



FY2022 Third Quarter Earnings Call

August 5, 2022





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,” “plan” or “commit” 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.

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.

Agenda



> Introduction

Mark Oswald

VP, Treasurer & Investor Relations

> Business Update

Doug Del Grosso

President and CEO

> Financial Review

Jeff Stafeil

Executive VP and CFO

> Q&A

Remaining focused and executing our plan despite the challenging operating environment



External factors

- Despite encouraging signs certain negative external factors began to moderate toward the end of the quarter (i.e., lifting of the widespread COVID lockdowns in China and softening commodity prices), the ongoing supply chain disruptions (and resulting operating inefficiencies), increased input costs and labor availability / inflation continued to have a significant impact on the industry and Adient’s Q3FY22 results.
- > Q3FY22 results were impacted by roughly ~\$175M in lost volume and operating inefficiencies (including ~\$10M of temporary savings)
 - > Although production schedules are beginning to stabilize, customers continue to run below their stated (planned) output levels

Remaining focused

- Proactively managing through numerous external headwinds, while executing the company’s plan, positioning Adient for sustained success:
- > Flawless execution of the day-to-day processes (launch execution, cost/operational improvement, and customer profitability management)
 - > Implementing actions to mitigate the impact of prolonged supply chain disruptions and rising input costs including, but not limited to, reducing structural costs, collaborating with customers to reduce material costs and opportunistically using alternative ports to reduce ocean freight costs
 - > 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 (i.e., Changan Ford’s 2021 Excellent Supplier Award; WBENC’s Top Corporation Resiliency Award; WEConnect’s 2022 Top Global Supplier Diversity & Inclusion Award for Adient’s work in Mexico sourcing to women business enterprises (WBEs); GM’s Supplier Quality Excellence Award)

Key Q3FY22 Financial Metrics

Numerous external pressures continue to influence Adient’s near-term results.

| | |
|-------------------------|---|
| Consolidated Revenue | ~\$3.5B (up 7% y-o-y; up 2% vs. Q3FY21 pro forma) ¹ |
| Adj. EBITDA | \$143M ² (up \$25m y-o-y; up \$18m vs. Q3FY21 pro forma) ¹ |
| Cash Balance | \$892M (at June 30, 2022) |
| Gross Debt and Net Debt | ~\$2.7B and ~\$1.8B, respectively (repaid €134.5M EIB loan principal during the quarter) |

1 – Pro forma adjusted for portfolio actions executed in FY21, see appendix for detail
2 – For Non-GAAP and adjusted results, see appendix for detail and reconciliation to U.S. GAAP

Operating environment remains challenging



Adient operations performing well outside of temporary operating inefficiencies (inefficiencies continue to be driven by significantly reduced production volumes and hard to forecast production patterns at our customers)

Successfully executing actions within Adient’s control has further positioned the company to take advantage of an industry recovery

| Trending | Headwinds | Q3FY22 Impact* |
|---|--|--|
| <div>Conflict in Ukraine continues; widespread COVID lockdowns in China lifted (lessening risk of additional supply chain disruptions)</div> <div>Direct COVID costs stabilizing; freight and labor remain challenging, rising energy cost</div> <div>Recession fears (lower global growth forecasts) resulting in softening steel prices</div> | <div>> Supply chain disruptions (semiconductor and COVID related) resulting in production downtime and lost volume at many customers</div> <div>> Operating inefficiencies resulting from production stoppages</div> <div>> COVID-19 related costs</div> <div>> Inflationary pressures, specifically, increased freight costs, utilities, and labor</div> <div>> Material economics — steel and chemical prices remain elevated, though softening</div> <div>> Adient contracts limit risk for the remainder of FY22 (y-o-y benefit of ~\$15M in Q3FY22). Contracts to lock in FY23 supply to begin in the coming months</div> | <div>Revenue ~\$(600)M</div> <div>Adj.-EBITDA ~\$(175)M</div> <div>Adj.-EBITDA +~\$15M</div> |

*Management’s estimated impact to revenue and Adj.-EBITDA resulting from adverse key events (i.e., supply chain disruptions, COVID-19, lost volume, ocean bid, etc.)

Strengthening our leading position and remaining a supplier of choice

- > Adient continues to win new business -- across powertrains (ICE and EVs), components (foam, trim, metals, and complete seat), and customers (legacy and new entrants)
- > Balance in / balance out of new business, including additional vertical integration, expected to drive further margin improvement
- > The new Toyota EV program highlighted to the right is noteworthy for several reasons
 - > Great example of our ability to capture a high level of vertical integration, including JIT, metals and foam
 - > First time win for an Adient based structure with Toyota
 - > Demonstrates our ability to secure new metals business keeping intact our disciplined quoting philosophy, underpinned by margin and returns

Toyota New EV
Complete Seat
Foam, Metals



VW Tayron
Complete Seat
Trim



Geely LEVC EV
Complete Seat
Foam, Trim, Metals



Nio Orion
Complete Seat
Foam



In process and upcoming launches

Toyota Sequoia Americas



Program Highlights

- > This program contains a high level of vertical integration including foam, trim, and metals
- > Associated capex benefited from a large degree of capital re-use (i.e., third row seats leverage existing JIT footprint and manufacturing lines)
- > Engineering cost minimized through reduced part number proliferation across customer programs (i.e., front row seats are materially carried over from another platform)

Honda e:NP1 China



FAW-VW Sagitar China



Honda NES APAC



Ford Everest APAC



Advancing a sustainable future



- > We approach our operations with a sustainable mindset that drives continuous progress toward our ESG goals. Examples include:
 - **Sustainability workshops:** We work with all global customers (legacy and new entrants) to provide seating solutions that meet stringent targets for cost, sustainability and customer satisfaction; to date, we have conducted nearly two dozen workshops
 - **Carbon footprint tool:** We have developed a tool that shows the link between product engineering, manufacturing footprint and CO₂ intensity to give granular transparency into a product’s CO₂ improvement potential
 - **Deforestation actions:** Though seating surface materials are directed by our customers, we offer sustainable solutions such as plant-based leather alternatives that help decarbonize our products while minimizing our impact on deforestation; we are also finalizing our new deforestation policy
- > During the quarter, Adient’s management team updated current and prospective investors on these initiatives at a New York investor conference

Examples of leather alternatives

DESERTTEX®



- > Fibers from **cactus leaves**
- > In production in fashion and furniture
- > Cooperation with undisclosed OEM

AppleSkin™



- > ~20%-30% **apple** from fruit juice industry waste
- > Receiving positive feedback from customers

Adient is committed to a long-term sustainable transformation as well as social and economic changes that create a better environment for everyone



Well positioned entering FY2023



It appears one of two scenarios is likely to play out in FY23 *...

