

# Visteon Q4 and Full-Year 2023 Earnings

February 20, 2024



# 2023 in Review



Net Sales

**\$3,954** Million

12% Y/Y Base Sales Growth<sup>(1)</sup>



Adjusted EBITDA

**\$434** Million

11.0% Margin



Adjusted FCF

**\$150** Million

35% Conversion

DELIVERING ON  
CONTINUED  
GROWTH



~\$400M Y/Y increase  
in base sales

EXPANDING  
OUR  
PROFITABILITY



170 bps improvement  
in adj. EBITDA margin

EXECUTING ON  
PRODUCT  
LAUNCHES



129 new product  
launches

STRONG NEW  
BUSINESS WIN  
ACTIVITY



\$7.2 billion of new  
business wins

RETURNING  
CAPITAL TO  
SHAREHOLDERS

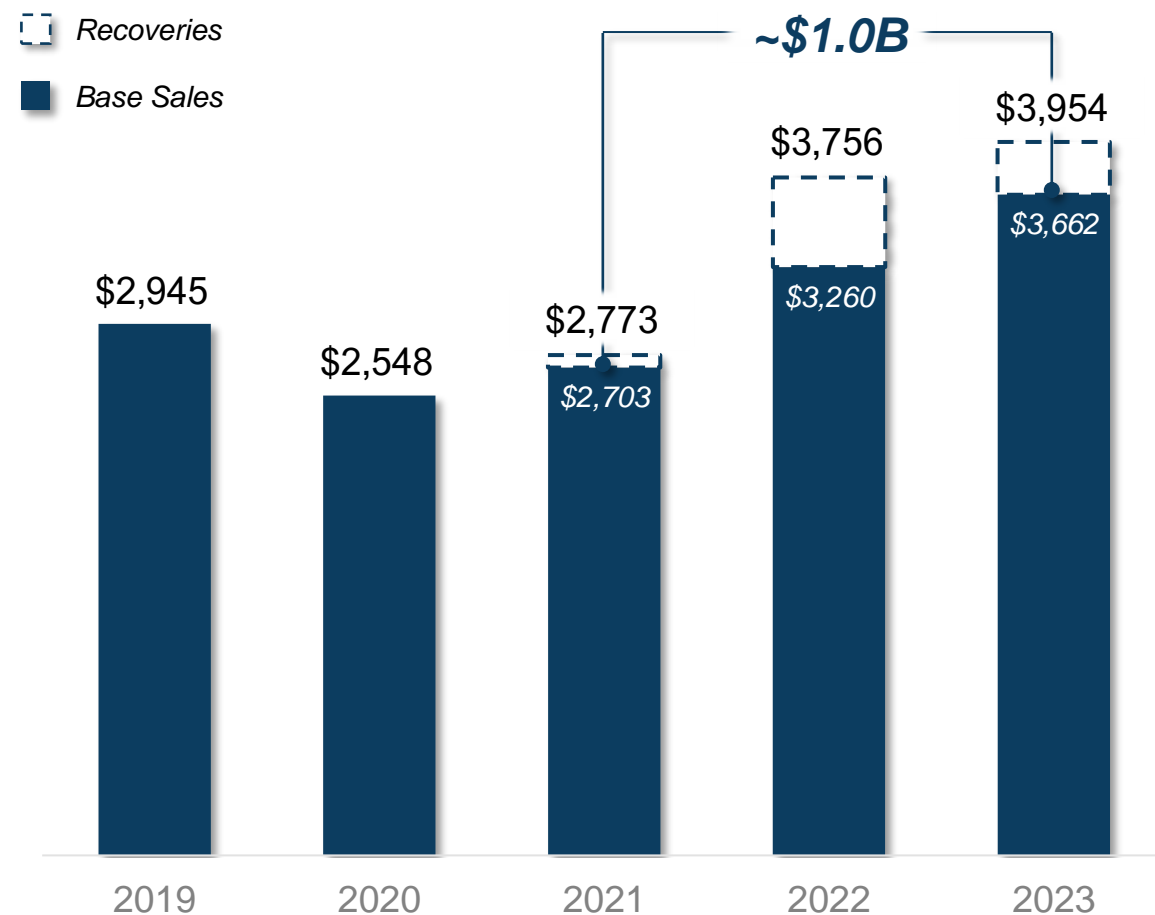


\$106 million share  
buyback executed

# Executing on our Strategic Objectives

*Added ~\$1 billion in base sales over two years*

*(Dollars in millions)*



## 2023 Achievements



### Gaining Share in Digital Clusters

Extended our market leadership position with ~30% Y/Y growth in digital cluster sales



### Enabling Consolidation in the Cockpit

SmartCore™ customers increased to 8 with launches at Harley and JMC-Ford



### Vision & Cloud Offerings

Moving up the value chain with fully integrated cloud and vision technologies



### Expanding Product Portfolio

First smart junction box win opens opportunities in growing Power Electronics market



