ADIENT

FY 2017 Second Quarter Earnings Call

April 28, 2017

Improving the experience of a world in motion

Forward looking statement

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 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, 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, 2016 filed with the SEC on November 29, 2016 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 FY2017 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Agenda

Introduction
Mark Oswald
Executive Director, Global Investor Relations

Second quarter highlights
Bruce McDonald
Chairman and Chief Executive Officer

Financial review
Jeffrey Stafeil
Executive Vice President and Chief Financial Officer

Q&A

Highlights

> Strong Q2 results delivered earnings growth and margin expansion, building on ADNT’s positive momentum

- Adjusted-EBIT increased 12% to $334M (margin of 7.9%, up 100 bps) [1]
- Adjusted-EPS increased 16% to $2.50 [1]
- Net debt of $2.6B and net leverage of 1.64x at March 31, 2017 [1]

> Full year expectations increased for adjusted-EBIT and FCF

> Announced plans to collaborate with Boeing to explore commercial aircraft seating and interiors solutions

- The global aircraft Interiors market is profitable with attractive growth rates
- Leverages our world class capabilities to grow beyond the automotive industry
- ADNT’s initial focus will be on complex, high-margin business class cabin seating

1 – For Non-GAAP and adjusted results, which include certain pro forma adjustments for FY16; see appendix for detail and reconciliation to U.S. GAAP

Highlights

> Auto Shanghai 2017

- Debuted the Integrated Luxury Seat combining contemporary and advanced features and functions, offering a luxurious look and feel to high-end passengers
- Showcased “Luxury by Design” concept – a wide range of production-ready seating solutions in comfort, trim, user interface and distinctive aesthetics

> RECARO

- RECARO Automotive Seating achieved four top spots in 2017 readers’ choice polls by various German industry publications

> Continued focus on enhancing shareholder value:

- Declared the company’s first quarterly dividend of $0.275 per ordinary share; dividend paid on April 20, 2017
- ADNT’s Board of Directors approved a $250 million share repurchase program; intended to primarily offset dilution from equity based compensation plans (other modest & opportunistic repurchases possible)
- Prepaid $100 million of the $1.5 billion Term Loan during the quarter

FY17 Q2 key product launches

Strengthening our leading position across customers, segments, and regions…

Range Rover Evoque
Brazil

Nissan Rogue
United States

Renault Clio
Slovenia

VW
Romania

Mitsubishi Pajero
Indonesia

Nissan Patrol
Japan

Nissan Caravan
Japan

Land Rover Sport
Brazil

Current operating environment

- > Global production outlook fairly stable
  - – Near-term adjustments in U.S. (primarily passenger cars)
- > Strong growth in unconsolidated joint ventures
- > Growth initiatives gaining momentum
  - – Solid progress with adjacent market opportunities (e.g. aircraft seating)
- > Margin expansion initiatives ahead of schedule
- > Rising commodity prices and strong USD; both reflected in ADNT's updated guidance
- > Strong cash performance driving shareholder friendly actions (dividend, debt paydown & share repurchase program)

ADNT's strong first half results provide a firm foundation to deliver our commitments in 2017 and beyond

