FY 2017 THIRD QUARTER EARNINGS

July 27, 2017

Adient reports solid Q3 results; repurchases ~0.6M shares of its common stock

- GAAP net income and EPS diluted increased to $204M and $2.17, respectively; adjusted-EPS diluted up 4% to $2.52
- Adjusted-EBIT expanded to $336M (margin of 8.4%)
- Cash and cash equivalents of $669M at June 30, 2017
- Gross debt and net debt totaled $3,399M and $2,730M, respectively, at June 30, 2017
- Repurchased ~0.6M shares of common stock for approximately $40M; paid ~$26M in quarterly dividends

"Adient remains focused on executing its plan, which helped drive another quarter of earnings growth, margin expansion and cash generation. We are confident in our ability to deliver our goals in 2017 and beyond."

R. Bruce McDonald,
Chairman and Chief Executive Officer

FY 2017 Q3 RESULTS OVERVIEW

	REVENUE	EBIT	NET INCOME attributable to Adient	EPS DILUTED
AS REPORTED	$4,017M	$296M	$204M	$2.17
	ADJ. EBIT	**ADJ. EBIT MARGIN**	**ADJ. NET INCOME attributable to Adient**	**ADJ. EPS DILUTED**
AS ADJUSTED	$336M	8.4%	$237M	$2.52
vs. Q3 16	+3%	+90 bps	+4%	+4%

Adjusted results include certain pro forma adjustments for FY16. For complete details and to see reconciliation of non-GAAP measures to their most directly comparable GAAP measures refer to the appendix.

RECENT HIGHLIGHTS

Announced in fiscal Q3 Adient Yanfeng Seating Mechanism Co., Ltd. plans to open a new 90,000 square meter seating mechanism plant in Changshu, China.

Returned approximately $66M to shareholders in fiscal Q3 through share repurchases and quarterly dividends.

Prepaid $200 million of the $1.4 billion outstanding Term Loan during fiscal Q3 using proceeds from a new, lower cost Euro 165M European Investment Bank loan plus cash; no required loan amortization payments until June 2020.

Unconsolidated seating revenue in fiscal Q3 increased to $2.2B.

KEY OPERATING METRICS

	SALES					
	CONSOLIDATED	UNCONSOL. SEATING	UNCONSOL. INTERIORS	ADJ. EQUITY INCOME [a]	INTEREST EXPENSE [a]	ADJ. EFFECTIVE TAX RATE [a]
Q317	**$4,017M**	**$2,163M**	**$2,224M**	**$101M**	**$31M**	**15.1%**
Q3 16	$4,362M	$1,911M	$1,866M	$94M	$33M	15.1 %
	Down 7 % adjusting for foreign exchange; passenger car production adjustments & business run-off also contributed to the decline	Up 13 % adjusting for foreign exchange and out of period adjustment	Up 25 % adjusting for foreign exchange; up 15 % when adjusting for foreign exchange and low margin cockpit sales	Strong growth continued; up 13 % adjusting for foreign exchange	In-line with expectations	Tax rate driven by geographic composition of earnings (U.S. representing a larger share of profit)

a/ - On an adjusted basis including pro forma adjustments to Q2 2016. For complete details and to see reconciliation of non-GAAP measures to their most directly comparable GAAP measures refer to the appendix.

CASH FLOW & BALANCE SHEET

	Q3 17	Q3 16		6/30/17	9/30/16[a]
OPERATING CASH FLOW	$157M	$150	CASH & CASH EQUIVALENTS	$669M	$550M
CAPITAL EXPENDITURES	$(115)M	$(126)M	TOTAL DEBT	$3,399M	$3,521
ADJ. FREE CASH FLOW	$42M	$24M	NET DEBT	$2,730M	$2,971
			NET LEVERAGE	1.69x	1.95x

a/ - Pro forma cash balance based on preliminary funding of Adient’s opening cash balance on October 31, 2016; for non-GAAP and adjusted results which include certain pro forma adjustments for FY15 and FY16, see appendix for detail and reconciliation to U.S. GAAP.

