FY 2018 Second Quarter Earnings Call

May 3, 2018

Improving the experience of a world in motion

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 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 impact of tax reform legislation through the Tax Cuts and Jobs Act, uncertainties in U.S. administrative policy regarding trade agreements and international trade relations, 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. 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

Business update
Bruce McDonald
Chairman and Chief Executive Officer

Financial review
Jeffrey Stafeil
Executive Vice President and Chief Financial Officer

Closing remarks
Bruce McDonald
Chairman and Chief Executive Officer

Q&A

- Despite improved results in Seat Structures & Mechanisms (SS&M) compared with Q1, continued headwinds within the business weighed on ADNT's Q2 results
  - Q2 Adjusted-EBIT and Adjusted-EBITDA of $252M and $363M, respectively [1]
  - Q2 Adjusted-EPS of $1.85 [1]
  - Cash and cash equivalents of $353M at March 31, 2018
  - Net debt of $3.3B and net leverage of 2.3x at March 31, 2018 [1]

- Reorganization of ADNT's management structure resulted in a realignment of the company's reportable segments; performance of the segments will be assessed on an Adjusted-EBITDA basis [2]
- GAAP results reflect a net $279M non-cash goodwill impairment charge related to ADNT's SS&M segment change
- Despite the ability to return SS&M to its pre-spin level of profitability, the deep setback in the segment will prevent ADNT from achieving its FY2020 200 bps consolidated margin improvement goal

Reassessing our mid-term margin targets

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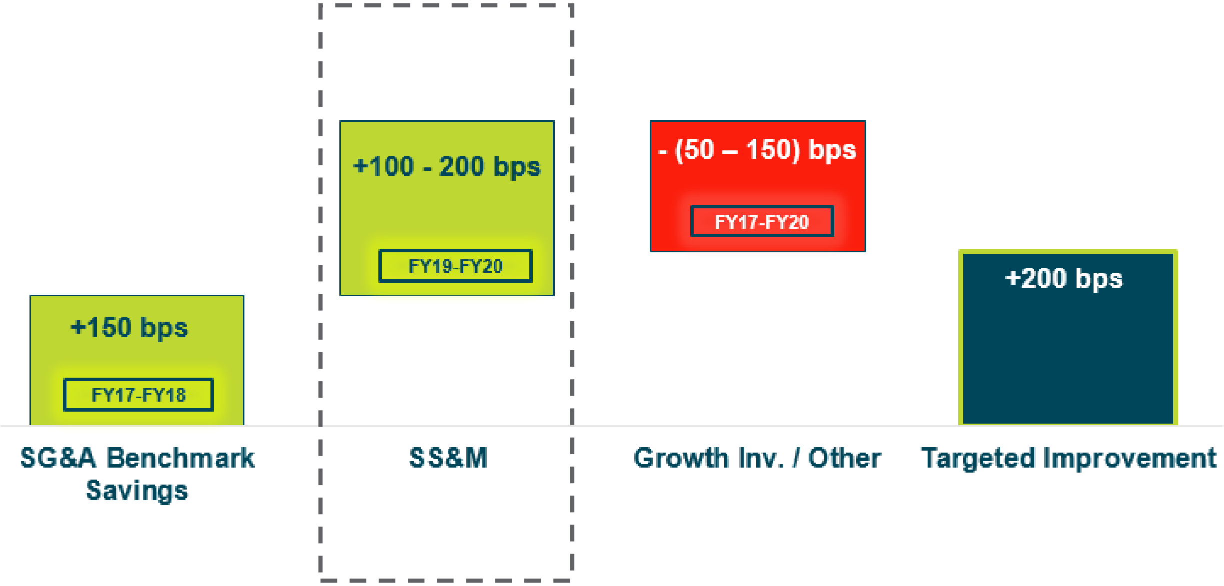
2020 mid-term plan



As a result of the setbacks in SS&M, achieving 200 bps of consolidated margin improvement is not feasible

Update

- Given the approximate $300M earnings setback between June 2016 LTM and FY2018 outlook, a full review was performed to reassess the 200 bps margin improvement target
- Outside of SS&M, results are tracking to plan
- Although we expect to reverse the $300M setback in SS&M, we no longer forecast significant improvement in this time frame

Seat structures & mechanisms update

- Objectives of the comprehensive strategic assessment of the SS&M business:
  - Stabilize the business and drive rapid near-term improvements
  - Revisit strategic importance of SS&M and align on long-term vision for the segment
  - Identify potential restructuring opportunities to improve long-term value creation
- Efforts to stabilize the business are on track; the company is confident it will deliver significant improvement as it progresses through the balance of the year
  - Adjusted-EBITDA improved sequentially in Q2 vs. Q1; significant second half improvement is expected with the positive momentum anticipated to carry into FY19
- We continue to believe in the strategic importance of SS&M
  - Supports customers that source complete seats
  - Significant growth opportunity in China
- Beyond 2020, earning appropriate financial returns will require fundamental changes (restructuring, less vertical integration, better utilization of China, improved commercial discipline)

