dollars in millions)

Commentary



Sales

\$3,150 – \$3,350
+17% Y/Y

- Customer production growth and recent product launches driving year-over-year performance
- Elevated open market purchases driving sales to high end of the range



Adj. EBITDA

\$295 – \$335
9.4% – 10.0% Margin

- Customer cost recovery negotiations progressing as anticipated
- Continuing to leverage optimized cost structure



Adj. FCF

\$85 – \$115
~30% Conversion

- Capex of ~\$100 million (~3.0% of sales at mid-point)
- Expecting unwind of working capital in second half of the year

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

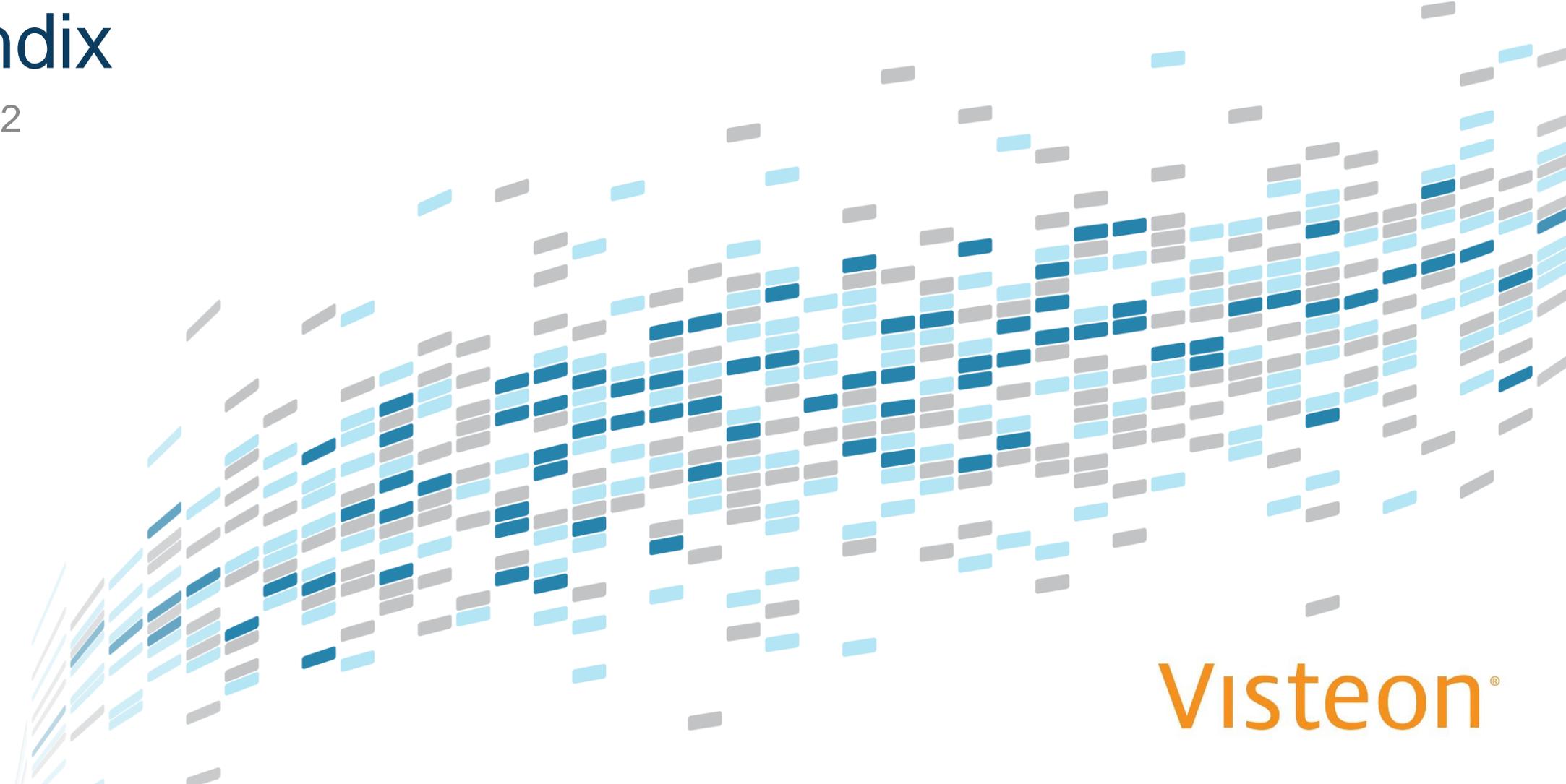


Strong Balance Sheet

- ▶ \$325 million in cash to provide flexibility and support future growth
- ▶ No material debt maturities until 2027
- ▶ 0.1x net debt / trailing 12-month adjusted EBITDA

Appendix

July 28, 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;
 - disruptions in information technology systems including, but not limited to, system failure, cyber-attack, malicious computer software (malware), unauthorized physical or electronic access, or other natural or man-made incidents or disasters;
 - 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 Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2022. 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)	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD
Gross margin	\$73	\$35	\$47	\$99	\$254	\$76	\$74	\$150
<u>Less:</u>								
Stock-based compensation expense	1	2	-	1	4	1	3	4
Intangibles amortization	-	-	-	1	1	-	-	-
Other	1	-	1	1	3	2	10	12
Subtotal	\$2	\$2	\$1	\$3	\$8	\$3	\$13	\$16
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79	\$87	\$166

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)	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD
SG&A	\$45	\$44	\$42	\$44	\$175	\$44	\$43	\$87
<u>Less:</u>								
Stock-based compensation expense	(3)	(3)	(4)	(4)	(14)	(4)	(5)	(9)
