

FY 2021 Third Quarter Earnings Call

August 5, 2021



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 expectation for the strategic transactions in China and its deleveraging transactions (collectively, the "Transactions"), timing, benefits and outcomes of the Transactions, 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" 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: Adient's ability to consummate the Transactions that 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 Transactions, the effect of the announcements of the Transactions on Adient's business relationships, operating results and business generally, the occurrence of any event, change or other circumstances that could give rise to the termination of the Transactions, the failure to satisfy conditions to consummation of the Transactions, including the receipt of regulatory approvals (and any conditions, limitations or restrictions placed on these approvals), risks that the Transactions disrupt current plans and operations, including potential disruptions with respect to Adient's employees, vendors, clients and customers as well as management diversion or potential litigation, 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 and similar events, energy and commodity prices, the availability of raw materials and component products, automotive vehicle production levels, mix and schedules, 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 financing, the impact of tax reform legislation through the Tax Cuts and Jobs Act and/or under the new U.S. presidential administration, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations including as may be impacted by the change in U.S. presidential administration, 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 Adjent's Annual Report on Form 10-K for the fiscal year ended September 30, 2020 filed with the U.S. Securities and Exchange Commission (the "SEC") on November 30, 2020, Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 2020, filed with the SEC on February 5, 2021, Quarterly Report on Form 10-Q for the Quarterly Period ended March 31, 2021 filed with the SEC on May 6, 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 FY2021 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

> Commodity Prices & Financial Review Jeff Stafeil

Executive VP and CFO

> Q&A

Adient's Q3 results demonstrate successful navigation of anticipated macro headwinds



Turbulent production environment and increased commodity pressures continued into Q3 FY21

As anticipated heading into Adient's third quarter, temporary macro factors (primarily semiconductor supply chain disruptions and rising commodity prices) had a significant impact on Q3 results

Key Q3 FY21 Financial Metrics

Revenue \$3.2B, up \$1.6B y-o-y

Adient's customer mix (high concentration of sales to Ford, Daimler, Renault, Stellantis, and VW which were severely impacted by semiconductor shortage) negatively impacted Q3 FY21 revenue

Adj. EBITDA \$118M ¹, up \$240M y-o-y; margin of 3.6%

Temporary operating headwinds (resulting from premiums and operating inefficiencies) totaled ~\$53M in Q3 FY21; COVID-19 significantly impacted Adj. EBITDA in Q3 FY20

Cash \$1.0B at June 30, 2021

Cash balance excludes ~\$270M held as "other assets" related to certain requirements to execute the China strategic transaction

Debt Gross debt and net debt ¹ of \$3,757M and \$2,757M, respectively at June 30, 2021

Principal debt prepayments in Q3 totaled ~\$180M

Proactive measures taken to lessen impact of production stoppages and utilize downtime at plants:

- > Preventative maintenance pull ahead (aligned with reduced summer shutdowns)
- > Resource re-allocation between plants, as appropriate
- > US/Canada salaried team members involuntary and voluntary layoffs
- > Forced vacation pull ahead for impacted salaried team members
- > Tightened controls over discretionary spending, including:
 - > Travel limited to launch, plant and customerrelated visits
 - > Hiring prioritized (or deferred) based on specific impact to business

I - For Non-GAAP and adjusted results, see appendix for detail and reconciliation to U.S. GAAP

2021 current operating environment – driving significant impact on near-term results



Underlying improved business performance and efficiencies continue, driven by Adient's firmly rooted turnaround plan.

Temporary macro factors continue to pressure near-term results.



Positive Influences

- > Strong consumer demand for vehicles
- > Vehicle inventory levels (historic lows)
- > Strong mix of vehicle production
- > Reopening of economies underpinned by COVID-19 treatments / vaccines



Headwinds

- Supply chain disruptions (semiconductor and petrochemical shortages) resulting in near-term production downtime at many customers
- Operating inefficiencies resulting from unplanned production stoppages
- > COVID-19 related costs
- > Increased freight costs
- > Labor shortages / labor inflation
- Material economics continued escalation in steel and chemical prices (i.e. Americas steel up 3x compared to beginning of FY21)

Est. FY21 Net Impact

> Revenue ~\$1.1B Adj. EBITDA ~\$300M

Caution entering FY22

Visibility of customer production schedules has not improved – short notice of production downtime continues

Near-term macro headwinds, particularly supply chain disruptions (semiconductor related) and increased commodity costs, will likely persist entering FY22

adj. EBITDA ~\$80M

Adient's longer-term goals and objectives remain on track



Strategic transformation in China:

Execution of the strategic transformation announced in March 2021, which includes among other agreements the termination of Adient's Yanfeng Adient Seating Co., Ltd. (YFAS) joint venture in China, remains on track.

> The transactions, which are subject to customary government and regulatory approvals, and certain state-owned asset required approvals and processes, are still expected to be completed in the second half of calendar year 2021

> Cash expected to be received by Adient of ~\$1.5B before tax, or ~\$1.4B after tax, after acquisition of CQYFAS and YFAS-LF ¹
Certain other portfolio adjustments were executed and closed during Q3 FY21, including the previously announced divestiture of Adient's 50% interest in Shenyang Jinbei Adient Automotive Components Co., Ltd. (SJA) and other minor divestitures, with total after-tax proceeds collected of ~\$53M.

Strategic transformation to Adient's capital structure:

During Q3, Adient paid down the final \$160M in principal of the company's 7.00% senior first lien notes due 2026 and ~\$20M in principal of the European Investment Bank Loan.

Continued debt paydown is expected with the proceeds from the strategic transactions in China.