Stabilizing the business

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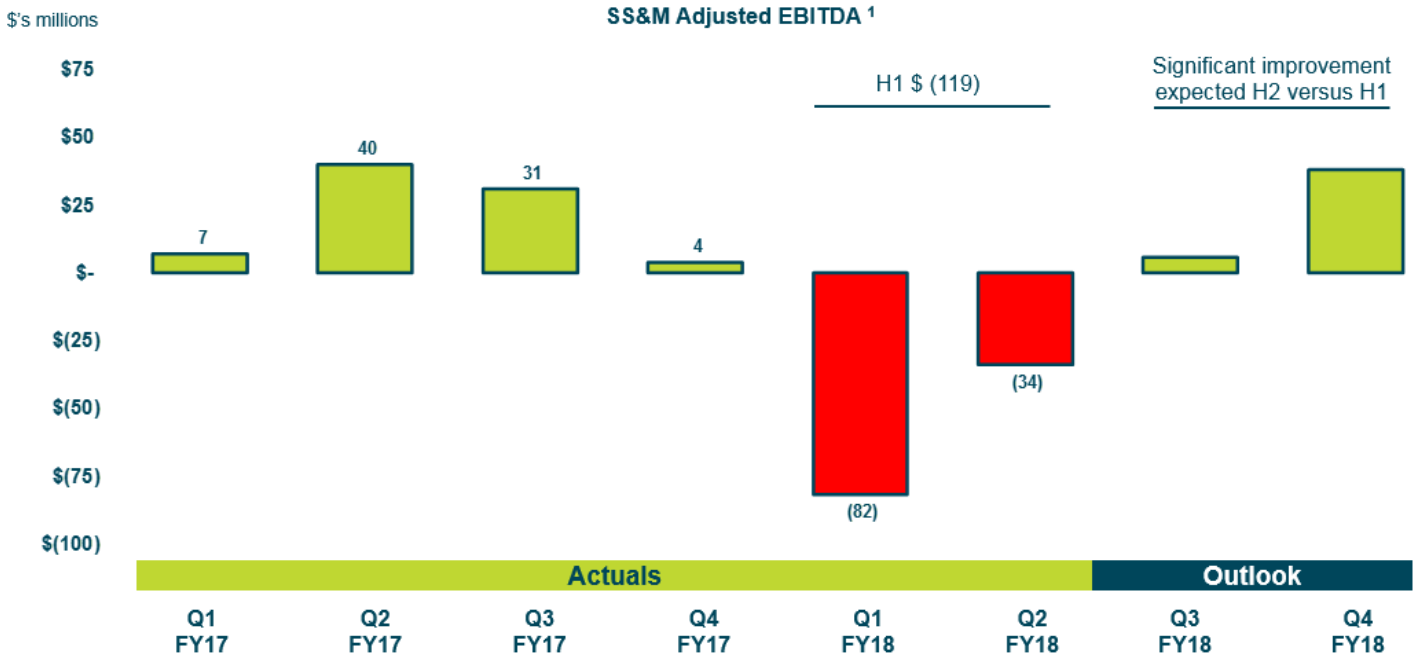
- Actions taken to stabilize the business have gained traction and include:
  - Strengthened the leadership team & implemented new reporting structure
  - Reinforced launch teams
  - Completed comprehensive review of targeted business / put in place clear boundaries for business acquisition
  - Implemented a series of near-term corrective actions to mitigate steel supply risk / reduce premium freight
  - Put in place focused teams at our most unprofitable plants to drive rapid cost take-out



1 – For Non-GAAP results see appendix for detail and reconciliation to U.S. GAAP
SS&M operating progression reflects actual segment results including corporate allocation

SS&M performance improved sequentially in Q2 compared with Q1; significant progress expected for the second half of the year

Moving the business forward

- Improving the business beyond 2020 requires major change (both near-term and long-term actions) and will be a multi-year journey
- Key tenets under review:
  - Pivot to more selective participation, emphasizing profitability and strategic fit (likely resulting in a smaller SS&M business)
    - Target structures primarily to support our core JIT customers
    - More aggressively seek to leverage scale in mechanisms (e.g. recliners)
    - Pursue greater outsourcing on non-core processes (e.g., low tonnage stamping)
    - Better utilization of China investment
    - Further plant restructuring (seek to fund restructuring with lower expected CapEx)
  - Implementation of a more robust management system
  - Commercial discipline

SS&M expected to drive near and longer-term value

Near-term

> Ability to return the business to the pre-spin level of profitability (by 2020)
  – Significant improvement vs. FY18 outlook
  – Improvement "front loaded" (i.e. significant improvement expected in H2 vs. H1 this year; FY19 significantly better vs. FY18)

> Continued strong SS&M growth / profitability from ADNT's China operations

> Improved cash generation as operating results improve

Intermediate-term

> Change in business composition
  – Smaller; less tier 2 business
  – Focused on margins & returns

> Lower capital expenditures (SS&M CapEx represented ~45% of ADNT's capital spend in 2017)

> Improved cash generation as operating results improve

Adient is scheduled to participate at the Wells Fargo Industrials Conference in NY next week and plans to further elaborate on the SS&M business

