

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

(In millions except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net sales	\$ 610	\$ 371	\$ 1,356	\$ 1,014
Cost of sales	<u>(575)</u>	<u>(367)</u>	<u>(1,248)</u>	<u>(957)</u>
Gross margin	35	4	108	57
Selling, general and administrative expenses	(44)	(41)	(89)	(95)
Restructuring, net	(1)	(4)	—	(37)
Interest expense, net	(2)	(3)	(4)	(5)
Equity in net income of non-consolidated affiliates	—	1	—	2
Other income, net	<u>5</u>	<u>3</u>	<u>9</u>	<u>7</u>
Income (loss) before income taxes	(7)	(40)	24	(71)
Provision for income taxes	<u>(4)</u>	<u>(2)</u>	<u>(16)</u>	<u>(7)</u>
Net income (loss)	(11)	(42)	8	(78)
Less: Net (income) loss attributable to non-controlling interests	—	(3)	(3)	(2)
Net income (loss) attributable to Visteon Corporation	<u>\$ (11)</u>	<u>\$ (45)</u>	<u>\$ 5</u>	<u>\$ (80)</u>
Comprehensive income (loss)	\$ 8	\$ (37)	\$ 9	\$ (110)
Less: Comprehensive (income) loss attributable to non-controlling interests	<u>(3)</u>	<u>(3)</u>	<u>(5)</u>	<u>(2)</u>
Comprehensive income (loss) attributable to Visteon Corporation	\$ 5	\$ (40)	\$ 4	\$ (112)
Diluted earnings (loss) per share attributable to Visteon Corporation	<u>\$ (0.39)</u>	<u>\$ (1.62)</u>	<u>\$ 0.18</u>	<u>\$ (2.87)</u>
Average shares outstanding (in millions)				
Basic	28.0	27.8	27.9	27.9
Diluted	28.0	27.8	28.3	27.9

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)

	<i>(Unaudited)</i>	
	June 30,	December 31,
	2021	2020
	<hr/>	<hr/>
ASSETS		
Cash and equivalents	\$ 466	\$ 496
Restricted cash	4	4
Accounts receivable, net	426	484
Inventories, net	210	177
Other current assets	138	180
Total current assets	<hr/> 1,244	<hr/> 1,341
Property and equipment, net	410	436
Intangible assets, net	122	127
Right-of-use assets	157	172
Investments in non-consolidated affiliates	63	60
Other non-current assets	126	135
Total assets	<hr/> \$ 2,122 <hr/>	<hr/> \$ 2,271 <hr/>
LIABILITIES AND EQUITY		
Short-term debt	\$ 6	\$ —
Accounts payable	427	500
Accrued employee liabilities	70	83
Current lease liability	31	32
Other current liabilities	221	209
Total current liabilities	<hr/> 755	<hr/> 824
Long-term debt, net	349	349
Employee benefits	298	322
Non-current lease liability	132	146
Deferred tax liabilities	28	28
Other non-current liabilities	73	92
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,341	1,348
Retained earnings	1,628	1,623
Accumulated other comprehensive loss	(305)	(304)
Treasury stock	(2,271)	(2,281)
Total Visteon Corporation stockholders' equity	<hr/> 394	<hr/> 387
Non-controlling interests	93	123
Total equity	<hr/> 487	<hr/> 510
Total liabilities and equity	<hr/> \$ 2,122 <hr/>	<hr/> \$ 2,271 <hr/>

