

Visteon Q4 and Full-Year 2019 Earnings

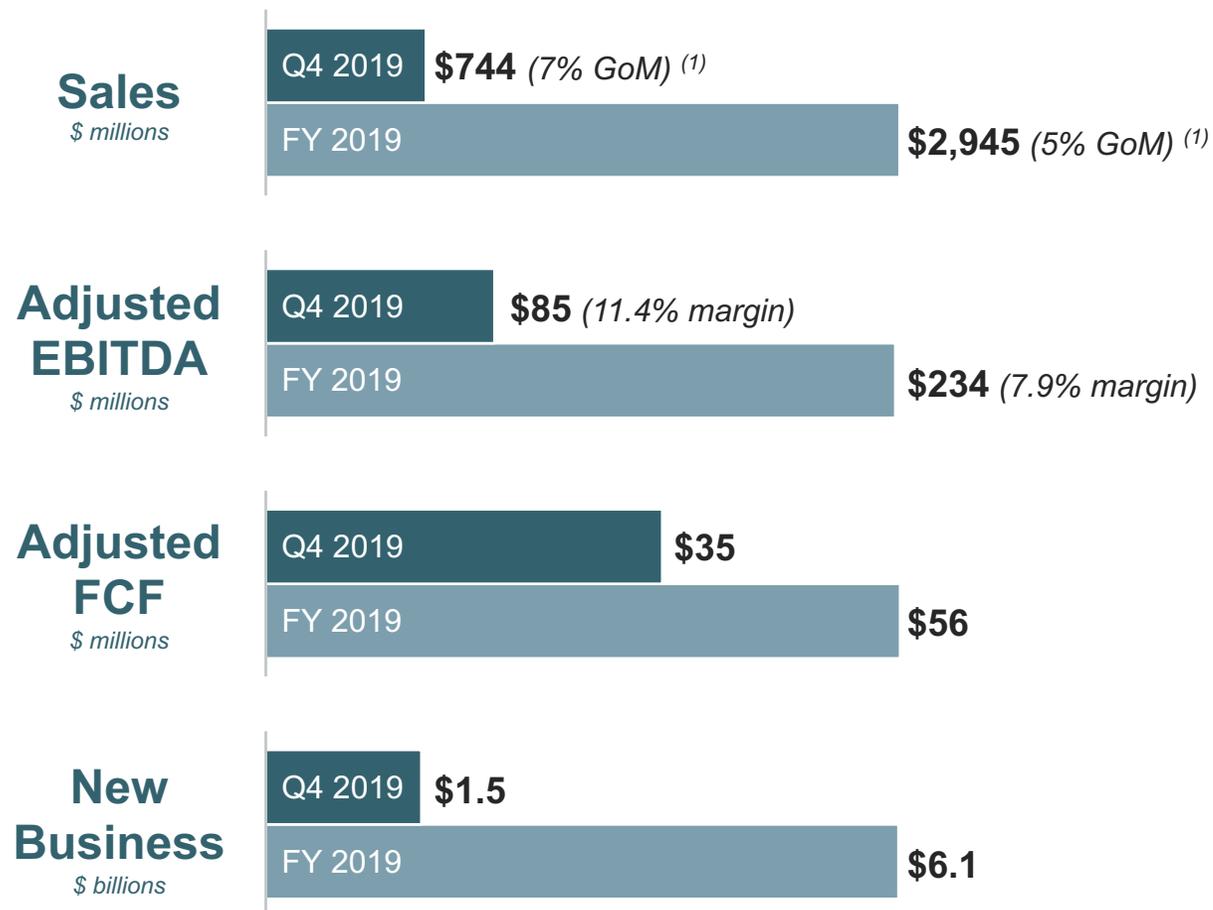
February 20, 2020



Visteon®

2019 Financial Results

Solid financial performance in challenging market environment



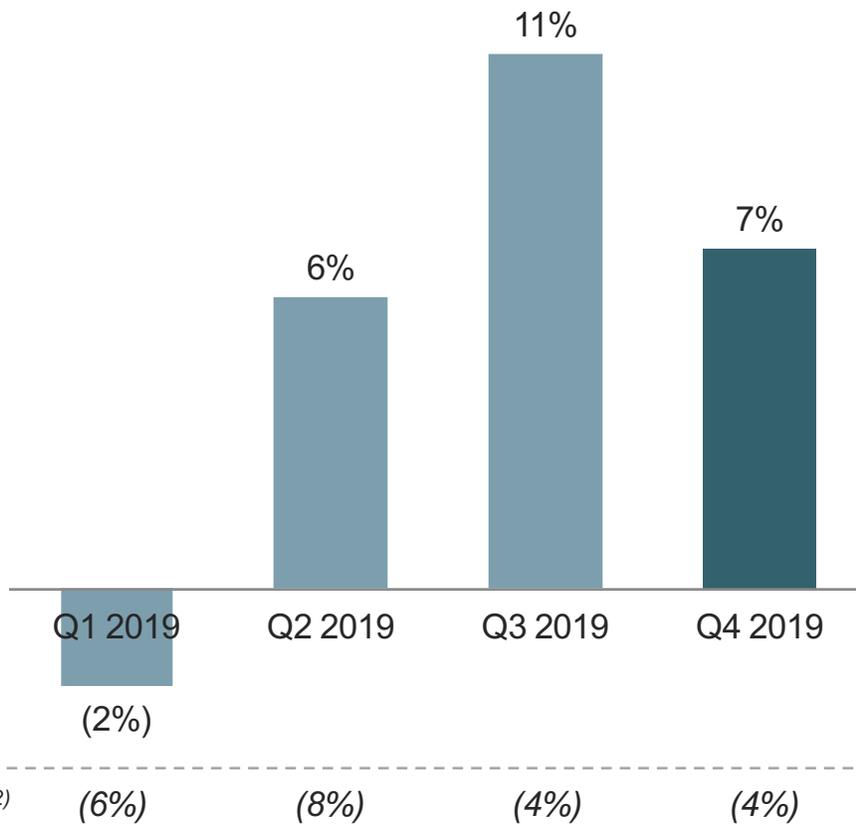
Q4 Takeaways

- Sales growth in Q4 continued to outpace the market
- Adj. EBITDA benefited from lower gross engineering and other cost performance
- Strong adj. free cash flow, driven by favorable working capital performance
- Robust new business win performance, led by digital clusters and displays

Q4 2019 Operational Performance

Third consecutive quarter of sales growth-over-market, despite challenging environment

Growth-Over-Market (1)



Visteon Q4 Drivers

- Nine product launches in China and Europe
- Lower industry production volumes
- Lower-than-expected GM volumes in China
- Continued roll-off of Mazda infotainment
- Impact of Ford launch issues and GM strike
- Double-digit sales growth of digital solutions
- Achieved targeted engineering recoveries

(1) Represents Visteon Y/Y sales growth compared to Y/Y growth in industry production volumes. Visteon Y/Y sales growth adjusted to exclude benefit of JV consolidation and currency impact. (Currency impact excluded was -3% in Q1 and Q2, -1% in Q3 and Q4, and -2% for full year).

(2) Reflects Y/Y growth in global automotive industry production volumes.