FINANCIAL REVIEW

FY 2018 Second Quarter

FY 2018 Q2 key financials

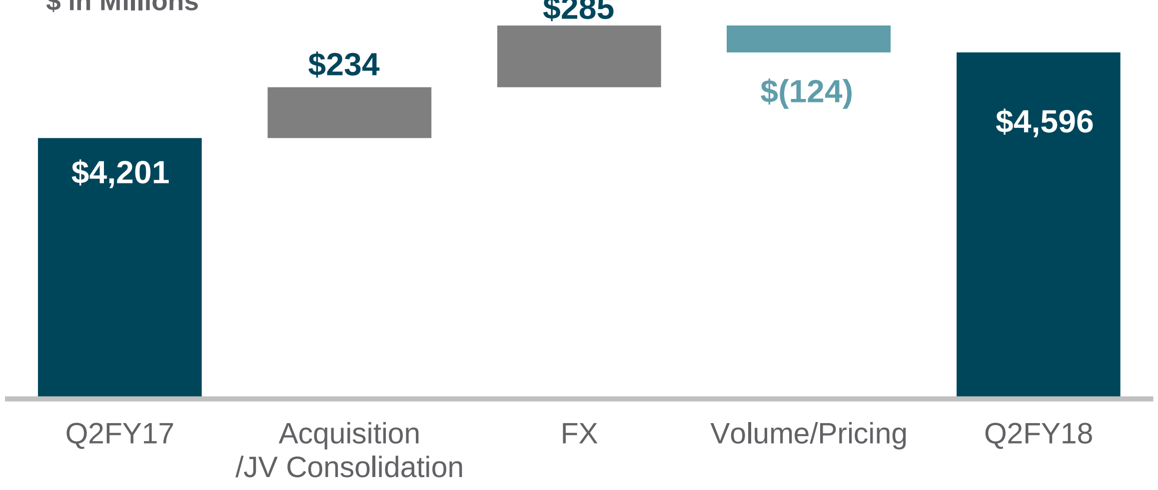
$ millions, except per share data	As Reported		As Adjusted [1]		
	FY18 Q2	FY17 Q2	FY18 Q2	FY17 Q2	B/(W)
Revenue	$ 4,596	$ 4,201	$ 4,596	$ 4,201	*9%*
EBIT	$ (134)	$ 284	$ 252	$ 332	*-24%*
Margin	*(2.9)%*	*6.8%*	*5.5%*	*7.9%*	
EBITDA	N/A	N/A	$ 363	$ 421	*-14%*
Margin			*7.9%*	*10.0%*	
Memo: Equity Income [2]	$ 85	$ 89	$ 93	$ 94	*-1%*
Tax Expense	$ (28)	$ 37	$ 17	$ 42	
ETR	*16.4%*	*14.7%*	*7.9%*	*14.0%*	
Net Income	$ (168)	$ 190	$ 173	$ 233	*-26%*
EPS Diluted	$ (1.80)	$ 2.02	$ 1.85	$ 2.48	*-25%*

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 Millions



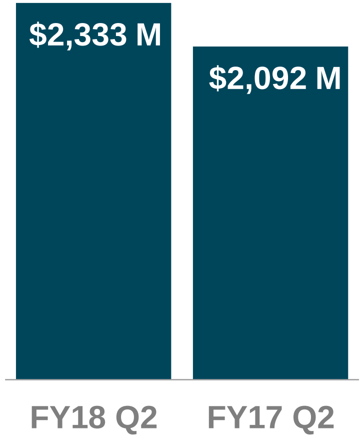
Regional Performance

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

Americas	3%
Europe	(4)%
APAC	18%

1 – Growth rates at constant foreign exchange

Unconsolidated Seating (incl. SS&M)