Scenario 1

- Global vehicle production **exceeds** FY22, although still below pre-COVID volumes
- Customers continue trend of improving operating efficiencies (i.e., run at rate)

Likely impact to Adient:

- Increased volume and more stable production expected to reduce temporary operating inefficiencies
- Result – improved earnings, margin, FCF vs. FY22

Scenario 2

- **Relatively flat** y-o-y production (shift from supply constrained to demand constrained environment)
- Customers increase focus on their operating inefficiencies (i.e., run at rate)

Likely impact to Adient:

- More stable production expected to reduce temporary operating inefficiencies
- Result – improved earnings, margin, FCF vs. FY22

Actions taken to lower FCF breakeven combined with an expected improved operating environment in 2023 should translate into improved earnings (margin) and FCF in a flat to higher production environment

> Adient operations performing well outside of temporary operating inefficiencies

- > Temporary operating inefficiencies impact on Adj.-EBITDA (excl. volume of ~\$400M and sticky costs of \$100M+) expected to total \$100M+ in FY22 primarily driven by customers not running at rate (OEM profits in 2022 driven via consumer pricing, not operational excellence)

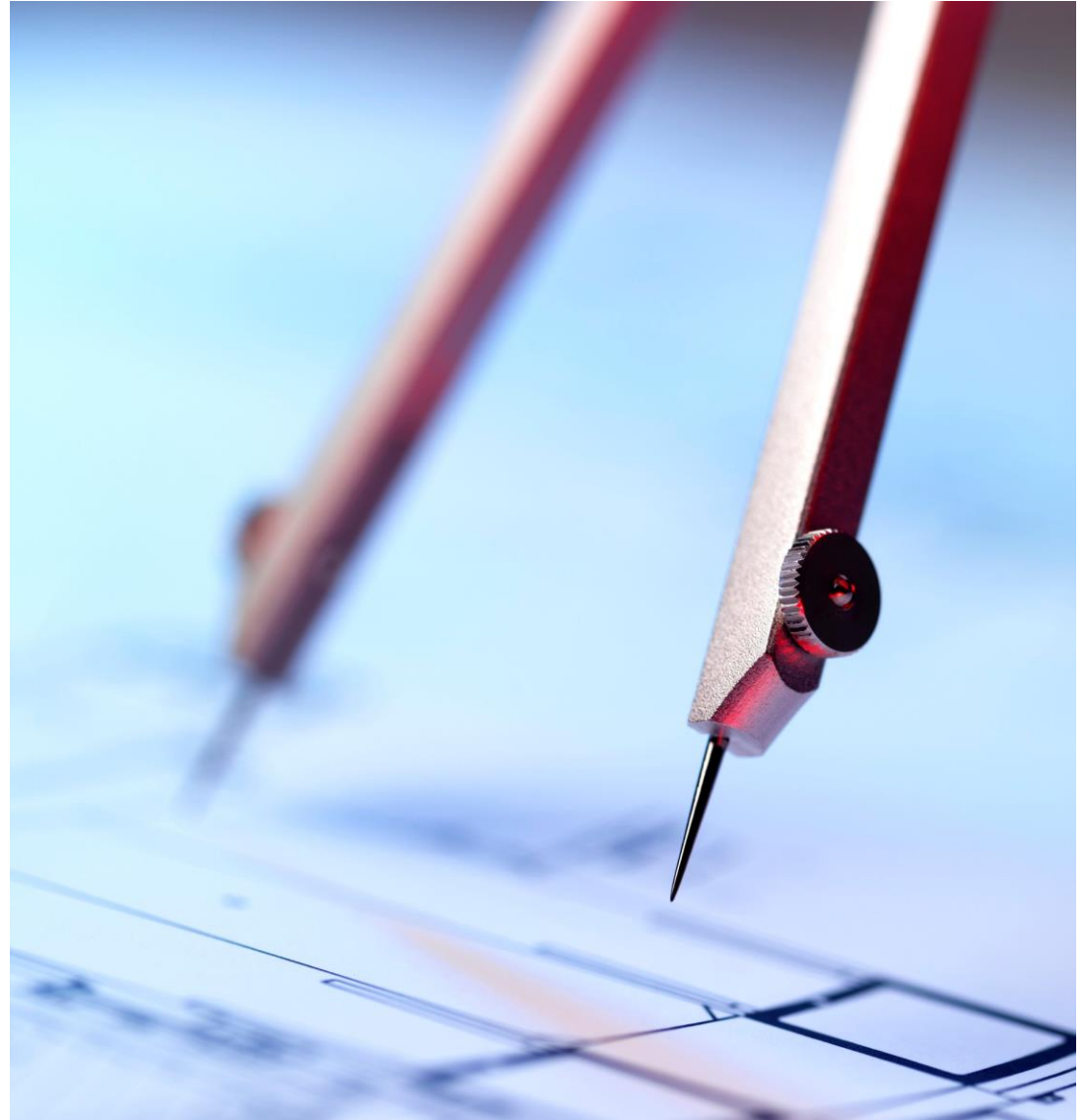
> Adient has continued to execute actions to lower FCF breakeven

- > Capex reusability
- > Lower interest expense driven by debt paydown
- > Restructuring costs normalizing
- > Tax planning resulting in relatively flat cash taxes

* - Likelihood of lower y-o-y production appears remote given reduced inventory levels, consumer demand, new product introductions

Financial Review

FY2022 Third Quarter



Q3 FY2022 Key Financials



| \$ millions, except per share data | As Reported | | As Adjusted ¹ | | |
|------------------------------------|-------------|-----------|--------------------------|-----------|-------|
| | Q3 FY22 | Q3 FY21 | Q3 FY22 | Q3 FY21 | B/(W) |
| Consolidated Revenue | \$ 3,485 | \$ 3,242 | \$ 3,485 | \$ 3,242 | 7% |
| EBIT | \$ 35 | \$ 44 | \$ 64 | \$ 37 | 73% |
| Margin | 1.0% | 1.4% | 1.8% | 1.1% | |
| EBITDA | N/A | N/A | \$ 143 | \$ 118 | 14% |
| Margin | | | 4.1% | 3.6% | |
| Memo: Equity Income ² | \$ 16 | \$ 38 | \$ 16 | \$ 39 | (59)% |
| Tax Expense | \$ 20 | \$ 10 | \$ 9 | \$ 17 | |
| Net Income (Loss) | \$ (30) | \$ (71) | \$ 8 | \$ (50) | NM |
| EPS Diluted | \$ (0.32) | \$ (0.75) | \$ 0.08 | \$ (0.53) | NM |

