Visteon Q4 and Full Year 2018 Earnings

February 21, 2019

Visteon®

2018 Highlights

Visteon

Financial Performance
Sales of $2,984 million
Adj. EBITDA of $330 million
Adj. FCF of $107 million

Technology Innovation
SmartCore™ with Daimler
Android-based infotainment
DriveCore™ ADAS platform

New Business Wins
$6.9 billion in lifetime sales
73% next-gen digital products
5 new customers added

Outperforming in China
Sales up 10 pct. points above market
$2.0 billion in new business wins
34 product launches

Significant Capital Returns
$300 million in share repurchases
$400 million authorization remains
Over $4 billion returned since 2012

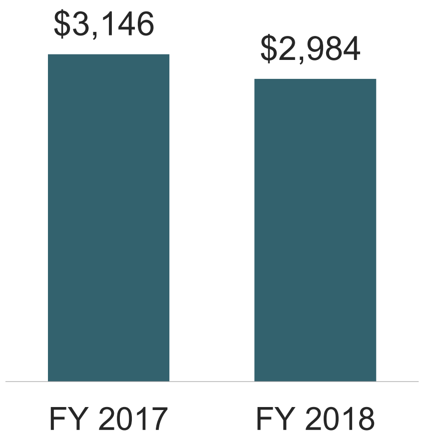
Strong Balance Sheet
Cash of $467 million
Debt of $405 million
1.2x Debt / Adj. EBITDA

Financial Performance *

Visteon

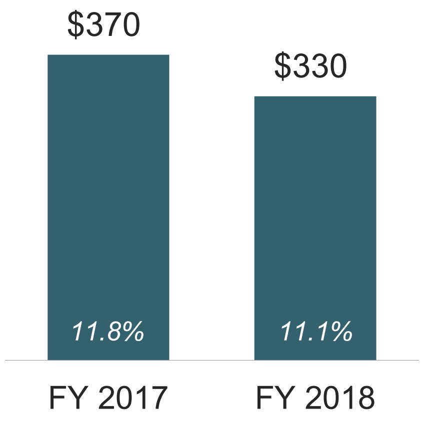
(Dollars in millions)

