FY 2017 Fourth Quarter Earnings Call

November 2, 2017

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 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, 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 FY2018 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Adient has revised previously reported results to adjust equity income from a non-consolidated joint venture related to engineering costs that were inappropriately capitalized. Adient has also revised previously reported net sales and cost of sales to present certain components of a contract on a net basis. Please see Note 4 (Revisions to Previously Reported Amounts) to the Appendix to the Adient earnings release dated November 2, 2017 for a discussion of revisions to previously reported amounts.

Agenda

Introduction
Mark Oswald
Vice President, Global Investor Relations

Fourth quarter highlights
Bruce McDonald
Chairman and Chief Executive Officer

Financial review
Jeffrey Stafeil
Executive Vice President and Chief Financial Officer

Q&A

Q4 Highlights

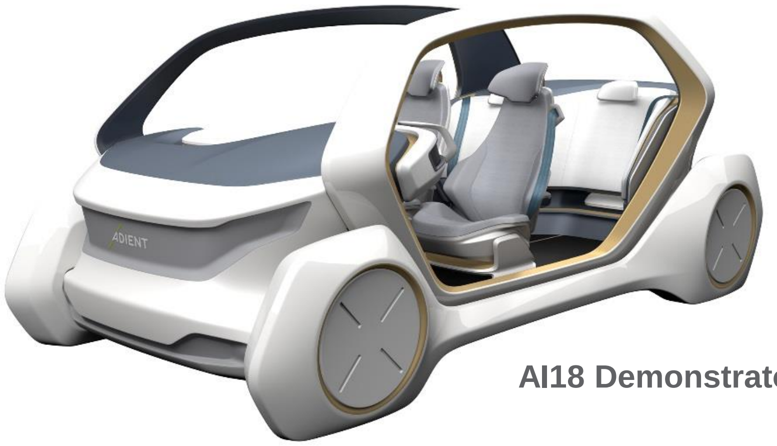
- Adient's Q4 results solidify a strong FY17
  - Q4 Adjusted-EBIT increased 3% to $296M (margin of 7.4%, up 10 bps) [1]
  - Q4 Adjusted-EPS increased 9% to $2.34 [1]
  - Cash and cash equivalents of $709M at September 30, 2017
  - Net debt of $2.8B and net leverage of 1.73x at September 30, 2017 [1]
- Positive momentum reflected in FY2018 outlook

- Completed the acquisition of seating supplier Futuris Group
  - Strategic rationale:
    - Provides geographic benefits (increases ADNT's exposure in faster growing markets and fills lost volume in North America)
    - Increases customer diversity (West Coast presence)
    - Provides low risk cost synergies (above plant SG&A, footprint consolidation, purchasing & logistics economies of scale)
  - The acquisition is expected to accelerate revenue growth, earnings growth and add value for our shareholders

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

Q4 Highlights

- International Motor Show - Frankfurt
  - Showcased pioneering solutions that address the challenges associated with the evolution of mobility (autonomous, ride sharing)
  - AI18 innovation demonstrator focused on urban, electrically-powered and autonomously-driven vehicles; five usage scenarios showcased – lounge, communication, cargo, baby and family mode



AI18 Demonstrator

- Amended the rights agreement at one of our China joint ventures; the action will have a positive impact on the company's consolidated financial results
- Recorded a restructuring charge during Q4 associated with SG&A headcount reductions; the reductions are expected to enable the company to achieve its targeted 150 bps reduction in SG&A costs