Customers recognize our value-added product and process initiatives:

Adient continued to deliver on its commitment to product and process excellence, including through the company's Evolution of Seating, Systems and Sustainability (ES³) initiative. These efforts resulted in recognition from the industry and our customers with awards such as Stellantis' "Best Supplier Competitiveness" award, Toyota's "Superior Supplier Diversity" award, GM's "Excellence in On-Time Shipping" award and Nissan's "Outstanding Quality Launch Performance" award.

Strengthening our leading position



Steady cadence of business wins (replacement, new, conquest and alternative propulsion) expected to strengthen Adient's leading market position.

YTD win rates (new business wins and incumbent wins) remain strong and in line with internal expectations

Recent program wins:

- Toyota Tacoma (replacement)
- Mercedes-Benz A-Class (replacement)
- Mercedes-Benz GLA (replacement)
- 4 Xpeng New SUV (new EV)
- 6 Honda New CUV (new EV)













In process and upcoming launches



Adient is executing through a high cadence of product launches (especially in North America). Launches continue to trend well with positive feedback from customers.

Strong focus on process discipline around launch readiness continues to bolster Adient's successful launch performance.





In process and upcoming key launches:

- 1 Nissan Pathfinder
- 2 Infinity QX60
- 3 Cadillac CT4 V Series
- 4 Seat Cupra el-born
- 5 Hyundai Kia GL3
- 6 Subaru MS2









Driving forward with focus – our approach to success





> We deliver win-win solutions to our customers

- > We approach our work with a **quality** mindset, driving operational excellence
- > We respect and empower our **people**, always acting with integrity
- > We support the **communities** in which we work, including being environmentally conscious globally
- > We proactively manage costs, profitability and cash generation through our **financial discipline**

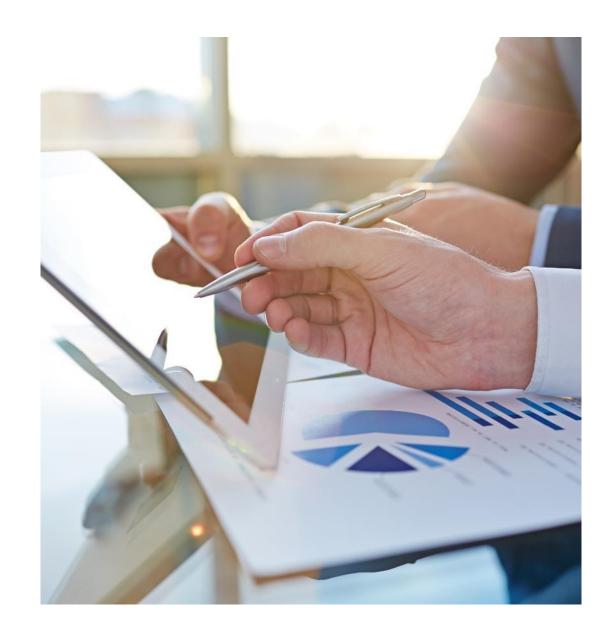
Our guiding principles identify areas that will drive Adient forward while focusing on what is most important

These drivers — Customers, Quality, People, Community, Financial Discipline — guide and inform our business strategy and our culture

They empower each of us to align our actions to these principles in our daily work

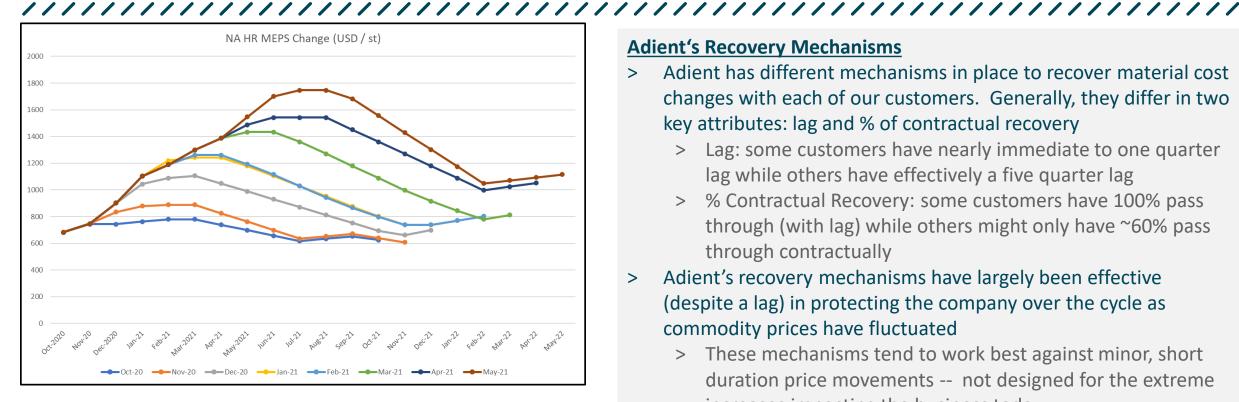
Our vision remains unchanged — "Improving the experience of a world in motion"

Impact of Escalating Commodity Prices



Commodity inflation





Market Situation

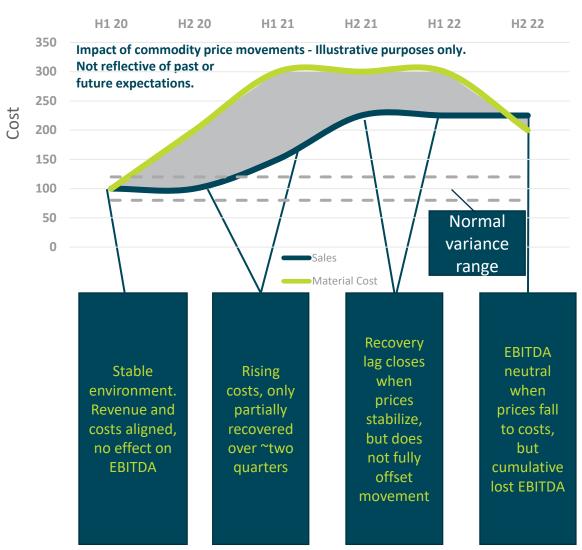
- Despite repeating forecasts that prices will fall, prices have continued to increase while forecasts have pushed out the dates prices will begin to decrease...
- Meanwhile the cost Adient is paying for steel has gone up ~3x in the last 12 months. The impact on our cost of steel and chemicals would be ~\$650 million greater going forward versus prices paid in 2020 if current costs hold.

