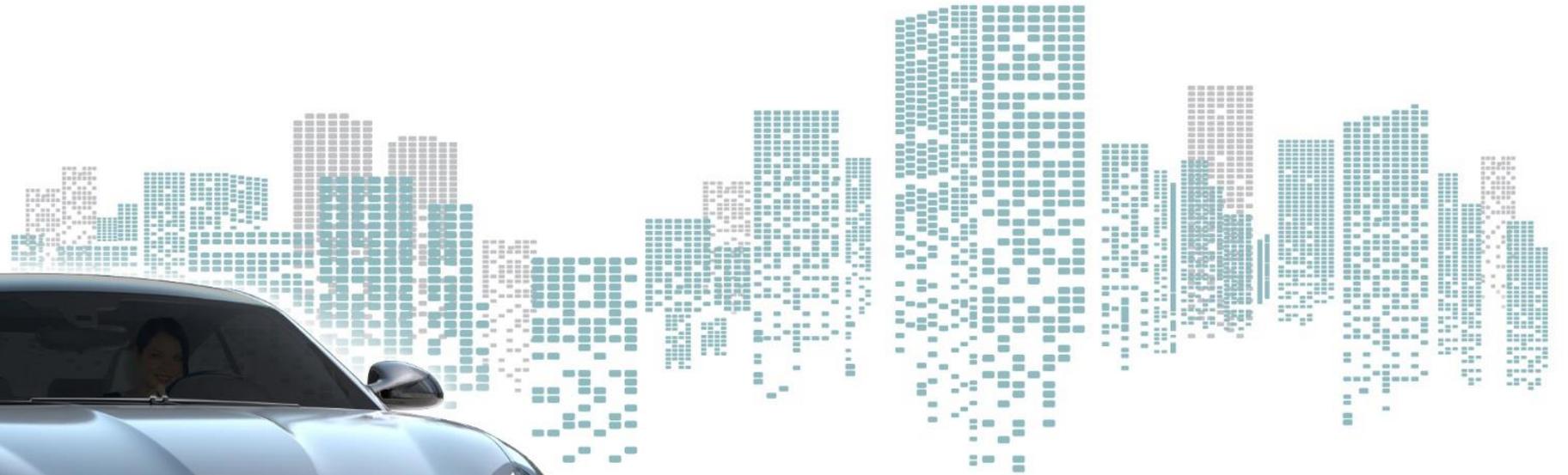


Visteon Q1 2019 Earnings

April 25, 2019



Visteon®

Q1 2019 Overview



(1) BMS = Battery Management Systems.
(2) RDE = Real Driving Emissions Test.

Q1 Sales of \$737 Million

- ▼ Volume for top Visteon customers down ~6% Y/Y
- ▼ Pricing of ~2% Y/Y, in line with historical levels
- ▼ Currency of ~3% Y/Y, driven by the Euro and RMB
- ▲ New product launches
 - 9 launches in the quarter
 - Key launches: infotainment with GM, digital cluster with PSA, SmartCore™ with Tata



Key Launches



8" infotainment system on Chevrolet Monza in China



7" all-digital cluster on DS3 Crossback SUV



First CDC to India market; on the Tata Harrier

Product launches partially offset impact of lower volumes, pricing and currency

Operational Challenges and Engineering Costs

(Dollars in millions)

Key Issues

Action Plan

Target Resolution

Operational Challenges

Operational Challenges	\$7M	Launch challenges with curved center information display	<ul style="list-style-type: none"> • Design / testing challenges • Glass supplier delivery issues • Industrialization challenges with new display technology 	<ul style="list-style-type: none"> • Design issues resolved in Q1 • Work with supplier to improve yield • Establish task force to increase efficiency and output 	Q3 2019
	\$3M	Inefficiencies with plant transfer in Mexico	<ul style="list-style-type: none"> • Higher labor and overhead costs • Poor inventory management • Plant management issues 	<ul style="list-style-type: none"> • Reductions in headcount • Material shortages addressed • New leadership team 	Q2 2019