FY17 Q4 key product launches

ADIENT

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

Buick Enclave
United States

Nissan Pathfinder & Infiniti QX60
United States

BMW X3
Mexico

Porsche Cayenne
Romania / Poland

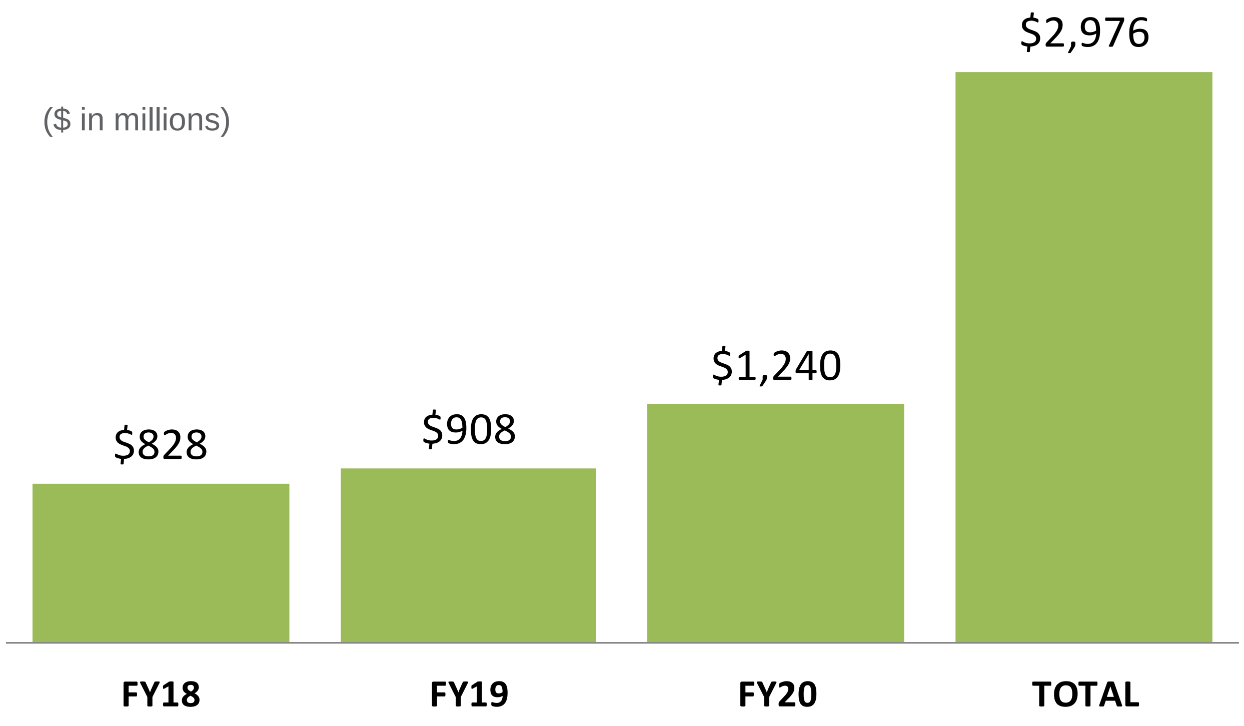
VW T-Roc
Portugal

Ford Ecosport
Romania

Land Rover Discovery Sport
UK

Kia Sorento
Korea

Adient three year seating backlog [1]



Cons	$19	Cons	$454	Cons	$1,042	Cons	$1,514
Uncons	$809	Uncons	$454	Uncons	$198	Uncons	$1,462
Total	**$828**	**Total**	**$908**	**Total**	**$1,240**	**Total**	**$2,976**

- The three-year global seating backlog increased ~22% y-o-y to just under $3.0B
- Adient's consolidated sales are expected to benefit by more than $1.5B over the next three years (accounts for 51% of the total backlog)
- Well diversified mix of customers (traditional & West-Coast manufacturers)

1 - Backlog defined as won new business, plus high probability targeted business, less lost replacement business (backlog not adjusted for pricing, market volumes, or FX)

Opportunistically pursuing inorganic & adjacent market growth

ADIENT

We completed our **first acquisition by purchasing Futuris Group**

FUTURIS

BOEING

Launched **aircraft seating collaboration with Boeing** to tap into $6.5B market opportunity within aircraft interiors

Announced **collaboration with Autoliv** to address vehicle seating challenges presented by designs for the future car and the incorporation of autonomous driving

Autoliv

Seat structures & mechanisms: turn-around plan

ADIENT

Key elements of Seat Structures and Mechanisms turn-around plan

Status

> Complete restructuring initiative:
  – Restructuring & closure of unprofitable locations progressing as planned; positive margin impact expected in FY19 / FY20

> Double equity income from Seat Structures and Mechanisms investments in China:
  – Tracking slightly ahead of schedule; strong interest in Adient's technology

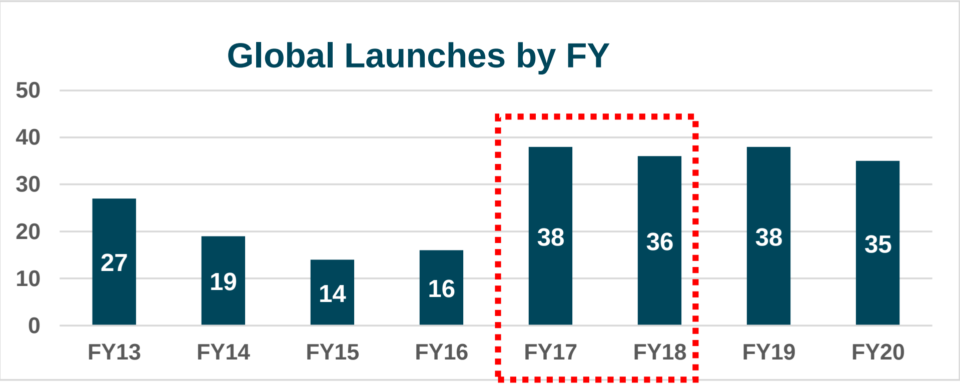
> Flawlessly launch new programs to capture significant margin improvement through the introduction of new products (T3000 recliner, Track 3000, and global seat structures)
  – Significant launch challenges and "one-time" events impacting near-term profitability

