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FY 2018 First Quarter Earnings Call

January 29, 2018

Improving the experience of a world in motion

Important information

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Adient has made statements in this document that are forward-looking and, therefore, are subject to risks and uncertainties. All statements in this document other than statements of historical fact are statements that are, or could be, deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding Adient’s future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “forecast,” “project” or “plan” or terms of similar meaning are also generally intended to identify forward-looking statements. Adient cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Adient’s control, that could cause Adient’s actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: the ability of Adient Aerospace to successfully implement its strategic initiatives or realize the expected benefits of the joint venture, the impact of tax reform legislation through the Tax Cuts and Jobs Act, the ability of Adient to meet debt service requirements, the ability and terms of financing, general economic and business conditions, the strength of the U.S. or other economies, automotive vehicle production levels, mix and schedules, energy and commodity prices, the availability of raw materials and component products, currency exchange rates, the ability of Adient to effectively integrate the Futuris business, and cancellation of or changes to commercial arrangements. A detailed discussion of risks related to Adient’s business is included in the section entitled “Risk Factors” in Adient’s Annual Report on Form 10-K for the fiscal year ended September 30, 2017 filed with the SEC on November 22, 2017 (“FY17 Form 10-K”) and quarterly reports on Form 10-Q filed with the SEC, available at www.sec.gov. Potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this document are made only as of the date of this document, unless otherwise specified, and, except as required by law, Adient assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this document.

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

This document also contains non-GAAP financial information because Adient’s management believes it may assist investors in evaluating Adient’s on-going operations. Adient believes these non-GAAP disclosures provide important supplemental information to management and investors regarding financial and business trends relating to Adient’s financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. A reconciliation of non-GAAP measures to their closest GAAP equivalent is included in the appendix. Reconciliations of non-GAAP measures related to FY2018 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Agenda

Introduction

Mark Oswald

Vice President, Global Investor Relations

State of the business

Bruce McDonald

Chairman and Chief Executive Officer

Financial review

Jeffrey Stafeil

Executive Vice President and Chief Financial Officer

Q&A

Recent developments

- Adient's Q1 results significantly impacted by the intensified headwinds affecting the Seat Structures & Mechanisms (SS&M) business
  - Q1 Adjusted-EBIT of $163M (margin of 3.9%) [1]
  - Q1 Adjusted-EPS of $1.06 [1]
  - Cash and cash equivalents of $390M at December 31, 2017
  - Net debt of $3.1B and net leverage of 2.07x at December 31, 2017 [1]
- FY18 outlook revised to reflect challenges in SS&M and Q1 results

- Signed a joint venture with Boeing to form Adient Aerospace (Adient has a majority ownership stake in the company at 50.01%)
  - Strategic rationale:
    - Forming Adient Aerospace is consistent with Adient's five year marker to expand revenue beyond the automobile industry
    - The total addressable market for commercial airline seating is ~$4.5B today and is expected to grow to ~$6.0B by 2026
  - Anticipated operating margins for Adient Aerospace are expected to exceed margins for ADNT's automotive seating business long-term

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

Recent developments

> 2018 North American International Auto Show - NAIAS
  – Hosted a group of investors and media and showcased Adient's future mobility solutions that address trends driving change in mobility (e.g., autonomous vehicles, car-and ride-sharing)
  – Presented Adient's AI18 interior seating concept for urban, electrically powered and autonomous vehicles (Level 3 to 4)
  – Unveiled lightweight solutions for seat structures

> During Q1, established Adient (Tianjin) Automotive Components Sales Co., Ltd. -- Adient's first aftermarket joint venture in China
  – The JV will supply complete seat solutions to the Chinese retrofitting industry

Seat structures & mechanisms (SS&M) current state

Headwinds intensified in Q1

- Commodity prices / availability
- Launch inefficiencies
  - Launch complexity associated with global programs
  - Demand outpacing supply (resulting in outsourcing / additional tooling)
- Steel supply constraints driving increased changeovers and premium freight cost
- Cost of customer interruption

Moving the business forward

Profit enhancement plans

- Implementing cost containment actions to further improve cost structure & profitability:
  - SG&A reductions
  - Investment reprioritization
  - Plant staffing model
  - Discretionary spending

Fundamental changes within SS&M

- Personnel & oversight changes
- Empowering employees
  - SS&M will be set-up as a stand alone operation
- Fundamental strategic review
  - Vertical integration (make vs. buy)
  - Commercial discipline
  - Commodity cost recovery mechanisms

Profit enhancement plans are being developed and executed while fundamental changes within SS&M are being rolled out to drive cultural and business changes

Communication timeline

Q4 FY17 → Q1 FY18 → Mid Jan → Jan 29th → February → March → Late April → Summer / Fall 2018

Q4 FY17 – Headwinds & Challenges in SS&M Developed

- Launch inefficiencies
- Commodity pricing & availability

Q1 FY18 – Headwinds & Challenges in SS&M Intensified

- Isolating / identifying problems
- Implementing mitigating actions (incl. personnel changes / oversight)

Mid Jan – Investor Meetings

- Initial communication of deepening challenge

Jan 29th – Q1 Earnings

- Update FY18 outlook

Late April – Q2 Earnings

- Mid-term plan update

Summer / Fall 2018 – SS&M "deep dive" with investors

ADNT's management team believes it is taking appropriate actions to help mitigate the near-term headwinds