### Diversifying Customer Base

Added three new customers in 2023, continuing our momentum from recent years

# 2023 New Product Launches

Successful launches of new products driving growth

Visteon<sup>®</sup>

## FY 2023 New Product Launches Summary

**129**

New Product Launches

**~45%**

Digital Cluster

**~35%**

SmartCore™, Infotainment, & Displays

**~20%**

BMS & Other

**24**

OEMs with New Product Launches

**~15%**

New Product Launches on Electric Vehicles

## Key Q4 2023 New Product Launches



**JMC-Ford Ranger**  
SmartCore™, Display



**Mahindra XUV**  
SmartCore™, Display



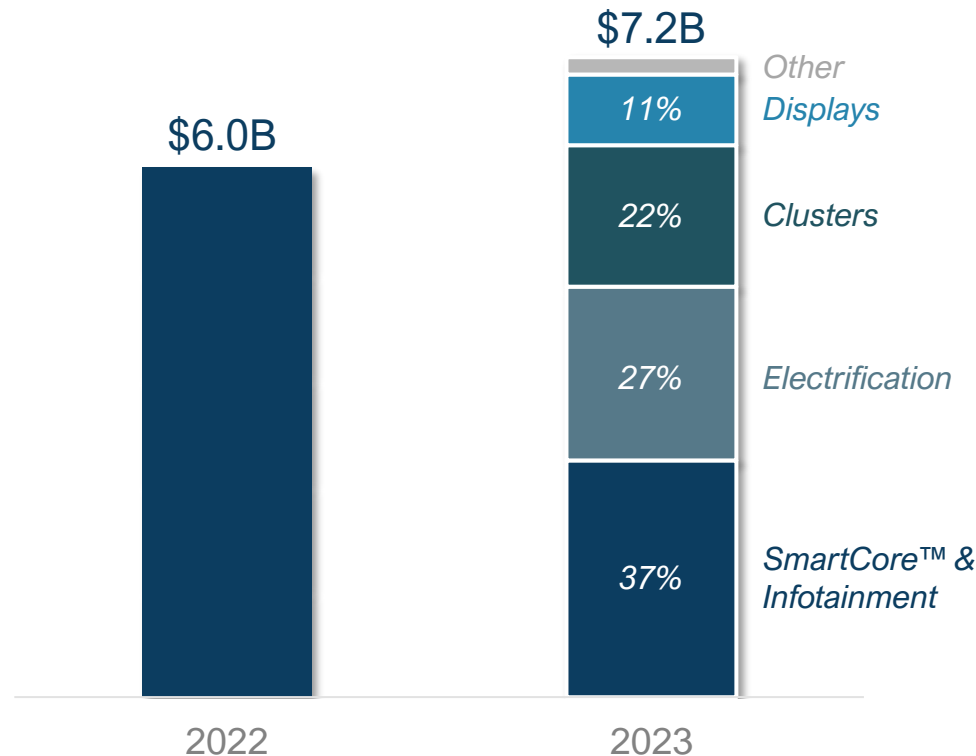
**Nissan Rogue**  
12" Digital Cluster

# 2023 New Business Wins



*Strong demand for Visteon products drove \$7.2B in NBWs, significantly above initial target*

## FY New Business Wins



## Key Q4 New Business Wins



### **Infotainment System and Display**

*Infotainment system and 10" display for SUV platform with Global OEM*



### **Infotainment System and Display**

*Infotainment system and 10" display for multiple vehicles with Indian OEM*



### **Panorama Display w/ Digital Cluster**

*12" digital cluster and 13" center display for electric SUV with German luxury OEM*

***New business wins diversified across product portfolio and powertrains***

# 2024 Sales Outlook

*Anticipating robust growth-over-market driven by new product launches*

## Industry Factors



### Global Light Vehicle Production

Assumptions roughly in line with industry production forecasts of ~90M units



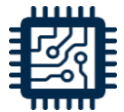
### Visteon Customer Production

Slight customer mix headwind of ~1% driven by regional and customer mix



### Electric Vehicles

Increased production of electric vehicles to drive higher demand for BMS products



### Semiconductor Supply

Improved supply chain reduces the impact of production disruptions and level of cost recoveries

## 2024 Growth-over-Market

*High number of launches in 2023 and 2024 supports higher market outgrowth*

*Non-recurrence of UAW strike and one-time OEM production constraints in Europe*

*Strong growth in BMS sales from GM and launches with 2 OEMs*

*Sequential rebound in Q1 2024 growth-over-market with acceleration throughout 2024*

***Expecting 10% to 12% GoM***

# Delivering Multi-Year Growth

Targeting significant market outgrowth through 2026



## 2026 Sales Outlook

**\$5B**

*Visteon sales target*

**+8%**

*Sales CAGR from 2023 - 2026*

**Low Double-Digit**

*Annual GoM from 2023 - 2026*

## Attractive Growth Profile



### Strong GoM Trajectory

Significant market outgrowth supported by wins in recent years



### Diversifying Product Mix

Substantial growth in SmartCore™, Displays, and BMS product sales



### Operational & Commercial Excellence

Strong execution of product launches globally and mitigating net pricing

## What's Changed Since Investor Day?



Lower Customer  
Production



Reduced EV  
Demand



China  
Mix Shift



# Summary



## **Delivering on Growth**

Increased base sales 12% Y/Y driven by growth-over-market and higher customer production