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
OPERATING				
Net income (loss)	\$ (11)	\$ (42)	\$ 8	\$ (78)
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:				
Depreciation and amortization	28	25	55	50
Non-cash stock-based compensation	5	4	9	9
Equity in net income (loss) of non-consolidated affiliates, net of dividends remitted	—	(1)	—	(2)
Other non-cash items	2	(4)	3	2
Changes in assets and liabilities:				
Accounts receivable	47	68	51	170
Inventories	(18)	11	(35)	(5)
Accounts payable	(68)	(107)	(66)	(149)
Other assets and other liabilities	5	8	(24)	(10)
Net cash provided from (used by) operating activities	(10)	(38)	1	(13)
INVESTING				
Capital expenditures, including intangibles	(15)	(21)	(33)	(65)
Contributions to equity method investments	(2)	—	(2)	—
Loan repayments from non-consolidated affiliates	—	—	2	2
Other	1	5	2	6
Net cash used by investing activities	(16)	(16)	(31)	(57)
FINANCING				
Borrowings on revolving credit facility	—	—	—	400
Repurchase of common stock	—	—	—	(16)
Dividends paid to non-controlling interests	(1)	—	(1)	(7)
Short-term debt, net	6	(14)	6	(14)
Other	1	—	1	—
Net cash provided from (used by) financing activities	6	(14)	6	363
Effect of exchange rate changes on cash	4	2	(6)	(3)
Net (decrease) increase in cash, equivalents, and restricted cash	(16)	(66)	(30)	290
Cash, equivalents, and restricted cash at beginning of the period	486	825	500	469
Cash, equivalents, and restricted cash at end of the period	<u>\$ 470</u>	<u>\$ 759</u>	<u>\$ 470</u>	<u>\$ 759</u>

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions except per share amounts)

(Unaudited)

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,	
	2021	2020	2021	2020
Visteon:				
Net income (loss) attributable to Visteon Corporation	\$ (11)	\$ (45)	\$ 5	\$ (80)
Depreciation and amortization	28	25	55	50
Provision for income taxes	4	2	16	7
Non-cash, stock-based compensation expense	5	4	9	9
Interest expense, net	2	3	4	5
Net income (loss) attributable to non-controlling interests	—	3	3	2
Restructuring, net	1	4	—	37
Equity in net income of non-consolidated affiliates	—	(1)	—	(2)
Other	1	2	2	2
Adjusted EBITDA	<u>\$ 30</u>	<u>\$ (3)</u>	<u>\$ 94</u>	<u>\$ 30</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.

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions except per share amounts)

(Unaudited)

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. 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,	
Visteon:	2021	2020	2021	2020
Cash provided from (used by) operating activities	\$ (10)	\$ (38)	\$ 1	\$ (13)
Capital expenditures, including intangibles	(15)	(21)	(33)	(65)
Free cash flow	\$ (25)	\$ (59)	\$ (32)	\$ (78)
Restructuring related payments	9	7	25	12
Adjusted free cash flow	<u>\$ (16)</u>	<u>\$ (52)</u>	<u>\$ (7)</u>	<u>\$ (66)</u>

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.

VISTEON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(In millions except per share amounts)

(Unaudited)

Adjusted Net Income (Loss) and Adjusted Earnings (Loss) 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, net, 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,	
	2021	2020	2021	2020
Net income (loss) attributable to Visteon	\$ (11)	\$ (45)	\$ 5	\$ (80)
 <u>Diluted earnings per share:</u>				
Net income (loss) attributable to Visteon	\$ (11)	\$ (45)	\$ 5	\$ (80)
Average shares outstanding, diluted	<u>28.0</u>	<u>27.8</u>	<u>28.3</u>	<u>27.9</u>
Diluted earnings (loss) per share	\$ (0.39)	\$ (1.62)	\$ 0.18	\$ (2.87)
 <u>Adjusted net income (loss) and adjusted earnings (loss) per share:</u>				
Net income (loss) attributable to Visteon	\$ (11)	\$ (45)	\$ 5	\$ (80)
Restructuring, net	1	4	—	37
Other, including tax effects of adjustments	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>
Adjusted net income (loss)	\$ (9)	\$ (40)	\$ 7	\$ (42)
Average shares outstanding, diluted	<u>28.0</u>	<u>27.8</u>	<u>28.3</u>	<u>27.9</u>
Adjusted earnings (loss) per share	<u>\$ (0.32)</u>	<u>\$ (1.44)</u>	<u>\$ 0.25</u>	<u>\$ (1.51)</u>

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.