FY2025 First Quarter Earnings Call

January 28, 2025

Important Information

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 effects of local and national economic, credit and capital market conditions (including the persistence of high interest rates, vehicle affordability and volatile currency exchange rates) on the global economy, automotive vehicle production levels, mix and schedules, as well as the concentration of exposure to certain automotive manufacturers, shifts in market shares among vehicles, vehicle segments or away from vehicles on which Adient has significant content, changes in consumer demand, risks associated with Adient's joint ventures, volatile energy markets, Adient's ability and timing of customer recoveries for increased input costs, the availability of raw materials and component products (including components required by Adient's customers for the manufacture of vehicles), geopolitical uncertainties such as the Ukraine and Middle East conflicts and the impact on the regional and global economies and additional pressure on supply chain and vehicle production, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, the ability of Adient to effectively launch new business at forecast and profitable levels, the ability of Adient to successfully identify suitable opportunities for organic investment and/or acquisitions and to integrate such investments and/or acquisitions; work stoppages, including due to strikes, supply chain disruptions and similar events, wage inflationary pressures due to labor shortages and new labor negotiations, the ability of Adient to execute its restructuring plans and achieve the desired benefit, the ability of Adient to meet debt service requirements and, terms of future financing, the impact of global tax reform legislation, global climate change and related emphasis on sustainability matters by various stakeholders, and the ability of Adient to achieve its sustainability-related goals, 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, 2024 filed with the U.S. Securities and Exchange Commission (the "SEC") on November 18, 2024, 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 FY2025 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

This document also contains the key performance indicator of business performance, which is defined as the difference in period-over-period Adjusted EBITDA excluding production volume/mix, equity income, foreign exchange and net commodity pricing. Management believes this key performance indicator encompasses the significant drivers of the performance of the business that are within management's ability to influence and may assist investors in evaluating Adient's on-going operations and provide important supplemental information regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider this key performance indicator as an alternative to our GAAP financial results.

Agenda

- > **Introduction**

  Michael Heifler

  VP, Investor Relations and Strategy

- > **Business Update**

  Jerome Dorlack

  President and CEO

- > **Financial Review**

  Mark Oswald

  Executive VP and CFO

- > **Q&A**

Solid start to Q1 with business performance mitigating ongoing industry headwinds

- Industry production softness continues to drive near-term pressure
  - Americas – customers destocking inventories as expected, mostly right-sized heading into CY2025
  - EMEA- navigating volume/mix headwinds
  - Asia – soft demand/production for Adient core customer base (luxury OEMs, Japanese OEMs, new start-up ceasing operations)
- Adient continues to drive positive business performance, partially offsetting production headwinds
- EBITDA in line vs. internal expectations for Q1
- Generated solid FCF and maintained strong cash balance
- Continued share repurchases in the quarter
- The company released its 2024 sustainability report

Key Q1 FY25 Financial Metrics

Consolidated Revenue	**~$3.5B**
Adj.-EBITDA	**$196M**
Free Cash Flow	**$45M**
Cash Balance	**$860M** **(at December 31, 2024)**
Gross Debt and Net Debt	**~$2.4B and ~$1.5B, respectively**
Capital Return	**$25M** **~1.2M shares repurchased in Q1**

Regional update

ADIENT

Americas

- Adient's customers destocked inventories, pressuring production volumes in fiscal Q1
- Industry is better positioned entering CY25 with improving SAAR and healthier inventories
- Current selling rates appear to support production schedules
- Potential tariffs being evaluated, ongoing efforts to mitigate impacts
- Tailwinds: positive mix, roll off-of metals and business performance

EMEA

- Industry remains challenged
- Weak volume and program delays from traditional OEMs
- Multi-year restructuring plan on track, activities ongoing
- Monitoring customer restructuring developments and will align our production and capacity accordingly
- Shaping footprint for a smaller market and future localization of new players

Asia

- Macro conditions remain challenging for region
- Asia business continues to produce double digit margins
- China underperformed overall market, however Asia outside of China grew 1600 bps over market in Q1 due to new program launches ramping up
- China operating performance remains strong amid increased competition in the region

Strong business performance mitigating volume/mix headwinds

China market overview

Stiff headwinds persist

- **Macro conditions in China:** challenging market conditions that emerged in late CY24 have continued into CY25
- **Government stimulus** modestly effective, benefitting low content, entry level vehicles where Adient has minimal content
- **Competitive pressures** have intensified, leading our traditional European luxury and Japanese-based customers to reduce their FY25 production forecasts
- Several local OEMs have **cancelled programs**
- **Underlying auto demand has softened** outside of short-term scrappage schemes

Adient's response

- Leveraging our **technical capabilities**, leading **product innovations** and **high content expertise**, domestic and global **footprint**, and **local knowledge** to win new business with local OEMs, **driving profitable growth** in next 2-3 years
- In FY24 won new and replacement business worth **~$1B annual revenue** (includes unconsolidated sales), 90% with **local OEMs**, much of which launches in FY26/FY27
- Team **mitigating lost contribution margin** on lower consolidated sales by **executing profit improvement actions**, such as cost reductions and commercial initiatives
- Maintaining focus on **cash efficiencies**

China remains a highly profitable, cash generative business

Based on current outlook, we see China revenue flat to slightly declining in FY25 – primarily driven by unfavorable production mix from increasing export and local OEM volume