FINANCIAL REVIEW

FY 2018 First Quarter

FY 2018 Q1 key financials

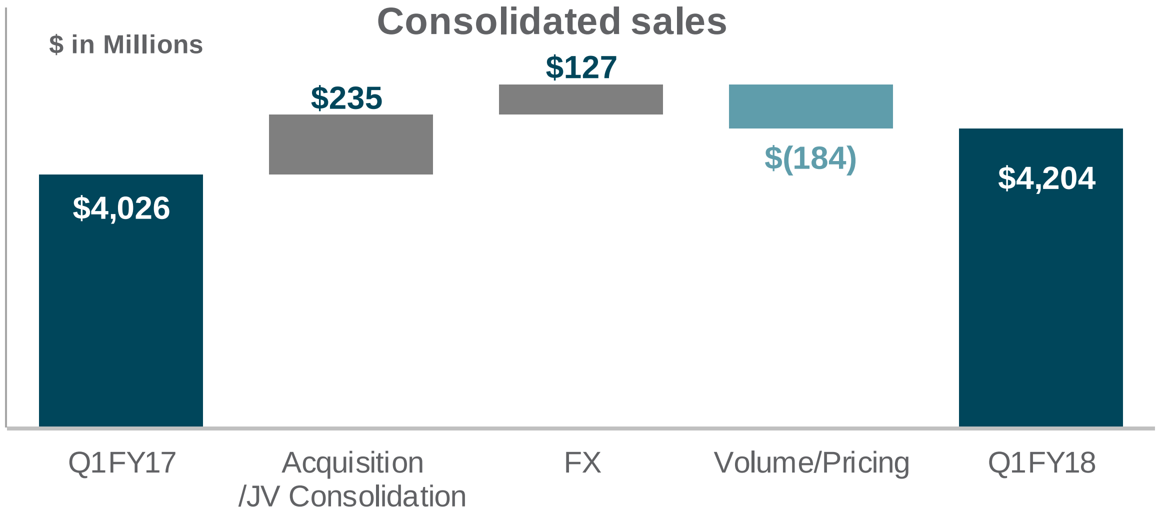
$ millions, except per share data	As Reported		As Adjusted [1]		
	FY18 Q1	FY17 Q1	FY18 Q1	FY17 Q1	B/(W)
Revenue	$ 4,204	$ 4,026	$ 4,204	$ 4,026	*4%*
EBIT	$ 102	$ 227	$ 163	$ 283	*-42%*
Margin	*2.4%*	*5.6%*	*3.9%*	*7.0%*	
EBITDA	N/A	N/A	$ 267	$ 370	*-28%*
Margin			*6.4%*	*9.2%*	
Memo: Equity Income [2]	$ 96	$ 94	$ 109	$ 99	*10%*
Tax Expense	$ 265	$ 28	$ 11	$ 34	
ETR	*	*14.6%*	*8.5%*	*13.7%*	
Net Income	$ -216	$ 142	$ 99	$ 192	*-48%*
EPS Diluted	$ -2.32	$ 1.51	$ 1.06	$ 2.04	*-48%*

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

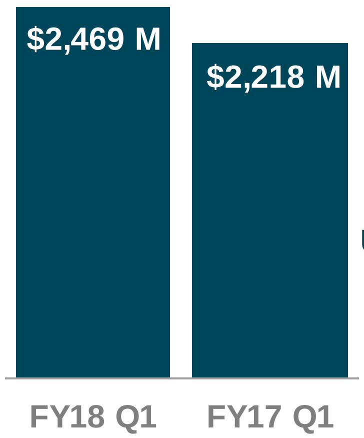
Revenue – consolidated & unconsolidated

- Consolidated sales in Q1FY18 increased $178 million y-o-y
  - Benefits of Futuris acquisition and China JV consolidation more than offset negative impact of lower volumes (primarily North America)
- ADNT's unconsolidated JVs continue to experience positive y-o-y growth
  - Unconsolidated seating revenue grew 12% y-o-y adjusting for FX and China JV consolidation
  - Unconsolidated interiors revenue grew 3% y-o-y adjusting for FX and low margin cockpit sales

Consolidated sales



Unconsolidated Seating



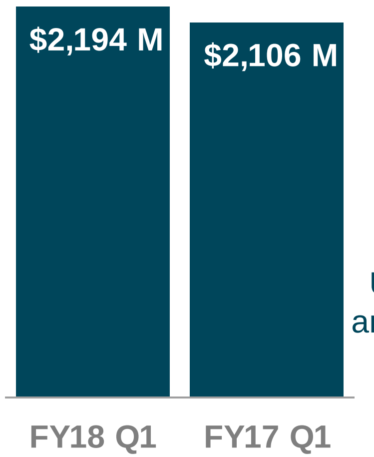
Year-over-year growth

+ 11%

Up 12% excluding FX and JV consolidation

Unconsolidated Interiors

Yanfeng Global Automotive Interiors



Year-over-year growth

+4%

Up 3% excluding FX and low margin cockpit sales

Regional Performance

(consolidated sales y-o-y growth by region)