Key Accomplishments in 2019

Visteon®



Delivered Above-Market Sales Growth

Growth-over-market of 5%, excluding currency and JV consolidation



Increased Customer Portfolio Diversification

Added two new customers and expanded business with top global OEMs



Strengthened Cockpit Technology Portfolio

Launched key innovations in display, infotainment and SmartCore™ domains



Leveraged Platform Strategy for Engineering Efficiency

Increased OEM programs under development with modest increase in engineering cost



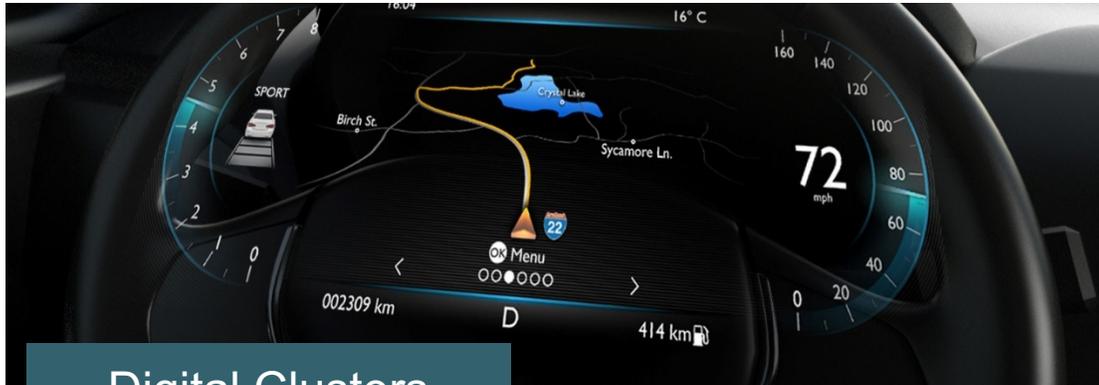
Received Supplier Excellence Awards from Several Customers

Awards with GM, Honda, JLR and Mahindra for product quality and innovation



Leading the Digitization of the Automotive Cockpit

Visteon sales of instrument cluster and display solutions outperform market



Digital Clusters

- Sales of instrument clusters grew ~9% Y/Y
- Won \$2.9 billion of new clusters business, ~30% market share
- Grew share of cluster business with global OEMs, including GM, Hyundai and Ford
- ADAS and driver monitoring to drive faster digital cluster growth



Displays

- Sales of large displays grew ~25% Y/Y, helping to offset the decline in legacy displays
- Won \$845 million in new displays business, significantly higher than prior years
- Added three new customers for multi-display modules
- Industry leader in large displays manufacturing capabilities

Enabling the Car as Mobile App Platform

Android-based display audio and cockpit domain controller solutions



Infotainment

- Sales of infotainment products (excluding Mazda) grew ~13% Y/Y
- First Visteon launch of Android-based display audio system expected in first half 2020
- Android-based infotainment programs with five OEMs
- Integration of voice-based smart assistant and surround vision to drive future growth



SmartCore™

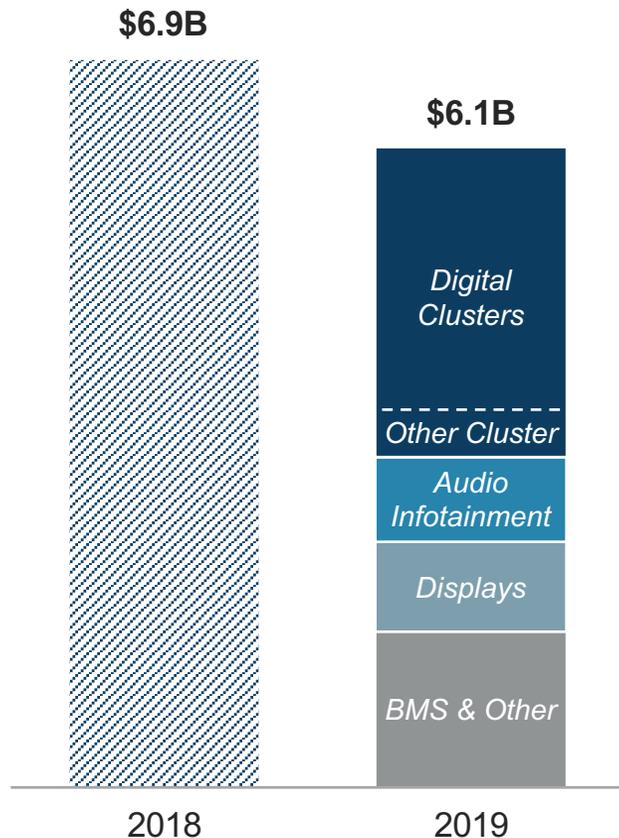
- Launched SmartCore™ cockpit domain controllers with Tata Motors and Daimler trucks
- Launching SmartCore™ with GAC in China and Mahindra in India in 2020
- Added two new customer programs for SmartCore™
- Integration of surround view, driver monitoring and voice-based smart assistant for next-gen SmartCore™

New Business Wins

Achieved another year of successful new business win performance



2019 vs. 2018 New Business Wins



Digital Product NBW Highlights

Digital Clusters

- ~30% share of cluster market for third consecutive year
- All-digital clusters entering mass market
- Balanced performance by region

Infotainment and SmartCore™

- Strong growth of Android-based infotainment
- Added two new OEMs for Android-based programs
- Two new customer programs for SmartCore™

Displays

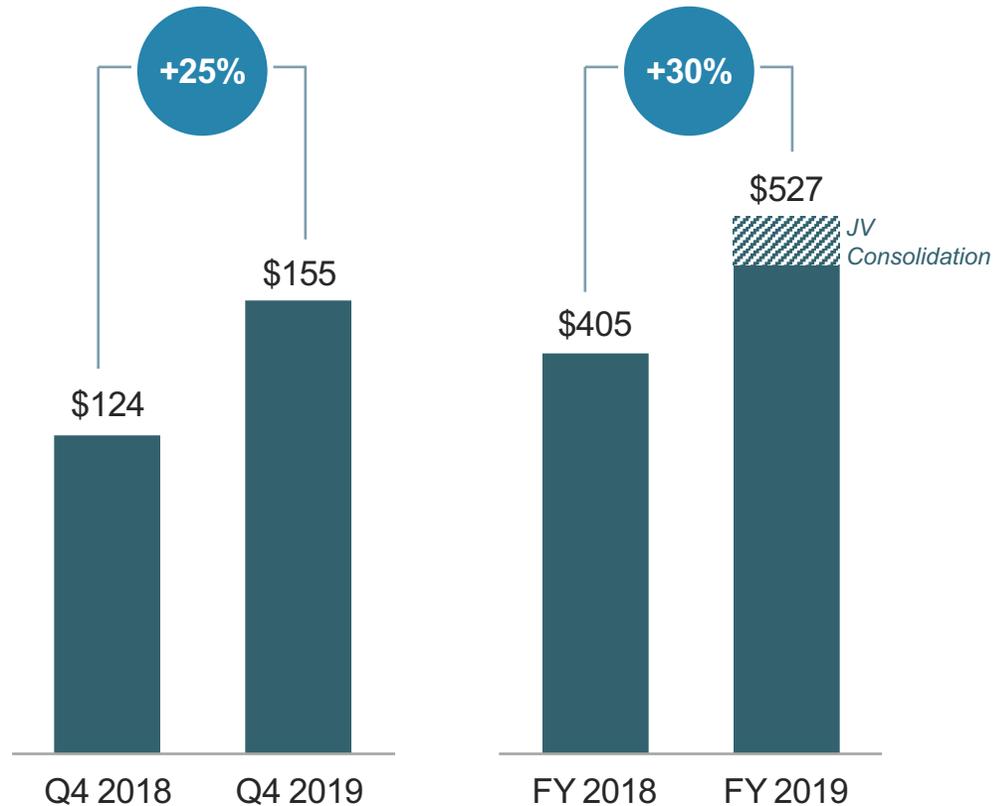
- Record display wins of \$845 million in lifetime sales
- Twelve total wins with three for multi-display modules
- ASP increase due to higher content for display systems

Visteon China Domestic Sales

New launches and higher take rates offset lower production volumes



Visteon China Domestic Sales (\$M)