Year-over-year growth

+ 12%

Up 8% excluding FX and JV consolidation

Unconsolidated Interiors

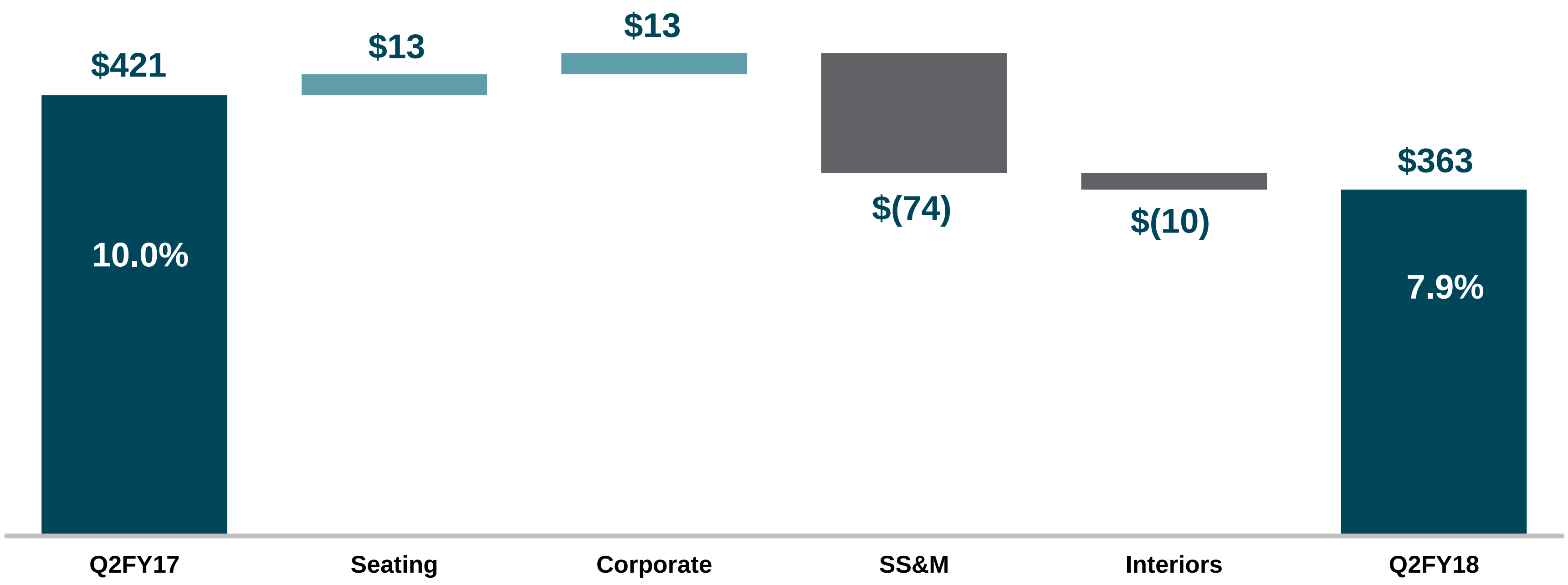
Year-over-year growth

+9%

Down 1.6% excluding FX and low margin cockpit sales

Q2 FY18 Adjusted-EBITDA

$ in millions

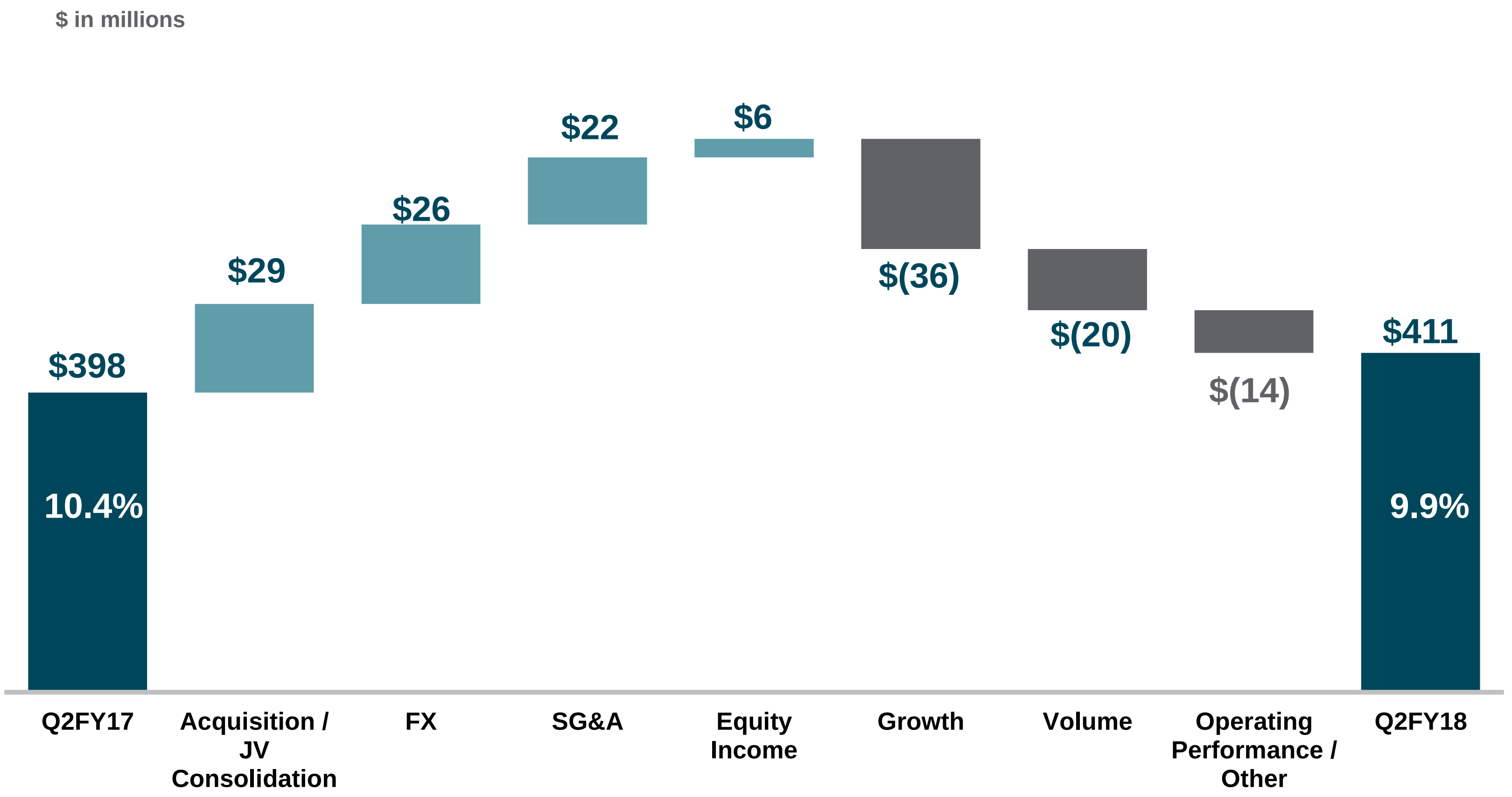


- Realignment of reportable segments in Q2 (Seating, SS&M, Interiors)
- Despite SG&A efficiencies of ~$43M and the benefit of acquisitions / JV consolidations of ~$29M, y-o-y performance declined by $58M
- Y-o-y deterioration driven primarily by consolidated SS&M, and performance at YFAI