\$3,425 Q3FY21 pro forma adjusted for strategic/footprint actions

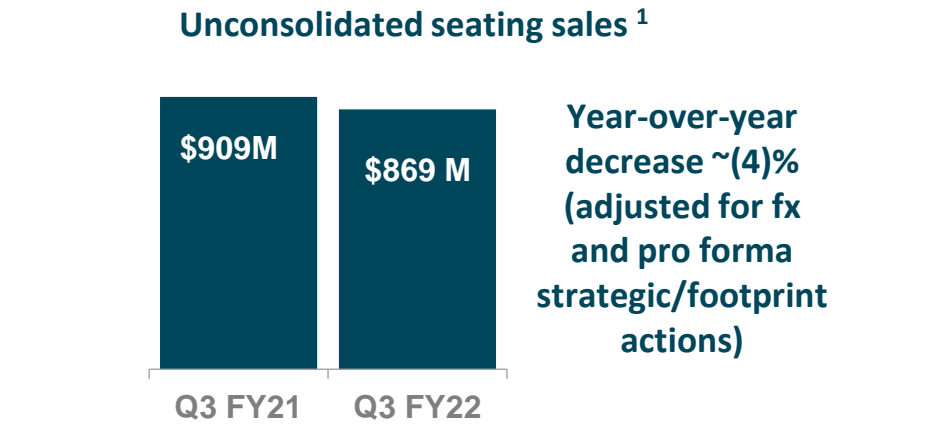
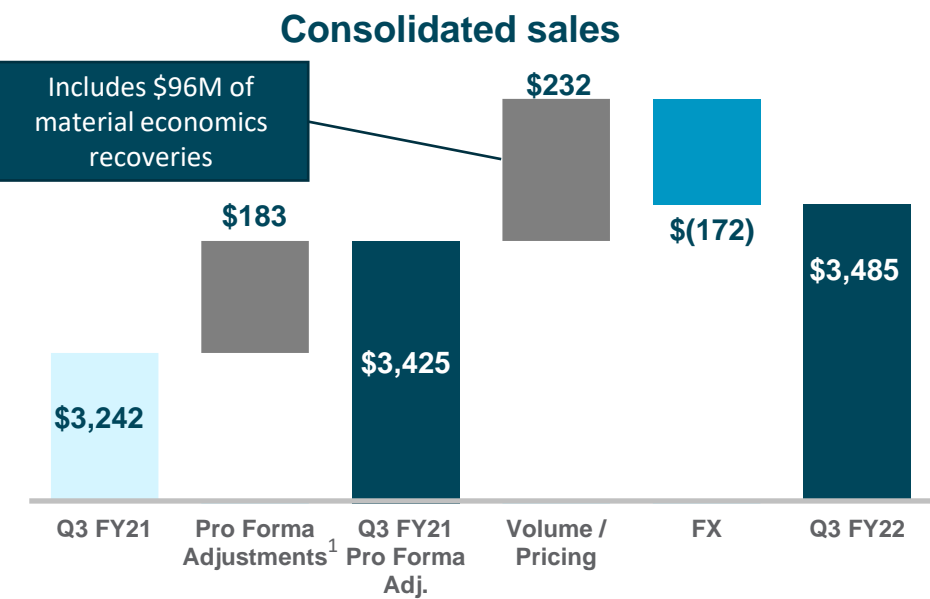
\$125 Q3FY21 pro forma adjusted for strategic/footprint actions

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

Q3 FY2022 Revenue: Consolidated and Unconsolidated Sales



1 - See Appendix for pro forma adjustment details

Regional Performance

(consolidated sales y-o-y growth (vs. Q3 FY21 pro forma) by region)^{1, 2, 3}

| | Q3 | Q3 S&P Production |
|------------------------|--------|-------------------|
| Americas | 15.9% | 11.9% |
| EMEA | 5.8% | 3.6% |
| Asia | -8.5% | -2.6% |
| Note: China | -27.8% | -5.9% |
| Note: Asia excl. China | 14.3% | 1.6% |

consolidated

- > Americas growth over market was primarily driven by improved production performance of key full size truck platforms and commodity recoveries
- > Commodity recoveries also benefited sales growth in EMEA. Performance in Europe was in line with the market when adjusting for material economics recovery
- > In China, Adient’s consolidated business (CQADNT) was heavily impacted by Shanghai region lockdowns, resulting in underperformance vs. broader production in the quarter

2 – Growth rates at constant foreign exchange, and adjusted for pro forma strategic actions (Asia - \$200M, EMEA - \$(17)M, Americas - \$0M)
3 – Excludes Russian market production

unconsolidated

- > Although unconsolidated sales were impacted by the widespread COVID lockdowns in China during the month of April, sequential improvement in production in May and June as the lockdowns were lifted in certain regions offset some of the earlier weakness
 - > After a slow start, sales recovery was strong and running at nearly 10% above the YTD run rate exiting the quarter

Q3 FY22 Adjusted-EBITDA

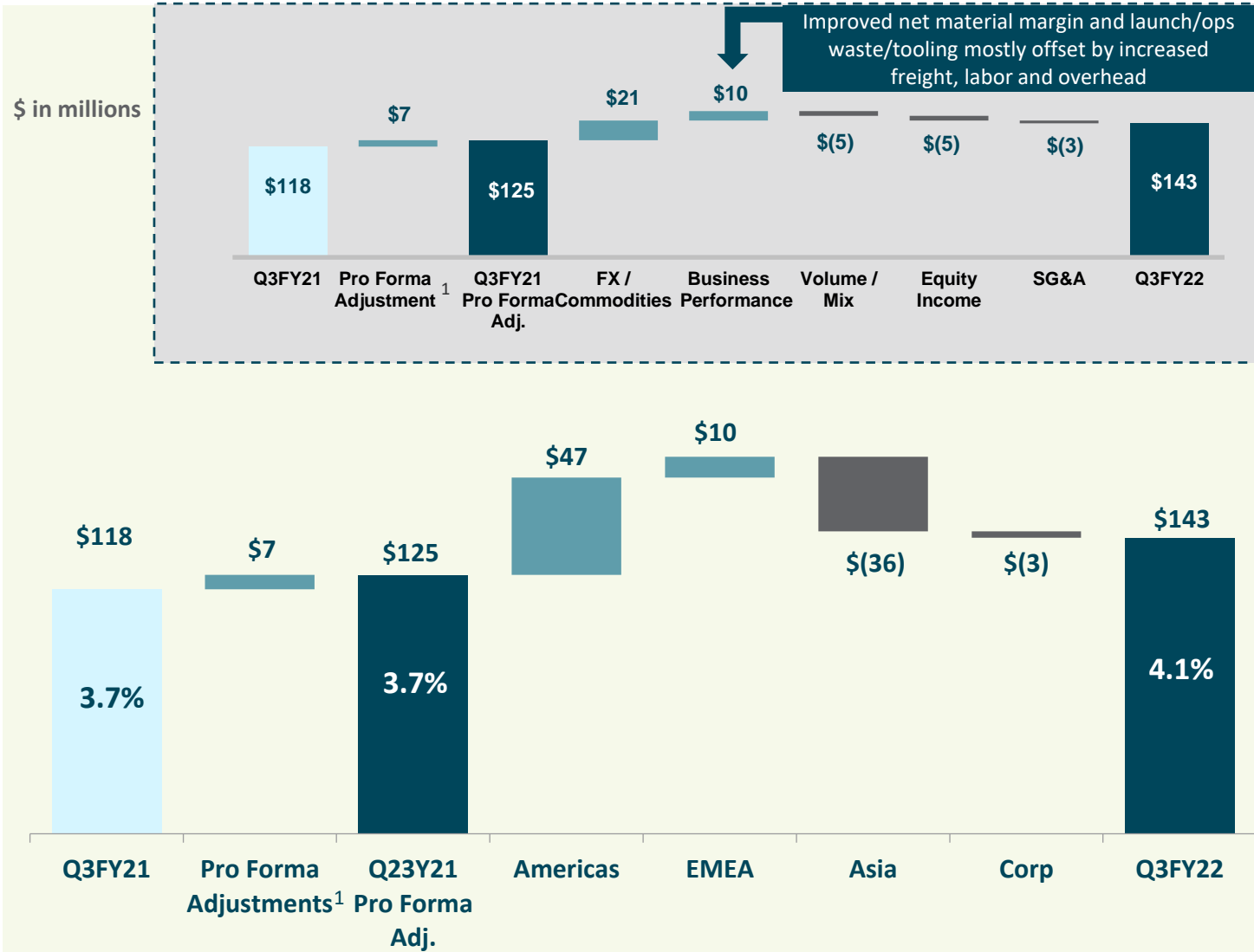


Q3FY22 adjusted EBITDA of \$143M, up \$18M y-o-y (adjusting for portfolio actions executed in FY21)