Visteon China Performance Drivers

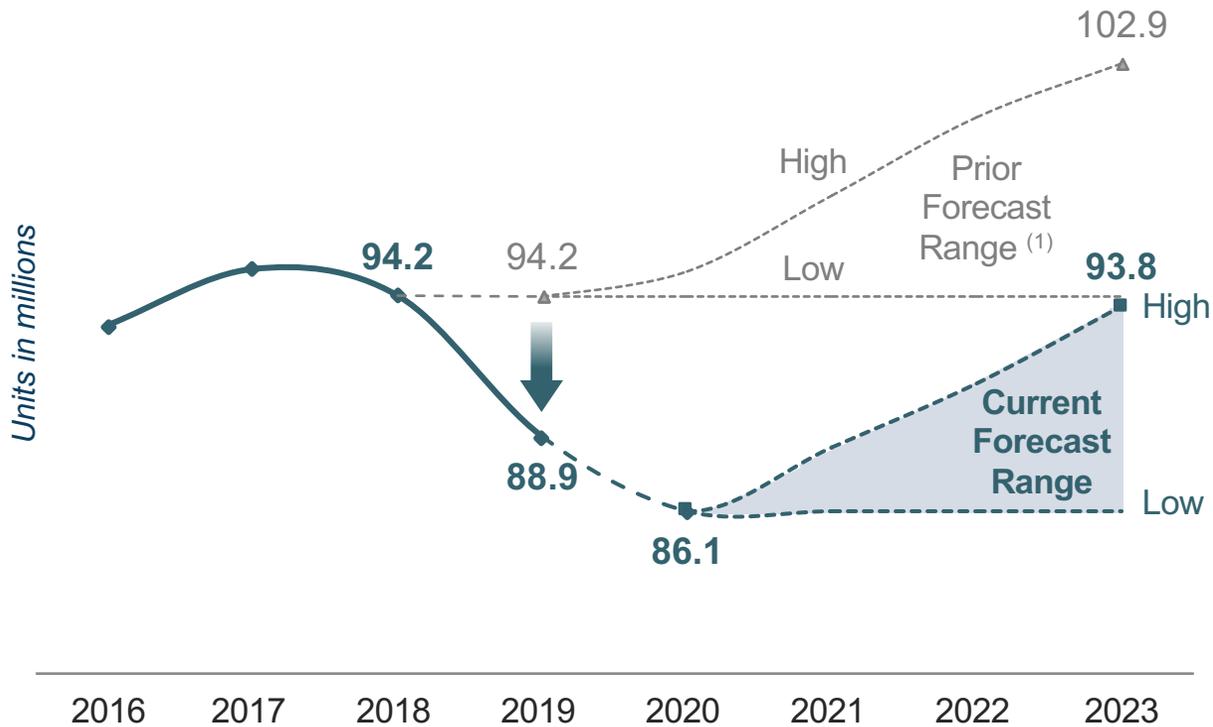
- Record level of full-year sales, driven by new product launches, higher take rates and JV consolidation
- Q4 sales growth driven by increased volumes (excluding SGM), new product launches and high take rates due to sales promotions
- Opened new manufacturing plant in Changchun to support growth of business with VW
- \$1.2 billion of new business wins, driven by digital clusters, multi-display modules and SmartCore™

2020-2023 Production Volume Assumptions

Volume projections decreased ~9-10% each year vs. prior forecast

Global Production Volumes

Visteon Assumptions (Excl. Impact of Coronavirus)



FY 2020 Regional Outlook



North America

Stable macroeconomic environment with flat vehicle production outlook



Europe

Lower expectations due to emissions, Brexit and macroeconomic concerns



China

Slowing GDP growth and weak consumer sentiment



Rest of Asia

Lower vehicle production in key regions, including Japan and India



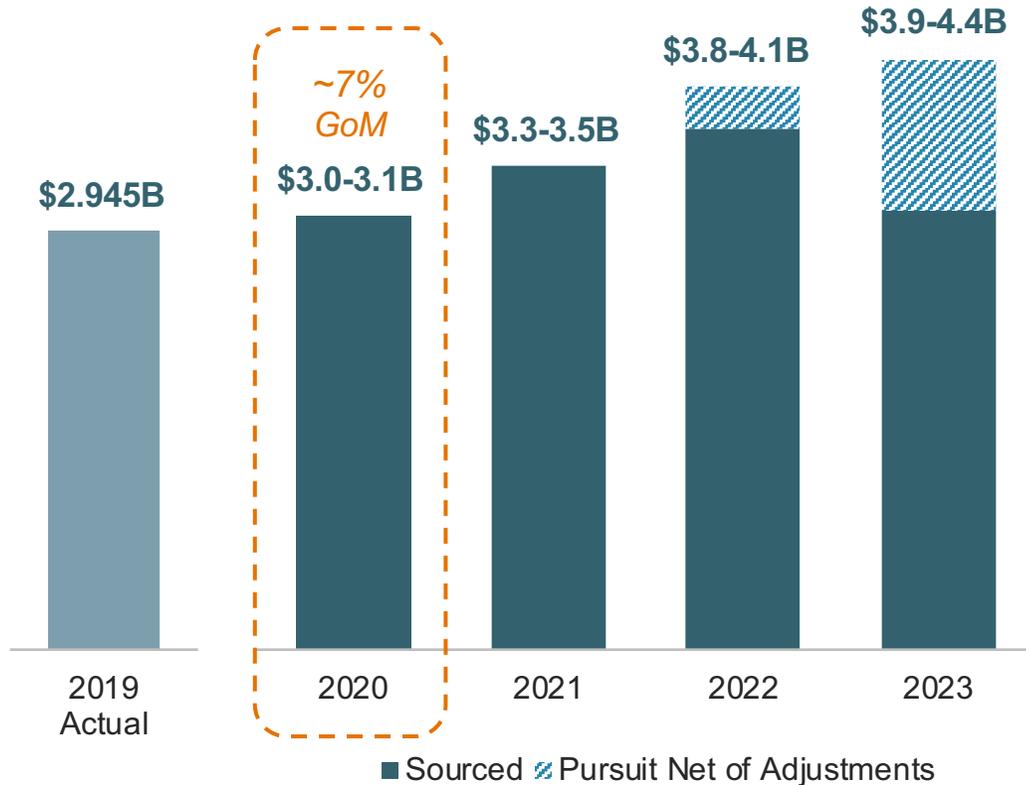
Global

Forecasting FY 2020 production volumes down ~3% Y/Y (excl. coronavirus)

2020-2023 Visteon Business Plan

Continued growth of sales above market

Sales Forecast (1)



Key Assumptions and Outlook



Volumes

2020 volume decline of ~3% Y/Y
2021-2023 volume CAGR of 0-3%



New Business

\$6.0 billion in 2020



Adjustments

Sales targets adjusted for potential OEM production volume revisions



Adjusted EBITDA Margin

2023 adjusted EBITDA margin outlook of ~12%

Coronavirus Update

Impact not included in business plan projections but we continue to monitor closely

Estimated Production Activity for Key Customers ⁽¹⁾

Customer	# of Plants	February				March			
		Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13
SAIC GM	4	Plant Shutdown	Plant Shutdown	Plant Shutdown	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational
SAIC VOLKSWAGEN	5	Plant Shutdown	Plant Shutdown	Plant Shutdown	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational
FAW-VOLKSWAGEN	5	Plant Shutdown	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational	Fully Operational
DONGFENG NISSAN	4	Plant Shutdown	Plant Shutdown	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational
GEELY	3	Plant Shutdown	Plant Shutdown	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational	Fully Operational
CHERY JAGUAR LAND ROVER	1	Plant Shutdown	Plant Shutdown	Operating >=50%	Fully Operational				
DONGFENG GROUP	4	Plant Shutdown	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational	Fully Operational
GUANGQI HONDA	1	Plant Shutdown	Plant Shutdown	Operating >=50%	Fully Operational				
Total	27	Plant Shutdown	Operating <50%	Operating <50%	Operating >=50%	Operating >=50%	Operating >=50%	Operating >=50%	Fully Operational

■ Plant Shutdown
 ■ Operating <50%
 ■ Operating >=50%
 ■ Fully Operational

Visteon's top eight OEM customers in China represent 27 different assembly plants



