

# Visteon Q4 and Full-Year 2022 Earnings

February 16, 2023



Visteon®

# 2022 in Review



Net Sales

**\$3,756** Million

35% Y/Y Growth



Adjusted EBITDA

**\$348** Million

9.3% Margin



Adjusted FCF

**\$101** Million

\$523 Million Total Cash

CONTINUED  
MARKET OUT-  
PERFORMANCE



15 consecutive  
quarters of GoM<sup>(1)</sup>

COMMITTED TO  
SUSTAINABLE  
FUTURE



Decreased emissions  
by 20% since 2019<sup>(2)</sup>

GROWTH ACROSS  
PRODUCT  
PORTFOLIO



45 program  
launches in 2022

ROBUST NEW  
BUSINESS WIN  
ACTIVITY



\$6 billion of new  
business wins in 2022

WELL POSITIONED  
FOR GROWTH  
IN 2023



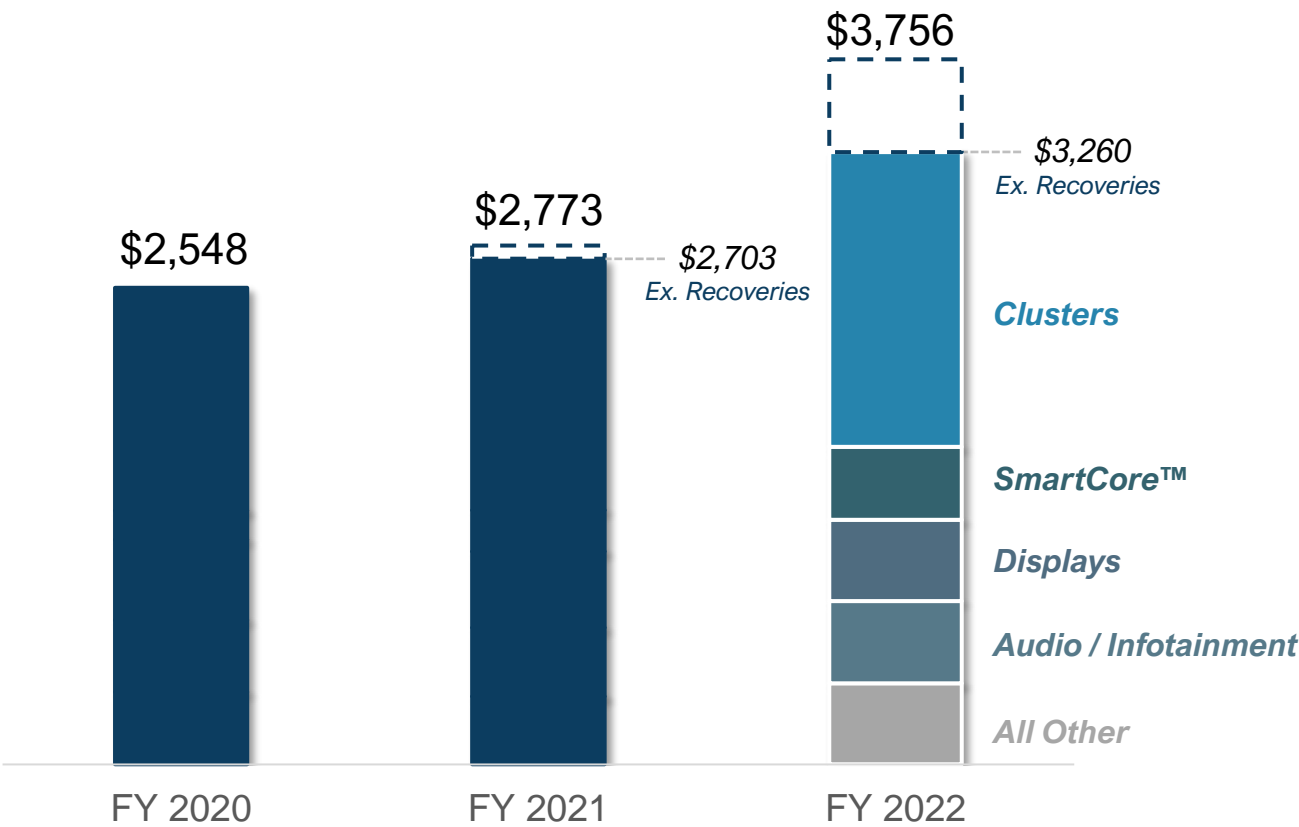
Guiding to double-digit  
outperformance in 2023

# Strong Sales Across All Core Products

Product sales primarily driven by ramp-up of digital cluster and SmartCore™ programs

(Dollars in millions)

## FY Product Sales Growth of +21%<sup>(1)</sup>



## FY Product Sales Outperformance



### Clusters

Robust digital cluster growth of >40% Y/Y driven by ramp of launches in North America



### SmartCore™

Sales up ~75% Y/Y as a result of recent program launches in Asia



### Displays

Large displays outperformed market with multi-display program launches for Maserati and in Asia



### Audio / Infotainment

Strong outperformance driven by growth of Android-based infotainment and launches in North America

Product sales growth driven by robust demand and continued execution on product launches

(1) Y/Y growth rate excludes Y/Y impact of customer recoveries.