FINANCIAL REVIEW

FY2017 Second Quarter

FY2017 Q2 key financials

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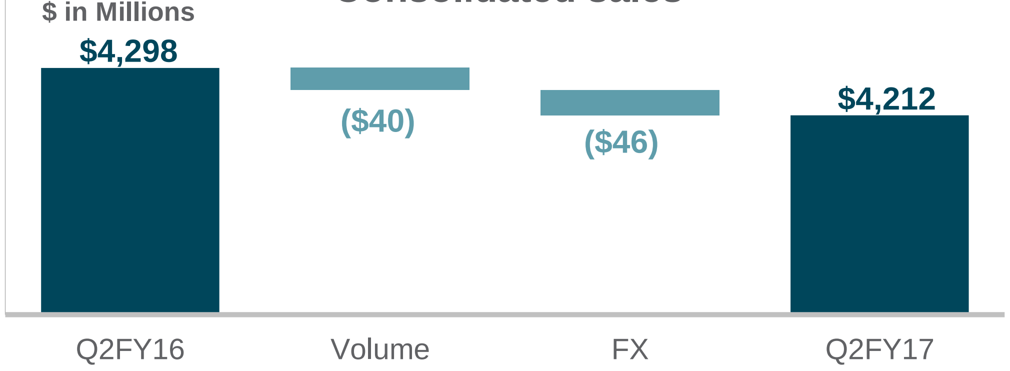
$ millions, except per share data	As Reported		As Adjusted [1]		
	FY17 Q2	FY16 Q2	FY17 Q2	FY16 Q2	B/(W)
Reported revenue	$ 4,212	$ 4,298	$ 4,212	$ 4,298	*-2%*
EBIT	$ 286	$ 86	$ 334	$ 298	*+12%*
Margin	*6.8%*	*2.0%*	*7.9%*	*6.9%*	
EBITDA	N/A	N/A	$ 423	$ 384	*+10%*
Margin			*10.0%*	*8.9%*	
Memo: Equity Income [2]	$ 91	$ 77	$ 96	$ 82	*+17%*
Tax Expense	$ 37	$ 838	$ 42	$ 37	
ETR	*14.6%*	*1022.0%*	*14.0%*	*14.0%*	
Net Income	$ 192	$ (779)	$ 235	$ 202	*+16%*
EPS Diluted	$ 2.04	$ (8.31)	$ 2.50	$ 2.15	*+16%*

1 – On an adjusted basis, which includes certain pro forma adjustments for FY16; see appendix for detail and reconciliation to U.S. GAAP
2 – Equity income included in EBIT & EBITDA

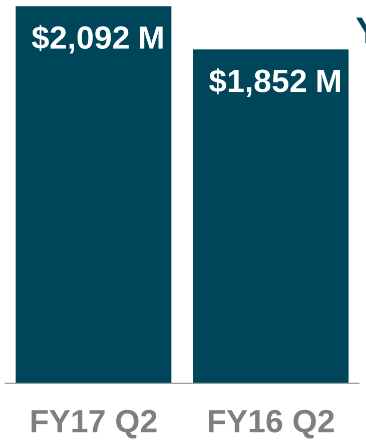
Revenue – consolidated & unconsolidated

- Consolidated sales challenged in the near-term resulting from capital constraints in prior years (pre-2016)
  - FX and volume headwinds primary drivers of y-o-y decrease
- Strong growth continued in ADNT's unconsolidated JVs
  - Adjusting for foreign exchange, unconsolidated seating revenue grew > 2x production growth during the quarter
  - Yanfeng continues to de-emphasize low-margin cockpit sales