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

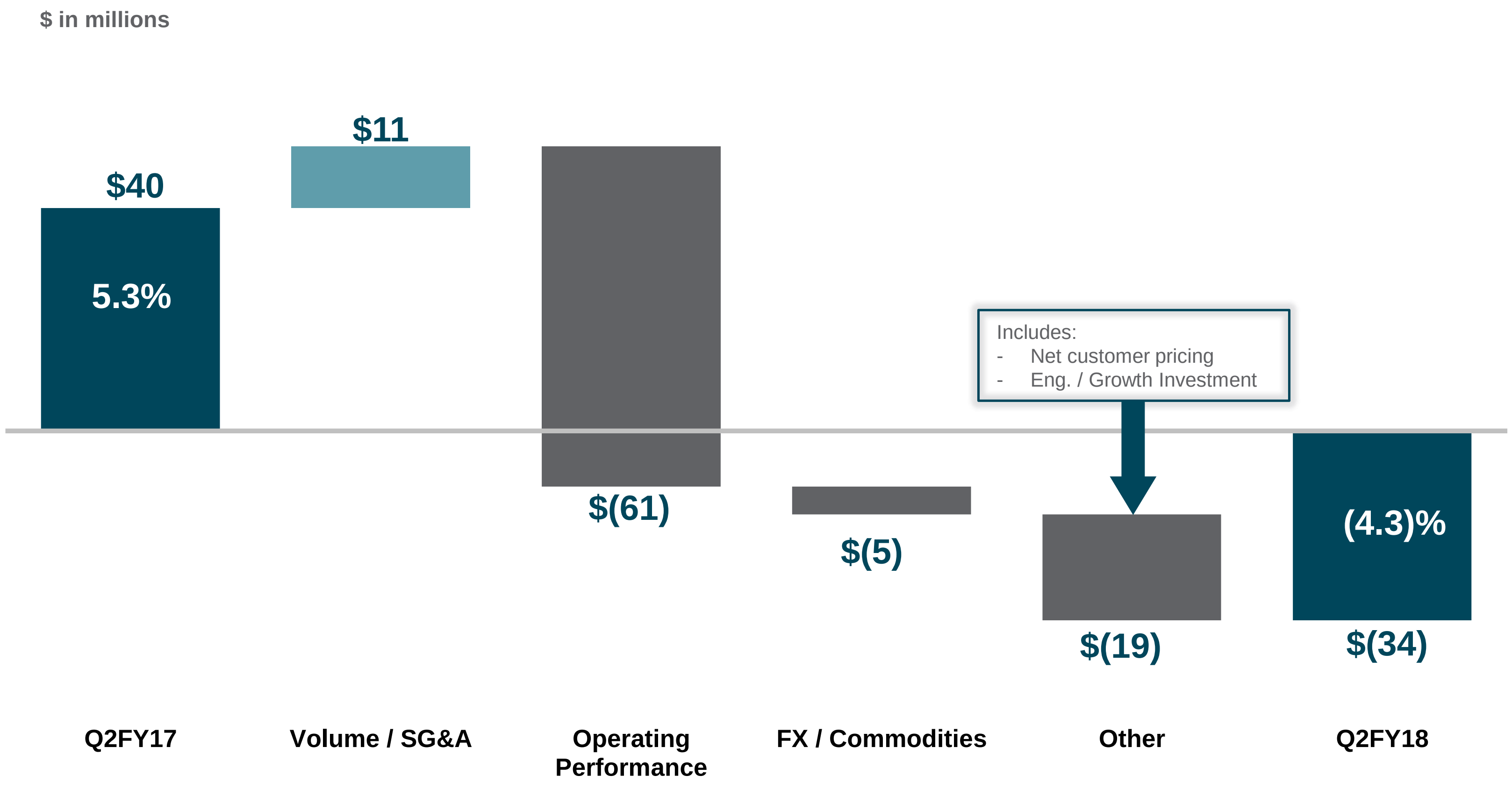
Q2 FY18 Adjusted-EBITDA: Seating

- Q2 FY18 Seating Adjusted-EBITDA of $411M, up $13M y-o-y
- Positive benefits associated with acquisitions / JV consolidation of $29M, FX $26M and improved SG&A of $22M
- Partially offset by:
  - Increased investment to support ADNT’s future growth initiatives of $36M
  - Negative impact of lower volume, primarily in NA
  - Increased commodity costs of $10M



Q2 FY18 Adjusted-EBITDA: SS&M

- Q2 FY18 SS&M Adjusted-EBITDA of $(34)M, down $74M y-o-y
- Primary drivers of y-o-y decline:
  - Operating performance (e.g. ops inefficiencies, labor economics, customer chargebacks, containment actions, equity income) of $36M and launch inefficiencies (e.g. increased freight and operational waste) of $25M
  - Increased commodity costs of $9M
- Positive benefits of volume, of $3M, and SG&A efficiencies were a partial offset



Cash flow & debt [1]

Free Cash Flow (1)

(in $ millions)	Q2 FY18
Adjusted-EBITDA	$ 363
(-) Interest paid	(58)
(-) Taxes paid	(45)
(-) Restructuring (Cash)	(59)
(+/-) Change in Trade Working Capital	(190)
(+/-) Net Equity in Earnings	(21)
(+/-) Other	(13)
Operating Cash flow	$ (23)
(-) CapEx [2]	(123)
Adjusted Free Cash flow	$ (146)

1 – See appendix for detail and reconciliation to U.S. GAAP
2 – Capex by segment (SS&M $65M, Seating $58M)

Debt (1)

- Cash and cash equivalents of $353M at March 31, 2018
- Net leverage of 2.30x at March 31, 2018

Net Debt and Net Leverage

(in $ millions)	March 31 2018	September 30 2017
Cash	$ 353	$ 709
Total Debt	3,678	3,478
Net Debt	$ 3,325	$ 2,769
Adjusted-EBITDA (last twelve months)	$ 1,444	$ 1,605
Net Leverage	2.30x	1.73x

Macro influences

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Industry Demand

- Global automotive demand remains strong; positive mix of SUVs / CUVs continues
- U.S. tax reform expected to spur consumer spending

Steel & aluminum tariffs in U.S.

- Various country exemptions for steel & aluminum tariffs viewed as a positive development
- Despite a very low amount of steel being sourced offshore, Adient has been impacted by the rapid escalation of prices at the U.S. mills ($850/ton today vs. $650/ton in January)

Chemicals – global supply & demand

- Adient impacted by increases in TDI driven by globally tight supply (moderation in pricing expected mid-2018)
- Reviewing interchangeability of chemicals to limit Adient risk / exposure

Rising freight costs in U.S.