# Launch Activity

High number of program launches supporting future sales growth

## FY 2022 New Program Launches Summary

45

New Program Launches

18

OEMs with New Program Launches

11

New Display Program Launches

~25%

Of New Program Launches on Electric Vehicles

## Key Q4 2022 New Program Launches

13

New Program Launches



**Ford – Multiple Vehicles**  
Audio Infotainment, Digital Cluster



**Lotus Lambda**  
SmartCore™, Display



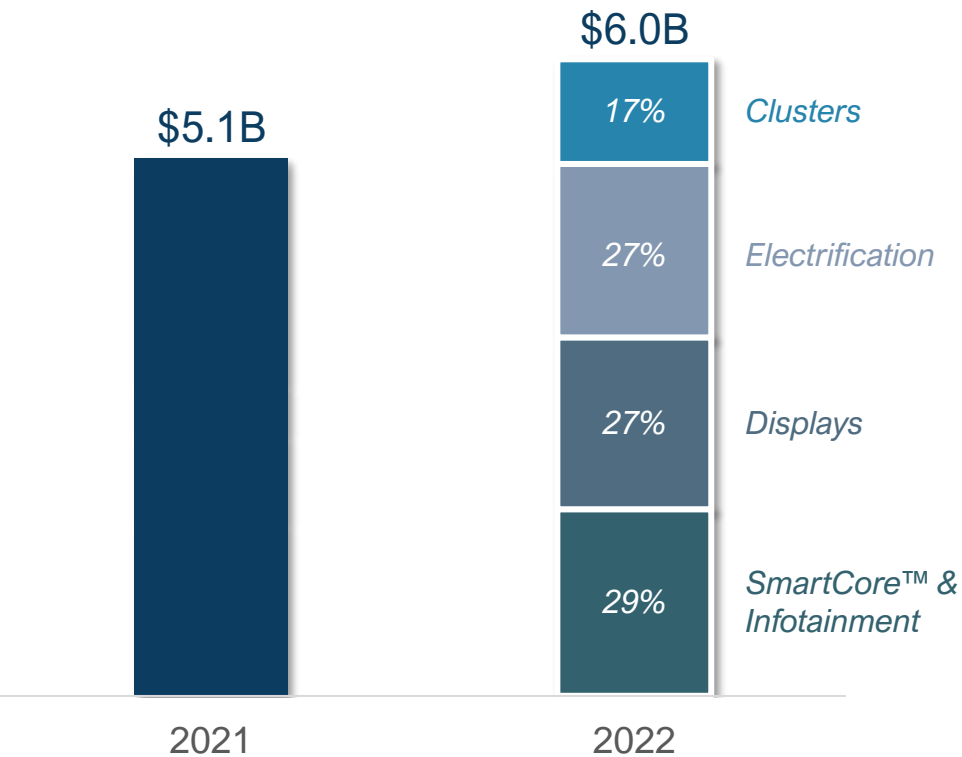
**Stellantis Cross Carline**  
Cluster Display

# New Business Wins of \$6 billion for Full-Year



Balanced wins across all product groups to achieve full-year target

## Full-Year 2022 New Business Wins



**\$1.6B**

Total Display Wins  
in Full-Year 2022

**\$1.4B**

SmartCore™ Wins  
in Full-Year 2022

**~45%**

Of Cockpit Electronics  
Wins on Electric Vehicles

## Key Q4 New Business Win Highlights



### Center Infotainment Display

Center display on new all-electric version of popular SUV line for North American OEM



### SmartCore™

Extension of SmartCore™ program on additional vehicles for Indian OEM



### Multi-Screen Display Module

Extension of display program on additional vehicles for Japanese OEM

# 2023 Production Outlook

*Visteon expecting global production of ~84M units*

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## Global

- Supply remains constrained in the first half and expected to improve in the second half
- Ongoing macro uncertainty creating potential risks to demand in second half

**+1%** *Visteon Customer Production<sup>(1)</sup> Outlook*



## North America

- Expecting higher growth with Ford and General Motors (~15M U.S. SAAR)
- High interest-rate environment threatens to slow new vehicle demand

 *Mid Single-Digit Growth*



## Europe

- Macroeconomic headwinds expected to soften consumer demand
- Regulatory pressure to reduce emissions driving higher demand for electric vehicles

 *Flat from Prior-Year*



## China

- Weaker consumer demand particularly in the first half of year
- Domestic China OEMs gaining market share over JV OEMs

 *Low Single-Digit Decline*

***Anticipating Visteon customer production to be +1% vs. prior year***

# 2023 Sales Outlook



Anticipating double-digit base sales<sup>(1)</sup> growth driven by continued market outperformance

