FY 2018 Fourth Quarter Earnings Call

November 9, 2018

Improving the experience of a world in motion

Important information

ADIENT

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 impact of tax reform legislation through the Tax Cuts and Jobs Act, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, the ability of Adient to execute its SS&M turnaround plan, the ability of Adient to identify, recruit and retain key leadership, the ability of Adient to meet debt service requirements, the ability and terms of financing, general economic and business conditions, the strength of the U.S. or other economies, automotive vehicle production levels, mix and schedules, energy and commodity prices, the availability of raw materials and component products, currency exchange rates, the ability of Adient to effectively integrate the Futuris business, and cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Adient’s business is included in the section entitled “Risk Factors” in Adient’s Annual Report on Form 10-K for the fiscal year ended September 30, 2017 filed with the SEC on November 22, 2017 and quarterly reports on Form 10-Q filed with the SEC, available at www.sec.gov. Potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this document are made only as of the date of this document, unless otherwise specified, and, except as required by law, Adient assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this document.

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

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.

Agenda

Introduction
Mark Oswald
Vice President, Global Investor Relations

Business update
Douglas DelGrosso
President and Chief Executive Officer

Financial review
Jeffrey Stafeil
Executive Vice President and Chief Financial Officer

Q&A

Douglas DelGrosso introduction

Doug brings significant operational and turnaround experience to Adient

Doug DelGrosso
President and CEO

Joined Adient October 1, 2018
Member of Board of Directors

	Timeframe	Select commentary
Chassix	2016 - 2018	• Appointed CEO; responsible for developing and implementing a strategic plan to increase financial performance and improved customer relationships
Henniges Automotive	2012 - 2015	• Appointed CEO; developed and successfully led the company’s turnaround efforts • Sold the company to AVIC
TRW Automotive	2007 - 2012	• Vice president and general manager global braking and suspension operations • Consolidated and restructured independent businesses into a global organization
Lear Corporation	1984 - 2007	• Progression of key operational roles leading up to president and chief operating officer • More than two decades seating experience

Recent developments

- Revenue and free cash flow were delivered in-line with our commitments; operational challenges continue to weigh on earnings
  - Q4 revenue of $4.1B, up $166M y-o-y
  - Q4 Adjusted-EBITDA of $251M [1], down $139M y-o-y
  - Q4 Adjusted-EPS of $1.30 [1]
  - Q4 free cash flow of $307M [1] (includes $48M benefit from an accounts receivable financing facility)
  - Net debt of $2.7B and net leverage of 2.29x at September 30, 2018 [1]

- Q4 GAAP results were impacted by ~$1.5B of one-time, non-cash charges, primarily associated with asset impairments and the recording of valuation allowances against certain deferred tax assets
- Suspended the company's quarterly cash dividend beginning in Q2 fiscal 2019 to increase financial flexibility and increase focus on debt reduction
- Amended ADNT's main credit agreement, increasing the maximum total bank-adjusted net leverage covenant ratio to 4.5x from 3.5x
- Executed actions to improve cash flow, including the sale of the company airplanes and the corporate HQ building in Detroit

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

CEO 100-day plan

- Deep dive into fiscal 2019 profit plan
- On-site follow-up reviews in Europe, Mexico and U.S. on top 5 underperforming plants (Asia visit planned for late November)
- Deep dive reviews on top 5 critical launches which occur in the next 90 days
- Prioritize resources on most severe underperforming manufacturing sites and future launches, focus on SS&M and Seating Americas
- Initiated face-to-face dialog with customers with critically strained relationships
- Initiated review process for all new business with particular focus on SS&M business

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- Initial observations:
  - Adient's challenges are being addressed
  - Need to ingrain a "back-to-basics" approach; every business, regardless of product, customer or region is expected to earn an acceptable ROI
  - Emphasis on performance metrics with a focus on EBITDA and cash flow
  - Although severe, Adient issues are not widespread and are isolated to a handful of plants and future launches across a few customers, all of which can be fixed over time
  - There is no glaring level of uncompetitiveness at Adient

100 + days

Days 1 - 50

Listen, visit the operations, and understand the challenges facing Adient

Days 51 - 99

Align management team on path forward; drive operational execution

Days 100 and beyond

Relentless focus on execution

FINANCIAL REVIEW

FY 2018 Fourth Quarter

Factors impacting ADNT's Q4 GAAP results

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> Q4 GAAP net loss impacted by a variety of one-time, non-cash charges which included:
  - Performance related – driven by on-going business performance issues that are expected to persist into the foreseeable future:
    - SS&M asset impairment - an analysis resulted in an impairment charge to write-down long-lived assets, primarily fixed assets, to their fair values
    - YFAI asset impairment - an analysis resulted in an impairment charge to write-down the value of Adient's investment in YFAI
    - Deferred tax asset impairment - based on the history of earnings in certain geographic regions and forecasts of future earnings, it was determined the company would be unlikely to realize the benefit of certain deferred tax assets, resulting in the valuation allowances

> Revision to provisional estimate for US Tax Reform (SAB 118) - impacts have been updated for FY18 to be $210M compared with the Q1 estimate of $258M

> Other adjustments including "becoming Adient", restructuring charges, pension mark-to-market, and purchase accounting amortization also impacted Q4 GAAP results

Factors impacting Q4 GAAP net loss

Category	Impact ($ mils)
Impairments:	
• SS&M	$718
• YFAI	$322
• Deferred tax assets	$439
Tax matters:	
• SAB 118 adjustment	$(48)
Other	$49
Total	$1,480