- > External factors including ongoing supply chain disruptions (and resulting operating inefficiencies) continue to impact the production environment

Key drivers of the y-o-y comparison:

- > Improved FX and commodity recoveries of ~\$21M
- > Improved business performance of ~\$10M, driven by:
 - > Improved net material margin of ~\$32M, as well as improved launch / ops waste / tooling of ~\$8M
 - > The improvements were partially offset by ~\$21M of increased freight costs y-o-y and ~\$9M of higher input costs and other labor and overhead inefficiencies
- > Volume and mix was an approximately ~\$5M headwind in the quarter (benefit in the Americas more than offset by headwinds in Europe and Asia)
- > Equity income was lower by ~\$5M y-o-y, as the widespread COVID lockdowns in China early in the quarter impacted production
- > SG&A performance was a ~\$3M headwind in the quarter



1 - See Appendix for pro forma adjustment details

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

Free Cash Flow ⁽¹⁾

| (in \$ millions) | FY22 | | FY21 | |
|---|----------------|-----------------|---------------|---------------|
| | Q3 FY22 | YTD | Q3 FY21 | YTD |
| Adjusted-EBITDA (Excl. Equity income) | \$ 127 | \$ 381 | 79 | \$ 613 |
| (+) Dividend | 26 | 27 | 283 | 292 |
| (-) Restructuring | (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) |
| (-) 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 |
| (-) Prepays | 15 | (8) | (1) | (31) |
| (+/-) Other | (5) | (29) | (16) | (82) |
| Operating Cash flow | \$ 23 | \$ 38 | \$ 222 | \$ 362 |
| (-) CapEx ⁽²⁾ | (53) | (170) | (60) | (186) |
| Free Cash flow | \$ (30) | \$ (132) | \$ 162 | \$ 176 |

1 - Free cash flow defined as operating cash flow less CapEx

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

➤ Key drivers impacting YTD FCF:

(-) Lower consolidated y-o-y earnings (driven by lower volumes -- primarily supply chain related)

(-) Typical month-to-month working capital movements

(+) Lower restructuring (trending to normalized levels)

(+) Lower level of interest paid resulting from deleveraging activities

(+) Timing and level of commercial settlements

(+) Timing of VAT deferred payments and refunds

Memo: At June 30, 2022, ~\$262M of factored receivables (vs. ~\$100M at June 30, 2021 and ~\$126M at Sept 30, 2021). Factoring programs provided an approximate \$136M benefit to operating cash flow YTD through June 30, 2022. Adient uses various global factoring programs as a low-cost source of liquidity.

Debt and capital structure

(\$ in millions)

| Debt Profile | 6/30/2022 Amount |
|--|---------------------|
| ABL Revolver, incl. FILO due 2024 ⁽¹⁾ | \$ - |
| Term Loan B due 2028 | 990 |
| 9.00% Secured Notes due 2025 | 92 |
| 7.00% Secured Notes due 2026 | - |
| Total Secured Debt | 1,082 |
| European Investment Bank Loan | - |
| 3.50% Notes (€823mm) due 2024 | 860 |
| 4.875% Notes due 2026 | 795 |
| Other LT debt | 2 |
| Other Bank Borrowings | 9 |
| Deferred issuance costs | (20) |
| Total Debt | 2,727 |

⁽¹⁾ Subject to ABL borrowing base availability. As of June 30, 2022, there were no draws outstanding and approximately \$780 million was available under the ABL Credit Agreement.

Net Debt

| (in \$ millions) | June 30 2022 | September 30 2021 |
|------------------|-----------------|----------------------|
| Cash | \$ 892 | \$ 1,521 |
| Total Debt | 2,727 | 3,696 |
| Net Debt | \$ 1,835 | \$ 2,175 |

- > Total liquidity of ~\$1.7B at June 30, 2022 (cash on hand of ~\$892M and ~\$780M of undrawn capacity under the revolving line of credit)
- > During the quarter, the company repaid its European Investment Bank loan (€135.7M in cash used to retire the total outstanding principal and accrued interest in May)
- > Fiscal year to date, ~\$860M of principal debt repayment has been executed

Adient is successfully balancing its commitment to strengthen the company's balance sheet while maintaining ample liquidity to navigate through the challenging operating environment

