



FY 2023 Fourth Quarter **Earnings Call**

November 8, 2023

Important Information



Adjent 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 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" 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 Ukraine conflict and its impact on the regional and global economies and additional pressure on supply chains and vehicle production, 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, work stoppages, including due to supply chain disruptions and similar events, energy and commodity availability and prices, the company's ability and timing of customer recoveries for increased input costs, the availability of raw materials and component products (including components required by our customers for the manufacture of vehicles (i.e., semiconductors)), whether deleveraging activities may yield additional value for shareholders at all or on the same or different terms as those described herein, the ability of Adient to execute its turnaround plan, 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, the ability of Adient to achieve its ESG-related goals, 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, 2022 filed with the U.S. Securities and Exchange Commission (the "SEC") on November 22, 2022, 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 FY2023 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

Jerome Dorlack

Executive VP and CFO

> Q&A

FY2023 Fourth Quarter Earnings Call

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Finishing the year strong; delivering on our commitments



- > Adient finished the year strong despite labor-related production disruptions at certain of the company's customers in North America
 - > Although the production disruptions occurred in the final days of FY23, the company acted quickly to implement cost containment and cash conservation measures to lessen the negative impact
- > Remaining focused on executing Adient's strategy which is underpinned by operational excellence – enabled the company to achieve its FY23 financial commitment of delivering improved earnings, margin and FCF vs last year
- > Adient's successes in FY23 extend beyond the company's strong financial performance, including:
 - > Exceptional execution of the day-to-day processes (launch execution, cost/operational improvement, etc.)
 - > Ability to strengthen the company's market position and supplier of choice status as evidenced by:
 - > Significant new business wins (including BEV and ICE platforms)
 - > Multiple customer and industry awards such as GM Supplier Excellence Awards; Multiple JD Power awards -- Mass Market Truck/Van segment, Mass Market Midsize/Large Car segment, numerous Seating Quality Awards from JD Power in China; Toyota Best Performance Supplier Award; Honda Supplier Sustainability Award

Key Q4FY23 Financial Metrics

Consolidated	~\$3.7B
Revenue	(up 2% y-o-y)
AdjEBITDA	\$235M (up \$8m y-o-y)
Cash Balance	\$1.1B ¹ (at September 30, 2023)
Gross Debt and Net Debt	~\$2.5B and ~\$1.4B, respectively

 1 - Given the uncertainty of work stoppages at certain Adient customers (both the timing and magnitude of lost production),
 Adient executed actions to preserve cash and liquidity

Managing the here and now -- UAW strike impact



Near term financial impact to Adient

 FY23
 FY24
 1

 Sales
 ~\$30M
 ~\$125M

 Adj.-EBITDA
 <\$5M</th>
 ~\$25M

Longer term concerns

- > Ability of supply chain to restart production effectively/efficiently (labor shortages, financial wellness of tier "N" suppliers, etc.)
- > Temporary support to financially challenged lower tier supply base
- > Repercussions of increased labor costs at the D3
 - > Aggressive cost cutting / "share the pain" mentality
 - > Ability to contain product / portfolio plans
 - > Ability to compete against lower cost manufacturers (i.e., new entrant / Chinese manufacturers)

Actions taken to mitigate the impact

- Cash conservation mode
 - > Strong year-end cash / liquidity
 - > Reduced / eliminated non-discretionary spending
 - Short term layoff for disrupted production employees
 - > Voluntary layoffs and mandatory vacation for salaried employees
- > Other efficiency actions
 - Pull ahead of plant maintenance activities, including general plant maintenance, painting, cleaning
 - > Redeployment of salaried employees to support other customer programs or Adient facilities
 - Accelerated training schedule

1 - Estimated impact through November 3, 2023

Similar to prior external obstacles, Adient developed risk assessment and contingency plans to address the company's exposure, which lessened any potential impact

Adient's focused strategy leverages a firm foundation to navigate through external challenges while driving the business forward



Tenets of Adient's focused strategy:



Leading supplier focused on automotive seating



Strengthening our leading position



Creating a sustainable future together



Driving operational and financial improvements



Embracing and leveraging a shift in industry dynamics

These enabled strong business and financial performance in **FY23**

- > In **FY24** and beyond, Adient will adapt to an evolving auto industry (balance and timing of EV transition)
- > Influences driving this evolution include:
 - > Pricing and affordability of EVs (vs. ICE) among factors influencing pace of adoption
 - > Traditional OEM re-timing EV launches to align with demand
 - > Expected growth and influence of the Chinese domestic auto manufacturers
 - > Yesterday's winners are not necessarily tomorrow's winners
 - > New China platforms have "leapfrogged" traditional vehicles (in innovation and cost as well as perception)
 - > Access to technology and innovation global partnerships vs. inhouse capabilities
 - Cost matters: Need to compete in a cost-driven market (new players and new business models)

Adient's processes, which focus on asset reuse and flexibility, enable the company to meet ICE or EV production requirements

Favorable trends suggest seating content growth will continue



- > Historically, Adient sales have outpaced global vehicle production growth by about ~150 bps ¹
- Key factors driving outperformance in recent quarters are largely attributed to customer/product mix, new business wins in China where significant vertical integration -- including JIT, foam, trim, and safety features -- is captured
- > Longer-term, as Advanced Driver Assist Systems (ADAS) and Comfort features become more prevalent, seating content is expected to grow faster than vehicle production as OEMs adopt these innovative new interior configurations and features
- > The question of increased revenue is moving from "if" to "when" it will be realized

Favorable trends in China today that are expected to cascade into other regions

- China is bringing a concept to the market of what a vehicle could be that is very different from traditional OEMs -- with focus on electronic functionality, ADAS, and interior configuration around creature comfort
- > Adient's zero gravity seat, built to balance the ultimate in comfort with safety in mind, is an example of the kind of innovation that these new players are generating
- > Speed has become more important than scale as the environment is highly dynamic and innovation is key
- Execution matters -- our customers cannot afford bad launches, especially in the emerging stages of brand reputation building

1 - Management estimates of outperformance in FY21-FY23 based on third party production volume estimates

In process and upcoming launches:



Adient continues to successfully launch new and replacement business at a very high level



Toyota Tacoma Americas



Ford Mustang
Americas



Toyota Revo/Fortuner APAC



HYCAN G08 China

New EV customer
Seat system designed
and developed by
Adient with hidden
storage function on
3rd row seat



Changan E12 China Seat designed and developed by Adient Chongqing includes 8-way adjust front seats, zero gravity seat in rear

- Continued focus on process discipline remains the foundation driving the business forward -- delivering excellent results for customers and cementing Adient's supplier of choice status
 - > Adient continues to launch products safely, on time, and with the highest level of quality.