Driving forward with new business wins and key launches

New Business

NEW!
Mercedes E-Class

Complete Seat

NEW!
Xpeng G01 (large SUV)

Rear Seat

NEW!
Chang'an Deepal C518 (Sedan)

Rear Seat

Repl!
FAW Hongqi H5

Complete Seat

Repl!
Hyundai Elantra (Sedan)

Complete Seat

Launches

Toyota Bz3c

Complete Seat

Volkswagen Tayron

Complete Seat

Nissan Leaf

Complete Seat

Honda HRV

Rear seat

Dodge Charger

Metals, 1st row

Complete Seat System: JIT/Trim/Foam/Metals

Electric vehicle

2024 Sustainability Report highlights commitments and progress

Adient's sustainability journey continues, driving sustainable growth through environmental stewardship, social responsibility and ethical governance.

Learn more in our **2024 Sustainability Report**.

ADIENT'S 1,565 CONTINUOUS IMPROVEMENT PROJECTS COMPLETED IN FY24 ANNUALLY CONSERVE:

- **7,391 metric tons** of CO_2e
- **53,669 cubic meters** of water
- **8,842,812 kWh-equivalent** of fuel
- **5,308 metric tons** of waste
- **62 million kWh** of energy

www.adient.com/sustainability

FISCAL YEAR 2024 HIGHLIGHTS

- **38%** reduction in Scope 1 and 2 greenhouse gas emissions*
- **29%** of electricity attributable to renewable resources
- **$9B+** spent with diverse suppliers since becoming Adient
- **68%** of employees hired in the U.S. identify as an ethnic minority

*over base year 2019

Key takeaways

The company continues to drive higher levels and improve business performance, mitigating macro pressures

The Americas continue to expand margins; Asia region continues to have strong margins and FCF and continues to win new business with local China OEMS; EMEA remains a restructuring story

The Adient operating model is enabling the company to maintain low end of guidance range, despite FX headwinds and softer customer production volumes in China and EMEA

Management is committed to generating cash and creating value for Adient's stakeholders

Financial Review

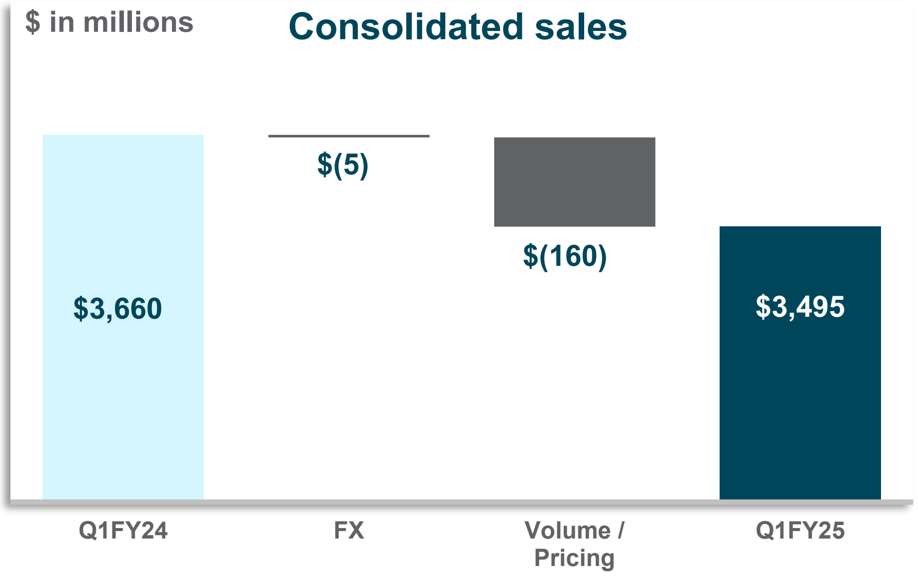
FY2025 First Quarter

Q1 FY25 key financials

$ millions, except per share data	As Reported Q1 FY25	As Reported Q1 FY24	As Adjusted [1] Q1 FY25	As Adjusted [1] Q1 FY24	B/(W)
Consolidated Revenue	$ 3,495	$ 3,660	$ 3,495	$ 3,660	*(5%)*
EBIT	$ 93	$ 111	$ 122	$ 131	*(7%)*
Margin	*2.7%*	*3.0%*	*3.5%*	*3.6%*	
EBITDA	N/A	N/A	$ 196	$ 216	*(9%)*
Margin			*5.6%*	*5.9%*	
Memo: Equity Income [2]	$ 25	$ 23	$ 21	$ 25	*(16%)*
Net Financing Charges	$ 45	$ 44	$ 45	$ 44	*2%*
Tax Expense	$ 22	$ 20	$ 26	$ 29	*(10%)*
Net Income (Loss)	$ -	$ 20	$ 23	$ 29	*(21%)*
EPS Diluted	$ -	$ 0.21	$ 0.27	$ 0.31	*(13%)*

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

Q1 FY25 revenue: consolidated and unconsolidated sales

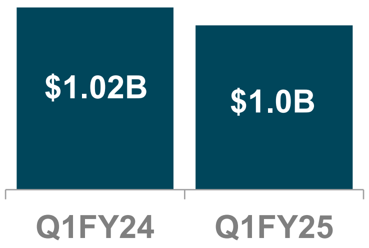


Regional Performance

(consolidated sales y-o-y growth vs. Q1FY24 by region) [1]

