PRESS RELEASE

August 5, 2022

Adient reports third quarter 2022 financial results

- Q3 GAAP net loss and EPS diluted of $(30)M and $(0.32), respectively; Q3 Adj.-EPS diluted of $0.08
- Q3 Adj.-EBITDA of $143M, up $25M y-o-y (up $18M when adjusting for portfolio actions executed in FY21)
- Strong cash and cash equivalents of $892M at June 30, 2022; total liquidity of ~$1.7B at June 30, 2022
- Gross debt and net debt totaled ~$2.7B and ~$1.8B, respectively, at June 30, 2022

Q3 FY 2022 FINANCIAL RESULTS OVERVIEW

	REVENUE	EBIT	NET INCOME/(LOSS) attributable to Adient	EPS DILUTED
AS REPORTED	**$3,485M**	**$35M**	**$(30)M**	**$(0.32)**
vs. Q3 21	7 %	(20) %	NM	NM
vs. pro forma adj.[1]	2 %			

	ADJ. EBIT	ADJ. EBITDA	ADJ. NET INCOME/(LOSS) attributable to Adient	ADJ. EPS DILUTED
AS ADJUSTED	**$64M**	**$143M**	**$8M**	**$0.08**
vs. Q3 21	73 %	21 %	NM	NM
vs. pro forma adj.[1]		14 %		

[1]Q3FY21 Revenue and Adj.-EBITDA (pro forma adjusted for portfolio actions executed in FY21) totaled $3,425M and $125M, respectively (see appendix for details)

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

NM — Not a meaningful comparison

DRIVING FORWARD IN A CHALLENGING ENVIRONMENT

Adient continues to proactively manage through numerous external factors including significantly lower industry volumes (and resulting operating inefficiencies) and rising input costs (i.e., freight, utility, labor), all of which continue to impact the industry and the company's near-term results. Although the company is successfully executing actions designed to lessen the impact of these headwinds (such as implementing structural cost actions, collaborating with its customers to reduce material costs, opportunistically using alternative ports for ocean freight, etc.), the negative pressures had a significant impact on Adient's Q3 results. For the most recent quarter, lower volume, temporary operating inefficiencies, and increased input costs weighed on results by about $175M. Adient's Q3FY22 Adj.-EBITDA totaled $143M, up $18M compared to Q3FY21 Adj.-EBITDA adjusted for portfolio actions executed in FY21. Adj.-EBITDA and margin excluding equity income totaled $127M and 3.6 %, respectively.

STRONG CASH AND LIQUIDITY

Adient's cash and cash equivalents totaled $892M at June 30, 2022 (total liquidity of ~$1.7B). During the quarter, the company used approximately €135.7M in cash to fully repay its European Investment Bank Loan (principal and accrued interest). Adient's capital structure transformation remains solidly on track with over $860M of debt principal repaid through the first three quarters of fiscal 2022.

CUSTOMER RECOGNITION DEMONSTRATES OPERATIONAL EXCELLENCE

Adient's commitment to providing its customers with world-class seating solutions, underpinned by the company's focus on maintaining an inclusive and diverse culture, was recognized with a number of customer and industry awards this quarter. These included **Changan Ford's 2021 Excellent Supplier Award; WBENC's Top Corporation Resiliency Award** for the company's "unwavering commitment to Women's Business Enterprises"; **WEConnect's 2022 Top Global Supplier Diversity & Inclusion Award** for Adient's work in Mexico sourcing to women business enterprises (WBEs) in collaboration with customer Ford; and employees named Automotive News Rising Stars in automotive in both the Americas and EMEA regions.

"Adient's unwavering focus on executing our plan despite many challenging factors impacting the automotive industry continues to drive the company forward and strengthen our competitive position."

— Doug Del Grosso, President and Chief Executive Officer

SEGMENT RESULTS (ADJUSTED EBITDA*)

	Americas		EMEA		Asia
Q3 22	Q3 21	**Q3 22**	Q3 21	**Q3 22**	Q3 21
$70M	~~$23M~~ $23M[1] (pro forma adj.)	**$31M**	~~$22M~~ $21M[1] (pro forma adj.)	**$64M**	~~$92M~~ $100M[1] (pro forma adj.)

Americas: For the quarter vs. Q3FY21 pro forma adjusted, the y-o-y increase was driven by improved volume and mix which resulted from modestly improved customer production schedules, improved business performance, and favorable net commodities and FX.