Launch volume and complexity FY24 vs. FY23									
	Volume	Complexity							
Americas	•								
EMEA									
China ¹	•	•							
Asia (excl. China)	•	•							

1 - Consolidated operations

Strengthening our leading position and solidifying supplier of choice status



- > Adient continues to win new and replacement business across geographies and powertrains -- both ICE and EV
 - > EV wins particularly strong in China with new entrants; Adient business wins aligned with market trend of Chinese manufacturers outperforming foreign competition
 - > Adient continues to expect its customer mix in China to increase to 60% domestic Chinese manufacturers within the next 3-5 years (from 40% today ¹)
- > Strong launch execution and engineering expertise are enablers in sourcing decisions



Nissan Elgrand
Complete Seat
Foam, Trim, Metals



Toyota New BEV Complete Seat Foam, Trim, Metals



Toyota BZ5X
Complete Seat
Foam, Trim, Metals



Looking forward...



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- > The accomplishments achieved in FY23, which include but are not limited to, significant program wins, high quality launches, actions to further reduce costs, and progress towards executing the company's enhanced capital allocation plan enables Adient to enter FY24 from a position of strength
- > The positive momentum is expected to continue in FY24 driving further expansion of earnings and margin
 - > The team is committed to improving business performance y-o-y, a key enabler to earnings growth
- > Similar to prior years Adient will navigate external challenges
 - > Adient's resolve and focused strategy is expected to enable the company to navigate through foreseen and unforeseen external challenges (i.e., increasing labor costs, negative impact of currency movements, etc.)
- > With a solid foundation in place and further improvements expected, Adient will continue to execute its balanced capital allocation plan – driving increased value to the company's stakeholders
 - > Future FCF is expected to be balanced between internal growth projects, share repurchases, voluntary high-cost debt paydown and potential / opportunistic inorganic growth opportunities



Driving the business forward while executing a balanced capital allocation plan underpins the company's commitment to enhance value for Adient's stakeholders

Financial Review

FY2023 Fourth Quarter



Q4 FY2023 Key Financials



		As Re	por	ted			,	As A	As Adjusted ¹	
millions, except per share data	Q4 FY23			Q4 FY22	Q4 FY23		Q4 FY23	Q4 FY23	Q4 FY23 Q4 FY22	
Consolidated Revenue	\$	3,729	\$	3,650			\$	\$ 3,729	\$ 3,729 \$	\$ 3,729 \$ 3,650
EBIT	\$	140	\$	138			\$	\$ 150	\$ 150 \$	\$ 150 \$ 144
Margin		3.8%		3.8%				4.0%	4.0%	4.0%
EBITDA		N/A		N/A			\$	\$ 235	\$ 235 \$	\$ 235 \$ 227
Margin								6.3%	6.3%	6.3%
Memo: Equity Income ²	\$	27	\$	19			\$	\$ 24	\$ 24 \$	\$ 24 \$ 21
Net Financing Charges	\$	46	\$	43			\$	\$ 46	\$ 46 \$	\$ 46 \$ 38
Tax Expense	\$	(84)	\$	29			\$	\$ 31	\$ 31 \$	\$ 31 \$ 29
Net Income (Loss)	\$	135	\$	45			\$	\$ 48	\$ 48 \$	\$ 48 \$ 51
EPS Diluted	\$	1.42	\$	0.47			\$	\$ 0.51	\$ 0.51 \$	\$ 0.51 \$ 0.53

¹⁻On an adjusted basis, see appendix for detail and reconciliation to U.S. GAAP

²⁻Equity income included in EBIT and EBITDA

NM-Measure not meaningful metric or comparison

FY2023 Full Year Key Financials



A william and a second and a second	As Reported				As Adjusted ¹				
\$ millions, except per share data	FY23	FY22				FY23			
Consolidated Revenue	\$ 15,395	\$	14,121	'	\$	15,395	\$		
EBIT	\$ 523	\$	259		\$	614	\$		
Margin	3.4%		1.8%			4.0%			
EBITDA	N/A		N/A		\$	938	\$		
Margin						6.1%			
Memo: Equity Income ²	\$ 84	\$	75		\$	90	\$		
Net Financing Charges	\$ 195	\$	215		\$	184	\$		
Tax Expense	\$ -	\$	94		\$	123	\$		
Net Income (Loss)	\$ 205	\$	(120)		\$	205	\$		
EPS Diluted	\$ 2.15	\$	(1.27)		\$	2.15	\$		

NM-Measure not meaningful metric or comparison

¹⁻On an adjusted basis, see appendix for detail and reconciliation to U.S. GAAP

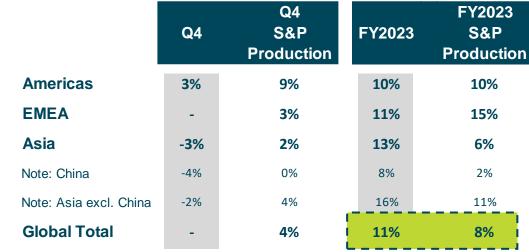
²⁻Equity income included in EBIT and EBITDA