	Q1	Q1 S&P Production
Americas	**-2%**	**-1%**
EMEA [2]	**-11%**	**-11%**
Asia	**0%**	**3%**
Note: China	-10%	8%
Note: Asia excl. China	12%	-4%
Global Total	**-4%**	**0%**

Unconsolidated sales [1]



Year-over-year decrease of ~2%

consolidated

- Americas and EMEA sales were generally in line with production in the region
- Sales in China underperformed industry production primarily due to our key customers / platforms not benefiting from scrappage / trade-in incentives aimed at entry level products, growth in exports where we little to no content, and resulting production declines from our traditional European luxury and Japanese OEM customers
- Asia outside China was 1600 bps better than the overall market mainly due to growth with customers in Japan and Korea resulting from new program launches
- Slight decrease in unconsolidated sales y-o-y due to lower customer production volumes in the Americas & Asia regions

[1] - FX adjusted
[2] - Excludes Russian market production

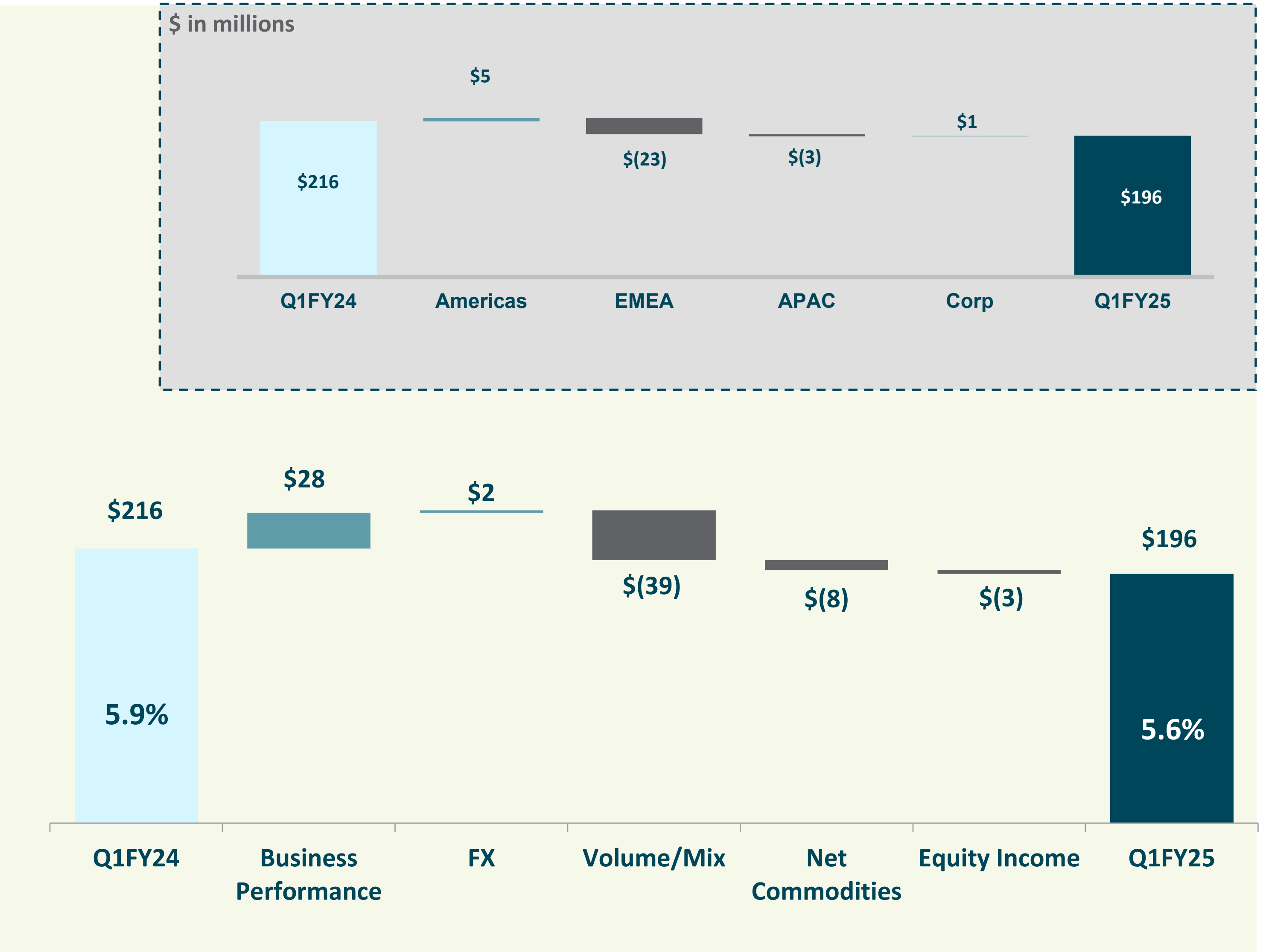
Q1 FY25 adjusted EBITDA

Q1 FY25 adjusted EBITDA of $196M, down $20M y-o-y, was primarily driven by:

> Improved business performance of $28M, primarily resulting from better net material margin and reduced operating costs including lower launch costs