EMEA: For the quarter vs. Q3FY21 pro forma adjusted, the y-o-y increase was driven by favorable commodity recoveries and an improvement in equity income. These benefits were generally offset by the impacts of lower volume and mix, increased utilities costs, labor and overhead, freight costs and FX. Volume and mix were negatively impacted by the macro factors in Europe.

Asia: For the quarter vs. Q3FY21 pro forma adjusted, the y-o-y decrease was driven by lower volume and mix (impacted by the widespread COVID lockdowns in China), negative business performance (primarily increased freight costs and launch/ops waste/tooling headwinds) and lower equity income (driven by lower volumes).

[1]Pro forma adjusted for portfolio actions executed in FY21 (see appendix for details).
*On an adjusted basis. For complete details and to see reconciliation of non-GAAP measures to their most directly comparable GAAP measures refer to the appendix. Segment Adj.-EBITDA for Americas, EMEA, and Asia does not contain certain corporate costs that are not allocated back to the operations.

CASH FLOW & BALANCE SHEET

	YTD 22*	YTD 21*		06/30/22	09/30/21
OPERATING CASH FLOW	**$38M**	$362M	CASH & CASH EQUIVALENTS	**$892M**	$1,521M
CAPITAL EXPENDITURES	**$(170)M**	$(186)M	TOTAL DEBT	**$2,727M**	$3,696M
FREE CASH FLOW	**$(132)M**	$176M	NET DEBT	**$1,835M**	$2,175M

*Free Cash Flow Q3FY22 of $(30)M, Q3FY21 of $162M
For non-GAAP and adjusted results, see appendix for detail and reconciliation to U.S. GAAP

"With approximately $860M of debt paydown executed so far in FY22 and total liquidity of approximately $1.7B at June 30, 2022, Adient is successfully balancing its commitment to strengthen the company's balance sheet while maintaining ample liquidity to navigate through the challenging operating environment."

— Jeff Stafeil, Executive Vice President and Chief Financial Officer

Q3 KEY OPERATING METRICS

		Q3 22	Q3 21	
SALES	CONSOLIDATED	**$3,485M**	$3,242M	Q3FY22 revenue up approximately 7 % y-o-y, or 2 % compared with Q3FY21 pro forma results. Increase primarily driven by improved volume and material economic recoveries, partially offset by the negative impact of FX.
SALES	UNCONSOLIDATED	**$869M**	$1,966M	Unconsolidated sales impacted by portfolio actions executed in FY21 and lower volumes (driven by the widespread COVID lockdowns in China).
	ADJUSTED EQUITY INCOME*	**$16M**	$39M	Q3FY22 equity income impacted by lower volumes (driven by the widespread COVID lockdowns in China) and the impact of portfolio actions implemented in FY21.
	ADJUSTED INTEREST EXPENSE*	**$37M**	$49M	In line with company expectations given Adient's debt and cash position.
	ADJUSTED INCOME TAX EXPENSE*	**$9M**	$17M	Adjusted income tax expense in line with internal expectations given the geographic composition of the company's earnings and significant valuation allowances in certain jurisdictions.

*On an adjusted basis. For complete details and to see reconciliation of non-GAAP measures to their most directly comparable GAAP measures, refer to the appendix.

LOOKING FORWARD — FY2022 OUTLOOK

Updated to reflect Adient's YTD results through June 30, 2022, planned debt paydown and current market conditions (including expected negative impact of FX on sales and adj.-EBITDA)

Consolidated sales	**~$14.0B** Prior: ~$14.2B	**Interest expense**	**~$160M** No change
Adj.-EBITDA	**~$640M - $660M** Prior: Significantly lower (>$100M) vs. FY21 pro forma results of $810M	**Cash tax**	**~$80M** No change
Equity income (included in Adj.-EBITDA)	**~$85M** Prior: ~$75M	**Capital expenditures**	**~$250M - $275M** Prior: ~$300M - $325M

Despite encouraging signs that began to emerge in late Q3FY22, such as the lifting of widespread COVID lockdowns in China and softening steel prices, the company expects numerous external factors including challenged industry volumes (and resulting operating inefficiencies), increased input costs (i.e., energy, freight, labor) and the negative impact of FX will continue to influence the industry and Adient's near term results (i.e., next one – two quarters, diminishing as FY23 progresses).