- Driver shortages and full impact of ELD mandate resulting in increased trucking rates
- Adherence to operational logistics plans are critical. Inventory management being reviewed to limit / mitigate exposure

Trade uncertainty (China & NAFTA)

- Closely monitoring U.S. / China negotiations that would avoid additional U.S. proposed duties of 25% on certain Chinese goods (incl. automotive seats/parts)
- NAFTA negotiations continue to progress; latest U.S. proposal considered neutral for Adient

Downward pressure from numerous macro influences intensified through the quarter

FY2018 outlook

Revenue	$17.0B - $17.2B
Adj. EBITDA	$1.40B - $1.45B
Equity Income (included in Adj. EBITDA)	Seating $320M, Interiors $80M — $400M
Adj. EBIT	$0.975B - $1.025B
Interest Expense	~ $135M

Effective Tax Rate	8-9%
Adj. Net Income	$700 - $740M
Capital Expenditures	$575M - $600M
Free Cash Flow	~ $225M

Downward pressure from macro influences resulting in earnings trending towards the lower end of range

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

CLOSING REMARKS

FY 2018 Second Quarter

Summary

ADIENT

- Adient intends to take a variety of near and longer-term actions that, when executed, are expected to drive significant value for ADNT. These include:
  - Ability to recapture lost SS&M profits since spin
  - Opportunity to change the composition of the SS&M business over time:
    - Smaller size
    - Less tier 2 business and more discipline around economic profit opportunity
    - Lower capital expenditures to support new business / growth (SS&M capital expenditures represented ~45% of ADNT's capital spend in FY17)
- Continued growth and value creation from ADNT's China businesses
- Ability to grow cash flow substantially with improved operating results
  - FCF generation driving disciplined capital allocation strategy including return of capital to shareholders

Key tenets (building blocks) for future value creation

Transformation of SS&M business

Utilization of China JV strength

Incremental benefits from growth tailwinds

Cash generation & capital allocation

APPENDIX AND FINANCIAL RECONCILIATIONS

FY 2018 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, 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. 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-form adjusted EBITDA is defined as Pro-forma adjusted EBIT excluding depreciation and stock based compensation. Certain corporate-related costs are not allocated to the business segments in determining Adjusted EBITDA.
- 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, the tax impact of these items, and other discrete tax charges/benefits.
- 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

(in $ millions)		FY16 Actual				FY17 Actual				FY18 Actual		Last Twelve Months Ended							
	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Actual Jun '16	Actual Sep '16	Actual Dec '16	Actual Mar '17	Actual Jun '17	Actual Sep '17	Actual Dec '17	Actual Mar '18
Net income attributable to Adient	$ (119)	$ 133	$ (781)	$ (17)	$ (881)	$ 142	$ 190	$ 201	$ 344	$ (216)	$ (168)	$ (784)	$ (1,546)	$ (1,537)	$ (566)	$ (348)	$ 877	$ 519	$ 161
Income attributable to noncontrolling interests	13	17	23	21	23	22	24	22	17	20	25	74	84	89	90	91	85	83	84
Income Tax Provision	284	53	838	136	812	28	37	39	(5)	265	(28)	1,311	1,839	1,814	1,013	916	99	336	271
Financing Charges	1	2	4	2	14	35	33	31	33	33	37	9	22	55	84	113	132	130	134
Earnings before interest and income taxes	$ 179	$ 205	$ 84	$ 142	$ (32)	$ 227	$ 284	$ 293	$ 389	$ 102	$ (134)	$ 610	$ 399	$ 421	$ 621	$ 772	$ 1,193	$ 1,068	$ 650
Separation costs (1)	-	60	72	122	115	10	-	-	-	-	-	254	369	319	247	125	10	-	-
Becoming Adient (1)	-	-	-	-	-	15	23	20	37	19	19	-	-	15	38	58	95	99	95
Purchase accounting amortization (2)	9	9	10	9	9	10	9	10	14	17	18	37	37	38	37	38	43	50	59
Restructuring related charges (3)	4	4	3	3	4	8	10	10	9	11	12	14	14	18	25	32	37	40	42
Other items(4)	(7)	(21)	(35)	(22)	(1)	13	-	-	3	14	22	(85)	(79)	(45)	(10)	12	16	17	39
Restructuring and impairment costs (5)	182	-	169	75	88	-	6	-	40	-	315	426	332	332	169	94	46	46	355
Pension mark-to-market (6)	6	-	-	-	110	-	-	-	(45)	-	-	6	110	110	110	110	(45)	(45)	(45)
Gain on previously held interest (7)	-	-	-	-	-	-	-	-	(151)	-	-	-	-	-	-	-	(151)	(151)	(151)
Gain on business divestiture	(137)	-	-	-	-	-	-	-	-	-	-	(137)	-	-	-	-	-	-	-
Adjusted EBIT	$ 236	$ 257	$ 303	$ 329	$ 293	$ 283	$ 332	$ 333	$ 296	$ 163	$ 252	$ 1,125	$ 1,182	$ 1,208	$ 1,237	$ 1,241	$ 1,244	$ 1,124	$ 1,044
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	$ 252	$ 1,100	$ 1,156	$ 1,188	$ 1,224	$ 1,234	$ 1,244	$ 1,124	$ 1,044
Stock based compensation (9)	(4)	1	5	14	8	4	11	8	6	10	12	16	28	31	37	31	29	35	36
Depreciation	77	82	81	77	87	83	78	83	88	94	99	317	327	328	325	331	332	343	364
Pro-forma Adjusted EBITDA	$ 303	$ 334	$ 382	$ 414	$ 381	$ 370	$ 421	$ 424	$ 390	$ 267	$ 363	$ 1,433	$ 1,511	$ 1,547	$ 1,586	$ 1,596	$ 1,605	$ 1,502	$ 1,444

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 partially owned affiliates 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. Second quarter of 2018 reflects $7 million of integration costs associated with the acquisition of Futuris, $8 million of prior period adjustments, and $7 million of non-recurring consulting fees related to SS&M. 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 integration 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. 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 include in fiscal year 2016 in the amounts of $8 million, $7 million, $8 million and $1 million in the first, second, third and fourth quarters, respectively.
5. Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420. Also reflects a $299 million goodwill impairment charge related to SS&M for the three months ended March 31, 2018.
6. Reflects net mark-to-market adjustments on pension and postretirement plans.
7. 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.
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. Stock based compensation excludes $6 million and $2 million of expense in the first and second quarters of 2018, respectively and $2 million, $5 million, $3 million and $6 million of expense in the first, second, third and fourth quarters of 2017, respectively. These costs are included in Becoming Adient costs discussed above.