Sales



Y/Y decrease driven by lower industry production volumes

Adjusted EBITDA



Lower volumes partially offset by continued operating efficiencies

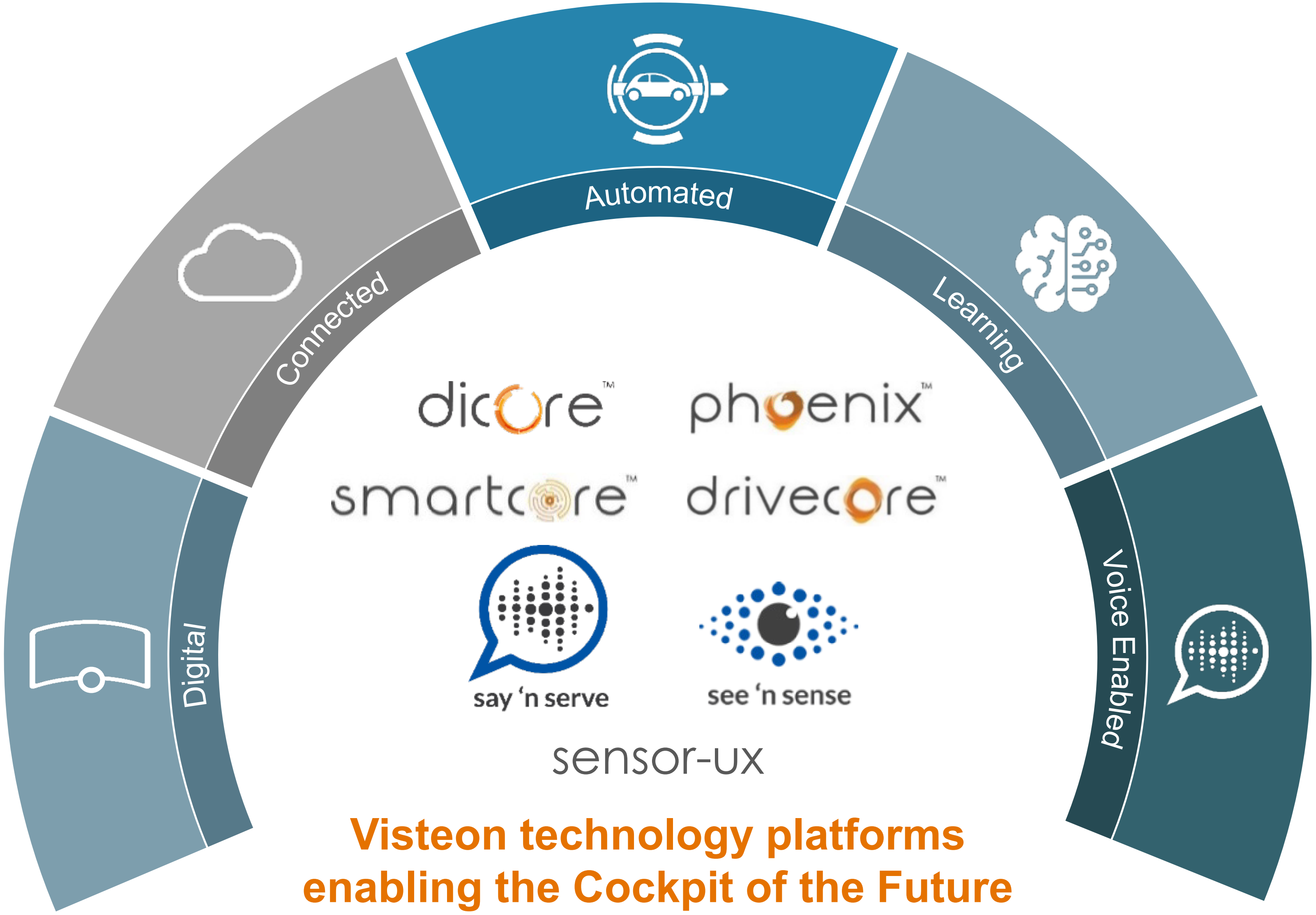
Adjusted FCF

Adjusted free cash flow impacted by lower profitability

* All items above except sales are non-GAAP measures
Please see appendix for definitions and important disclosures regarding “Use of Non-GAAP Financial Information”

Next-Gen Cockpit – Smart Mobile Assistant

Visteon



Visteon technology platforms enabling the Cockpit of the Future

New Business Driven by Digital Products

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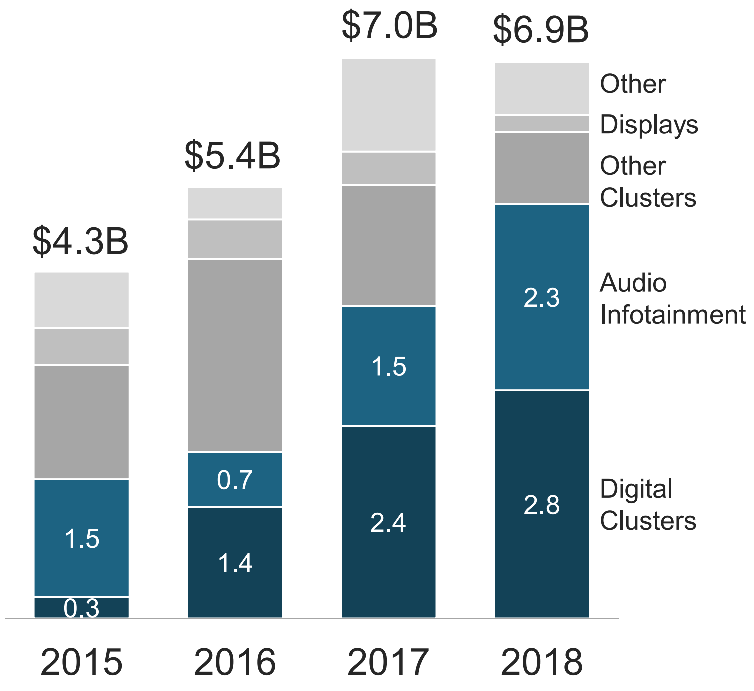
(Dollars in billions)

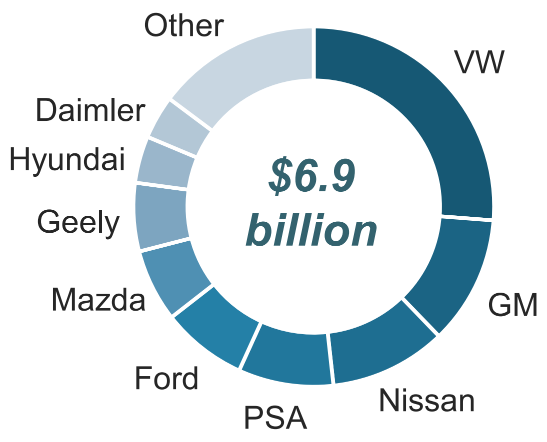
New Business Wins



Highlights

- ***73%** from next-gen digital products*
- ***55%** increase in Audio Infotainment*
- ***18%** increase in Digital Clusters*
- smartcore ***$1B** powered by SmartCore™*
- ***5** new customers added*

2018 NBWs by Customer



Expanding customer base with innovative digital cluster and infotainment solutions

Key New Business Wins in Q4 2018

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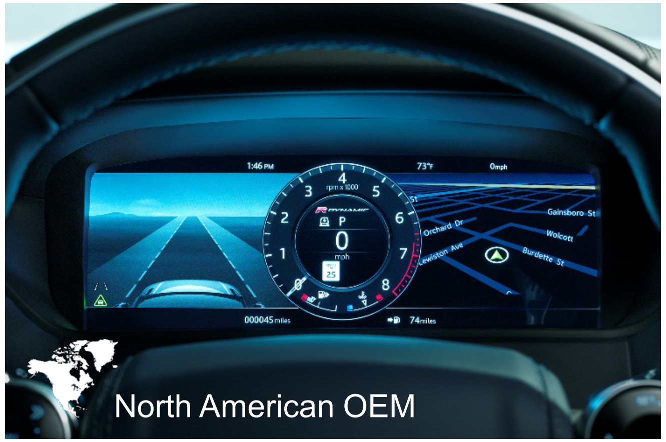