	Adjusted [1] FY18 Q1
N. America	-6%
Europe	4%
Asia & China	8%

1 – Growth rates at constant foreign exchange

Adjusted-EBITDA

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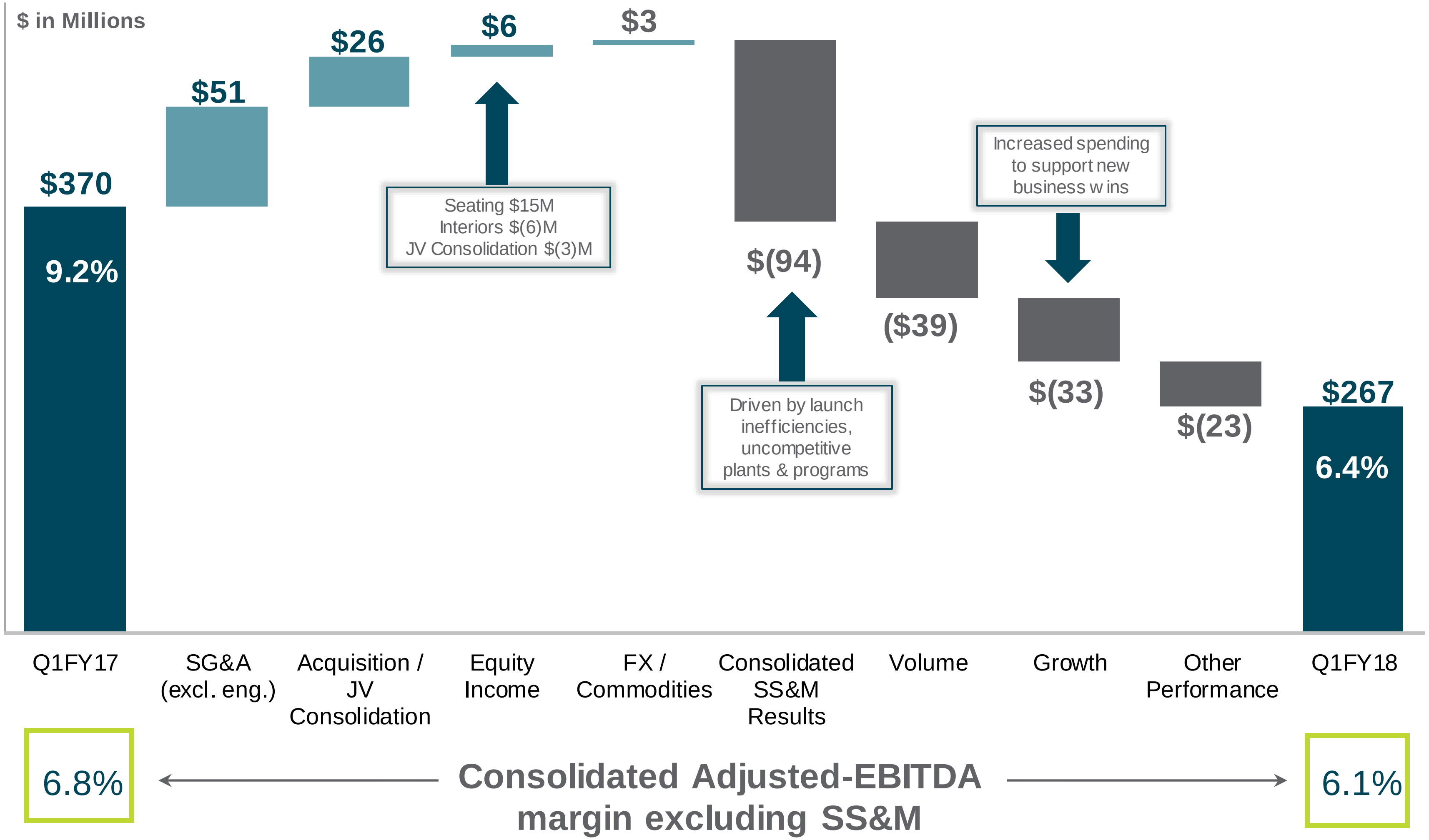
- Q1FY18 adjusted-EBITDA of $267M, down $103M y-o-y
- Primary drivers of y-o-y change:
  - Additional SG&A improvement (reflecting lower corporate expenses and the benefits of restructuring actions) and increased equity income
  - Negative operational performance within consolidated SS&M, increased investments to support new business wins (growth investment), and negative impact from lower volumes
- Excluding consolidated SS&M, adjusted-EBITDA margin for Q1FY18 decreased 70 basis points, primarily related to growth investments