## **Strong Commercial Performance and Continued Operational Excellence**

Drove adjusted EBITDA margin to 11.0%, an expansion of 170bps Y/Y



## **Successfully Delivering Product Launches**

Delivered 129 new product launches across 24 OEM customers globally



## **Building the Foundation for Future Growth**

Secured \$7.2 billion in new business wins with strong performance across each product line



## **Returning Capital to Shareholders**

Executed on capital allocation strategy with \$106 million of share repurchases



# Q4 and Full-Year 2023 Financial Results

February 20, 2024



# Q4 2023 Financial Review

*Solid quarter with continued commercial and operational discipline*

Visteon®



## Net Sales

**\$990** Million

1% Y/Y Base Sales Growth<sup>(1)</sup>

- ▶ Continued strong customer demand for digital cockpit and BMS products
- ▶ Impacts from UAW strike, timing of roll-offs and roll-ons, and negative customer mix in China
- ▶ Recoveries lower by ~\$85M Y/Y due to improving semiconductor supply situation



## Adjusted EBITDA

**\$117** Million

11.8% Margin

- ▶ Higher margins driven by operational improvements and manufacturing efficiencies
- ▶ Strong focus on cost discipline and commercial excellence throughout the organization
- ▶ Lower engineering due to cost control and timing of project costs



## Adjusted FCF

**\$57** Million

\$182 Million Net Cash

- ▶ Strong cash flow generation in Q4 supports capital allocation priorities
- ▶ Total cash position of \$518 million at the end of the quarter
- ▶ Executed share repurchases of \$30 million during the quarter

# 2023 Financial Performance

*Delivering sales growth and margin expansion*

*(Dollars in millions)*

Visteon®

## Key Performance Drivers



### Growth-Over-Market

Base sales growth of 12% and market outgrowth supported by ramp-up of product launches



### Supply Chain Recoveries

Improving semi supply drove lower open market purchases while recoveries totaled ~\$300M



### Operational Performance

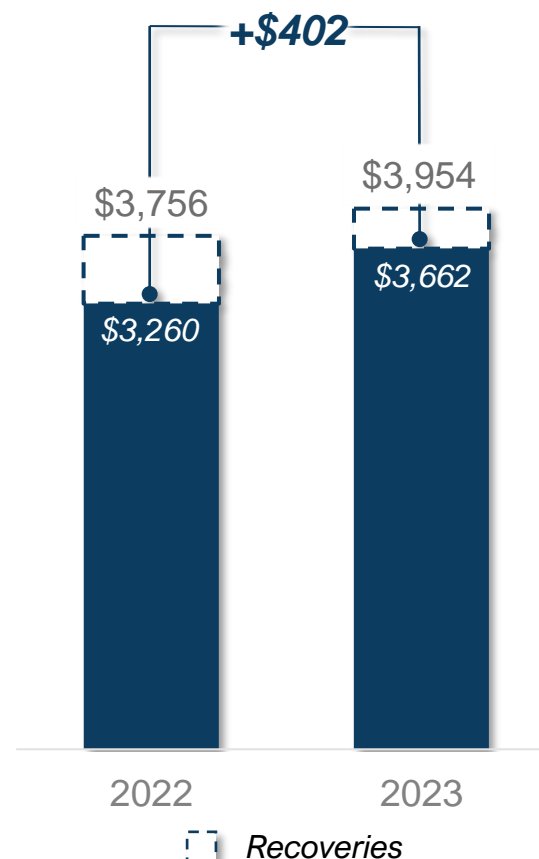
Executed on operational improvements while launching 129 new products