ADIENT'S COMMITMENT TO SUSTAINABILITY

Creating a sustainable future **together**

Adient is committed to a long-term sustainable transformation that not only limits the impact our business has on the planet, but also focuses on social and economic change to create a better environment for everyone.

The company is off to a solid start in this ESG journey. Accomplishments include completing 728 projects that generated electrical savings of nearly 30,000 MWh and prevented roughly 5,300 tons of CO_2e from entering the atmosphere; partnering with our OEM customers to showcase Adient's sustainability initiatives to their teams; launching CO_2 product improvements in foam and plastics; and illustrating how reducing CO_2 emissions in the seat manufacturing process can increase the value of Adient's offerings.

Adient's management team provided the company's current and prospective investors with an update on these initiatives during a recent investor conference in New York. Download the presentation here. Among the topics discussed was our focus on deforestation. Although seating surface materials such as leather are directed by Adient's customers, the company provides sustainable seat solutions that demonstrate our commitment to deforestation. We look forward to continuing these efforts with our customers, suppliers and employees.

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ADIENT

Adient (NYSE: ADNT) is a global leader in automotive seating. With approximately 75,000 employees in 33 countries, Adient operates 208 manufacturing/assembly plants worldwide. Adient produces and delivers automotive seating for all major OEMs. From complete seating systems to individual components, Adient's expertise spans every step of the automotive seat-making process. Adient's integrated, in-house skills allow it to take its products from research and design to engineering and manufacturing — and into more than 20 million vehicles every year. For more information on Adient, please visit **www.adient.com.**

Cautionary Statement Regarding Forward-Looking Statements:

Adient has made statements in this document that are forward-looking and, therefore, are subject to risks and uncertainties. All statements in this document other than statements of historical fact are statements that are, or could be, deemed "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding Adient's expectations for 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 widespread COVID lockdowns in China and their impact on regional, 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 (particularly steel) prices, 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, currency exchange rates and cancellation of or changes to commercial arrangements, and the ability of Adient to identify, recruit and retain key leadership. A detailed discussion of risks related to Adient's business is included in the section entitled "Risk Factors" in Adient's Annual Report on Form 10-K for the fiscal year ended September 30, 2021 filed with the U.S. Securities and Exchange Commission (the "SEC") on November 23, 2021, Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 2021, filed with the SEC on February 4, 2022, Quarterly Report on Form 10-Q for the Quarterly Period ended March 31, 2022, filed with the SEC on May 5, 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.

Use of Non-GAAP Financial Information:

This document also contains non-GAAP financial information because Adient's management believes it may assist investors in evaluating Adient's on-going operations. Adient believes these non-GAAP disclosures provide important supplemental information to management and investors regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. A reconciliation of non-GAAP measures to their closest GAAP equivalent are included in the appendix. Reconciliations of non- GAAP measures related to FY2022 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Adient plc
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended June 30,	
(in millions, except per share data)	2022	2021
Net sales	$ 3,485	$ 3,242
Cost of sales	3,312	3,092
Gross profit	173	150
Selling, general and administrative expenses	142	136
Restructuring and impairment costs	12	8
Equity income (loss)	16	38
Earnings (loss) before interest and income taxes	35	44
Net financing charges	39	87
Other pension expense (income)	(4)	(4)
Income (loss) before income taxes	—	(39)
Income tax provision (benefit)	20	10
Net income (loss)	(20)	(49)
Income attributable to noncontrolling interests	10	22
Net income (loss) attributable to Adient	$ (30)	$ (71)
Diluted earnings (loss) per share	$ (0.32)	$ (0.75)
Shares outstanding at period end	94.8	94.2
Diluted weighted average shares	94.8	94.2

Adient plc
Condensed Consolidated Statements of Financial Position
(Unaudited)

