



J.P. Morgan Auto Group Investor Meeting Adient China Business Update

May 24, 2024



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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.

Agenda



> Introduction

> Adient China Business Overview

James Huang

Executive VP APAC

> Product Innovation at Adient China

Mark Sutton

VP APAC Engineering

Jerry Xin

Director China Engineering

> Q&A

Today's attendees from Adient



James Huang

**Executive VP
APAC**



Mark Sutton

**VP APAC
Engineering**



Jerry Xin

**Director China
Engineering**



Joe Wang

**VP China
Seating**



Daniel Chu

**VP APAC
Finance**



Iris Zhang

**Executive
Director APAC
Strategy &
Marketing**



Adient China Business Overview



Adient China: Business overview




We generated

\$4B+
sales revenue in FY2023 ¹




We employ

~21,000
highly engaged employees
including **~1000** engineers




We have

2 wholly-owned entities
with **12** plants


7 joint ventures
with

~18%
combined share ² of the
passenger vehicle market



We have

 **36**
manufacturing
locations

 **3**
global tech centers
(Adient Chongqing,
CFAA & Keiper)

 in **22** cities

Note:
¹ - Includes consolidated and unconsolidated sales
² - Market share is based on mgmt. estimates

Adient China: Growth engine continues to accelerate



~\$4.6B business (program lifetime) sourced in FY23

Forecast volume growth CAGR of 10% over the next 5 years

Top 3 player in China by market share

Strong execution and profitability in China

Adient's China business highlights since last year's J.P. Morgan Summit

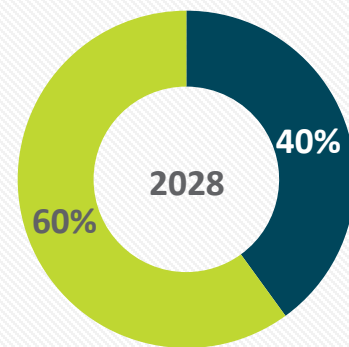
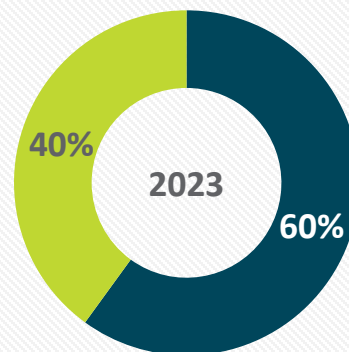


Our key achievements in the past year...

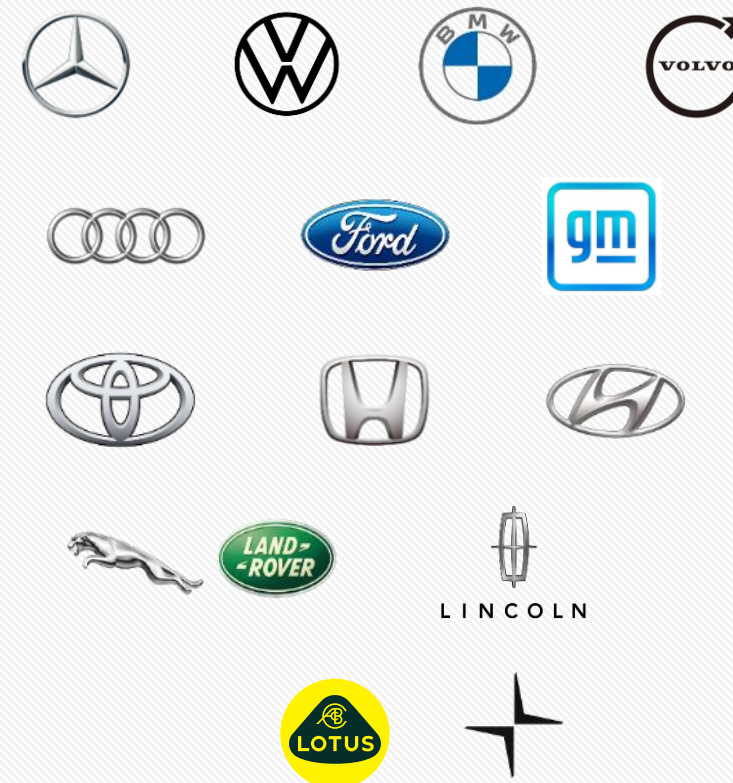


1 Adient China have captured 5 new customers since FY2023

Adient China Customer Mix ¹



Chinese OEM International OEM



- Continued to win vertically integrated new business within our strategic customer base in China, identify and target programs and customers as market dynamics shift