Consolidated sales



Unconsolidated Seating



Year-over-year growth

+ 13%

+ 18% Excl. FX

Unconsolidated Interiors

Year-over-year growth

0%

+ 3% Excl. FX

Up 21% excluding low margin cockpit sales and FX

Regional Performance

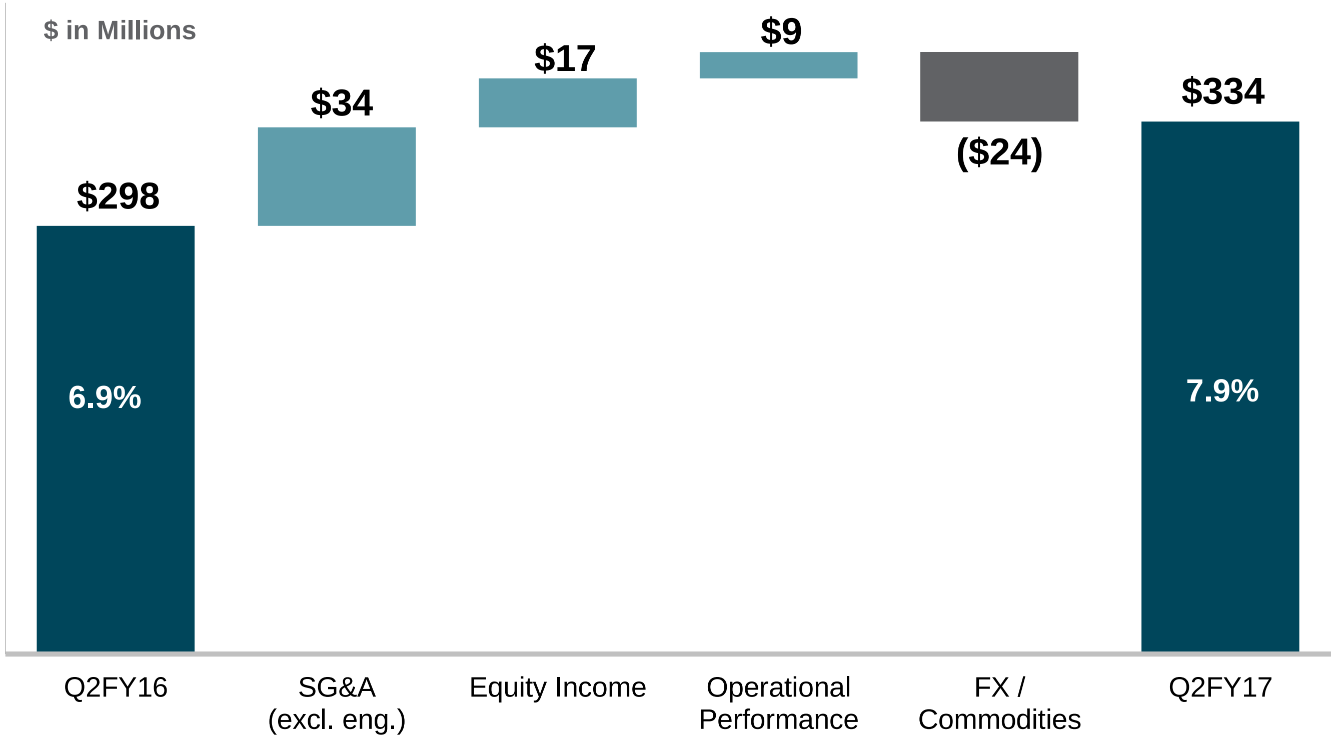
(consolidated sales y-o-y growth by region)

	Adjusted [1] FY17 Q2
N. America	-9%
Europe	5%
Asia & China	8%

1 – Growth rates at constant foreign exchange

EBIT & Adjusted-EBIT

- Adj-EBIT expanded to $334M, up $36M y-o-y
  - Seating up 11% y-o-y to $312M
  - Interiors up 29% y-o-y to $22M
- Primary drivers:
  - SG&A improvement reflecting the benefits of restructuring actions and lower corporate expenses
  - Increase in equity income
  - Improved operational results
- Material economics (steel) partially offset the overall improvements



On an adjusted basis, which includes certain pro forma adjustments for FY16; see appendix for detail and reconciliation to U.S. GAAP

Effective tax rate

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> Q2 and first half 2017 effective tax rate running higher vs. original plan (14-15% vs 10-12%)
  - Geographic composition of profits primary driver (U.S. represents a larger share of profit vs. original expectations)
  - Rate on consolidated operations expected at just under 20%; China income is shown in financials net of tax

> Several tax planning initiatives underway to reduce the rate
  - Actions require proper sequencing to maximize benefit
  - 2017 pro forma rate estimated to be about 3-5 pts. lower if identified actions were fully implemented at the start of the year

> Rate in 2018 expected to be closer to our original 2017 expectations

Cash flow & debt [1]

Free Cash Flow (1)

(in $ millions)	FY17 Actual Q2 FY17	FY17 Actual H1 FY17
Adjusted EBITDA	$ 423	$ 800
(-) Interest Expense	(33)	(68)
(-) Taxes	(47)	(66)
(-) Restructuring (Cash)	(39)	(90)
(+/-) Change in Trade Working Capital	(85)	(236)
(+/-) Net Equity in Earnings	(66)	(145)
(+/-) Other [2]	3	(52)
Operating Cash flow	$ 156	$ 143
(-) CapEx	(95)	(302)
(+) Cash from Johnson Controls International	87	315
Adjusted Free Cash flow	$ 148	$ 156

