Visteon®

**NEWS RELEASE**

# Visteon Announces Second-Quarter 2019 Results

- ***Sales of $733 million***
- ***Net income of $7 million***
- ***Adjusted EBITDA of $46 million***
- ***Awarded $3.2 billion in new business YTD***
    - ***Driven by digital clusters, displays and SmartCore™***
    - ***One-third for electric vehicles***

VAN BUREN TOWNSHIP, Mich., July 25, 2019 — Visteon Corporation (NASDAQ: VC) today announced second-quarter 2019 results, reporting net income attributable to Visteon of $7 million or $0.25 per diluted share, compared with $35 million or $1.17 per diluted share in the second quarter of 2018.

Second-quarter 2019 sales were $733 million, compared with $758 million in the second quarter of 2018. The decrease of $25 million is primarily due to unfavorable vehicle production volumes, customer pricing and unfavorable currency, partially offset by new business and the consolidation of a previously non-consolidated affiliate. Gross margin for the second quarter of 2019 was $70 million, compared with $104 million in the same quarter in 2018. The decrease is primarily due to lower OEM volumes and unfavorable mix, pricing, currency, and timing of engineering expenses.

During the first half of 2019, global vehicle manufacturers awarded Visteon new business of $3.2 billion in lifetime sales, with more than 60 percent from next-generation digital products -- including three wins powered by Visteon's industry-first SmartCore™ domain controller. More than one third of the wins are on electric vehicle platforms.

"Despite the challenging vehicle production environment, our second-quarter sales outperformed the industry, particularly in China," said Visteon President and CEO Sachin Lawande. "We continued to gain momentum in winning next-generation digital platforms, including an Android-based display audio system with a European automaker, a multi-display module with a Korean vehicle manufacturer, and a cross-platform SmartCore™ award with a China-based automaker. Our pipeline of new business opportunities remains robust despite the near-term uncertainty, which reinforces our confidence in the long-term prospects of the business."

## Second Quarter in Review

Sales in the second quarter totaled $733 million, compared with $758 million in the second quarter of 2018. On a regional basis, in the second quarter of 2019, Europe accounted for 31 percent of sales, the Americas 27 percent, China Domestic 16 percent, China Export 8 percent and Other Asia-Pacific 18 percent.

Adjusted EBITDA, a non-GAAP measure as defined below, was $46 million for the second quarter of 2019, compared with $81 million for the same quarter last year. Adjusted EBITDA margin was 6.3 percent for the second quarter of 2019.

For the second quarter of 2019, net income attributable to Visteon was $7 million or $0.25 per diluted share, compared with $35 million or $1.17 per diluted share for the same period in 2018. Adjusted net income, which excludes restructuring charges and discontinued operations, was $8 million or $0.28 per diluted share for the second quarter of 2019, compared with $41 million or $1.37 per diluted share for the same period in 2018.

The company had 28.1 million diluted shares of common stock outstanding as of June 30, 2019.

**Cash and Debt Balances**

As of June 30, 2019, Visteon remained in a net positive cash position with cash of $438 million and debt of $402 million.

For the second quarter of 2019, cash provided from operations was $57 million and capital expenditures were $34 million. Total Visteon adjusted free cash flow, a non-GAAP financial measure as defined below, for the second quarter was $28 million, compared with $29 million during the second quarter of 2018.

**Share Repurchases**

During the second quarter of 2019, the company repurchased 322,120 shares at an average price of $62.06 for a total of $20 million. Visteon has a remaining share repurchase authorization of $380 million.

**Full-Year 2019 Outlook**

Visteon updated its full-year 2019 guidance, with sales in the range of $2.9 billion to $3.0 billion, adjusted EBITDA in the range of $230 million to $250 million, and adjusted free cash flow in the range of $30 million to $50 million.

**About Visteon**

Visteon is a global technology company that designs, engineers and manufactures innovative cockpit electronics and connected car solutions for the world's major vehicle manufacturers. Visteon is driving the smart, learning, digital cockpit of the future, to improve safety and the user experience. Visteon is a global leader in cockpit electronic products including digital instrument clusters, information displays, infotainment, head-up displays, telematics, SmartCore™ cockpit domain controllers, and the DriveCore™ autonomous driving platform. Visteon also delivers artificial intelligence-based technologies, connected car, cybersecurity, interior sensing, embedded multimedia and smartphone connectivity software solutions. Headquartered in Van Buren Township, Michigan, Visteon has approximately 10,000 employees at more than 40 facilities in 18 countries. Visteon had sales of approximately $3 billion in 2018. Learn more at www.visteon.com.

**Conference Call and Presentation**

Today, Thursday, July 25, at 9 a.m. ET, the company will host a conference call for the investment community to discuss the quarter's results and other related items. The conference call is available to the general public via a live audio webcast.