> **“ADNT is committed to enhancing shareholder value as evidenced by the company’s strong financial performance, competitive dividend and opportunistic share repurchases.”**
>
> **- Jeffrey Stafeil, Executive Vice President and Chief Financial Officer**

FY 2017 OUTLOOK

- Revenue of $16.15 to $16.25 billion
- Adjusted EBIT of $1.24 to $1.26 billion
- Depreciation & amortization of ~$375 million
- Interest expense of ~$135 million ($140 million prior)
- Tax rate: 14 % to 15 %
- Adjusted net income between $875 and $900 million
- Capital expenditures between $575 and $600 million
- Free cash flow ~$400 million

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ADIENT

Adient is the global leader in automotive seating. With 75,000 employees operating in 230 manufacturing/assembly plants in 33 countries worldwide, we produce and deliver automotive seating for all vehicle classes and all major OEMs. From complete seating systems to individual components, our expertise spans every step of the automotive seat-making process. Our integrated, in-house skills allow us to take our products from research and design all the way to engineering and manufacturing – and into more than 50 million cars every year.

Cautionary Statement Regarding Forward-Looking Statements:

Adient plc has made statements in this document that are forward-looking and, therefore, are subject to risks and uncertainties. All statements in this document other than statements of historical fact are statements that are, or could be, deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding Adient's future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements. Words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "project" or "plan" or terms of similar meaning are also generally intended to identify forward-looking statements. Adient cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Adient's control, that could cause Adient's actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: the ability of Adient to meet debt service requirements, the availability and terms of financing, general economic and business conditions, the strength of the U.S. or other economies, automotive vehicle production levels, mix and schedules, energy and commodity prices, the availability of raw materials and component products, currency exchange rates, and cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Adient's business is included in the section entitled "Risk Factors" in Adient's Annual Report on Form 10-K for the fiscal year ended September 30, 2016 filed with the SEC on November 29, 2016 and quarterly reports on Form 10-Q filed with the SEC, available at www.sec.gov. Potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this document are made only as of the date of this document, unless otherwise specified, and, except as required by law, Adient assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this document.

In addition, this document includes certain projections provided by Adient with respect to the anticipated future performance of Adient's businesses. Such projections reflect various assumptions of Adient's management concerning the future performance of Adient's businesses, which may or may not prove to be correct. The actual results may vary from the anticipated results and such variations may be material. Adient does not undertake any obligation to update the projections to reflect events or circumstances or changes in expectations after the date of this document or to reflect the occurrence of subsequent events. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections based thereon.

Use of Non-GAAP Financial Information:

This document also contains non-GAAP financial information because Adient's management believes it may assist investors in evaluating Adient's on-going operations. Adient believes these non-GAAP disclosures provide important supplemental information to management and investors regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. A reconciliation of non-GAAP measures to their closest GAAP equivalent are included in the appendix. Reconciliations of non-GAAP measures related to FY2017 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Adient plc
Condensed Consolidated Statements of Income
(Unaudited)

(in millions, except per share data)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
Net sales	$ 4,017	$ 4,362
Cost of sales	3,646	3,916
Gross profit	371	446
Selling, general and administrative expenses	169	315
Restructuring and impairment costs	—	75
Equity income	94	89
Earnings before interest and income taxes	296	145
Net financing charges	31	2
Income before income taxes	265	143
Income tax provision	39	136
Net income (loss)	226	7
Income attributable to noncontrolling interests	22	21
Net income (loss) attributable to Adient	$ 204	$ (14)
Diluted earnings per share	$ 2.17	$ (0.15)
Shares outstanding at period end	93.1	93.7
Diluted weighted average shares	93.9	93.7

Adient plc
Condensed Consolidated Statements of Financial Position
(Unaudited)

(in millions)	June 30, 2017	September 30, 2016*
Assets		
Cash and cash equivalents	$ 669	$ 105
Restricted cash	—	2,034
Accounts receivable - net	2,015	2,082
Inventories	654	660
Other current assets	833	810
Current assets	4,171	5,691
Property, plant and equipment - net	2,302	2,195
Goodwill	2,190	2,179
Other intangible assets - net	102	113
Investments in partially-owned affiliates	1,967	1,748
Other noncurrent assets	1,328	1,064
Total assets	$ 12,060	$ 12,990
Liabilities and Shareholders' Equity		
Short-term debt	$ 6	$ 79
Accounts payable and accrued expenses	2,918	3,206
Other current liabilities	908	975
Current liabilities	3,832	4,260
Long-term debt	3,393	3,442
Other noncurrent liabilities	739	913
Redeemable noncontrolling interests	22	34
Shareholders' equity attributable to Adient	3,927	4,210
Noncontrolling interests	147	131
Total liabilities and shareholders' equity	$ 12,060	$ 12,990

* Amounts have been revised for ASU 2015-03 to reclassify debt issuance costs of $43 million from other non-current assets to long-term debt.