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

Margin progression thru Q1FY18

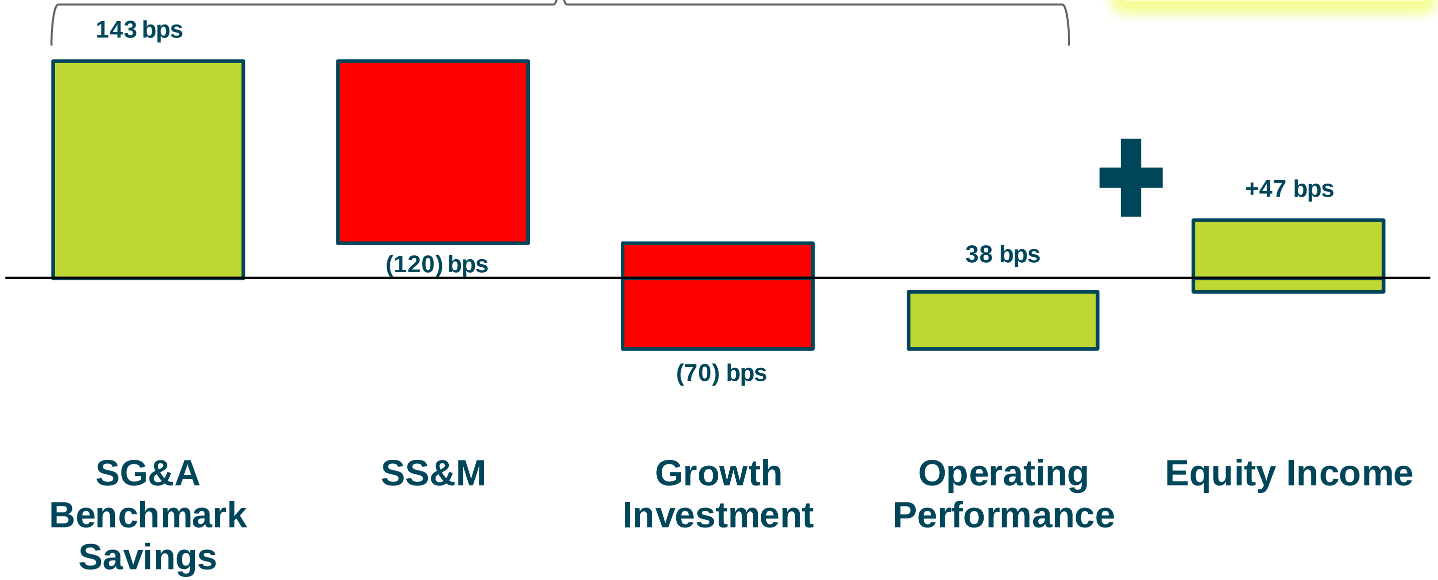
Progress thru 12/31/17

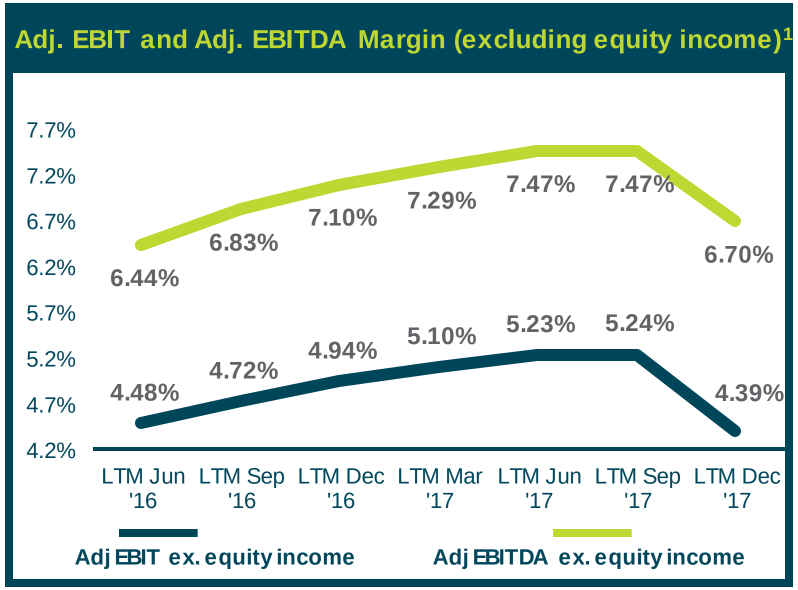
Consolidated – targeted improvement 200 bps by the end of FY2020

unconsolidated

(9) bps Adj. EBIT excluding equity income thru 12/31/17

Equity income growth has provided 47 bps of overall margin improvement thru 12/31/17





1 – See appendix for detail and reconciliation to U.S. GAAP

Despite temporary headwinds in SS&M significantly offsetting savings in SG&A, the company continues to expect 200 bps of margin improvement by the end of FY2020

Cash flow & debt [1]

Free Cash Flow (1)

(in $ millions)	Q1 FY18
Adjusted-EBITDA	$ 267
(-) Interest Expense	(33)
(-) Taxes	(43)
(-) Restructuring (Cash)	(41)
(+/-) Change in Trade Working Capital	(55)
(+/-) Net Equity in Earnings	(103)
(+/-) Other [2]	(119)
Operating Cash flow	$ (127)
(-) CapEx	(143)
Adjusted Free Cash flow	$ (270)

Debt (1)

- > Cash and cash equivalents of $390M at December 31, 2017
- > Net leverage of 2.07x at September 30, 2017

Net Debt and Net Leverage

(in $ millions)	December 31 2017	September 30 2017
Cash	$ 390	$ 709
Total Debt	3,501	3,478
Net Debt	$ 3,111	$ 2,769
Adjusted-EBITDA (last twelve months)	1,502	1,605
Net Leverage	2.07x	1.73x

1 – See appendix for detail and reconciliation to U.S. GAAP
2 – Other includes FY2017 Bonus Accrual, Becoming ADNT and Pension

Expected impact of U.S. tax legislation

Positive influences

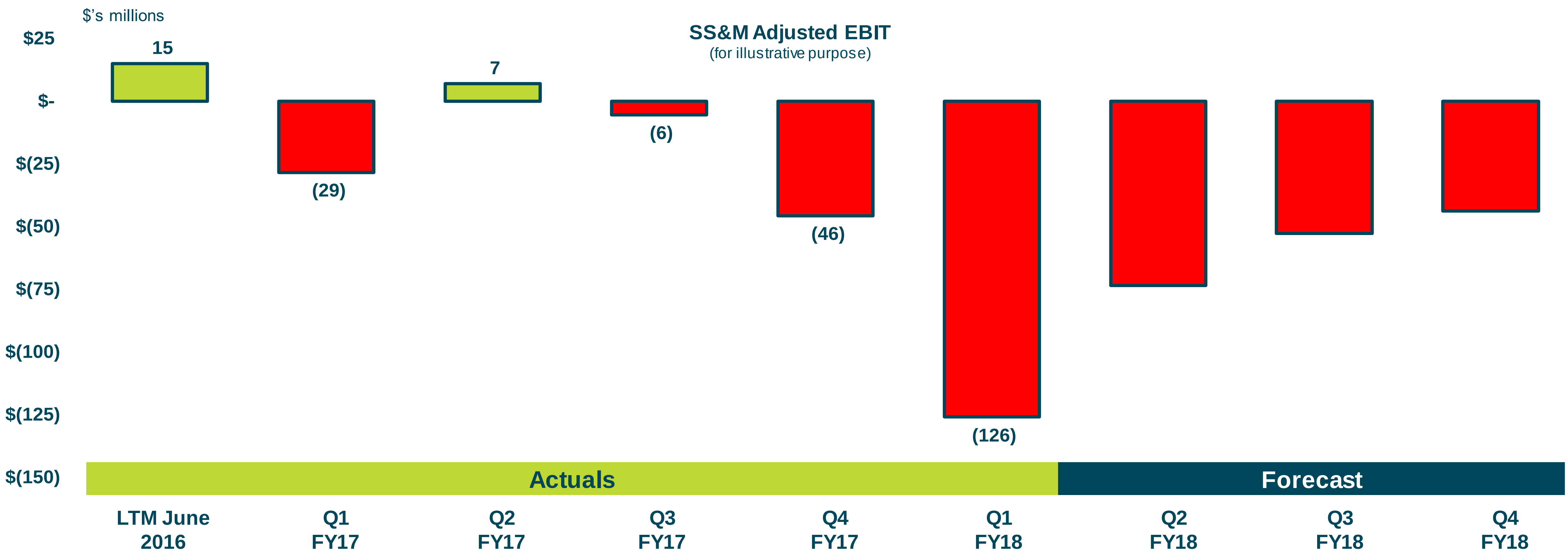
- Rate reduction to 21%
  - Benefit of phase in of reduced rate in FY18
- One time repatriation tax is immaterial, no cash outflow
- Opportunities for structural changes going forward