Y/Y Drivers of \$17 Million Increase

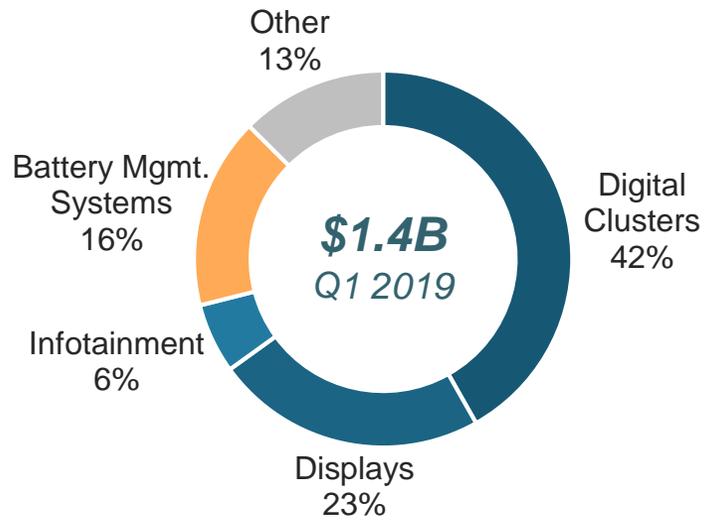
Engineering

Engineering	\$17M	<table border="1" style="margin: 0 auto; text-align: center;"> <tr> <td style="width: 50%;">Q1 2018</td> <td style="width: 50%;">Q1 2019</td> </tr> <tr> <td>\$68</td> <td>\$85</td> </tr> </table>	Q1 2018	Q1 2019	\$68	\$85	<h3>Customer Programs</h3> <p>Increased costs to support future customer programs</p>	<h3>Timing of Recoveries</h3> <p>Recoveries more weighted toward back end of the year</p>	<h3>Restructuring Actions</h3> <p>Higher costs associated with eng footprint adjustment</p>	Expect Y/Y mid single digit pct. increase for full year
	Q1 2018	Q1 2019								
\$68	\$85									

New Business Wins and Backlog

(Dollars in billions)

New Business Wins



NBW Highlights

71% from next-gen digital products ⁽¹⁾

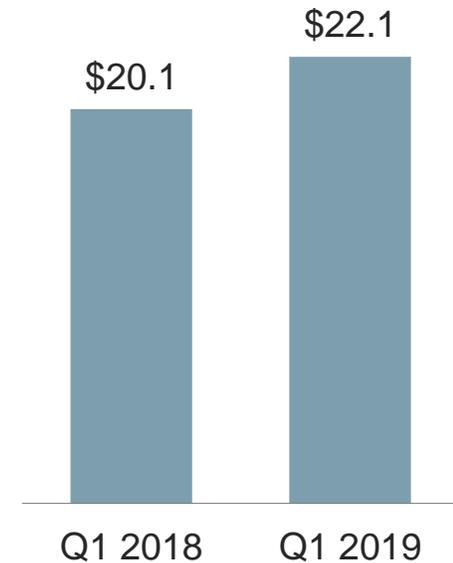
32% on electric cars (incl. BMS)

smartcore **1** win powered by SmartCore™

1 new commercial truck customer

Backlog

Represents anticipated revenue from awarded programs

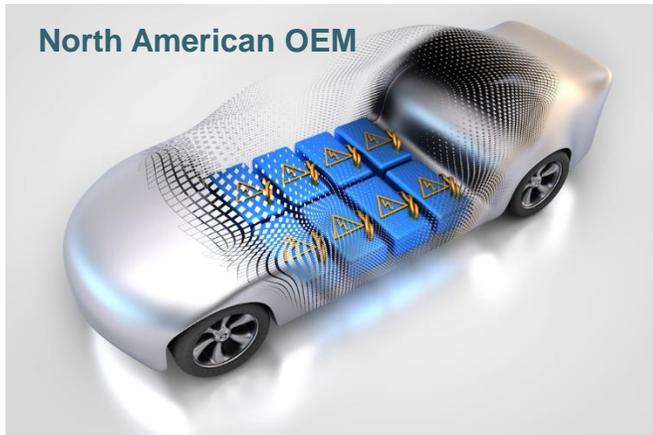


10% Y/Y Increase

(1) Includes digital clusters, displays and infotainment.

Key New Business Wins

Battery Mgmt System



First win for a battery management system; new product category for Visteon

SmartCore™



Connected dual 10.25" display cockpit domain controller; based on Android

Commercial Vehicle



Second heavy-duty commercial truck customer; 12.3" all-digital cluster

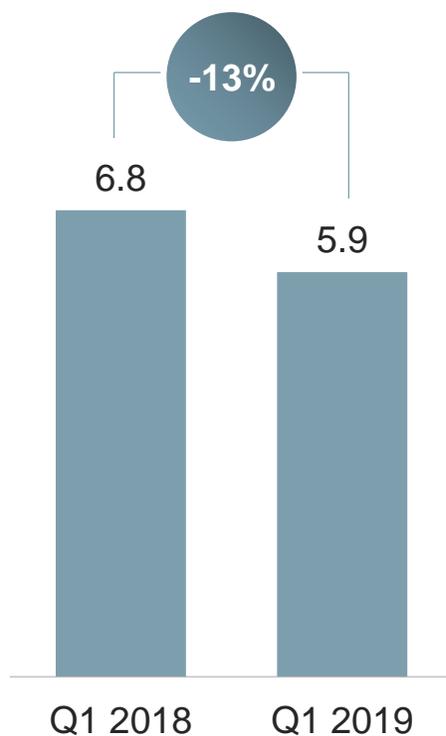
Key wins for digital cockpit solutions and expansion to adjacent markets