Seat structures & mechanisms: near-term headwinds

> Significant launch challenges impacting seat structures and mechanisms:
  - Late design changes, engineering / manufacturing issues, supply chain interruptions and labor challenges creating launch inefficiencies
  - Launch headwinds expected to continue into early FY18

> Steel economics and "one-time" events (e.g. distressed supplier costs, flooding) have created additional headwinds
  - Metals performance down ~$35 million in Q4 vs. last year (including material economics and ~$13 million in expedited freight)

> Several actions taken to mitigate the near-term headwinds:
  - Supplemental resources added to key facilities
  - Audit of upcoming 2018 launches to identify potential issues earlier
  - Customer specific actions



Despite near-term headwinds, the mid-term plan remains intact

Current operating environment

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Positive tailwinds
- > Increased seating content per vehicle
- > Global vehicle production
- > Growth in ADNT's unconsolidated joint ventures
- > Additional SG&A performance
- > Integration of Futuris

Near-term headwinds
- > Metals launch activity
- > Increased growth investments
- > Commodity prices

ADNT's commitment to delivering its mid-term plan combined with a favorable operating environment is expected to result in another year of earnings growth and increased cash generation

FINANCIAL REVIEW

FY 2017 Fourth Quarter

FY 2017 Q4 key financials

$ millions, except per share data	As Reported		As Adjusted [1]		
	FY17 Q4	**FY16 Q4**	**FY17 Q4**	**FY16 Q4**	**B/(W)**
Revenue	$ 3,979	$ 3,932	$ 3,979	$ 3,932	*1%*
EBIT	$ 389	$ (32)	$ 296	$ 286	*+3%*
Margin	*9.8%*	*	*7.4%*	*7.3%*	
EBITDA	N/A	N/A	$ 390	$ 381	*+2%*
Margin			*9.8%*	*9.7%*	
Memo: Equity Income [2]	$ 248	$ 93	$ 103	$ 98	*+5%*
Tax Expense	$ (5)	$ 812	$ 27	$ 26	
ETR	*-1.4%*	*	*10.3%*	*10.3%*	
Net Income	$ 344	$ (881)	$ 219	$ 202	*+8%*
EPS Diluted	$ 3.67	$ (9.40)	$ 2.34	$ 2.15	*+9%*

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
* Measure not meaningful

FY 2017 full year key financials

ADIENT

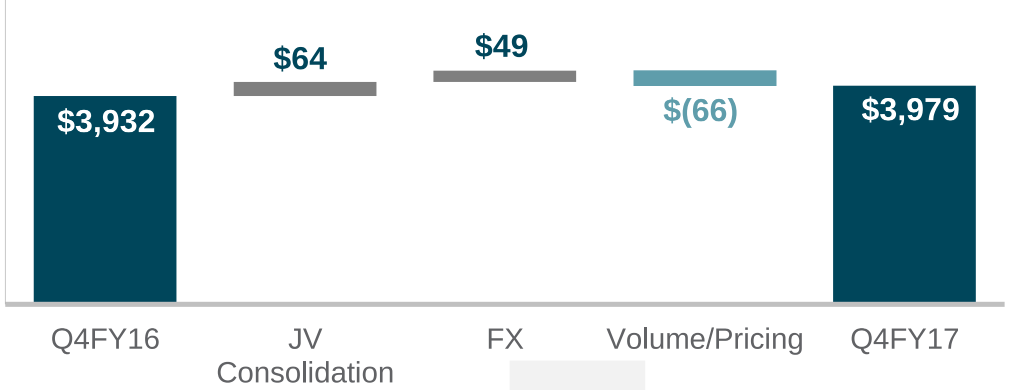
$ millions, except per share data	As Reported		As Adjusted [1]		
	FY17	FY16	FY17	FY16	B/(W)
Revenue	$ 16,213	$ 16,790	$ 16,213	$ 16,790	*-3%*
EBIT	$ 1,193	$ 399	$ 1,244	$ 1,156	*+8%*
Margin	*7.4%*	*2.4%*	*7.7%*	*6.9%*	
EBITDA	N/A	N/A	$ 1,605	$ 1,511	*+6%*
Margin			*9.9%*	*9.0%*	
Memo: Equity Income [2]	$ 522	$ 344	$ 394	$ 364	*+8%*
Tax Expense	$ 99	$ 1,839	$ 149	$ 137	
ETR	*9.3%*	*	*13.4%*	*13.4%*	
Net Income	$ 877	$ (1,546)	$ 878	$ 798	*+10%*
EPS Diluted	$ 9.34	$ (16.50)	$ 9.35	$ 8.51	*+10%*