## Visteon Assumptions



**Modest Industry Production Increase**  
Visteon customer weighted production +1% from prior year



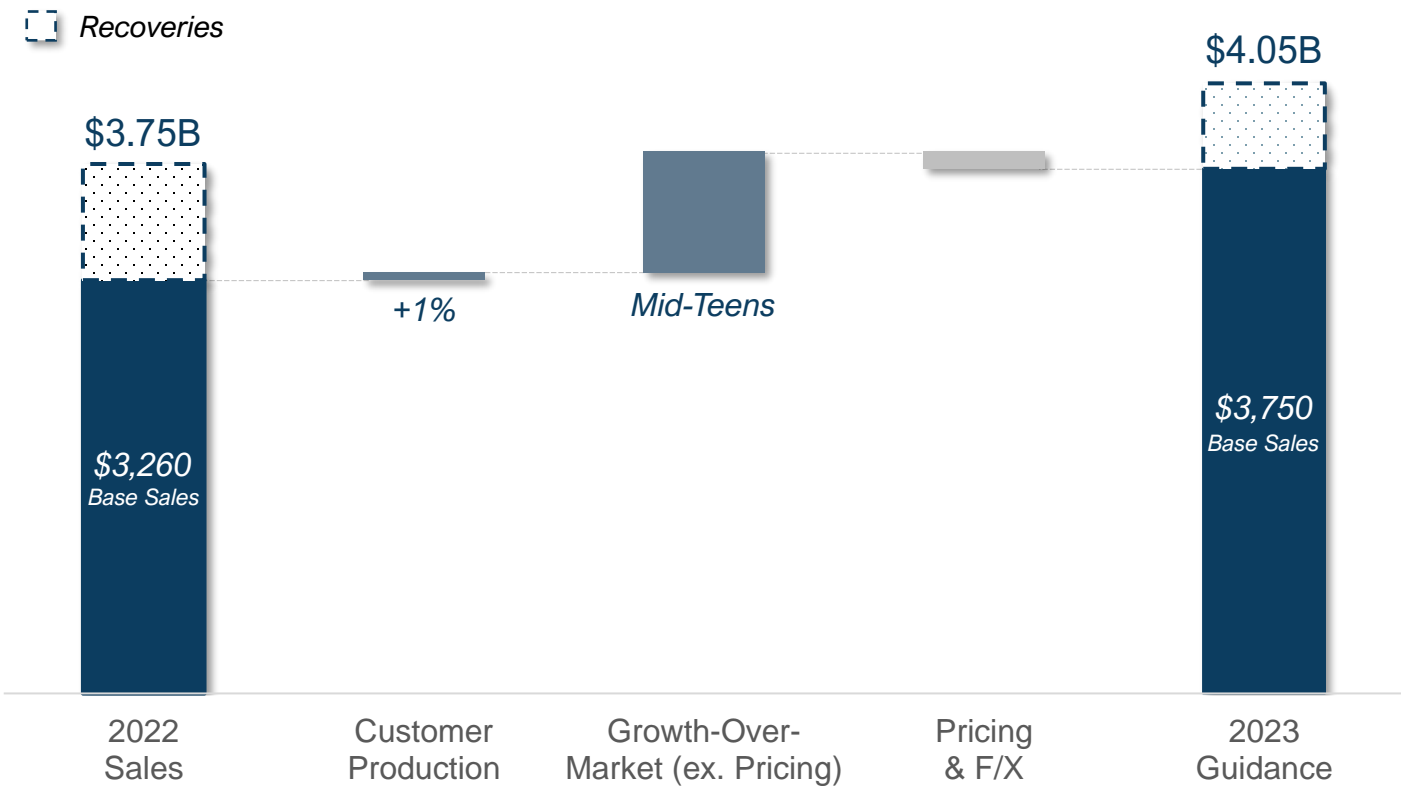
**GoM Driven by Product Sales Growth**  
Ramp up of launches in last two years and in 2023 driving mid-teens GoM



**Pricing and F/X Assumption**  
Pricing excluding recoveries to be similar to 2022 and modest headwind from F/X

## 2023 Full-Year Sales Outlook

Y/Y base sales growth as a result of continued market outperformance



(1) Base sales defined as reported sales excluding customer recoveries.

# Summary



## **Record Sales in a Challenging Environment**

Delivered highest year of growth-over-market relative to our customers' production



## **Operational Excellence Delivers Robust Financial Performance**

Commercial and cost discipline drove 9.3% EBITDA margin



## **High Number of Program Launches Supported by Proactive Actions**

45 new program launches across product portfolio and customer base



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

\$6 billion in new business wins including advanced displays and additional electrification



## **Growth Outlook Reflects Product Alignment with Key Market Trends**

2023 guidance based on double-digit market outperformance

# 2022 Financial Results and 2023 Guidance

February 16, 2023



Visteon®

# Q4 2022 in Review



*Continued commercial and operational discipline led to strong results*



## Net Sales

**\$1,064** Million  
35% Y/Y Growth

- ▶ Strong top-line growth driven by robust demand across all digital cockpit products
- ▶ Performance supported by open market purchases and product redesigns
- ▶ Customer negotiations throughout year achieved cost recovery target



## Adjusted EBITDA

**\$103** Million  
9.7% Margin

- ▶ Benefited from higher sales while leveraging cost structure
- ▶ Continued focus on cost discipline throughout the organization
- ▶ Modest catch-up in fourth quarter for costs from prior quarters