FY22 Outlook – key financial metrics

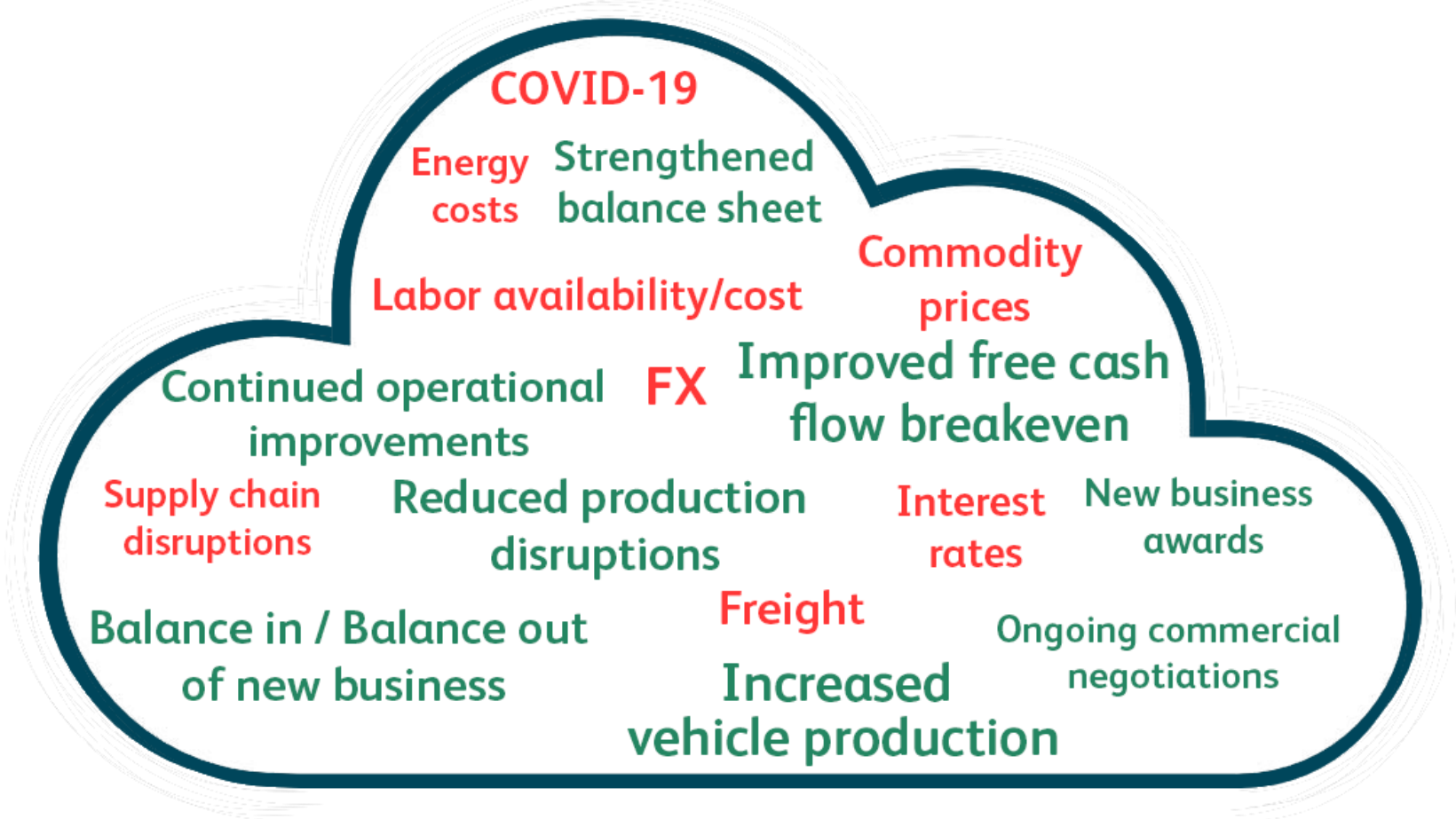


| | |
|---------------------------------------|---|
| Consolidated sales | ~\$14.0B Prior: ~\$14.2B |
| Adj.-EBITDA | ~\$640M - \$660M Prior: Significantly lower (>\$100M) vs. FY21 pro forma results of \$810M |
| Equity Income Incl. in Adj.-EBITDA | ~\$85M Prior: ~\$75M |
| Interest Expense | ~\$160M No change |
| Cash taxes | ~\$80M No change |
| CapEx | ~\$250 - \$275M Prior: ~\$300M - \$325M |

- > FY22 guidance 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 of ~\$14.0B (based on July IHS forecast, company adjustments and expected FX rates)
- > Adj.-EBITDA reflects challenged industry volume and difficult to forecast customer production schedules
- > Interest expense forecast at ~\$160M (reflects ~\$900M of debt repayments planned in FY22); intense focus on cash and liquidity
- > Cash taxes forecast at ~\$80M
- > Capital expenditures primarily driven by customer launch plans and intense focus on reusability where appropriate

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).

Likely factors expected to influence FY23 results



Despite certain negative influences on the horizon heading into next year, Adient will continue to execute actions within its control and leverage numerous positive influences to drive the business forward in FY23 and beyond



Appendix and financial reconciliations

FY2022 Third Quarter



Q3 FY22 Adjusted-EBITDA: Americas



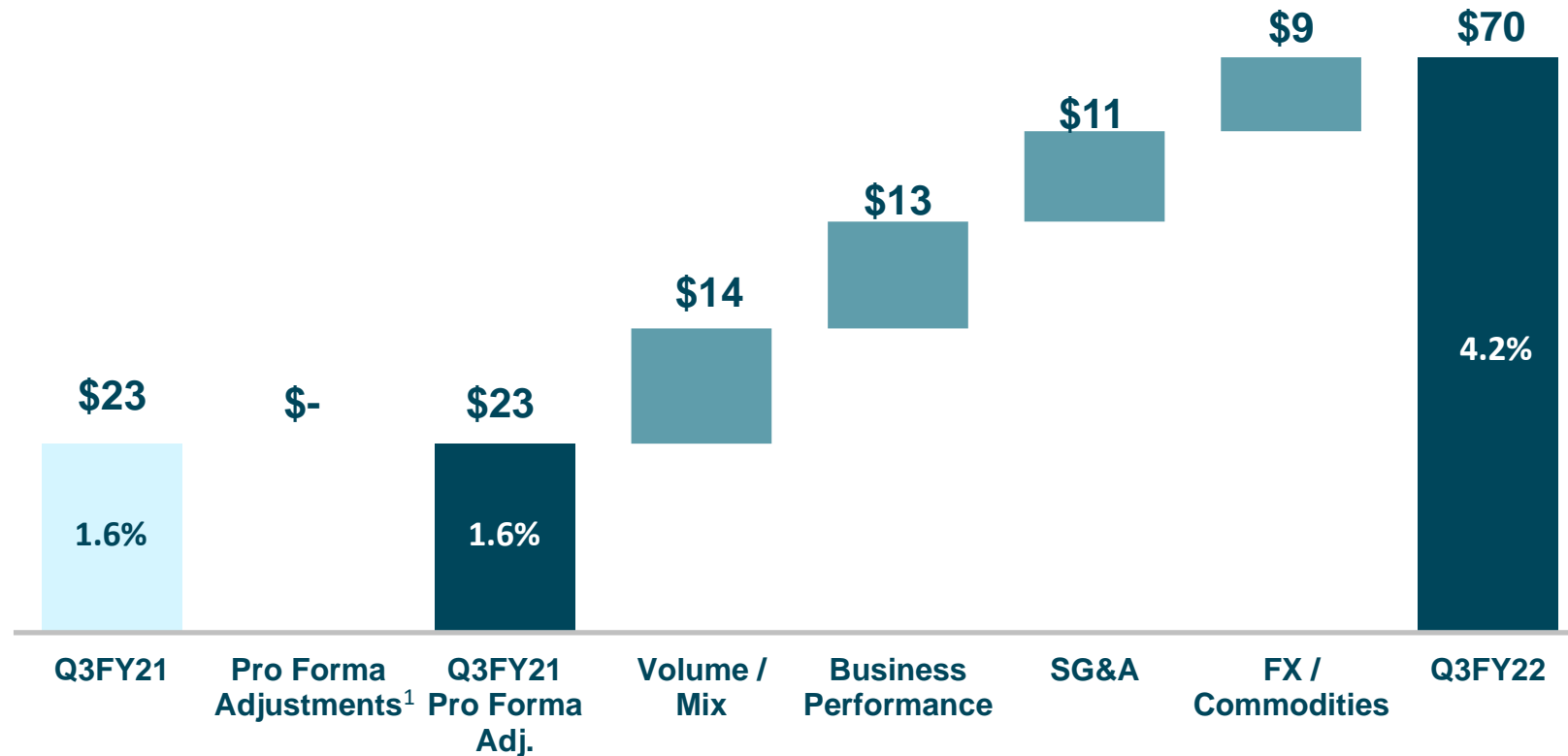
Q3FY22 of \$70M, up \$47M y-o-y (adjusting for portfolio actions executed in FY21)