Adient plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Nine Months Ended June 30, 2017	Nine Months Ended June 30, 2016
Operating Activities				
Net income (loss) attributable to Adient	$ 204	$ (14)	$ 545	$ (656)
Income attributable to noncontrolling interests	22	21	68	61
Net income (loss)	226	7	613	(595)
Adjustments to reconcile net income to cash provided (used) by operating activities:				
Depreciation	84	77	248	240
Amortization of intangibles	4	4	13	13
Pension and postretirement benefit expense	1	—	3	2
Pension and postretirement contributions	(7)	(17)	(23)	(35)
Equity in earnings of partially-owned affiliates, net of dividends received	(84)	21	(229)	(129)
Deferred income taxes	(5)	(3)	(9)	801
Non-cash restructuring and impairment charges	—	41	—	41
Equity-based compensation	11	14	33	20
Other	2	(11)	3	(4)
Changes in assets and liabilities:				
Receivables	235	40	81	27
Inventories	11	25	15	16
Other assets	55	(86)	48	153
Restructuring reserves	(72)	8	(144)	89
Accounts payable and accrued liabilities	(298)	31	(349)	(180)
Accrued income taxes	(6)	(1)	(3)	(15)
Cash provided (used) by operating activities	157	150	300	444
Investing Activities				
Capital expenditures	(115)	(126)	(417)	(312)
Sale of property, plant and equipment	10	3	27	14
Business divestitures	—	—	—	18
Changes in long-term investments	—	—	(6)	—
Other	—	(3)	(2)	2
Cash provided (used) by investing activities	(105)	(126)	(398)	(278)
Financing Activities				
Net transfers from (to) Parent prior to separation	—	156	606	(56)
Cash transferred from former Parent post separation	—	—	315	—
Increase (decrease) in short-term debt	(13)	(111)	(38)	6
Increase in long-term debt	183	—	183	—
Repayment of long-term debt	(201)	(3)	(301)	(7)
Share repurchases	(40)	—	(40)	—
Cash dividends	(26)	—	(26)	—
Dividends paid to noncontrolling interests	(30)	(12)	(47)	(34)
Other	(1)	—	2	—
Cash provided (used) by financing activities	(128)	30	654	(91)
Effect of exchange rate changes on cash and cash equivalents	16	—	8	1
Increase (decrease) in cash and cash equivalents	$ (60)	$ 54	$ 564	$ 76

Footnotes

1. Segment Results

During the first quarter of fiscal 2017, Adient began evaluating the performance of its reportable segments using an adjusted EBIT metric defined as income before income taxes and noncontrolling interests, excluding net financing charges, qualified restructuring and impairment costs, restructuring related-costs, incremental "Becoming Adient" costs, separation costs, net mark-to-market adjustments on pension and postretirement plans, transaction gains/losses, purchase accounting amortization and other non-recurring items ("Adjusted EBIT"). Prior period information has been recast to the new performance metric. The reportable segments are consistent with how management views the markets served by Adient and reflect the financial information that is reviewed by its chief operating decision maker.

Adient has two reportable segments for financial reporting purposes: Seating and Interiors.

- The Seating segment produces automotive seat metal structures and mechanisms, foam, trim, fabric and complete seat systems.
- The Interiors segment, derived from its global automotive interiors joint ventures, produces instrument panels, floor consoles, door panels, overhead consoles, cockpit systems, decorative trim and other products.