Digital clusters becoming mainstream in SUV and light truck segments

Visteon now awarded digital clusters with the top three Japanese automakers

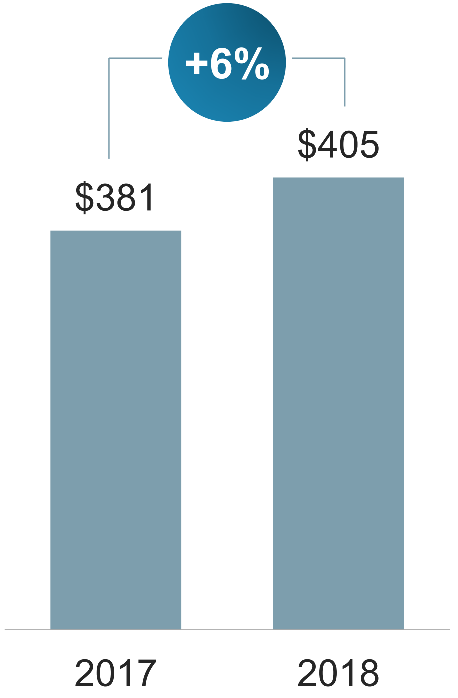
Second SmartCore™ win in India, the fastest growing emerging market

Strong new business wins in Q4 powered by digital cockpit solutions

Outperforming in China

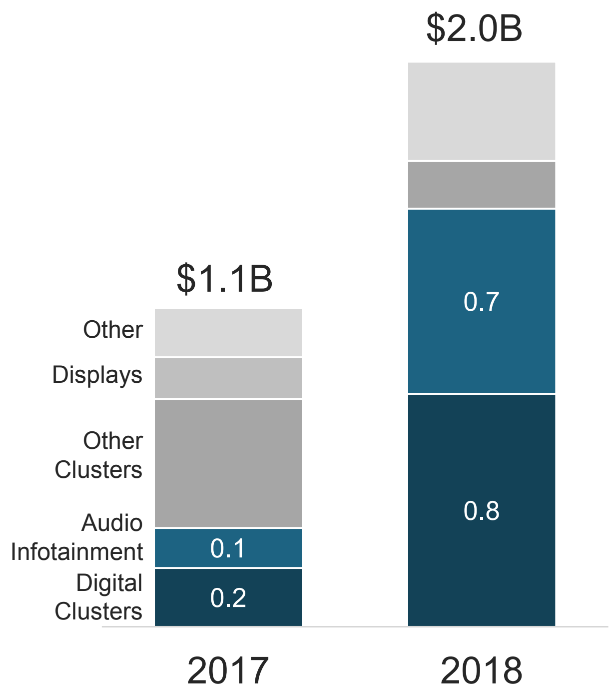
Visteon

Visteon China Sales



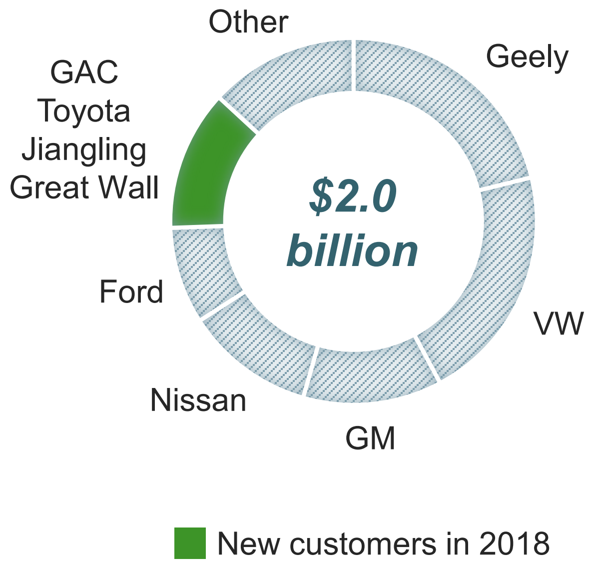
Sales up 10 pct. points above market; driven by 34 product launches

New Business Wins



New business wins nearly doubled Y/Y; 74% from next-gen digital products

2018 NBWs by Customer



45% of wins in high growth EV segment; $600M powered by SmartCore™

Note: All financials are for Visteon's China domestic operations.