Adient's Recovery Mechanisms

- Adient has different mechanisms in place to recover material cost changes with each of our customers. Generally, they differ in two key attributes: lag and % of contractual recovery
 - Lag: some customers have nearly immediate to one quarter lag while others have effectively a five quarter lag
 - % Contractual Recovery: some customers have 100% pass through (with lag) while others might only have ~60% pass through contractually
- Adient's recovery mechanisms have largely been effective (despite a lag) in protecting the company over the cycle as commodity prices have fluctuated
 - > These mechanisms tend to work best against minor, short duration price movements -- not designed for the extreme increases impacting the business today
- In general, Adient has been able to recapture nearly all cost increases, including those outside of the formal recovery mechanisms, through other commercial negotiations (albeit with a lag)

Material Economics Recovery Model





Illustrative example of financial impact

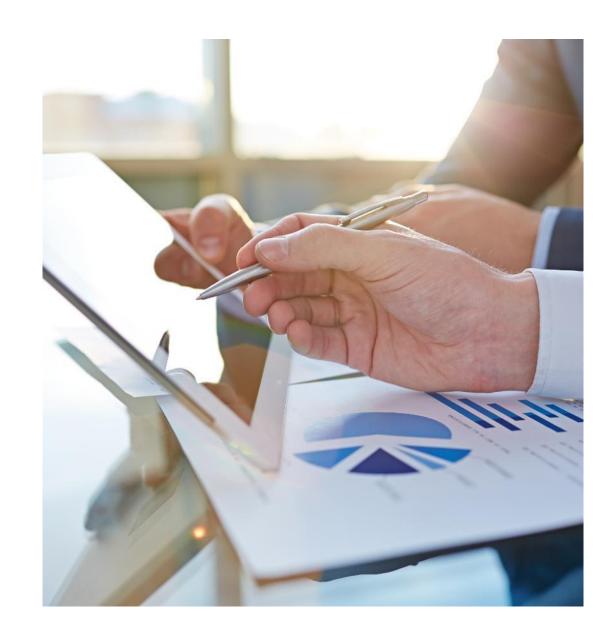
- In general, Adient's financial results are negatively impacted as prices rise, but positively impacted as prices decline – prices through the cycle have generally reverted to the mean
 - > As material cost goes up, the revenue change ("true-up" from the customer) will lag, resulting in negative EBITDA; only when the cost goes down and the revenue change again lags, will we recover the lost profits (and vice versa)
 - > Adient generally recaptures ~70% of commodity inflation through automatic mechanisms, the remaining 30% must be manually negotiated (hard fought "roll up the sleeves")

Looking forward:

- Given Adient's timing of commodity purchases and the continued escalation in steel prices (and to a lesser extent chemical pricing), it appears commodity prices will remain a headwind entering FY22
- > Adient is aggressively executing actions in an attempt to mitigate the impact of rising commodity prices, including, but not limited to:
 - > Renegotiating commercial agreements with our customers to reduce the time lag associated with "true up" agreement
 - > Reducing "pain share" agreements

Financial Review

FY 2021 Third Quarter



Q3 FY2021 Key Financials



¢ williama ayaant nay ahaya data	As Reported						
\$ millions, except per share data		Q3 FY21	Q3 FY20				
Consolidated Revenue	\$	3,242	\$	1,626			
EBIT	\$	44	\$	(269)			
Margin		1.4%		NM			
EBITDA		N/A		N/A			
Margin							
Memo: Equity Income 2	\$	38	\$	48			
Tax Expense	\$	10	\$	5			
ETR ³		NM		NM			
Net Income (Loss)	\$	(71)	\$	(325)			
EPS Diluted	\$	(0.75)	\$	(3.46)			

	As Adjusted ¹											
C	Q3 FY21		Q3 FY20	B/(W)								
\$	3,242	\$	1,626	NM								
\$	37	\$	(196)	NM								
	1.1%		NM									
\$	118	•	(122)	NM								
	3.6%		NM									
\$	39	•	59	(34)%								
\$	17	\$	14									
	NM		(5.6)%									
\$	(50)	\$	(261)	NM								
\$	(0.53)	\$	(2.78)	NM								

Memo: Q3 FY21 adj.
EBITDA impacted by ~\$53M premiums and temporary operating inefficiencies; Q3 FY20 significantly impacted by COVID related customer production shutdowns.