Financial information relating to Adient's reportable segments is as follows:

	Three Months Ended June 30,	
(in millions)	**2017**	**2016**
Net Sales		
Seating	$ 4,017	$ 4,362
Total net sales	$ 4,017	$ 4,362

	Three Months Ended June 30,	
(in millions)	**2017**	**2016**
Adjusted EBIT		
Seating	$ 317	$ 306
Interiors	19	26
Becoming Adient costs (1)	(20)	—
Separation costs (2)	—	(122)
Restructuring and impairment costs (3)	—	(75)
Purchase accounting amortization (4)	(10)	(9)
Restructuring related charges (5)	(10)	(3)
Other items (6)	—	22
Earnings before interest and income taxes	296	145
Net financing charges	(31)	(2)
Income before income taxes	$ 265	$ 143

(1) Reflects incremental expenses associated with becoming an independent company. Includes non-cash costs of $4 million in the three months ended June 30, 2017.

(2) Reflects expenses associated with and incurred prior to the separation from the former Parent.

(3) Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420.

(4) Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income.

(5) Reflects restructuring related charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420.

(6) Reflects a third quarter 2016 $14 million favorable legal settlement and an $8 million multi-employer pension credit associated with the removal of costs for pension plans that remained with the former parent.

2. Earnings Per Share

The following table reconciles the numerators and denominators used to calculate basic and diluted earnings per share:

	Three Months Ended June 30,	
(in millions)	**2017**	**2016**
Income available to shareholders		
Net income (loss) attributable to Adient	$ 204	$ (14)
Basic and diluted income available to shareholders	$ 204	$ (14)
Weighted average shares outstanding		
Basic weighted average shares outstanding	93.4	93.7
Effect of dilutive securities:		
Stock options, unvested restricted stock and unvested performance share awards	0.5	—
Diluted weighted average shares outstanding	93.9	93.7
Pro-forma adjusted diluted weighted average shares outstanding (1)	n/a	93.8

(1) Pro-forma adjusted diluted weighted average shares outstanding includes the effect of dilutive securities that are excluded from reported diluted weighted average shares outstanding.

3. Non-GAAP Measures

Adjusted EBIT, Adjusted EBIT margin, Pro-forma adjusted EBIT, Pro-forma adjusted EBIT margin, Pro-forma adjusted EBITDA, Adjusted net income attributable to Adient, Pro-forma adjusted net income attributable to Adient, Adjusted effective tax rate, Pro-forma adjusted effective tax rate, Adjusted earnings per share, Pro-forma adjusted earnings per share, Adjusted equity income, Pro-forma adjusted net financing charges, Free cash flow, Net debt and Net leverage as well as other measures presented on an adjusted basis are not recognized terms under U.S. GAAP and do not purport to be alternatives to the most comparable U.S. GAAP amounts. Since all companies do not use identical calculations, our definition and presentation of these measures may not be comparable to similarly titled measures reported by other companies. Management uses the identified non-GAAP measures to evaluate the operating performance of the Company and its business segments and to forecast future periods. Management believes these non-GAAP measures may assist investors and other interested parties in evaluating Adient's on-going operations and provide important supplemental information to management and investors regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. Reconciliations of non-GAAP measures to their closest U.S. GAAP equivalent are presented below. Reconciliations of non-GAAP measures related to FY 2017 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