Q4 FY2023 Revenue: Consolidated and Unconsolidated Sales



Regional Performance







- > Americas sales were in line with the market
- > Planned program exits from low profit vehicle platforms resulted in EMEA sales lower than overall market production
- > China sales performance outgrew the market by 600 basis points, driven by customer mix and roll on of certain new business wins in the region
- > Asia outside China also demonstrated strong outperformance, benefiting from conquest wins and improved volumes on model year refreshes
- 1 FX Adjusted

consolidated

2 - Excludes Russian market production





Pricing

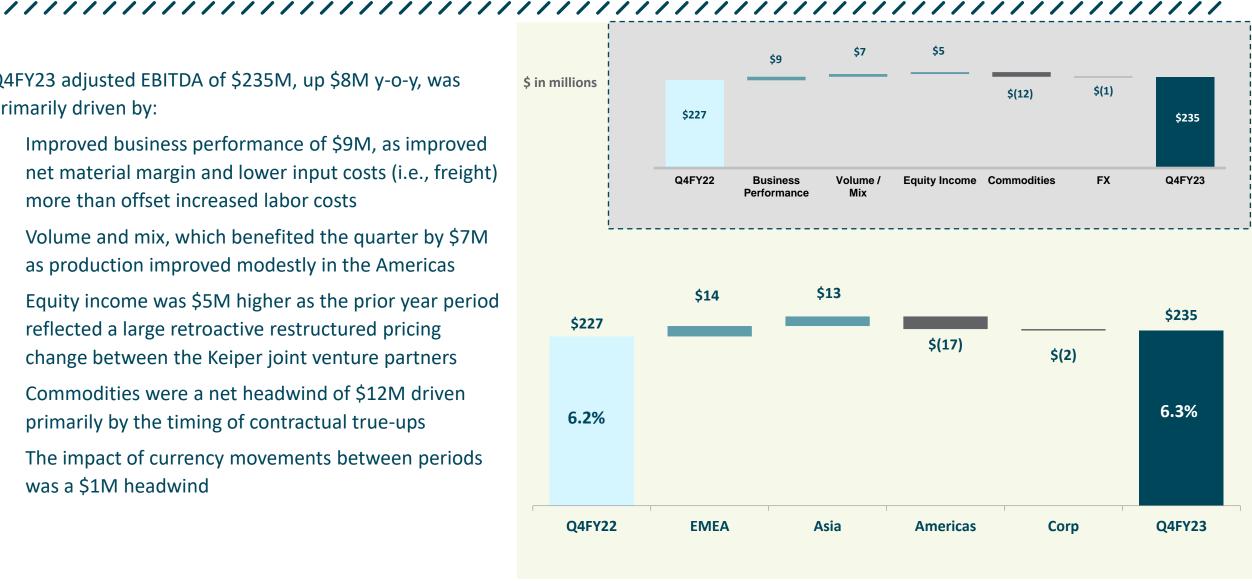
1 - FX adjusted

Q4 FY23 Adjusted-EBITDA



Q4FY23 adjusted EBITDA of \$235M, up \$8M y-o-y, was primarily driven by:

- Improved business performance of \$9M, as improved net material margin and lower input costs (i.e., freight) more than offset increased labor costs
- Volume and mix, which benefited the quarter by \$7M as production improved modestly in the Americas
- Equity income was \$5M higher as the prior year period reflected a large retroactive restructured pricing change between the Keiper joint venture partners
- Commodities were a net headwind of \$12M driven primarily by the timing of contractual true-ups
- The impact of currency movements between periods was a \$1M headwind



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



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Free Cash Flow

(in \$ millions)	Q4	FY23	YTD	Q4 FY22	YTD
Adjusted-EBITDA (Excl. Equity income)	\$	211	\$ 848	\$ 206	\$ 587
Dividends received from partially owned non-					
consolidated affiliates		20	\$ 56	62	89
Restructuring		(11)	(60)	(9)	(57)
Net Customer Tooling		(7)	(47)	32	(4)
Trade Working Capital (Net AR/AP + Inventory)		58	37	(15)	(21)
Accrued Compensation		16	57	2	(43)
Interest paid		(38)	(145)	(58)	(192)
Taxes paid		(20)	(94)	(14)	(77)
Non-income related taxes (VAT)		9	4	-	33
Commercial settlements		51	87	31	(35)
Capitalized Engineering		(8)	(33)	(4)	29
Prepaids		32	(9)	22	15
Other		(19)	(34)	(19)	(50)
Operating Cash flow	\$	294	\$ 667	\$ 236	\$ 274
CapEx ¹		(75)	(252)	(57)	(227)
Free Cash flow	\$	219	\$ 415	\$ 179	\$ 47

^{1 -} CapEx by segment for the quarter: Americas \$24M, EMEA \$30M, Asia \$21M

△ Key drivers impacting FY23 FCF:

- (+) Higher consolidated y-o-y earnings (driven by improved volumes and incrementally improving production environment)
- (+) Lower level of total debt and timing of interest payments resulting in lower YTD interest paid (deferral of interest payment related to March 2023 refinancing)
- (+) Typical month-to-month working capital movements
- (+) Timing and temporary compensation related benefits
- (-) Timing of VAT deferred payments and refunds
- (-) Timing of tooling recoveries
- (-) Engineering in support of launch activities

Memo: At Sep. 30, 2023, ~\$171M of factored receivables (vs. ~\$269M at Sep. 30, 2022). Adient uses various global factoring programs as a low-cost source of liquidity.

Debt and capital structure



(\$ in millions)	9/3	80/2023
Cash & Debt Profile	Ar	mount
Cash & Cash Equivalents	\$	1,110
ABL Revolver, incl. FILO due 2027 ¹		-
Term Loan B due 2028		635
7.000% Secured Notes due 2028		500
Total Secured Debt		1,135
3.50% Notes (€123mm) due 2024		130
4.875% Notes due 2026		795
8.250% Notes due 2031		500
Other LT debt		4
Other Bank Borrowings		2
Deferred issuance costs		(31)
Total Debt		2,535

¹ Subject to ABL borrowing base availability. As of September 30, 2023, there were no draws outstanding and approximately \$899 million was available under the ABL Credit Agreement.