Q1 2020 Coronavirus Implications

Visteon Operations

- No employees infected by virus
- China represents ~25% of Visteon's 2019 sales (incl. export)

Impact to OEMs in China

- OEM customers slowly resuming production
- Impact from consumer demand unclear

Supply Chain Impact

- Visteon has ~700 suppliers with plants in China
- Suppliers operating at ~50% capacity and expected to ramp up to full capacity by April

Anticipate Q1 2020 Visteon sales impact of ~\$60 million



Summary



Q4 Financial Results

Sales of \$744 million
Adjusted EBITDA of \$85 million



China Performance

Record full-year China sales
New launches and higher take rates



Growth-Over-Market

7% GoM in Q4 and 5% for full year
Double-digit growth for digital products



2020-2023 Business Plan

~3% decline in 2020 volumes Y/Y
Expect ~9% average annual GoM



New Business Wins

\$6.1 billion in full-year wins
Record display wins of \$845 million

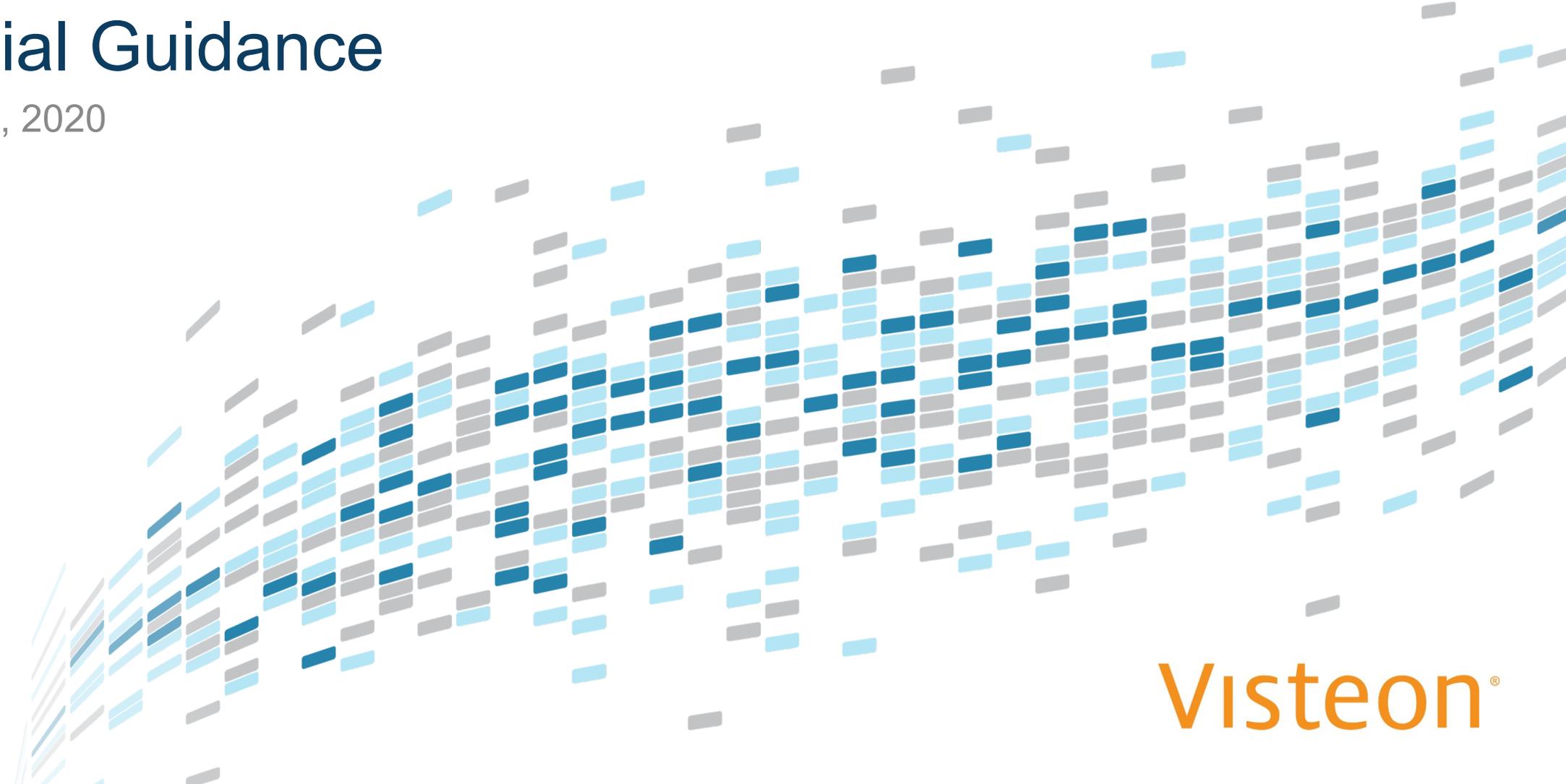


Coronavirus Update

Closely monitoring dynamic situation
Full-year 2020 impact uncertain

Q4 2019 Financial Results and Financial Guidance

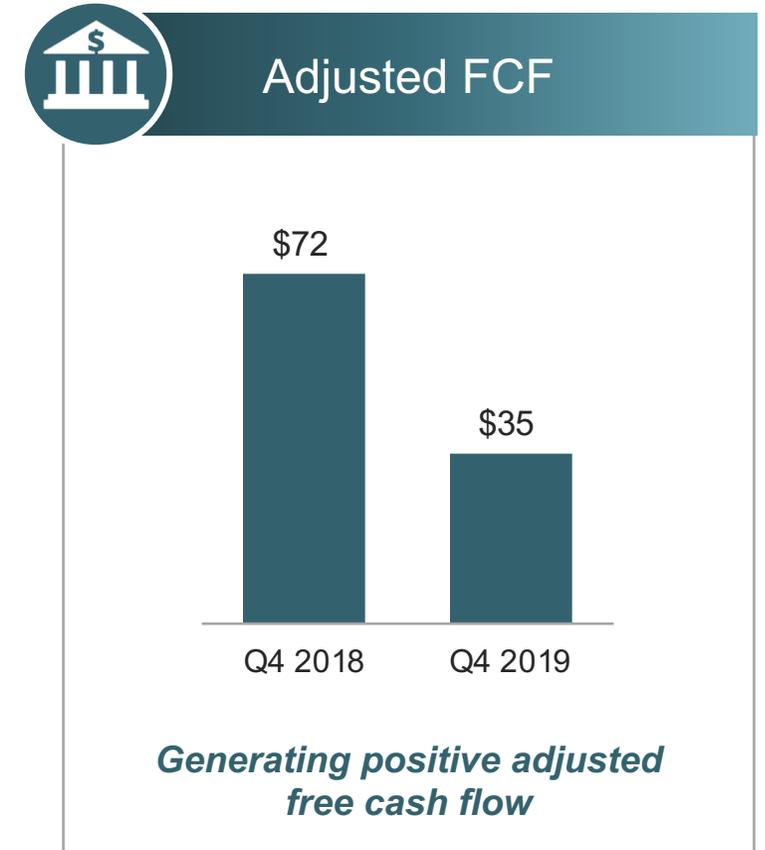
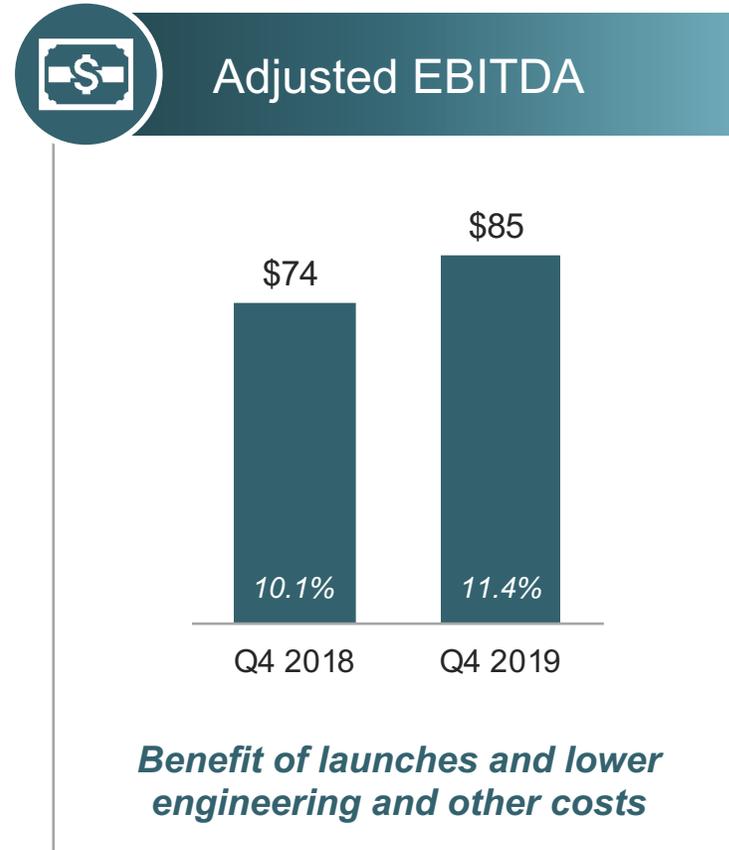
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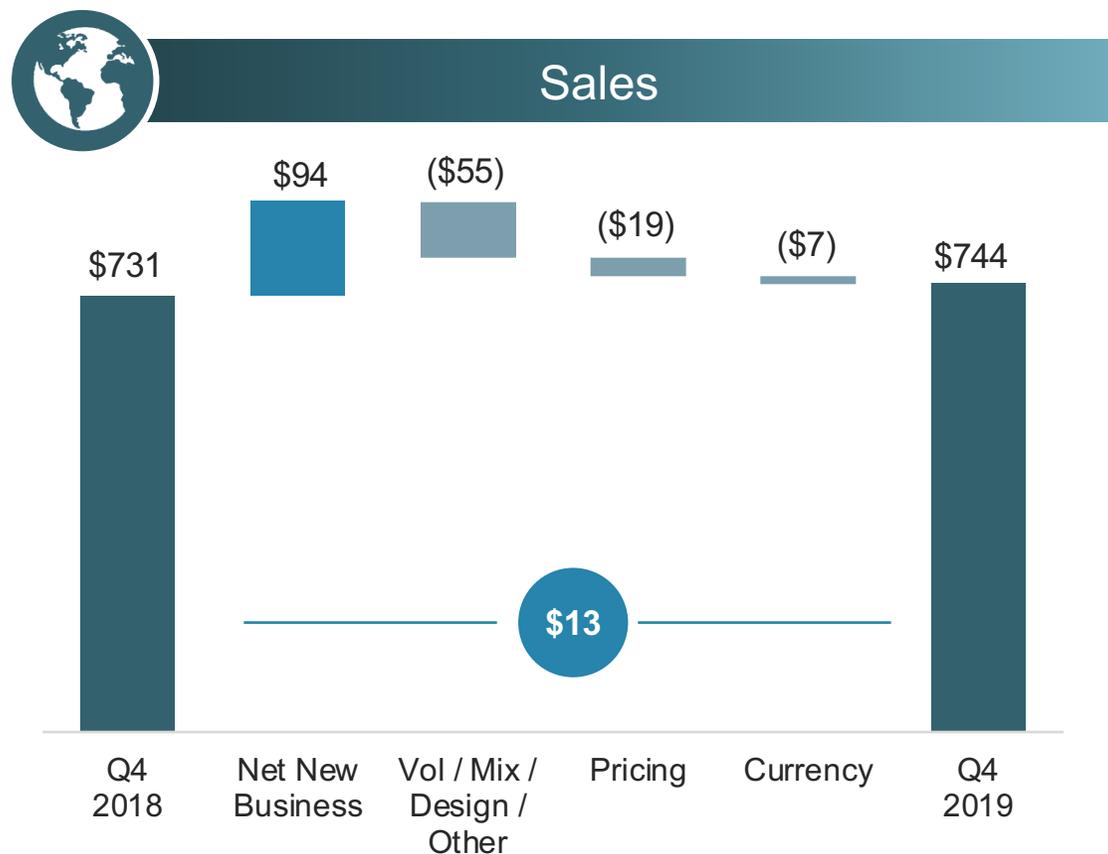
Q4 2019 Key Financials *

(Dollars in millions)

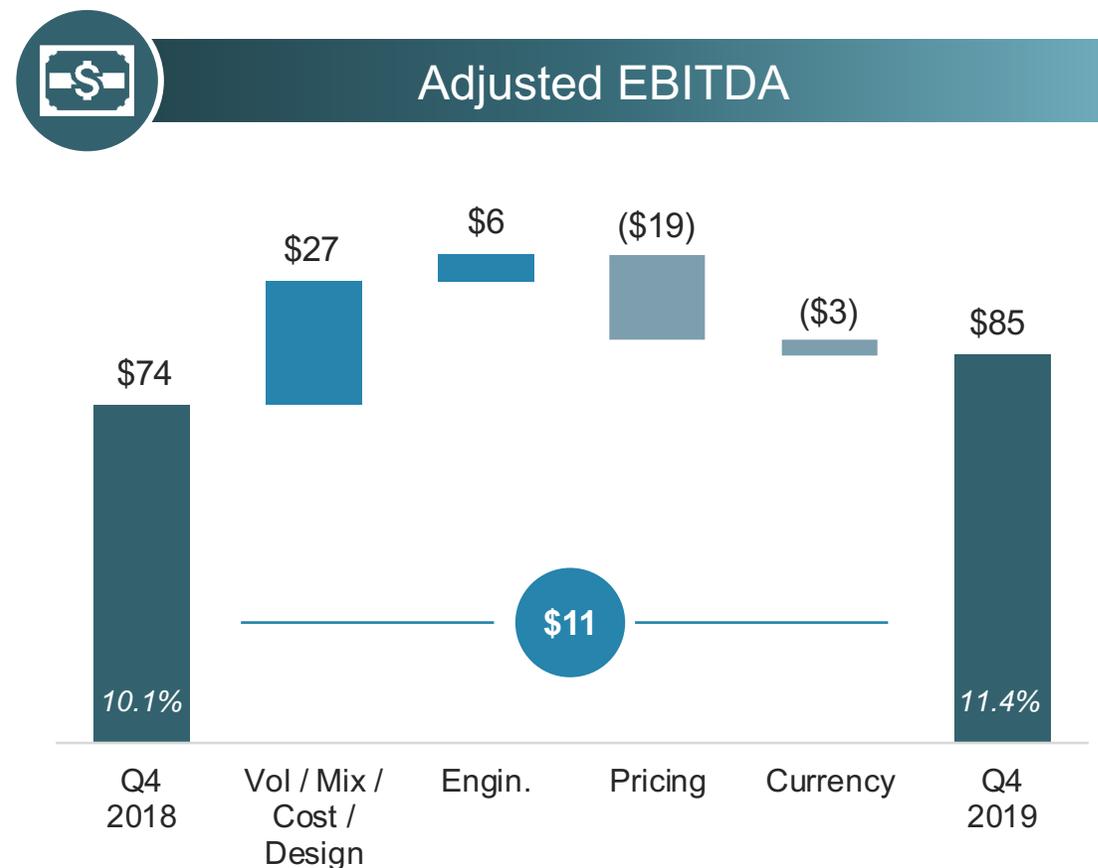


Q4 2019 vs. Q4 2018 Key Drivers

(Dollars in millions)



Net new business roll-ons more than offset impact of lower industry volumes



Benefits of new business and efficiencies more than offset annual price reductions

Adjusted Free Cash Flow and Balance Sheet

Generated positive adjusted free cash flow for the quarter and the year

(Dollars and shares in millions)