FY 2018 Q4 key financials

$ millions, except per share data	As Reported		As Adjusted [1]		
	FY18 Q4	**FY17 Q4**	**FY18 Q4**	**FY17 Q4**	**B/(W)**
Revenue	$ 4,145	$ 3,979	$ 4,145	$ 3,979	*4%*
EBIT	$ (1,044)	$ 389	$ 149	$ 296	*-50%*
Margin	*	*9.8%*	*3.6%*	*7.4%*	
EBITDA	N/A	N/A	$ 251	$ 390	*-36%*
Margin			*6.1%*	*9.8%*	
Memo: Equity Income (Loss) [2]	$ (281)	$ 248	$ 89	$ 103	*-14%*
Tax Expense (Benefit)	$ 256	$ (5)	$ (30)	$ 27	
ETR	*-23.7%*	*-1.4%*	*-26.3%*	*10.3%*	
Net Income (Loss)	$ (1,355)	$ 344	$ 122	$ 217	*-44%*
EPS Diluted	$ (14.51)	$ 3.67	$ 1.30	$ 2.32	*-44%*

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

FY 2018 full year key financials

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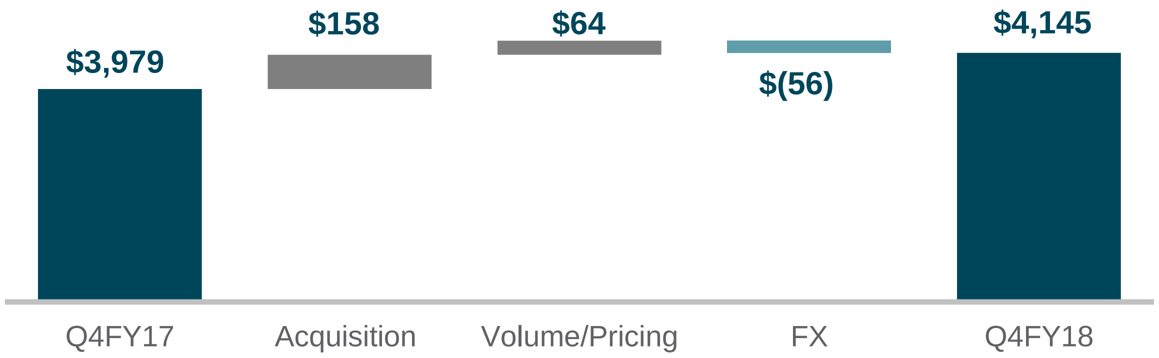
$ millions, except per share data	As Reported				As Adjusted [1]				
	FY18		FY17		FY18		FY17		B/(W)
Revenue	$	17,439	$	16,213	$	17,439	$	16,213	*8%*
EBIT	$	(977)	$	1,193	$	770	$	1,244	*-38%*
Margin		*		*7.4%*		*4.4%*		*7.7%*	
EBITDA		N/A		N/A	$	1,200	$	1,605	*-25%*
Margin						*6.9%*		*9.9%*	
Memo: Equity Income (Loss) [2]	$	(13)	$	522	$	385	$	394	*-2%*
Tax Expense	$	480	$	99	$	8	$	149	
ETR		*-42.8%*		*9.3%*		*1.3%*		*13.4%*	
Net Income (Loss)	$	(1,685)	$	877	$	527	$	876	*-40%*
EPS Diluted	$	(18.06)	$	9.34	$	5.62	$	9.33	*-40%*

