ADIENT

FY2022 First Quarter Earnings Call

February 4, 2022

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 expectations for the recently completed strategic transactions in China and its deleveraging activities, the timing, benefits and outcomes of those activities, as well as its future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, market position, outlook, targets, guidance or goals are forward-looking statements. Words such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "project," "plan" or "commit" 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: whether recently completed strategic transactions in China and deleveraging activities may yield additional value for shareholders at all or on the same or different terms as those described herein, the timing, benefits and outcomes of the strategic transactions in China and/or the activities relating to our capital structure, the effects of local and national economic, credit and capital market conditions on the economy in general, and other risks and uncertainties, 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 execute its turnaround plan, work stoppages, including due to supply chain disruptions and similar events, energy and commodity (particularly steel) prices, the availability of raw materials (including petrochemicals) and component products (including components required by our customers for the manufacture of vehicles (i.e., semiconductor chips)), automotive vehicle production levels, mix and schedules, as well as our concentration of exposure to certain automotive manufacturers, the ability of Adient to effectively launch new business at forecast and profitable levels, the ability of Adient to meet debt service requirements, the terms of future financing, the impact of tax reform legislation, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, general economic and business conditions, the strength of the U.S. or other economies, shifts in market shares among vehicles, vehicle segments or away from vehicles on which Adient has significant content, changes in consumer demand, global climate change and related emphasis on ESG matters by various stakeholders, currency exchange rates and 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, 2021 filed with the U.S. Securities and Exchange Commission (the "SEC") on November 23, 2021, and in subsequent reports filed with or furnished to 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.

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 FY2022 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Agenda

> **Introduction**

Mark Oswald

VP, Treasurer & Investor Relations

> **Business Update**

Doug Del Grosso

President and CEO

> **Financial Review**

Jeff Stafeil

Executive VP and CFO

> **Q&A**

Driving forward with focus while encouraging signs of stabilization for the industry emerge

Macro factors: signs of stabilization

As expected entering FY22, numerous macro factors including supply chain disruptions (and resulting operating inefficiencies), elevated commodity prices, increased freight costs, and labor availability / inflation continue to influence the industry and Adient's near-term results

> As Q1FY22 progressed, early signs of stabilization began to emerge for certain headwinds (i.e., modestly softer steel prices and modest stabilization in customer production schedules)

> Despite the encouraging signs, Q1FY22 results were impacted by roughly ~$185M in lost volume, temporary operating inefficiencies and elevated commodity prices

Building a foundation for FY22

Despite the continued difficult operating environment, Adient continues to execute actions within its control to position the company for sustained success:

> Intense focus on launch execution, cost/operational improvement, and customer profitability management

> Subsequent to the quarter, Adient launched debt tender offers targeting any and all 9% USD secured notes ($600M in principal outstanding) and up to €177M of 3.5% EUR unsecured notes, continuing its capital structure transformation

> Adient issued its 2021 Sustainability Report — highlighting the company's commitment to operating its business in an environmentally responsible manner (see slide 6)

Key Q1 FY22 Financial Metrics

Modest improvements in certain macro headwinds (i.e., severity and magnitude of unplanned customer production stoppages and softening steel prices) provide early signs of stabilization for the industry

Consolidated Revenue	**~$3.5B** (down 10% y-o-y; down 12% vs. Q1FY21 pro forma) [1]
Adj. EBITDA	**$146M** [2] (down $232m y-o-y; down $179m vs. Q1FY21 pro forma) [1]
Cash Balance	**~$2.1B** (at Dec. 31, 2021)
Gross Debt and Net Debt	**~$3.7B and ~$1.6B, respectively**

1 – Pro forma adjusted for portfolio actions executed in FY21, see appendix for detail
2 – For Non-GAAP and adjusted results, see appendix for detail and reconciliation to U.S. GAAP

Macro environment remains challenging

As expected, the operating environment in early FY22 remains challenging. Despite "green shoots" of stabilization emerging (i.e., modestly softer steel prices and fewer abrupt stoppages in customer production schedules), near-term results continue to be significantly impacted by temporary operating inefficiencies, COVID related costs, increased freight, labor concerns and elevated commodity costs.

Trending	Headwinds	Q1FY22 Impact*
Early signs of stabilization	> Supply chain disruptions (semiconductor and petrochemical shortages) resulting in production downtime and lost volume at many customers > Operating inefficiencies resulting from production stoppages	Revenue ~$(680)M Adj.-EBITDA ~$(185)M
COVID rates rising; freight and labor remain challenging	> COVID-19 related costs > Increased freight costs (premiums associated with supply chain disruptions) > Labor shortages	

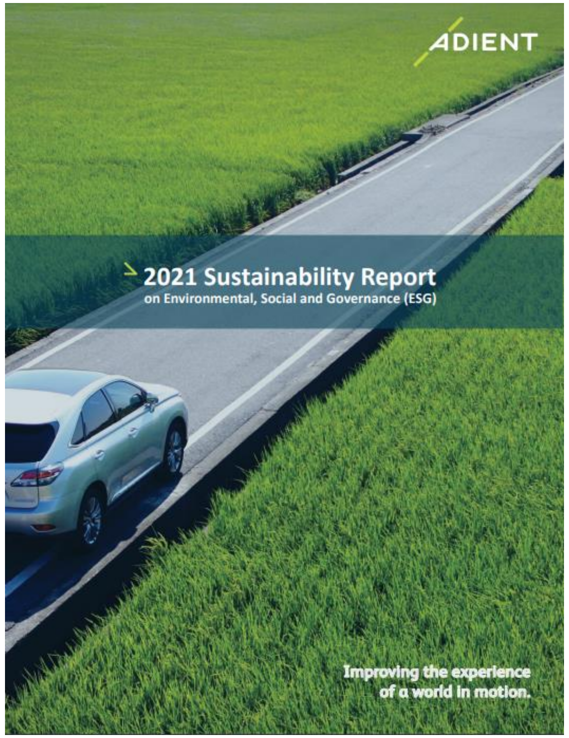
Modest softening of steel prices	> Material economics — steel and chemical prices remain elevated
	  > Q1FY22 results better vs. expectations; aided by timing of certain commercial recoveries
	  > Modest dip in steel prices combined with additional customer negotiations expected to lessen commodity headwind in FY22 to $95M (previously $125M)
		Adj.-EBITDA ~$(3)M

*Management's estimated impact to revenue and Adj.-EBITDA resulting from adverse key events (i.e., supply chain disruptions, COVID-19, lost volume, ocean bid, etc.)