## Adjusted FCF

**\$141** Million  
\$523 Million Total Cash

- ▶ Driven by strong EBITDA and optimized capital expenditures
- ▶ Focus on customer recovery collections drove inflow of working capital
- ▶ Debt of \$349 million; net cash position of \$174 million

# Sales & EBITDA Progression

Significant sales and EBITDA expansion in the last three years

(Dollars in millions)

### Key Performance Drivers



#### Growth-Over-Market

Ramp of product launch activity drove double digit growth in product sales



#### Semiconductor Supply

Disruptions constrained production with higher material costs mostly offset by recoveries



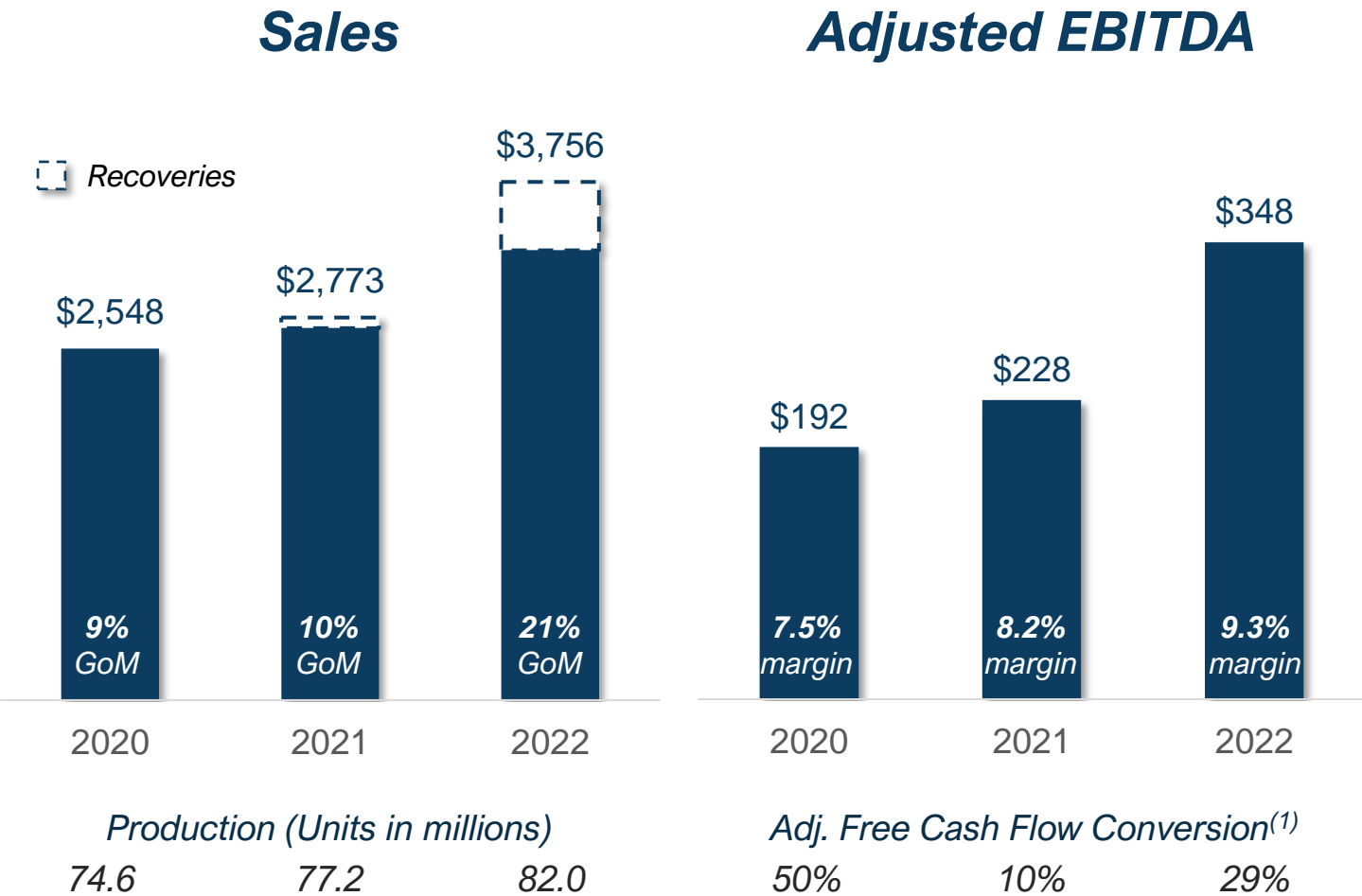
#### Cost Structure

Leveraging best-cost footprint and leaner cost structure



#### Operational Improvements

Manufacturing and supply chain efficiencies driven by operational discipline






(1) Defined as Adj. Free Cash Flow divided by Adj. EBITDA.