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

Revenue – consolidated & unconsolidated

Consolidated sales

$ in Millions



Regional Performance

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

Americas	13%
Europe	(9)%
APAC	30%

1 – Growth rates at constant foreign exchange

Unconsolidated Seating and SS&M

Year-over-year growth

+ 1%

Up 3% excluding FX

Unconsolidated Interiors

Yanfeng Global Automotive Interiors

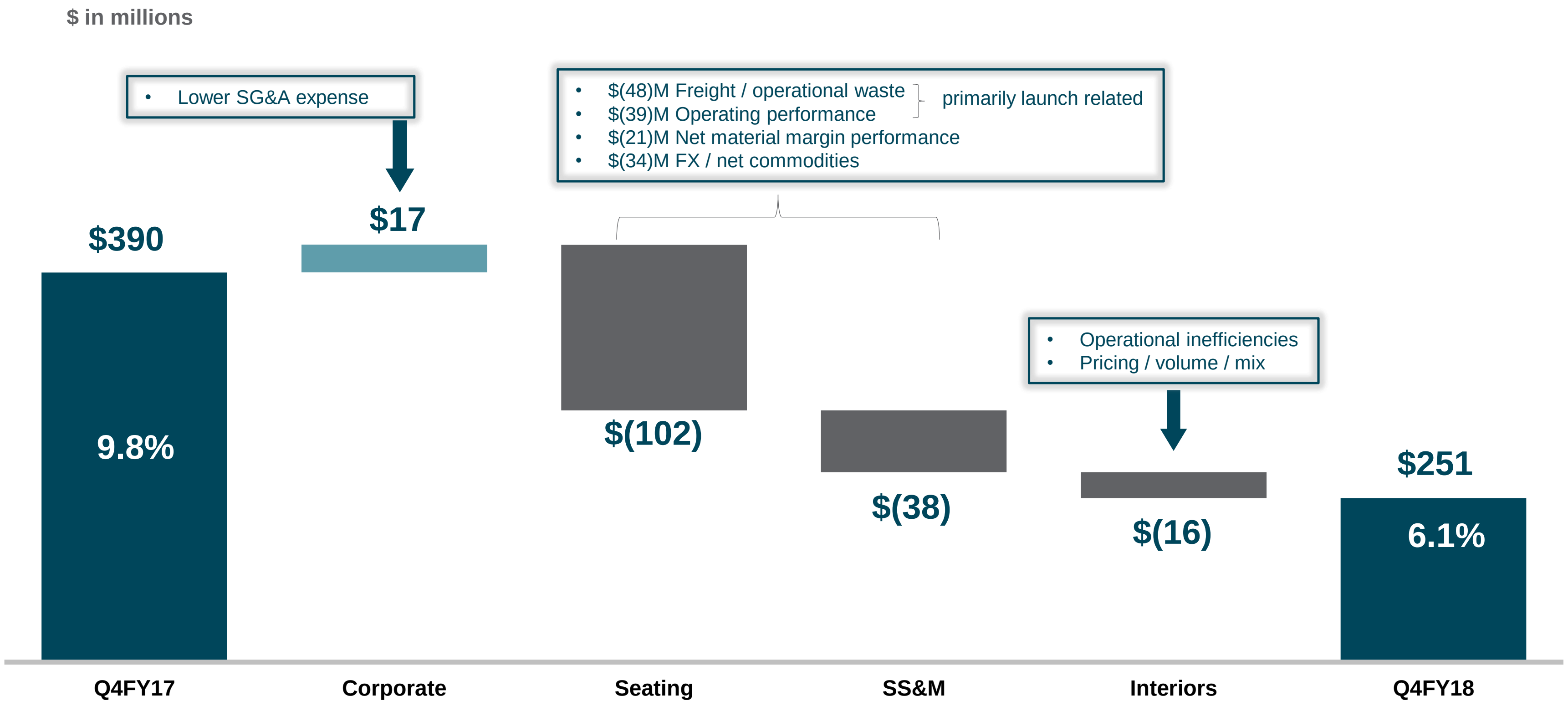
Year-over-year growth

-8%

flat y-o-y excluding FX and low margin cockpit sales

Q4 FY18 Adjusted-EBITDA

- Despite the benefit of increased revenue, y-o-y Adjusted-EBITDA declined to $251M in fiscal Q4
- Business performance (impacted by elevated freight costs, operational waste, and negative material margin performance) was the primary factor behind the y-o-y decline
- Macro factors, including increased commodity costs and the negative impact of foreign exchange, also weighed on the quarter
- Performance within unconsolidated Seating and SS&M remains strong; equity income up $2M y-o-y



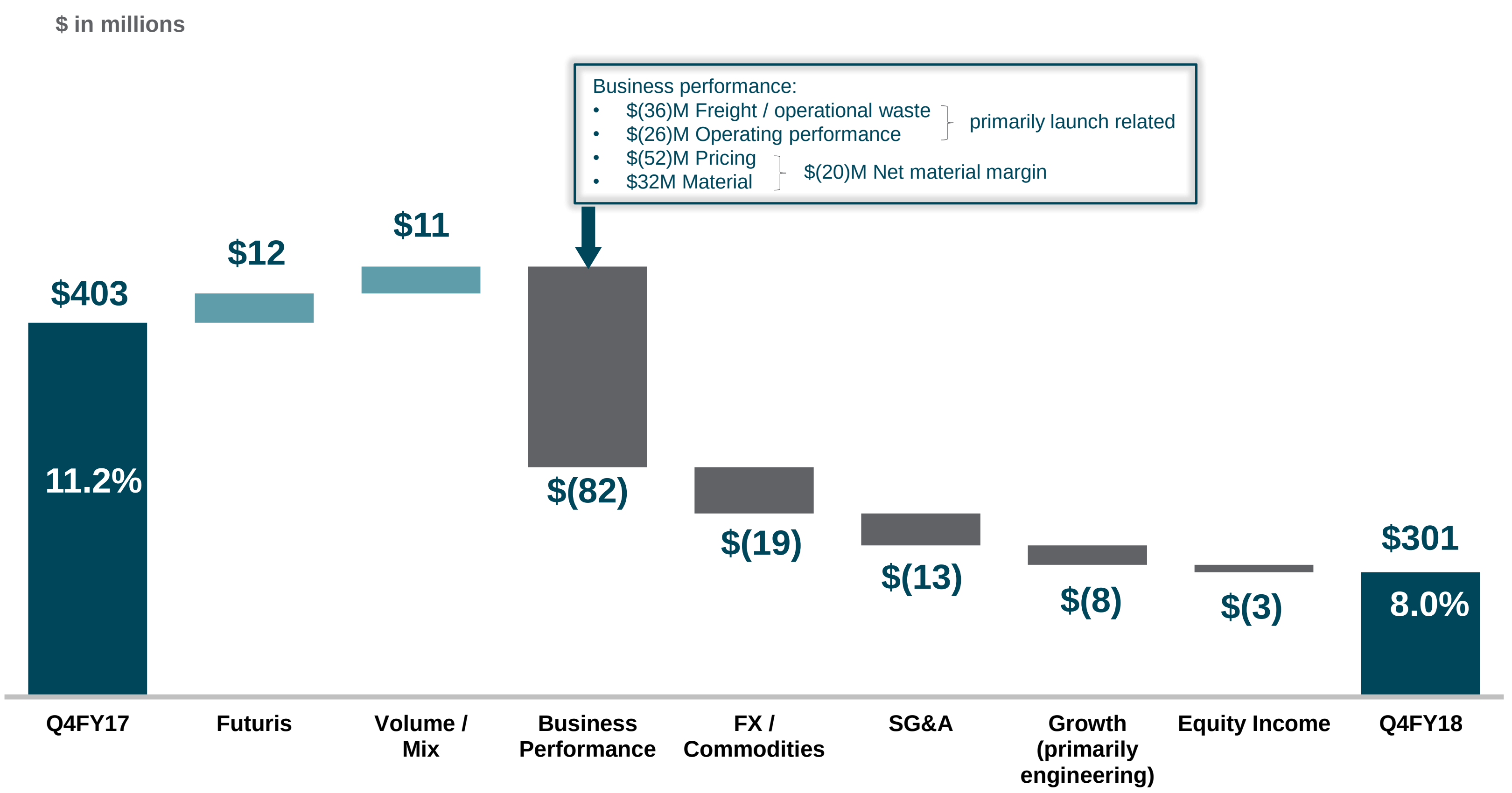
Memo:

	FY17	FY18
Q3	$424	$319
Q2	$421	$363
Q1	$370	$267

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

Q4 FY18 Adjusted-EBITDA: Seating

- Q4 FY18 Seating Adjusted-EBITDA of $301M, down $102M y-o-y
- The positive benefits associated with the Futuris acquisition and increased volume were more than offset by negative business performance:
  - Increased freight and operational waste (i.e. scrap and cost of poor quality)
  - Negative operating performance (cost of inefficient operations)
  - Net material margin performance (i.e. inability to offset customer price downs with supplier pricing and operational efficiencies)
- Macro factors, including increased commodity costs $(12)M and the negative impact of foreign exchange $(7)M also weighed on the quarter
- SG&A efficiencies more than offset by changes related to insurance and workers comp accruals and a reduction in service fee recoveries



Memo:

	FY17	FY18
Q3	$413	$344
Q2	$398	$411
Q1	$364	$355

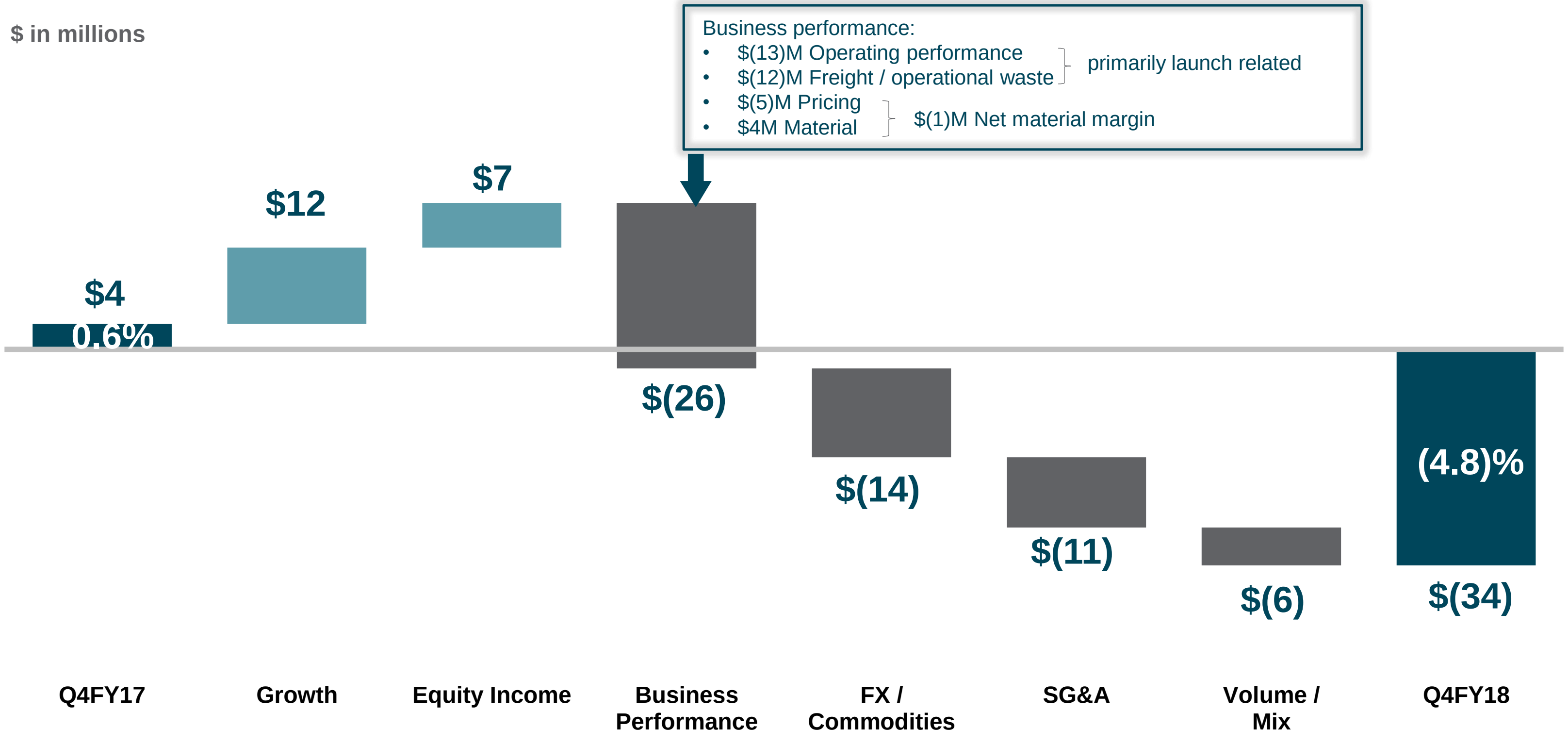
Q4 FY18 Adjusted-EBITDA: SS&M

> Q4 FY18 SS&M Adjusted-EBITDA of $(34)M, down $38M y-o-y

> Benefits from a reduction in growth investments and increased equity income were more than offset by negative business performance:
  - Increased freight and operational waste (i.e. scrap and cost of poor quality)
  - Negative operating performance (cost of inefficient operations)