China Performance

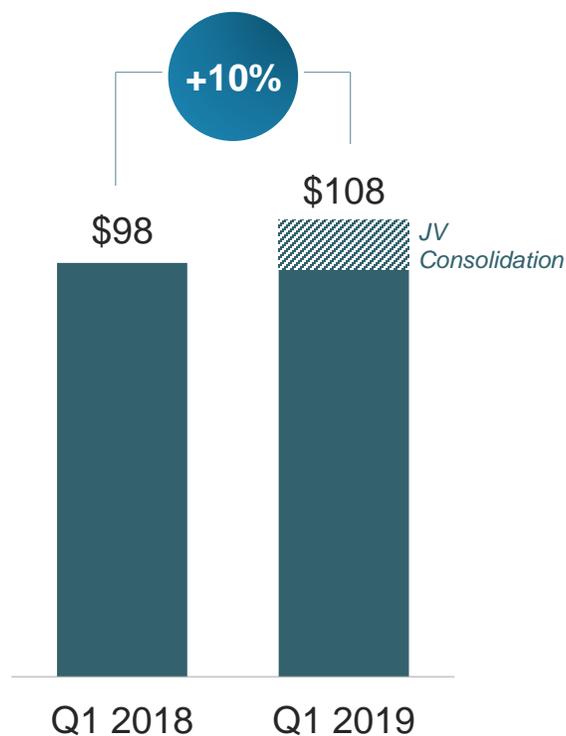
(Units and dollars in millions)



China Industry Volumes



Visteon China Domestic Sales



Drivers of Outperformance



Launches

28 in last 12 months



Higher Take Rates

Driven by infotainment



JV Consolidation

Strengthening position with VW and Toyota

New product launches and higher take rates drive outperformance

	 Americas	 Europe	 Asia
Industry	Lower U.S. consumer demand indicates under 17 million units for the full year	Lower volumes due to diesel, Real Driving Emissions (RDE) test and Brexit uncertainty	Improving China volumes due to OEM and government incentives starting in Q2
Visteon	Visteon sales benefit from new launches, offsetting volumes and product roll-offs	Visteon sales impacted by lower volumes and potential restructuring at key customers	Visteon sales reflect higher launches in China, offsetting roll-off with Mazda in Japan

FY production volumes for Visteon customers down ~3%, unchanged from prior guidance



Summary



Financial Performance

Delivered \$737 million of sales and \$41 million in adjusted EBITDA



New Business Wins

Generated record backlog with \$1.4 billion in new business wins



Operational Challenges

Curved CID launch – Q3 target resolution
Mexico plant transfer – Q2 target resolution