(in millions)	June 30, 2022	September 30, 2021
Assets		
Cash and cash equivalents	$ 892	$ 1,521
Accounts receivable - net	1,761	1,426
Inventories	953	976
Assets held for sale	—	49
Other current assets	456	1,114
Current assets	4,062	5,086
Property, plant and equipment - net	1,443	1,607
Goodwill	2,122	2,212
Other intangible assets - net	504	555
Investments in partially-owned affiliates	348	335
Assets held for sale	7	25
Other noncurrent assets	829	958
Total assets	$ 9,315	$ 10,778
Liabilities and Shareholders' Equity		
Short-term debt	$ 20	$ 184
Accounts payable and accrued expenses	2,697	2,519
Liabilities held for sale	—	16
Other current liabilities	670	792
Current liabilities	3,387	3,511
Long-term debt	2,707	3,512
Other noncurrent liabilities	723	797
Redeemable noncontrolling interests	45	240
Shareholders' equity attributable to Adient	2,123	2,376
Noncontrolling interests	330	342
Total liabilities and shareholders' equity	$ 9,315	$ 10,778

Adient plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
Operating Activities		
Net income (loss) attributable to Adient	$ (30)	$ (71)
Income attributable to noncontrolling interests	10	22
Net income (loss)	(20)	(49)
Adjustments to reconcile net income (loss) to cash provided (used) by operating activities:		
Depreciation	72	71
Amortization of intangibles	14	10
Pension and postretirement benefit expense (benefit)	(3)	(1)
Pension and postretirement contributions, net	(7)	(6)
Equity in earnings of partially-owned affiliates, net of dividends received	10	245
Deferred income taxes	13	(2)
Non-cash restructuring and impairment charges	1	1
Equity-based compensation	7	10
Other	—	8
Changes in assets and liabilities:		
Receivables	(83)	315
Inventories	8	(87)
Other assets	7	14
Restructuring reserves	(11)	(23)
Accounts payable and accrued liabilities	37	(277)
Accrued income taxes	(22)	(7)
Cash provided (used) by operating activities	23	222
Investing Activities		
Capital expenditures	(53)	(60)
Sale of property, plant and equipment	6	11
Business acquisitions	(13)	(271)
Proceeds from business divestitures	—	53
Settlement of an affiliate loan	—	15
Cash provided (used) by investing activities	(60)	(252)
Financing Activities		
Increase (decrease) in short-term debt	—	30
Increase (decrease) in long-term debt	—	214
Repayment of long-term debt	(144)	(185)
Debt financing costs	—	(7)
Dividends paid to noncontrolling interests	(3)	(7)
Other	—	(1)
Cash provided (used) by financing activities	(147)	44
Effect of exchange rate changes on cash and cash equivalents	(42)	—
Increase (decrease) in cash and cash equivalents, including cash classified within current assets held for sale	(226)	14
Less: Change in cash classified within current assets held for sale	—	2
Increase (decrease) in cash and cash equivalents	$ (226)	$ 16

Footnotes

1. Segment Results

Adient manages its business on a geographic basis and operates in the following three reportable segments for financial reporting purposes: 1) Americas, which is inclusive of North America and South America; 2) Europe, Middle East, and Africa ("EMEA") and 3) Asia Pacific/China ("Asia").

Adient evaluates the performance of its reportable segments using an adjusted EBITDA metric defined as income before income taxes and noncontrolling interests, excluding net financing charges, qualified restructuring and impairment costs, restructuring related-costs, net mark-to-market adjustments on pension and postretirement plans, transaction gains/losses, purchase accounting amortization, depreciation, stock-based compensation and other non-recurring items ("Adjusted EBITDA"). Also, certain corporate-related costs are not allocated to the segments. The reportable segments are consistent with how management views the markets served by Adient and reflect the financial information that is reviewed by its chief operating decision maker.

Financial information relating to Adient's reportable segments is as follows:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Net Sales		
Americas	$ 1,673	$ 1,440
EMEA	1,215	1,328
Asia	627	516
Eliminations	(30)	(42)
Total net sales	$ 3,485	$ 3,242

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Adjusted EBITDA		
Americas	$ 70	$ 23
EMEA	31	22
Asia	64	92
Corporate-related costs (1)	(22)	(19)
Restructuring and impairment costs (2)	(12)	(8)
Purchase accounting amortization (3)	(14)	(11)
Restructuring related charges (4)	(1)	—
Stock based compensation	(7)	(10)
Depreciation	(72)	(71)
Other items (5)	(2)	26
Earnings (loss) before interest and income taxes	35	44
Net financing charges	(39)	(87)
Other pension income (expense)	4	4
Income (loss) before income taxes	$ —	$ (39)

Refer to the Footnote Addendum for footnote explanations.

