

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Dollars in Millions, Except Per Share Data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
Sales	\$ 731	\$ 681	\$ 2,201	\$ 2,253
Cost of sales	(647)	(599)	(1,981)	(1,938)
Gross margin	84	82	220	315
Selling, general and administrative expenses	(52)	(40)	(167)	(139)
Restructuring expense, net	(1)	(18)	(2)	(28)
Interest expense, net	(3)	(2)	(7)	(6)
Equity in net income of non-consolidated affiliates	1	3	7	10
Other income, net	2	7	7	17
Income before income taxes	31	32	58	169
Provision for income taxes	(13)	(9)	(16)	(42)
Net income from continuing operations	18	23	42	127
Income from discontinued operations, net of tax	—	1	—	2
Net income	18	24	42	129
Net income attributable to non-controlling interests	(4)	(3)	(7)	(8)
Net income attributable to Visteon Corporation	\$ 14	\$ 21	\$ 35	\$ 121
Comprehensive (loss) income	\$ (4)	\$ 8	\$ 21	\$ 91
Comprehensive (loss) income attributable to Visteon Corporation	\$ (5)	\$ 8	\$ 17	\$ 87
<u>Earnings per share data:</u>				
Basic earnings per share				
Continuing operations	\$ 0.50	\$ 0.68	\$ 1.25	\$ 3.99
Discontinued operations	—	0.03	—	0.07
Basic earnings per share attributable to Visteon Corporation	\$ 0.50	\$ 0.71	\$ 1.25	\$ 4.06
Diluted earnings per share				
Continuing operations	\$ 0.50	\$ 0.68	\$ 1.24	\$ 3.95
Discontinued operations	—	0.03	—	0.07
Diluted earnings per share attributable to Visteon Corporation	\$ 0.50	\$ 0.71	\$ 1.24	\$ 4.02
Average shares outstanding (in millions)				
Basic	28.0	29.3	28.1	29.8
Diluted	28.1	29.5	28.2	30.1

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

	<i>(Unaudited)</i>	
	September 30	December 31
	2019	2018
	<hr/>	<hr/>
ASSETS		
Cash and equivalents	\$ 443	\$ 463
Restricted cash	3	4
Accounts receivable, net	457	486
Inventories, net	192	184
Other current assets	192	159
Total current assets	<hr/> 1,287	<hr/> 1,296
Property and equipment, net	410	397
Intangible assets, net	124	129
Right to use assets, net	156	—
Investments in non-consolidated affiliates	48	42
Other non-current assets	139	143
Total assets	<hr/> <hr/> \$ 2,164	<hr/> <hr/> \$ 2,007
LIABILITIES AND EQUITY		
Short-term debt	\$ 47	\$ 57
Accounts payable	464	436
Accrued employee liabilities	73	67
Current lease liabilities	28	—
Other current liabilities	150	161
Total current liabilities	<hr/> 762	<hr/> 721
Long-term debt	348	348
Employee benefits	247	257
Non-current lease liabilities	132	—
Deferred tax liabilities	27	23
Other non-current liabilities	64	76
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,340	1,335
Retained earnings	1,644	1,609
Accumulated other comprehensive loss	(234)	(216)
Treasury stock	(2,277)	(2,264)
Total Visteon Corporation stockholders' equity	<hr/> 474	<hr/> 465
Non-controlling interests	110	117
Total equity	<hr/> 584	<hr/> 582
Total liabilities and equity	<hr/> <hr/> \$ 2,164	<hr/> <hr/> \$ 2,007