 Net Cash	\$469 cash \$385 debt
 Diluted Shares Outstanding	28.2

	Q4 2019	FY 2019
Adjusted EBITDA	\$85	\$234
Trade Working Capital	–	53
Cash Taxes	(8)	(40)
Interest Payments	(4)	(15)
Other Changes	(5)	(34)
Capital Expenditures	(33)	(142)
Adjusted FCF	\$35	\$56

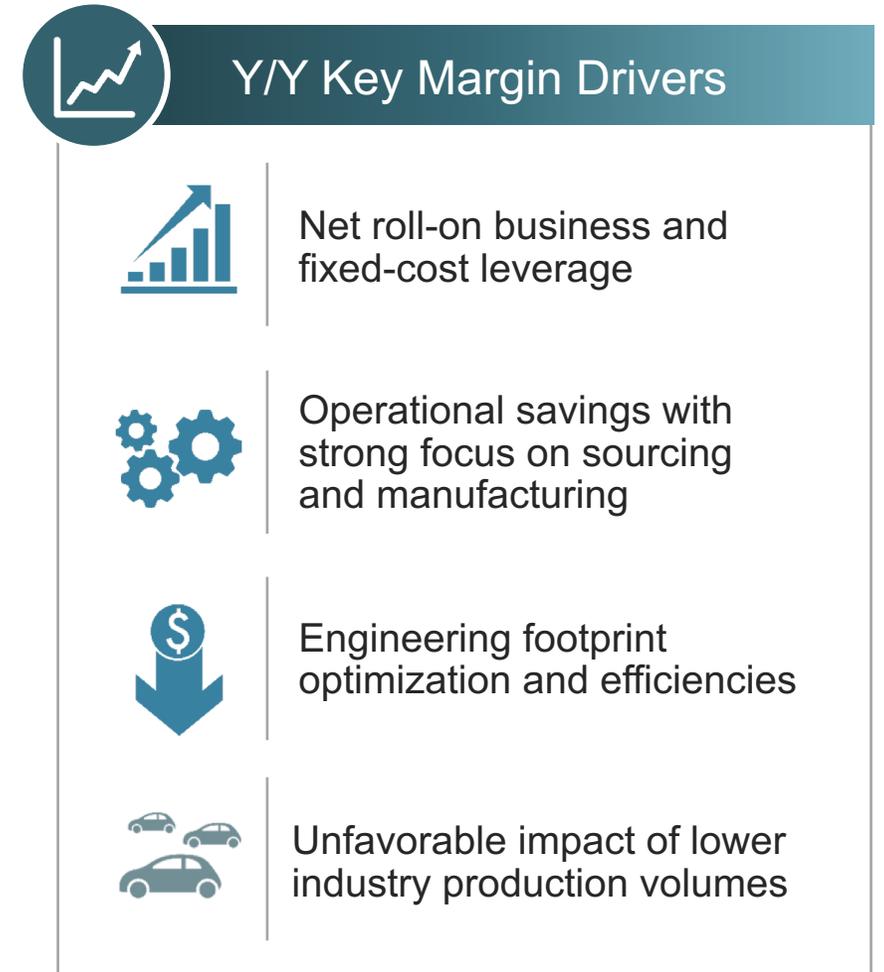
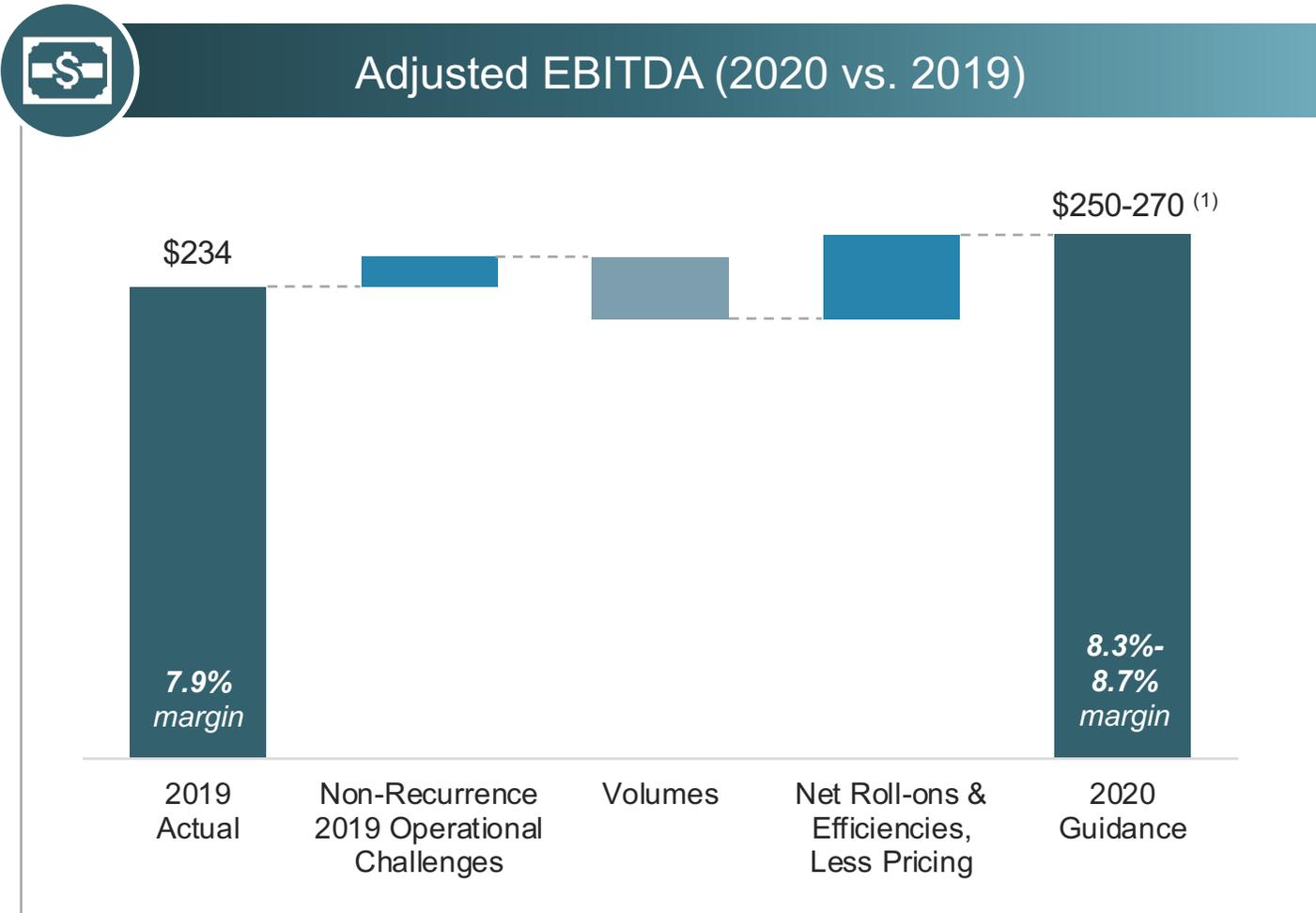
Full-Year 2020 Guidance *(Excl. Impact of Coronavirus)*

(Dollars in millions)

	2019 Actuals	2020 Guidance
 Sales	\$2,945	\$3,000-3,100 <i>(~7% GoM at midpoint)</i>
 Adj. EBITDA	\$234 <i>(7.9% margin)</i>	\$250-270 <i>(~8.5% margin at midpoint)</i>
 Adj. FCF	\$56	\$40-60

2020 vs. 2019 Adjusted EBITDA Drivers

(Dollars in millions)