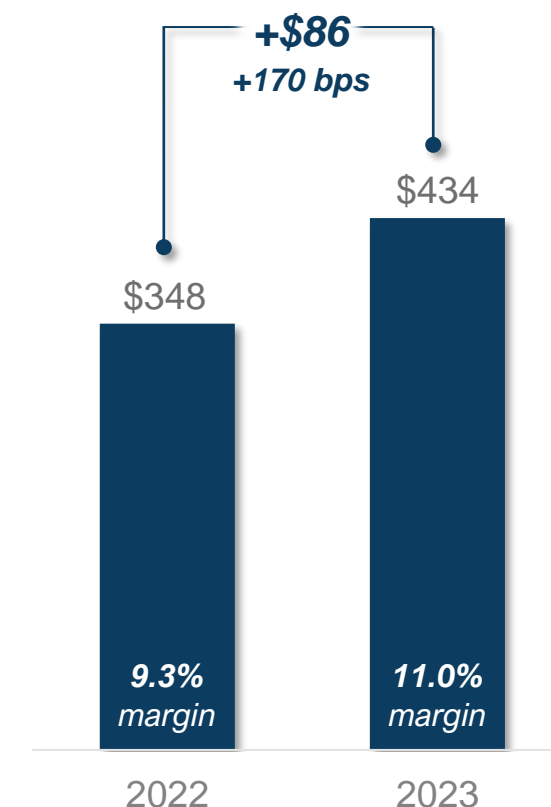
### Cost Structure

Leveraged best cost structure to drive further margin expansion

## Sales



## Adjusted EBITDA



# 2023 Balance Sheet and Adjusted Free Cash Flow

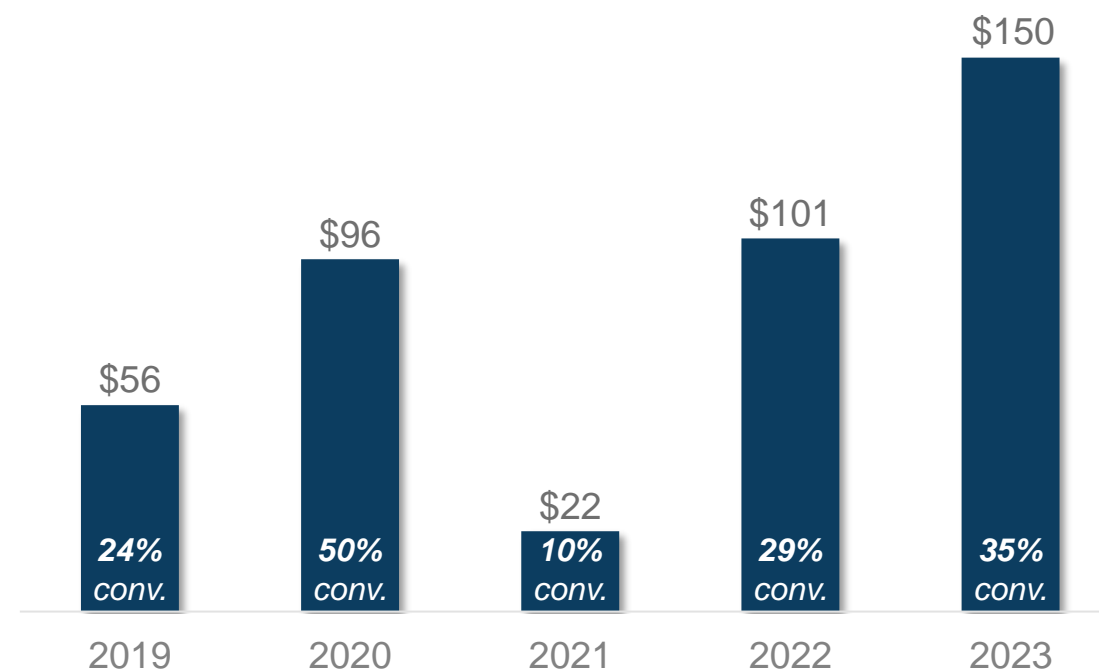
*Net cash position and substantial cash generation allowed balanced capital allocation*

*(Dollars in millions)*

(Dollars in Millions)	FY 2022	FY 2023
Adjusted EBITDA	\$348	\$434
Trade Working Capital	(115)	(65)
Cash Taxes	(29)	(68)
Interest Payments	(12)	(5)
Other Changes	(10)	(21)
Capital Expenditures	(81)	(125)
<b>Adjusted FCF</b>	<b>\$101</b>	<b>\$150</b>

**Share repurchases of \$106M in 2023**

## Adjusted Free Cash Flow



**Conversion ratio of 35% of adj. EBITDA**

# 2024 Full-Year Guidance



*Continuing sales growth and margin expansion with outgrowth and ongoing cost performance*

*(Dollars in millions unless otherwise noted)*

## Key Assumptions



**Sales**

**\$4.0B – \$4.2B**

*Base Sales +8% Y/Y\**



**Adj. EBITDA**

**\$470 – \$500**

*11.8% Margin\**



**Adj. FCF**

**\$155 – \$185**

*35% Conversion\**

- Customer production declines ~1%
  - 10% to 12% growth-over-market driven by product launches
  - Improved supply chain reduces level of cost recoveries
- 
- Continued strong commercial and operational performance
  - High-teens adj. EBITDA incrementals from growth in base sales
- 
- Capex of ~\$145 million for the full-year
  - Delivering on targeted conversion ratio of ~35%