- Adjusted EBIT is defined as income before income taxes and noncontrolling interests excluding net financing charges, restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, expenses associated with becoming an independent company, other significant non-recurring items, and net mark-to-market adjustments on pension and postretirement plans. General corporate and other overhead expenses are allocated to business segments in determining Adjusted EBIT. Adjusted EBIT margin is Adjusted EBIT as a percentage of net sales.
- Pro-forma adjusted EBIT is defined as Adjusted EBIT excluding pro-forma IT dis-synergies as a result of higher stand-alone IT costs as compared to allocated IT costs under our former Parent. Pro-forma adjusted EBIT margin is Pro-forma adjusted EBIT as a percentage of net sales.
- Pro-forma adjusted EBITDA is defined as Pro-forma adjusted EBIT excluding depreciation and stock based compensation.
- Adjusted net income attributable to Adient is defined as net income attributable to Adient excluding restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, Becoming Adient/separation costs, other significant non-recurring items, net mark-to-market adjustments on pension and postretirement plans, and the tax impact of these items.
- Pro-forma adjusted net income attributable to Adient is defined as Adjusted net income attributable to Adient excluding pro-forma IT dis-synergies as a result of higher stand-alone IT costs as compared to allocated IT costs under our former Parent, pro-forma interest expense that Adient would have incurred had it been a stand-alone company, the tax impact of these items and the pro-forma impact of the tax rate had Adient been operating as a stand-alone company domiciled in its current jurisdiction.
- Adjusted effective tax rate is defined as adjusted income tax provision as a percentage of adjusted income before income taxes.
- Pro-forma adjusted effective tax rate is defined as Pro-forma adjusted income tax provision as a percentage of Pro-forma adjusted income before income taxes. Pro-forma adjusted income tax provision includes the tax impact of the pro-forma IT dis-synergies and pro-forma interest expense, and the impact of the tax rate had Adient been operating as a stand-alone company domiciled in its current jurisdiction.
- Adjusted earnings per share is defined as Adjusted net income attributable to Adient divided by diluted weighted average shares.
- Pro-forma adjusted earnings per share is defined as Pro-forma adjusted net income attributable to Adient divided by diluted weighted average shares.
- Adjusted equity income is defined as equity income as reported excluding amortization of intangible assets related to the YFAI joint venture.
- Pro-forma adjusted net financing charges are defined as net financing charges as reported excluding interest expense that Adient would have incurred had it been a stand-alone company.
- Free cash flow is defined as cash from operating activities plus payments from our former Parent (related to reimbursements for cash management actions and capital expenditures), less capital expenditures.
- Net debt is calculated as gross debt less cash and cash equivalents.
- Net leverage is calculated as net debt divided by the last twelve months of Pro-forma adjusted EBITDA.

Summarized Income Statement Information

	Three Months Ended June 30,							
(in millions, except per share data)	**2017**				**2016**			
	As reported		**As adjusted**		**As reported**		**As adjusted***	
Net sales	$	4,017	$	4,017	$	4,362	$	4,362
Equity income		94		101		89		94
Earnings before interest and income taxes		296		336		145		326
Net financing charges		31		31		2		33
Income before income taxes		265		305		143		293
Income tax provision		39		46		136		44
Net income attributable to Adient		204		237		(14)		228
Diluted earnings per share		2.17		2.52		(0.15)		2.43

* Includes certain pro-forma adjustments as reflected in the reconciliation tables below.

The following table reconciles equity income as reported to adjusted equity income:

	Three Months Ended June 30,			
(in millions)	**2017**		**2016**	
Equity income as reported	$	94	$	89
Purchase accounting amortization (2)		6		5
YFAI restructuring		1		—
Adjusted equity income	$	101	$	94

The following table reconciles net income attributable to Adient to adjusted EBIT and pro-forma adjusted EBIT:

(in millions)	**Three Months Ended June 30, 2017**	**2016**
Net income attributable to Adient	$ 204	$ (14)
Income attributable to noncontrolling interests	22	21
Income tax provision	39	136
Financing charges	31	2
Earnings before interest and income taxes	296	145
Separation costs [(1)]	—	122
Becoming Adient [(1)]	20	—
Purchase accounting amortization [(2)]	10	9
Restructuring related charges [(3)]	10	3
Other items [(4)]	—	(22)
Restructuring and impairment costs [(5)]	—	75
Adjusted EBIT	$ 336	332
Pro-forma IT dis-synergies [(8)]		(6)
Pro-forma adjusted EBIT		$ 326
Net sales	$ 4,017	$ 4,362
Adjusted EBIT and Pro-forma adjusted EBIT, respectively	$ 336	$ 326
Adjusted EBIT margin and Pro-forma adjusted EBIT margin, respectively	8.4%	7.5%
Adjusted EBIT/Pro-forma adjusted EBIT by segment:		
Seating (includes 2016 pro-forma IT dis-synergies)	$ 317	$ 300
Interiors	19	26
	$ 336	$ 326

The following table reconciles net financing charges as reported to pro-forma adjusted net financing charges:

(in millions)	**Three Months Ended June 30, 2017**	**2016**
Net financing charges as reported	$ 31	$ 2
Pro-forma net financing charges [(8)]		31
Pro-forma adjusted net financing charges		$ 33

The following table reconciles income before income taxes to adjusted income before income taxes and presents the related effective tax rate and adjusted effective tax rate:

	Three Months Ended June 30,					
	2017			2016		
(in millions, except effective tax rate)	**Income before income taxes**	**Tax impact**	**Effective tax rate**	**Income before income taxes**	**Tax impact**	**Effective tax rate**
As reported	$ 265	$ 39	14.7%	$ 143	$ 136	*
Adjustments, including prior year pro-forma impacts	40	7	17.5%	150	(92)	*
As adjusted	$ 305	$ 46	15.1%	$ 293	$ 44	15.1%

* Measure not meaningful.