> Macro factors, including increased commodity costs $(9)M and the negative impact of foreign exchange $(5)M also weighed on the quarter

> Unfavorable SG&A primarily driven by changes related to insurance and workers comp accruals



Memo:

	FY17	FY18
Q3	$31	$(18)
Q2	$40	$(34)
Q1	$7	$(82)

Cash flow & debt [1]

Free Cash Flow (1)

(in $ millions)	Q4 FY18	FY18
Adjusted-EBITDA	$ 251	$ 1,200
(-) Interest paid	(57)	(143)
(-) Taxes paid	5	(139)
(-) Restructuring (Cash)	(35)	(174)
(+/-) Change in Trade Working Capital [2]	351	225
(+/-) Net Equity in Earnings	(77)	(95)
(+/-) Other	1	(195)
Operating Cash flow	$ 439	$ 679
(-) CapEx [3]	(132)	(536)
Free Cash flow	$ 307	$ 143
Memo: Free cash flow excluding benefits associated with the expansion of an accounts receivable financing facility initiated in Q3	$ 259	$ 1

1 – See appendix for detail and reconciliation to U.S. GAAP
2 – Q4 and full year TWC of $303M and $83M, respectively when excluding the benefits associated with the expansion of an accounts receivable financing facility initiated in Q3 (Q4 benefit of $48M, full year benefit of $142M)
3 - Capex by segment for the quarter: SS&M $56M, Seating $76M; and for the year: SS&M $255, Seating $281

Debt (1)

- Cash and cash equivalents of $687M at September 30, 2018
- Net leverage of 2.29x at September 30, 2018
- Suspended the quarterly cash dividend to increase financial flexibility and increase focus on debt reduction
- Amended the company’s main credit agreement. The amendment increased the maximum total bank-adjusted net leverage covenant ratio to 4.5x from 3.5x

(in $ millions)	September 30 2018	September 30 2017
Cash	$ 687	$ 709
Total Debt	3,430	3,478
Net Debt	$ 2,743	$ 2,769
Adjusted-EBITDA (last twelve months)	$ 1,200	$ 1,605
Net Leverage	2.29x	1.73x

Other matters

- Amended the company’s main credit agreement, part of a focused effort to de-risk Adient’s capital structure
  - The maximum total bank-adjusted net leverage covenant ratio increased to 4.5x from 3.5x
  - Amending the credit agreement provides additional flexibility as the company executes its turnaround plan
  - The company will continue to focus on de-risking the capital structure

- The FY2018 adjusted effective tax rate reflected the lower y-o-y earnings, geographic composition of earnings and reduced U.S. tax rate
  - Looking forward, the valuation allowances will result in an increased effective tax rate in FY2019
  - The valuation allowances will not impact cash taxes

Looking forward

- Continued execution of the CEO's 100-day plan
- Prioritize resources on most severe underperforming manufacturing sites and future launches, focus on SS&M and Seating Americas
- Reviewing all facets of the business to identify further profit improvement and cash generation opportunities
- Unfortunately the challenges faced in 2018 will continue to have a significant impact on fiscal 2019 results
  - Full year fiscal 2019 guidance expected to be provided in January

APPENDIX AND FINANCIAL RECONCILIATIONS

FY 2018 Fourth Quarter

Non-GAAP financial measurements

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- 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.
  - 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
- Net debt is calculated as gross debt less cash and cash equivalents.
- Net leverage is calculated as net debt divided by last twelve months (LTM) pro-forma adjusted-EBITDA.

Non-GAAP reconciliations

EBIT, Adjusted EBIT, Adjusted EBITDA

(in $ millions)	FY17 Actual					FY18 Actual				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Full FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	Full FY18
Net income attributable to Adient	$ 142	$ 190	$ 201	$ 344	$ 877	$ (216)	$ (168)	$ 54	$ (1,355)	$ (1,685)
Income attributable to noncontrolling interests	22	24	22	17	85	20	25	19	20	$ 84
Income Tax Provision (11)	28	37	39	(5)	99	265	(28)	(13)	256	$ 480
Financing Charges	35	33	31	33	132	33	37	39	35	$ 144
Earnings before interest and income taxes	$ 227	$ 284	$ 293	$ 389	$ 1,193	$ 102	$ (134)	$ 99	$ (1,044)	$ (977)
Separation costs (1)	10	-	-	-	10	-	-	-	-	-
Becoming Adient (1)	15	23	20	37	95	19	19	12	12	62
Purchase accounting amortization (2)	10	9	10	14	43	17	18	17	17	69
Restructuring related charges (3)	8	10	10	9	37	11	12	20	18	61
Other items(4)	13	-	-	3	16	14	22	1	3	40
Restructuring and impairment costs (5)	-	6	-	40	46	-	315	57	809	1,181
Pension mark-to-market (6)	-	-	-	(45)	(45)	-	-	-	(24)	(24)
Gain on previously held interest (7)	-	-	-	(151)	(151)	-	-	-	-	-
Impairment on YFAI investment (8)	-	-	-	-	-	-	-	-	358	358
Adjusted EBIT	$ 283	$ 332	$ 333	$ 296	$ 1,244	$ 163	$ 252	$ 206	$ 149	$ 770
Stock based compensation (9)	4	11	8	6	29	10	12	12	3	37
Depreciation (10)	83	78	83	88	332	94	99	101	99	393
Adjusted EBITDA	$ 370	$ 421	$ 424	$ 390	$ 1,605	$ 267	$ 363	$ 319	$ 251	$ 1,200