Optimizing footprint to serve new customers and support our market share growth

China Footprint - 36 Plants

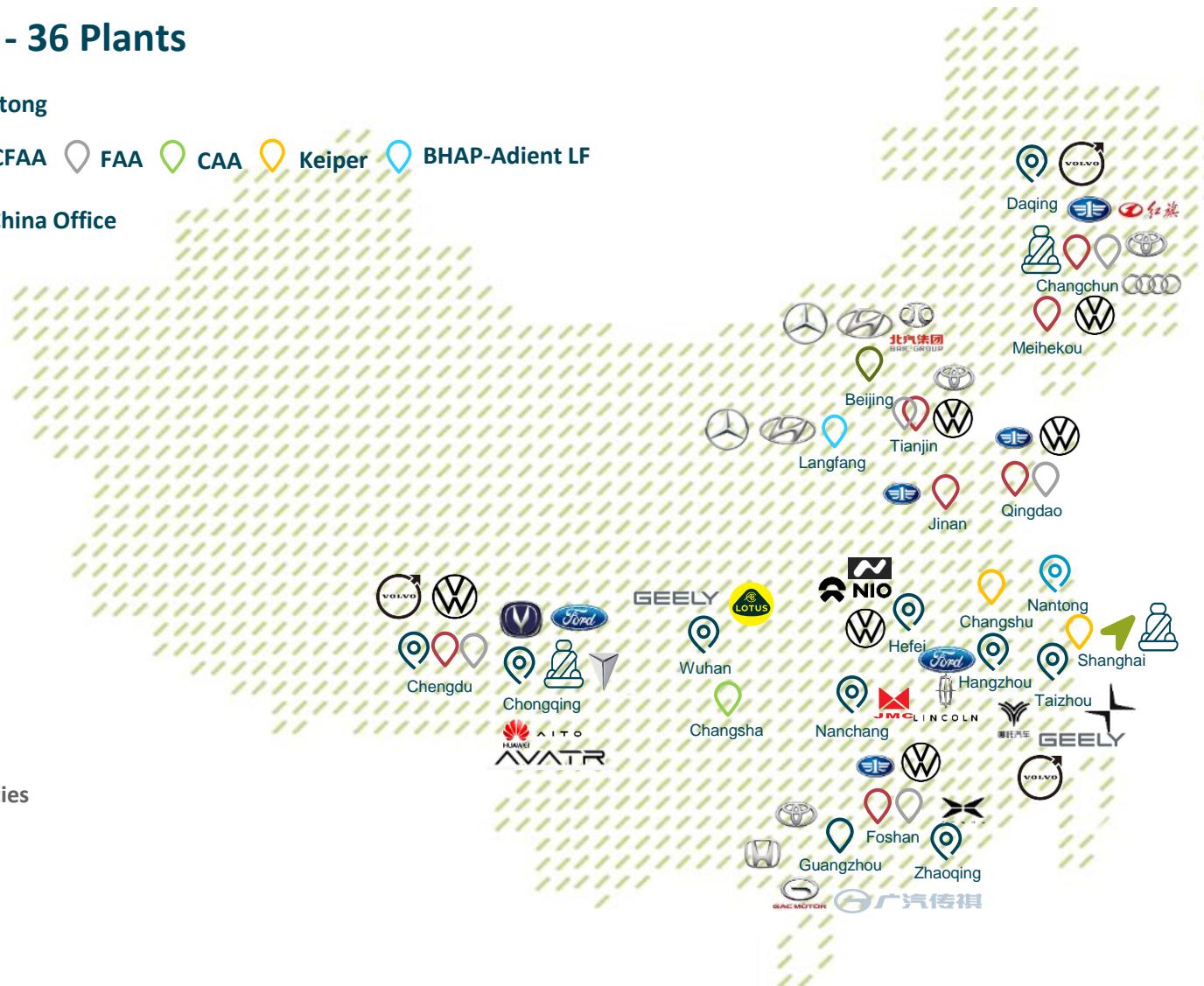
Chongqing Nantong

BJA GAAS CFAA FAA CAA Keiper BHAP-Adient LF

Tech Center China Office

Wholly-owned Entities

JV Entities



- Far-reaching geographic coverage through both WOFE and JV footprint
- Built a new manufacturing hub in **Wuhan** to serve new customers and high growth programs
- Further **optimizing capacity utilization** within our footprint