Adient's commitment to sustainability

Adient is committed to long-term sustainable transformation, which will continue to influence both our products and our operations.

Our goal is not only to drive environmental change by lessening the impact our business has on the planet, but also to focus on social and economic change. Read our Sustainability Report for details.



Adient will continue to meet, collaborate with, and participate with organizations around the globe concerning our responsibility and commitment to sustainability. Commitments include, but are not limited to:

> The United Nations (UN) Global Compact, where Adient has reaffirmed its corporate responsibility to place human rights, labor, the environment and anti-corruption considerations at the top of its mindset

> The Science-Based Target Initiative (SBTi), where Adient has committed to ambitious emissions-reduction targets to help limit global warming to 1.5 degrees Celsius

> The Carbon Disclosure Project (CDP), where Adient reports the company's environmental performance to customers and shareholders

During FY21, Adient conducted a materiality assessment identifying and prioritizing ESG issues that matter most to our business and stakeholders. We are focused on:

> Climate Action

> Sustainable Materials and Circular Economy

> Human Rights

> Health and Safety at Work

> Diversity and Inclusion

> Corporate Governance

Adient announced that **Tammi Dukes** joined the company as **Vice President, Global Sustainability** in January 2022

Strengthening our leading position

Adient continues to win new and replacement business in line with internal expectations and with continued focus on sustainable / profitable programs.

In Q1, Adient was awarded the replacement RAM 1500 complete seat business in the Americas, representing the company's largest platform by revenue in FY21.

Adient continues to win EV programs including platforms introduced by legacy OEMs and new entrants.

RAM 1500
Complete Seat

Renault Arkana
Complete Seat, Foam, Trim, Metals

Porsche E-CUV
Metals

Audi Q8 e-tron
Metals

FAW-VW Magotan B9
Complete Seat

Mitsubishi Pajero
Complete Seat

Ford New EV Crossover
Complete Seat

In process and upcoming launches

Infiniti QX60
Complete Seat

Launch execution continues to be an intense focus for Adient, and a key building block to winning new and replacement business. While the company is focused on launch processes, semiconductor shortages have challenged customer volumes in the recent ramp-up periods, creating challenges that we are successfully managing through.

Despite the challenging production environment, Adient continues to execute launches at a very high level.

Ford Everest
Asia

Ford Ranger
Asia

Mercedes GLC
China

Opel Astra
EMEA

2022 and beyond
Well-positioned to capitalize on industry recovery - driving shareholder value

INDUSTRY INFLUENCES

- Underlying fundamentals of the auto industry remain strong:
  - Strong consumer demand (supply constrained vs. demand constrained)
  - Robust mix of vehicles being produced
  - Inventories at historic lows

ADIENT SPECIFIC INFLUENCES

- Advancing Adient's "Back to Basics" strategy
  - Focused on operational excellence
  - Disciplined and profitable growth (evidenced by key platform wins – new, incumbent, conquest)
  - Solidly on track to transform the balance sheet, enabling opportunity to enhance capital allocation strategy
- Successfully managing through the near-term macro headwinds impacting the industry
  - Proactively executing necessary actions to partially offset the negative impact

Significant opportunity to drive shareholder value underpinned by increased earnings and cash flow

Financial Review

FY2022 First Quarter

Q1 FY2022 Key Financials

$ millions, except per share data	As Reported Q1 FY22		As Reported Q1 FY21		As Adjusted [1] Q1 FY22		As Adjusted [1] Q1 FY21		B/(W)
Consolidated Revenue	$	3,480	$	3,848	$	3,480	$	3,848	(10)%
EBIT	$	40	$	282	$	61	$	295	(79)%
Margin		1.1%		7.3%		1.8%		7.7%	
EBITDA		N/A		N/A	$	146	$	378	(61)%
Margin						4.2%		9.8%	
Memo: Equity Income [2]	$	33	$	97	$	34	$	94	(65)%
Tax Expense	$	21	$	52	$	25	$	51	
ETR		NM		23.1%		NM		21.5%	
Net Income (Loss)	$	(54)	$	150	$	(36)	$	162	NM
EPS Diluted	$	(0.57)	$	1.58	$	(0.38)	$	1.71	NM

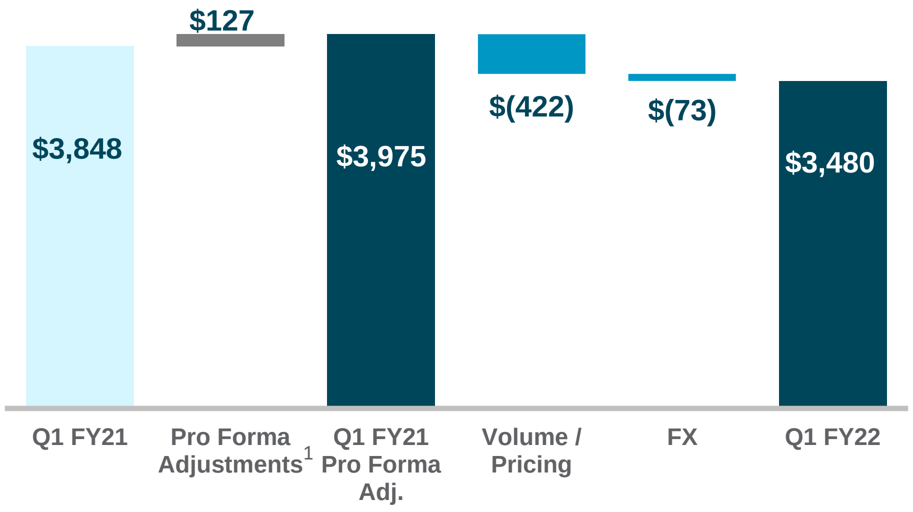
$3,975 Q1FY21 pro forma adjusted for strategic/footprint actions

$325 Q1FY21 pro forma adjusted for strategic/footprint actions

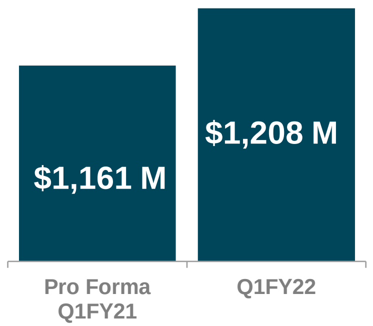
1 – On an adjusted basis, see appendix for detail and reconciliation to U.S. GAAP
2 – Equity income included in EBIT & EBITDA
NM - Measure not meaningful metric or comparison