1. Reflects incremental expenses associated with becoming an independent company and expenses associated with the separation from JCI.
2. Reflects amortization of intangible assets including those related to partially owned affiliates recorded within equity income.
3. Reflects non-qualified restructuring charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420 along with restructuring costs at partially owned affiliates recorded within equity income.
4. Fourth quarter of 2018 reflects $3 million of integration costs associated with the acquisition of Futuris, Third quarter of 2018 reflects $6 million of integration costs associated with the acquisition of Futuris, $9 million of OPEB income related to the termination of a retiree medical plan, and $4 million of non-recurring consulting fees related to SS&M. Second quarter of 2018 reflects $7 million of integration costs associated with the acquisition of Futuris, $8 million of prior period adjustments, and $7 million of non-recurring consulting fees related to SS&M. First quarter of 2018 reflects $6 million of integration costs associated with the acquisition of Futuris and $8 million related to the impact of the U.S. tax reform legislation at YFAI. First quarter 2017 primarily consists of $12M of initial funding of the Adient foundation. Fourth quarter of 2017 reflects $3 million of integration costs associated with the acquisition of Futuris.
5. Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420. Also incudes a non-cash pre-tax impairment charge of $787 million (post-tax charge of $718 million) during the three months ended September 30, 2018 related to SS&M long-lived assets that were in use as of September 30, 2018 in support of current programs. On-going performance issues on the current programs within the North American and European regions led to an impairment assessment of each region and resulted in the recognition of such impairment charge. The twelve months ended September 30, 2018 also includes a non-cash goodwill impairment charge of $299 million associated with SS&M and a $49 million non-cash impairment charge
6. Reflects net mark-to-market adjustments on pension and postretirement plans.
7. In 2017, an amendment to the rights agreement with a Seating affiliate in China was finalized, giving Adient control of the previously non-consolidated JV. Adient began consolidating the affiliate in July 2017 and was required to apply purchase accounting, including recognizing a gain on our previously held interest, which has been recorded in equity income.
8. During the three months ended September 30, 2018, the Company recorded a non-cash pre-tax impairment charge related to its YFAI investment balance of $358 million (post-tax charge of $322 million). On-going performance issues within the YFAI business led Adient to perform an impairment analysis of its YFAI investment and resulted in the recognition of such impairment charge, which has been recorded within equity income
9. Stock based compensation excludes $6 million, $2 million, $1 million and $1 million of expense in the first, second, third and fourth quarters of 2018, respectively, and $2 million, $5 million, $3 million and $6 million of expense in the first, second, third and fourth quarters of 2017, respectively. These costs are included in Becoming Adient costs discussed above.
10. Depreciation excludes $2 million, $2 million, $2 million and $1 million of expense in the first, second, third and fourth quarters of 2018, respectively, which is included in restructuring related charges discussed above. Depreciation excludes $3 million, $1 million and $1 million of expense in the second, third and fourth quarters of 2017, respectively. These costs are included in Becoming Adient costs discussed above.
11. The income tax provision for the three and twelve months ended September 30, 2018 includes a non-cash tax charge of $439 million to establish valuation allowances against net deferred tax assets in certain jurisdictions because of the on-going performance issues and the associated decline in profits in those jurisdictions. Also included in the income tax provision for the three months ended September 30, 2018 is a non-cash tax benefit of $48 million related to the impact of US tax reform. The impact of US tax reform on the income tax provision for the twelve months ended September 30, 2018 is a non-cash tax charge of $210 million

Non-GAAP reconciliations
Adjusted Net Income

Adjusted Net Income

(in $ millions)	Three Months Ended September 30 2018	Three Months Ended September 30 2017	Twelve Months Ended September 30 2018	Twelve Months Ended September 30 2017
Net income attributable to Adient	$ (1,355)	$ 344	$ (1,685)	$ 877
Becoming Adient (1)	12	37	62	95
Separation costs (1)	-	-	-	10
Restructuring and impairment costs (2)	809	40	1,181	46
Purchase accounting amortization (3)	17	14	69	43
Restructuring related charges (4)	18	9	61	37
Pension mark-to-market (5)	(24)	(45)	(24)	(45)
Impairment of YFAI investment (6)	358	-	358	-
Gain on previously-held interest (7)	-	(151)	-	(151)
Other items (8) (9)	3	3	40	16
Impact of adjustments on noncontrolling interests (10)	(2)	(2)	(7)	(2)
Tax impact of above adjustments and one time tax items (11)	286	(32)	472	(50)
Adjusted net income attributable to Adient	$ 122	$ 217	$ 527	$ 876

Adjusted Diluted EPS

	Three Months Ended September 30 2018	Three Months Ended September 30 2017	Twelve Months Ended September 30 2018	Twelve Months Ended September 30 2017
Diluted earnings per share as reported	$ (14.51)	$ 3.67	$ (18.06)	$ 9.34
Becoming Adient (1)	0.13	0.39	0.67	1.01
Separation costs (1)	-	-	-	0.11
Restructuring and impairment costs (2)	8.64	0.43	12.61	0.49
Purchase accounting amortization (3)	0.19	0.15	0.75	0.46
Restructuring related charges (4)	0.20	0.10	0.66	0.39
Pension mark-to-market (5)	(0.25)	(0.48)	(0.25)	(0.48)
Impairment of YFAI investment (6)	3.83	-	3.83	-
Gain on previously-held interest (7)	-	(1.61)	-	(1.61)
Other items (8) (9)	0.03	0.03	0.43	0.17
Impact of adjustments on noncontrolling interests (10)	(0.02)	(0.02)	(0.07)	(0.02)
Tax impact of above adjustments and one time tax items (11)	3.06	(0.34)	5.05	(0.53)
Adjusted diluted earnings per share	$ 1.30	$ 2.32	$ 5.62	$ 9.33