Intangibles amortization	(3)	(2)	(2)	(3)	(10)	(3)	(3)	(6)
Other	-	(1)	(1)	-	(2)	-	-	-
Subtotal	(\$6)	(\$6)	(\$7)	(\$7)	(\$26)	(\$7)	(\$8)	(\$15)
Adjusted SG&A	\$39	\$38	\$35	\$37	\$149	\$37	\$35	\$72

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 along with 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)	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD
Net income / (loss) attributable to Visteon	\$16	(\$11)	\$5	\$31	\$41	\$22	\$24	\$46
Average shares outstanding, diluted	28.4	28.0	28.4	28.4	28.4	28.4	28.4	28.5
Earnings / (loss) per share	\$0.56	(\$0.39)	\$0.18	\$1.09	\$1.44	\$0.77	\$0.85	\$1.61
<hr/>								
<u>Memo: Adjusted EPS</u>								
Net income / (loss) attributable to Visteon	\$16	(\$11)	\$5	\$31	\$41	\$22	\$24	\$46
Restructuring and impairment expense	(1)	1	(2)	16	14	7	4	11
Other	1	1	2	1	5	2	10	12
Subtotal	\$0	\$2	\$0	\$17	\$19	\$9	\$14	\$23
Adjusted net income / (loss)	\$16	(\$9)	\$5	\$48	\$60	\$31	\$38	\$69
Average shares outstanding, diluted	28.4	28.0	28.4	28.4	28.4	28.4	28.4	28.5
Adjusted earnings / (loss) per share	\$0.56	(\$0.32)	\$0.18	\$1.69	\$2.11	\$1.09	\$1.34	\$2.42

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)	2021					2022			FY 2022
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD	Guidance Midpoint
Net income / (loss) attributable to Visteon	\$16	(\$11)	\$5	\$31	\$41	\$22	\$24	\$46	\$111
Depreciation and amortization	27	28	27	26	108	27	25	52	105
Restructuring and impairment expense	(1)	1	(2)	16	14	7	4	11	15
Interest expense, net	2	2	2	2	8	2	3	5	10
Equity in net (income) / loss of non-consolidated affiliates	-	-	(2)	(4)	(6)	(3)	(1)	(4)	(8)
Provision for income taxes	12	4	4	11	31	8	7	15	35
Net income / (loss) attributable to non-controlling interests	3	-	2	4	9	1	(1)	-	5
Non-cash, stock-based compensation	4	5	4	5	18	5	8	13	27
Other	1	1	2	1	5	2	10	12	15
Subtotal	\$48	\$41	\$37	\$61	\$187	\$49	\$55	\$104	\$204
Adjusted EBITDA	\$64	\$30	\$42	\$92	\$228	\$71	\$79	\$150	\$315