2019 Industry Outlook

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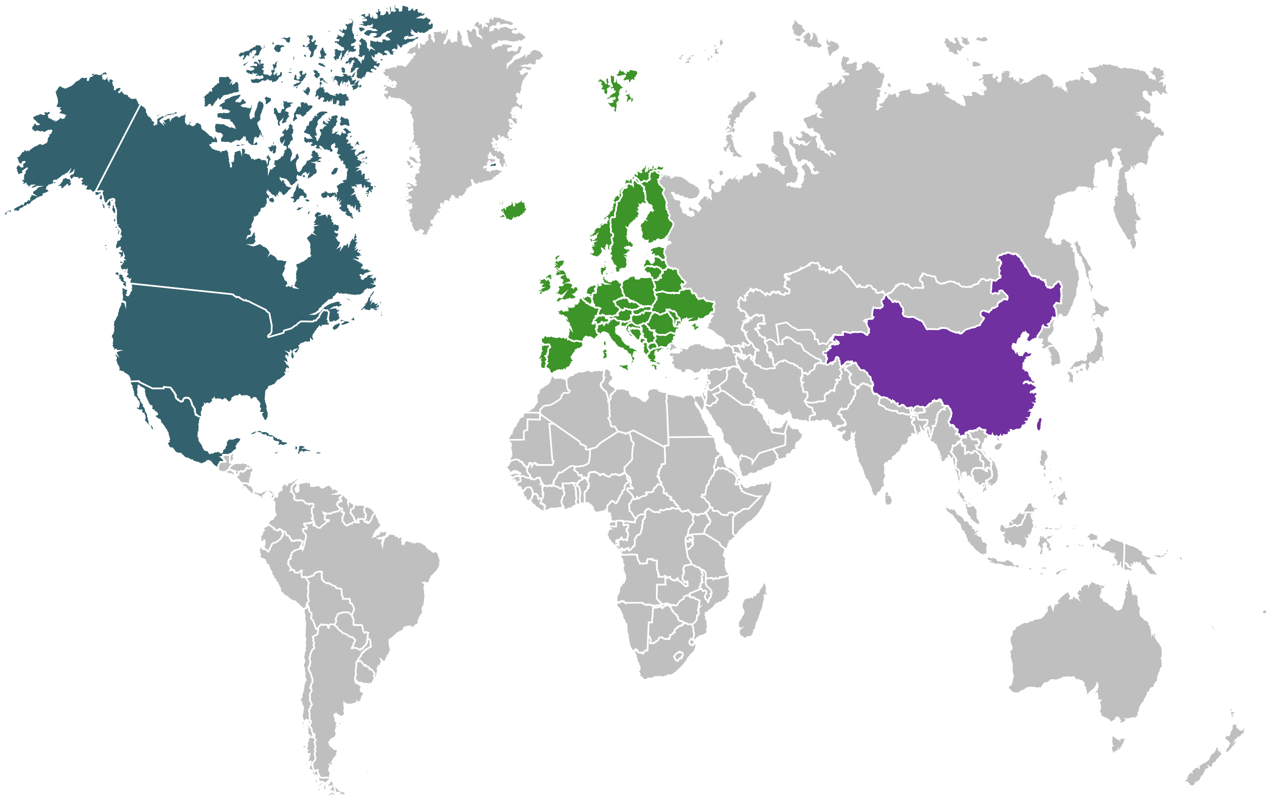

Q1 2019 production volumes for Visteon customers down high single digits Y/Y

FY 2019 Y/Y Volumes for Visteon Top Customers

-3%
N. America

- OEMs rationalizing sedan portfolios
- Continued shift to SUVs and trucks

-3%
Europe

- Impact of diesel and WLTP
- Disruption risk from Brexit

-4%
China

- Elevated inventory levels
- Consumer sentiment remains weak

Production volumes for Visteon customers down ~3% for full-year 2019

Summary

- Delivered $2,984 million of sales, $330 million in adj. EBITDA and $107 million of adj. free cash flow
- Introduced new technologies to address key digital cockpit and ADAS trends
- Expanded customer base and won $6.9 billion in new business, driven by new digital solutions
- Outperformed market in China, driven by new product launches
- Continued soft production volume environment in Q1 2019

Q4 2018 Financial Results

February 21, 2019

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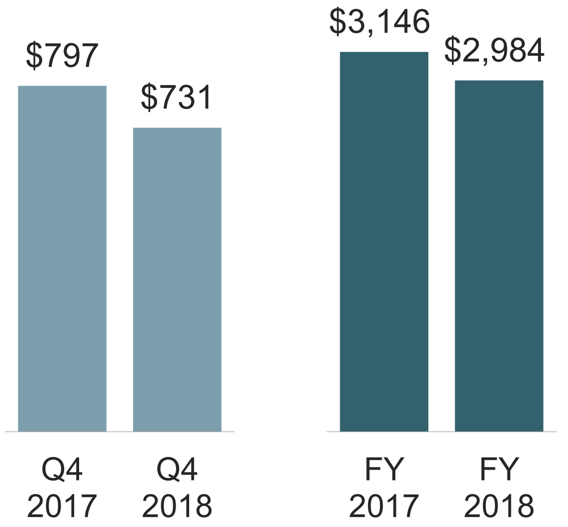
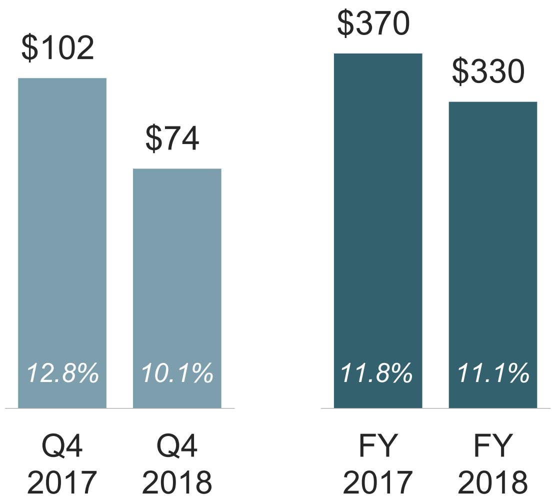
Q4 and Full-Year 2018 Key Financials *