1. Reflects incremental expenses associated with becoming an independent company and expenses associated with the separation from JCI.
2. Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420. Also incudes a non-cash pre-tax impairment charge of $787 million (post-tax charge of $718 million) during the three months ended September 30, 2018 related to SS&M long-lived assets that were in use as of September 30, 2018 in support of current programs. On-going performance issues on the current programs within the North American and European regions led to an impairment assessment of each region and resulted in the recognition of such impairment charge. The twelve months ended September 30, 2018 also includes a non-cash goodwill impairment charge of $299 million associated with SS&M and a $49 million non-cash impairment charge
3. Reflects amortization of intangible assets including those related to partially owned affiliates recorded within equity income.
4. Reflects non-qualified restructuring charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420 along with restructuring costs at partially owned affiliates recorded within equity income.
5. Reflects net mark-to-market adjustments on pension and postretirement plans.
6. During the three months ended September 30, 2018, the Company recorded a non-cash pre-tax impairment charge related to its YFAI investment balance of $358 million (post-tax charge of $322 million). On-going performance issues within the YFAI business led Adient to perform an impairment analysis of its YFAI investment and resulted in the recognition of such impairment charge, which has been recorded within equity income
7. In 2017, an amendment to the rights agreement with a Seating affiliate in China was finalized, giving Adient control of the previously non-consolidated JV. Adient began consolidating the affiliate in July 2017 and was required to apply purchase accounting, including recognizing a gain on our previously held interest, which has been recorded in equity income.
8. The three months ended September 30, 2018 includes $3 million of integration costs associated with the acquisition of Futuris, which is included within cost of sales. The three months ended September 30, 2017 includes $3 million of transaction costs associated with the acquisition of Futuris, which is included within selling, general and administrative expenses.
9. The twelve months ended September 30, 2018 includes $22 million of integration costs associated with the acquisition of Futuris, of which $18 million is included within cost of sales and $4 million is included within selling, general and administrative expenses. Also included in the twelve months ended September 30, 2018 is a $1 million credit related to prior period adjustments ($11 million is included within cost of sales partially offset by $12 million included within selling, general and administrative expenses), $11 million of non-recurring consulting fees related to SS&M included within selling, general and administrative expenses and $8 million related to the impact of the U.S. tax reform legislation at YFAI included within equity income. The twelve months ended September 30, 2017 primarily includes $3 million of transaction costs associated with the acquisition of Futuris which is included within selling, general and administrative expenses and $12 million of initial funding of the Adient foundation which is included within selling, general and administrative expenses.
10. Reflects the impact of adjustments, primarily purchase accounting amortization, on noncontrolling interests. See Note 4 for more information.
11. The income tax provision for the three and twelve months ended September 30, 2018 includes a non-cash tax charge of $439 million to establish valuation allowances against net deferred tax assets in certain jurisdictions because of the on-going performance issues and the associated decline in profits in those jurisdictions. Also included in the income tax provision for the three months ended September 30, 2018 is a non-cash tax benefit of $48 million related to the impact of US tax reform. The impact of US tax reform on the income tax provision for the twelve months ended September 30, 2018 is a non-cash tax charge of $210 million

Non-GAAP reconciliations
Free Cash Flow

Free Cash Flow

(in $ millions)	Three Months Ended September 30 2018	Three Months Ended September 30 2017	Twelve Months Ended September 30 2018	Twelve Months Ended September 30 2017
Operating cash flow	$ 439	$ 446	$ 679	$ 746
Less: Capital expenditures	(132)	(160)	(536)	(577)
Cash from former Parent	-	-	-	315
Adjusted Free cash flow	$ 307	$ 286	$ 143	$ 484

Adjusted EBITDA to Free Cash Flow

(in $ millions)	Three Months Ended September 30 2018	Twelve Months Ended September 30 2018
Adjusted-EBITDA	$ 251	$ 1,200
(-) Interest paid	(57)	(143)
(-) Taxes paid	5	(139)
(-) Restructuring (Cash)	(35)	(174)
(+/-) Change in Trade Working Capital	351	225
(+/-) Net Equity in Earnings	(77)	(95)
(+/-) Other	1	(195)
Operating cash flow	$ 439	$ 679
(-) CapEx	(132)	(536)
Adjusted Free cash flow	$ 307	$ 143

Non-GAAP reconciliations

Net Debt and Adjusted Equity Income

Net Debt and Net Leverage

(in $ millions)	September 30 2018	September 30 2017
Cash	$ 687	$ 709
Total Debt	3,430	3,478
Net Debt	$ 2,743	$ 2,769
Adjusted-EBITDA (last twelve months)	$ 1,200	$ 1,605
Net Leverage	2.29x	1.73x

Adjusted Equity Income

	Three Months Ended September 30		Twelve Months Ended September 30	
(in $ millions)	2018	2017	2018	2017
Equity income as reported	$ (281)	$ 248	$ (13)	$ 522
Purchase accounting amortization (1)	6	6	22	22
Restructuring related charges (2)	6	-	10	1
Impairment of YFAI Investment (3)	358	-	358	-
US tax reform legislation at YFAI	-	-	8	-
Gain on previously held interest (4)	-	(151)	-	(151)
Adjusted equity income	$ 89	$ 103	$ 385	$ 394

1. Reflects amortization of intangible assets including those related to partially owned affiliates recorded within equity income.
2. Reflects non-qualified restructuring charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420 along with restructuring costs at partially owned affiliates recorded within equity income.
3. During the three months ended September 30, 2018, the Company recorded a non-cash pre-tax impairment charge related to its YFAI investment balance of $358 million (post-tax charge of $322 million). On-going performance issues within the YFAI business led Adient to perform an impairment analysis of its YFAI investment and resulted in the recognition of such impairment charge, which has been recorded within equity income
4. In 2017, an amendment to the rights agreement with a Seating affiliate in China was finalized, giving Adient control of the previously non-consolidated JV. Adient began consolidating the affiliate in July 2017 and was required to apply purchase accounting, including recognizing a gain on our previously held interest, which has been recorded in equity income.