- > Numerous external factors including supply chain disruptions (and resulting operating inefficiencies) and increased freight costs continue to have an adverse impact on the production environment

Key drivers of the y-o-y comparison:

- > Improved volume of ~\$14M resulting from modestly improving customer production schedules
- > Improved business performance of ~\$13M driven by:
 - > Improved launch / ops waste / tooling of ~\$12M, as well as increased net material margin performance of ~\$11M
 - > Increased freight costs of ~\$10M was a partial offset to business performance
- > SG&A provided a y-o-y benefit of ~\$11M (includes austerity measures, impact of certain corporate allocations and other)
- > FX and commodities combined to provide a ~\$9M benefit to the quarter

\$ in millions



1 - See Appendix for pro forma adjustment details

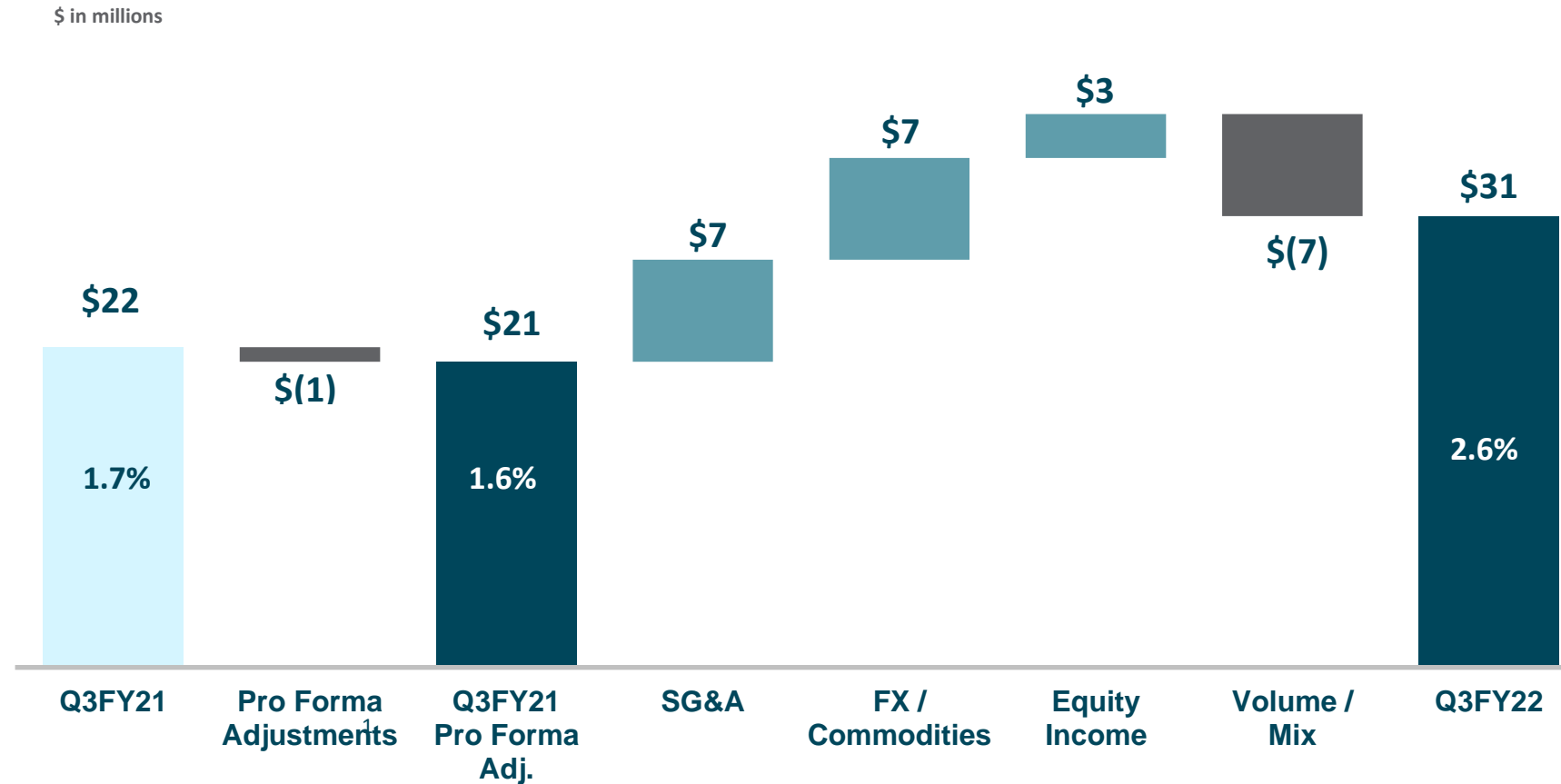
Q3 FY22 Adjusted-EBITDA: EMEA



Q3FY22 of \$31M, up \$10M y-o-y (adjusting for portfolio actions executed in FY21)

- Numerous external factors including the conflict in the Ukraine and supply chain disruptions (and resulting operating inefficiencies) and increased freight costs had a significant impact on the quarter

- Key drivers of the y-o-y comparison:
- Positive SG&A of ~\$7M (includes austerity measures, impact of certain corporate allocations and other)
 - ~\$3M of FX headwinds were more than offset by ~\$10M of net commodity favorability
 - Equity income benefitted the quarter by about \$3M
 - Lower volume and mix of ~\$7M driven primarily by continued supply chain disruptions at our customers
 - Business performance was relatively flat y-o-y
 - Headwinds included increased labor, freight and energy costs totaling \$24M
 - These headwinds were fully offset by favorable net material margin performance of ~\$21M and ~\$3M of improved launch / ops waste / tooling performance