Non-GAAP reconciliations
Adjusted Net Income

Adjusted Net Income

(in $ millions)	Three Months Ended March 31 2018	Three Months Ended March 31 2017
Net income attributable to Adient	$ (168)	$ 190
Becoming Adient [1]	19	23
Purchase accounting amortization [2]	18	9
Restructuring related charges [3]	12	10
Restructuring and impairment costs [4]	315	6
Other items [5]	22	-
Tax impact of above adjustments and one time tax items [5]	(45)	(5)
Adjusted net income attributable to Adient	**$ 173**	**$ 233**

Adjusted Diluted EPS

	Three Months Ended March 31 2018	Three Months Ended March 31 2017
Diluted earnings per share as reported	$ (1.80)	$ 2.02
Becoming Adient [1]	0.20	0.24
Purchase accounting amortization [2]	0.19	0.10
Restructuring related charges [3]	0.13	0.11
Restructuring and impairment costs [4]	3.37	0.06
Other items [5]	0.24	-
Tax impact of above adjustments and one time tax items [5]	(0.48)	(0.05)
Adjusted diluted earnings per share	**$ 1.85**	**$ 2.48**

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 partially owned affiliates 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 qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420. Also reflects a $299 million goodwill impairment charge related to SS&M for the three months ended March 31, 2018.
5. Second quarter of 2018 reflects $7 million of integration costs associated with the acquisition of Futuris, $8 million of prior period adjustments, and $7 million of non-recurring consulting fees related to SS&M.

Non-GAAP reconciliations
Free Cash Flow

Free Cash Flow

(in $ millions)	Three Months Ended March 31 2018	2017
Operating cash flow	$ (23)	$ 156
Less: Capital expenditures	(123)	(95)
Cash from former parent	-	87
Adjusted Free cash flow	$ (146)	$ 148

Adjusted EBITDA to Free Cash Flow

(in $ millions)	Three Months Ended March 31 2018
Adjusted-EBITDA	$ 363
(-) Interest paid	(58)
(-) Taxes paid	(45)
(-) Restructuring (Cash)	(59)
(+/-) Change in Trade Working Capital	(190)
(+/-) Net Equity in Earnings	(21)
(+/-) Other	(13)
Operating cash flow	$ (23)
(-) CapEx	(123)
Adjusted Free cash flow	$ (146)

Non-GAAP reconciliations
Net Debt and Adjusted Equity Income

Net Debt and Net Leverage

(in $ millions)	March 31 2018	September 30 2017
Cash	$ 353	$ 709
Total Debt	3,678	3,478
Net Debt	$ 3,325	$ 2,769
Adjusted-EBITDA (last twelve months)	$ 1,444	$ 1,605
Net Leverage	2.30x	1.73x

Adjusted Equity Income

	Three Months Ended March 31	
(in $ millions)	2018	2017
Equity income as reported	$ 85	$ 89
Purchase accounting amortization (1)	6	5
Restructuring related charges (2)	2	-
Adjusted equity income	$ 93	$ 94

1. Reflects amortization of intangible assets including those related to partially owned affiliates recorded within equity income.
2. Reflects restructuring related charges for costs that are directly attributable to restructuring activities, but do not meet the definition of restructuring under ASC 420.

Non-GAAP reconciliations
Adjusted Income before Income Taxes

Adjusted Income before Income Taxes

(in $ millions)	Three Months Ended March 31					
	2018			2017		
	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate
As reported	$ (171)	$ (28)	16.4%	$ 251	$ 37	14.7%
Adjustments	386	45	11.7%	48	5	10.4%
As adjusted	$ 215	$ 17	7.9%	$ 299	$ 42	14.0%

Non-GAAP reconciliations
Reported to Adjusted SG&A

(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	FY18 Actual Q1 FY18	FY18 Actual Q2 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	Actual Mar '17
Selling, general and administrative costs	$ 225	$ 253	$ 252	$ 315	$ 402	$ 217	$ 178	$ 169	$ 127	$ 196	$ 188	$ 1,045	$ 1,222	$ 1,186	$ 1,112	$ 966	$ 691	$ 670	$ 680
Separation costs [1]	-	(60)	(72)	(122)	(115)	(10)	-	-	-	-	-	(254)	(369)	(319)	(247)	(125)	**(10)**	-	**-**
Becoming Adient [1]	-	-	-	-	-	(6)	(10)	(6)	(18)	(6)	(4)	-	-	(6)	(16)	(22)	**(40)**	(40)	**(34)**
Purchase accounting amortization [2]	(3)	(4)	(5)	(4)	(4)	(5)	(4)	(3)	(8)	(12)	(11)	(16)	(17)	(18)	(17)	(16)	**(20)**	(27)	**(34)**
Restructuring related charges [3]	-	-	-	-	(2)	-	-	-	(2)	-	-	-	(2)	(2)	(2)	(2)	**(2)**	(2)	**(2)**
Other non-recurring items [4]	7	21	35	22	1	(13)	-	-	(3)	(1)	(6)	85	79	45	10	(12)	**(16)**	(4)	**(10)**
Pension mark-to-market [5]	(3)	-	-	-	(94)	-	-	-	41	-	-	(3)	(94)	(94)	(94)	(94)	**41**	41	**41**
Adjusted SG&A	$ 226	$ 210	$ 210	$ 211	$ 188	$ 183	$ 164	$ 160	$ 137	$ 177	$ 167	$ 857	$ 819	$ 792	$ 746	$ 695	$ 644	$ 638	$ 641