The dial-in numbers to participate in the call are:
U.S./Canada: 866-411-5196
Outside U.S./Canada: 970-297-2404

(Call approximately 10 minutes before the start of the conference.)

The conference call and live audio webcast, related presentation materials and other supplemental information will be accessible in the investors section of Visteon's website. A news release on Visteon's first-quarter results will be available in the news section of the website.

A replay of the conference call will be available through the company's website or by dialing 855-859-2056 (toll-free from the U.S. and Canada) or 404-537-3406 (international). The conference ID for the phone replay is 7892819. The phone replay will be available for one week following the conference call.

*Forward-looking Information*

This press release 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: (1) 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 or suppliers, including work stoppages, 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; (2) 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; (3) our ability to satisfy pension and other post-employment benefit obligations; (4) our ability to access funds generated by foreign subsidiaries and joint ventures on a timely and cost-effective basis; (5) our ability to execute on our transformational plans and cost-reduction initiatives in the amounts and on the timing contemplated; (6) general economic conditions, including changes in interest rates, currency exchange rates and fuel prices; (7) the timing and expenses related to internal restructuring, employee reductions, acquisitions or dispositions and the effect of pension and other post-employment benefit obligations; (8) 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 (9) those factors identified in our filings with the SEC (including our Annual Report on Form 10-K for the fiscal year ended Dec. 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 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 Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019. New business wins and rewins 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*

This press release contains information about Visteon's financial results which is not presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Such non-GAAP financial measures are reconciled to their closest GAAP financial measures at the end of this press release. The provision of these comparable GAAP financial measures for 2018 is not intended to indicate that Visteon 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 press release and the adjustments that management can reasonably predict.

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**VISTEON CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
*(Dollars in Millions, Except Per Share Data)*
*(Unaudited)*

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Sales | $ 733 | $ 758 | $ 1,470 | $ 1,572 |
| Cost of sales | (663) | (654) | (1,334) | (1,339) |
| Gross margin | 70 | 104 | 136 | 233 |
| Selling, general and administrative expenses | (58) | (55) | (115) | (99) |
| Restructuring expense | — | (5) | (1) | (10) |
| Interest expense, net | (2) | (2) | (4) | (4) |
| Equity in net income of non-consolidated affiliates | 3 | 4 | 6 | 7 |
| Other income, net | 3 | 3 | 5 | 10 |
| Income before income taxes | 16 | 49 | 27 | 137 |
| Provision for income taxes | (8) | (12) | (3) | (33) |
| Net income from continuing operations | 8 | 37 | 24 | 104 |
| Income (loss) from discontinued operations, net of tax | — | (1) | — | 1 |
| Net income | 8 | 36 | 24 | 105 |
| Net income attributable to non-controlling interests | (1) | (1) | (3) | (5) |
| Net income attributable to Visteon Corporation | $ 7 | $ 35 | $ 21 | $ 100 |
| | | | | |
| Comprehensive income (loss) | $ 4 | $ (9) | $ 25 | $ 83 |
| Comprehensive income (loss) attributable to Visteon Corporation | $ 4 | $ (3) | $ 22 | $ 79 |
| | | | | |
| Earnings per share data: | | | | |
| Basic earnings (loss) per share | | | | |
| Continuing operations | $ 0.25 | $ 1.22 | $ 0.75 | $ 3.29 |
| Discontinued operations | — | (0.03) | — | 0.03 |
| Basic earnings per share attributable to Visteon Corporation | $ 0.25 | $ 1.19 | $ 0.75 | $ 3.32 |
| Diluted earnings (loss) per share | | | | |
| Continuing operations | $ 0.25 | $ 1.20 | $ 0.74 | $ 3.26 |
| Discontinued operations | — | (0.03) | — | 0.03 |
| Diluted earnings per share attributable to Visteon Corporation | $ 0.25 | $ 1.17 | $ 0.74 | $ 3.29 |
| Average shares outstanding (in millions) | | | | |
| Basic | 28.1 | 29.6 | 28.1 | 30.1 |
| Diluted | 28.2 | 29.9 | 28.2 | 30.4 |