Building the Foundation



Technology Innovation



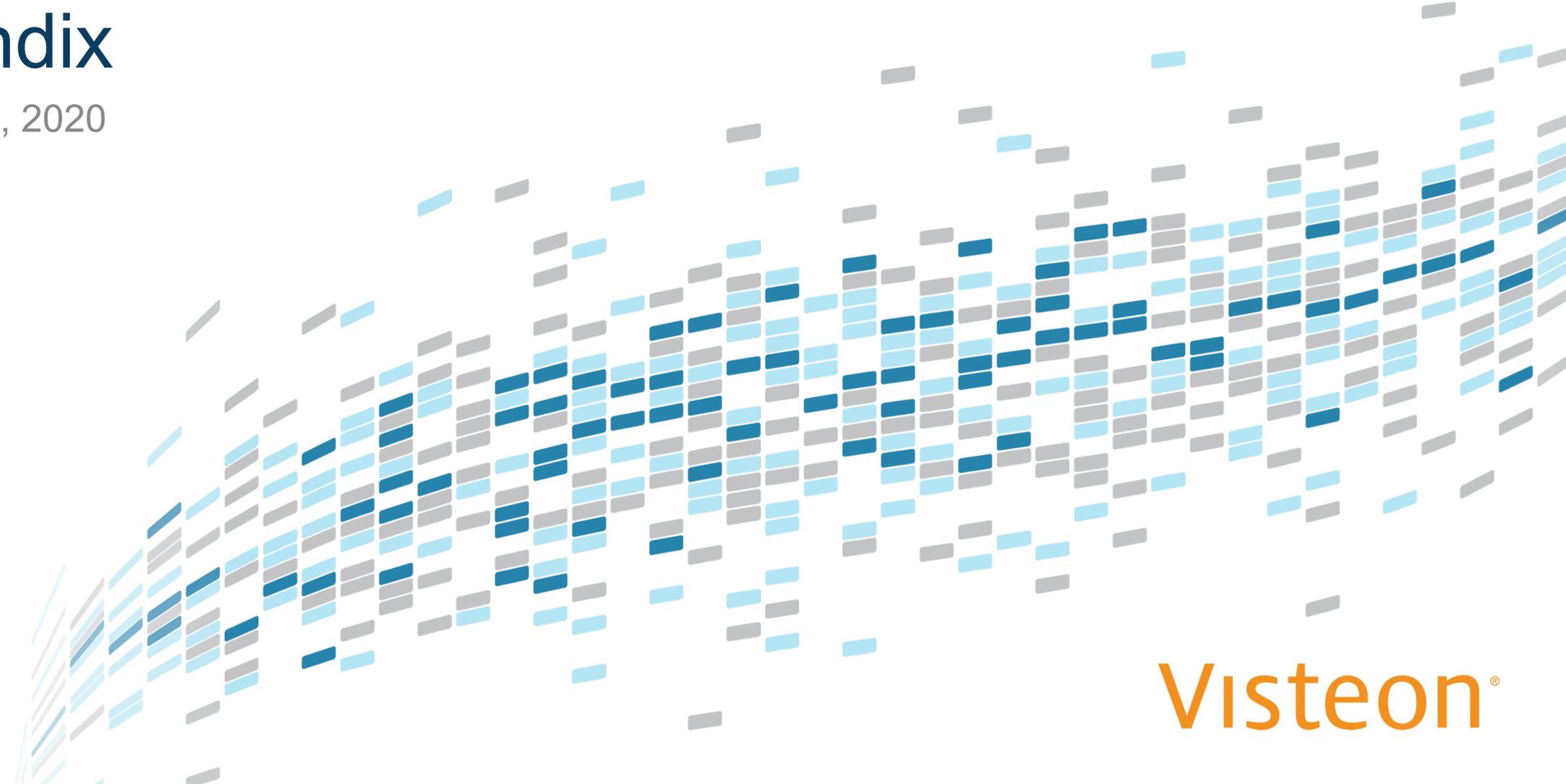
Long-Term Growth



Financial Returns

Appendix

February 20, 2020



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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:
 - 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 satisfy pension and other post-employment benefit obligations;
 - 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;
 - the impact of the coronavirus on our suppliers, our manufacturing facilities and automotive sales in China; 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, 2019).
- 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 year ended December 31, 2019. 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.

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 2020, 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)	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Gross margin	\$129	\$104	\$82	\$96	\$411	\$66	\$70	\$84	\$104	\$324
<u>Less:</u>										
Stock-based compensation expense	1	1	1	-	3	1	1	1	-	3
Intangibles amortization	1	1	1	1	4	1	-	2	1	4
Other	-	-	-	-	-	-	1	-	2	3
Subtotal	\$2	\$2	\$2	\$1	\$7	\$2	\$2	\$3	\$3	\$10
Adjusted gross margin	\$131	\$106	\$84	\$97	\$418	\$68	\$72	\$87	\$107	\$334

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)	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
SG&A	\$44	\$55	\$40	\$54	\$193	\$57	\$58	\$52	\$54	\$221
<u>Less:</u>										
Stock-based compensation expense	7	(5)	(3)	(4)	(5)	(4)	(5)	(2)	(3)	(14)
Intangibles amortization	(2)	(2)	(3)	(2)	(9)	(3)	(3)	(2)	(2)	(10)
Other	-	-	-	-	-	-	-	-	(1)	(1)
Subtotal	\$5	(\$7)	(\$6)	(\$6)	(\$14)	(\$7)	(\$8)	(\$4)	(\$6)	(\$25)
Adjusted SG&A	\$49	\$48	\$34	\$48	\$179	\$50	\$50	\$48	\$48	\$196

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



Adjusted Net Income and Adjusted EPS

- The Company defines Adjusted net income as net income 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)	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14	\$7	\$14	\$35	\$70
Average shares outstanding, diluted	30.8	29.9	29.5	28.9	29.7	28.4	28.2	28.1	28.2	28.2
Earnings per share	\$2.11	\$1.17	\$0.71	\$1.49	\$5.52	\$0.49	\$0.25	\$0.50	\$1.24	\$2.48
<hr/>										
<u>Memo: Adjusted EPS</u>										
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14	\$7	\$14	\$35	\$70
Restructuring expense	5	5	18	1	29	1	-	1	2	4
Discontinued operations	(2)	1	(1)	1	(1)	-	-	-	1	1
Gain on consolidation	-	-	(4)	-	(4)	-	-	-	-	-
Other	(4)	-	-	-	(4)	-	1	-	3	4
Tax effect of adjustments	-	-	(1)	(1)	(2)	-	-	-	(1)	(1)
Subtotal	(\$1)	\$6	\$12	\$1	\$18	\$1	\$1	\$1	\$5	\$8
Adjusted net income	\$64	\$41	\$33	\$44	\$182	\$15	\$8	\$15	\$40	\$78
Average shares outstanding, diluted	30.8	29.9	29.5	28.9	29.7	28.4	28.2	28.1	28.2	28.2
Adjusted earnings per share	\$2.08	\$1.37	\$1.12	\$1.52	\$6.13	\$0.53	\$0.28	\$0.53	\$1.42	\$2.77

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



Adjusted EBITDA

The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, restructuring expense, net interest expense, equity in net income of non-consolidated affiliates, provision for income taxes, discontinued operations, net income 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)	2018					2019					FY 2020 Guidance	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Low-end	High-end
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14	\$7	\$14	\$35	\$70	\$48	\$63
Depreciation and amortization	22	23	22	24	91	25	24	25	26	100	110	110
Restructuring expense	5	5	18	1	29	1	-	1	2	4	30	25
Interest expense, net	2	2	2	1	7	2	2	3	2	9	10	10
Equity in net income of non-consolidated affiliates	(3)	(4)	(3)	(3)	(13)	(3)	(3)	(1)	1	(6)	(8)	(8)
Provision for income taxes	21	12	9	1	43	(5)	8	13	8	24	30	40
Income from discontinued operations, net of tax	(2)	1	(1)	1	(1)	-	-	-	1	1	-	-
Net income attributable to non-controlling interests	4	1	3	2	10	2	1	4	4	11	10	10
Non-cash, stock-based compensation	(6)	6	4	4	8	5	6	3	3	17	20	20
Other	(4)	-	(4)	-	(8)	-	1	-	3	4	-	-
Subtotal	\$39	\$46	\$50	\$31	\$166	\$27	\$39	\$48	\$50	\$164	\$202	\$207
Adjusted EBITDA	\$104	\$81	\$71	\$74	\$330	\$41	\$46	\$62	\$85	\$234	\$250	\$270
<hr/>												
<u>Memo: Adjusted Net Income</u>												
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14	\$7	\$14	\$35	\$70	\$48	\$63
Restructuring expense	5	5	18	1	29	1	-	1	2	4	30	25
Discontinued operations	(2)	1	(1)	1	(1)	-	-	-	1	1	-	-
Gain on consolidation	-	-	(4)	-	(4)	-	-	-	-	-	-	-
Other	(4)	-	-	-	(4)	-	1	-	3	4	-	-
Tax effect of adjustments	-	-	(1)	(1)	(2)	-	-	-	(1)	(1)	-	-
Subtotal	(\$1)	\$6	\$12	\$1	\$18	\$1	\$1	\$1	\$5	\$8	\$30	\$25
Adjusted net income	\$64	\$41	\$33	\$44	\$182	\$15	\$8	\$15	\$40	\$78	\$78	\$88