China Outperformance

Outperformed market in China, driven by new product launches



Timing of Engineering

Q1 engineering costs impacted by timing of recoveries; FY in line with guidance

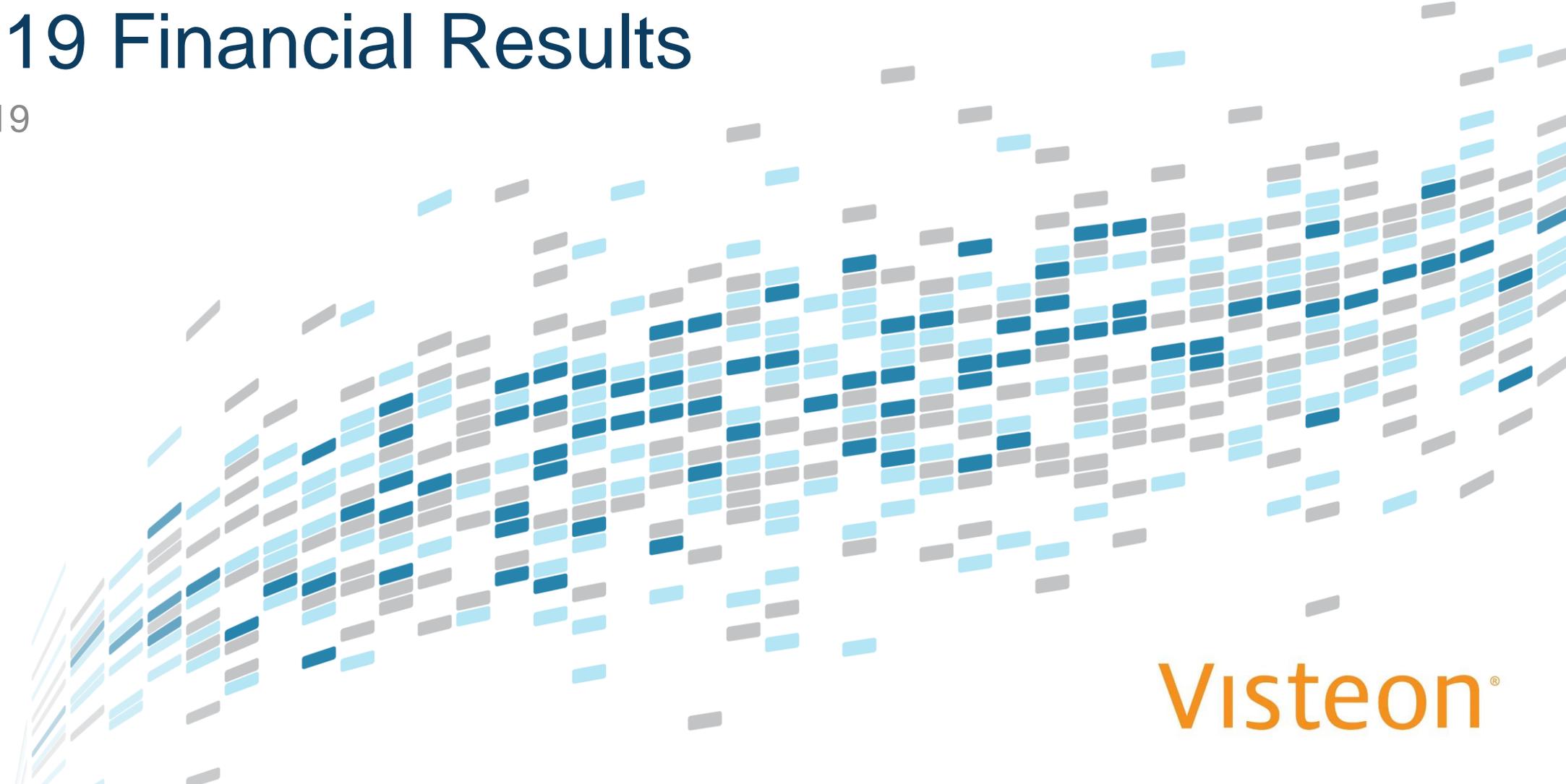


Market Outlook