	Net Debt		
(in \$ millions)	_	ember 30 2023	ember 30 2022
Cash	\$	1,110	\$ 947
Total Debt		2,535	2,578
Net Debt	\$	1,425	\$ 1,631

- > Total liquidity of ~\$2.0B at September 30, 2023 (cash on hand of ~\$1.1B and ~\$900M of undrawn capacity under the revolving line of credit)
 - > Given uncertainty related to timing of work stoppages at certain of Adient's customers, Adient prudently conserved cash to ensure adequate liquidity
- Adient's strong cash and liquidity position provides flexibility and agility to navigate through production disruptions resulting from strike actions at the company's customers
- > Adient's net leverage ratio on a TTM basis is 1.5x, within the targeted range of 1.5x-2.0x ²
 - 2 See appendix for reconciliation to non-GAAP metrics

Given the company's strong and flexible balance sheet, a significant opportunity exists for return of capital to shareholders as uncertainty surrounding the production environment lessens

Financial Outlook

FY 2024



Key assumptions



Sales / Volume

Sales and volume projections are generally underpinned by October S&P estimates

Adj. EBITDA

Adjusted EBITDA is expected to benefit from continued business performance and volume recovery, more than offsetting the significant currency headwinds anticipated in FY24

Business performance, underpinned by day-to-day operational execution, is expected to drive the business forward

Key production assumptions

(October S&P Global estimates)

(units in millions)	FY24 Plan	FY23 S&P actual	у-о-у Δ	FY24 Sales y-o-y % (FX adj.)
N. America	15.6	15.5	1%	1%
Europe	16.4	16.4	Flat	-%
China	28.0	27.3	3%	14%
Global	88.7	87.8	1%	2%

Note: Light vehicle production only

FX

Key currencies	FY24 Forecast
Euro	\$1.06 /€
Chinese RMB	¥7.29/\$
Mexican Peso	~18.0 / \$

Expected influences on Adient's key financial metrics in FY24



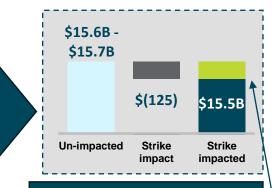


REVENUE (pre-strike):

- > Increased volume & mix expected to drive Adient sales up by ~2% in FY24 vs. last year generally inline with October S&P forecast
 - > Significant growth over market expected in China; Europe and North America generally in-line with S&P forecast
- > FX anticipated to be an approximate \$180M headwind y-o-y, partially offsetting the benefit of volume & mix (primarily driven by translational impacts of Chinese RMB, Euro and European cross-currencies)

EBITDA (pre-strike):

- > Improved EBITDA and margin expected in FY24 vs. FY23 driven by improved business performance and volume, and to a lesser extent, an approximate \$10M benefit from net material economics
- > FX expected to pressure earnings by ~\$60M or 30 bps, driven in part by the transactional impact of the Mexican peso
- > Equity income expected to be about \$20M lower vs. FY23, primarily driven by additional pricing agreement revisions between Keiper's JV partners (which benefits regional EBITDA), timing of customer related activities (i.e., commercial and launch) and to a lesser extent, the non-recurrence of one-time benefits recognized in FY23
- > Minor footprint actions in Europe and "fine tuning" of China operations (i.e., deconsolidation of Langfang) result in \$(20)M impact



Estimated strike impact on FY24 revenue of ~\$125M ¹.

Potential strike related volume recovery. Adient to provide updates as FY24 progresses with regard to strike related volume recovery



Estimated strike impact on FY24
EBITDA of ~\$25M ¹

FY24 Outlook – key financial metrics



Consolidated sales	Unimpacted ~\$15.6B-\$15.7B * \$125M known strike impact through 11/3
AdjEBITDA	Unimpacted ~\$1,010M * \$25M known strike impact through 11/3
Equity income Incl. in AdjEBITDA	~\$70M
Interest expense	~\$185M
Cash taxes	~\$105M
Сарех	~\$310M
Free cash flow	~\$300M

- Equity income reset to a new baseline primarily driven by additional pricing agreement revisions between Keiper's JV partners (which benefits regional EBITDA) and timing of customer related activities (i.e., commercial and launch)
- > Interest expense forecast at ~\$185M based on the company's debt and cash position (cash interest expected at ~\$195M)
- > Cash taxes forecast at ~\$105M
- > Capital expenditures primarily driven by customer launch plans and intense focus on reusability where appropriate
- > Free cash flow forecast at ~\$300M

Adient expects earnings and margin growth in FY24 vs FY23 -- underpinned by continued improvement in business performance

November 3, 2023 of ~\$125M and ~\$25M, respectively. Adient to provide updates as FY24 progresses with regard to strike related sales and Adj.-EBITDA recovery

^{*} Expected FY24 plan prior to strike related work stoppages

Appendix and financial reconciliations

FY 2023 Fourth Quarter

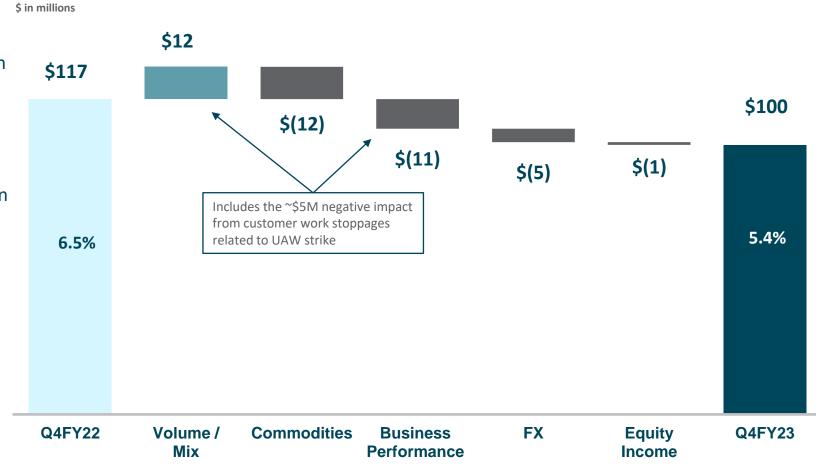


Q4 FY23 Adjusted-EBITDA: Americas



Q4FY23 of \$100M, down \$17M y-o-y, driven by:

- Improved volume and mix of \$12M resulting from continued improving customer production was a partial offset to the headwinds (despite the impact of work stoppages at certain customers late in the quarter)
- Commodities were an approximately \$12M headwind as the timing of recoveries more than offset lower gross costs
- > Lower business performance of \$11M (primarily resulting from non-recurrence of prior period benefits related to insurance recoveries and austerity measures), increased labor and overhead costs, as well the timing of customer launches
- > FX headwinds of \$5M negatively impacted the quarter (USD/MXN)

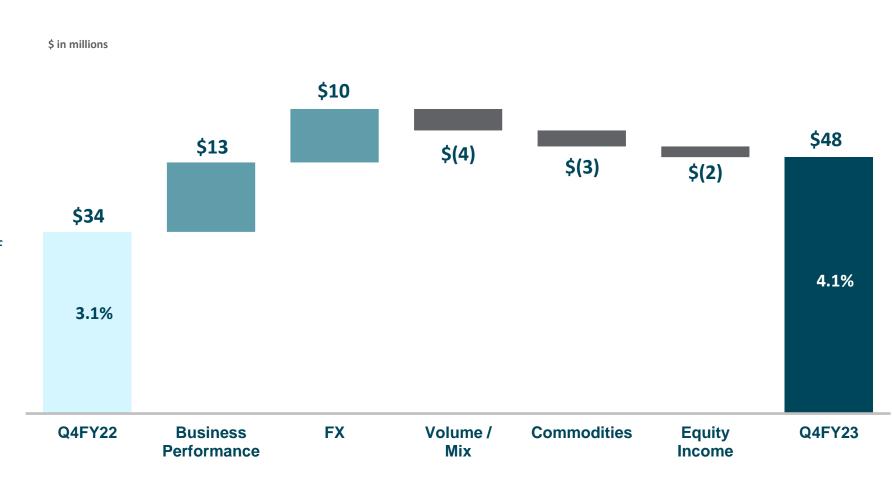


Q4 FY23 Adjusted-EBITDA: EMEA



Q4FY23 of \$48M, up \$14M y-o-y, driven by:

- > Improved business performance of \$13M, driven by:
 - Improved net material margin and lower input costs (i.e., freight)
 - Partially offsetting these improvements within business performance were labor and overhead cost increases and timing of customer launches
- > FX benefited the quarter by \$10M
- Volume and mix was a \$4M headwind resulting from planned program exits
- > Lower gross commodities costs were more than offset by timing of recoveries resulting in \$3M net cost impact
- > Equity income was lower by \$2M

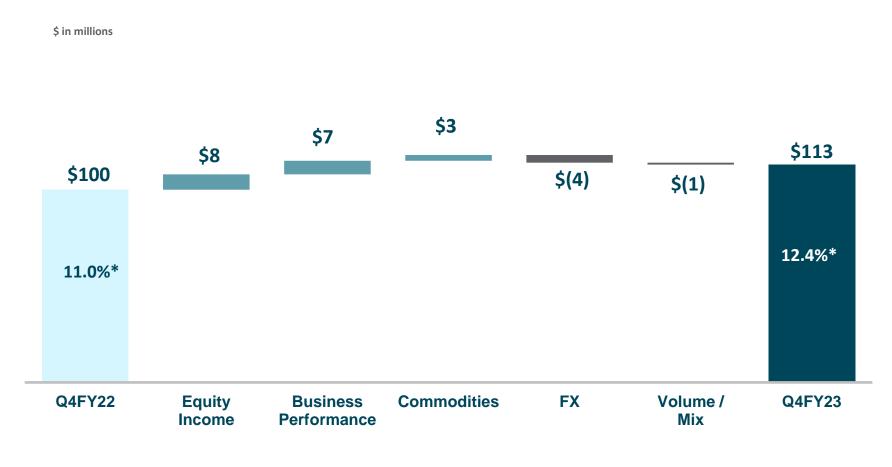


Q4 FY23 Adjusted-EBITDA: Asia



Q4FY23 of \$113M, up \$13M y-o-y, driven by:

- Higher equity income of \$8M as the prior period reflected a large retroactive restructured pricing change between the Keiper joint venture partners
- > Business performance was improved by \$7M as improved net material margin, lower freight costs, and improved launch costs more than offset higher labor and overhead
- > Commodity costs were improved by \$2M as gross costs were slightly lower
- > FX was a \$4M headwind within the quarter
- Volume and mix negatively impacted the quarter by \$1M



^{*} Margins printed above are excluding equity income. When including equity income, margins of 12.6% and 15.1% for Q4FY22 and Q4FY23, respectively.

Non-GAAP financial measurements and pro-forma reconciliations



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, Net debt and Net leverage ratio 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.

Net leverage ratio is calculated as net debt divided by LTM Adjusted EBITDA.