Q1 FY2022 Revenue:
Consolidated and unconsolidated sales

Consolidated sales



Unconsolidated seating sales [1]



Year-over-year increase ~4% (adjusted for fx and pro forma strategic/footprint actions)

1 - See Appendix for pro forma adjustment details

Regional Performance

(consolidated sales y-o-y growth (vs. Q1 FY21 pro forma) by region) [1, 2]

	Q1	Q1 IHS Production
Americas	**-12.6%**	**-14.7%**
EMEA	**-18.4%**	**-26.6%**
Asia	**7.2%**	**-8.4%**
Note: China	6.3%	-5.6%
Note: Asia excl. China	8.3%	-12.4%

consolidated

Adient consolidated sales in line with internal expectations:

- Achieved growth over market in each region
- Adient's customer mix in Korea and Japan were less impacted by supply chain disruptions -- driving outperformance in the region; China benefited from increased volumes on startup EV platforms with Adient content (NIO and Xpeng)

2 – Growth rates at constant foreign exchange, and adjusted for pro forma strategic actions (Asia - $193M, EMEA - $(43)M, Americas - $(20)M)

unconsolidated

- Unconsolidated sales increased y-o-y when adjusting for strategic portfolio changes.
- The y-o-y increase was driven by outperformance in China, primarily underpinned by strong sales at Adient's Keiper joint venture

Q1 FY22 Adjusted-EBITDA

Q1FY22 adjusted EBITDA of $146M, down $179M y-o-y (adjusting for portfolio actions executed in FY21)

> As expected entering the quarter, numerous macro factors including supply chain disruptions (and resulting operating inefficiencies) and increased freight costs had a significant impact on the quarter

Key drivers of the y-o-y comparison:

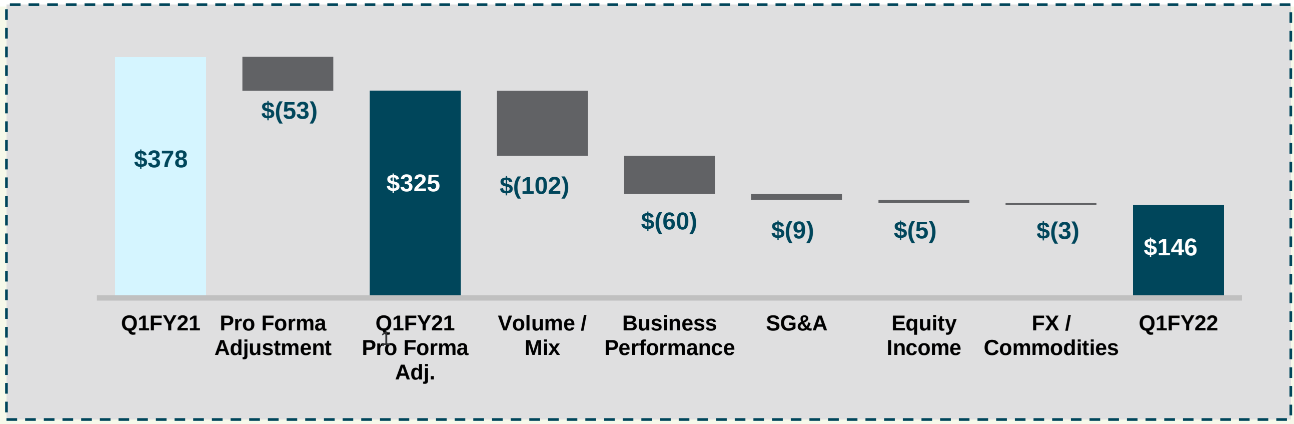
> Lower volume primarily driven by supply chain disruptions at our customers of ~$102M

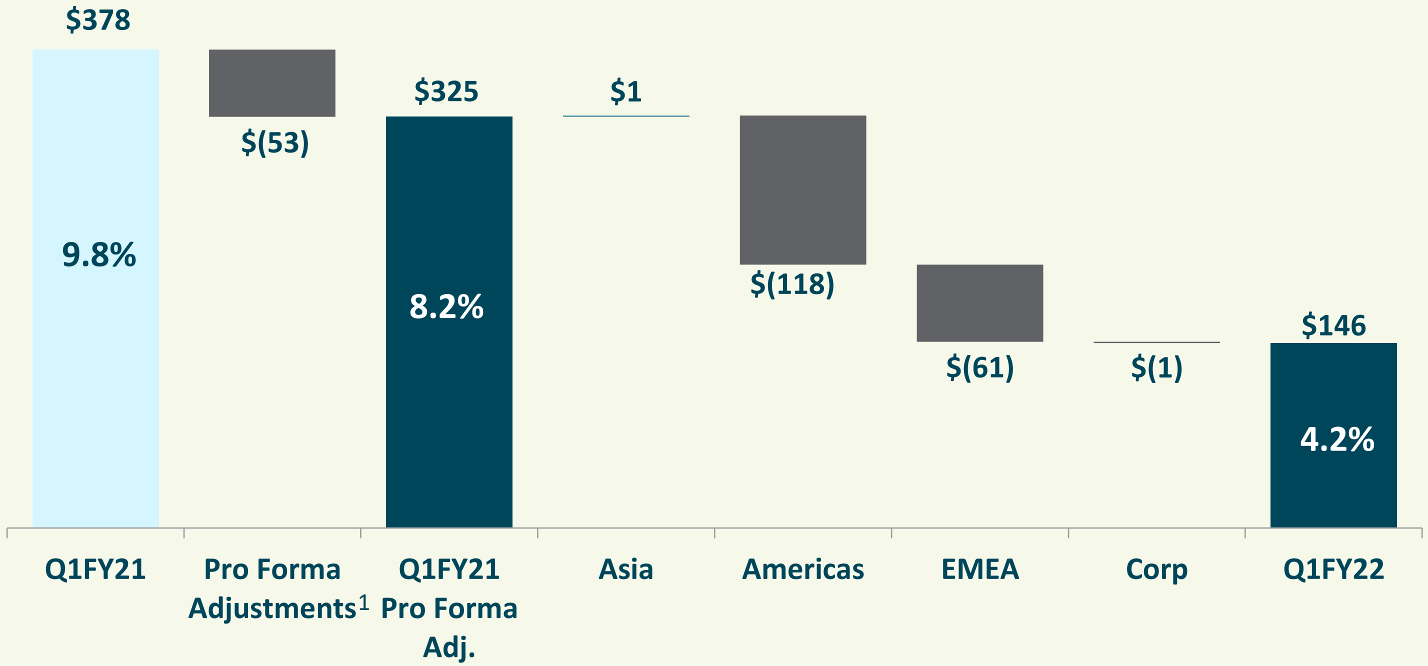
> Adverse business performance of ~$60M, driven by:
>
> > Temporary operating inefficiencies (resulting from unplanned production stoppages at our customers) and increased freight of ~$38M
>
> > Lower y-o-y commercial settlements (Q1FY21 abnormally high and contained $30M of non-recurring settlements)