Expect FY 2019 production volumes unchanged from previous guidance

Q1 2019 Financial Results

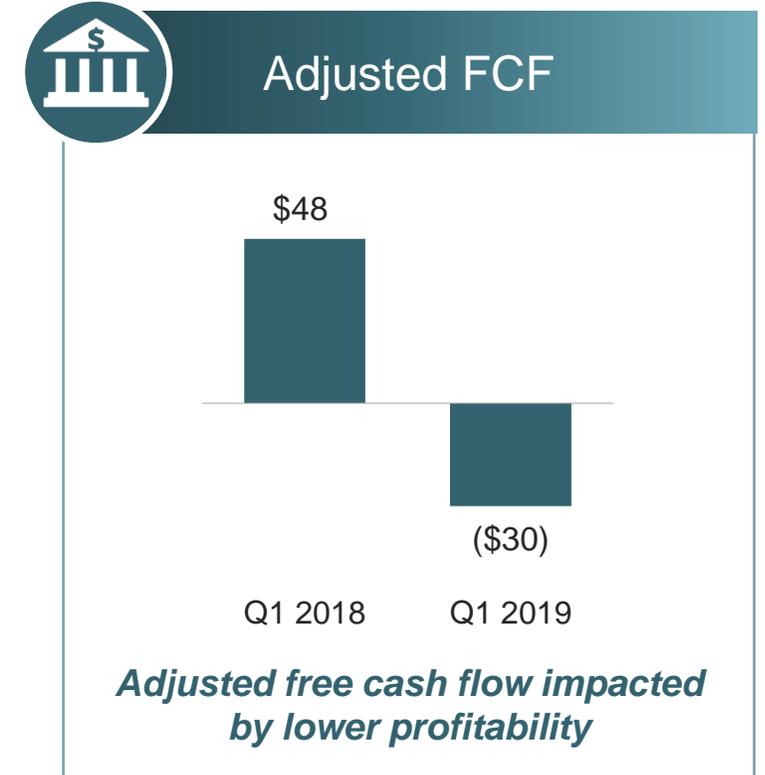
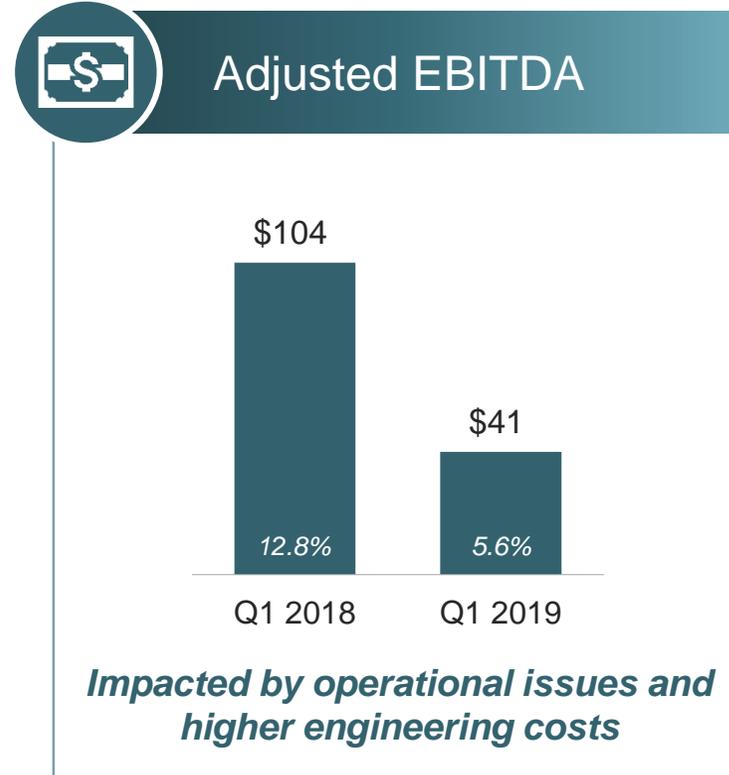
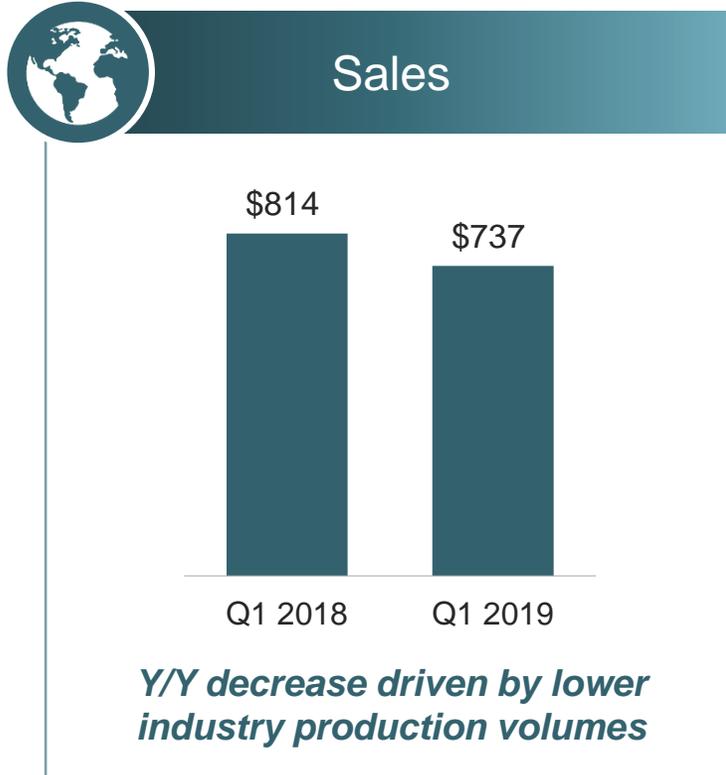
April 25, 2019