The following table reconciles net income attributable to Adient to adjusted net income attributable to Adient and pro-forma adjusted net income attributable to Adient:

	Three Months Ended June 30,	
(in millions)	**2017**	**2016**
Net income attributable to Adient	$ 204	$ (14)
Separation costs (1)	—	122
Becoming Adient (1)	20	—
Purchase accounting amortization (2)	10	9
Restructuring related charges (3)	10	3
Other items (4)	—	(22)
Restructuring and impairment costs (5)	—	75
Tax impact of above adjustments and other tax items	(7)	65
Adjusted net income attributable to Adient	$ 237	238
Pro-forma IT dis-synergies (8)		(6)
Pro-forma net financing charges (8)		(31)
Tax impact of above pro-forma adjustments		8
Pro-forma effective tax rate adjustment (8)		19
Pro-forma adjusted net income attributable to Adient		$ 228

The following table reconciles diluted earnings per share as reported to adjusted diluted earnings per share and pro-forma adjusted diluted earnings per share:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016
Diluted earnings per share as reported	$ 2.17	$ (0.15)
Separation costs [1]	—	1.30
Becoming Adient [1]	0.20	—
Purchase accounting amortization [2]	0.11	0.10
Restructuring related charges [3]	0.11	0.03
Other items [4]	—	(0.23)
Restructuring and impairment costs [5]	—	0.80
Tax impact of above adjustments and other tax items	(0.07)	0.69
Adjusted diluted earnings per share	$ 2.52	2.54
Pro-forma IT dis-synergies [8]		(0.06)
Pro-forma net financing charges [8]		(0.33)
Tax impact of above pro-forma adjustments		0.09
Pro-forma effective tax rate adjustment [8]		0.19
Pro-forma adjusted diluted earnings per share		$ 2.43

The following table reconciles net income attributable to Adient to pro-forma adjusted EBITDA:

(in millions)	Three Months Ended June 30, 2017	Three Months Ended June 30 2016
Net income (loss) attributable to Adient	$ 204	$ (14)
Income attributable to noncontrolling interests	22	21
Income tax provision	39	136
Net financing charges	31	2
Separation costs [1]	—	122
Becoming Adient [1]	20	—
Purchase accounting amortization [2]	10	9
Restructuring related charges [3]	10	3
Other items [4]	—	(22)
Restructuring and impairment costs [5]	—	75
Stock based compensation [7]	8	14
Depreciation	83	77
Pro-forma IT dis-synergies [8]	n/a	(6)
Pro-forma adjusted EBITDA	$ 427	$ 417

(in millions)	**Nine Months Ended** June 30, 2017	June 30, 2016
Net income (loss) attributable to Adient	$ 545	$ (656)
Income attributable to noncontrolling interests	68	61
Income tax provision	104	1,027
Net financing charges	99	8
Separation costs [(1)]	10	254
Becoming Adient [(1) (11)]	58	—
Purchase accounting amortization [(2)]	29	28
Restructuring related charges [(3) (11)]	28	10
Other items [(4) (11)]	13	(78)
Restructuring and impairment costs [(5)]	6	244
Stock based compensation [(7)]	23	20
Depreciation	244	240
Pro-forma IT dis-synergies [(8)]	n/a	(19)
Pro-forma adjusted EBITDA	$ 1,227	$ 1,139

(in millions)	**Twelve Months Ended** June 30, 2017	September 30, 2016
Net income (loss) attributable to Adient	$ (332)	$ (1,533)
Income attributable to noncontrolling interests	91	84
Income tax provision	916	1,839
Net financing charges	113	22
Separation costs [(1)]	125	369
Becoming Adient [(1) (11)]	58	—
Purchase accounting amortization [(2)]	38	37
Restructuring related charges [(3) (11)]	32	14
Other items [(4) (11)]	12	(79)
Restructuring and impairment costs [(5)]	94	332
Pension mark-to-market [(6)]	110	110
Stock based compensation [(7)]	31	28
Depreciation	331	327
Pro-forma IT dis-synergies [(8)]	(7)	(26)
Pro-forma adjusted EBITDA	$ 1,612	$ 1,524