Other headwinds included higher SG&A costs of ~$9M (primarily driven by adverse events in Q1FY22 (Malaysia flooding and certain legal settlements) and modestly lower equity income of ~$5M

Net commodity headwind ($3M in Q1FY22) was better than initially expected -- aided by better-than-expected commercial recoveries and contractual agreement in Europe (Q1FY22 prices negotiated in early 2021; increase set to take effect in Q2FY22)

$ in millions





1 - See Appendix for pro forma adjustment details

Note: Corporate includes central costs that are not allocated back to the operations, currently including executive offices, communications, finance, corporate development, and legal

Cash flow

Free Cash Flow [1]

(in $ millions)	FY22 Q1 FY22	FY21 Q1 FY21
Adjusted-EBITDA	$ 146	$ 378
(+/-) Net Equity in Earnings	(32)	(93)
(-) Restructuring	(24)	(55)
(+/-) Net Customer Tooling	2	(8)
(+/-) Trade Working Capital (Net AR/AP + Inventory)	75	250
(+/-) Accrued Compensation	(61)	(19)
(-) Interest paid	(41)	(66)
(-) Taxes paid	(8)	(12)
(-) Non-income related taxes (VAT)	36	(67)
(-) Commercial settlements	(54)	(9)
(+/-) Other	(53)	(68)
Operating Cash flow	$ (14)	$ 231
(-) CapEx [2]	(60)	(71)
Free Cash flow	$ (74)	$ 160

1 - Free cash flow defined as operating cash flow less CapEx
2 - CapEx by segment for the quarter: Americas $23M, EMEA $24M, Asia $13M

Key drivers impacting Q1FY22 FCF:

(-) Lower y-o-y earnings (driven by lower volumes -- supply chain related)

(-) Timing and level of commercial settlements

(-) Lower level of equity income (driven by China strategic transactions)

(-) Typical month-to-month working capital movements

(+) Reduced interest expense as balance sheet transformation takes shape

(+) Lower restructuring, (trending to normalized levels)

(+) Reduced VAT tax payments (related to government approved deferrals into FY23)

(+) Reduced CapEx

Debt and capital structure

($ in millions) Cash & Debt Profile	12/31/2021 Amount
Cash & Cash Equivalents	$ 2,080
ABL Revolver, incl. FILO due 2024 [(1)]	-
Term Loan B due 2028	995
9.00% Secured Notes due 2025	600
Total Secured Debt	**1,595**
European Investment Bank Loan	152
3.50% Notes (€1,000mm) due 2024	1,132
4.875% Notes due 2026	795
Other LT debt	1
Other Bank Borrowings	11
Deferred issuance costs	(30)
Total Debt	**3,656**

[(1)] Subject to ABL borrowing base availability. As of December 31, 2021, there were no draws outstanding and approximately $880 million was available under the ABL Credit Agreement.

Net Debt

Includes $625M of proceeds collected as final payment from the China strategic transaction

(in $ millions)	December 31 2021	September 30 2021
Cash	$ 2,080	$ 1,521
Total Debt	3,656	3,696
Net Debt	$ 1,576	$ 2,175

> Total liquidity of ~$3.0B at December 31, 2021 (cash on hand of ~$2.1B and ~$880M of undrawn capacity under the revolving line of credit)

> Subsequent to the quarter, Adient initiated $800M in debt tender offers targeting any and all 9.0% notes ($600M in principal outstanding), and up to €177M of 3.5% Euro notes

> In January 2022, Adient completed its agreement with Boxun to purchase Boxun's 25% equity interest in CQADNT (ADNT's stake now at 100%); total payment to Boxun of ~$200M for their equity interest, historical dividends and other ($15M paid in Q1FY22, the balance paid in Q2FY22)

Adient is solidly on track to make a transformational change to its capital structure

FY22 Outlook – key financial metrics

Consolidated sales	**~$14.8B** No change
Adj.-EBITDA	Modestly lower vs. FY21 pro forma results of $810M No change
Equity Income Incl. in Adj.-EBITDA	**~$90M** Prior: ~$80-90M
Interest Expense	**~$150M** No change
Cash taxes	**~$80M** No change
CapEx	**~$300M - $325M** No change

> FY22 guidance updated to reflect Adient's YTD results thru December 31, 2021, planned debt paydown and current market conditions

> Consolidated sales of ~$14.8B (based on Jan. IHS forecast)

> Interest expense forecast at ~$150M (reflects ~$1B of debt repayments planned in FY22)

> Cash taxes forecast at ~$80M

> Capital expenditures forecast between ~$300M - $325M (primarily driven by customer launch plans)

Despite early signs certain macro factors impacting the industry are beginning to stabilize, the current operating environment remains challenging (i.e., ongoing supply chain disruptions, limited visibility of customer production schedules and labor concerns). As such, providing specific full year fiscal 2022 guidance for Adj.-EBITDA and free cash flow with reasonable confidence is not possible at this time. Adient will provide updates as appropriate as FY22 progresses

Reconciliations of non-GAAP measures related to FY2022 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations

Influences that could change the narrative on FY2022

Positive influences

- Faster–than-expected ramp in vehicle production (supply chain issues resolved or substantially improved)
- Steady and consistent operating patterns at Adient's customers – ability to run at rate
- Significant pull-back in COVID-19 cases – driving down absenteeism
- Stabilization of labor (availability & cost)
- Significant drop in commodity prices

Negative influences

- Prolonged supply chain disruptions
- Instability in vehicle production (if production ramps too fast) driven from lack of underlying support such as labor or non-chip related part shortages
- Significant increase in COVID-19 cases – driving up absenteeism
- Geopolitical shock to financial markets / economy