Visteon®

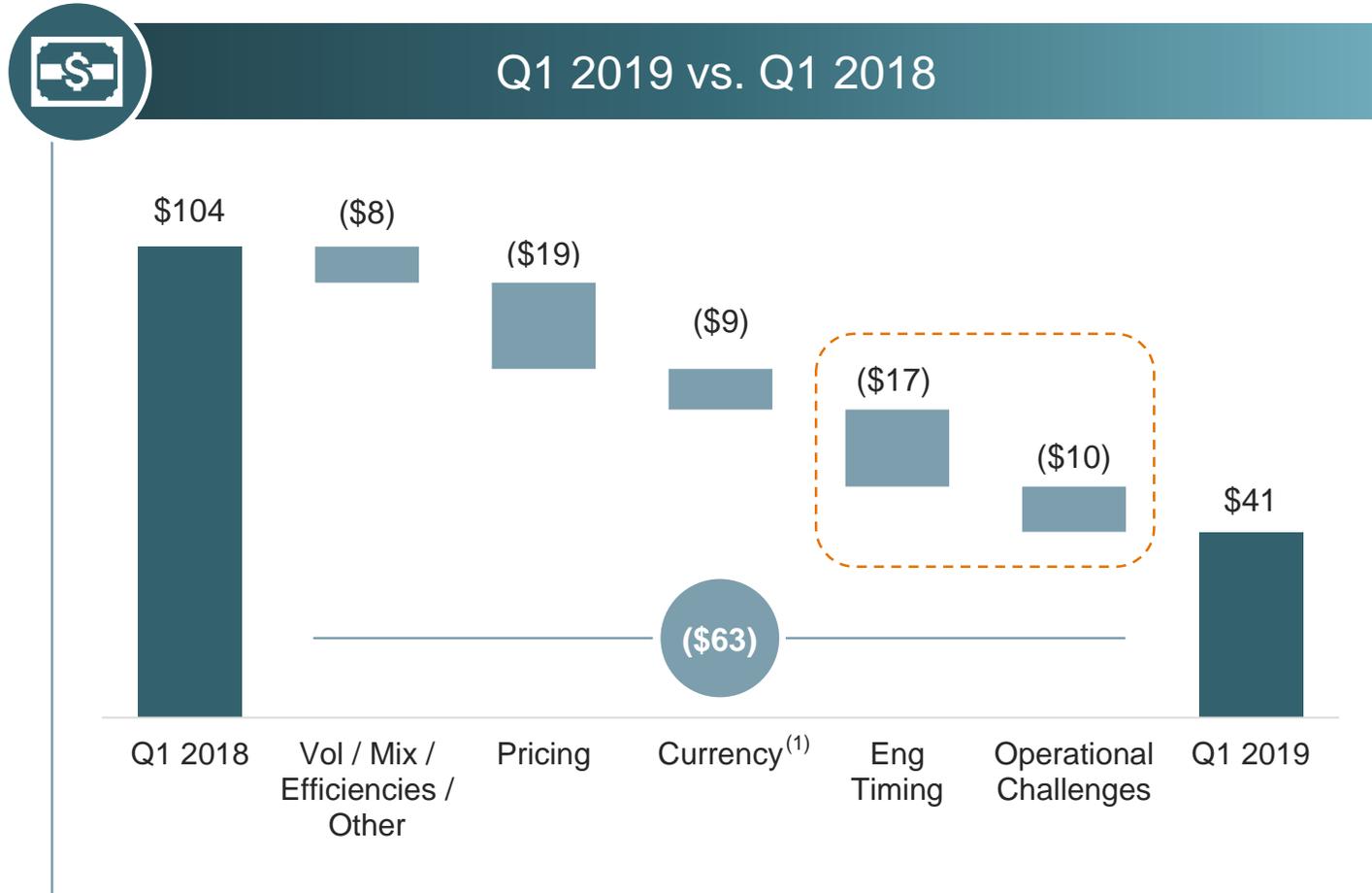
Q1 2019 Key Financials *

(Dollars in millions)



Y/Y Adjusted EBITDA Drivers

(Dollars in millions)



Drivers

- Volumes**
 Key customers down ~6% Y/Y
- Pricing**
 ~2% (in-line with historical rate)
- Engineering Timing**
 Minimal restructuring benefits in Q1
- Operational Challenges**
 CID launch and plant transfer

Adjusted Free Cash Flow and Balance Sheet

(Dollars in millions)

 Net Cash	\$435 cash \$404 debt
 Buyback Authorization	\$400

	Q1 2017	Q1 2018	Q1 2019
Adjusted EBITDA	\$101	\$104	\$41
Trade Working Capital	(29)	72	1
Cash Taxes	(19)	(11)	(15)
Interest Payments	(4)	(4)	(3)
Other Changes	(48)	(69)	(17)
Capital Expenditures	(32)	(44)	(37)
Adjusted FCF	(\$31)	\$48	(\$30)

Q1 2019 adjusted FCF impacted by reduced adjusted EBITDA

Updated Full-Year 2019 Guidance

(Dollars in millions)

	Prior Guidance	Updated Guidance
 Sales	\$2,900-3,000	\$2,900-3,000
 Adj. EBITDA	\$280-310 <i>(~10% margin)</i>	\$245-270 <i>(~9% margin)</i>
 Adj. FCF	\$80-100	\$45-70