Memo: Q3 FY21 equity income impacted by performance and material economics at YFAS (~\$16M) and executed portfolio adjustments (~\$5M)

^{1 –} On an adjusted basis, see appendix for detail and reconciliation to U.S. GAAP

^{2 –} Equity income included in EBIT & EBITDA

^{3 –} ETR not meaningful given Adient's valuation allowances in many significant jurisdictions

NM - Measure not meaningful metric or comparison given the significant impact of COVID-19 on Q3 FY20 results

Q3 FY2021 Revenue:

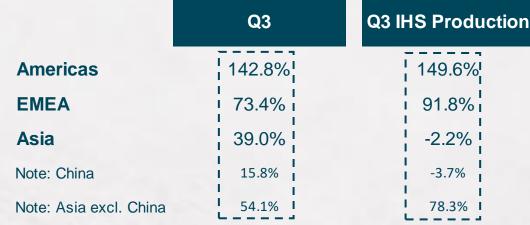
Consolidated and unconsolidated sales





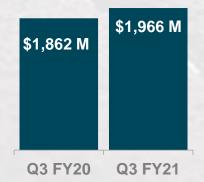
Regional Performance

(consolidated sales y-o-y growth by region)1



Unconsolidated seating sales

FX



Volume/Pricing

Q3FY20

Year-over-year growth ~6%, ~4% excl. FX and portfolio changes

Divestitures

Q3FY21

Adient's customer mix (high concentration of sales to Ford, Daimler, Renault, Stellantis, and VW -- which were severely impacted by semiconductor shortage) drove a disproportionate portion of lost Q3 production volume, resulting in consolidated sales lagging y-o-y production increases in Americas and EMEA

1 - Growth rates at constant foreign exchange, and adjusted for portfolio changes (EMEA - \$9M, Americas - \$1M, Asia - \$4M)

Unconsolidated seating sales up ~4% y-o-y (excl. FX and executed portfolio adjustments) driven primarily by:

- A significant increase in EMEA and Americas, up 128% and 84%, respectively
- Unconsolidated sales in China relatively in line with industry production despite an approximate 7% decline at YFAS (primarily impacted by supply chain disruptions)

consolidated

unconsolidated

Q3 FY21 Adjusted-EBITDA



16

Q3 FY21 Adj.-EBITDA of \$118M, up \$240M y-o-y (Q3 FY20 significantly impacted by COVID related customer production shutdowns).

The y-o-y increase was primarily driven by volume and mix of ~\$353M and to a much lesser extent, FX of ~\$5M.

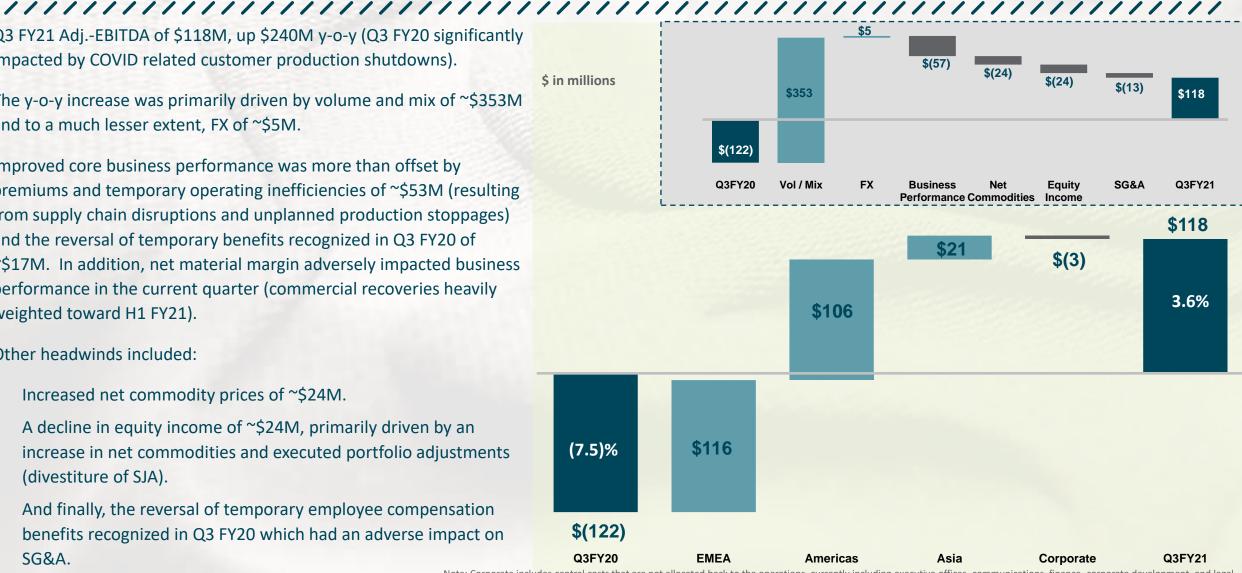
Improved core business performance was more than offset by premiums and temporary operating inefficiencies of ~\$53M (resulting from supply chain disruptions and unplanned production stoppages) and the reversal of temporary benefits recognized in Q3 FY20 of ~\$17M. In addition, net material margin adversely impacted business performance in the current quarter (commercial recoveries heavily weighted toward H1 FY21).

Other headwinds included:

Increased net commodity prices of ~\$24M.

A decline in equity income of ~\$24M, primarily driven by an increase in net commodities and executed portfolio adjustments (divestiture of SJA).

And finally, the reversal of temporary employee compensation benefits recognized in Q3 FY20 which had an adverse impact on SG&A.