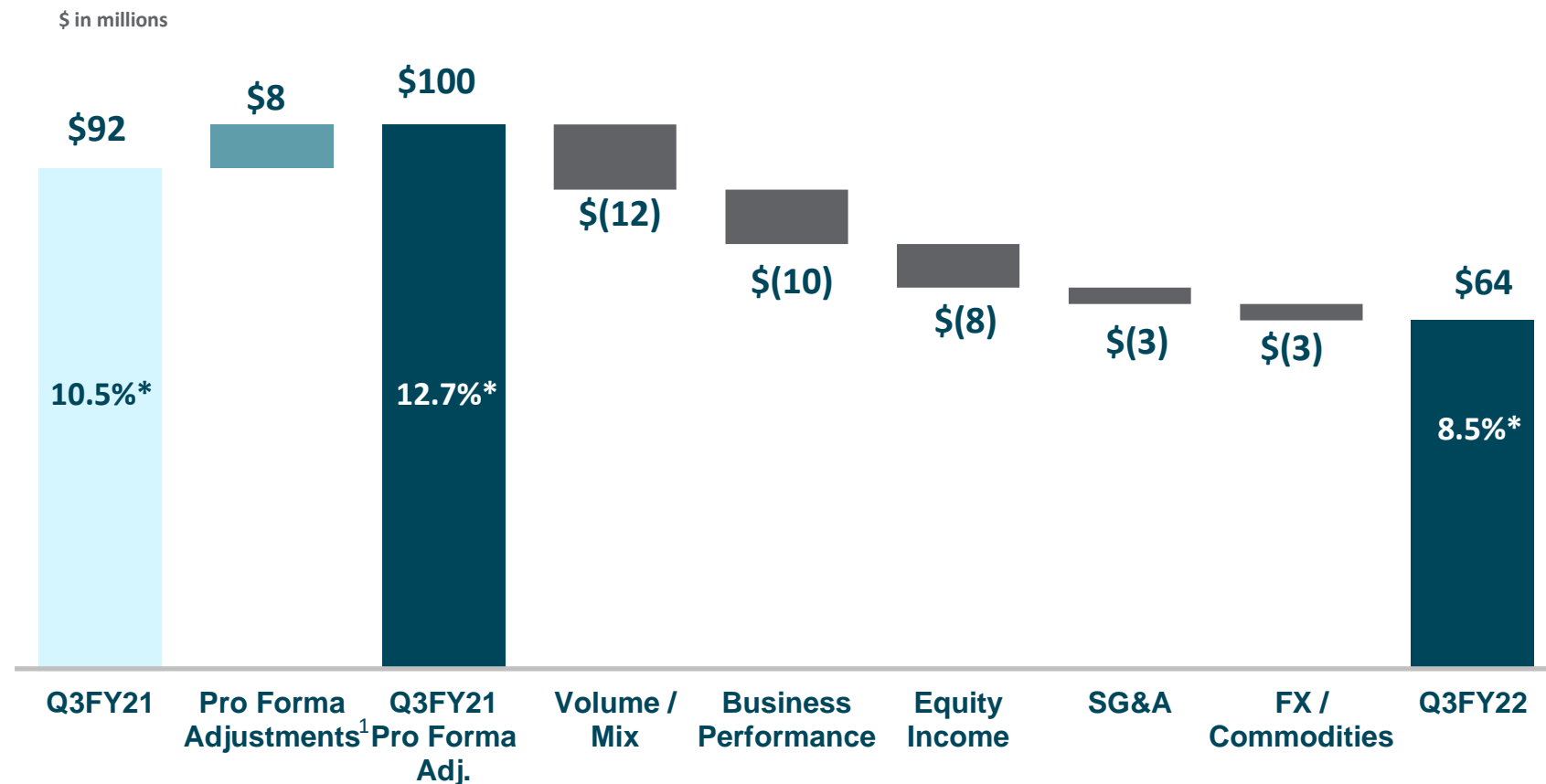
1 - See Appendix for pro forma adjustment details

Q3 FY22 Adjusted-EBITDA: Asia

Q3FY22 of \$64M, down \$36M y-o-y (adjusting for portfolio actions executed in FY21)

Key drivers of the y-o-y comparison:

- > Unfavorable volume and mix impact of ~\$12M, driven primarily by the widespread COVID lockdowns in China
- > Negative business performance of ~\$10M, driven primarily by increased freight costs (~\$3M) and launch / ops waste / tooling headwinds (~\$7M)
- > Equity income was down ~\$8M y-o-y, primarily driven by the widespread COVID lockdowns in China which significantly impacted April and May
- > Negative SG&A of ~\$3M primarily driven by net engineering spend increase



* Excluding equity income. Including equity income, margins of 17.8%, 13.8% and 10.2% for Q3FY21, Q3FY21 pro forma adjusted and Q3FY22, respectively

1 - See Appendix for pro forma adjustment details

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 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).

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



| (in \$ millions) | Three months ended June 30 | | | | | |
|--|----------------------------|--------------|---------------|--------------|---------------|---------------|
| | 2022 | | | 2021 | | |
| | GAAP | Adj. | Adjusted | GAAP | Adj. | Adjusted |
| Net sales | \$ 3,485 | \$ - | \$ 3,485 | \$ 3,242 | \$ - | \$ 3,242 |
| Cost of sales ⁽¹⁾ | 3,312 | (2) | 3,310 | 3,092 | 28 | 3,120 |
| Gross profit | 173 | 2 | 175 | 150 | (28) | 122 |
| Selling, general and administrative expenses ⁽²⁾ | 142 | (15) | 127 | 136 | (12) | 124 |
| Restructuring and impairment costs ⁽³⁾ | 12 | (12) | - | 8 | (8) | - |
| Equity income (loss) ⁽⁴⁾ | 16 | - | 16 | 38 | 1 | 39 |
| Earnings (loss) before interest and income taxes (EBIT) | \$ 35 | \$ 29 | \$ 64 | \$ 44 | \$ (7) | \$ 37 |
| <i>Ebit margin:</i> | 1.00% | | 1.84% | 1.36% | | 1.14% |
| <i>Ebit margin excluding Equity Income:</i> | 0.55% | | 1.38% | 0.19% | | -0.06% |
| Memo accounts: | | | | | | |
| Depreciation | | | 72 | | | 71 |
| Stock based compensation costs | | | 7 | | | 10 |
| Adjusted EBITDA | | | \$ 143 | | | \$ 118 |
| <i>Adjusted EBITDA margin:</i> | | | 4.10% | | | 3.64% |
| <i>Adjusted EBITDA margin excluding Equity Income:</i> | | | 3.64% | | | 2.44% |

| | Three months ended June 30 | |
|--|----------------------------|----------------|
| | 2022 | 2021 |
| Transaction costs | \$ (1) | \$ - |
| Brazil indirect tax recoveries | 1 | 28 |
| Purchase accounting amortization | (1) | - |
| Disposal of non-core assets | (1) | - |
| ¹ Cost of sales adjustment | \$ (2) | \$ 28 |
| Purchase accounting amortization | \$ (13) | \$ (10) |
| Transaction costs | (2) | (2) |
| ² Selling, general and administrative adjustment | \$ (15) | \$ (12) |
| Restructuring charges | \$ (13) | \$ (8) |
| Held for sale asset adjustments | 1 | - |
| ³ Restructuring and impairment costs | \$ (12) | \$ (8) |
| Purchase accounting amortization | \$ - | \$ 1 |
| ⁴ Equity income adjustment | \$ - | \$ 1 |

| (in \$ millions) | Three Months Ended June 30 | |
|---|----------------------------|--------------|
| | 2022 | 2021 |
| Adjusted EBITDA | \$ 143 | \$ 118 |
| Adjusted Equity Income | 16 | 39 |
| Adj. EBITDA Excluding Adj. Equity Income | \$ 127 | \$ 79 |
| | 3.6% | 2.4% |