2. Earnings Per Share

The following table reconciles the numerators and denominators used to calculate basic and diluted earnings (loss) per share:

	Three Months Ended June 30,	
(in millions, except per share data)	**2022**	**2021**
Income available to shareholders		
Net income (loss) attributable to Adient	$ (30)	$ (71)
Weighted average shares outstanding		
Basic weighted average shares outstanding	94.8	94.2
Effect of dilutive securities:		
Stock options, unvested restricted stock and unvested performance share awards	—	—
Diluted weighted average shares outstanding	94.8	94.2

Potentially dilutive securities whose effect would have been antidilutive are excluded from the computation of diluted earnings per share, which for the three months ended June 30, 2022 and 2021 is a result of being in a loss position.

3. Non-GAAP Measures

Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net income attributable to Adient, Adjusted effective tax rate, Adjusted earnings per share, Adjusted equity income, Adjusted interest expense, Free cash flow and Net debt as well as other measures presented on an adjusted basis are not recognized terms under U.S. GAAP and do not purport to be alternatives to the most comparable U.S. GAAP amounts. Since all companies do not use identical calculations, our definition and presentation of these measures may not be comparable to similarly titled measures reported by other companies. Management uses the identified non-GAAP measures to evaluate the operating performance of the Company and its business segments and to forecast future periods. Management believes these non-GAAP measures assist investors and other interested parties in evaluating Adient's on-going operations and provide important supplemental information to management and investors regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. Reconciliations of non-GAAP measures to their closest U.S. GAAP equivalent are presented below. Reconciliations of non-GAAP measures related to guidance for any future period have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

- Adjusted EBIT is defined as income before income taxes and noncontrolling interests excluding net financing charges, restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, other significant non-recurring items, and net mark-to-market adjustments on pension and postretirement plans. Adjusted EBIT margin is adjusted EBIT as a percentage of net sales.
- Adjusted EBITDA is defined as adjusted EBIT excluding depreciation and stock based compensation. Certain corporate-related costs are not allocated to the business segments in determining Adjusted EBITDA. Adjusted EBITDA margin is adjusted EBITDA as a percentage of net sales. Adjusted EBITDA excluding adjusted equity income, each as defined herein, is also presented.
- Adjusted net income attributable to Adient is defined as net income attributable to Adient excluding restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, expenses associated with becoming an independent company, other significant non-recurring items, net mark-to-market adjustments on pension and postretirement plans, the tax impact of these items and other discrete tax charges/benefits.
- Adjusted effective tax rate is defined as adjusted income tax provision as a percentage of adjusted income before income taxes.
- Adjusted earnings per share is defined as Adjusted net income attributable to Adient divided by diluted weighted average shares.
- Adjusted equity income is defined as equity income excluding amortization of Adient's intangible assets related to its non-consolidated joint ventures and other unusual or one-time items impacting equity income.
- Adjusted interest expense is defined as net financing charges excluding unusual or one-time items impacting interest expense.
- Free cash flow is defined as cash provided by operating activities less capital expenditures.
- Net debt is calculated as gross debt (short-term and long-term) less cash and cash equivalents.

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

- "Americas footprint actions" and "EMEA footprint actions" refer to miscellaneous closures / roll off of business.
- "EMEA deconsolidation" refers to sale of a metals business in Turkey effective October 1, 2021 to a nonconsolidated JV in which Adient retains a noncontrolling interest.
- "China strategic transaction" refers to the disposition of the YFAS JV and consolidation of CQADNT and LFADNT, all of which were effective on September 30, 2021.
- "China footprint actions" refers to divestitures of smaller, non-core businesses (i.e., remaining fabrics business and Futuris entity).

Summarized Income Statement Information

(Refer to the Footnote Addendum for footnote explanations and details of reconciling items between GAAP results and Adjusted results)

