J.P. Morgan Auto Conference 2020

August 2020

Improving the experience of a world in motion

Important information

Adient 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 continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on Adient and its customers, suppliers, joint venture partners and other parties, the ability of Adient to close the sale of its fabrics business, including receipt of necessary regulatory approvals, the ability of Adient to close the transactions subject to the Yanfeng agreement, the ability of Adient to effectively launch new business at forecasted and profitable levels, the ability of Adient to execute its turnaround plan, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, the impact of tax reform legislation through the Tax Cuts and Jobs Act, the ability of Adient to meet debt service requirements, 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, the cancellation of or changes to commercial arrangements, and the ability of Adient to identify, recruit and retain key leadership. 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, 2019 filed with the SEC on November 22, 2019 and subsequent quarterly reports on Form 10-Q filed with the SEC, as well as within Adient’s Current Report on Form 8-K filed on April 20, 2020, 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.

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 FY2020 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Staying focused on our plan…

- **Protecting** our employees (and customers) as we restart and ramp up operations
- **Driving** operational improvements – reductions in ops waste, premium freight, etc.
- **Exercising** commercial discipline – winning profitable new business (return on capital > outgoing business)
- **Executing** high quality launches – significant y-o-y improvement in launch performance
- **Reducing** structural costs – rightsizing the business to align with an expected smaller industry
- **Strengthening** our balance sheet – previously announced strategic actions on schedule to close in Q4

While navigating through the global pandemic, Adient continues to execute its turnaround plan – positioning the company for long-term success

Operations and restart status

Plants have reopened with a primary focus on team member safety, utilizing our Adient COVID-19 Return To Work Guide

APAC

The APAC market and operations continue to trend in a positive direction

- China operation has returned 100% to pre COVID-19 level (>50% plants running two shifts)
- China auto sales y-o-y volume growth continues to improve sequentially
- Adient China sales outpacing the industry (driven by favorable mix)
- Certain Asia countries (e.g., Malaysia) also showing early signs of market recovery
- Multiple cost reduction initiatives executed over the past several months is driving strong margin performance

EMEA

EMEA market is recovering, but at a slower pace compared to the recoveries in China and the Americas

- All of Adient's plants have restarted production with the exception of a small JIT facility in the UK
- The positive trend in vehicle production in May and June drove a sequential improvement in Adient sales (May sales down 50% vs pre-COVID level, June sales down 25%).; further improvement expected throughout Q4
- Adient continues to focus on flexing its operating cost structure (furloughs/ Short Time work)
- Government incentives mostly focused on BEV / PHEV models – a benefit for Adient

Americas

Americas operations continue to ramp up production as customers increase output

- All of Adient's and JV plants have restarted production in the Americas
- Adient sales improved sequentially as Q3 progressed (May sales down 85% vs pre COVID level, June sales down 25%); further improvement expected in Q4
- Vehicle mix (trucks / SUVs) is extremely strong / favorable (certain platforms running at pre COVID levels)
- Risks to production remain elevated in the region due to:
  - Rising COVID cases in the southern US and Mexico
  - Restrictive rules in the Chihuahua region of Mexico

Executing plans to create a stronger, more profitable business…

ADIENT

- Adient continues to execute its turnaround plan and rightsize the business while navigating through these unprecedented times.
- Rightsizing actions necessary given:
  - Expectations for a smaller industry post COVID-19
  - Extreme focus on capital allocation / return on capital
- Rightsizing actions designed to reduce structural cost
  - **Above plant:** Reductions being implemented across the company to align cost structure to expected lower vehicle build. Reductions from recent attrition, cancellation of open positions, forced exits, discretionary spend reductions
  - **Operations:** Teams in process of finalizing approach to align cost structure and capacity to lower volume levels. Intense focus on cap-ex rationalization

Goal:
To reduce Adient's breakeven point to be FCF breakeven or better in FY21 even though vehicle production is forecasted to be below pre-COVID levels

Significant opportunity for FCF generation when markets return to pre-COVID levels

Examples of announced rightsizing actions…

Above plant

> Streamlined, delayered and continued decentralization of central reporting functions (e.g. business development and legal reporting up to CFO, central HR responsibilities moved to regions, etc.)