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 and total liquidity



Free Cash Flow (1)

	FY21				FY20			
(in \$ millions)	Q3	FY21		YTD	Q3 FY20	YTD		
Adjusted-EBITDA	\$	118	\$	799	\$ (122)	\$ 386		
(+/-) Net Equity in Earnings		244	\$	106	184	74		
(-) Restructuring		(27)	\$	(127)	(29)	(70)		
(+/-) Net Customer Tooling		10	\$	10	16	14		
(+/-) Trade Working Capital (Net AR/AP + Inventory)		(60)	\$	37	(482)	(384)		
(+/-) Accrued Compensation		27	\$	35	48	(36)		
(-) Interest paid		(48)	\$	(184)	(43)	(148)		
(-) Taxes paid		(20)	\$	(52)	(24)	(79)		
(-) Non-income related taxes (VAT)		5	\$	(73)	43	43		
(-) Commercial settlements		(8)	\$	(87)	(17)	(19)		
(+/-) Other		(19)	\$	(102)	(29)	(53)		
Operating Cash flow	\$	222	\$	362	\$ (455)	\$ (272)		
(-) CapEx ⁽²⁾		(60)	\$	(186)	(73)	(258)		
Free Cash flow	\$	162	\$	176	\$ (528)	\$ (530)		

^{1 -} Free cash flow defined as operating cash flow less CapEx

Cash and liquidity position

- Total liquidity of ~\$1.85B at June 30, 2021, comprised of cash on hand of ~\$1.0B and ~\$850M of undrawn capacity under the revolving line of credit
- → June 30 cash balance excludes ~\$270M held as "other assets" related to funds required to acquire certain assets of YFAS
- In addition, ~\$190M of cash was used during the quarter for debt paydown (includes principal and premiums paid)

^{2 -} CapEx by segment for the quarter: Americas \$32M, EMEA \$20M, Asia \$8M

Debt and capital structure



18

(\$ in millions)	6/30/2021			
Cash & Debt Profile	Amount			
Cash & Cash Equivalents	\$1,000			
ABL Revolver, incl. FILO due 2024 (1)	-			
Term Loan B due 2024	1,000			
9.00% Secured Notes due 2025	600			
7.00% Secured Notes due 2026	-			
Total Secured Debt	\$1,600			
European Investment Bank Loan	160			
3.500% Notes (€1,000mm) due 2024	1,190			
4.875% Notes due 2026	797			
Other Bank Borrowings	45			
Deferred issuance costs	(35)			
Total Debt	\$3,757			

⁽¹⁾ Subject to ABL borrowing base availability. As of June 30, 2021, there were no draws outstanding and approximately \$853 million was available under the ABL Credit Agreement.



Continued efforts to advance the company's capital structure transformation:

- > Exercised the early redemption options of the final \$160M in principal of the company's 7.00% senior first lien notes due 2026 (fully repaid as of June 30, 2021)
- > Prepaid ~\$20M of principal of Adient's European Investment Bank Loan
- > Continued debt paydown is expected with the proceeds from the strategic transactions in China

Adient is on track to make a transformational change to its capital structure in 2021 – Approximately \$940M of voluntary debt paydown since Q4 FY20

FY21 Outlook – key financial metrics



Outlook FY21

Consolidated sales

~ \$14.3B - \$14.5B prior: ~\$14.6-\$15.0

Adj.-EBITDA

~ \$925M - \$975M prior: ~\$1,000M-\$1,100M

Equity income (incl. in Adj. EBITDA)

~ \$230M no change

Interest expense

~ \$215M no change

Cash tax

~ \$80M prior: ~\$85M

CapEx

~ \$310M prior: ~\$320M-\$340M

Free cash flow (operating cash flow less CapEx) ~ \$100M prior: ~\$50M - \$150M

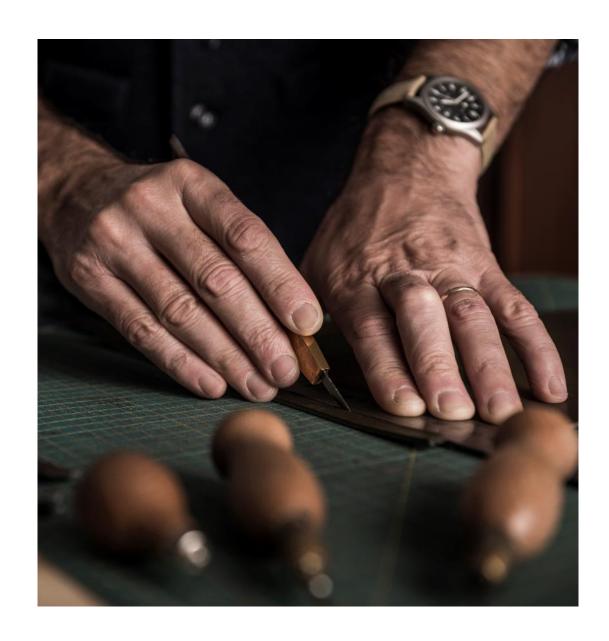
- > FY21 guidance updated to reflect Adient's YTD results thru June 30, completed portfolio transactions, executed debt paydown and current market conditions
- > **Consolidated sales** Significantly impacted by production stoppages at Adient's customers resulting from supply chain disruptions (semiconductor shortages)
- Adj.-EBITDA The impact of lower-than-expected sales and resulting temporary operating inefficiencies (driven by continued unplanned production stoppages), combined with elevated freight and increased material costs, are expected to place downward pressure on near-term Adj. EBITDA
- > **Equity income (incl. in Adj.-EBITDA)** No change. Reflects current market conditions
- Interest expense No change, reflects capital structure and voluntary debt paydown at June 30, 2021
- Cash tax Revised to reflect updated forecast for earnings and geographic composition of earnings; expect ETR to be mid-20%
- > CapEx Revised to reflect updated customer launch plans
- FCF Revised to reflect updated earnings and CapEx forecast

Reconciliations of non-GAAP measures related to FY2021 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations restructuring and deferred nor

~\$180M excl. special items impacting FY21 (e.g. elevated restructuring and deferred non-income tax payments)