# 2022 Cash Flow and Balance Sheet

*Strong finish in fourth quarter resulted in 29% conversion ratio<sup>(1)</sup> of adjusted EBITDA*

## Strong Balance Sheet

 <p>Cash</p>	<p><b>\$523 million</b></p> <p>Provides flexibility and supports future growth</p>
 <p>Debt</p>	<p><b>\$349 million</b></p> <p>No material debt maturities until 2027</p>
 <p>Net Cash</p>	<p><b>\$174 million</b></p> <p>Strong balance sheet provides significant flexibility</p>

(Dollars in Millions)	FY 2021	YTD Q3 2022	Q4 2022	FY 2022
Adjusted EBITDA	\$228	\$245	\$103	\$348
Trade Working Capital	(142)	(183)	68	(115)
Cash Taxes	(15)	(21)	(8)	(29)
Interest Payments	(15)	(8)	(4)	(12)
Other Changes	36	(19)	9	(10)
Capital Expenditures	(70)	(54)	(27)	(81)
<b>Adjusted FCF</b>	<b>\$22</b>	<b>(40)</b>	<b>\$141</b>	<b>\$101</b>

# 2023 Full-Year Guidance

*Continuing strong performance as a result of sales outperformance and ongoing operational discipline*

*(Dollars in millions unless otherwise noted)*



**Sales**

**\$3.95B – \$4.15B**

*Base Sales +15% Y/Y*



**Adj. EBITDA**

**\$405 – \$445**

*10.3 – 10.7% Margin*



**Adj. FCF**

**\$115 – \$165**

*~33% Conversion*

## Commentary

- Customer production up modestly at ~1% as supply constraints continue in the first half and demand softens in second half
  - Growth-over-market in the mid teens as a result of momentum from recent product launches
- 
- EBITDA growth driven by higher sales volumes while continuing to leverage cost base
  - Greater operational efficiency from supply chain improvements partially offset by investments in engineering and SG&A
- 
- Capex of ~\$130 million (~3.2% of sales at mid-point) driven by footprint expansion, electrification and displays investments
  - Targeting 30%+ conversion ratio of Adjusted EBITDA