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)	2018					2019					FY 2020 Guidance	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Low-end	High-end
Cash flow from (for) operating activities	\$81	\$45	(\$19)	\$97	\$204	\$4	\$57	\$57	\$65	\$183	\$150	\$175
Less: Capital expenditures, including intangibles	(44)	(25)	(27)	(31)	(127)	(37)	(34)	(38)	(33)	(142)	(145)	(140)
Free cash flow	\$37	\$20	(\$46)	\$66	\$77	(\$33)	\$23	\$19	\$32	\$41	\$5	\$35
Exclude: Restructuring-related payments	11	9	4	6	30	3	5	4	3	15	35	25
Adjusted free cash flow	<u>\$48</u>	<u>\$29</u>	<u>(\$42)</u>	<u>\$72</u>	<u>\$107</u>	<u>(\$30)</u>	<u>\$28</u>	<u>\$23</u>	<u>\$35</u>	<u>\$56</u>	<u>\$40</u>	<u>\$60</u>

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



Adjusted EBITDA Build-up

(Dollars in millions)	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	\$814	\$758	\$681	\$731	\$2,984	\$737	\$733	\$731	\$744	\$2,945
Gross margin	\$129	\$104	\$82	\$96	\$411	\$66	\$70	\$84	\$104	\$324
Intangibles amortization	1	1	1	1	4	1	-	2	1	4
Stock-based compensation expense	1	1	1	-	3	1	1	1	-	3
Other	-	-	-	-	-	-	1	-	2	3
Adjusted gross margin	\$131	\$106	\$84	\$97	\$418	\$68	\$72	\$87	\$107	\$334
<i>% of sales</i>	<i>16.1%</i>	<i>14.0%</i>	<i>12.3%</i>	<i>13.3%</i>	<i>14.0%</i>	<i>9.2%</i>	<i>9.8%</i>	<i>11.9%</i>	<i>14.4%</i>	<i>11.3%</i>
SG&A	(\$44)	(\$55)	(\$40)	(\$54)	(\$193)	(\$57)	(\$58)	(\$52)	(\$54)	(\$221)
Intangibles amortization	2	2	3	2	9	3	3	2	2	10
Stock-based compensation expense	(7)	5	3	4	5	4	5	2	3	14
Other	-	-	-	-	-	-	-	-	1	1
Adjusted SG&A	(\$49)	(\$48)	(\$34)	(\$48)	(\$179)	(\$50)	(\$50)	(\$48)	(\$48)	(\$196)
Adjusted EBITDA										
Adjusted gross margin	\$131	\$106	\$84	\$97	\$418	\$68	\$72	\$87	\$107	\$334
Adjusted SG&A	(49)	(48)	(34)	(48)	(179)	(50)	(50)	(48)	(48)	(196)
D&A	19	20	18	21	78	21	21	21	23	86
Pension financing benefits, net	3	3	3	4	13	2	3	2	3	10
Adjusted EBITDA	\$104	\$81	\$71	\$74	\$330	\$41	\$46	\$62	\$85	\$234
<i>% of sales</i>	<i>12.8%</i>	<i>10.7%</i>	<i>10.4%</i>	<i>10.1%</i>	<i>11.1%</i>	<i>5.6%</i>	<i>6.3%</i>	<i>8.5%</i>	<i>11.4%</i>	<i>7.9%</i>
Equity in affiliates	\$3	\$4	\$3	\$3	\$13	\$3	\$3	\$1	(\$1)	\$6
Noncontrolling interests	(4)	(1)	(3)	(2)	(10)	(2)	(1)	(4)	(4)	(11)

Reconciliation of Gross Margin



Gross Margin Build-up

(Dollars in millions)	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	\$814	\$758	\$681	\$731	\$2,984	\$737	\$733	\$731	\$744	\$2,945
Cost of goods sold (ex. engineering)	(617)	(575)	(522)	(573)	(2,287)	(586)	(576)	(574)	(585)	(2,321)
Engineering costs, net	(68)	(79)	(77)	(62)	(286)	(85)	(87)	(73)	(55)	(300)
Gross margin	\$129	\$104	\$82	\$96	\$411	\$66	\$70	\$84	\$104	\$324
<hr/>										
<u>% of Sales</u>										
Cost of goods sold (ex. engineering)	75.8%	75.9%	76.7%	78.4%	76.6%	79.5%	78.6%	78.5%	78.6%	78.8%
Engineering costs, net	8.4	10.4	11.3	8.5	9.6	11.5	11.9	10.0	7.4	10.2
Gross margin	15.8%	13.7%	12.0%	13.1%	13.8%	9.0%	9.5%	11.5%	14.0%	11.0%
<hr/>										
<u>Engineering costs, net</u>										
Engineering costs, gross	(\$95)	(\$104)	(\$111)	(\$121)	(\$431)	(\$108)	(\$113)	(\$105)	(\$114)	(\$440)
Recoveries	27	25	34	59	145	23	26	32	59	140
Engineering costs, net	(\$68)	(\$79)	(\$77)	(\$62)	(\$286)	(\$85)	(\$87)	(\$73)	(\$55)	(\$300)

Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2018					2019				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Income Statement										
Sales	\$814	\$758	\$681	\$731	\$2,984	\$737	\$733	\$731	\$744	\$2,945
Gross margin	129	104	82	96	411	66	70	84	104	324
SG&A	44	55	40	54	193	57	58	52	54	221
Net income attributable to Visteon	65	35	21	43	164	14	7	14	35	70
Earnings per share, diluted	\$2.11	\$1.17	\$0.71	\$1.49	\$5.52	\$0.49	\$0.25	\$0.50	\$1.24	\$2.48
Cash Flow Statement										
Cash flow from (for) operating activities	\$81	\$45	(\$19)	\$97	\$204	\$4	\$57	\$57	\$65	\$183
Capital expenditures, including intangibles	44	25	27	31	127	37	34	38	33	142

2020 Exchange Rate Assumptions

(Dollars in millions)

Key Exchange Rate Assumptions

	2019	2020E
	FY	FY
\$ / Euro	\$1.12	\$1.11 ⁽¹⁾
Brazilian Real / \$	3.9	3.9
Chinese Yuan / \$	6.9	6.9
Indian Rupee / \$	70.4	71.0
Japanese Yen / \$	109.3	105.0
Mexican Peso / \$	19.4	19.5
Thai Baht / \$	31.2	31.2

2020 FY Impact of Movements in FX Rates ⁽²⁾

	Unit Change	FY Impact of Unit Change	
		Sales	EBITDA
\$ / Euro	1.11 to 1.12	\$6	\$0.4
Chinese Yuan / \$	6.9 to 6.8	8	0.6
Japanese Yen / \$	105.0 to 106.0	(1)	1.3
Mexican Peso / \$	19.5 to 20.5	-	2.1

Visteon®

