Adient to acquire Futuris

August 21, 2017

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Executive summary

- Adient signed a definitive agreement to acquire Futuris
- The transaction is valued at approximately $360 million, including the assumption of ~$18 million of net debt (subject to customary closing adjustments)
- Adient intends to fund the transaction with cash on hand
- The closing of the transaction is expected to occur by approximately September 30, 2017, subject to regulatory clearance
- Adient expects the transaction to be accretive to fiscal year 2018 adjusted earnings per share
- Adient does not expect this transaction will have an impact on the company’s corporate credit ratings

Futuris – Company overview & background

- Futuris is a designer and manufacturer of automotive seating
- Proven ability to differentiate with customers on complex, fully integrated, technologically advanced platforms
- Operates in U.S., Mexico, China, Thailand
- 15 facilities
- Major products include:
  - Seating: Full seating systems, seat frames, seat trim, headrests, armrests, seat bolsters
  - Interiors: Less than 10% of sales
- Headquartered in Oak Park, MI with 5,400+ associates worldwide

FUTURIS

Futuris customer profile

ADIENT

North America

TESLA

FCA
FIAT CHRYSLER AUTOMOBILES

GM

Ford

Asia Pacific

CHERY

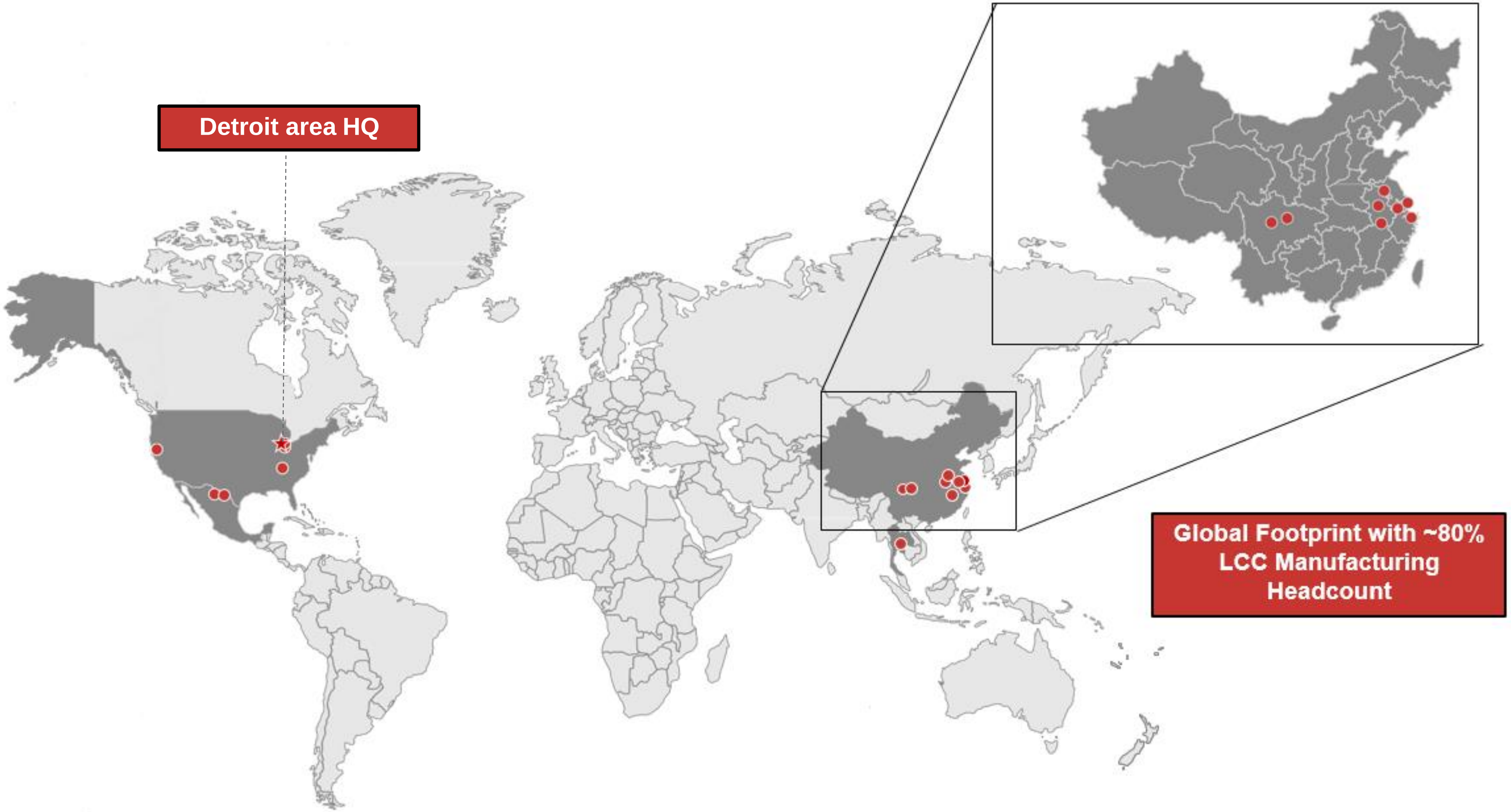
JAC
MOTORS

GEELY

BRILLIANCE

Ford

Futuris footprint



Strategic rationale

> **Geographic benefits**
- Increases Adient's exposure in faster growing markets: Asia (Thailand), China
- Expect positive contribution for North America (fills lost volume resulting from capital constraints prior to FY2015 and improves cost absorption)

> **Increases Adient's customer diversity**
- Futuris was the first mover on the West Coast
- China local brands

> **Substantial low risk cost synergies**
- Above plant SG&A
- Footprint consolidation
- Purchasing and logistics economies of scale
- Opportunity to vertically integrate

> **Increases Adient's capability in armrests and headrests**

Financial highlights

Valuation:

> The transaction is valued at ~$360 million, including the assumption of ~$18 million of net debt

> Excluding synergies – EV/EBITDA ~7X

> Including expected synergies – EV/EBITDA ~5X

Financial impact:

> 2018 sales estimated at $500 million (majority of sales in North America)

> Expected to be accretive to Adient's adjusted FY18 EPS

> Approximately $55 million of positive EBITDA benefit expected in FY18 (partial synergies achieved)

> Expect full synergy achievement to be realized in FY19, generating an additional ~ $20 million increase in EBITDA

> Expected to be cash flow neutral in year one due to synergy implementation costs; thereafter improvements in free cash flow expected in proportion to EBITDA contribution

See appendix for rationale for using non-GAAP measures such as net debt, EBITDA, and adjusted EPS

Key tenets of Adient's investment thesis

Market position:

- Broadest and most complete range of seating products
- Unparalleled and strengthening diversification (market, customer, platform)

Earnings growth:

- Lean and improving cost structure
- Upward trend in profitability (driven by SG&A opportunities and metals performance)

Cash generation:

- Proven record of generating substantial cash flow
- Cash generation expected to enhance shareholder value (profitable growth, debt prepayment, quarterly dividends, share repurchases)

In addition to being aligned with ADNT's investment thesis, this transaction accelerates revenue growth, earnings growth and value for our shareholders

Next steps

- **Deal subject to customary regulatory approvals, including antitrust approval**
- **Closing expected to occur by approximately September 30, 2017**

This transaction is a low risk opportunity to accelerate Adient's growth and create value for ADNT's shareholders

Questions

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Appendix

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Non-GAAP financial measurements

- EBITDA, Adjusted earnings per share, Free cash flow, Net debt, as well as other measures presented on an adjusted basis are not recognized terms under GAAP and do not purport to be alternatives to the most comparable 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.
- EBITDA, Adjusted earnings per share, Free cash flow, and Net debt are measures used by management to evaluate the operating performance of the company and its business segments to forecast future periods.
- Net debt is calculated as gross debt less cash and cash equivalents.