Non-GAAP reconciliations
Adjusted Income before Income Taxes

Adjusted Income before Income Taxes

(in $ millions)	Three Months Ended September 30						Twelve Months Ended September 30					
	2018			2017			2018			2017		
	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate
As reported	$ (1,079)	$ 256	-23.7%	$ 356	$ (5)	-1.4%	$ (1,121)	$ 480	-42.8%	$ 1,061	$ 99	9.3%
Adjustments	1,193	(286)	-24.0%	(93)	32	-34.4%	1,747	(472)	-27.0%	51	50	98.0%
As adjusted	$ 114	$ (30)	-26.3%	$ 263	$ 27	10.3%	$ 626	$ 8	1.3%	$ 1,112	$ 149	13.4%

Segment Performance

(in $ millions)

Segment Performance

Q1 2017	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 3,692	$ 671	$ -	$ (337)	$ 4,026
Adjusted EBITDA	364	7	30	(31)	370
Adjusted EBITDA margin	9.9%	1.0%	N/A	N/A	9.2%
Adjusted Equity Income	60	9	30	-	99
Depreciation	49	34	-	-	83
Capex	111	71	-	25	207

Q1 2018	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 3,796	$ 718	$ -	$ (310)	$ 4,204
Adjusted EBITDA	355	(82)	25	(31)	267
Adjusted EBITDA margin	9.4%	-11.4%	N/A	N/A	6.4%
Adjusted Equity Income	72	12	25	-	109
Depreciation	52	41	-	3	96
Capex	72	71	-	-	143

Q2 2017	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 3,825	$ 756	$ -	$ (380)	$ 4,201
Adjusted EBITDA	398	40	22	(39)	421
Adjusted EBITDA margin	10.4%	5.3%	N/A	N/A	10.0%
Adjusted Equity Income	62	10	22	-	94
Depreciation	42	34	-	5	81
Capex	40	53	-	2	95

Q2 2018	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 4,132	$ 797	$ -	$ (333)	$ 4,596
Adjusted EBITDA	411	(34)	12	(26)	363
Adjusted EBITDA margin	9.9%	-4.3%	N/A	N/A	7.9%
Adjusted Equity Income	72	9	12	-	93
Depreciation	53	45	-	3	101
Capex	58	65	-	-	123

Q3 2017	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 3,620	$ 713	$ -	$ (326)	$ 4,007
Adjusted EBITDA	413	31	19	(39)	424
Adjusted EBITDA margin	11.4%	4.3%	N/A	N/A	10.6%
Adjusted Equity Income	70	9	19	-	98
Depreciation	45	37	-	2	84
Capex	59	56	-	-	115

Q3 2018	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 4,027	$ 783	$ -	$ (316)	$ 4,494
Adjusted EBITDA	344	(18)	19	(26)	319
Adjusted EBITDA margin	8.5%	-2.3%	N/A	N/A	7.1%
Adjusted Equity Income	67	8	19	-	94
Depreciation	53	46	-	4	103
Capex	75	63	-	-	138

Q4 2017	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 3,605	$ 670	$ -	$ (296)	$ 3,979
Adjusted EBITDA	403	4	22	(39)	390
Adjusted EBITDA margin	11.2%	0.6%	N/A	N/A	9.8%
Adjusted Equity Income	72	9	22	-	103
Depreciation	47	40	-	2	89
Capex	81	79	-	-	160

Q4 2018	Seating	SS&M	Interiors	Corporate / Recon Items	Consolidated
Net sales	$ 3,749	$ 705	$ -	$ (309)	$ 4,145
Adjusted EBITDA	301	(34)	6	(22)	251
Adjusted EBITDA margin	8.0%	-4.8%	N/A	N/A	6.1%
Adjusted Equity Income	68	15	6	-	89
Depreciation	52	47	-	1	100
Capex	76	56	-	-	132

Prior Period Results

	FY17 Actual					FY18 Actual				
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Full FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	Full FY18
Sales ($Mils.)	$ 4,026	$ 4,201	$ 4,007	$ 3,979	$ 16,213	$ 4,204	$ 4,596	$ 4,494	$ 4,145	$ 17,439
Adjusted EBIT	283	332	333	296	1,244	163	252	206	149	770
% of Sales	7.03%	7.90%	8.31%	7.44%	7.67%	3.88%	5.48%	4.58%	3.59%	4.42%
Adjusted EBITDA	370	421	424	390	1,605	267	363	319	251	1,200
% of Sales	9.19%	10.02%	10.58%	9.80%	9.90%	6.35%	7.90%	7.10%	6.06%	6.88%
Adj Equity Income	99	94	98	103	394	109	93	94	89	385
Adj EBIT Excl Equity	184	238	235	193	850	54	159	112	60	385
% of Sales	4.57%	5.67%	5.86%	4.85%	5.24%	1.28%	3.46%	2.49%	1.45%	2.21%
Adj EBITDA Excl Equity	271	327	326	287	1,211	158	270	225	162	815
% of Sales	6.73%	7.78%	8.14%	7.21%	7.47%	3.76%	5.87%	5.01%	3.91%	4.67%