Program launch success rate is running at a high level in FY2024 along with major EV launches

FY24 program launch

- 43 program launches planned
- 17 program launches completed
- Launch success rate is **executing at a high level in China**
- Total active programs in launch is **97**

ICE models



Magotan (VW 291)
Complete seat



Aviator (U611)
Complete seat



Equator (CX756)
Complete seat



FAW-Hongqi C229
Complete seat



Electric vehicle



NIO ET7 (Force)

Complete seat/Foam/Trim



Xpeng X9 (H93)

2nd row Complete seat/Foam/Metals



AVATR 12 (E12)

Complete seat/Foam/Trim/Metals



Lotus Emeya (Alpha)

Complete seat/Foam/Trim



HyCAN V09 (G08)

Complete seat/Foam/Metals



NIO Onvo L60 (Dom)

Complete seat/Foam/Trim/Metals





- **Full development capabilities with local** innovation, design, prototype/testing, launch support, VAVE, etc.
- **World-class** team and facilities
- **Strong synergy** with Adient global TC network
- Global standard and linked **engineering systems/process**
- **Upgrading infrastructure and facility in Chongqing, China**



7

Engineering Sites



In 5 Cities



~1000

Engineers



~9

Yrs. Avg. Exp.

Technical Center Capability	
Category	Key Capabilities
Innovation	Innovation
Industrial Design	Surface design
	Craftsmanship
Benchmarking	Benchmarking
Design	Complete seat parts design
	Complete seat integration design
	Frame application design
	Frame platform design
	Headrest / Armrest
FEA	Core products
	FEA
Prototype	Metal prototype
	Complete seat prototype
Testing	Complete seat testing
	Component testing
VAVE	VAVE



Adient Chongqing Tech Center Expansion and Test Kit Add

- > **New facilities:** sled test lab, exhibition hall, ID studio room, prototype shop, benchmarking room
- > **A highly collaborative, flexible, digitalized, and innovative work environment** for our engineering and technical staff in China will be created to **lead the product innovation** in electrification and smartification of automotive seating industry, and **strengthen the synergy** with global technical centers



**MAST Lab
(Yuzui Plant)**



**Sled Test Center
(Yuzui Plant)**



Show Room (HMP)



**Currently under
construction
(since Dec 2023)**



**Future look
(opening expected
in 6 months)**



Comfort

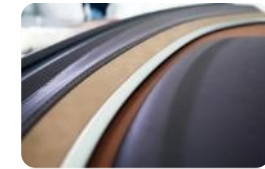
- Prioritize the **end user experience**, strive to provide an exceptional driving experience for consumers, esp. **utmost comfort in posture, sensation, and emotion**

Adient China's five next evolutions



Connectivity

- As cars become smarter, automakers are also electrifying and upgrading seats to **fully support ADAS and expanded connectivity features**



Sustainability

- Rising OEM demand for **lightweighting and reduced energy consumption**
- Growing consumer focus on **health and environmental protection**

Reconfiguration

- Cars are now evolving into a third space for users beyond a transportation tool
- Flexible seat adjustments required based on use cases, e.g., working, cinema, sleeping



Safety

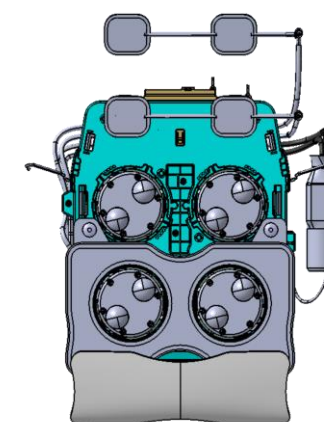
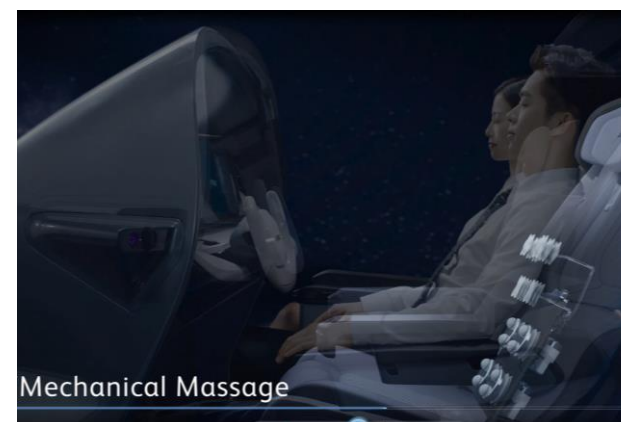
- As autonomous driving and electrification become more common, consumers are paying more attention to driving and riding safety, such as proactive safety features, seat restrained system, etc.

