

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

(In millions, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
Net sales	\$ 371	\$ 733	\$ 1,014	\$ 1,470
Cost of sales	(367)	(663)	(957)	(1,334)
Gross margin	4	70	57	136
Selling, general and administrative expenses	(41)	(58)	(95)	(115)
Restructuring expense, net	(4)	—	(37)	(1)
Interest expense, net	(3)	(2)	(5)	(4)
Equity in net income of non-consolidated affiliates	1	3	2	6
Other income, net	3	3	7	5
Income (loss) before income taxes	(40)	16	(71)	27
Provision for income taxes	(2)	(8)	(7)	(3)
Net income (loss)	(42)	8	(78)	24
Net income attributable to non-controlling interests	(3)	(1)	(2)	(3)
Net income (loss) attributable to Visteon Corporation	<u>\$ (45)</u>	<u>\$ 7</u>	<u>\$ (80)</u>	<u>\$ 21</u>
Comprehensive income (loss)	\$ (37)	\$ 4	\$ (110)	\$ 25
Comprehensive income (loss) attributable to Visteon Corporation	\$ (40)	\$ 4	\$ (112)	\$ 22
Basic earnings (loss) per share attributable to Visteon Corporation	<u>\$ (1.62)</u>	<u>\$ 0.25</u>	<u>\$ (2.87)</u>	<u>\$ 0.75</u>
Diluted earnings (loss) per share attributable to Visteon	<u>\$ (1.62)</u>	<u>\$ 0.25</u>	<u>\$ (2.87)</u>	<u>\$ 0.74</u>
Average shares outstanding (in millions)				
Basic	27.8	28.1	27.9	28.1
Diluted	27.8	28.2	27.9	28.2

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In millions)

	<i>(Unaudited)</i>	
	June 30	December 31
	2020	2019
	<hr/>	<hr/>
ASSETS		
Cash and equivalents	\$ 755	\$ 466
Restricted cash	4	3
Accounts receivable, net	334	514
Inventories, net	170	169
Other current assets	163	193
Total current assets	<hr/> 1,426	<hr/> 1,345
Property and equipment, net	416	436
Intangible assets, net	125	127
Right-of-use assets	157	165
Investments in non-consolidated affiliates	50	48
Other non-current assets	146	150
Total assets	<hr/> <hr/> \$ 2,320	<hr/> <hr/> \$ 2,271
LIABILITIES AND EQUITY		
Short-term debt	\$ 22	\$ 37
Accounts payable	332	511
Accrued employee liabilities	59	73
Current lease liability	29	30
Other current liabilities	156	147
Total current liabilities	<hr/> 598	<hr/> 798
Long-term debt, net	748	348
Employee benefits	281	292
Non-current lease liability	135	139
Deferred tax liabilities	28	27
Other non-current liabilities	62	72
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,341	1,342
Retained earnings	1,599	1,679
Accumulated other comprehensive loss	(299)	(267)
Treasury stock	(2,284)	(2,275)
Total Visteon Corporation stockholders' equity	<hr/> 358	<hr/> 480
Non-controlling interests	110	115
Total equity	<hr/> 468	<hr/> 595
Total liabilities and equity	<hr/> <hr/> \$ 2,320	<hr/> <hr/> \$ 2,271

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
OPERATING				
Net income (loss)	\$ (42)	\$ 8	\$ (78)	\$ 24
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:				
Depreciation and amortization	25	24	50	49
Non-cash stock-based compensation	4	6	9	11
Equity in net income (loss) of non-consolidated affiliates, net of dividends remitted	(1)	(3)	(2)	(6)
Other non-cash items	(4)	2	2	5
Changes in assets and liabilities:				
Accounts receivable	68	15	170	18
Inventories	11	8	(5)	(3)
Accounts payable	(107)	11	(149)	20
Other assets and other liabilities	8	(14)	(10)	(57)
Net cash provided from (used by) operating activities	(38)	57	(13)	61
INVESTING				
Capital expenditures, including intangibles	(21)	(34)	(65)	(71)
Loan repayments from non-consolidated affiliates	—	—	2	2
Other	5	1	6	2
Net cash used by investing activities	(16)	(33)	(57)	(67)
FINANCING				
Borrowings on revolving credit facility	—	—	400	—
Repurchase of common stock	—	(20)	(16)	(20)
Dividends paid to non-controlling interests	—	—	(7)	—
Short-term debt repayments, net	(14)	(1)	(14)	(3)
Net cash provided from (used by) financing activities	(14)	(21)	363	(23)
Effect of exchange rate changes on cash	2	—	(3)	—
Net increase (decrease) in cash	(66)	3	290	(29)
Cash and restricted cash at beginning of the period	825	435	469	467
Cash and restricted cash at end of the period	<u>\$ 759</u>	<u>\$ 438</u>	<u>\$ 759</u>	<u>\$ 438</u>

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Unaudited, 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		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
Visteon:				
Net income (loss) attributable to Visteon Corporation	\$ (45)	\$ 7	\$ (80)	\$ 21
Depreciation and amortization	25	24	50	49
Provision for income taxes	2	8	7	3
Non-cash, stock-based compensation expense	4	6	9	11
Interest expense, net	3	2	5	4
Net income attributable to non-controlling interests	3	1	2	3
Restructuring expense, net	4	—	37	1
Equity in net income of non-consolidated affiliates	(1)	(3)	(2)	(6)
Other	2	1	2	1
Adjusted EBITDA	<u>\$ (3)</u>	<u>\$ 46</u>	<u>\$ 30</u>	<u>\$ 87</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 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		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
Total Visteon:				
Cash provided from (used by) operating activities	\$ (38)	\$ 57	\$ (13)	\$ 61
Capital expenditures, including intangibles	(21)	(34)	(65)	(71)
Free cash flow	\$ (59)	\$ 23	\$ (78)	\$ (10)
Restructuring related payments	7	5	12	8
Adjusted free cash flow	\$ (52)	\$ 28	\$ (66)	\$ (2)

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		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
Net income (loss) attributable to Visteon	\$ (45)	\$ 7	\$ (80)	\$ 21
	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
<u>Diluted earnings per share:</u>				
Net income (loss) attributable to Visteon	\$ (45)	\$ 7	\$ (80)	\$ 21
Average shares outstanding, diluted (in millions)	27.8	28.2	27.9	28.2
Diluted earnings (loss) per share	\$ (1.62)	\$ 0.25	\$ (2.87)	\$ 0.74
<u>Adjusted earnings per share:</u>				
Net income (loss) attributable to Visteon	\$ (45)	\$ 7	\$ (80)	\$ 21
Restructuring, net	4	—	37	1
Other	1	1	1	1
Adjusted net income (loss)	\$ (40)	\$ 8	\$ (42)	\$ 23
Average shares outstanding, diluted (in millions)	27.8	28.2	27.9	28.2
Adjusted earnings (loss) per share	\$ (1.44)	\$ 0.28	\$ (1.51)	\$ 0.82

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.