**VISTEON CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
*(Dollars in Millions)*
*(Unaudited)*

| | June 30 2019 | December 31 2018 |
|---|---|---|
| **ASSETS** | | |
| Cash and equivalents | $ 435 | $ 463 |
| Restricted cash | 3 | 4 |
| Accounts receivable, net | 468 | 486 |
| Inventories, net | 187 | 184 |
| Other current assets | 190 | 159 |
| Total current assets | 1,283 | 1,296 |
| Property and equipment, net | 414 | 397 |
| Intangible assets, net | 126 | 129 |
| Right to use assets, net | 164 | — |
| Investments in non-consolidated affiliates | 48 | 42 |
| Other non-current assets | 157 | 143 |
| Total assets | $ 2,192 | $ 2,007 |
| **LIABILITIES AND EQUITY** | | |
| Short-term debt | $ 54 | $ 57 |
| Accounts payable | 447 | 436 |
| Accrued employee liabilities | 71 | 67 |
| Current lease liabilities | 29 | — |
| Other current liabilities | 161 | 161 |
| Total current liabilities | 762 | 721 |
| Long-term debt | 348 | 348 |
| Employee benefits | 252 | 257 |
| Non-current lease liabilities | 139 | — |
| Deferred tax liabilities | 26 | 23 |
| Other non-current liabilities | 72 | 76 |
| Stockholders' equity: | | |
| Common stock | 1 | 1 |
| Additional paid-in capital | 1,338 | 1,335 |
| Retained earnings | 1,630 | 1,609 |
| Accumulated other comprehensive loss | (215) | (216) |
| Treasury stock | (2,277) | (2,264) |
| Total Visteon Corporation stockholders' equity | 477 | 465 |
| Non-controlling interests | 116 | 117 |
| Total equity | 593 | 582 |
| Total liabilities and equity | $ 2,192 | $ 2,007 |

**VISTEON CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
*(Dollars in Millions)*
*(Unaudited)*

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **OPERATING** | | | | |
| Net income | $ 8 | $ 36 | $ 24 | $ 105 |
| Adjustments to reconcile net income to net cash provided from operating activities: | | | | |
| Depreciation and amortization | 24 | 23 | 49 | 45 |
| Equity in net income of non-consolidated affiliates, net of dividends remitted | (3) | (4) | (6) | (7) |
| Non-cash stock-based compensation | 6 | 6 | 11 | — |
| Operating leases, net | — | — | — | — |
| Gains on transactions | — | — | — | (3) |
| Other non-cash items | 2 | 2 | 5 | 2 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 15 | 37 | 18 | 85 |
| Inventories | 8 | (8) | (3) | (14) |
| Accounts payable | 11 | (38) | 20 | (8) |
| Other assets and other liabilities | (14) | (9) | (57) | (79) |
| Net cash provided from operating activities | 57 | 45 | 61 | 126 |
| **INVESTING** | | | | |
| Capital expenditures, including intangibles | (34) | (25) | (71) | (69) |
| Loan repayments from non-consolidated affiliates | — | — | 2 | 2 |
| Other | 1 | — | 2 | 1 |
| Net cash used by investing activities | (33) | (25) | (67) | (66) |
| **FINANCING** | | | | |
| Short-term debt, net | (1) | (4) | (3) | (16) |
| Distribution payments | — | — | — | (14) |
| Repurchase of common stock | (20) | — | (20) | (200) |
| Other | — | 1 | — | (3) |
| Net cash used by financing activities | (21) | (3) | (23) | (233) |
| Effect of exchange rate changes on cash | — | (15) | — | (8) |
| Net decrease in cash | 3 | 2 | (29) | (181) |
| Cash and restricted cash at beginning of the period | 435 | 526 | 467 | 709 |
| Cash and restricted cash at end of the period | $ 438 | $ 528 | 438 | 528 |

*The Company has combined cash flows from discontinued operations and continuing operations within the operating financing categories.*

**VISTEON CORPORATION AND SUBSIDIARIES**
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**
*(Unaudited, Dollars in Millions)*

**Adjusted EBITDA:** Adjusted EBITDA is presented as a supplemental measure of the Company's performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. 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, loss on divestiture, equity in net income of non-consolidated affiliates, gain on non-consolidated affiliate transactions, 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. Because not all companies use identical calculations, this presentation of Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

| | Three Months Ended June 30 | | Six Months Ended June 30 | | Estimated Full Year |
|---|---|---|---|---|---|
| **Visteon:** | **2019** | **2018** | **2019** | **2018** | **2019** |
| Net income attributable to Visteon Corporation | $ 7 | $ 35 | $ 21 | $ 100 | $62 - $77 |
| Depreciation and amortization | 24 | 23 | 49 | 45 | 98 |
| Provision for income taxes | 8 | 12 | 3 | 33 | 30 - 35 |
| Non-cash, stock-based compensation expense | 6 | 6 | 11 | — | 20 |
| Interest expense, net | 2 | 2 | 4 | 4 | 9 |
| Net income attributable to non-controlling interests | 1 | 1 | 3 | 5 | 7 |
| Other | 1 | — | 1 | (4) | 1 |
| Restructuring expense | — | 5 | 1 | 10 | 15 |
| Loss (income) from discontinued operations, net of tax | — | 1 | — | (1) | — |
| Equity in net income of non-consolidated affiliates | (3) | (4) | (6) | (7) | (12) |
| Adjusted EBITDA | $ 46 | $ 81 | $ 87 | $ 185 | $230 - $250 |

Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. In addition, the Company uses Adjusted EBITDA (i) as a factor in incentive compensation decisions, (ii) to evaluate the effectiveness of the Company's business strategies, and (iii) because the Company's credit agreements use similar measures for compliance with certain covenants.