(Dollars in millions)

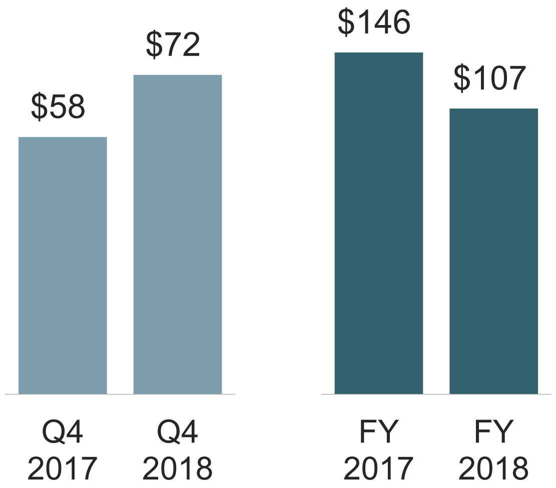
Sales



Adjusted EBITDA



Adjusted FCF



* All items above except sales are non-GAAP measures
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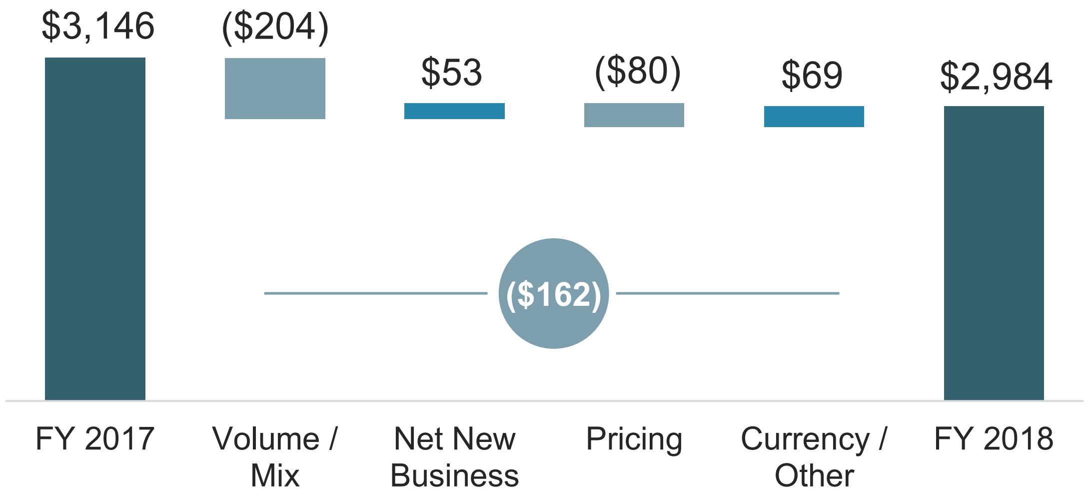
FY 2018 vs. 2017 Key Drivers

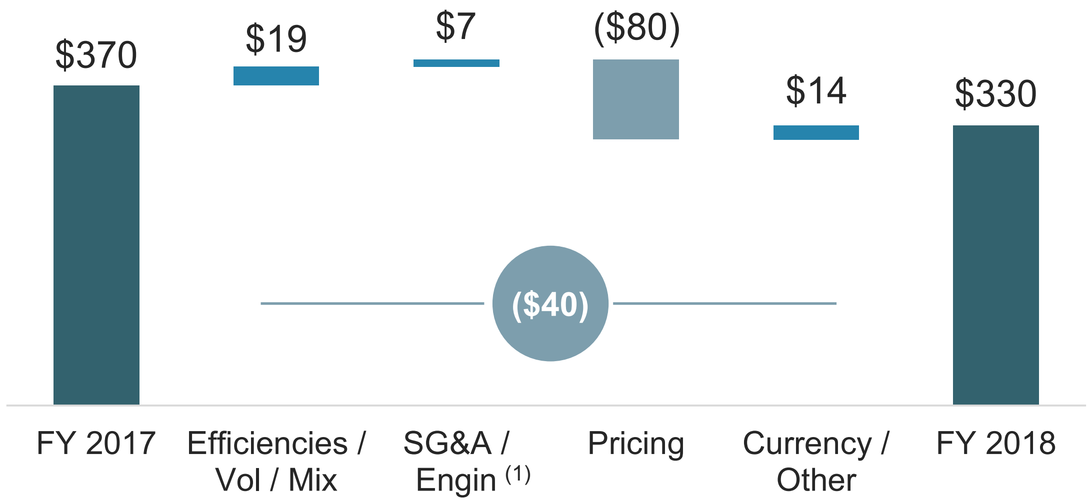
(Dollars in millions)

Sales



- Y/Y sales reflects the following drivers:
  - Lower production volumes
  - New product launches offset by product roll-offs
  - Customary annual price reductions
  - Favorable currency

Adjusted EBITDA



- Y/Y adjusted EBITDA reflects the following drivers:
  - Impact of lower production volumes more than offset by cost efficiencies
  - SG&A cost savings partially offset by increased engineering investments to support future growth
  - Favorable currency

(1) Adjusted to exclude currency impacts.