Negative influences

- Full phase in expected in FY19 will be slightly detrimental without structural changes
- Limitations on interest deductibility
- Base Erosion and Anti-Avoidance Minimum Tax on payments to foreign affiliates

- **Impact of U.S. tax reform appears to be positive in the short-term (FY18); certain structural changes needed to offset negative influences beginning in FY19**
- **One-time non-cash tax charge recognized in Q1 FY18 related to deferred tax asset re-measurement at lower US income tax rate**

SS&M operating performance



	LTM June 2016	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18
Memo: Adjusted Equity Income	$26M	$9M	$10M	$9M	$9M	$12M

Current headwinds impacting SS&M have exacerbated the already challenged business; positive momentum is expected to build as we progress through the year

1 – For illustrative purposes assumes corporate allocation of ~$100 M per year. See appendix for detail.

Revised FY2018 outlook

Revenue	**$17.0B - $17.2B** no change
Adj. EBIT	**$0.975B - $1.025B** previously $1.28B - $1.33B
Equity Income (included in Adj. EBIT)	**Seating $320M** **Interiors $80M** } $400M previously $435M
Adj. EBITDA	**$1.40B - $1.45B** previously $1.70B - $1.75B
Interest Expense	**$135M** no change
Effective Tax Rate	**8-9%** previously 11%
Adj. Net Income	**$700 - $740M** previously $940M - $980M
Capital Expenditures	**$575M - $600M** no change
Free Cash Flow	**~ $225M** previously ~ $525M

FY2018 outlook revised to reflect SS&M headwinds and Q1 performance

Reconciliations of non-GAAP measures related to FY2018 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations

APPENDIX AND FINANCIAL RECONCILIATIONS

FY 2018 First Quarter

Non-GAAP financial measurements

- Adjusted EBIT, Adjusted EBIT margin, Pro-forma adjusted EBIT, Pro-forma adjusted EBIT margin, Pro-forma adjusted EBITDA, Adjusted effective tax rate, Adjusted net income attributable to Adient, Pro-forma adjusted net income attributable to Adient, Adjusted earnings per share, Adjusted Free cash flow, Net debt, Net leverage, Adjusted SG&A, 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.
- Adjusted EBIT, Adjusted EBIT margin, Pro-forma adjusted EBIT, Pro-forma adjusted EBIT margin, Pro-forma adjusted EBITDA, Adjusted effective tax rate, Adjusted net income attributable to Adient, Pro-forma adjusted net income attributable to Adient, Adjusted earnings per share and Adjusted Free cash flow are measures used by management to evaluate the operating performance of the company and its business segments to forecast future periods.
  - Adjusted EBIT is defined as income before income taxes and noncontrolling interests excluding net financing charges, restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, expenses associated with becoming an independent company, other significant non-recurring items, and net mark-to-market adjustments on pension and postretirement plans. General corporate and other overhead expenses are allocated to business segments in determining Adjusted EBIT. Adjusted EBIT margin is Adjusted EBIT as a percentage of net sales.
  - Pro-forma adjusted EBIT is defined as Adjusted EBIT excluding pro-forma IT dis-synergies as a result of higher stand-alone IT costs as compared to allocated IT costs under our former parent. Pro-forma adjusted EBIT margin is Pro-forma adjusted EBIT as a percentage of net sales.
  - Pro-forma adjusted EBITDA is defined as Pro-forma adjusted EBIT excluding depreciation and stock based compensation.
  - Adjusted effective tax rate is defined as adjusted income tax provision as a percentage of adjusted income before income taxes.
  - 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, Becoming Adient/separation costs, other significant non-recurring items, net mark-to-market adjustments on pension and postretirement plans, and the tax impact of these items.
  - Pro-forma adjusted net income attributable to Adient is defined as Adjusted net income attributable to Adient excluding pro-forma IT dis-synergies as a result of higher stand-alone IT costs as compared to allocated IT costs under our former parent, pro-forma interest expense that Adient would have incurred had it been a stand-alone company, the tax impact of these items and the pro-forma impact of the tax rate had Adient been operating as a stand-alone company domiciled in its current jurisdiction.
  - Adjusted free cash flow is defined as cash from operating activities plus payments from our former parent (related to reimbursements for cash management actions and capital expenditures), less capital expenditures.
  - Management uses these measures to evaluate the performance of ongoing operations separate from items that may have a disproportionate impact on any particular period. These measures are also used by securities analysts, institutional investors and other interested parties in the evaluation of companies in our industry
- Net debt is calculated as gross debt less cash and cash equivalents.
- Net leverage is calculated as net debt divided by last twelve months (LTM) pro-forma adjusted-EBITDA.