> Volume and mix negatively impacted the quarter by $39M, mainly driven by lower customer vehicle production in EMEA and unfavorable product mix in Asia

> Net commodity headwind of $8M due to the timing of recoveries



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

Q1 FY25 cash flow

Free Cash Flow

Adjusted EBITDA to Free Cash Flow (in $ millions)	FY2025 Q1	FY2024 Q1
Adjusted-EBITDA	$ 196	$ 216
Adjusted equity income	(21)	(25)
Dividend	6	16
Restructuring	(34)	(10)
Net customer tooling	(16)	(17)
Trade working capital (Net AR/AP + Inventory)	234	111
Accrued compensation	(78)	(64)
Interest paid	(54)	(60)
Taxes paid	(15)	(24)
Non-income related taxes (VAT)	(22)	(28)
Commercial settlements	(9)	16
Net capitalized engineering	5	(17)
Other	(83)	(73)
Operating Cash flow	$ 109	$ 41
(-) CapEx [1]	(64)	(55)
Free Cash flow	$ 45	$ (14)

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

Key drivers impacting Q1 FY25 FCF:

- (+) Typical month-to-month working capital movements
- (+) Net capitalized engineering
- (-) Lower y-o-y adjusted earnings
- (-) Timing and level of commercial settlement payments
- (-) Execution of previously announced restructuring activities, primarily in Europe

Memo: At Dec. 31, 2024, ~$172M of factored receivables (vs. ~$170M at Sep. 30, 2024). Adient uses various global factoring programs as a low-cost source of liquidity.

Debt and capital structure

($ in millions) Cash & Debt Profile	12/31/2024 Amount
Cash & Cash Equivalents	$ 860
ABL Revolver, incl. FILO due 2027 [(1)]	-
Term Loan B due 2031	630
7.000% Secured Notes due 2028	500
Total Secured Debt	**1,130**
4.875% Notes due 2026	795
8.250% Notes due 2031	500
Other LT debt	4
Other Bank Borrowings	0
Deferred issuance costs	(27)
Total Debt	**2,402**

[(1)] Subject to ABL borrowing base availability. As of December 31, 2024, there were no draws outstanding and approximately $875 million was available under the ABL Credit Agreement.

Net Debt

(in $ millions)	December 31 2024	September 30 2024
Cash	$ 860	$ 945
Total Debt	2,402	2,405
Net Debt	$ 1,542	$ 1,460

- Total liquidity of ~$1.7B at December 31, 2024 (cash on hand of ~$860M and ~$875M of undrawn capacity under the revolving line of credit)
- Adient's net leverage ratio on a TTM basis is 1.79x, within the targeted range of 1.5x-2.0x [2]
- Adient returned $25M cash to shareholders in Q1 FY25, repurchasing ~1.2M shares
- Adient expects to generate ~$180M in FCF in FY25

[2] See appendix for reconciliation to non-GAAP metrics

Adient maintains a strong balance sheet with ample liquidity

FY25 Outlook update

Consolidated sales	**Approx. ~$13.9B** *(previous $14.1B - $14.4B)*
Adj.-EBITDA	**Approx. ~$850M** *(previous $850M - $900M)*
Equity income Incl. in Adj.-EBITDA	**~$80M**
Interest expense	**~$185M**
Cash taxes	**~$105M**
Capex	**~$285M**
Free cash flow	**~$180M** *(previous ~$200M)*

MACRO

- Incremental China / EMEA production headwinds (~$150M revenue impact from volume)
- Translational FX (~$200M revenue impact)

> Adj.-EBITDA expected at lower end of guidance range
  > Business performance to mitigate macro headwinds and offset decremental margin on lower volume
  > Translational FX negatively impacting guidance beyond revenue; EBITDA and FCF negatively impacted by ~15M

> Solid FCF of ~$180M
  > Laser focus on cash conservation
  > Asset reuse
  > Working capital

Key currencies	FY25 forecast
Euro	$1.05 / €
Chinese RMB	¥7.30 / $

Adient expects strong business performance to partially offset lower revenue -- FCF to remain strong

Reconciliations of non-GAAP measures related to FY2025 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations

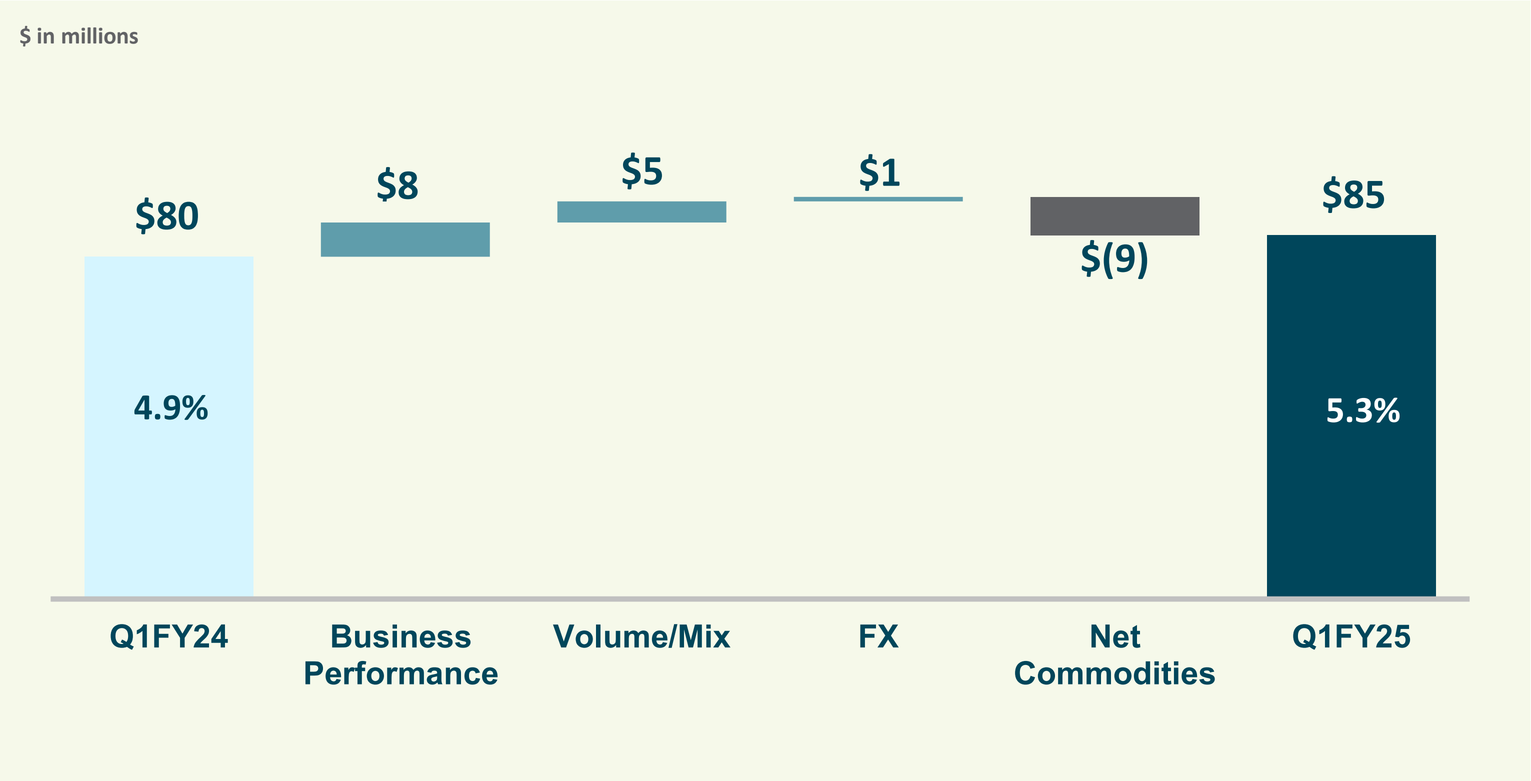
Appendix and financial reconciliations

FY2025 First Quarter

Q1 FY25 Adjusted-EBITDA: Americas

Q1 FY25 of $85M, up $5M y-o-y, driven by:

- Improved business performance of $9M, primarily driven by favorable freight costs and lower launch costs
- Favorable mix impact of $5M resulting largely from improved volumes on high content, profitable programs during the quarter
- Commodities were a headwind of $9M during the quarter, primarily due to the timing of contractual true-ups