# 2026 Targets

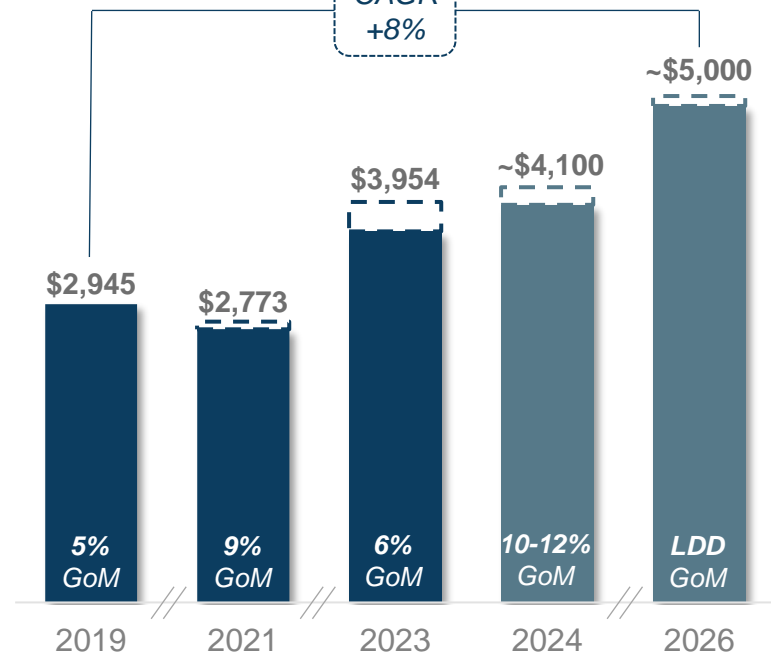
Attractive growth profile with substantial margin improvement

(Dollars in millions, 2024 figures at midpoint of guidance)

## Sales<sup>(1)</sup>

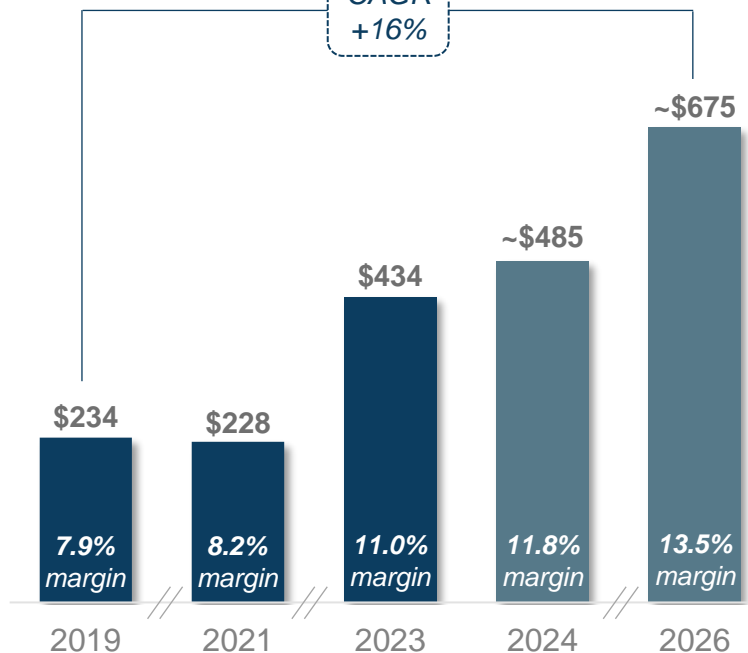
Recoveries

CAGR  
+8%



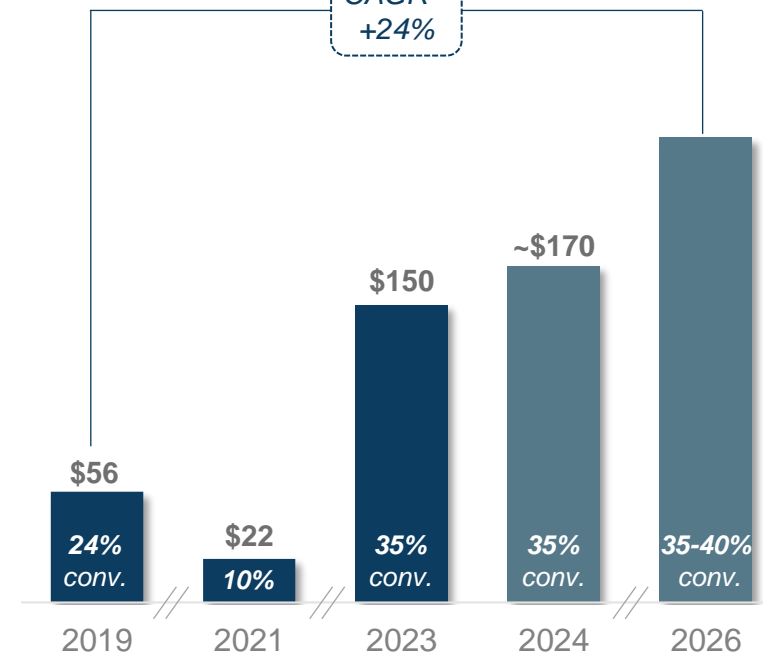
## Adjusted EBITDA

CAGR  
+16%



## Adjusted Free Cash Flow

CAGR<sup>(2)</sup>  
+24%



# Investment Thesis



*Visteon continues to be a compelling long-term investment opportunity*



## Digital Cockpit Electronics Leader



## Innovative Product Portfolio



## Competitive Cost Structure



## Strong Balance Sheet

- ▶ Digital cockpit leader for cars, trucks, and two-wheelers
- ▶ Supporting industry shift to electric vehicles
- ▶ Nimble and adaptable to changing environment
- ▶ Leading analog-to-digital transition in automotive cockpits
- ▶ Industry leader in cockpit domain controllers
- ▶ Industry-first wireless battery management system
- ▶ Leveraging industry-leading engineering footprint
- ▶ Optimizing spend through platform-based approach
- ▶ Commercial and operational discipline
- ▶ Strong cash position provides flexibility and supports future growth
- ▶ No material near-term debt maturities
- ▶ Returning cash to shareholders through repurchase program