Non-GAAP reconciliations

EBIT, Pro-forma Adjusted EBIT, Pro-forma Adjusted EBITDA

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		FY16 Actual				FY17 Actual				FY18 Actual	Last Twelve Months Ended						
(in $ millions)	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Actual Jun '16	Actual Sep '16	Actual Dec '16	Actual Mar '17	Actual Jun '17	Actual Sep '17	Actual Dec '17
Net income attributable to Adient	$ (119)	$ 133	$ (781)	$ (17)	$ (881)	$ 142	$ 190	$ 201	$ 344	$ (216)	$ (784)	$ (1,546)	$ (1,537)	$ (566)	$ (348)	$ 877	$ 519
Income attributable to noncontrolling interests	13	17	23	21	23	22	24	22	17	20	74	84	89	90	91	85	83
Income Tax Provision	284	53	838	136	812	28	37	39	(5)	265	1,311	1,839	1,814	1,013	916	99	336
Financing Charges	1	2	4	2	14	35	33	31	33	33	9	22	55	84	113	132	130
Earnings before interest and income taxes	$ 179	$ 205	$ 84	$ 142	$ (32)	$ 227	$ 284	$ 293	$ 389	$ 102	$ 610	$ 399	$ 421	$ 621	$ 772	$ 1,193	$ 1,068
Separation costs (1)	-	60	72	122	115	10	-	-	-	-	254	369	319	247	125	10	-
Becoming Adient (1)	-	-	-	-	-	15	23	20	37	19	-	-	15	38	58	95	99
Purchase accounting amortization (2)	9	9	10	9	9	10	9	10	14	17	37	37	38	37	38	43	50
Restructuring related charges (3)	4	4	3	3	4	8	10	10	9	11	14	14	18	25	32	37	40
Other items(4)	(7)	(21)	(35)	(22)	(1)	13	-	-	3	14	(85)	(79)	(45)	(10)	12	16	17
Restructuring and impariment costs (5)	182	-	169	75	88	-	6	-	40	-	426	332	332	169	94	46	46
Pension mark-to-market (6)	6	-	-	-	110	-	-	-	(45)	-	6	110	110	110	110	(45)	(45)
Gain on previously held interest (9)	-	-	-	-	-	-	-	-	(151)	-	-	-	-	-	-	(151)	(151)
Gain on business divestiture	(137)	-	-	-	-	-	-	-	-	-	(137)	-	-	-	-	-	-
Adjusted EBIT	$ 236	$ 257	$ 303	$ 329	$ 293	$ 283	$ 332	$ 333	$ 296	$ 163	$ 1,125	$ 1,182	$ 1,208	$ 1,237	$ 1,241	$ 1,244	$ 1,124
Pro-forma IT dis-synergies (8)	(6)	(6)	(7)	(6)	(7)	-	-	-	-	-	(25)	(26)	(20)	(13)	(7)	-	-
Pro-forma Adjusted EBIT	$ 230	$ 251	$ 296	$ 323	$ 286	$ 283	$ 332	$ 333	$ 296	$ 163	$ 1,100	$ 1,156	$ 1,188	$ 1,224	$ 1,234	$ 1,244	$ 1,124
Stock based compensation (7)	(4)	1	5	14	8	4	11	8	6	10	16	28	31	37	31	29	35
Depreciation	77	82	81	77	87	83	78	83	88	94	317	327	328	325	331	332	343
Pro-forma Adjusted EBITDA	$ 303	$ 334	$ 382	$ 414	$ 381	$ 370	$ 421	$ 424	$ 390	$ 267	$ 1,433	$ 1,511	$ 1,547	$ 1,586	$ 1,596	$ 1,605	$ 1,502

1. Reflects incremental expenses associated with becoming an independent company and expenses associated with the separation from Johnson Controls International.
2. Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income.
3. Reflects restructuring related charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420.
4. First quarter of 2018 reflects $6 million of integration costs associated with the acquisition of Futuris and $8 million related to the impact of the U.S. tax reform legislation at YFAI. First quarter 2017 primarily consists of $12M of initial funding of the Adient foundation. Fourth quarter of 2017 reflects $3 million of transaction costs associated with the acquisition of Futuris. Also reflects a first quarter 2016 $13 million favorable commercial settlement, second quarter 2016 $22 million favorable settlement from prior year business divestitures and a $6 million favorable legal settlement, and a third quarter 2016 $14 million favorable legal settlement. Also reflected is a multi-employer pension credit associated with the removal of costs for pension plans that remained with the former Parent in the amount of $8 million, $7 million, $8 million and $1 million in the first, second, third, and fourth quarters of 2016, respectively.
5. Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420.
6. Reflects net mark-to-market adjustments on pension and postretirement plans.
7. Stock based compensation excludes $2 million, $5 million, $3 million, and $6 million of expense in the first, second, third and fourth quarters of 2017, respectively, which is included in Becoming Adient costs discussed above.
8. Pro-forma amounts include IT dis-synergies as a result of higher stand-alone IT costs as compared to allocated IT costs under JCI, interest expense that Adient would have incurred had it been a stand-alone company and the impact of the tax rate had Adient been operating as a stand-alone company domiciled in its current jurisdiction.
9. Adient amended the agreement with a seating joint venture in China, giving Adient control of the previously non-consolidated JV. Adient began consolidating this JV in July 2017 and was required to apply purchase accounting, including recognizing a gain on our previously held interest, which has been recorded in equity income.