Non-GAAP Reconciliations – Adjusted Net Income and Adjusted EPS



| (in \$ millions) | Three Months Ended June 30 | | | Three Months Ended June 30 | |
|--|-------------------------------|---------|--|-------------------------------|-----------|
| | 2022 | 2021 | | 2022 | 2021 |
| Net income (loss) attributable to Adient | \$ (30) | \$ (71) | Net income (loss) attributable to Adient | \$ (0.32) | \$ (0.75) |
| Restructuring and impairment costs | 12 | 8 | Restructuring and impairment costs | 0.13 | 0.08 |
| Purchase accounting amortization | 14 | 11 | Purchase accounting amortization | 0.15 | 0.12 |
| Restructuring related charges | 1 | - | Restructuring related charges | 0.01 | - |
| Pension mark-to-market and curtailment/settlement (gain)/loss ⁽¹⁾ | (3) | (1) | Pension mark-to-market and curtailment/settlement (gain)/loss ⁽¹⁾ | (0.03) | (0.01) |
| Write off of deferred financing costs upon repurchase of debt ⁽²⁾ | - | 10 | Write off of deferred financing costs upon repurchase of debt ⁽²⁾ | - | 0.11 |
| Derivative loss on Yanfeng transaction ⁽²⁾ | - | 24 | Derivative loss on Yanfeng transaction ⁽²⁾ | - | 0.25 |
| Foreign exchange loss on intercompany loan in Russia ⁽²⁾ | 2 | - | Foreign exchange loss on intercompany loan in Russia ⁽²⁾ | 0.02 | - |
| Premium paid on repurchase of debt ⁽²⁾ | - | 4 | Premium paid on repurchase of debt ⁽²⁾ | - | 0.04 |
| Other items ⁽³⁾ | 2 | (26) | Other items ⁽³⁾ | 0.02 | (0.28) |
| Impact of adjustments on noncontrolling interests ⁽⁴⁾ | (1) | (2) | Impact of adjustments on noncontrolling interests ⁽⁴⁾ | (0.01) | (0.02) |
| Tax impact of above adjustments and other tax items ⁽⁵⁾ | 11 | (7) | Tax impact of above adjustments and other tax items ⁽⁵⁾ | 0.11 | (0.07) |
| Adjusted net income (loss) attributable to Adient | \$ 8 | \$ (50) | Adjusted diluted earnings (loss) per share | \$ 0.08 | \$ (0.53) |

| | Three Months Ended June 30 | |
|--|-------------------------------|----------------|
| | 2022 | 2021 |
| ¹ 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. | | |
| 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 Net financing charge adjustments | \$ (2) | \$ (38) |
| Transaction costs | \$ (2) | \$ (2) |
| Brazil indirect tax recoveries | 1 | 28 |
| Disposal of non-core assets | (1) | - |
| ³ Other items | \$ (2) | \$ 26 |
| ⁴ Reflects the impact of adjustments, primarily purchase accounting amortization on noncontrolling interests | | |
| 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) |
| ⁵ Income tax provision (benefit) adjustments | \$ 11 | \$ (7) |

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



Adjusted Income before Income Taxes

| (in \$ millions) | Three Months Ended June 30 | | | | | |
|----------------------------|---|------------|-----------------------|---|------------|-----------------------|
| | 2022 | | | 2021 | | |
| | 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 ⁽¹⁾ | 28 | (11) | (39.3)% | 30 | 7 | 23.3% |
| As adjusted | \$ 28 | \$ 9 | 32.1% | \$ (9) | \$ 17 | nm |

| | Three Months Ended June 30 | |
|---|----------------------------|--------|
| | 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) |
| ¹ Tax provision (benefit) adjustment | \$ 11 | \$ (7) |

Non-GAAP Reconciliations - Pro forma fiscal year 2021 reconciliations

(in \$ millions)

| 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 |

Pro Forma Unconsolidated Sales (FX adjusted)

(in \$ millions)

| Unconsolidated Net Sales | Q1 | Q2 | Q3 | YTD FY2021 |
|--------------------------|--------------|------------|------------|--------------|
| As reported | \$ 2,634 | \$ 2,194 | \$ 1,966 | \$ 6,794 |
| Portfolio actions and FX | (1,473) | (1,242) | (1,057) | \$ (3,772) |
| Pro forma | 1,161 | 952 | 909 | 3,022 |

Segment Performance



| | Q1 2021 | | | | | | Q1 2022 | | | | |
|------------------------|----------|-------|-----|----------------------------|--------------|--|----------|-------|-----|----------------------------|--------------|
| | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated | | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated |
| Net Sales | 1,737 | 1,604 | 554 | (47) | 3,848 | | 1,498 | 1,230 | 784 | (32) | 3,480 |
| Adjusted EBITDA | 132 | 114 | 151 | (19) | 378 | | 9 | 43 | 114 | (20) | 146 |
| Adjusted Equity Income | - | 3 | 91 | - | 94 | | (1) | (1) | 36 | - | 34 |
| Depreciation | 28 | 33 | 9 | - | 70 | | 31 | 31 | 13 | - | 75 |
| Amortization | 3 | 3 | 4 | - | 10 | | 3 | 1 | 9 | - | 13 |
| Capex | 36 | 31 | 4 | - | 71 | | 23 | 24 | 13 | - | 60 |

| | Q2 2021 | | | | | | Q2 2022 | | | | |
|------------------------|----------|-------|-----|----------------------------|--------------|--|----------|-------|-----|----------------------------|--------------|
| | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated | | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated |
| Net Sales | 1,644 | 1,636 | 588 | (49) | 3,819 | | 1,596 | 1,218 | 723 | (31) | 3,506 |
| Adjusted EBITDA | 64 | 141 | 121 | (23) | 303 | | 46 | 30 | 105 | (22) | 159 |
| Adjusted Equity Income | - | 2 | 51 | - | 53 | | 1 | - | 16 | - | 17 |
| Depreciation | 28 | 32 | 9 | - | 69 | | 32 | 31 | 13 | - | 76 |
| Capex | 29 | 20 | 6 | - | 55 | | 27 | 18 | 12 | - | 57 |

| | Q3 2021 | | | | | | Q3 2022 | | | | |
|------------------------|----------|-------|-----|----------------------------|--------------|--|----------|-------|-----|----------------------------|--------------|
| | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated | | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated |
| Net Sales | 1,440 | 1,328 | 516 | (42) | 3,242 | | 1,673 | 1,215 | 627 | (30) | 3,485 |
| Adjusted EBITDA | 23 | 22 | 92 | (19) | 118 | | 70 | 31 | 64 | (22) | 143 |
| Adjusted Equity Income | - | 1 | 38 | - | 39 | | (1) | 6 | 11 | - | 16 |
| Depreciation | 32 | 33 | 6 | - | 71 | | 32 | 27 | 13 | - | 72 |
| Capex | 32 | 20 | 8 | - | 60 | | 22 | 17 | 14 | - | 53 |

| | YTD 2021 | | | | | | YTD 2022 | | | | |
|------------------------|----------|-------|-------|----------------------------|--------------|--|----------|-------|-------|----------------------------|--------------|
| | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated | | Americas | EMEA | AP | Corporate/ Eliminations | Consolidated |
| Net Sales | 4,821 | 4,568 | 1,658 | (138) | 10,909 | | 4,767 | 3,663 | 2,134 | (93) | 10,471 |
| Adjusted EBITDA | 219 | 277 | 364 | (61) | 799 | | 125 | 104 | 283 | (64) | 448 |
| Adjusted Equity Income | - | 6 | 180 | - | 186 | | (1) | 5 | 63 | - | 67 |
| Depreciation | 88 | 98 | 24 | - | 210 | | 95 | 89 | 39 | - | 223 |
| Capex | 64 | 43 | 18 | - | 125 | | 72 | 59 | 39 | - | 170 |