Appendix and financial reconciliations

FY 2021 Third Quarter

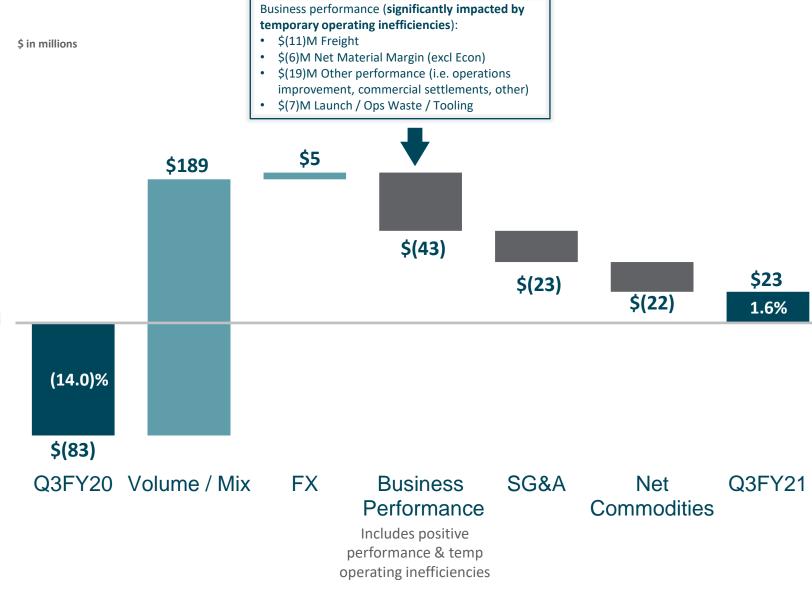


Q3 FY21 Adjusted-EBITDA: Americas



Q3 FY21 Adj.-EBITDA of \$23M, up \$106M y-o-y. Key drivers of the y-o-y improvement included:

- Improved volume & mix of about \$189M and improved core business performance (excluding the impact of FY21 premiums and inefficiencies), and to a lesser extent, FX
- > The positive benefits were partially offset by:
 - > Premiums and temporary operating inefficiencies (driven by ongoing supply chain disruptions) totaling ~\$35M, which included increased freight costs, L&OH inefficiencies, and ~\$17M due to the reversal of temporary benefits recognized in Q3 FY20 that did not repeat in Q3 FY21
 - Increased SG&A costs primarily driven by the reversal of ~\$20M of temporary benefits recognized in Q3 FY20 that did not repeat in the most recent quarter
 - > And finally, increase in net commodity prices

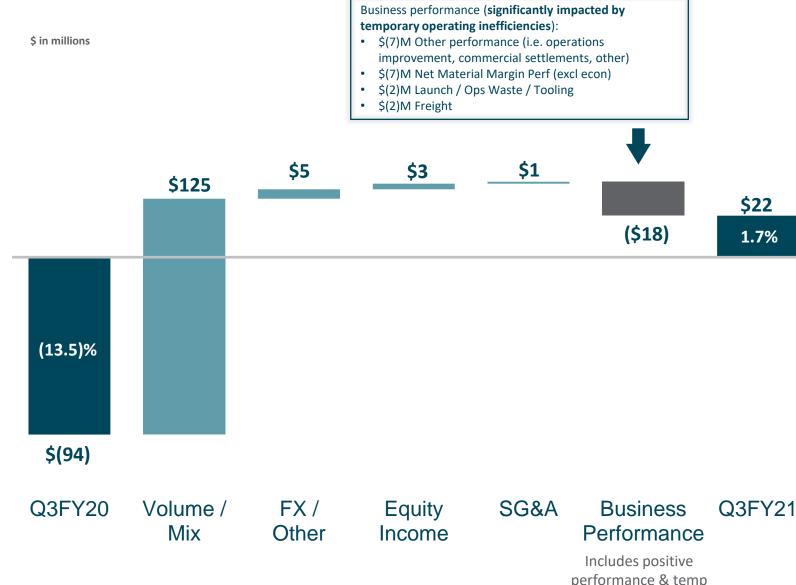


Q3 FY21 Adjusted-EBITDA: EMEA



Q3 FY21 Adj.-EBITDA of \$22M, up \$116M y-o-y. Key drivers of the y-o-y improvement included:

- Improved volume & mix of about \$125M, and to a lesser extent, the benefit of FX and increased equity income
- The positive benefits were partially offset by:
 - Temporary premiums and operating inefficiencies (driven by ongoing supply chain disruptions) totaling ~\$15M, net material margin of about \$7M (commercial settlements weighted toward H1 FY21), and to a lesser degree, launch costs of about \$3M (minimal launch activities in Q3 FY20)
 - In addition, positive SG&A benefits of approximately \$8M (driven by performance and Fabrics divestiture) was almost completely offset by the reversal of temporary benefits recognized in Q3 FY20 that did not repeat in Q3 FY21 which totaled \$7M