Building the Foundation



Technology Innovation



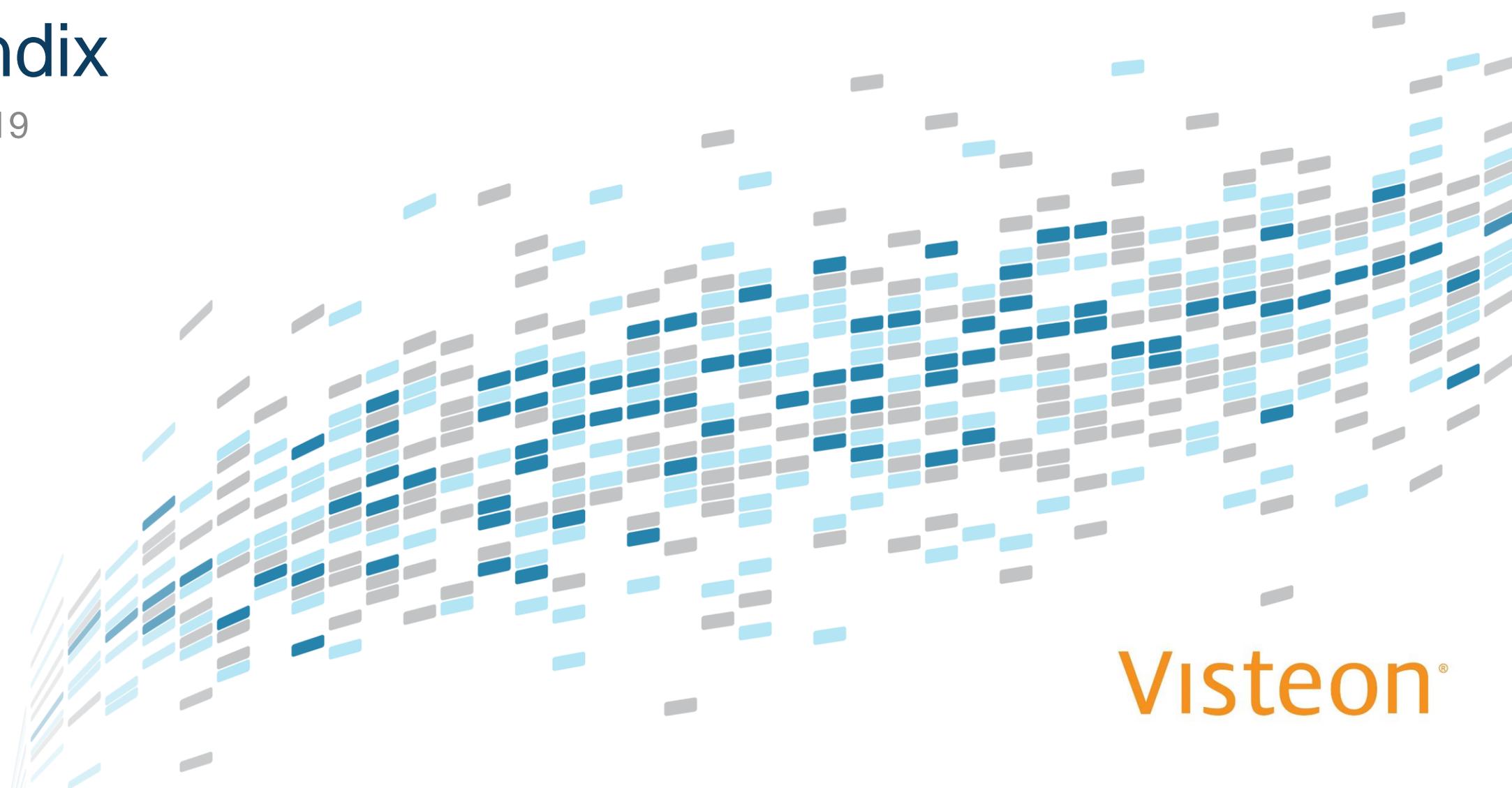
Long-Term Growth



Financial Returns

Appendix

April 25, 2019



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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; 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 Quarterly Report on Form 10-Q for the fiscal quarter ended March 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 2019, 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
Gross margin	\$129	\$104	\$82	\$96	\$411	\$66
<u>Less:</u>						
Stock-based compensation expense	1	1	1	-	3	1
Intangibles amortization - COGS	1	1	1	1	4	1
Subtotal	\$2	\$2	\$2	\$1	\$7	\$2
Adjusted gross margin	\$131	\$106	\$84	\$97	\$418	\$68

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.

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

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
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14
Average shares outstanding, diluted	30.8	29.9	29.5	28.9	29.7	28.4
Earnings per share	\$2.11	\$1.17	\$0.71	\$1.49	\$5.52	\$0.49
<hr/>						
<u>Memo: Adjusted EPS</u>						
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14
Restructuring expense	5	5	18	1	29	1
Discontinued operations	(2)	1	(1)	1	(1)	-
Gain on consolidation	-	-	(4)	-	(4)	-
Other	(4)	-	-	-	(4)	-
Tax effect of adjustments	-	-	(1)	(1)	(2)	-
Subtotal	(\$1)	\$6	\$12	\$1	\$18	\$1
Adjusted net income	\$64	\$41	\$33	\$44	\$182	\$15
Average shares outstanding, diluted	30.8	29.9	29.5	28.9	29.7	28.4
Adjusted earnings per share	\$2.08	\$1.37	\$1.12	\$1.52	\$6.13	\$0.53

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 2019 Guidance	
	Q1	Q2	Q3	Q4	Full Year	Q1	Low-end	High-end
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14	\$59	\$79
Depreciation and amortization	22	23	22	24	91	25	97	97
Restructuring expense	5	5	18	1	29	1	25	25
Interest expense, net	2	2	2	1	7	2	9	9
Equity in net income of non-consolidated affiliates	(3)	(4)	(3)	(3)	(13)	(3)	(12)	(12)
Provision for income taxes	21	12	9	1	43	(5)	35	40
Income from discontinued operations, net of tax	(2)	1	(1)	1	(1)	-	-	-
Net income attributable to non-controlling interests	4	1	3	2	10	2	12	12
Non-cash, stock-based compensation	(6)	6	4	4	8	5	20	20
Other	(4)	-	(4)	-	(8)	-	-	-
Subtotal	\$39	\$46	\$50	\$31	\$166	\$27	\$186	\$191
Adjusted EBITDA	\$104	\$81	\$71	\$74	\$330	\$41	\$245	\$270
<hr/>								
<u>Memo: Adjusted Net Income</u>								
Net income attributable to Visteon	\$65	\$35	\$21	\$43	\$164	\$14	\$59	\$79
Restructuring expense	5	5	18	1	29	1	25	25
Discontinued operations	(2)	1	(1)	1	(1)	-	-	-
Gain on consolidation	-	-	(4)	-	(4)	-	-	-
Other	(4)	-	-	-	(4)	-	-	-
Tax effect of adjustments	-	-	(1)	(1)	(2)	-	-	-
Subtotal	(\$1)	\$6	\$12	\$1	\$18	\$1	\$25	\$25
Adjusted net income	\$64	\$41	\$33	\$44	\$182	\$15	\$84	\$104