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



		Three	months en	ded Septem	ber 30			Twelv	e months en	ded Septem	nber 30	
		2023			2022			2023			2022	
(in \$ millions)	GAAP	Adj.	Adjusted	GAAP	Adj.	Adjusted	GAAP	Adj.	Adjusted	GAAP	Adj.	Adjusted
Net sales	\$ 3,729	\$ -	\$ 3,729	\$ 3,650	\$ -	\$ 3,650	\$ 15,395	\$ -	\$ 15,395	\$ 14,121	\$ -	\$ 14,121
Cost of sales (1)	3,479	-	3,479	3,367	29	3,396	14,362	(2)	14,360	13,314	26	13,340
Gross profit	250	-	250	283	(29)	254	1,033	2	1,035	807	(26)	781
Selling, general and administrative expenses (2)	127	(3)	124	159	(28)	131	554	(43)	511	598	(77)	521
Restructuring and impairment costs (3)	10	(10)	-	5	(5)	-	40	(40)	-	25	(25)	-
Equity income (loss) (4)	27	(3)	24	19	2	21	84	6	90	75	13	88
Earnings (loss) before interest and income taxes (EBIT)	\$ 140	10	\$ 150	\$ 138	6	\$ 144	\$ 523	91	\$ 614	\$ 259	89	\$ 348
Ebit margin:	3.8%		4.0%	3.8%		3.9%	3.4%		4.0%	1.8%		2.5%
Ebit margin excluding Equity Income:	3.0%		3.4%	3.3%		3.4%	2.9%		3.4%	1.3%		1.8%
Memo accounts:			7.0			75			200			200
Depreciation			76 9			75 8			290 34			298 29
Stock based compensation costs Adjusted EBITDA			\$ 235			\$ 227			\$ 938			\$ 675
Adjusted EBITDA Adjusted EBITDA margin:			6.3%			6.2%			\$ 938 6.1%			4.8%
Adjusted EBITDA margin excluding Equity Income:			5.7%			5.6%			5.5%			4.2%
Adjusted Estastitudigit excluding Equity meetic.		Three	months en	ded Septem	ber 30	5.070		Twelv	e months en	ded Septem	ber 30	
		2023			2022			2023			2022	
Purchase accounting amortization		\$ -	=		\$ -			\$ (1)	=		\$ (1)	
Restructuring related charges		(1)			-			(5)			(4)	
Brazil indirect tax recoveries		1			29			4			32	
Other		-			-			-			(1)	
¹ Cost of sales adjustment		\$ -			\$ 29			\$ (2)			\$ 26	
Purchase accounting amortization		\$ (12)			\$ (12)			\$ (49)			\$ (51)	
Gain on sale of restructured facility		10			-			10			-	
Restructuring related charges		(1)			(1)			(1)			(1)	
Transaction costs		-			(1)			(3)			(8)	
Non-recurring contract related settlement		-			(14)			-			(14)	
Other		-			-			-			(3)	
² Selling, general and administrative adjustment		\$ (3)			\$ (28)			\$ (43)			\$ (77)	
Restructuring charges		\$ (10)			\$ (3)			\$ (40)			\$ (15)	
Held for sale asset adjustments		-			-			-			(6)	
Impairment charge associated with Russian operations		-			(2)			-			(4)	
³ Restructuring and impairment costs		\$ (10)			\$ (5)			\$ (40)			\$ (25)	
Purchase accounting amortization		\$ 1			\$ 1			\$ 2			\$ 2	
Gain on sale of certain assets at affiliates in China		(4)			(7)			(4)			(7)	
Restructuring related charges		-			-			2			1	
(Gain) loss on sale / impairment of nonconsolidated partially-												
owned affiliates		-			1			6			10	
Customer termination charge			1		7			_	1		7	
⁴ Equity income adjustment		\$ (3)			\$ 2			\$ 6			\$ 13	

Non-GAAP Reconciliations - Adjusted Net Income and Adjusted EPS Adjusted Net Income

Adjusted Diluted EPS

	Three Month				hs Ended		
			Septen				
			2023		2022		
Diluted earnings (loss) per share as reported		\$	1.42	\$	0.47		
Restructuring and impairment costs ⁽¹⁾			0.11		0.05		
Purchase accounting amortization (2)			0.14		0.14		
Restructuring related activities (3)			(0.08)		0.01		
Pension mark-to-market and settlement (gain) loss (4)			0.20		(0.03)		
Write off of deferred financing costs upon repurchase of debt ⁽⁵⁾			-		0.01		
Derivative loss on China transactions ⁽⁵⁾			-		-		
Foreign exchange loss on intercompany loan in Russia (5)			-		-		
Premium paid on repurchase of debt ⁽⁵⁾			-		0.04		
Other items ⁽⁶⁾			(0.05)		(0.14)		
Impact of adjustments on noncontrolling interests (7)			(0.01)		(0.02)		
Tax impact of above adjustments and other tax items (8)			(1.22)		-		
Adjusted diluted earnings (loss) per share		\$	0.51	\$	0.53		

Three Monti	ns Ended	
Septemb	er 30	
2023	2022	
\$ 135	\$ 45	Diluted earnings (loss) pe
10	5	Restructuring and impair
13	13	Purchase accounting am
(8)	1	Restructuring related act
19	(3)	Pension mark-to-market
-	1	Write off of deferred fin
-	-	Derivative loss on China
-	-	Foreign exchange loss or
-	4	Premium paid on repurch
(5)	(13)	Other items ⁽⁶⁾
(1)	(2)	Impact of adjustments o
(115)	-	Tax impact of above adju
\$ 48	\$ 51	Adjusted diluted earnings
Three Montl	ns Ended	
	September 2023	\$ 135 \$ 45 10 5 13 13 (8) 1 19 (3) - 1 - 4 (5) (13) (1) (2) (115) -

	·····ce ····o···ciis ziiae					
		Septen	nber 30)		
	2	023	20	22		
structuring related charges	\$	(10)	\$	(3)		
eld for sale and other asset adjustments		-		-		
pairment charge associated with Russian operations		-		(2)		
qualified restructuring charges for costs that are directly attributable to						
structuring activities and meet the definition of restructuring under ASC 420 and						
e-time asset impairment	\$	(10)	\$	(5)		
taflects amortization of intangible assets including those related to partially owned	affilia	tes reco	rded v	vithin a		