> Executed forced reductions in Americas and central functions the last week in May (~70 employees impacted with an expected annual savings of ~$14M)

> Implemented a temporary salary reduction and restricted share unit (RSU) replacement program for certain employees in the U.S. (~400,000 shares issued / cash saving of ~$6M - $7M)

Plant and JVs (focus on footprint / capacity utilization)

> Reduced footprint in Plymouth, MI (closure of two satellite office buildings)

> In Bangkok, consolidating two plants, closing one

> Moving underutilized Indonesia foam line to South Africa for Ford business, re-sourcing foam from Thailand

> Reusing weld cells (laser weld cell from China JV to Thailand), cutters (Thailand to India) and sewing machines on new launch programs

> Redeployed testing equipment from Adient Wuxi lab to GAAS to enhance product development capabilities for Japanese OEMs

> Cancellation of new Malaysia footprint in Tanjung Malim

> In July, Adient's EMEA region began negotiations with the workscouncil to execute forced reductions

> Reductions planned for ~500 engineering and above plant positions

> Majority of actions planned for German sites

> Estimated annual labor savings of ~$40M

Additional capacity actions to follow…

> Identified and executing cost reductions of $75M - $100M (vs. 2019) within central functions and region specific actions (majority of actions expected to be implemented over next 12 months, full run rate expected by fiscal 2021 year end).

> Cash restructuring expected to be elevated in the coming quarters

> A significantly lower cost base combined with continued operational improvements and a strengthening platform portfolio (increased mix of alternative propulsion platforms) is expected to drive increased profitability and cash flow

Key financial messages from Q3

- **Quarterly Trend –** Dramatic improvement in financial performance through quarter
  - Adj. EBITDA June 2020 was equal to June 2019 with 25% less sales
- **Transactions** – Both fabrics and YF deals expected to close during Q4FY20
- **Liquidity – ~**$1.2B of liquidity at end of June; liquidity expected to exceed $2B by the end of September before factoring in any potential debt repayment
  - Opportunity to deleverage balance sheet after COVID pandemic runs its course
- **Cost Management –** Taking proactive measures to resize company for post-COVID reduced sales environment
- **Improving Performance –** Operations have continued to show operating improvements throughout year – trend expected to continue into Q4 and FY21

Looking forward…

	Q4FY20	Memo: Q4FY19	
Revenue	~ $3.3B – $3.5B	$3.9B	
Adj. EBITDA	~ $180M – $200M	$201M *	Trend of significant y-o-y margin improvement (with and excl equity income) expected to continue
Equity Income (incl in adj. EBITDA)	~ $50M - $60M	$60M *	
CapEx	~ $100M	$118M	
Free cash flow	~$300M - $400M	$(116)M	Positive FCF combined with proceeds from announced transactions will significantly reduce year-end net debt

* Excludes $14M of equity income related to YFAI
Reconciliations of non-GAAP measures related to FY2020 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.
For FY19 Q4 reconciliations please see appendix.

- Building on the positive trend established by the end of Q3, Adient expects vehicle production across the Americas and Europe to improve sequentially in the coming months

Q4FY20 production assumptions:

- North America 3.9M units
- Europe 4.4M units
- China 5.6M units

- Based on the current environment, we expect Adient's sales, earnings and margin performance will also trend higher in the coming months