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 2019 Guidance	
	Q1	Q2	Q3	Q4	Full Year	Q1	Low-end	High-end
Cash flow from (for) operating activities	\$81	\$45	(\$19)	\$97	\$204	\$4	\$165	\$180
Less: Capital expenditures, including intangibles	(44)	(25)	(27)	(31)	(127)	(37)	(145)	(135)
Free cash flow	\$37	\$20	(\$46)	\$66	\$77	(\$33)	\$20	\$45
Exclude: Restructuring-related payments	11	9	4	6	30	3	25	25
Adjusted free cash flow	<u>\$48</u>	<u>\$29</u>	<u>(\$42)</u>	<u>\$72</u>	<u>\$107</u>	<u>(\$30)</u>	<u>\$45</u>	<u>\$70</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
Sales	\$814	\$758	\$681	\$731	\$2,984	\$737
Gross margin	\$129	\$104	\$82	\$96	\$411	\$66
Intangibles amortization - COGS	1	1	1	1	4	1
Stock-based compensation expense	1	1	1	-	3	1
Adjusted gross margin	\$131	\$106	\$84	\$97	\$418	\$68
<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>
SG&A	(\$44)	(\$55)	(\$40)	(\$54)	(\$193)	(\$57)
Intangibles amortization - SG&A	2	2	3	2	9	3
Stock-based compensation expense	(7)	5	3	4	5	4
Adjusted SG&A	(\$49)	(\$48)	(\$34)	(\$48)	(\$179)	(\$50)
Adjusted EBITDA						
Adjusted gross margin	\$131	\$106	\$84	\$97	\$418	\$68
Adjusted SG&A	(49)	(48)	(34)	(48)	(179)	(50)
D&A	19	20	18	21	78	21
Pension financing benefits, net	3	3	3	4	13	2
Adjusted EBITDA	\$104	\$81	\$71	\$74	\$330	\$41
<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>
Equity in affiliates	\$3	\$4	\$3	\$3	\$13	\$3
Noncontrolling interests	(4)	(1)	(3)	(2)	(10)	(2)

Reconciliation of Gross Margin

Gross Margin Build-up

(Dollars in millions)	2018					2019
	Q1	Q2	Q3	Q4	Full Year	Q1
Sales	\$814	\$758	\$681	\$731	\$2,984	\$737
Cost of goods sold (ex. engineering)	(617)	(575)	(522)	(573)	(2,287)	(586)
Engineering costs, net	(68)	(79)	(77)	(62)	(286)	(85)
Gross margin	\$129	\$104	\$82	\$96	\$411	\$66
<hr/>						
<u>% of Sales</u>						
Cost of goods sold (ex. engineering)	75.8%	75.9%	76.7%	78.4%	76.6%	79.5%
Engineering costs, net	8.4	10.4	11.3	8.5	9.6	11.5
Gross margin	15.8%	13.7%	12.0%	13.1%	13.8%	9.0%
<hr/>						
<u>Engineering costs, net</u>						
Engineering costs, gross	(\$95)	(\$104)	(\$111)	(\$121)	(\$431)	(\$108)
Recoveries	27	25	34	59	145	23
Engineering costs, net	(\$68)	(\$79)	(\$77)	(\$62)	(\$286)	(\$85)

Financial Results – U.S. GAAP



(Dollars in millions, except per share data)	2018					2019
	Q1	Q2	Q3	Q4	Full Year	Q1
<u>Income Statement</u>						
Sales	\$814	\$758	\$681	\$731	\$2,984	\$737
Gross margin	129	104	82	96	411	66
SG&A	44	55	40	54	193	57
Net income attributable to Visteon	65	35	21	43	164	14
Earnings per share, diluted	\$2.11	\$1.17	\$0.71	\$1.49	\$5.52	\$0.49
<u>Cash Flow Statement</u>						
Cash flow from (for) operating activities	\$81	\$45	(\$19)	\$97	\$204	\$4
Capital expenditures, including intangibles	44	25	27	31	127	37

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