•		' '-'	- /
² Reflects amortization of intangible assets includin	g those related to partiall	y owned affiliates recorded with	in equity income

\$ (2) \$ (1)

\$ (19) \$ 3

(14)

Gain on sale of restructured facility
³ Non-qualified restructuring charges for costs that are directly attributable to
restructuring related activities, but do not meet the definition of restructuring
under ASC 420 along with a gain on sale of a restructured facility in the America's
sagment for three and twelve month anded Sentember 20, 2022

Mark-to-market adjustment gain (loss)

One-time settlement and curtailment gain (loss)

Restructuring related charges

Other

Adjustments to other pension expense (income)	
remium paid on repurchase of debt	

write off of deferred financing charges upon repurchase of debi
Derivative loss on China transactions
Foreign exchange loss on intercompany loan in Russia

oreign exchange loss on intercompany loan in Russia	-	
Adjustments to net financing charges	\$ -	\$
ransaction costs	\$ -	\$
razil indirect tax recoveries	1	
on-recurring contract related settlement	-	
ne-time divestiture gain at an affiliate	4	
ass on sale / impairment of ponsonsolidated partially owned affiliates		

⁶ Other items

⁷ Reflects the impacts of adjustments, primarily purchase accounting an	nortization and changes in	income tax r	ates, on noncontrolling interests
Tax rate change	\$ -	\$ -	
Brazil indirect tax recoveries	-	(7)	
Valuation allowances	112	8	
Amortization	1	1	
Pension curtailment loss	1	-	
Other reconciling items	1	(2)	
⁶ Adjustments to income tax provision (benefit)	\$ 115	\$ -	



Non-GAAP Reconciliations - Adjusted Net Income and Adjusted EPS

ed Net Income		Adjusted Diluted EPS
	Twelve Months Ended	

,	Twelve Months		·	Twelve Mor	
(in \$ millions)	September 2023	2022		Septem 2023	2022
Net income (loss) attributable to Adient	\$ 205 \$	(120)	Diluted earnings (loss) per share as reported	\$ 2.15	\$ (1.27)
Restructuring and impairment costs (1)	40	25	Restructuring and impairment costs (1)	0.42	0.26
Purchase accounting amortization (2)	52	54	Purchase accounting amortization (2)	0.55	0.58
Restructuring related activities (3)	(2)	6	Restructuring related activities (3)	(0.02)	0.06
Pension mark-to-market and settlement (gain) loss (4)	27	(6)	Pension mark-to-market and settlement (gain) loss (4)	0.28	(0.06)
Write off of deferred financing costs upon repurchase of debt (5)	4	8	Write off of deferred financing costs upon repurchase of debt (5)	0.04	0.08
Derivative loss on China transactions (5)	-	3	Derivative loss on China transactions ⁽⁵⁾	-	0.03
Foreign exchange loss on intercompany loan in Russia (5)	-	3	Foreign exchange loss on intercompany loan in Russia (5)	-	0.03
Premium paid on repurchase of debt ⁽⁵⁾	7	38	Premium paid on repurchase of debt ⁽⁵⁾	0.07	0.40
Other items ⁽⁶⁾	1	4	Other items ⁽⁶⁾	0.01	0.04
Impact of adjustments on noncontrolling interests (7)	(6)	(7)	Impact of adjustments on noncontrolling interests (7)	(0.06)	(0.07)
Tax impact of above adjustments and other tax items ⁽⁸⁾	(123)	3	Tax impact of above adjustments and other tax items (8)	(1.29)	0.03
Adjusted net income (loss) attributable to Adient	\$ 205 \$	11	Adjusted diluted earnings (loss) per share	\$ 2.15	\$ 0.11
	Twelve Months	Ended			

		elve Mo Septer 023	nber 3		
Restructuring related charges	\$	(40)	\$	(15)	
Held for sale and other asset adjustments		-		(6)	
Impairment charge associated with Russian operations		-		(4)	
¹ Qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420 and one-time asset impairment	\$	(40)	\$	(25)	
² Reflects amortization of intangible assets including those related to partially owner	d affilia	ates reco	orded	within e	equity income
Restructuring related charges	\$	(8)	\$	(6)	

Gain on sale of restructured facility 10 -3

Non-qualified restructuring charges for costs that are directly attributable to restructuring related activities, but do not meet the definition of restructuring under ASC 420 along with a gain on sale of a restructured facility in the America's segment for three and twelve month ended September 30, 2023 \$ (5)

Mark-to-market adjustment gain (loss) \$ (19) \$ 7

One-time settlement and curtailment gain (loss) \$ (8) (1)

Adjustments to other pension expense (income) \$ (27) \$ 6

Other

Premium paid on repurchase of debt (7) Write off of deferred financing charges upon repurchase of debt (8) (3) Derivative loss on China transactions Foreign exchange loss on intercompany loan in Russia (3) 5 Adjustments to net financing charges Transaction costs (3) Brazil indirect tax recoveries 32 Non-recurring contract related settlement (14) One-time divestiture gain at an affiliate Loss on sale / impairment of nonconsolidated partially-owned affiliates

 6 Other items
 \$ (1)
 \$ (4)

 7 Reflects the impacts of adjustments, primarily purchase accounting amortization and changes in income tax rates, on noncontrolling interests. Tax rate change
 \$ 2 \$ 4

 Brazil indirect tax recoveries
 111
 (4)

 Valuation allowances
 111
 (4)

 Amortization
 6
 7

 Pension curtailment loss
 3

 Other reconciling items
 3
 (6)

 6 Adjustments to income tax provision (benefit)
 \$ 123
 \$ (3)





(4)