Although we are encouraged signs of stabilization for certain macro factors are emerging, we continue to monitor a number of external influences that could significantly change the narrative on FY2022

Appendix and financial reconciliations

FY 2022 First Quarter

Q1 FY22 Adjusted-EBITDA: Americas

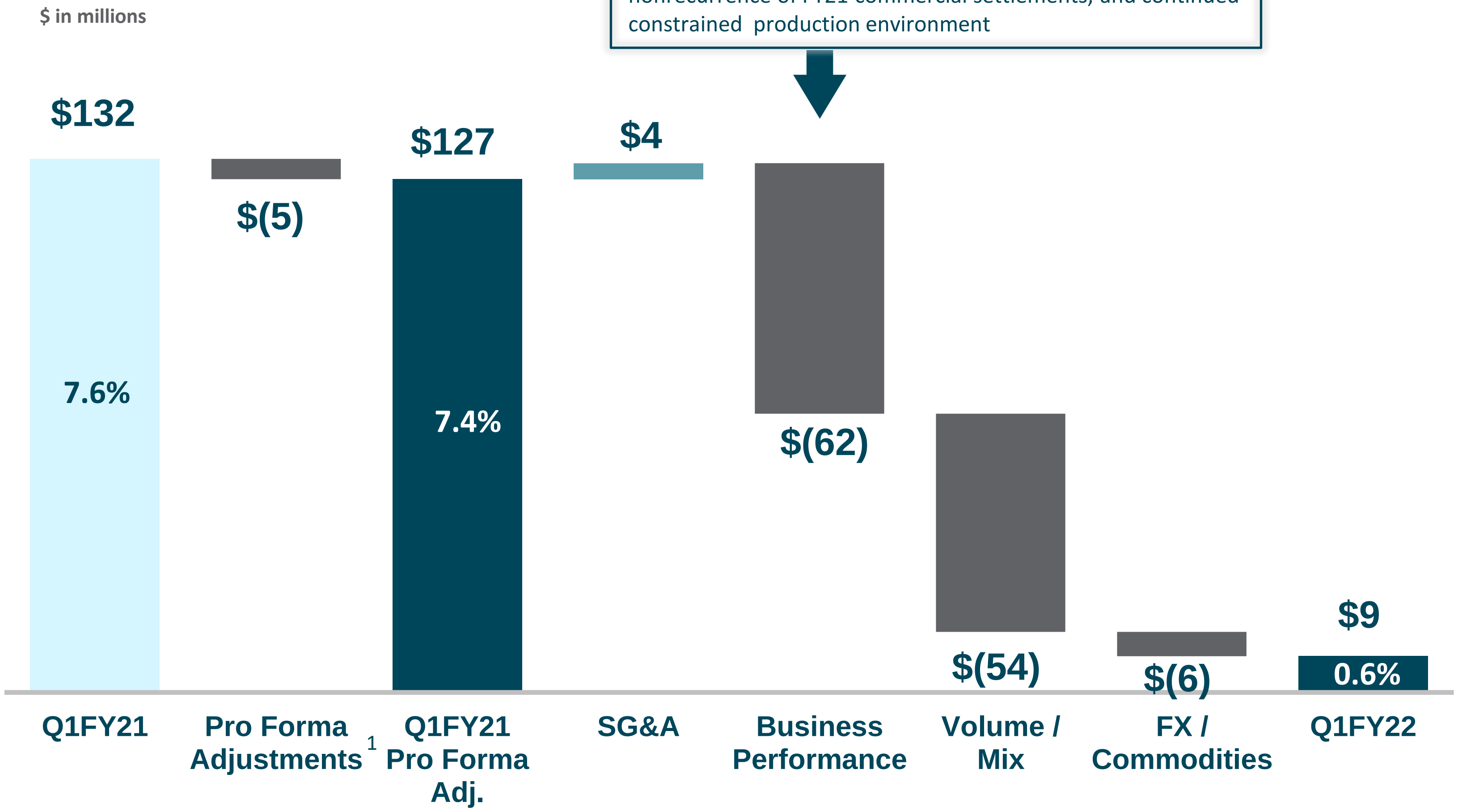
Q1FY22 of $9M, down $118M y-o-y (adjusting for portfolio actions executed in FY21)

- As expected entering the quarter, numerous macro factors including supply chain disruptions (and resulting operating inefficiencies) and increased freight costs had a significant impact on the quarter

Key drivers of the y-o-y comparison:

- Adverse business performance of $62M driven by:
  - Lower y-o-y commercial settlements of ~$37M (Q1FY21 abnormally high due to timing / calendarization of settlements)
  - Temporary operating inefficiencies and premiums (resulting from unplanned production stoppages at our customers) of $10M
  - Increased freight, labor costs, volume driven inefficiencies, and other costs
- Lower volume and mix primarily driven by supply chain disruptions at our customers of ~$54M (mix adversely impacted by certain Q1FY22 launches)
- To a lesser extent, the y-o-y comparison was impacted by increased commodity prices of ~$5M (Q1FY22 was aided by timing of certain recoveries) and unfavorable FX of ~$1M
- These negative headwinds were partially offset by improved launch performance, tooling and improved SG&A performance

Despite improved launch performance and lower tooling, business performance was significantly impacted by temporary operating inefficiencies resulting from supply chain disruptions, nonrecurrence of FY21 commercial settlements, and continued constrained production environment



1 - See Appendix for pro forma adjustment details

Q1 FY22 Adjusted-EBITDA: EMEA

Q1FY22 of $43M, down $61M y-o-y (adjusting for portfolio actions executed in FY21)

> As expected entering the quarter, numerous macro factors including supply chain disruptions (and resulting operating inefficiencies) and increased freight costs had a significant impact on the quarter

Key drivers of the y-o-y comparison:

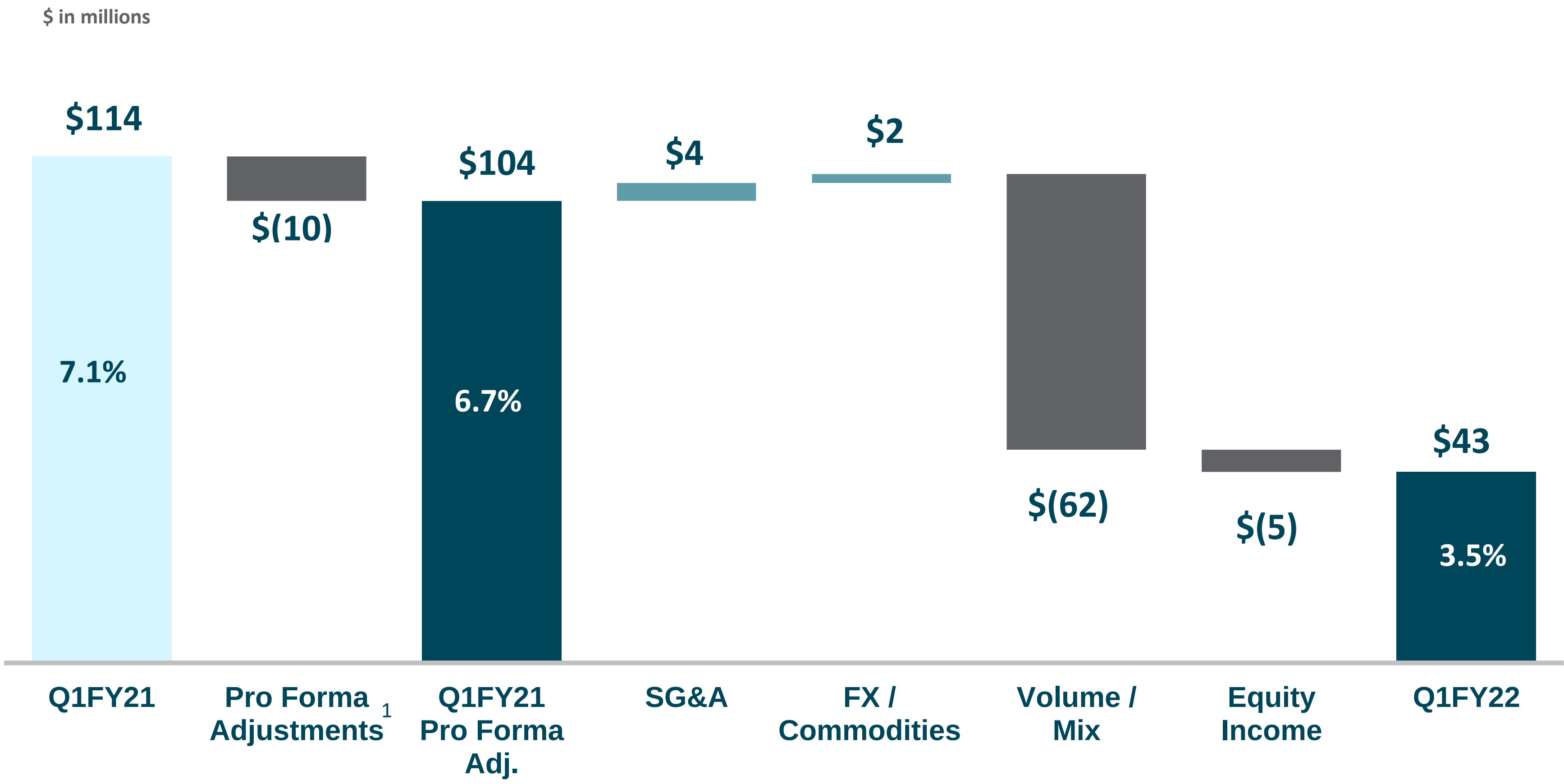
> Lower volume and mix of ~62M driven primarily by supply chain disruptions at our customers

> Equity income was lower for the quarter by ~$5M resulting from lower volumes and fx

> These headwinds were partially offset by lower SG&A costs of ~$4M due to improved efficiencies

> Commodities were favorable by ~$4M in Q1FY22 -- Q1FY22 commodity contracts negotiated in early FY21, price increases expected to take effect in Q2FY22

> Business performance included ~$18M of favorable y-o-y commercial settlements and other business performance, generally offset by temporary operating inefficiencies and increased freight costs



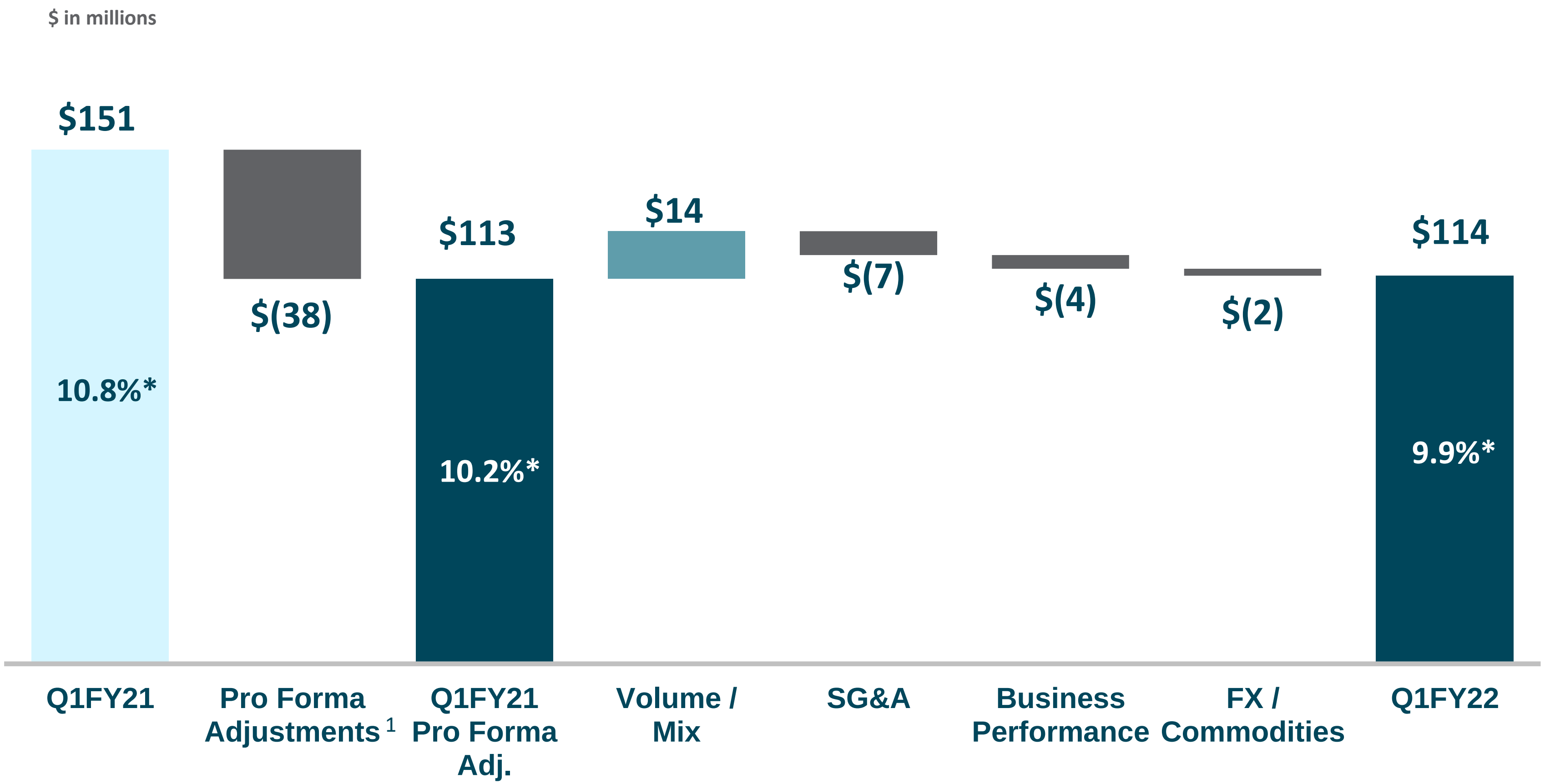
1 - See Appendix for pro forma adjustment details