Non-GAAP reconciliations
Adjusted Net Income

Adjusted Net Income

(in $ millions)	Three Months Ended December 31 2017	Three Months Ended December 31 2016
Net income attributable to Adient	$ (216)	$ 142
Separation costs (1)	-	10
Becoming Adient (1)	19	15
Purchase accounting amortization (2)	17	10
Restructuring related charges (3)	11	8
Other items (4)	14	13
Tax impact of above adjustments and one time tax items (5)	254	(6)
Adjusted net income attributable to Adient	**$ 99**	**$ 192**

Adjusted Diluted EPS

	Three Months Ended December 31 2017	Three Months Ended December 31 2016
Diluted earnings per share as reported	$ (2.32)	$ 1.51
Separation costs (1)	-	0.10
Becoming Adient (1)	0.20	0.16
Purchase accounting amortization (2)	0.19	0.10
Restructuring related charges (3)	0.12	0.09
Other items (4)	0.15	0.14
Tax impact of above adjustments and one time tax items (5)	2.72	(0.06)
Adjusted diluted earnings per share	**$ 1.06**	**$ 2.04**

1. Reflects incremental expenses associated with becoming an independent company and expenses associated with the separation from JCI.
2. Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income.
3. Reflects restructuring related charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420.
4. First quarter 2018 reflects $6 million of integration costs associated with the acquisition of Futuris and $8 million related to the impact of the U.S. tax reform legislation at YFAI. First quarter 2017 primarily consists of $12 million of initial funding of the Adient foundation.
5. In first quarter 2018, the other tax items consist primarily of the impacts of jurisdictional tax rate changes.

Non-GAAP reconciliations
Free Cash Flow

Free Cash Flow

(in $ millions)	Three Months Ended December 31 2017		Three Months Ended December 31 2016	
Operating cash flow	$	(127)	$	(13)
Less: Capital expenditures		(143)		(207)
Cash from former parent		-		228
Adjusted Free cash flow	$	(270)	$	8

Adjusted EBITDA to Free Cash Flow

(in $ millions)	Three Months Ended December 31 2017	
Adjusted EBITDA	$	267
(-) Interest Expense		(33)
(-) Taxes		(43)
(-) Restructuring (Cash)		(41)
(+/-) Change in Trade Working Capital		(55)
(+/-) Net Equity in Earnings		(103)
(+/-) Other		(119)
Operating cash flow	$	(127)
(-) CapEx		(143)
Adjusted Free cash flow	$	(270)

Non-GAAP reconciliations
Net Debt and Adjusted Equity Income

Net Debt and Net Leverage

(in $ millions)	December 31 2017	September 30 2017
Cash	$ 390	$ 709
Total Debt	3,501	3,478
Net Debt	$ 3,111	$ 2,769
Adjusted EBITDA (last twelve months)	1,502	1,605
Net Leverage	2.07x	1.73x

Adjusted Equity Income

	Three Months Ended December 31	
(in $ millions)	2017	2016
Equity income as reported	$ 96	$ 94
Purchase accounting amortization (1)	5	5
US tax reform legislation at YFAI (2)	8	-
Adjusted equity income	$ 109	$ 99

1. Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income.
2. In first quarter 2018, the other tax items consist primarily of the impacts of jurisdictional tax rate changes.3. Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income.

Non-GAAP reconciliations
Adjusted Income before Income Taxes, and Segment Adjusted EBIT

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Adjusted Income before Income Taxes

(in $ millions)	Three Months Ended December 31					
	2017			2016		
	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate
As reported	$ 69	$ 265	*	$ 192	$ 28	14.6%
Adjustments [(1)]	61	(254)	*	56	6	10.7%
As adjusted	$ 130	$ 11	8.5%	$ 248	$ 34	13.7%

* Measure not meaningful

Adjusted EBIT by segment

(in $ millions)	Three Months Ended December 31	
	2017	2016
Seating	$ 138	$ 253
Interiors	25	30
Adjusted EBIT	$ 163	$ 283

1. In first quarter 2018, the other tax items consist primarily of the impacts of jurisdictional tax rate changes.

Non-GAAP reconciliations
Reported to Adjusted SG&A

ADIENT

(in $ millions)	Actual Q4 FY15	FY16 Actual Q1 FY16	FY16 Actual Q2 FY16	FY16 Actual Q3 FY16	FY16 Actual Q4 FY16	FY17 Actual Q1 FY17	FY17 Actual Q2 FY17	FY17 Actual Q3 FY17	FY17 Actual Q4 FY17	Actual Q1 FY18	Last Twelve Months Ended Actual Jun '16	Last Twelve Months Ended Actual Sep '16	Last Twelve Months Ended Actual Dec '16	Last Twelve Months Ended Actual Mar '17	Last Twelve Months Ended Actual Jun '17	Last Twelve Months Ended Actual Sep '17	Last Twelve Months Ended Actual Dec '17
Selling, general and administrative costs	$ 225	$ 253	$ 252	$ 315	$ 402	$ 217	$ 178	$ 169	$ 127	$ 196	$ 1,045	$ 1,222	$ 1,186	$ 1,112	$ 966	$ 691	$ 670
Separation costs (1)	-	(60)	(72)	(122)	(115)	(10)	-	-	-	-	(254)	(369)	(319)	(247)	(125)	(10)	-
Becoming Adient (1)	-	-	-	-	-	(6)	(10)	(6)	(18)	(6)	-	-	(6)	(16)	(22)	(40)	(40)
Purchase accounting amortization (2)	(3)	(4)	(5)	(4)	(4)	(5)	(4)	(3)	(8)	(12)	(16)	(17)	(18)	(17)	(16)	(20)	(27)
Restructuring related charges (3)	-	-	-	-	(2)	-	-	-	(2)	-	-	(2)	(2)	(2)	(2)	(2)	(2)
Other non-recurring items (4)	7	21	35	22	1	(13)	-	-	(3)	(1)	85	79	45	10	(12)	(16)	(4)
Pension mark-to-market (5)	(3)	-	-	-	(94)	-	-	-	41	-	(3)	(94)	(94)	(94)	(94)	41	41
Adjusted SG&A	$ 226	$ 210	$ 210	$ 211	$ 188	$ 183	$ 164	$ 160	$ 137	$ 177	$ 857	$ 819	$ 792	$ 746	$ 695	$ 644	$ 638
Growth, foreign exchange impact and other	-	-	-	-	-	(3)	2	(6)	(9)	(34)	-	-	(3)	(1)	(7)	(16)	(47)
Comparable SG&A	$ 226	$ 210	$ 210	$ 211	$ 188	$ 180	$ 166	$ 154	$ 128	$ 143	$ 857	$ 819	$ 789	$ 745	$ 688	$ 628	$ 591