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

Debt

- > Prepaid $100M of the $1.5B term loan
- > Net leverage of 1.64x at March 31, 2017; expect to be ~1.5x at year-end

Net Debt and Net Leverage (1)

(in $ millions)	March 31 2017	September 30 2016
Cash	$ 729	$ 550
Total Debt	3,352	3,521
Net Debt	$ 2,623	$ 2,971
Pro-forma Adjusted EBITDA (last twelve months)	1,602	1,524
Net Leverage	1.64x	1.95x

- > Final "true up" received from JCI; primarily represents working capital reimbursements plus approximately $30-40M for CapEx payments

Looking forward: FY2017 guidance

	Updated Guidance	Memo: Prior guidance
Revenue	$16.15 - $16.25 billion	$16.8 - $17.0 billion
ADJ. EBIT	$1.24 - $1.26 billion	$1.15 - $1.20 billion
Depreciation & Amortization	~$375 million	~$400 million
Interest Expense	$140 million	$145 million
Effective Tax Rate	14% - 15%	10% - 12%
ADJ. Net Income	$875 - $900 million	$850 - $900 million
Capital Expenditures	$575 - $600 million	$545 - $575 million
Free Cash Flow	~$400 million	$250 million

Negatively impacted by foreign exchange, and near-term production adjustments

Strong operating performance driving higher earnings despite lower sales

Increase in free cash flow driven by timing of cash restructuring and becoming Adient costs, solid operating performance (including working capital management) and slightly higher equity dividends

Reconciliations of non-GAAP measures related to FY2017 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations

Adient’s Key Investment Thesis

MARKET POSITION

> Broadest and most complete range of seating products
> Unparalleled customer diversity– market leadership in North America, Europe and China (unique and longstanding position in China through JV structure); support all major automakers (190+ active platforms)

EARNINGS GROWTH

> Lean and improving cost structure (targeting restructuring actions in process)
> Upward trend in profitability expected to continue; ~200 bps margin improvement expected over the mid-term

CASH GENERATION

> Proven record of generating substantial cash flow
> Cash generation will enable Adient to transition from a levered company to an investment grade company while enhancing shareholder value through a competitive dividend
> Cash generation will support Adient’s profitable growth strategy (organic & inorganic)

APPENDIX AND FINANCIAL RECONCILIATIONS

FY2017 Second 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, Free cash flow, Net debt, Net leverage 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 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.
  - 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

(in $ millions)	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	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
Net income attributable to Adient	$ (116)	$ 137	$ (779)	$ (14)	$ (877)	$ 149	$ 192	$ (772)	$ (1,533)	$ (1,521)	$ (550)
Income attributable to noncontrolling interests	13	17	23	21	23	22	24	74	84	89	90
Income Tax Provision	284	53	838	136	812	28	37	1,311	1,839	1,814	1,013
Financing Charges	1	2	4	2	14	35	33	9	22	55	84
Earnings before interest and income taxes	$ 182	$ 209	$ 86	$ 145	$ (28)	$ 234	$ 286	$ 622	$ 412	$ 437	$ 637
Separation costs (1)	-	60	72	122	115	10	-	254	369	319	247
Becoming Adient (1) (9)	-	-	-	-	-	15	23	-	-	15	38
Purchase accounting amortization (2)	9	9	10	9	9	10	9	37	37	38	37
Restructuring related charges (3) (9)	4	4	3	3	4	8	10	14	14	18	25
Other items (4) (9)	(7)	(21)	(35)	(22)	(1)	13	-	(85)	(79)	(45)	(10)
Restructuring and impariment costs (5)	182	-	169	75	88	-	6	426	332	332	169
Pension mark-to-market (6)	6	-	-	-	110	-	-	6	110	110	110
Gain on business divestiture	(137)	-	-	-	-	-	-	(137)	-	-	-
Adjusted EBIT	$ 239	$ 261	$ 305	$ 332	$ 297	$ 290	$ 334	$ 1,137	$ 1,195	$ 1,224	$ 1,253
Pro-forma IT dis-synergies (8)	(6)	(6)	(7)	(6)	(7)	-	-	(25)	(26)	(20)	(13)
Pro-forma Adjusted EBIT	$ 233	$ 255	$ 298	$ 326	$ 290	$ 290	$ 334	$ 1,112	$ 1,169	$ 1,204	$ 1,240
Stock based compensation (7)	(4)	1	5	14	8	4	11	16	28	31	37
Depreciation	77	82	81	77	87	83	78	317	327	328	325
Pro-forma Adjusted EBITDA	$ 306	$ 338	$ 384	$ 417	$ 385	$ 377	$ 423	$ 1,445	$ 1,524	$ 1,563	$ 1,602