APPENDIX – FINANCIAL RECONCILIATIONS

Non-GAAP financial measurements

- Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income attributable to Adient, Adjusted effective tax rate, Adjusted earnings per share, Adjusted equity income, Adjusted 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.
- Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income attributable to Adient, Adjusted effective tax rate, Adjusted earnings per share, Adjusted equity income, Adjusted free cash flow, Net debt and Net leverage are measures used by management to evaluate the operating performance of the company and its business segments to forecast future periods.
  - 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. Adjusted EBIT margin is adjusted EBIT as a percentage of net sales.
  - Adjusted EBITDA is defined as adjusted EBIT excluding depreciation and stock based compensation. Certain corporate-related costs are not allocated to the business segments in determining Adjusted EBITDA. Adjusted EBITDA margin is adjusted EBITDA as a percentage of net sales.
  - 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, expenses associated with becoming an independent company, other significant non-recurring items, net mark-to-market adjustments on pension and postretirement plans, the tax impact of these items and other discrete tax charges/benefits.
  - Adjusted effective tax rate is defined as adjusted income tax provision as a percentage of adjusted income before income taxes.
  - Adjusted earnings per share is defined as Adjusted net income attributable to Adient divided by diluted weighted average shares.
  - Adjusted equity income is defined as equity income excluding amortization of Adient's intangible assets related to its non-consolidated joint ventures and other unusual or one-time items impacting equity income.
  - Free cash flow is defined as cash from operating activities less capital expenditures.
  - Adjusted free cash flow is defined as free cash flow adjusted for cash transferred from the former Parent post separation.
  - Net debt is calculated as gross debt less cash and cash equivalents.
  - Management uses these measures to evaluate the performance of ongoing operations separate from items that may have a disproportionate impact on any particular period. These measures are also used by securities analysts, institutional investors and other interested parties in the evaluation of companies in our industry

Non-GAAP reconciliations - EBIT, Adjusted EBIT, Adjusted EBITDA, Free cash flow

(in $ millions)	Q4 FY19 GAAP	Q4 FY19 Adj.	Q4 FY19 Adjusted
Net sales	$ 3,921	$ -	$ 3,921
Cost of sales (2)	3,708	(4)	3,704
Gross profit	213	4	217
Selling, general and administrative expenses (3)	160	(7)	153
Restructuring and impairment costs (4)	17	(17)	-
Equity income (loss) (5)	66	8	74
Memo: YFAI Equity Income	*12*	*2*	*14*
Earnings (loss) before interest and income taxes (EBIT)	$ 102	$ 36	$ 138
** Measure not meaningful*			
Memo accounts:			
Depreciation			73
Stock based compensation costs			4
Adjusted EBITDA			$ 215
Memo: YFAI Equity Income			*14*
Adjusted EBITDA excluding YFAI Equity Income			$ 201

[1] The presentation of certain amounts have been revised from what was previously reported to retrospectively adopt Accounting Standard Update (ASU) 2017-07, "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost." See Note 4, "Revisions to Previously Reported Amounts", for more information.

	Q4 FY19
Purchase accounting amortization	$ 2
Restructuring related charges	1
Futuris integration	1
Becoming Adient	-
Prior period adjustments	-
Other	-
[2] Cost of sales adjustment	$ 4
Purchase accounting amortization	$ 7
Becoming Adient	-
Restructuring related charges	-
Transaction costs	-
Futuris integration	-
SS&M non-recurring consulting fees	-
Other	-
[3] Selling, general and administrative adjustment	$ 7
Restructuring charges	$ 5
Long-lived asset impairment - SS&M	-
Held for sale asset adjustments *	12
Goodwill impairment	-
[4] Restructuring and impairment adjustment	$ 17

* Relates primarily to the India Tech Center for the three months ended September 30, 2019 and the Detroit properties and airplanes for fiscal year 2018

	Q4 FY19
Purchase accounting amortization	$ 3
Restructuring related charges	3
Impairment of YFAI investment	-
Tax adjustment at YFAI	2
[5] Equity income adjustment	$ 8

Adjusted free cash flow

(in $ millions)	Q4 FY19
Adjusted-EBITDA	$ 215
(+/-) Net Equity in Earnings	(53)
(-) Restructuring	(19)
(-) Becoming ADNT	-
(+/-) Net Customer Tooling	30
(+/-) Past Due Receivables	(14)
(+/-) Trade Working Capital (Net AR/AP + Inventory)	(75)
(+/-) Accrued Compensation	(31)
(-) Interest paid	(55)
(-) Taxes paid	(14)
(+/-) Other	18
Operating Cash flow	$ 2
(-) CapEx (2)	(118)
Free Cash flow	$ (116)