Sales ($Millions)	$ 4,150	$ 4,220	$ 4,290	$ 4,348	$ 3,932	$ 4,026	$ 4,201	$ 4,007	$ 3,979	$ 4,204	$17,008	$16,790	$16,596	$16,507	$16,166	$16,213	$ 16,391
Comparable SG&A	226	210	210	211	188	180	166	154	128	143	857	819	789	745	688	628	591
% of Sales	5.45%	4.98%	4.90%	4.85%	4.78%	4.47%	3.95%	3.84%	3.22%	3.40%	5.04%	4.88%	4.75%	4.51%	4.26%	3.87%	3.61%

1. Reflects incremental expenses associated with becoming an independent company and expenses associated with the separation from JCI.
2. Reflects amortization of intangible assets including those related to the YFAI joint venture recorded within equity income.
3. Reflects restructuring related charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420.
4. First quarter 2018 reflects $1 million of integration costs associated with the acquisition of Futuris. First quarter 2017 primarily consists of $12 million of initial funding of the Adient foundation. Fourth quarter 2017 includes $3 million of integration costs related to the Futuris acquisition. Also reflects a first quarter 2016 $13 million favorable commercial settlement, second quarter 2016 $22 million favorable settlements from prior year business divestitures and a $6 million favorable legal settlement, and a third quarter 2016 $14 million favorable legal settlement. Fourth quarter of 2015 primarily consists of a multi-employer pension credit associated with the removal of costs for pension plans that remained with the former Parent. Amounts related to the multi-employer pension credit are also included in fiscal year 2016 in the amount of $8 million, $7 million, $8 million and $1 million in the first, second, third and fourth quarters, respectively.
5. Reflects net mark-to-market adjustments on pension and postretirement plans.

Non-GAAP reconciliations
SS&M Operating Performance

(in $ millions)	Actual Q4 FY15	FY16 Actual Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY17 Actual Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Actual Q1 FY18	LTM Actual Jun '16
Adjusted EBIT	$ 230	$ 251	$ 296	$ 323	$ 286	$ 283	$ 332	$ 333	$ 296	$ 163	$ 1,100
Non-SS&M Adjusted EBIT	220	263	295	307	304	312	325	339	342	289	1,085
Adjusted EBIT attributable to SS&M	$ 10	$ (12)	$ 1	$ 16	$ (18)	$ (29)	$ 7	$ (6)	$ (46)	$ (126)	$ 15

Note: For illustrative purposes assumes corporate allocation of ~ $100 M per year.

Prior Period Results

	Actual Q4 FY15	FY16 Actual Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY17 Actual Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY18 Actual Q1 FY18	Last Twelve Months Ended Actual Jun '16	Actual Sep '16	Actual Dec '16	Actual Mar '17	Actual Jun '17	Actual Sep '17	Actual Dec '17
Sales ($Mils.)	$ 4,150	$ 4,220	$ 4,290	$ 4,348	$ 3,932	$ 4,026	$ 4,201	$ 4,007	$ 3,979	$ 4,204	$ 17,008	$ 16,790	$ 16,596	$ 16,507	$ 16,166	$ 16,213	$ 16,391
Adjusted EBIT	230	251	296	323	286	283	332	333	296	163	1,100	1,156	1,188	1,224	1,234	1,244	1,124
% of Sales	5.54%	5.95%	6.90%	7.43%	7.27%	7.03%	7.90%	8.31%	7.44%	3.88%	6.47%	6.89%	7.16%	7.42%	7.63%	7.67%	6.86%
Adjusted EBITDA	303	334	382	414	381	370	421	424	390	267	1,433	1,511	1,547	1,586	1,596	1,605	1,502
% of Sales	7.30%	7.91%	8.90%	9.52%	9.69%	9.19%	10.02%	10.58%	9.80%	6.35%	8.43%	9.00%	9.32%	9.61%	9.87%	9.90%	9.16%
Adj Equity Income	72	95	80	91	98	99	94	98	103	109	338	364	368	382	389	394	404
Adj EBIT Excl Equity	158	156	216	232	188	184	238	235	193	54	762	792	820	842	845	850	720
% of Sales	3.81%	3.70%	5.03%	5.34%	4.78%	4.57%	5.67%	5.86%	4.85%	1.28%	4.48%	4.72%	4.94%	5.10%	5.23%	5.24%	4.39%
Adj EBITDA Excl Equity	231	239	302	323	283	271	327	326	287	158	1,095	1,147	1,179	1,204	1,207	1,211	1,098
% of Sales	5.57%	5.66%	7.04%	7.43%	7.20%	6.73%	7.78%	8.14%	7.21%	3.76%	6.44%	6.83%	7.10%	7.29%	7.47%	7.47%	6.70%