Adjusted Free Cash Flow and Balance Sheet

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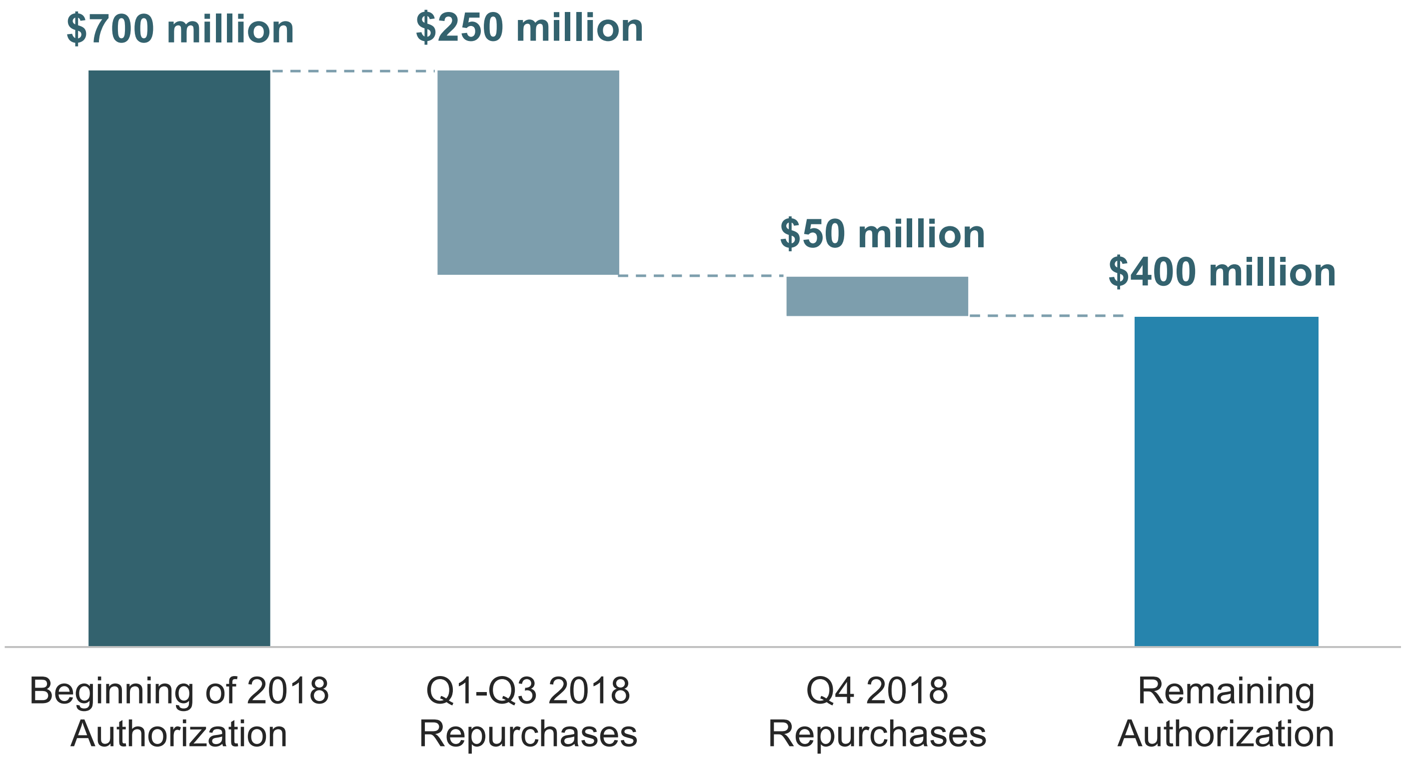
(Dollars in millions)

Adj. FCF	**$107** million *FY 2018*
Net Cash	**$467** million cash **$405** million debt
Debt / EBITDA	**1.2x**

	Q4 2017	Q4 2018
Adjusted EBITDA	$102	$74
Trade Working Capital	(16)	6
Interest Payments	(2)	(3)
Other Changes	4	26
Capital Expenditures	(30)	(31)
Adjusted FCF	**$58**	**$72**

Lower Q4 2018 adjusted EBITDA offset by timing of working capital and other items

Significant Capital Returns



$300 million
returned to shareholders in 2018
($400M authorization remaining)

28.4 million
diluted shares outstanding
(10% reduction in the last year)

Over $4 billion returned to shareholders since 2012

Reaffirming Full-Year 2019 Guidance

(Dollars in millions)

	FY 2019 Guidance
Sales	**$2,900-3,000**
Adj. EBITDA	**$280-310** *(~10.0% margin)* *9.7% - 10.3%*
Adj. FCF	**$80-100**

Building the Foundation Through Operational Excellence

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Technology Innovation

Long-Term Growth

Financial Returns

Appendix

February 21, 2019

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Forward-Looking Information

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- This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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; 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, 2018).
- 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, 2018. 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

Visteon

- 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 2018, 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

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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.