	Three Months Ended June 30,					
	2022			2021		
(in millions, except per share data)	GAAP Results	Adj.	Adjusted Results	GAAP Results	Adj.	Adjusted Results
Net sales	$ 3,485	$ —	$ 3,485	$ 3,242	$ —	$ 3,242
Cost of sales (6)	3,312	(2)	3,310	3,092	28	3,120
Gross profit	173	2	175	150	(28)	122
Selling, general and administrative expenses (7)	142	(15)	127	136	(12)	124
Restructuring and impairment costs (2)	12	(12)	—	8	(8)	—
Equity income (loss) (8)	16	—	16	38	1	39
Earnings (loss) before interest and income taxes (EBIT)	35	29	64	44	(7)	37
Memo accounts:						
Depreciation			72			71
Equity based compensation			7			10
Adjusted EBITDA			$ 143			$ 118
Net financing charges (9)	39	(2)	37	87	(38)	49
Other pension expense (income) (12)	(4)	3	(1)	(4)	1	(3)
Income (loss) before income taxes	—	28	28	(39)	30	(9)
Income tax provision (benefit) (10)	20	(11)	9	10	7	17
Net income (loss) attributable to Adient	(30)	38	8	(71)	21	(50)
Diluted earnings (loss) per share	(0.32)	0.40	0.08	(0.75)	0.22	(0.53)
Diluted weighted average shares	94.8	0.9	95.7	94.2	—	94.2

Segment Performance:

	Three months ended June 30, 2022				
	Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
Net sales	$ 1,673	$ 1,215	$ 627	$ (30)	$ 3,485
Adjusted EBITDA	$ 70	$ 31	$ 64	$ (22)	$ 143
Adjusted EBITDA margin	4.2 %	2.6 %	10.2 %	N/A	4.1 %

	Three months ended June 30, 2021				
	Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
Net sales	$ 1,440	$ 1,328	$ 516	$ (42)	$ 3,242
Adjusted EBITDA	$ 23	$ 22	$ 92	$ (19)	$ 118
Adjusted EBITDA margin	1.6 %	1.7 %	17.8 %	N/A	3.6 %

The following table presents adjusted EBITDA excluding adjusted equity income:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Adjusted EBITDA	$ 143	$ 118
Adjusted Equity Income	16	39
Adjusted EBITDA Excluding Adjusted Equity Income	$ 127	$ 79
% of Sales	3.6 %	2.4 %

The following table reconciles income (loss) before income taxes to adjusted income before income taxes and presents the related effective tax rate and adjusted effective tax rate:

	Three months ended June 30,					
	2022			2021		
(in millions, except effective tax rate)	**Income (loss) before income taxes**	**Tax impact**	**Effective tax rate**	**Income (loss) before income taxes**	**Tax impact**	**Effective tax rate**
As reported	$ —	$ 20	nm	$ (39)	$ 10	(25.6)%
Adjustments (10)	28	(11)	(39.3)%	30	7	23.3%
As adjusted	$ 28	$ 9	32.1%	$ (9)	$ 17	nm

The following table reconciles net income (loss) attributable to Adient to adjusted net income (loss) attributable to Adient:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Net income (loss) attributable to Adient	(30)	(71)
Restructuring and impairment costs	12	8
Purchase accounting amortization	14	11
Restructuring related charges	1	—
Pension mark-to-market and curtailment/settlement (gain)/loss (12)	(3)	(1)
Write off of deferred financing costs upon repurchase of debt (9)	—	10
Derivative loss on Yanfeng transaction (9)	—	24
Foreign exchange loss on intercompany loan in Russia (9)	2	—
Premium paid on repurchase of debt (9)	—	4
Other items (5)	2	(26)
Impact of adjustments on noncontrolling interests (11)	(1)	(2)
Tax impact of above adjustments and other tax items (10)	11	(7)
Adjusted net income (loss) attributable to Adient	$ 8	$ (50)

Refer to the Footnote Addendum for footnote explanations

The following table reconciles diluted earnings (loss) per share as reported to adjusted diluted earnings (loss) per share.

	Three Months Ended June 30,	
	2022	**2021**
Diluted earnings (loss) per share as reported	$ (0.32)	$ (0.75)
Restructuring and impairment costs	0.13	0.08
Purchase accounting amortization	0.15	0.12
Restructuring related charges	0.01	—
Pension mark-to-market and curtailment/settlement (gain)/loss (12)	(0.03)	(0.01)
Write off of deferred financing costs upon repurchase of debt (9)	—	0.11
Derivative loss on Yanfeng transaction (9)	—	0.25
Foreign exchange loss on intercompany loan in Russia (9)	0.02	—
Premium paid on repurchase of debt (9)	—	0.04
Other items (5)	0.02	(0.28)
Impact of adjustments on noncontrolling interests (11)	(0.01)	(0.02)
Tax impact of above adjustments and other tax items (10)	0.11	(0.07)
Adjusted diluted earnings (loss) per share	$ 0.08	$ (0.53)