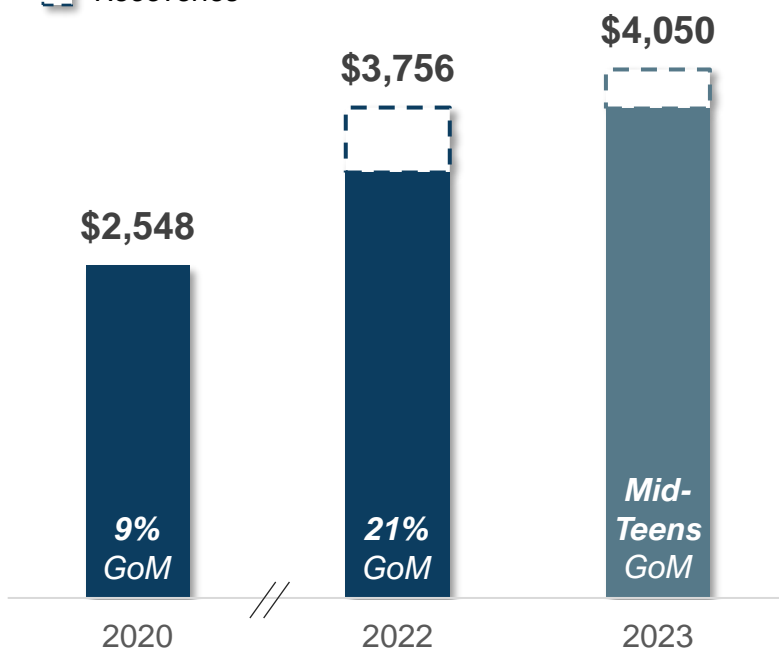
# 2023 Guidance

*Forecasting continued sales growth, margin expansion and cash flow generation*

*(Dollars in millions, % for 2023 at midpoint)*

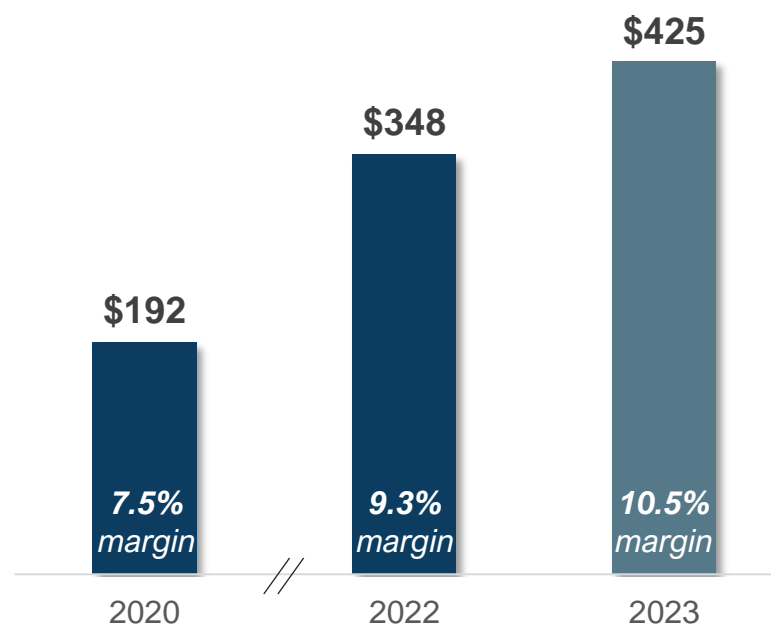
## Sales

Recoveries



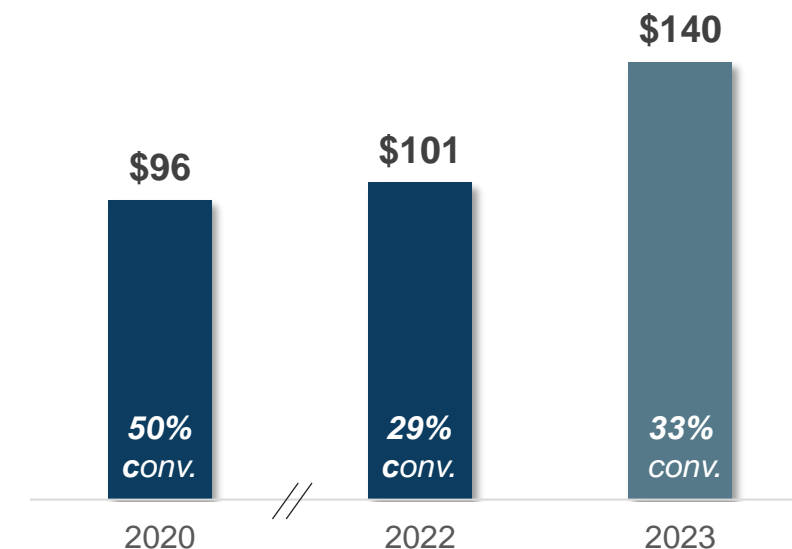
*Continued growth through outperformance driven by further roll-on of recent launches*

## Adjusted EBITDA



*Anticipating margin expansion of approximately 300 basis points from 2020 levels*

## Free Cash Flow



*Expecting 30%+ conversion ratio leveraging EBITDA growth while further investing into business*

# 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
- ▶ \$523 million in cash to provide flexibility and support future growth
- ▶ No material debt maturities until 2027
- ▶ \$174 million net cash position at quarter-end

# Appendix

February 16, 2023



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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::

- continued and future impacts of the coronavirus (COVID-19) pandemic on our financial condition and business operations including global supply chain disruptions, market downturns, reduced consumer demand and new government actions or restrictions;
- 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 influence or pressure 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 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, 2022, 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 year ended December 31, 2022. 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.

- 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 2022, 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)	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Gross margin</b>	<b>\$73</b>	<b>\$35</b>	<b>\$47</b>	<b>\$99</b>	<b>\$254</b>	<b>\$76</b>	<b>\$74</b>	<b>\$104</b>	<b>\$114</b>	<b>\$368</b>
<u>Less:</u>										
Stock-based compensation expense	1	2	-	1	4	1	3	3	3	10
Intangibles amortization	-	-	-	1	1	-	-	1	-	1
Other	1	-	1	1	3	2	10	(2)	2	12
<b>Subtotal</b>	<b>\$2</b>	<b>\$2</b>	<b>\$1</b>	<b>\$3</b>	<b>\$8</b>	<b>\$3</b>	<b>\$13</b>	<b>\$2</b>	<b>\$5</b>	<b>\$23</b>
<b>Adjusted gross margin</b>	<b>\$75</b>	<b>\$37</b>	<b>\$48</b>	<b>\$102</b>	<b>\$262</b>	<b>\$79</b>	<b>\$87</b>	<b>\$106</b>	<b>\$119</b>	<b>\$391</b>

## Adjusted SG&A

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

(Dollars in millions)	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>SG&amp;A</b>	<b>\$45</b>	<b>\$44</b>	<b>\$42</b>	<b>\$44</b>	<b>\$175</b>	<b>\$44</b>	<b>\$43</b>	<b>\$47</b>	<b>\$54</b>	<b>\$188</b>
<u>Less:</u>										
Stock-based compensation expense	(3)	(3)	(4)	(4)	(14)	(4)	(5)	(3)	(4)	(16)
Intangibles amortization	(3)	(2)	(2)	(3)	(10)	(3)	(3)	(2)	(3)	(11)
Other	-	(1)	(1)	-	(2)	-	-	(2)	-	(2)
<b>Subtotal</b>	<b>(\$6)</b>	<b>(\$6)</b>	<b>(\$7)</b>	<b>(\$7)</b>	<b>(\$26)</b>	<b>(\$7)</b>	<b>(\$8)</b>	<b>(\$7)</b>	<b>(\$7)</b>	<b>(\$29)</b>
<b>Adjusted SG&amp;A</b>	<b>\$39</b>	<b>\$38</b>	<b>\$35</b>	<b>\$37</b>	<b>\$149</b>	<b>\$37</b>	<b>\$35</b>	<b>\$40</b>	<b>\$47</b>	<b>\$159</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 diluted shares.