# Appendix

February 20, 2024



# Forward-Looking Statements

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 related to the conflict between Russia and the Ukraine including supply chain disruptions, reduction in customer demand, and the imposition of sanctions on Russia;
- 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;
- failure of the Company's joint venture partners to comply with contractual obligations or to exert undue influence in China;
- 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 avoid or continue to operate during a strike, or partial work stoppage or slow down at any of our principal customers;
- 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;
- disruptions in information technology systems including, but not limited to, system failure, cyber-attack, malicious computer software (malware including ransomware), unauthorized physical or electronic access, or other natural or man-made incidents or disasters;
- increases in raw material and energy costs and our ability to offset or recover these costs; increases in our warranty, product liability and recall costs or the outcome of legal or regulatory proceedings to which we are or may become a party;
- changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership or use of our products or assets; and
- those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, 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 release, and which we assume no obligation to update. The financial results presented herein are preliminary and unaudited; final financial results will be included in the company's Annual Report on Form 10-K for the fiscal quarter ended December 31, 2023. New business wins and re-wins 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 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 2024, 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 stock-based compensation expense, intangibles amortization and other non-operating costs.

	2022					2023				
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Gross margin</b>	<b>\$76</b>	<b>\$74</b>	<b>\$104</b>	<b>\$114</b>	<b>\$368</b>	<b>\$110</b>	<b>\$104</b>	<b>\$143</b>	<b>\$130</b>	<b>\$487</b>
<u>Less:</u>										
Stock-based compensation expense	1	3	3	3	10	3	4	4	3	14
Intangibles amortization	—	—	1	—	1	—	—	—	1	1
Other	2	10	(2)	2	12	1	—	1	1	3
<b>Subtotal</b>	<b>\$3</b>	<b>\$13</b>	<b>\$2</b>	<b>\$5</b>	<b>\$23</b>	<b>\$4</b>	<b>\$4</b>	<b>\$5</b>	<b>\$5</b>	<b>\$18</b>
<b>Adjusted gross margin</b>	<b>\$79</b>	<b>\$87</b>	<b>\$106</b>	<b>\$119</b>	<b>\$391</b>	<b>\$114</b>	<b>\$108</b>	<b>\$148</b>	<b>\$135</b>	<b>\$505</b>

## Adjusted SG&A

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

	2022					2023				
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>SG&amp;A</b>	<b>\$44</b>	<b>\$43</b>	<b>\$47</b>	<b>\$54</b>	<b>\$188</b>	<b>\$52</b>	<b>\$52</b>	<b>\$52</b>	<b>\$51</b>	<b>\$207</b>
<u>Less:</u>										
Stock-based compensation expense	(4)	(5)	(3)	(4)	(16)	(5)	(5)	(5)	(5)	(20)
Intangibles amortization	(3)	(3)	(2)	(3)	(11)	(3)	(2)	(3)	(1)	(9)
Other	—	—	(2)	—	(2)	—	(1)	—	(1)	(2)
<b>Subtotal</b>	<b>(\$7)</b>	<b>(\$8)</b>	<b>(\$7)</b>	<b>(\$7)</b>	<b>(\$29)</b>	<b>(\$8)</b>	<b>(\$8)</b>	<b>(\$8)</b>	<b>(\$7)</b>	<b>(\$31)</b>
<b>Adjusted SG&amp;A</b>	<b>\$37</b>	<b>\$35</b>	<b>\$40</b>	<b>\$47</b>	<b>\$159</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$176</b>

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



## Adjusted Net Income and Adjusted EPS

- The Company defines Adjusted Net Income as net income / (loss) attributable to Visteon adjusted to eliminate the impact of restructuring and impairment expense, 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 average diluted shares outstanding.