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 2017 primarily consists of $12M of initial funding of the Adient foundation. 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. 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 and $5 million of expense in the first and second quarters of 2017, respectively, which is included with the costs associated with becoming an independent company (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. During the second quarter of fiscal 2017, Adient decided to reclassify certain Becoming Adient costs into other reconciling categories in calculating Adjusted EBIT. As a result, Becoming Adient costs related to prior periods decreased by $16 million and restructuring related items and other items increased by $3 million, and $13 million, respectively. This change did not impact the Adjusted EBIT numbers for any prior periods.

Non-GAAP reconciliations
Adjusted Net Income

Adjusted Net Income

(in $ millions)	Three Months Ended March 31 2017	Three Months Ended March 31 2016
Net income attributable to Adient	$ 192	$ (779)
Separation costs [1]	-	72
Becoming Adient [1]	23	-
Purchase accounting amortization [2]	9	10
Restructuring related charges [3]	10	3
Other items [4]	-	(35)
Restructuring and impairment costs [5]	6	169
Tax impact of above adjustments and one time tax items	(5)	773
Adjusted net income attributable to Adient	**$ 235**	**$ 213**
Pro-forma IT dis-synergies [6]	-	(7)
Pro-forma net financing charges [6]	-	(32)
Tax impact of above pro-forma adjustments	-	8
Pro-forma effective tax rate adjustment [6]	-	20
Pro-forma Adjusted net income attributable to Adient	**$ 235**	**$ 202**

Adjusted Diluted EPS

	Three Months Ended March 31 2017	Three Months Ended March 31 2016
Diluted earnings per share as reported	$ 2.04	$ (8.31)
Separation costs [1]	-	0.77
Becoming Adient [1]	0.24	-
Purchase accounting amortization [2]	0.10	0.11
Restructuring related charges [3]	0.11	0.03
Other items [4]	-	(0.37)
Restructuring and impairment costs [5]	0.06	1.80
Tax impact of above adjustments and one time tax items	(0.05)	8.24
Adjusted diluted earnings per share	**$ 2.50**	**$ 2.27**
Pro-forma IT dis-synergies [6]	-	(0.07)
Pro-forma net financing charges [6]	-	(0.34)
Tax impact of above pro-forma adjustments	-	0.09
Pro-forma effective tax rate adjustment [6]	-	0.20
Pro-forma Adjusted diluted earnings per share	**$ 2.50**	**$ 2.15**

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. Reflects a second quarter 2016 $22 million favorable settlements from prior year business divestitures and a $6 million favorable legal settlement. Also reflected is a multi-employer pension credit associated with the removal of costs for pension plans that remained with JCI in the amount of $7 million in the first quarter of 2016.
5. Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420.
6. 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.