5 Recently set up JV with a local comfort system supplier to industrialize innovative mechanical massage system

- Adient recently established a JV partnership with a local comfort system supplier Jinbo in China to **drive content growth, product innovation, and enhance in-house capabilities** in comfort system



- > In April 2024, Adient and Jinbo formed a joint venture to further strengthen our successful co-development partnership in China, and **better capture the growing seating content and China specific market needs**
- > This **Adient led JV** will focus on industrializing innovated mechanical massage system and other innovative products, which allows us to better serve our customers globally through **a more vertically integrated supply chain** and **maximized synergies** by leveraging the capabilities and advantages of both sides



- > Mechanical massage is a **first-ever innovative product** in the market that Adient China and Jinbo has jointly developed:
 - > **Much stronger effects** of relieving occupant fatigue than traditional pneumatic massage solutions
 - > **Multiple modes and strengths** available
 - > **Small size and compatible** with heating, ventilation, etc.
 - > **Mass production** will be ready in FY2024

Modular seat assembly leverages Adient's vertical integration



Historical assembly process

Seat back frame, cushion pan and components (including wire harness, motors, memory modules, fasteners) were shipped to JIT assembly individually

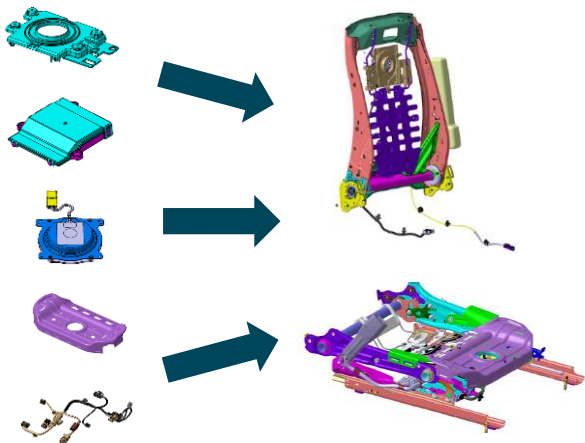


Adient's global metals capabilities enable streamlined cost and processes vs. traditional assembly



Integrated & Optimized Modular Assembly

Adient Partner Components shipped to metals stamping facility and assembled using low-cost labor



Adient Back Frame Assembly Module

Adient Cushion Assembly Module

JIT assembly facility receives fully assembled seat cushion and back frame modules, minimizing JIT labor utilized on module assembly



- > **30% reduction** in *Complete Direct* JIT Front Row Labor¹
- > Inventory optimized
- > **In production in FY24**

Adient's unique business propositions in China



- > **Scale our product and production** according to market demand while **utilizing off the shelf technology** and footprint advantage



- > Focus on **increasing product content and vertical integration** by leveraging the full value chain in China and local engineering expertise



- > **Minimize capital investment** through maximizing common product designs and leveraging existing footprint to expand into regions



- > Profitable with **strong cash generation** to **self-fund the growth** over the market

Appendix



Adient China: A recipe for success across different customers

Adient's recipe for success in China



- **Optimal nationwide footprint** – located wherever customers need us
- **Strong in-house** engineering capabilities for today and tomorrow



- A highly **regionalized** organization
- A **capable and experienced** management team
- **Diverse and inclusive** culture



- **In-depth understanding of China** and what is required for seating
- Ability to provide the **right products** in response to market trends



- Adaptive to operate at **the same speed** that Chinese customers work
- **Highly agile** in product development and launch process



- **Trust** demonstrated by continuous business awards **from customers**, underpinned by **executing well** in every program