performance & temp operating inefficiencies

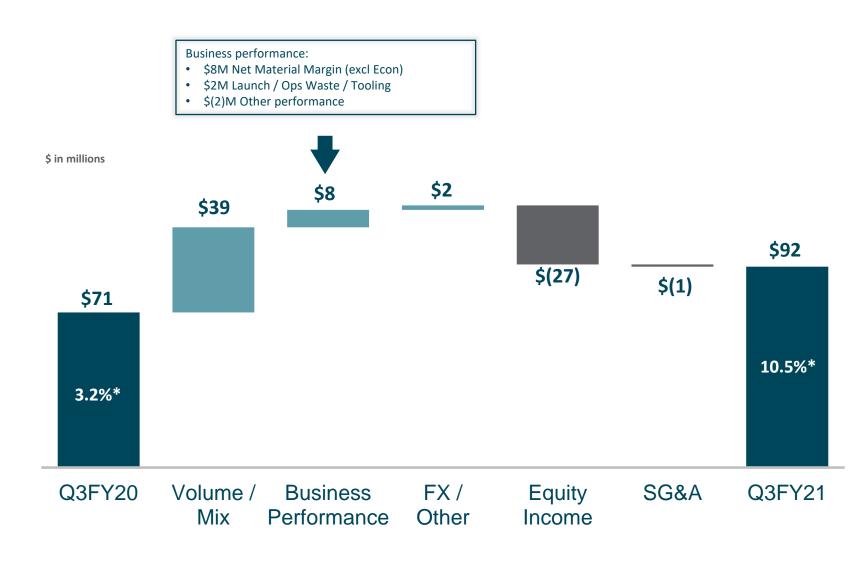
Q3 FY21 Adjusted-EBITDA: Asia



23

Q3 FY21 Adj.-EBITDA of \$92M, up \$21M y-o-y. Key drivers of the y-o-y improvement included:

- Improved volume and mix of about \$39M and improved business performance of about \$8M, including favorable commercial settlements and benefits associated with FX
- > The positive benefits were partially offset by:
 - A decline in equity income of about \$27M.
 The decline was primarily driven by:
 - > Performance and increased net commodity prices at YFAS of about \$16M
 - > Executed portfolio adjustments (divestiture of SJA) of about \$5M
 - > All other material economics (outside of YFAS) of about \$4M
 - > Material economic headwinds of ~\$7M
 - SG&A had a ~\$1M negative impact, more than explained by the reversal of temporary benefits recognized in Q3 FY20 that did not repeat in Q3 FY21



^{*} Excluding equity income. Including equity income, margins of 20.5% and 17.8% for Q3 FY20 and Q3 FY21, respectively

Non-GAAP financial measurements



24

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.

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



	Three months ended Jun 30								
	2021 2020								
(in \$ millions)	GAAP	Adj.	Adjusted	GAAP	Adj.	Adjusted			
Net sales	\$ 3,242	\$ -	\$ 3,242	\$ 1,626	\$ -	\$ 1,626			
Cost of sales (1)	3,092	28	3,120	1,779	(1)	1,778			
Gross profit	150	(28)	122	(153)	1	(152)			
Selling, general and administrative expenses (2)	136	(12)	124	115	(12)	103			
Restructuring and impairment costs (3)	8	(8)	-	49	(49)	-			
Equity income (loss) (4)	38	1	39	48	11	59			
Earnings (loss) before interest and income taxes (EBIT)	\$ 44	\$ (7)	\$ 37	\$ (269)	\$ 73	\$ (196)			
Ebit margin:	1.36%		1.14%	-16.54%		-12.05%			
Ebit margin excluding Equity Income:	1.11%		-0.06%	-19.50%		-15.68%			
NM = Not Meaningful									
Memo accounts:									
Depreciation			71			67			
Stock based compensation costs			10			7			
Adjusted EBITDA			\$ 118			\$ (122)			
Adjusted EBITDA margin: Adjusted EBITDA margin excluding Equity Income:			3.64% 2.44%			-7.50% -11.13%			
Adjusted EBTDA Margin excluding Equity income.		ті	hree months	ended lun	30	-11.15%			
		2021	Tree months	enaca Jan	2020				
Restructuring related charges		\$ -	_		\$ (1)				
Brazil indirect tax recoveries		28			-				
¹ Cost of sales adjustment		\$ 28			\$ (1)				
Purchase accounting amortization		\$ (10)			\$ (8)				
Transaction costs		(2)			(4)				
² Selling, general and administrative adjustment		\$ (12)			\$ (12)				
Restructuring charges		\$ (8)			\$ (22)				
Futuris China intangible assets impairment		-			(27)				
³ Restructuring and impairment costs		\$ (8)			\$ (49)				
Impairment of nonconsolidated partially owned affiliate		\$ -	•		\$ 6				
Restructuring related charges		-			4				
Purchase accounting amortization		1			1				
⁴ Equity income adjustment		\$ 1			\$ 11				

Non-GAAP Reconciliations - Adjusted Net Income and Adjusted EPS



Adjusted Net Income

Adjusted Diluted EPS

·	Three Mon June		·		nths Ended ne 30
(in \$ millions)	2021	2020		2021	2020
Net income (loss) attributable to Adient	\$ (71)	\$ (325)	Diluted earnings (loss) per share as reported	\$ (0.75)	\$ (3.46)
Restructuring and impairment costs	8	49	Restructuring and impairment costs	0.08	0.53
Purchase accounting amortization	11	9	Purchase accounting amortization	0.12	0.10
Restructuring related charges	-	5	Restructuring related charges	-	0.05
Pension mark-to-market and settlement (gain)/loss $^{(1)}$	(1)	2	Pension mark-to-market and settlement (gain)/loss (1)	(0.01)	0.02
Impairment of nonconsolidated partially owned affiliate	-	6	Impairment of nonconsolidated partially owned affiliate	-	0.06
Write off of deferred financing charges upon repurchase of debt	10	-	Write off of deferred financing charges upon repurchase of debt	0.11	-
Derivative loss on Yanfeng transaction	24	-	Derivative loss on Yanfeng transaction	0.25	-
Premium paid on repurchase of debt	4	-	Premium paid on repurchase of debt	0.04	-
Other items ⁽²⁾	(26)	4	Other items ⁽²⁾	(0.28)	0.04
Impact of adjustments on noncontrolling interests (3)	(2)	(2)	Impact of adjustments on noncontrolling interests (3)	(0.02)	(0.02)
Tax impact of above adjustments and other tax items (4)	(7)	(9)	Tax impact of above adjustments and other tax items (4)	(0.07)	(0.10)
Adjusted net income (loss) attributable to Adient	\$ (50)	\$ (261)	Adjusted diluted earnings (loss) per share	\$ (0.53)	\$ (2.78)

Three Months Ended

June 30

¹ During the three months ended June 30, 2021, Adient remeasured a pension plan in Canada and recorded a mark-to-market gain of \$1 million. During the three months ended June 30, 2020, Adient settled certain pension plans in the United States and recorded a settlement loss of \$2 million.