The following table presents net debt and net leverage ratio calculations:

(in millions, except net leverage)	June 30, 2017	September 30, 2016
Cash [9]	$ 669	$ 550
Total debt [10]	3,399	3,521
Net debt	$ 2,730	$ 2,971
Pro-forma adjusted EBITDA (last twelve months)	$ 1,612	$ 1,524
Net leverage:	1.69 x	1.95 x

The following table reconciles cash from operating activities to free cash flow:

	Three Months Ended June 30,	
(in millions)	2017	2016
Operating cash flow	157	150
Less: Capital expenditures	(115)	(126)
Adjusted free cash flow	$ 42	$ 24

The following table reconciles adjusted EBITDA to free cash flow:

(in millions)	Three Months Ended June 30, 2017
Adjusted EBITDA	$ 427
Less: Interest expense	(31)
Less: Taxes	(50)
Less: Restructuring (cash)	(82)
Change in trade working capital	(26)
Less: Net equity in earnings	(84)
Other	3
Operating cash flow	$ 157
Less: capital expenditures	(115)
Adjusted free cash flow	$ 42

(1) Becoming Adient costs reflect incremental expenses associated with becoming an independent company. Separation costs reflect expenses associated with, and incurred prior to, the separation from the former Parent. Of the $20 million of Becoming Adient costs in Q3 2017, $14 million is included within cost of sales and $6 million is included within selling, general and administrative expenses. The $122 million of separation costs in Q3 2016 is included within selling, general and administrative expenses.

(2) Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income. Of the $10 million in Q3 2017, $6 million is included within equity income, $3 million is included within selling, general and administrative expenses and $1 million is included within cost of sales. Of the $9 million in Q3 2016, $5 million is included within equity income and $4 million is included within selling, general and administrative.

(3) Reflects non-qualified restructuring charges for costs that are directly attributable to restructuring activities, but do not fall into the severance, exit or disposal category and therefore do not meet the definition of restructuring under ASC 420. These amounts are included within cost of sales.

(4) First quarter 2017 primarily consists of $12 million of initial funding of the Adient foundation. Also reflects a first quarter 2016 $13 million favorable commercial settlement, second quarter 2016 $22 million favorable settlements from prior year business divestitures and a $6 million favorable legal settlement, and a third quarter 2016 $14 million favorable legal settlement. Also reflected is a multi-employer pension credit associated with the removal of costs for pension plans that remained with the former Parent in the amount of $8 million, $7 million, $8 million and $1 million in the first, second, third and fourth quarters of 2016, respectively. These amounts are included within selling, general and administrative expenses.

(5) Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420.

(6) Reflects net mark-to-market adjustments on pension and postretirement plans. Of the $110 million charge in fiscal 2016, $16 million is included within cost of sales and $94 million is included within selling, general and administrative expenses.

(7) Stock based compensation excludes $2 million, $5 million and $3 million of expense in the first, second and third quarters of 2017, respectively, which is included with the costs associated with becoming an independent company (Becoming Adient costs) discussed above.

(8) Pro-forma amounts include IT dis-synergies (within cost of sales) as a result of higher stand-alone IT costs as compared to allocated IT costs under our former Parent, interest expense that Adient would have incurred had it been a stand-alone company and the impact of the tax rate had Adient been operating as a stand-alone company domiciled in its current jurisdiction.

(9) Cash at September 30, 2016 is pro-forma cash based on the preliminary funding of Adient's opening cash balance on October 31, 2016.

(10) Total debt at September 30, 2016 has been revised to include debt issuance costs as a reduction of the carrying amount of the debt in accordance with ASU 2015-03, which was adopted retrospectively by Adient in Q1 2017.

(11) During the second quarter of fiscal 2017, Adient decided to reclassify certain Becoming Adient costs into other reconciling categories in calculating Adjusted EBIT. As a result, prior period Becoming Adient costs decreased by $16 million and restructuring related items and other items increased by $3 million and $13 million, respectively. This change did not impact total Adjusted EBIT for any prior periods.