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
OPERATING				
Net income	\$ 18	\$ 24	\$ 42	\$ 129
Adjustments to reconcile net income to net cash provided from operating activities:				
Depreciation and amortization	25	22	74	67
Equity in net income of non-consolidated affiliates, net of dividends remitted	(1)	(3)	(7)	(10)
Non-cash stock-based compensation	3	4	14	4
Gains on transactions	—	(5)	—	(8)
Other non-cash items	—	—	5	2
Changes in assets and liabilities:				
Accounts receivable	(1)	(3)	17	82
Inventories	(10)	(24)	(13)	(38)
Accounts payable	29	(9)	49	(17)
Other assets and other liabilities	(6)	(25)	(63)	(104)
Net cash provided from (used by) operating activities	57	(19)	118	107
INVESTING				
Capital expenditures, including intangibles	(38)	(27)	(109)	(96)
Loan repayments from non-consolidated affiliates	9	—	11	—
Acquisition of business, net of cash acquired	—	16	—	16
Other	—	10	2	13
Net cash used by investing activities	(29)	(1)	(96)	(67)
FINANCING				
Short-term debt, net	(5)	3	(8)	(13)
Repurchase of common stock	—	(50)	(20)	(250)
Dividends paid to non-controlling interests	(7)	(11)	(7)	(12)
Stock compensation tax withholding payments	—	(3)	—	(7)
Distribution payments	—	—	—	(14)
Other	—	—	—	2
Net cash used by financing activities	(12)	(61)	(35)	(294)
Effect of exchange rate changes on cash	(8)	(5)	(8)	(13)
Net decrease in cash	8	(86)	(21)	(267)
Cash and restricted cash at beginning of the period	438	528	467	709
Cash and restricted cash at end of the period	<u>\$ 446</u>	<u>\$ 442</u>	<u>\$ 446</u>	<u>\$ 442</u>

The Company has combined cash flows from discontinued operations and continuing operations within the operating and 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 Companys 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 Companys 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 Companys 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		Nine Months Ended		Estimated
	September 30		September 30		Full Year
Visteon:	2019	2018	2019	2018	2019
Net income attributable to Visteon Corporation	\$ 14	\$ 21	\$ 35	\$ 121	\$57 - \$72
Depreciation and amortization	25	22	74	67	99
Provision for income taxes	13	9	16	42	30 -35
Non-cash, stock-based compensation expense	3	4	14	4	20
Interest expense, net	3	2	7	6	9
Net income attributable to non-controlling interests	4	3	7	8	10
Other	—	(4)	1	(8)	1
Restructuring expense	1	18	2	28	15
Income from discontinued operations, net of tax	—	(1)	—	(2)	—
Equity in net income of non-consolidated affiliates	(1)	(3)	(7)	(10)	(11)
Adjusted EBITDA	<u>\$ 62</u>	<u>\$ 71</u>	<u>\$ 149</u>	<u>\$ 256</u>	<u>\$230 - \$250</u>

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 managements 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 Companys business strategies, and (iii) because the Companys 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		Nine Months Ended		Estimated
	September 30		September 30		Full Year
	2019	2018	2019	2018	2019
Total Visteon:					
Cash provided from operating activities	\$ 57	\$ (19)	\$ 118	\$ 107	\$165 - \$175
Capital expenditures, including intangibles	(38)	(27)	(109)	(96)	(145 - 135)
Free cash flow	\$ 19	\$ (46)	\$ 9	\$ 11	\$20 - \$40
Restructuring related payments	4	4	12	24	20
Adjusted free cash flow	\$ 23	\$ (42)	\$ 21	\$ 35	\$40 - \$60

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, 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		Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
Net income attributable to Visteon:				
Net income	\$ 14	\$ 20	\$ 35	\$ 119
Discontinued operations	—	1	—	2
Net income attributable to Visteon	\$ 14	\$ 21	\$ 35	\$ 121

	<u>Three Months Ended September 30</u>		<u>Nine Months Ended September 30</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Diluted earnings per share:</u>				
Net income attributable to Visteon	\$ 14	\$ 21	\$ 35	\$ 121
Average shares outstanding, diluted (in millions)	28.1	29.5	28.2	30.1
Diluted earnings per share	\$ 0.50	\$ 0.71	\$ 1.24	\$ 4.02
<u>Adjusted earnings per share:</u>				
Net income attributable to Visteon	\$ 14	\$ 21	\$ 35	\$ 121
Restructuring, net	1	18	2	28
Other	—	(5)	1	(9)
Income (loss) from discontinued operations, net of tax	—	(1)	—	(2)
Adjusted net income	\$ 15	\$ 33	\$ 38	\$ 138
Average shares outstanding, diluted (in millions)	28.1	29.5	28.2	30.1
Adjusted earnings per share	\$ 0.53	\$ 1.12	\$ 1.35	\$ 4.58

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.