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



Adjusted EBITDA excluding Equity Income

Adjusted Income before Income Taxes

		Three Months Ended September 30									Twelve Months Ended September 30						
(in \$ millions)		202	23			202	2			202	3			2022			
	Income	e (loss)			Income (lo	oss)											
	before I	ncome Tax	impact	Effective	before Inco	ome Tax i	mpact	Effective	Income	before Tax	impact	Effective	Incom	e before Tax in	npact	Effective	
	Tax	ces .		tax rate	Taxes			tax rate	Income	Taxes		tax rate	Incom	ne Taxes		tax rate	
As reported	\$	73 \$	(84)	NM	\$	99 \$	29	29.3%	\$	295 \$	-	-%	\$	54 \$	94	NM	
Adjustments ⁽¹⁾		29	115	NM		8	-	-%		129	123	95.3%		135	(3)	-2.2%	
As adjusted	\$	102 \$	31	30.4%	\$	107 \$	29	27.1%	\$	424 \$	123	29.0%	\$	189 \$	91	48.1%	

	20
Tax rate change	\$
Brazil indirect tax recoveries	
Valuation allowances	
Amortization	
Pension curtailment loss	
Other reconciling items	
κ provision (benefit) adjustment	\$

Т	Three Months Ended September 30								
2023		2	022						
\$ -		\$	-						
-		,	(7)						
112			8						
1			1						
1			-						
1	_		(2)						
\$ 115		\$	-						

Τv	welve Months Ended September 30	
2023		2022
-		4
-		(4)
111		(4)
6		7
3		-
3		(6)
\$ 123	\$	(3)
		•

NM - Measure not meaningful

Adj.-EBITDA ex. Equity Income

	Three months ended September 30			Twelve months ended September 30				
(in \$ millions)		2023		2022		2023		2022
Adjusted EBITDA	\$	235	\$	227	\$	938	\$	675
Less: Adjusted Equity Income		24		21		90		88
Adjusted EBITDA Excluding Adjusted Equity Income	\$	211	\$	206	\$	848	\$	587
% of Sales		5.8%		5.6%		6.0%		4.2%

Non-GAAP Reconciliations - Consolidated and Unconsolidated sales fiscal year 2022 and net leverage

Unconsolidated Sales (FX adjusted)

(in \$ millions)								
Unconsolidated Net Sales	Q1	Q2		Q3		Q4	FY2	022
As reported	\$ 1,208	\$	916	\$	869	\$ 1,046	\$	4,039
FX Impact	(138)		(56)		(42)	(46)		(282)
FX Adjusted	1 070		860		827	1 000		3 757

Consolidated Sales (FX adjusted)

(in \$ millions)					
Consolidated Net Sales	Q1	Q2	Q3	Q4	FY2022
As reported	\$ 3,480	\$ 3,506	\$ 3,485	\$ 3,650	\$ 14,121
FX Impact	(211)	(113)	(26)	49	\$ (301)
FX Adjusted	3,269	3,393	3,459	3,699	13,820

Net Leverage

(in \$ millions)		FY2	022				FY2	023		
	 Q1	 Q2		Q3	 Q4	 Q1	 Q2		Q3	 Q4
AdjEBITDA	\$ 146	\$ 159	\$	143	\$ 227	\$ 212	\$ 215	\$	276	\$ 235
Cash (Excl ABL Draw)	2,080	1,118		892	947	901	826		908	1,110
Total Debt	3,656	2,936		2,727	2,578	2,640	2,534		2,534	2,535
Net Debt	\$ 1,576	\$ 1,818	\$	1,835	\$ 1,631	\$ 1,739	\$ 1,708	\$	1,626	\$ 1,425
LTM EBITDA	\$ 685	\$ 541	\$	566	\$ 675	\$ 741	\$ 797	\$	930	\$ 938
Reported Net Leverage	2.30	3.36		3.24	2.42	2.35	2.14		1.75	1.52

Segment Performance



Net Sales Adjusted EBITDA Adjusted Equity Income Depreciation Capex

Q1 2022									
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated					
1,498	1,230	784	(32)	3,480					
9	43	114	(20)	146					
(1)	(1)	36	-	34					
31	31	13	-	75					
23	24	13	-	60					

Q1 2023										
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated						
1,724	1,182	821	(28)	3,699						
69	28	138	(23)	212						
1	3	23	-	27						
34	25	10	-	69						
37	14	10	-	61						

Net Sales Adjusted EBITDA Adjusted Equity Income Depreciation Capex

		Q2 2022		
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
1,596	1,218	723	(31)	3,506
46	30	105	(22)	159
1	-	16	-	17
32	31	13	-	76
27	18	12	-	57

Q2 2023										
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated						
1,761	1,401	774	(24)	3,912						
72	53	113	(23)	215						
1	3	8	-	12						
32	27	12	-	71						
26	19	11	-	56						

Net Sales Adjusted EBITDA Adjusted Equity Income Depreciation Capex

		Q3 2022		
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
1,673	1,215	627	(30)	3,485
70	31	64	(22)	143
(1)	6	11	-	16
32	27	13	-	72
22	17	14	-	53

	Q3 2023				
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated	
1,900	1,438	742	(25)	4,055	
95	103	100	(22)	276	
1	6	20	-	27	
33	27	14	-	74	
27	18	15	-	60	

Net Sales Adjusted EBITDA Adjusted Equity Income Depreciation Capex

Q4 2022				
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
1,790	1,101	792	(33)	3,650
117	34	100	(24)	227
1	7	13	-	21
35	27	13	-	75
32	14	11	-	57

Q4 2023				
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
1,835	1,174	748	(28)	3,729
101	48	113	(26)	235
-	4	20	-	24
34	28	14	-	76
24	30	21	-	75

Net Sales Adjusted EBITDA Adjusted Equity Income Depreciation Capex

YTD 2022					
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated	
6,557	4,764	2,926	(126)	14,121	
242	138	383	(88)	675	
-	12	76	-	88	
130	116	52	-	298	
104	73	50	-	227	

YTD 2023					
Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated	
7,220	5,195	3,085	(105)	15,395	
337	232	464	(94)	938	
3	16	71	-	90	
133	107	50	-	290	
114	81	57	-	252	