	2017					2018				
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Gross margin (1)	**$129**	**$111**	**$114**	**$137**	**$491**	**$129**	**$104**	**$82**	**$96**	**$411**
Less:										
Stock-based compensation expense	-	1	-	1	2	1	1	1	-	3
Intangibles amortization - COGS	1	1	1	-	3	1	1	1	1	4
Other	-	(1)	(3)	(2)	(6)	-	-	-	-	-
Subtotal	**$1**	**$1**	**($2)**	**($1)**	**($1)**	**$2**	**$2**	**$2**	**$1**	**$7**
Adjusted gross margin	**$130**	**$112**	**$112**	**$136**	**$490**	**$131**	**$106**	**$84**	**$97**	**$418**

Adjusted SG&A

The Company defines Adjusted SG&A as SG&A, adjusted to eliminate the impacts of intangibles amortization and stock-based compensation expense.

	2017					2018				
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
SG&A (1)	**$52**	**$54**	**$55**	**$65**	**$226**	**$44**	**$55**	**$40**	**$54**	**$193**
Less:										
Stock-based compensation expense	(2)	(3)	(3)	(2)	(10)	7	(5)	(3)	(4)	(5)
Intangibles amortization - SG&A	(2)	(2)	(2)	(3)	(9)	(2)	(2)	(3)	(2)	(9)
Subtotal	**($4)**	**($5)**	**($5)**	**($5)**	**($19)**	**$5**	**($7)**	**($6)**	**($6)**	**($14)**
Adjusted SG&A	**$48**	**$49**	**$50**	**$60**	**$207**	**$49**	**$48**	**$34**	**$48**	**$179**

(1) 2017 gross margin and SG&A reflect the retrospective adoption of ASU 2017-07 – "Compensation – Retirement Benefits (Topic 715): Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost." See the Company's Form 10-K for the year ending December 31, 2018 for further information.

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

Visteon

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, loss on divestiture, 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.*

	2017					2018				
(Dollars and shares in millions, except per share data)	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q2**	**Q3**	**Q4**	**Full Year**
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$35**	**$21**	**$43**	**$164**
Average shares outstanding, diluted	33.0	32.0	31.8	31.7	32.2	30.8	29.9	29.5	28.9	29.7
Earnings per share	**$1.91**	**$1.41**	**$1.35**	**$0.79**	**$5.47**	**$2.11**	**$1.17**	**$0.71**	**$1.49**	**$5.52**
Memo: Adjusted EPS										
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$35**	**$21**	**$43**	**$164**
Restructuring expense	1	3	6	4	14	5	5	18	1	29
Loss on divestiture	-	-	-	33	33	-	-	-	-	-
Discontinued operations	(8)	-	-	(9)	(17)	(2)	1	(1)	1	(1)
Gain on consolidation	-	-	-	-	-	-	-	(4)	-	(4)
Other	1	(4)	(4)	(1)	(8)	(4)	-	-	-	(4)
Tax effect of adjustments	-	-	-	-	-	-	-	(1)	(1)	(2)
Subtotal	**($6)**	**($1)**	**$2**	**$27**	**$22**	**($1)**	**$6**	**$12**	**$1**	**$18**
Adjusted net income	**$57**	**$44**	**$45**	**$52**	**$198**	**$64**	**$41**	**$33**	**$44**	**$182**
Average shares outstanding, diluted	33.0	32.0	31.8	31.7	32.2	30.8	29.9	29.5	28.9	29.7
Adjusted earnings per share	**$1.73**	**$1.38**	**$1.42**	**$1.64**	**$6.15**	**$2.08**	**$1.37**	**$1.12**	**$1.52**	**$6.13**

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

Visteon

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.

	2017					2018					FY 2019 Guidance	
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Low-end	High-end
Net income attributable to Visteon	**$63**	**$45**	**$43**	**$25**	**$176**	**$65**	**$35**	**$21**	**$43**	**$164**	**$89**	**$114**
Depreciation and amortization	19	22	21	25	87	22	23	22	24	91	92	92
Restructuring expense	1	3	6	4	14	5	5	18	1	29	25	25
Interest expense, net	5	4	3	4	16	2	2	2	1	7	9	9
Equity in net income of non-consolidated affiliates	(2)	(3)	(1)	(1)	(7)	(3)	(4)	(3)	(3)	(13)	(12)	(12)
Provision for income taxes	16	10	8	14	48	21	12	9	1	43	45	50
Income from discontinued operations, net of tax	(8)	-	-	(9)	(17)	(2)	1	(1)	1	(1)	-	-
Net income attributable to non-controlling interests	4	3	4	5	16	4	1	3	2	10	12	12
Non-cash, stock-based compensation	2	4	3	3	12	(6)	6	4	4	8	20	20
Other	1	(4)	(4)	32	25	(4)	-	(4)	-	(8)	-	-
Subtotal	**$38**	**$39**	**$40**	**$77**	**$194**	**$39**	**$46**	**$50**	**$31**	**$166**	**$191**	**$196**
Adjusted EBITDA	**$101**	**$84**	**$83**	**$102**	**$370**	**$104**	**$81**	**$71**	**$74**	**$330**	**$280**	**$310**