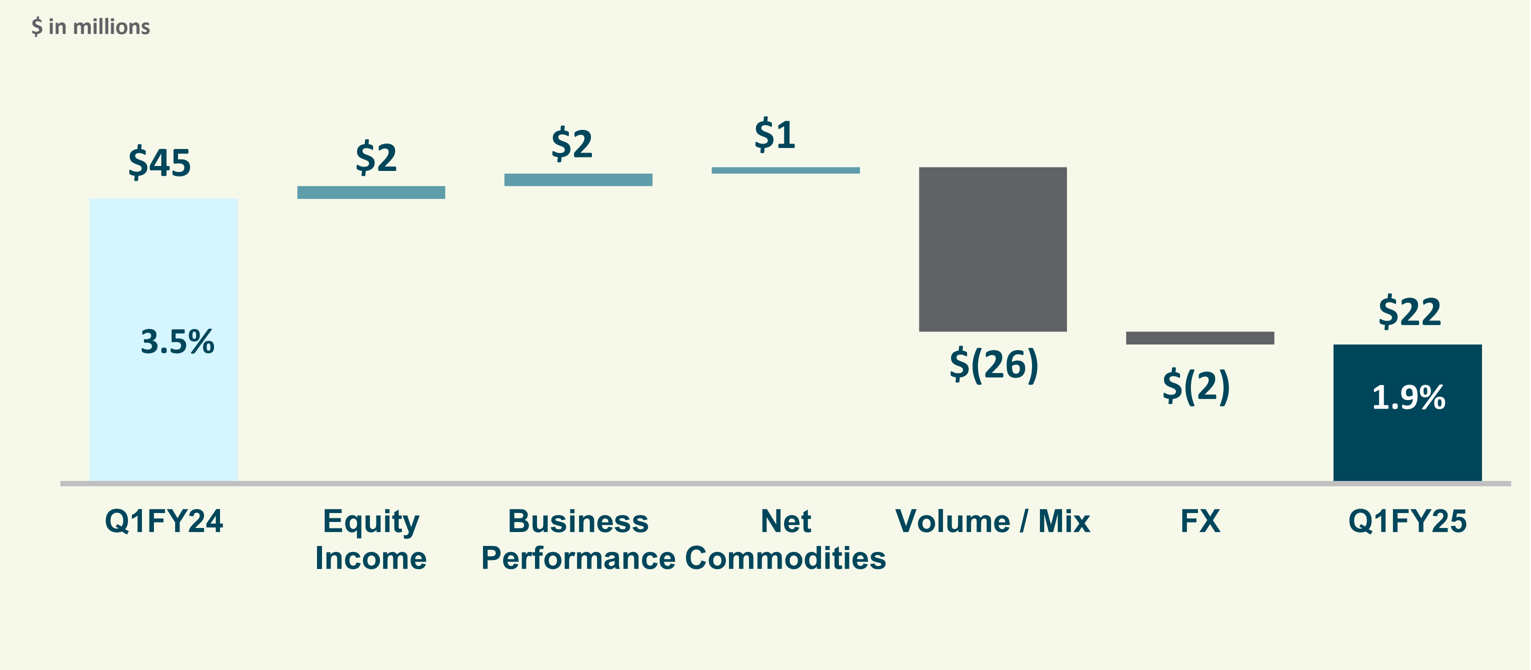
Q1 FY25 Adjusted-EBITDA: EMEA

Q1 FY25 of $22M, down $23M y-o-y, driven by:

> Business performance slightly up in the quarter, mainly due to improved material margin and operating performance, including restructuring activities

> Volume and mix was a $26M headwind resulting from lower contribution margin on reduced customer production volumes

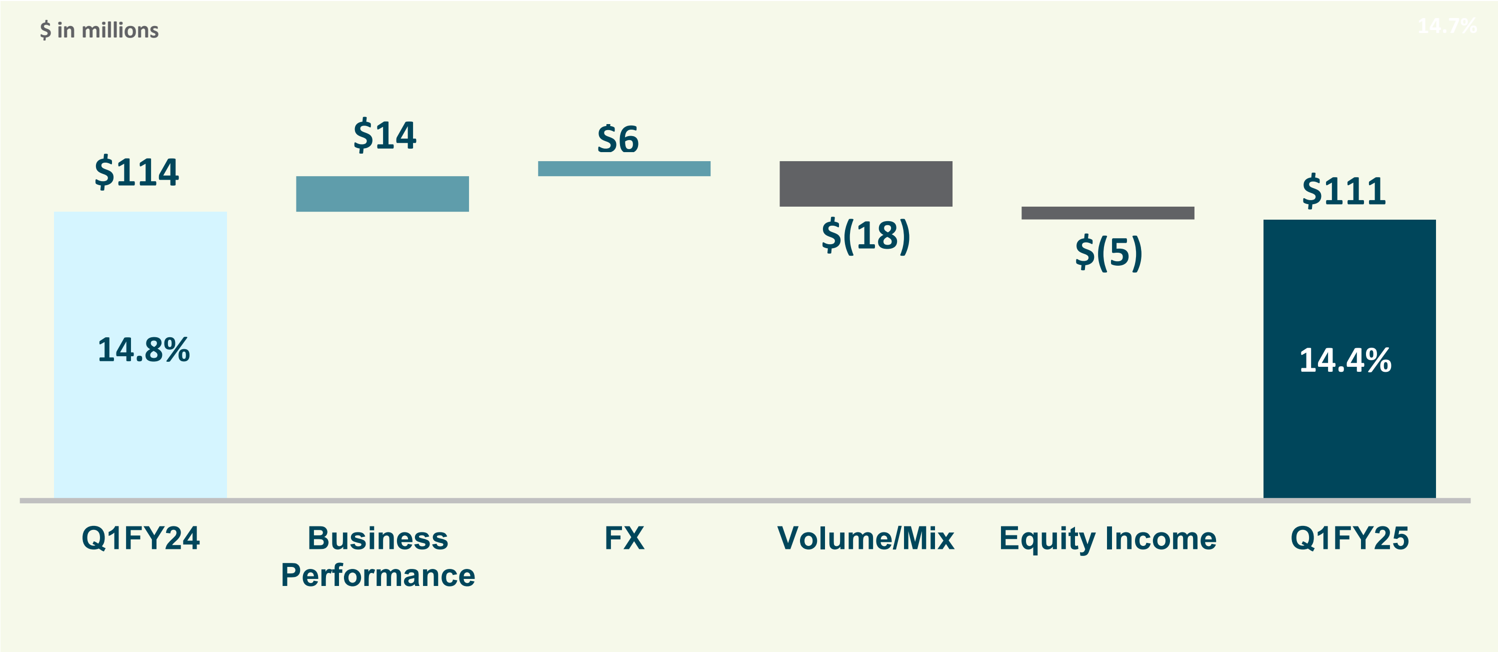
> FX marginally down in the quarter due to transactional FX gains in prior year on multi-layered hedging strategy, as well as strengthening USD to a lesser extent



Q1 FY25 Adjusted-EBITDA: Asia

Q1 FY25 of $111M, down $3M y-o-y, driven by:

- Improved business performance of $14M, mainly due to improved net material margin and lower launch expenses
- FX was a tailwind of $6M during the quarter
- Volume and mix was a $18M headwind within the quarter, driven by lower margin of some replacement programs coming online and less premium customer revenue in China
- Equity income was lower by $5M, primarily due to restructuring of agreement between the partners in our Keiper JV which was $12M y-o-y impact



Non-GAAP financial measurements and pro-forma reconciliations

Adjusted EBIT, adjusted EBIT margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income attributable to Adient, adjusted effective tax rate, adjusted earnings per share, adjusted equity income, adjusted interest expense, free cash flow, net debt, and net leverage ratio as well as other measures presented on an adjusted basis are not recognized terms under U.S. GAAP and do not purport to be alternatives to the most comparable U.S. GAAP amounts. Since all companies do not use identical calculations, our definition and presentation of these measures may not be comparable to similarly titled measures reported by other companies. Management uses the identified non-GAAP measures to evaluate the operating performance of the Company and its business segments and to forecast future periods. Management believes these non-GAAP measures assist investors and other interested parties in evaluating Adient's on-going operations and provide important supplemental information to management and investors regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. Reconciliations of non-GAAP measures to their closest U.S. GAAP equivalent are presented in the corresponding tables that follow the definitions 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 equity-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 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 income tax expense (benefit) is defined as income tax expense adjusted for the tax effect of the adjustments to income before income taxes and other discrete tax changes/benefits. Adjusted effective tax rate is defined as adjusted income tax expense (benefit) as a percentage of adjusted income before income taxes.

Adjusted diluted 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 non-recurring 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 total debt (short-term and long-term) less cash and cash equivalents.

Net leverage ratio is calculated as net debt divided by adjusted EBITDA for the last four quarters.

Non-GAAP reconciliations – EBIT, adj.-EBIT, adj.-EBITDA, and adj.-net income

(a) & (b) Adjusted EBIT and Adjusted EBITDA

The following table reconciles net income to EBIT, adjusted EBIT and adjusted EBITDA:

(in millions)	Three Months Ended December 31, 2024	2023
Net income	$ 25	$ 45
Net financing charges	45	44
Other pension expense	1	2
Income tax expense	22	20
Earnings before interest and income taxes (EBIT)	$ 93	$ 111
EBIT adjustments:		
Restructuring charges [2]	23	11
Purchase accounting amortization [3]	11	11
Restructuring related activities [4]	1	(9)
(Gain) loss on disposal transactions [5]	(4)	8
Other items [7]	(2)	(1)
EBIT adjustments total	29	20
Adjusted EBIT	$ 122	$ 131
EBITDA adjustments:		
Depreciation	69	72
Equity based compensation	5	13
Adjusted EBITDA	$ 196	$ 216
Net sales	$ 3,495	$ 3,660
Net income as % of net sales	0.7 %	1.2 %
EBIT as % of net sales	2.7 %	3.0 %
Adjusted EBIT as % of net sales	3.5 %	3.6 %
Adjusted EBITDA as % of net sales	5.6 %	5.9 %

Refer to the Footnote Addendum for footnote explanations.

(c) Adjusted net income attributable to Adient

The following table reconciles net income attributable to Adient to adjusted net income attributable to Adient:

(in millions)	Three Months Ended December 31, 2024	2023
Net income attributable to Adient	$ —	$ 20
Net income adjustments:		
EBIT adjustments total - see table (a) & (b)	29	20
Tax impact of EBIT adjustments and other tax items - see table (d)	(4)	(9)
Impact of adjustments on noncontrolling interests [8]	(2)	(2)
Net income adjustments total	23	9
Adjusted net income attributable to Adient	$ 23	$ 29

Refer to the Footnote Addendum for footnote explanations.

Non-GAAP reconciliations – adj. income tax expense and effective tax rate

(d) Adjusted income tax expense and effective tax rate

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

	Three months ended December 31,					
	2024			2023		
(in millions, except effective tax rate)	**Income before income taxes**	**Income tax expense (benefit)**	**Effective tax rate**	**Income before income taxes**	**Income tax expense (benefit)**	**Effective tax rate**
As reported	$ 47	$ 22	46.8 %	$ 65	$ 20	30.8 %
Adjustments						
EBIT adjustments - see table (a) & (b)	29	3	10.3 %	20	(1)	(5.0)%
Tax audit closures and statute expirations	—	7	nm	—	7	nm
FX remeasurements of tax balances	—	(6)	nm	—	3	nm
Subtotal of adjustments	29	4	13.8 %	20	9	45.0 %
As adjusted	$ 76	$ 26	34.2 %	$ 85	$ 29	34.1 %

Non-GAAP reconciliations – adj. EPS and adj.-equity income

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(e) Adjusted diluted earnings per share

The following table shows the calculation of diluted earnings per share on an adjusted basis:

(in millions, except per share data)	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
Numerator:				
Adjusted net income attributable to Adient - see table (c)	$	23	$	29
Denominator:				
Basic weighted average shares outstanding		84.4		92.9
Effect of dilutive securities:				
Unvested restricted stock and unvested performance share awards		0.3		0.7
Diluted weighted average shares outstanding		84.7		93.6
Adjusted diluted earnings per share	$	0.27	$	0.31

The following table reconciles diluted earnings per share as reported to adjusted diluted earnings per share (see table (c) for corresponding dollar amounts):