Q1 FY22 Adjusted-EBITDA: Asia

Q1FY22 of $114M, up $1M y-o-y (adjusting for portfolio actions executed in FY21)

Key drivers of the y-o-y comparison:

- Increased volume and mix of about $14M (Adient customer mix benefited the quarter)
- The positive impact of improved volume and mix was partially offset by increased SG&A of ~$7M, primarily related to the impact of Malaysia flooding (insurance deductible) and increased engineering costs
- Business performance was down ~$4M, negatively impacted by increased freight and launch costs (timing of certain launches)
- FX and commodities were a net ~$2M headwind



* Excluding equity income. Including equity income, margins of 27.3%, 15.0% and 14.5% for Q1FY21, Q1FY21 pro forma adjusted and Q1FY22, respectively

1 - See Appendix for pro forma adjustment details

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 interest expense, Free cash flow and Net debt 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 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 guidance for any future period 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, 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 EBITDA excluding adjusted equity income, each as defined herein, is also presented.

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.

Adjusted interest expense is defined as net financing charges excluding unusual or one-time items impacting interest expense.

Free cash flow is defined as cash provided by operating activities less capital expenditures.

Net debt is calculated as gross debt (short-term and long-term) less cash and cash equivalents.

Adient is also making pro forma adjustments to fiscal 2021 financial information to reflect the impacts of certain transactions as described below. Adient believes these pro forma adjustments provide helpful comparisons between the current year and prior year results by adjusting the prior year to be on a consistent basis with the current year.

"Americas footprint actions" and "EMEA footprint actions" refer to miscellaneous closures / roll off of business.

"EMEA deconsolidation" refers to sale of a metals business in Turkey effective October 1, 2021 to a nonconsolidated JV in which Adient retains a noncontrolling interest.

"China strategic transaction" refers to the disposition of the YFAS JV and consolidation of CQADNT and LFADNT, all of which were effective on September 30,2021.

"China footprint actions" refers to divestitures of smaller, non-core businesses (i.e., remaining fabrics business and Futuris entity).

Non-GAAP Reconciliations - EBIT, Adj.-EBIT, Adj.-EBITDA, Adj.-Equity Income, and Adj.-EBITDA excluding Adj.-Equity Income

(in $ millions)	Three months ended December 31					
	2021			2020		
	GAAP	Adj.	Adjusted	GAAP	Adj.	Adjusted
Net sales	$ 3,480	$ -	$ 3,480	$ 3,848	$ -	$ 3,848
Cost of sales [1]	3,307	(1)	3,306	3,507	5	3,512
Gross profit	173	1	174	341	(5)	336
Selling, general and administrative expenses [2]	162	(15)	147	149	(14)	135
Restructuring and impairment costs [3]	4	(4)	-	7	(7)	-
Equity income (loss) [4]	33	1	34	97	(3)	94
Earnings (loss) before interest and income taxes (EBIT)	$ 40	$ 21	$ 61	$ 282	$ 13	$ 295
Ebit margin:	*1.15%*		*1.75%*	*7.33%*		*7.67%*
Ebit margin excluding Equity Income:	*0.20%*		*0.78%*	*4.81%*		*5.22%*
Memo accounts:						
Depreciation			75			70
Stock based compensation costs			10			13
Adjusted EBITDA			$ 146			$ 378
Adjusted EBITDA margin:			*4.20%*			*9.82%*
Adjusted EBITDA margin excluding Equity Income:			*3.22%*			*7.38%*

	Three months ended December 31	
	2021	2020
Restructuring related charges	$ (1)	$ (3)
Brazil indirect tax recoveries	1	8
Other	(1)	-
[1] Cost of sales adjustment	$ (1)	$ 5
Purchase accounting amortization	$ (13)	$ (10)
Transaction costs	(2)	(4)
[2] Selling, general and administrative adjustment	$ (15)	$ (14)
Restructuring charges	$ 3	$ (1)
Held for sale and other adjustments	(7)	(6)
[3] Restructuring and impairment costs	$ (4)	$ (7)
Gain on previously held interest at YFAS in an affiliate	$ -	$ (5)
Restructuring related charges	-	1
Purchase accounting amortization	1	1
[4] Equity income adjustment	$ 1	$ (3)

Adjusted EBITDA excluding adjusted Equity Income

(in $ millions)	Three Months Ended December 31	
	2021	2020
Adjusted EBITDA	$ 146	$ 378
Adjusted Equity Income	34	94
Adj. EBITDA Excluding Adj. Equity Income	$ 112	$ 284
	3.2%	7.4%

Non-GAAP Reconciliations - Adjusted Net Income and Adjusted EPS

Adjusted Net Income

(in $ millions)	Three Months Ended December 31 2021	Three Months Ended December 31 2020
Net income (loss) attributable to Adient	$ (54)	$ 150
Restructuring and impairment costs	4	7
Purchase accounting amortization	14	11
Restructuring related charges	1	4
Derivative loss on Yanfeng transaction	3	-
Interest accretion on deferred consideration	-	(1)
Other items (1)	2	(9)
Impact of adjustments on noncontrolling interests (2)	(2)	(1)
Tax impact of above adjustments and other tax items (3)	(4)	1
Adjusted net income (loss) attributable to Adient	$ (36)	$ 162