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)	2021					2022			FY 2022
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD	Guidance Midpoint
Cash flow from (for) operating activities	\$11	(\$10)	(\$13)	\$70	\$58	(\$21)	(\$51)	(\$72)	\$185
Less: Capital expenditures, including intangibles	(18)	(15)	(21)	(16)	(70)	(21)	(15)	(36)	(100)
Free cash flow	(\$7)	(\$25)	(\$34)	\$54	(\$12)	(\$42)	(\$66)	(\$108)	\$85
Exclude: Restructuring-related payments	16	9	4	5	34	5	4	9	15
Adjusted free cash flow	\$9	(\$16)	(\$30)	\$59	\$22	(\$37)	(\$62)	(\$99)	\$100

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



Adjusted EBITDA Build-up

(Dollars in millions)	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD
Sales	\$746	\$610	\$631	\$786	\$2,773	\$818	\$848	\$1,666
Gross margin	\$73	\$35	\$47	\$99	\$254	\$76	\$74	\$150
Intangibles amortization	-	-	-	1	1	-	-	-
Stock-based compensation expense	1	2	-	1	4	1	3	4
Other	1	-	1	1	3	2	10	12
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79	\$87	\$166
<i>% of sales</i>	<i>10.1%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>13.0%</i>	<i>9.4%</i>	<i>9.7%</i>	<i>10.3%</i>	<i>10.0%</i>
SG&A	(\$45)	(\$44)	(\$42)	(\$44)	(\$175)	(\$44)	(\$43)	(\$87)
Intangibles amortization	3	2	2	3	10	3	3	6
Stock-based compensation expense	3	3	4	4	14	4	5	9
Other	-	1	1	-	2	-	-	-
Adjusted SG&A	(\$39)	(\$38)	(\$35)	(\$37)	(\$149)	(\$37)	(\$35)	(\$72)
Adjusted EBITDA								
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79	\$87	\$166
Adjusted SG&A	(39)	(38)	(35)	(37)	(149)	(37)	(35)	(72)
D&A	24	26	25	22	97	24	22	46
Pension financing benefits, net	4	5	4	5	18	5	5	10
Adjusted EBITDA	\$64	\$30	\$42	\$92	\$228	\$71	\$79	\$150
<i>% of sales</i>	<i>8.6%</i>	<i>4.9%</i>	<i>6.7%</i>	<i>11.7%</i>	<i>8.2%</i>	<i>8.7%</i>	<i>9.3%</i>	<i>9.0%</i>
Equity in affiliates	-	-	\$2	\$4	\$6	\$3	\$1	\$4
Noncontrolling interests	(3)	-	(2)	(4)	(9)	(1)	1	-

Net Engineering



(Dollars in millions)	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD
<u>Engineering costs, net</u>								
Engineering costs, gross	(\$80)	(\$86)	(\$80)	(\$79)	(\$325)	(\$81)	(\$81)	(\$162)
Recoveries	21	39	28	46	134	33	40	73
Engineering costs, net	(\$59)	(\$47)	(\$52)	(\$33)	(\$191)	(\$48)	(\$41)	(\$89)

Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2021					2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	YTD
<u>Income Statement</u>								
Sales	\$746	\$610	\$631	\$786	\$2,773	\$818	\$848	\$1,666
Gross margin	73	35	47	99	254	76	74	150
SG&A	45	44	42	44	175	44	43	87
Net income / (loss) attributable to Visteon	16	(11)	5	31	41	22	24	46
Earnings / (loss) per share, diluted	\$0.56	(\$0.39)	\$0.18	\$1.09	\$1.44	\$0.77	\$0.85	\$1.61
<u>Cash Flow Statement</u>								
Cash flow from (for) operating activities	\$11	(\$10)	(\$13)	\$70	\$58	(\$21)	(\$51)	(\$72)
Capital expenditures, including intangibles	18	15	21	16	70	21	15	36

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