Sales ($Millions)	$ 4,150	$ 4,220	$ 4,290	$ 4,348	$ 3,932	$ 4,026	$ 4,201	$ 4,007	$ 3,979	$ 4,204	$ 4,596	$17,008	$16,790	$16,596	$16,507	$16,166	$16,213	$16,391	$16,786
Adjusted SG&A	226	210	210	211	188	183	164	160	137	177	167	857	819	792	746	695	644	638	641
% of Sales	5.45%	4.98%	4.90%	4.85%	4.78%	4.55%	3.90%	3.99%	3.44%	4.21%	3.63%	5.04%	4.88%	4.77%	4.52%	4.30%	3.97%	3.89%	3.82%

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 partially owned affiliates 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. Second quarter of 2018 reflects $2 million of integration costs associated with the acquisition of Futuris, $3 million of income from prior period adjustments, and $7 million of non-recurring consulting fees related to SS&M. First quarter of 2018 reflects $1 million of integration costs associated with the acquisition of Futuris. First quarter 2017 primarily consists of $12M of initial funding of the Adient foundation. Fourth quarter of 2017 reflects $3 million of integration 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. 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 amounts 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
Segment Performance

(in $ millions) **Adjusted EBITDA by Segment**

	Q1 2017				
	Seating	SS&M	Interiors	Corporate/ Eliminations	Consolidated
Net sales	$ 3,692	$ 671	N/A	$ (337)	$ 4,026
Adjusted EBITDA	364	7	30	(31)	370
Adjusted EBITDA margin	9.9%	1.0%	N/A	N/A	9.2%

	Q1 2018				
	Seating	SS&M	Interiors	Corporate/ Eliminations	Consolidated
Net sales	$ 3,796	$ 718	N/A	$ (310)	$ 4,204
Adjusted EBITDA	355	(82)	25	(31)	267
Adjusted EBITDA margin	9.4%	-11.4%	N/A	N/A	6.4%

	Q2 2017				
	Seating	SS&M	Interiors	Corporate/ Eliminations	Consolidated
Net sales	$ 3,825	$ 756	N/A	$ (380)	$ 4,201
Adjusted EBITDA	398	40	22	(39)	421
Adjusted EBITDA margin	10.4%	5.3%	N/A	N/A	10.0%

	Q2 2018				
	Seating	SS&M	Interiors	Corporate/ Eliminations	Consolidated
Net sales	$ 4,132	$ 797	N/A	$ (333)	$ 4,596
Adjusted EBITDA	411	(34)	12	(26)	363
Adjusted EBITDA margin	9.9%	-4.3%	N/A	N/A	7.9%

	Q3 2017				
	Seating	SS&M	Interiors	Corporate/ Eliminations	Consolidated
Net sales	$ 3,620	$ 713	N/A	$ (326)	$ 4,007
Adjusted EBITDA	413	31	19	(39)	424
Adjusted EBITDA margin	11.4%	4.3%	N/A	N/A	10.6%

	Q4 2017				
	Seating	SS&M	Interiors	Corporate/ Eliminations	Consolidated
Net sales	$ 3,605	$ 670	N/A	$ (296)	$ 3,979
Adjusted EBITDA	403	4	22	(39)	390
Adjusted EBITDA margin	11.2%	0.6%	N/A	N/A	9.8%

Prior Period Results

	Actual	FY16 Actual				FY17 Actual				FY18 Actual		Last Twelve Months Ended							
	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Actual Jun '16	Actual Sep '16	Actual Dec '16	Actual Mar '17	Actual Jun '17	Actual Sep '17	Actual Dec '17	Actual Mar '18
Sales ($Mils.)	$ 4,150	$ 4,220	$ 4,290	$ 4,348	$ 3,932	$ 4,026	$ 4,201	$ 4,007	$ 3,979	$ 4,204	$ 4,596	$ 17,008	$ 16,790	$ 16,596	$ 16,507	$ 16,166	$ 16,213	$ 16,391	$ 16,786
Adjusted EBIT	230	251	296	323	286	283	332	333	296	163	252	1,100	1,156	1,188	1,224	1,234	1,244	1,124	1,044
% of Sales	5.54%	5.95%	6.90%	7.43%	7.27%	7.03%	7.90%	8.31%	7.44%	3.88%	5.48%	6.47%	6.89%	7.16%	7.42%	7.63%	7.67%	6.86%	6.22%
Adjusted EBITDA	303	334	382	414	381	370	421	424	390	267	363	1,433	1,511	1,547	1,586	1,596	1,605	1,502	1,444
% of Sales	7.30%	7.91%	8.90%	9.52%	9.69%	9.19%	10.02%	10.58%	9.80%	6.35%	7.90%	8.43%	9.00%	9.32%	9.61%	9.87%	9.90%	9.16%	8.60%
Adj Equity Income	72	95	80	91	98	99	94	98	103	109	93	338	364	368	382	389	394	404	403
Adj EBIT Excl Equity	158	156	216	232	188	184	238	235	193	54	159	762	792	820	842	845	850	720	641
% of Sales	3.81%	3.70%	5.03%	5.34%	4.78%	4.57%	5.67%	5.86%	4.85%	1.28%	3.46%	4.48%	4.72%	4.94%	5.10%	5.23%	5.24%	4.39%	3.82%
Adj EBITDA Excl Equity	231	239	302	323	283	271	327	326	287	158	270	1,095	1,147	1,179	1,204	1,207	1,211	1,098	1,041
% of Sales	5.57%	5.66%	7.04%	7.43%	7.20%	6.73%	7.78%	8.14%	7.21%	3.76%	5.87%	6.44%	6.83%	7.10%	7.29%	7.47%	7.47%	6.70%	6.20%