Transaction Costs	\$ (2)	\$ (4)
Brazilian indirect tax recoveries	28	-
² Other items	\$ 26	\$ (4)

³ Reflects the impact of adjustments, primarily purchase accounting amortization on noncontrolling interests.

Benefits associated with restructuring and impairment charges	\$ (2)	\$	(7)
Brazil indirect tax recoveries	9		-
Withholding Tax Adjustments	(11)		-
Other reconciling items	(3)		(2)
⁴ Income tax provision (benefit)	\$ (7)	Ś	(9)

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



27

Adjusted Income before Income Taxes

_	Three Months Ended June 30									
(in \$ millions)	2021					2020				
	Income (loss)				Inco	ome (loss)				
	before Income	Tax im	pact	Effective	befo	re Income	Tax impac	Effective		
	Taxes			tax rate		Taxes		tax rate		
As reported	\$ (39)	\$	10	-25.6%	\$	(326)	\$ 5	-1.5%		
Adjustments	30		7	23.3%		75	9	12.0%		
As adjusted	\$ (9)	\$	17	-188.9%	\$	(251)	\$ 14	-5.6%		

Segment Performance



28

(in \$ millions)

Net sales Adjusted EBITDA Adjusted EBITDA margin Adjusted Equity Income Depreciation Capex

		- (Q1 2020				
Americas	EMEA		Asia		rporate / on Items	Cor	solidated
\$ 1,859	\$ 1,564	\$	572	\$	(59)	\$	3,936
94	49		177		(23)		297
5.1%	3.1%		30.9%		N/A		7.5%
-	3		105		-		108
32	32		11		-		75
31	53		7		-		91
\$ 94 5.1% - 32	49 3.1% 3 32	\$	572 177 30.9% 105	_	(59) (23)	\$	

Q1 2021												
An	nericas	1	EMEA		Asia		oorate / on Items	Cons	solidated			
\$	1,737	\$	1,604	\$	554	\$	(47)	\$	3,848			
	132		114		151		(19)		378			
	7.6%		7.1%		27.3%		N/A		9.8%			
	-		3		91		-		94			
	28		33		9		-		70			
	36		31		4		_		71			

Net sales Adjusted EBITDA Adjusted EBITDA margin Adjusted Equity Income Depreciation Capex

			(22 2020			
A	mericas	EMEA		Asia	rporate /	Cor	nsolidated
\$	1,641	\$ 1,488	\$	444	\$ (62)	\$	3,511
	106	62		63	(20)		211
	6.5%	4.2%		14.2%	N/A		6.0%
	1	3		6	-		10
	32	31		9	-		72
	43	47		4	-		94

			C	2 2021				
Americas		EMEA	Asia		Corporate / Recon Items		Consolidated	
\$	1,644	\$ 1,636	\$	588	\$	(49)	\$	3,819
	64	141		121		(23)		303
	3.9%	8.6%		20.6%		N/A		7.9%
	-	2		51		-		53
	28	32		9		-		69
	29	20		6		-		55

Net sales Adjusted EBITDA Adjusted EBITDA margin Adjusted Equity Income Depreciation Capex

	Q3 2020										
Americas			EMEA		Asia		rporate / on Items	Con	solidated		
\$	593	\$	698	\$	346	\$	(11)	\$	1,626		
	(83)		(94)		71		(16)		(122)		
	n/m		n/m		20.5%		N/A		n/m		
	-		(1)		60		-		59		
	27		31		9		-		67		
	37		30		6		-		73		

Q3 2021									
Americas			EMEA	Asia		Corporate / Recon Items		Consolidated	
\$	1,440	\$	1,328	\$	516	\$	(42)	\$	3,242
	23		22		92		(19)		118
	1.6%		1.7%		17.8%		N/A		3.4%
	-		1		38		-		39
	32		33		6		-		71
	32		20		8		_		60

Net sales Adjusted EBITDA Adjusted EBITDA margin Adjusted Equity Income Depreciation Capex

	Q4 2020											
Americas			EMEA	A Asia		Corporate / Recon Items		Consolidated				
\$	1,796	\$	1,398	\$	460	\$	(57)	\$	3,597			
	111		84		113		(21)		287			
	6.2%		6.0%		24.6%		N/A		8.0%			
	-		3		85		-		88			
	37		35		9		-		81			
	27		34		7		-		68			

Net sales Adjusted EBITDA Adjusted EBITDA margin Adjusted Equity Income Depreciation

	Full Year FY20										
Americas			EMEA		Asia		Corporate / Recon Items		Consolidated		
\$	5,889	\$	5,148	\$	1,822	\$	(189)	\$	12,670		
	228		101		424		(80)		673		
	3.9%		2.0%		23.3%		N/A		5.3%		
	1		8		256		-		265		
	128		129		38		-		295		
	138		164		24		-		326		