Adjusted Diluted EPS

	Three Months Ended December 31 2021	Three Months Ended December 31 2020
Diluted earnings (loss) per share as reported	$ (0.57)	$ 1.58
Restructuring and impairment costs	0.04	0.07
Purchase accounting amortization	0.15	0.12
Restructuring related charges	0.01	0.04
Derivative loss on Yanfeng transaction	0.03	-
Interest accretion on deferred consideration	-	(0.01)
Other items (1)	0.02	(0.09)
Impact of adjustments on noncontrolling interests (2)	(0.02)	(0.01)
Tax impact of above adjustments and other tax items (3)	(0.04)	0.01
Adjusted diluted earnings (loss) per share	$ (0.38)	$ 1.71

	Three Months Ended December 31 2021	Three Months Ended December 31 2020
Transaction Costs	$ (2)	$ (4)
Brazil indirect tax recoveries	1	8
Gain on previously held interest at YFAS in an affiliate	-	5
Other	(1)	-
[1] Other items	$ (2)	$ 9
[2] Reflects the impact of adjustments, primarily purchase accounting amortization on noncontrolling interests.		
Brazil indirect tax recoveries	$ (3)	$ 3
Other reconciling items	(1)	(2)
[3] Income tax provision (benefit)	$ (4)	$ 1

Non-GAAP Reconciliations - Adjusted Income before Income Taxes and Effective Tax Rate

Adjusted Income before Income Taxes

(in $ millions)	Three Months Ended December 31					
	2021			2020		
	Income (loss) before Income Taxes	Tax impact	Effective tax rate	Income (loss) before Income Taxes	Tax impact	Effective tax rate
As reported	$ (9)	$ 21	NM	$ 225	$ 52	23.1%
Adjustments [1]	24	4	16.7%	12	(1)	-8.3%
As adjusted	$ 15	$ 25	NM	$ 237	$ 51	21.5%

	Three Months Ended December 31	
	2021	2020
Brazil indirect tax recoveries	$ (3)	$ 3
Other reconciling items	(1)	(2)
[1] **Tax provision (benefit) adjustment**	$ (4)	$ 1

Non-GAAP Reconciliations - Pro forma fiscal year 2021 reconciliations

(in $ millions)

Net Sales	Q1	Q2	Q3	Q4	FY2021
Americas - as reported:	$ 1,737	$ 1,644	$ 1,440	$ 1,343	$ 6,164
Americas footprint actions	(20)	-	-	(1)	(21)
Americas - pro forma	1,717	1,644	1,440	1,342	6,143
EMEA - as reported:	1,604	1,636	1,328	996	5,564
EMEA JV deconsolidation	(25)	(28)	(11)	(35)	(99)
EMEA footprint actions	(18)	(7)	(6)	1	(30)
EMEA - pro forma	1,561	1,601	1,311	962	5,435
Asia - as reported:	554	588	516	465	2,123
China strategic transactions	234	199	231	227	891
China footprint actions	(44)	(33)	(31)	(13)	(121)
Asia - pro forma	744	754	716	679	2,893
Elimination/corporate:	(47)	(49)	(42)	(33)	(171)
Total Adient - as reported	3,848	3,819	3,242	2,771	13,680
Total Adient - pro forma	3,975	3,950	3,425	2,950	14,300

Adjusted EBITDA	Q1	Q2	Q3	Q4	FY2021
Americas - as reported:	$ 132	$ 64	$ 23	$ 13	$ 232
Americas footprint actions	(5)	1	-	(1)	(5)
Americas - pro forma	127	65	23	12	227
EMEA - as reported:	114	141	22	-	277
EMEA JV deconsolidation	(4)	(5)	-	(8)	(17)
EMEA footprint actions	(6)	(2)	(1)	(1)	(10)
EMEA - pro forma	104	134	21	(9)	250
Asia - as reported:	151	121	92	122	486
China strategic transactions	(31)	(2)	10	(38)	(61)
China footprint actions	(7)	(5)	(2)	-	(14)
Asia - pro forma	113	114	100	84	411
Elimination/corporate:	(19)	(23)	(19)	(17)	(78)
Total Adient - as reported	378	303	118	118	917
Total Adient - pro forma	325	290	125	70	810

Segment Performance

	Q1 2021					Q1 2022				
	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated
Net Sales	1,737	1,604	554	(47)	3,848	1,498	1,230	784	(32)	3,480
Adjusted EBITDA	132	114	151	(19)	378	9	43	114	(20)	146
Adjusted Equity Income	-	3	91	-	94	(1)	(1)	36	-	34
Depreciation	28	33	9	-	70	31	31	13	-	75
Amortization	3	3	4	-	10	3	1	9	-	13
Capex	36	31	4	-	71	23	24	13	-	60

	Q2 2021					Q2 2022				
	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated
Net Sales	1,644	1,636	588	(49)	3,819					
Adjusted EBITDA	64	141	121	(23)	303					
Adjusted Equity Income	-	2	51	-	53					
Depreciation	28	32	9	-	69					
Capex	29	20	6	-	55					

	Q3 2021					Q3 2022				
	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated
Net Sales	1,440	1,328	516	(42)	3,242					
Adjusted EBITDA	23	22	92	(19)	118					
Adjusted Equity Income	-	1	38	-	39					
Depreciation	32	33	6	-	71					
Capex	32	20	8	-	60					

	Q4 2021					Q4 2022				
	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated
Net Sales	1,343	996	465	(33)	2,771					
Adjusted EBITDA	13	-	122	(17)	118					
Adjusted Equity Income	(1)	1	85	-	85					
Depreciation	33	34	8	-	75					
Capex	34	32	8	-	74					

	Full Year 2021					Full Year 2022				
	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated	Americas	EMEA	AP	Corporate/ Eliminations	Consolidated
Net Sales	6,164	5,564	2,123	(171)	13,680	1,498	1,230	784	(32)	3,480
Adjusted EBITDA	232	277	486	(78)	917	9	43	114	(20)	146
Adjusted Equity Income	(1)	7	265	-	271	(1)	(1)	36	-	34
Depreciation	121	132	32	-	285	31	31	13	-	75
Capex	131	103	26	-	260	23	24	13	-	60