(Dollars and shares in millions, except per share data)	2022					2023				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Net income / (loss) attributable to Visteon</b>	<b>\$22</b>	<b>\$24</b>	<b>\$44</b>	<b>\$34</b>	<b>\$124</b>	<b>\$34</b>	<b>\$20</b>	<b>\$66</b>	<b>\$366</b>	<b>\$486</b>
Average shares outstanding, diluted	28.4	28.4	28.5	28.7	28.5	28.7	28.7	28.5	28.2	28.5
<b>Earnings / (loss) per share</b>	<b>\$ 0.77</b>	<b>\$ 0.85</b>	<b>\$ 1.54</b>	<b>\$ 1.18</b>	<b>\$ 4.35</b>	<b>\$ 1.18</b>	<b>\$ 0.70</b>	<b>\$ 2.32</b>	<b>\$ 12.98</b>	<b>\$ 17.05</b>
<b>Net income / (loss) attributable to Visteon</b>	<b>\$22</b>	<b>\$24</b>	<b>\$44</b>	<b>\$34</b>	<b>\$124</b>	<b>\$34</b>	<b>\$20</b>	<b>\$66</b>	<b>\$366</b>	<b>\$486</b>
Restructuring and impairment expense	7	4	1	2	14	1	1	—	3	5
Non-operating costs, net	2	10	—	2	14	1	13	1	2	17
Tax effect of adjustments	—	—	—	—	—	—	—	—	(4)	(4)
<b>Subtotal</b>	<b>\$9</b>	<b>\$14</b>	<b>\$1</b>	<b>\$4</b>	<b>\$28</b>	<b>\$2</b>	<b>\$14</b>	<b>\$1</b>	<b>\$1</b>	<b>\$18</b>
<b>Adjusted net income / (loss)</b>	<b>\$31</b>	<b>\$38</b>	<b>\$45</b>	<b>\$38</b>	<b>\$152</b>	<b>\$36</b>	<b>\$34</b>	<b>\$67</b>	<b>\$367</b>	<b>\$504</b>
Average shares outstanding, diluted	28.4	28.4	28.5	28.7	28.5	28.7	28.7	28.5	28.2	28.5
<b>Adjusted earnings / (loss) per share</b>	<b>\$ 1.09</b>	<b>\$ 1.34</b>	<b>\$ 1.58</b>	<b>\$ 1.32</b>	<b>\$ 5.33</b>	<b>\$ 1.25</b>	<b>\$ 1.18</b>	<b>\$ 2.35</b>	<b>\$ 13.01</b>	<b>\$ 17.68</b>

2023 includes a non-cash tax benefit of \$313 million, or \$11.10 per diluted share in the fourth quarter, and \$10.98 per diluted share for the full year, related to a reduction in the valuation allowance against the U.S. deferred tax assets.

# 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 (benefit from) 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)	2022					2023					FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
<b>Net income / (loss) attributable to Visteon</b>	<b>\$22</b>	<b>\$24</b>	<b>\$44</b>	<b>\$34</b>	<b>\$124</b>	<b>\$34</b>	<b>\$20</b>	<b>\$66</b>	<b>\$366</b>	<b>\$486</b>	<b>\$220</b>
Depreciation and amortization	27	25	27	29	108	29	26	24	25	104	105
Restructuring and impairment expense	7	4	1	2	14	1	1	—	3	5	5
Interest expense, net	2	3	2	3	10	3	3	1	—	7	5
Equity in net (income) / loss of non-consolidated affiliates	(3)	(1)	1	4	1	5	2	1	2	10	10
Provision for (benefit from) income taxes	8	7	9	21	45	14	13	21	(296)	(248)	80
Net income / (loss) attributable to non-controlling interests	1	(1)	5	1	6	4	3	5	7	19	20
Non-cash, stock-based compensation	5	8	6	7	26	8	9	9	8	34	35
Other	2	10	—	2	14	1	13	1	2	17	5
<b>Subtotal</b>	<b>\$49</b>	<b>\$55</b>	<b>\$51</b>	<b>\$69</b>	<b>\$224</b>	<b>\$65</b>	<b>\$70</b>	<b>\$62</b>	<b>(\$249)</b>	<b>(\$52)</b>	<b>\$265</b>
<b>Adjusted EBITDA</b>	<b>\$71</b>	<b>\$79</b>	<b>\$95</b>	<b>\$103</b>	<b>\$348</b>	<b>\$99</b>	<b>\$90</b>	<b>\$128</b>	<b>\$117</b>	<b>\$434</b>	<b>\$485</b>

2023 includes a non-cash tax benefit of \$313 million related to a reduction in the valuation allowance against the U.S. deferred tax assets.

# 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.

	2022					2023					FY 2024 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
(Dollars in millions)											
<b>Cash flow from (for) operating activities</b>	<b>(\$21)</b>	<b>(\$51)</b>	<b>\$74</b>	<b>\$165</b>	<b>\$167</b>	<b>(\$19)</b>	<b>\$61</b>	<b>\$127</b>	<b>\$98</b>	<b>\$267</b>	<b>\$305</b>
Less: Capital expenditures, including intangibles	(21)	(15)	(18)	(27)	(81)	(21)	(30)	(31)	(43)	(125)	(145)
<b>Free cash flow</b>	<b>(\$42)</b>	<b>(\$66)</b>	<b>\$56</b>	<b>\$138</b>	<b>\$86</b>	<b>(\$40)</b>	<b>\$31</b>	<b>\$96</b>	<b>\$55</b>	<b>\$142</b>	<b>\$160</b>
Exclude: Restructuring-related payments	5	4	3	3	15	3	1	2	2	8	10
<b>Adjusted free cash flow</b>	<b>(\$37)</b>	<b>(\$62)</b>	<b>\$59</b>	<b>\$141</b>	<b>\$101</b>	<b>(\$37)</b>	<b>\$32</b>	<b>\$98</b>	<b>\$57</b>	<b>\$150</b>	<b>\$170</b>