(Dollars and shares in millions, except per share data)	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<b>Net income / (loss) attributable to Visteon</b>	<b>\$16</b>	<b>(\$11)</b>	<b>\$5</b>	<b>\$31</b>	<b>\$41</b>	<b>\$22</b>	<b>\$24</b>	<b>\$44</b>	<b>\$34</b>	<b>\$124</b>
Average shares outstanding, diluted	28.4	28.0	28.4	28.4	28.4	28.4	28.4	28.5	28.7	28.5
<b>Earnings / (loss) per share</b>	<b>\$0.56</b>	<b>(\$0.39)</b>	<b>\$0.18</b>	<b>\$1.09</b>	<b>\$1.44</b>	<b>\$0.77</b>	<b>\$0.85</b>	<b>\$1.54</b>	<b>\$1.18</b>	<b>\$4.35</b>
<hr/>										
<u>Memo: Adjusted EPS</u>										
<b>Net income / (loss) attributable to Visteon</b>	<b>\$16</b>	<b>(\$11)</b>	<b>\$5</b>	<b>\$31</b>	<b>\$41</b>	<b>\$22</b>	<b>\$24</b>	<b>\$44</b>	<b>\$34</b>	<b>\$124</b>
Restructuring and impairment	(1)	1	(2)	16	14	7	4	1	2	14
Non-operating costs, net	1	1	2	1	5	2	10	-	2	14
<b>Subtotal</b>	<b>\$0</b>	<b>\$2</b>	<b>\$0</b>	<b>\$17</b>	<b>\$19</b>	<b>\$9</b>	<b>\$14</b>	<b>\$1</b>	<b>\$4</b>	<b>\$28</b>
<b>Adjusted net income / (loss)</b>	<b>\$16</b>	<b>(\$9)</b>	<b>\$5</b>	<b>\$48</b>	<b>\$60</b>	<b>\$31</b>	<b>\$38</b>	<b>\$45</b>	<b>\$38</b>	<b>\$152</b>
Average shares outstanding, diluted	28.4	28.0	28.4	28.4	28.4	28.4	28.4	28.5	28.7	28.5
<b>Adjusted earnings / (loss) per share</b>	<b>\$0.56</b>	<b>(\$0.32)</b>	<b>\$0.18</b>	<b>\$1.69</b>	<b>\$2.11</b>	<b>\$1.09</b>	<b>\$1.34</b>	<b>\$1.58</b>	<b>\$1.32</b>	<b>\$5.33</b>

# 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 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)	2021					2022					FY 2023 Guidance
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Midpoint
<b>Net income / (loss) attributable to Visteon</b>	<b>\$16</b>	<b>(\$11)</b>	<b>\$5</b>	<b>\$31</b>	<b>\$41</b>	<b>\$22</b>	<b>\$24</b>	<b>\$44</b>	<b>\$34</b>	<b>\$124</b>	<b>\$193</b>
Depreciation and amortization	27	28	27	26	108	27	25	27	29	108	110
Restructuring and impairment	(1)	1	(2)	16	14	7	4	1	2	14	5
Interest expense, net	2	2	2	2	8	2	3	2	3	10	12
Equity in net (income) / loss of non-consolidated affiliates	-	-	(2)	(4)	(6)	(3)	(1)	1	4	1	-
Provision for income taxes	12	4	4	11	31	8	7	9	21	45	55
Net income / (loss) attributable to non-controlling interests	3	-	2	4	9	1	(1)	5	1	6	15
Non-cash, stock-based compensation	4	5	4	5	18	5	8	6	7	26	30
Other	1	1	2	1	5	2	10	-	2	14	5
<b>Subtotal</b>	<b>\$48</b>	<b>\$41</b>	<b>\$37</b>	<b>\$61</b>	<b>\$187</b>	<b>\$49</b>	<b>\$55</b>	<b>\$51</b>	<b>\$69</b>	<b>\$224</b>	<b>\$232</b>
<b>Adjusted EBITDA</b>	<b>\$64</b>	<b>\$30</b>	<b>\$42</b>	<b>\$92</b>	<b>\$228</b>	<b>\$71</b>	<b>\$79</b>	<b>\$95</b>	<b>\$103</b>	<b>\$348</b>	<b>\$425</b>

# 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)	2021					2022					FY 2023 Guidance Midpoint
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
<b>Cash flow from (for) operating activities</b>	<b>\$11</b>	<b>(\$10)</b>	<b>(\$13)</b>	<b>\$70</b>	<b>\$58</b>	<b>(\$21)</b>	<b>(\$51)</b>	<b>\$74</b>	<b>\$165</b>	<b>\$167</b>	<b>\$260</b>
Less: Capital expenditures, including intangibles	(18)	(15)	(21)	(16)	(70)	(21)	(15)	(18)	(27)	(81)	(130)
<b>Free cash flow</b>	<b>(\$7)</b>	<b>(\$25)</b>	<b>(\$34)</b>	<b>\$54</b>	<b>(\$12)</b>	<b>(\$42)</b>	<b>(\$66)</b>	<b>\$56</b>	<b>\$138</b>	<b>\$86</b>	<b>\$130</b>
Exclude: Restructuring-related payments	16	9	4	5	34	5	4	3	3	15	10
<b>Adjusted free cash flow</b>	<b>\$9</b>	<b>(\$16)</b>	<b>(\$30)</b>	<b>\$59</b>	<b>\$22</b>	<b>(\$37)</b>	<b>(\$62)</b>	<b>\$59</b>	<b>\$141</b>	<b>\$101</b>	<b>\$140</b>