Non-GAAP reconciliations
Free Cash Flow

(in $ millions)	Three Months Ended March 31 2017	Three Months Ended March 31 2016	Six Months Ended March 31 2017	Six Months Ended March 31 2016
Operating cash flow	$ 156	$ 204	$ 143	$ 294
Less: Capital expenditures	(95)	(78)	(302)	(186)
Cash from former parent	87	-	315	-
Adjusted Free cash flow	$ 148	$ 126	$ 156	$ 108

Adjusted EBITDA to Free Cash Flow

(in $ millions)	Three Months Ended March 31 2017	Six Months Ended March 31 2017
Adjusted EBITDA	$ 423	$ 800
Less: Interest Expense	(33)	(68)
Less: Taxes	(47)	(66)
Less: Restructuring (cash)	(39)	(90)
Change in trade working capital	(85)	(236)
Less: Net Equity in Earnings	(66)	(145)
Other	3	(52)
Operating cash flow	$ 156	$ 143
Less: capital expenditures	(95)	(302)
Cash from former parent	87	315
Adjusted Free cash flow	$ 148	$ 156

Non-GAAP reconciliations
Net Debt and Adjusted Equity Income

Net Debt and Net Leverage

(in $ millions)	March 31 2017	September 30 2016
Cash [1]	$ 729	$ 550
Total Debt [2]	3,352	3,521
Net Debt	$ 2,623	$ 2,971
Pro-forma Adjusted EBITDA (last twelve months)	1,602	1,524
Net Leverage	1.64x	1.95x

Adjusted Equity Income

	Three Months Ended March 31	
(in $ millions)	2017	2016
Equity income as reported	$ 91	$ 77
Purchase accounting amortization [3]	5	5
Adjusted equity income	$ 96	$ 82

1. Cash at September 30, 2016 is pro-forma cash based on the preliminary funding of Adient's opening cash balance on October 31, 2016.
2. Total debt at September 30, 2016 has been revised to include debt issuance costs as a reduction of the carrying amount of the debt in accordance with ASU 2015-03, which was adopted retrospectively by the company in Q1 2017.
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, Financing Charges, and Segment Adjusted EBIT

Adjusted Income before Income Taxes

(in $ millions)	Three Months Ended March 31 2017			Three Months Ended March 31 2016		
	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate
As reported	$ 253	$ 37	14.6%	$ 82	$ 838	*
Adjustments, including prior year pro-forma impacts	48	5	10.4%	180	(801)	*
As adjusted	$ 301	$ 42	14.0%	$ 262	$ 37	14.0%

* Measure not meaningful

Financing Charges

(in $ millions)	Three Months Ended March 31 2017	Three Months Ended March 31 2016
Net financing charges as reported	$ 33	$ 4
Pro-forma net financing charges (1)		32
Pro-forma adjusted net financing charges		$ 36

Adjusted EBIT/Pro-forma adjusted EBIT by segment

(in $ millions)	Three Months Ended March 31 2017	Three Months Ended March 31 2016
Seating (includes 2016 pro-forma IT dis-synergies)	$ 312	$ 281
Interiors	22	17
	$ 334	$ 298

1. 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.

Prior Period Results

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	Actual	FY16 Actual				FY17 Actual		Last Twelve Months Ended			
	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Actual Jun '16	Actual Sep '16	Actual Dec '16	Actual Mar '17
Sales ($Bils.)	$ 4,162	$ 4,233	$ 4,298	$ 4,362	$ 3,944	$ 4,038	$ 4,212	$ 17,055	$ 16,837	$ 16,642	$ 16,556
Adjusted EBIT	233	255	298	326	290	290	334	1,112	1,169	1,204	1,240
% of Sales	5.60%	6.02%	6.93%	7.47%	7.35%	7.18%	7.93%	6.52%	6.94%	7.23%	7.49%
Adjusted EBITDA	306	338	384	417	385	377	423	1,445	1,524	1,563	1,602
% of Sales	7.35%	7.98%	8.93%	9.56%	9.76%	9.34%	10.04%	8.47%	9.05%	9.39%	9.68%
Adj Equity Income	75	99	82	94	102	106	96	350	377	384	398
Adj EBIT Excl Equity	158	156	216	232	188	184	238	762	792	820	842
% of Sales	3.80%	3.69%	5.03%	5.32%	4.77%	4.56%	5.65%	4.47%	4.70%	4.93%	5.09%
Adj EBITDA Excl Equity	231	239	302	323	283	271	327	1,095	1,147	1,179	1,204
% of Sales	5.55%	5.65%	7.03%	7.40%	7.18%	6.71%	7.76%	6.42%	6.81%	7.08%	7.27%