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



## Adjusted EBITDA Build-up

(Dollars in millions)		2022					2023				
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales		\$818	\$848	\$1,026	\$1,064	\$3,756	\$967	\$983	\$1,014	\$990	\$3,954
Gross margin		\$76	\$74	\$104	\$114	\$368	\$110	\$104	\$143	\$130	\$487
Intangibles amortization		—	—	1	—	1	—	—	—	1	1
Stock-based compensation expense		1	3	3	3	10	3	4	4	3	14
Other		2	10	(2)	2	12	1	—	1	1	3
<b>Adjusted gross margin</b>		<b>\$79</b>	<b>\$87</b>	<b>\$106</b>	<b>\$119</b>	<b>\$391</b>	<b>\$114</b>	<b>\$108</b>	<b>\$148</b>	<b>\$135</b>	<b>\$505</b>
% of sales		9.7%	10.3%	10.3%	11.2%	10.4%	11.8%	11.0%	14.6%	13.6%	12.8%
SG&A		(\$44)	(\$43)	(\$47)	(\$54)	(\$188)	(\$52)	(\$52)	(\$52)	(\$51)	(\$207)
Intangibles amortization		3	3	2	3	11	3	2	3	1	9
Stock-based compensation expense		4	5	3	4	16	5	5	5	5	20
Other		—	—	2	—	2	—	1	—	1	2
<b>Adjusted SG&amp;A</b>		<b>(\$37)</b>	<b>(\$35)</b>	<b>(\$40)</b>	<b>(\$47)</b>	<b>(\$159)</b>	<b>(\$44)</b>	<b>(\$44)</b>	<b>(\$44)</b>	<b>(\$44)</b>	<b>(\$176)</b>
Adjusted EBITDA											
Adjusted gross margin		\$79	\$87	\$106	\$119	\$391	\$114	\$108	\$148	\$135	\$505
Adjusted SG&A		(37)	(35)	(40)	(47)	(159)	(44)	(44)	(44)	(44)	(176)
D&A		24	22	24	26	96	26	24	21	23	94
Other income, net		5	5	5	5	20	3	2	3	3	11
<b>Adjusted EBITDA</b>		<b>\$71</b>	<b>\$79</b>	<b>\$95</b>	<b>\$103</b>	<b>\$348</b>	<b>\$99</b>	<b>\$90</b>	<b>\$128</b>	<b>\$117</b>	<b>\$434</b>
% of sales		8.7%	9.3%	9.3%	9.7%	9.3%	10.2%	9.2%	12.6%	11.8%	11.0%
Equity income (loss) in affiliates		\$3	\$1	(\$1)	(\$4)	(\$1)	(\$5)	(\$2)	(\$1)	(\$2)	(\$10)
Noncontrolling interests		(1)	1	(5)	(1)	(6)	(4)	(3)	(5)	(7)	(19)

# Net Engineering



	2022				
(Dollars in millions)	Q1	Q2	Q3	Q4	Full Year
Engineering costs, gross	(\$81)	(\$81)	(\$83)	(\$96)	(\$341)
Recoveries	33	40	25	47	145
<b>Engineering costs, net</b>	<b>(\$48)</b>	<b>(\$41)</b>	<b>(\$58)</b>	<b>(\$49)</b>	<b>(\$196)</b>

	2023				
	Q1	Q2	Q3	Q4	Full Year
Engineering costs, gross	(\$83)	(\$91)	(\$79)	(\$77)	(\$330)
Recoveries	27	29	25	39	120
<b>Engineering costs, net</b>	<b>(\$56)</b>	<b>(\$62)</b>	<b>(\$54)</b>	<b>(\$38)</b>	<b>(\$210)</b>

# Financial Results – U.S. GAAP



	2022					2023				
(Dollars in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Income Statement</u>										
Sales	\$818	\$848	\$1,026	\$1,064	\$3,756	\$967	\$983	\$1,014	\$990	\$3,954
Gross margin	76	74	104	114	368	110	104	143	130	487
SG&A	44	43	47	54	188	52	52	52	51	207
Net income / (loss) attributable to Visteon	22	24	44	34	124	34	20	66	366	486
Earnings / (loss) per share, diluted	\$0.77	\$0.85	\$1.54	\$1.18	\$4.35	\$1.18	\$0.70	\$2.32	\$12.98	\$17.05
<u>Cash Flow Statement</u>										
Cash flow from (for) operating activities	(\$21)	(\$51)	\$74	\$165	\$167	(\$19)	\$61	\$127	\$98	\$267
Capital expenditures, including intangibles	21	15	18	27	81	21	30	31	43	125

2023 includes a non-cash tax benefit of \$313 million, or \$11.10 per diluted share in the fourth quarter, and \$10.98 per diluted share for the full year, related to a reduction in the valuation allowance against the U.S. deferred tax assets.

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