The following table presents calculations of net debt:

(in millions)	**June 30, 2022**	**September 30, 2021**
Cash and cash equivalents	$ 892	$ 1,521
Total short-term and long-term debt	2,727	3,696
Net debt	$ 1,835	$ 2,175

The following table reconciles cash from operating activities to free cash flow:

	Three Months Ended June 30,		**Nine Months Ended June 30,**	
(in millions)	**2022**	**2021**	**2022**	**2021**
Cash provided (used) by operating activities	$ 23	$ 222	$ 38	$ 362
Capital expenditures	(53)	(60)	(170)	(186)
Free cash flow	$ (30)	$ 162	$ (132)	$ 176

The following table reconciles adjusted EBITDA excluding adjusted equity income to free cash flow:

	FY2022		**FY2021**	
(in millions)	**Q3**	**YTD**	**Q3**	**YTD**
Adjusted EBITDA excluding adjusted equity income	$ 127	$ 381	$ 79	$ 613
(+) Dividend	26	27	283	292
(-) Restructuring (cash)	(11)	(49)	(27)	(127)
(+/-) Net customer tooling	(15)	(36)	10	10
(+/-) Trade working capital (Net AR/AP + Inventory)	(57)	(6)	(60)	37
(+/-) Accrued compensation	2	(45)	27	35
(-) Interest paid	(23)	(134)	(48)	(184)
(+/-) Tax refund/taxes paid	(25)	(63)	(20)	(52)
(+/-) Non-income related taxes (VAT)	(20)	33	5	(73)
(+/-) Commercial settlements	(22)	(66)	(8)	(87)
(+/-) Capitalized engineering	31	33	(2)	11
(+/-) Prepaids	15	(8)	(1)	(31)
(+/-) Other	(5)	(29)	(16)	(82)
Operating cash flow	23	38	222	362
Capital expenditures	(53)	(170)	(60)	(186)
Free cash flow	$ (30)	$ (132)	$ 162	$ 176

Pro Forma Fiscal Year 2021 Reconciliations:

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

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

<u>Footnote Addendum</u>

(1) Corporate-related costs not allocated to the segments include executive office, communications, corporate development, legal and corporate finance.

(2) Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420 along with one-time asset impairment charges, as follows:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Restructuring charges	$ (13)	$ (8)
Held for sale asset adjustments	1	—
	$ (12)	$ (8)

(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 including restructuring costs at partially owned affiliates recorded within equity income.

(5) Other items include:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Transaction costs	$ (2)	$ (2)
Brazil indirect tax recoveries	1	28
Disposal of non-core assets	(1)	—
	$ (2)	$ 26

(6) The adjustments to cost of sales include:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Restructuring related charges	$ (1)	$ —
Brazil indirect tax recoveries	1	28
Purchase accounting amortization	(1)	—
Disposal of non-core assets	(1)	—
	$ (2)	$ 28

(7) The adjustments to selling, general and administrative costs include:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Purchase accounting amortization	$ (13)	$ (10)
Transaction costs	(2)	(2)
	$ (15)	$ (12)

(8) The adjustments to equity income include:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Purchase accounting amortization	—	1
	$ —	$ 1

(9) The adjustments to net financing charges to calculate adjusted interest expense include:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Derivative loss on Yanfeng transaction	$ —	$ (24)
Premium paid on repurchase of debt	—	(4)
Write off of deferred financing costs upon repurchase of debt	—	(10)
Foreign exchange loss on intercompany loan in Russia	(2)	—
	$ (2)	$ (38)

(10) The adjustments to income tax provision (benefit) include:

	Three Months Ended June 30,	
(in millions)	**2022**	**2021**
Benefits associated with restructuring and impairment charges	$ —	$ (2)
Brazil indirect tax recoveries	—	9
Withholding tax adjustments	—	(11)
Valuation allowances	12	—
Other reconciling items	(1)	(3)
	$ 11	$ (7)

(11) Reflects the impact of adjustments, primarily purchase accounting amortization on noncontrolling interests.

(12) During the three months ended June 30, 2022, Adient remeasured pension plans in the Americas and recorded a mark-to-market gain of $4 million and a curtailment loss of $1 million. During the three months ended June 30, 2021, Adient remeasured a pension plan in the Americas and recorded a mark-to-market gain of $1 million.