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

Visteon

Free Cash Flow and Adjusted Free Cash Flow

- *The Company defines Free cash flow as cash flow provided from operating activities less capital expenditures.*
- *The Company defines Adjusted free cash flow as cash flow provided from operating activities less capital expenditures, as further adjusted for restructuring and transformation-related payments.*

	2017					2018					FY 2019 Guidance	
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Low-end	High-end
Cash (used by) from operating activities (1)	**($11)**	**$96**	**$44**	**$86**	**$215**	**$81**	**$45**	**($19)**	**$97**	**$204**	**$200**	**$210**
Less: Capital expenditures, including intangibles	(32)	(15)	(22)	(30)	(99)	(44)	(25)	(27)	(31)	(127)	(145)	(135)
Free cash flow	**($43)**	**$81**	**$22**	**$56**	**$116**	**$37**	**$20**	**($46)**	**$66**	**$77**	**$55**	**$75**
Exclude: Restructuring / transformation-related payments	12	6	10	2	30	11	9	4	6	30	25	25
Adjusted free cash flow	**($31)**	**$87**	**$32**	**$58**	**$146**	**$48**	**$29**	**($42)**	**$72**	**$107**	**$80**	**$100**

(1) 2017 cash from (used by) operating activities reflect the retrospective adoption of ASU 2016-15 "Statement of Cash Flows (Topic 230): Classification of certain cash receipts and cash payments." See the Company's Form 10-K for the year ending December 31, 2018 for further information.

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

Visteon®

Adjusted EBITDA Build-up

(Dollars in millions)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full Year	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Full Year
Product Sales	$810	$774	$765	$797	$3,146	$814	$758	$681	$731	$2,984
Gross Margin	$129	$111	$114	$137	$491	$129	$104	$82	$96	$411
Intangibles Amortization - COGS	1	1	1	-	3	1	1	1	1	4
Other / Stock-Based Compensation Expense	-	-	(3)	(1)	(4)	1	1	1	-	3
Adjusted Gross Margin	**$130**	**$112**	**$112**	**$136**	**$490**	**$131**	**$106**	**$84**	**$97**	**$418**
% of Sales	*16.0%*	*14.5%*	*14.6%*	*17.1%*	*15.6%*	*16.1%*	*14.0%*	*12.3%*	*13.3%*	*14.0%*
SG&A	($52)	($54)	($55)	($65)	($226)	($44)	($55)	($40)	($54)	($193)
Intangibles Amortization - SG&A	2	2	2	3	9	2	2	3	2	9
Other / Stock-Based Compensation Expense	2	3	3	2	10	(7)	5	3	4	5
Adjusted SG&A	**($48)**	**($49)**	**($50)**	**($60)**	**($207)**	**($49)**	**($48)**	**($34)**	**($48)**	**($179)**
Adjusted EBITDA										
Adjusted Gross Margin	$130	$112	$112	$136	$490	$131	$106	$84	$97	$418
Adjusted SG&A	(48)	(49)	(50)	(60)	(207)	(49)	(48)	(34)	(48)	(179)
D&A	16	19	18	22	75	19	20	18	21	78
Pension Financing Benefits, net	3	2	3	4	12	3	3	3	4	13
Adjusted EBITDA	**$101**	**$84**	**$83**	**$102**	**$370**	**$104**	**$81**	**$71**	**$74**	**$330**
% of Sales	*12.5%*	*10.9%*	*10.8%*	*12.8%*	*11.8%*	*12.8%*	*10.7%*	*10.4%*	*10.1%*	*11.1%*
Equity in Affiliates	$2	$3	$1	$1	$7	$3	$4	$3	$3	$13
Noncontrolling Interests	(4)	(3)	(4)	(5)	(16)	(4)	(1)	(3)	(2)	(10)

Financial Results – U.S. GAAP

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(Dollars in millions, except per share data)	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2017 Full Year	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2018 Full Year
Income Statement										
Sales	$810	$774	$765	$797	$3,146	$814	$758	$681	$731	$2,984
Gross margin (1)	129	111	114	137	491	129	104	82	96	411
SG&A (1)	52	54	55	65	226	44	55	40	54	193
Net income attributable to Visteon	63	45	43	25	176	65	35	21	43	164
Earnings per share, diluted	$1.91	$1.41	$1.35	$0.79	$5.47	$2.11	$1.17	$0.71	$1.49	$5.52
Cash Flow Statement										
Cash (used by) from operating activities (2)	($11)	$96	$44	$86	$215	$81	$45	($19)	$97	$204
Capital expenditures, including intangibles	32	15	22	30	99	44	25	27	31	127

(1) 2017 gross margin and SG&A reflect the retrospective adoption of ASU 2017-07 – "Compensation – Retirement Benefits (Topic 715): Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost."
(2) 2017 cash from (used by) operating activities reflect the retrospective adoption of ASU 2016-15 "Statement of Cash Flows (Topic 230): Classification of certain cash receipts and cash payments."
See the Company's Form 10-K for the year ending December 31, 2018 for further information.

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