



Visteon Announces Third Quarter 2023 Results

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VAN BUREN TOWNSHIP, Mich., Oct. 26, 2023 (GLOBE NEWSWIRE) -- Visteon Corporation (NASDAQ: VC) today reported third quarter 2023 financial results. Highlights include:

- **Sales of \$1,014 million, representing base sales growth of 9%¹**
- **18th consecutive quarter of growth-over-market ²**
- **Net income of \$66 million or \$2.32 per diluted share**
- **Adjusted EBITDA of \$128 million**
- **New business wins of \$5.8 billion year-to-date**
- **\$46 million of share repurchases in the third quarter**
- **Updating guidance to reflect strong year-to-date performance and market outlook**

Third Quarter Financial Results

Visteon reported net sales of \$1,014 million compared to \$1,026 million in the third quarter of last year. When excluding the impact of currency and pricing from supply chain recoveries, Visteon's base sales grew 9% from the prior year, driven by the ongoing ramp up of our recent product launches. Total global vehicle production increased 4% from the prior year, however Visteon customer production was flat over the same period. The company's sales performance represents 9% growth-over-market, the 18th consecutive quarter of market out-performance.

Gross margin in the third quarter was \$143 million, and net income attributable to Visteon was \$66 million or \$2.32 per diluted share. Adjusted EBITDA, a non-GAAP measure as defined below, was \$128 million for the third quarter or 12.6% of sales, an increase of \$33 million compared to the prior year. The increase in adjusted EBITDA primarily reflects the favorable impact of higher sales volumes and strong operating performance combined with the timing of favorable commercial items.

For the first nine months cash provided by operations was \$169 million, capital expenditures were \$82 million, and adjusted free cash flow, a non-GAAP financial measure as defined below, was \$93 million. The company ended the third quarter with cash of \$485 million and debt of \$341 million.

Visteon's products launched on 33 vehicle models in the third quarter. Key product launches included a follow-on digital cluster launch on the Mercedes EQE, a new hybrid cluster program on the Ford Transit Custom and Transit Courier in Europe, and follow-on digital cluster launches on three high volume vehicle lines for Tata in India.

Visteon has secured \$5.8 billion in new business through the first nine months of the year. Third quarter wins included our first AllGo™ App Store and connected services win for an Indian OEM. Visteon also won a conquest digital cockpit system with a premium German OEM. Additional wins in the quarter included a 10" Android-based infotainment system for a global OEM and a 25" dual display and passenger display win for an electric SUV platform in the North American market.

"We delivered strong results in the third quarter and continued to strengthen our foundation for future growth," said Sachin Lawande, President and CEO. "I am proud of our recent win for our AllGo™ App Store, which demonstrates that our product portfolio continues to anticipate market trends."

Visteon is updating its full-year 2023 guidance and anticipates sales in the range of \$3.950 – \$4.025 billion, adjusted EBITDA in the range of \$415 – \$445 million, and adjusted free cash flow in the range of \$115 – \$165 million.

About Visteon

Visteon is advancing mobility through innovative technology solutions that enable a software-defined and electric future. With next-generation digital cockpit and electrification products, Visteon leverages the strength and agility of its global network with a local footprint to deliver a cleaner, safer and more connected vehicle experience. Headquartered in Van Buren Township, Michigan, Visteon operates in 17 countries worldwide, recorded approximately \$3.76 billion in annual sales and booked \$6 billion of new business in 2022. Learn more at <https://investors.visteon.com/>.

Conference Call and Presentation

Today, Thursday, Oct. 26, 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: 1-888-330-2508
Outside U.S./Canada: 1-240-789-2735
Conference ID: 8897485

(Call approximately 15 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 replay of the conference call will be available through the company's website or by dialing 1-800-770-2030 (toll-free from the U.S. and Canada) or 1-647-362-9199 (international). The conference ID for the phone replay is 8897485. The phone replay will be available for two weeks following the

conference call.

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Use of Non-GAAP Financial Information

Because not all companies use identical calculations, adjusted EBITDA, adjusted net income, adjusted EPS, free cash flow and adjusted free cash flow used throughout this press release 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 2023, the company provides 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 press release and the adjustments that management can reasonably predict.