	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
Diluted earnings per share as reported	$	—	$	0.21
EBIT adjustments total		0.34		0.21
Tax impact of EBIT adjustments and other tax items		(0.05)		(0.09)
Impact of adjustments on noncontrolling interests		(0.02)		(0.02)
Adjusted diluted earnings per share	$	0.27	$	0.31

(f) Adjusted equity income

The following table reconciles equity income to adjusted equity income:

(in millions)	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
Equity income	$	25	$	23
Equity income adjustments:				
(Gain) on sale of Setex		(4)		—
Non-recurring (gain) loss at affiliates		—		2
Equity income adjustments total		(4)		2
Adjusted equity income	$	21	$	25

Non-GAAP reconciliations – adj. interest expense, free cash flow, net debt leverage ratio

(g) Adjusted interest expense

The following table reconciles net financing charges to adjusted net financing charges:

(in millions)	Three Months Ended December 31, 2024	2023
Net financing charges	$ 45	$ 44
Interest expense adjustments:		
None	—	—
Interest expense adjustments total	—	—
Adjusted net financing charges	$ 45	$ 44

(i) & (j) Net debt and net leverage ratio

The following table presents calculations of net debt and net leverage ratio:

(in millions)	December 31, 2024	September 30, 2024
Numerator:		
Short-term debt	$ —	$ 1
Current portion of long-term debt	8	8
Long-term debt	2,394	2,396
Total debt	2,402	2,405
Less: cash and cash equivalents	860	945
Net debt	$ 1,542	$ 1,460
Denominator:		
Adjusted EBITDA - last four quarters		
Q1 2024	na	$ 216
Q2 2024	$ 227	227
Q3 2024	202	202
Q4 2024	235	235
Q1 2025 - see table (a) & (b)	196	na
Last four quarters	$ 860	$ 880
Net leverage ratio	1.79	1.66

(h) Free cash flow

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

(in millions)	Three Months Ended December 31, 2024	2023
Operating cash flow	$ 109	$ 41
Capital expenditures	(64)	(55)
Free cash flow	$ 45	$ (14)

The following table reconciles adjusted EBITDA to free cash flow:

(in millions)	Three Months Ended December 31, 2024	2023
Adjusted EBITDA	$ 196	$ 216
Adjusted equity income	(21)	(25)
Dividend	6	16
Restructuring (cash)	(34)	(10)
Net customer tooling	(16)	(17)
Trade working capital (Net AR/AP + Inventory)	234	111
Accrued compensation	(78)	(64)
Interest paid	(54)	(60)
Tax refund/taxes paid	(15)	(24)
Non-income related taxes (VAT)	(22)	(28)
Commercial settlements	(9)	16
Net capitalized engineering	5	(17)
Other	(83)	(73)
Operating cash flow	109	41
Capital expenditures	(64)	(55)
Free cash flow	$ 45	$ (14)

Non-GAAP reconciliations – consolidated & unconsolidated sales (FX adj.)

Consolidated Sales (FX adjusted)

(in $ millions)

Consolidated Net Sales	Q1	Q2	Q3	Q4	FY2024
As reported	$ 3,660				$ 3,660
FX Impact	(5)				$ (5)
FX Adjusted	3,655	-	-	-	3,655

Unconsolidated Sales (FX adjusted)

(in $ millions)

Unconsolidated Net Sales	Q1	Q2	Q3	Q4	FY2024
As reported	$ 1,037				$ 1,037
FX Impact	(15)	-	-	-	$ (15)
FX Adjusted	1,022				1,022

Segment Performance

	Q1 2024					Q1 2025				
	Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated	Americas	EMEA	Asia	Corporate/ Eliminations	Consolidated
Net Sales	1,647	1,268	770	(25)	3,660	1,611	1,129	772	(17)	3,495
Adjusted EBITDA	80	45	114	(23)	216	85	22	111	(22)	196
Adjusted Equity Income	1	4	20	-	25	-	5	16	-	21
Depreciation	34	27	11	-	72	31	27	11	-	69
Capex	21	24	10	-	55	27	27	10	-	64

Non-GAAP reconciliation – footnote addendum

Footnote Addendum

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

(2) Reflects restructuring charges for costs that are probable and reasonably estimable and one-time asset impairments related to restructuring activities. The three months ended December 31, 2024 includes an impairment of $10 million on its investment in Adient Aerospace.

(3) Reflects amortization of intangible assets including those related to partially owned affiliates recorded within equity income.

(4) Reflects restructuring-related charges for costs that are recorded as incurred or as earned and other non-recurring impacts that are directly attributable to restructuring activities, as follows:

(in millions)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Restructuring related charges	$ (6)	$ (1)
Gain on sale of restructured facilities	5	10
	$ (1)	$ 9

(5) Gain (loss) on disposal transactions include:

(in millions)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Gain on sale of Setex	$ 4	$ —
(Loss) on sale of 51% interest in Langfang	—	(8)
	$ 4	$ (8)

(6) During the three months ended December 31, 2023, a $5 million adjustment was recorded to increase equity-based compensation expense related to a retired executive's equity awards which should have been recognized in prior periods.

(7) Other items include:

(in millions)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Non-recurring contract related settlement	$ 2	$ 3
Non-recurring (gain) loss at affiliates	—	(2)
	$ 2	$ 1

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