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



## Adjusted EBITDA Build-up

(Dollars in millions)	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	\$746	\$610	\$631	\$786	\$2,773	\$818	\$848	\$1,026	\$1,064	\$3,756
Gross margin	\$73	\$35	\$47	\$99	\$254	\$76	\$74	\$104	\$114	\$368
Intangibles amortization	-	-	-	1	1	-	-	1	-	1
Stock-based compensation expense	1	2	-	1	4	1	3	3	3	10
Other	1	-	1	1	3	2	10	(2)	2	12
<b>Adjusted gross margin</b>	<b>\$75</b>	<b>\$37</b>	<b>\$48</b>	<b>\$102</b>	<b>\$262</b>	<b>\$79</b>	<b>\$87</b>	<b>\$106</b>	<b>\$119</b>	<b>\$391</b>
<i>% of sales</i>	<i>10.1%</i>	<i>6.1%</i>	<i>7.6%</i>	<i>13.0%</i>	<i>9.4%</i>	<i>9.7%</i>	<i>10.3%</i>	<i>10.3%</i>	<i>11.2%</i>	<i>10.4%</i>
SG&A	(\$45)	(\$44)	(\$42)	(\$44)	(\$175)	(\$44)	(\$43)	(\$47)	(\$54)	(\$188)
Intangibles amortization	3	2	2	3	10	3	3	2	3	11
Stock-based compensation expense	3	3	4	4	14	4	5	3	4	16
Other	-	1	1	-	2	-	-	2	-	2
<b>Adjusted SG&amp;A</b>	<b>(\$39)</b>	<b>(\$38)</b>	<b>(\$35)</b>	<b>(\$37)</b>	<b>(\$149)</b>	<b>(\$37)</b>	<b>(\$35)</b>	<b>(\$40)</b>	<b>(\$47)</b>	<b>(\$159)</b>
Adjusted EBITDA										
Adjusted gross margin	\$75	\$37	\$48	\$102	\$262	\$79	\$87	\$106	\$119	\$391
Adjusted SG&A	(39)	(38)	(35)	(37)	(149)	(37)	(35)	(40)	(47)	(159)
D&A	24	26	25	22	97	24	22	24	26	96
Other income, net	4	5	4	5	18	5	5	5	5	20
<b>Adjusted EBITDA</b>	<b>\$64</b>	<b>\$30</b>	<b>\$42</b>	<b>\$92</b>	<b>\$228</b>	<b>\$71</b>	<b>\$79</b>	<b>\$95</b>	<b>\$103</b>	<b>\$348</b>
<i>% of sales</i>	<i>8.6%</i>	<i>4.9%</i>	<i>6.7%</i>	<i>11.7%</i>	<i>8.2%</i>	<i>8.7%</i>	<i>9.3%</i>	<i>9.3%</i>	<i>9.7%</i>	<i>9.3%</i>
Equity income in affiliates	-	-	\$2	\$4	\$6	\$3	\$1	(\$1)	(\$4)	(\$1)
Noncontrolling interests	(3)	-	(2)	(4)	(9)	(1)	1	(5)	(1)	(6)

# Net Engineering



(Dollars in millions)	2021					2022				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Engineering costs, net</u>										
Engineering costs, gross	(\$80)	(\$86)	(\$80)	(\$79)	(\$325)	(\$81)	(\$81)	(\$83)	(\$96)	(\$341)
Recoveries	21	39	28	46	134	33	40	25	47	145
<b>Engineering costs, net</b>	<b>(\$59)</b>	<b>(\$47)</b>	<b>(\$52)</b>	<b>(\$33)</b>	<b>(\$191)</b>	<b>(\$48)</b>	<b>(\$41)</b>	<b>(\$58)</b>	<b>(\$49)</b>	<b>(\$196)</b>

# Financial Results – U.S. GAAP



	2021					2022				
(Dollars in millions, except per share data)	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<u>Income Statement</u>										
Sales	\$746	\$610	\$631	\$786	\$2,773	\$818	\$848	\$1,026	\$1,064	\$3,756
Gross margin	73	35	47	99	254	76	74	104	114	368
SG&A	45	44	42	44	175	44	43	47	54	188
Net income / (loss) attributable to Visteon	16	(11)	5	31	41	22	24	44	34	124
Earnings / (loss) per share, diluted	\$0.56	(\$0.39)	\$0.18	\$1.09	\$1.44	\$0.77	\$0.85	\$1.54	\$1.18	\$4.35
<u>Cash Flow Statement</u>										
Cash flow from (for) operating activities	\$11	(\$10)	(\$13)	\$70	\$58	(\$21)	(\$51)	\$74	\$165	\$167
Capital expenditures, including intangibles	18	15	21	16	70	21	15	18	27	81

# Visteon<sup>®</sup>