Forward-looking Information

This press release 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 avoid or continue to operate during a strike, or partial work stoppage or slow down at any of our principal customers;
- 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 Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023. 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.

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VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net sales	\$ 1,014	\$ 1,026	\$ 2,964	\$ 2,692
Cost of sales	(871)	(922)	(2,607)	(2,438)
Gross margin	143	104	357	254
Selling, general and administrative expenses	(52)	(47)	(156)	(134)
Restructuring and impairment	—	(1)	(2)	(12)
Interest expense, net	(1)	(2)	(7)	(7)
Equity in net (loss) income of non-consolidated affiliates	(1)	(1)	(8)	3
Other income, net	3	5	(4)	15
Income (loss) before income taxes	92	58	180	119
Provision for income taxes	(21)	(9)	(48)	(24)
Net income (loss)	71	49	132	95
Less: Net (income) loss attributable to non-controlling interests	(5)	(5)	(12)	(5)
Net income (loss) attributable to Visteon Corporation	\$ 66	\$ 44	\$ 120	\$ 90
Comprehensive income (loss)	\$ 58	\$ 15	\$ 114	\$ 21
Less: Comprehensive (income) loss attributable to non-controlling interests	(4)	—	(6)	4
Comprehensive income (loss) attributable to Visteon Corporation	\$ 54	\$ 15	\$ 108	\$ 25
Basic earnings (loss) per share attributable to Visteon Corporation	\$ 2.35	\$ 1.57	\$ 4.26	\$ 3.20
Diluted earnings (loss) per share attributable to Visteon Corporation	\$ 2.32	\$ 1.54	\$ 4.20	\$ 3.16
Average shares outstanding (in millions)				
Basic	28.1	28.1	28.2	28.1
Diluted	28.5	28.5	28.6	28.5

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions)

	<i>(Unaudited)</i>	
	September 30, 2023	December 31, 2022
ASSETS		
Cash and equivalents	\$ 481	\$ 520
Restricted cash	4	3
Accounts receivable, net	679	672
Inventories, net	318	348
Other current assets	140	167
Total current assets	1,622	1,710

Property and equipment, net	377	364
Intangible assets, net	83	99
Right-of-use assets	115	124
Investments in non-consolidated affiliates	36	49
Other non-current assets	124	104
Total assets	<u>\$ 2,357</u>	<u>\$ 2,450</u>
LIABILITIES AND EQUITY		
Short-term debt	\$ 18	\$ 13
Accounts payable	595	657
Accrued employee liabilities	86	90
Current lease liability	30	29
Other current liabilities	219	246
Total current liabilities	<u>948</u>	<u>1,035</u>
Long-term debt, net	323	336
Employee benefits	104	115
Non-current lease liability	87	99
Deferred tax liabilities	30	27
Other non-current liabilities	64	64
Stockholders' equity:		
Common stock	1	1
Additional paid-in capital	1,349	1,352
Retained earnings	1,908	1,788
Accumulated other comprehensive loss	(225)	(213)
Treasury stock	(2,309)	(2,253)
Total Visteon Corporation stockholders' equity	<u>724</u>	<u>675</u>
Non-controlling interests	<u>77</u>	<u>99</u>
Total equity	<u>801</u>	<u>774</u>
Total liabilities and equity	<u>\$ 2,357</u>	<u>\$ 2,450</u>

VISTEON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
OPERATING				
Net income (loss)	\$ 71	\$ 49	\$ 132	\$ 95
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:				
Depreciation and amortization	24	27	79	79
Non-cash stock-based compensation	9	6	26	19
Equity in net loss (income) of non-consolidated affiliates, net of dividends remitted	1	4	8	—
Impairments	—	—	—	4
Other non-cash items	1	(2)	(3)	(2)
Changes in assets and liabilities:				
Accounts receivable	(12)	(170)	(19)	(244)
Inventories	6	(50)	23	(112)
Accounts payable	35	175	(54)	173
Other assets and other liabilities	(8)	35	(23)	(10)
Net cash (used by) provided from operating activities	<u>127</u>	<u>74</u>	<u>169</u>	<u>2</u>
INVESTING				
Capital expenditures, including intangibles	(31)	(18)	(82)	(54)
Contributions to equity method investments	(1)	—	(1)	(1)
Settlement of derivatives contracts	—	4	—	9
Other	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>