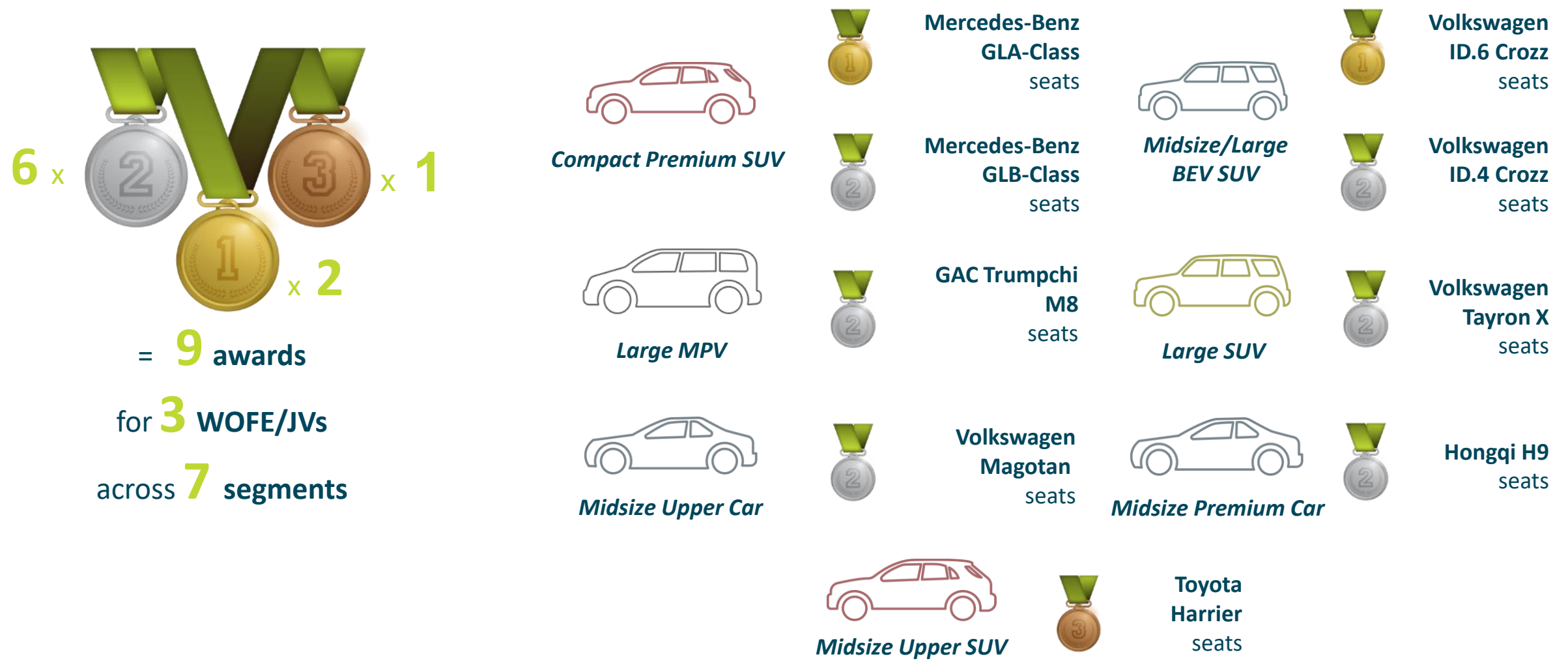


- **Global presence and synergy**
- **Unified** customer interface globally
- **One Adient** operational excellence system

Adient continues to take the lead of J.D. Power China seat quality ranking and received 9 awards in 2023



Adient China received 9 awards in J.D. Power 2023 China Initial Quality Study



Adient Asia engineering – world-class, fully capable technical centers



- **Full development capabilities with local** innovation, design, prototype/testing, launch support, VAVE, etc.
- **World-class** team and facilities
- **Strong synergy** with Adient global TC network
- Global standard and linked **engineering systems/process**
- **Upgraded infrastructure and facility in Yokohama, Japan**



9
Engineering
Sites



In 9 Cities



~1100
Engineers



~10
Yr. Avg. Exp.

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FEA	Core products
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Prototype	Metal prototype
	Complete seat prototype
Testing	Complete seat testing
	Component testing
VAVE	VAVE



ITC demonstrator launched (ISEA product, EV and sustainability focus)



Yokohama facility upgrade in 2023