**Free Cash Flow and Adjusted Free Cash Flow**: Free cash flow and Adjusted free cash flow are presented as supplemental measures of the Company's liquidity that management believes are useful to investors in analyzing the Company's ability to service and repay its debt. The Company defines Free cash flow as cash flow provided from operating activities less capital expenditures, including intangibles. The Company defines Adjusted free cash flow as cash flow provided from operating activities less capital expenditures, including intangibles as further adjusted for restructuring related payments. Free cash flow and Adjusted free cash flow include amounts associated with discontinued operations. Because not all companies use identical calculations, this presentation of Free cash flow and Adjusted free cash flow may not be comparable to other similarly titled measures of other companies.

| | Three Months Ended June 30 | | Six Months Ended June 30 | | Estimated Full Year |
|---|---|---|---|---|---|
| **Total Visteon:** | **2019** | **2018** | **2019** | **2018** | **2019** |
| Cash provided from operating activities | $ 57 | $ 45 | $ 61 | $ 126 | $150 - $160 |
| Capital expenditures, including intangibles | (34) | (25) | (71) | (69) | (145 - 135) |
| Free cash flow | $ 23 | $ 20 | $ (10) | $ 57 | $5 - $25 |
| Restructuring related payments | 5 | 9 | 8 | 20 | 25 |
| Adjusted free cash flow | $ 28 | $ 29 | $ (2) | $ 77 | $30 - $50 |

Free cash flow and Adjusted free cash flow are not recognized terms under U.S. GAAP and do not purport to be a substitute for cash flows from operating activities as a measure of liquidity. Free cash flow and Adjusted free cash flow have limitations as analytical tools as they do not reflect cash used to service debt and do not reflect funds available for investment or other discretionary uses. In addition, the Company uses Free cash flow and Adjusted free cash flow (i) as factors in incentive compensation decisions and (ii) for planning and forecasting future periods.

**Adjusted Net Income and Adjusted Earnings Per Share**: Adjusted net income and Adjusted earnings per share are presented as supplemental measures that management believes are useful to investors in analyzing the Company's profitability, providing comparability between periods by excluding certain items that may not be indicative of recurring business operating results. The Company believes management and investors benefit from referring to these supplemental measures in assessing company performance and when planning, forecasting and analyzing future periods. The Company defines Adjusted net income as net income attributable to Visteon adjusted to eliminate the impact of restructuring expense, loss on divestiture, gain on non-consolidated affiliate transactions, other net expenses, discontinued operations, other gains and losses not reflective of the Company's ongoing operations and related tax effects. The Company defines Adjusted earnings per share as Adjusted net income divided by diluted shares. Because not all companies use identical calculations, this presentation of Adjusted net income and Adjusted earnings per share may not be comparable to other similarly titled measures of other companies.

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| **Net income attributable to Visteon:** | **2019** | **2018** | **2019** | **2018** |
| Net income | $ 7 | $ 36 | $ 21 | $ 99 |
| Discontinued operations | — | (1) | — | 1 |
| Net income attributable to Visteon | $ 7 | $ 35 | $ 21 | $ 100 |

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **Diluted earnings per share**: | | | | |
| Net income attributable to Visteon | $ 7 | $ 35 | $ 21 | $ 100 |
| Average shares outstanding, diluted (in millions) | 28.2 | 29.9 | 28.2 | 30.4 |
| Diluted earnings per share | $ 0.25 | $ 1.17 | $ 0.74 | $ 3.29 |
| **Adjusted earnings per share**: | | | | |
| Net income attributable to Visteon | $ 7 | $ 35 | $ 21 | $ 100 |
| Restructuring, net | — | 5 | 1 | 10 |
| Other | 1 | — | 1 | (4) |
| Income (loss) from discontinued operations, net of tax | — | 1 | — | (1) |
| Adjusted net income | $ 8 | $ 41 | $ 23 | $ 105 |
| Average shares outstanding, diluted (in millions) | 28.2 | 29.9 | 28.2 | 30.4 |
| Adjusted earnings per share | $ 0.28 | $ 1.37 | $ 0.82 | $ 3.45 |

Adjusted net income and Adjusted earnings per share are not recognized terms under U.S. GAAP and do not purport to be a substitute for profitability. Adjusted net income and Adjusted earnings per share have limitations as analytical tools as they do not consider certain restructuring and transaction-related payments and/or expenses. In addition, the Company uses Adjusted net income and Adjusted earnings per share for internal planning and forecasting purposes.