Net cash used by investing activities	(31)	(13)	(80)	(44)
FINANCING				
Borrowings on term debt facility	—	350	—	350
Payments on term debt facility	—	(350)	—	(350)
Short-term debt, net	(3)	—	—	(4)
Principal repayment of term debt facility	(4)	—	(8)	—
Dividends to non-controlling interests	(12)	—	(27)	—
Repurchase of common stock	(46)	—	(76)	—
Stock based compensation tax withholding payments	(1)	—	(16)	—
Proceeds from the exercise of stock options	4	—	8	—
Other	—	(3)	—	(3)
Net cash used by financing activities	(62)	(3)	(119)	(7)
Effect of exchange rate changes on cash	(8)	(18)	(8)	(41)
Net decrease in cash, equivalents, and restricted cash	26	40	(38)	(90)
Cash, equivalents, and restricted cash at beginning of the period	459	325	523	455
Cash, equivalents, and restricted cash at end of the period	<u>\$ 485</u>	<u>\$ 365</u>	<u>\$ 485</u>	<u>\$ 365</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, provision for income taxes, non-cash stock-based compensation expense, restructuring and impairment expense, net interest expense, net income attributable to non-controlling interests, equity in net income of non-consolidated affiliates, gain on non-consolidated affiliate transactions, 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		Nine Months Ended		Estimated
	September 30,		September 30,		Full Year
Visteon:	2023	2022	2023	2022	2023
Net income attributable to Visteon Corporation	\$ 66	\$ 44	\$ 120	\$ 90	\$ 170
Depreciation and amortization	24	27	79	79	105
Provision for income taxes	21	9	48	24	65
Non-cash, stock-based compensation expense	9	6	26	19	35
Restructuring and impairment expense	—	1	2	12	5
Interest expense, net	1	2	7	7	10
Net income attributable to non-controlling interests	5	5	12	5	15
Equity in net (loss) income of non-consolidated affiliates	1	1	8	(3)	10
Other	1	—	15	12	15
Adjusted EBITDA	<u>\$ 128</u>	<u>\$ 95</u>	<u>\$ 317</u>	<u>\$ 245</u>	<u>\$ 430³</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

Nine Months Ended

Estimated

	September 30,		September 30,		Full Year
	2023	2022	2023	2022	2023
Visteon:					
Cash provided from (used by) operating activities	\$ 127	\$ 74	\$ 169	\$ 2	\$ 260
Capital expenditures, including intangibles	(31)	(18)	(82)	(54)	(130)
Free cash flow	\$ 96	\$ 56	\$ 87	\$ (52)	\$ 130
Restructuring related payments	2	3	6	12	10
Adjusted free cash flow	\$ 98	\$ 59	\$ 93	\$ (40)	\$ 140 ⁴

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 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 and impairment expense, loss on divestiture, gain on non-consolidated affiliate transactions, 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,	
	2023	2022	2023	2022
Net income attributable to Visteon	\$ 66	\$ 44	\$ 120	\$ 90
Diluted earnings per share:				
Net income attributable to Visteon	\$ 66	\$ 44	\$ 120	\$ 90
Average shares outstanding, diluted	28.5	28.5	28.6	28.5
Diluted earnings per share	\$ 2.32	\$ 1.54	\$ 4.20	\$ 3.16
Adjusted net income and adjusted earnings per share:				
Net income attributable to Visteon	\$ 66	\$ 44	\$ 120	\$ 90
Restructuring and impairment expense	—	1	2	12
Other, including tax effects of adjustments	1	—	15	12
Adjusted net income	\$ 67	\$ 45	\$ 137	\$ 114
Average shares outstanding, diluted	28.5	28.5	28.6	28.5
Adjusted earnings per share	\$ 2.35	\$ 1.58	\$ 4.79	\$ 4.00

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.

¹ Excludes Y/Y impact of currency fluctuations and supply chain recoveries

² Visteon Y/Y sales growth (ex. FX and net pricing) compared to production for Visteon customers weighted on Visteon sales contribution

³ Based on mid-point of the range of the Company's financial guidance

⁴ Based on mid-point of the range of the Company's financial guidance