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
* Measure not meaningful

Revenue – consolidated & unconsolidated

- Consolidated sales in Q4FY17 increased $47 million y-o-y
  - Consolidation of China joint venture and foreign exchange positively impacted sales by $64 million and $49 million, respectively
- Strong growth continued in ADNT's unconsolidated JVs
  - Unconsolidated seating revenue grew 13% y-o-y
  - Unconsolidated interiors revenue grew at 5% y-o-y adjusting for low margin cockpit sales

Consolidated sales



Unconsolidated Seating

Year-over-year growth

+ 13%

Unconsolidated Interiors

Yanfeng Global Automotive Interiors

Year-over-year growth

+5%

Up 5% excluding low margin cockpit sales

Regional Performance

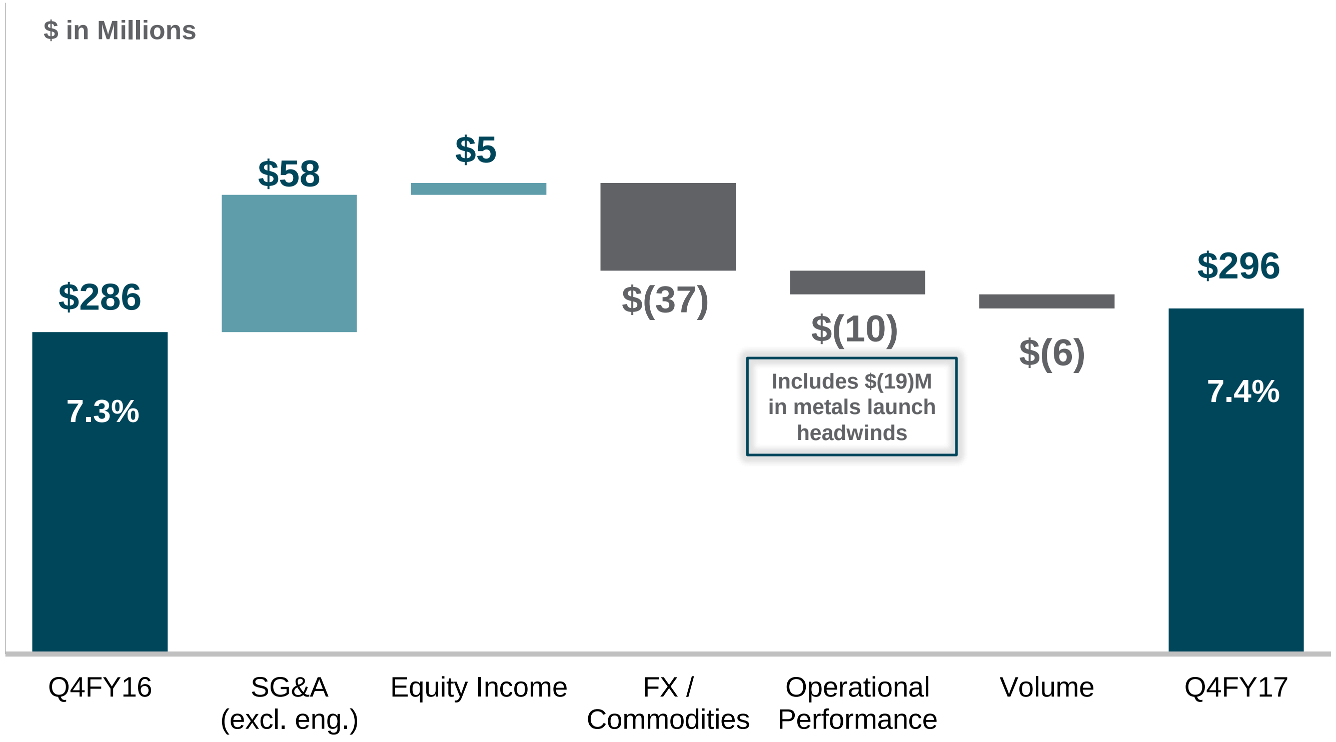
(consolidated sales y-o-y growth by region)

	Adjusted [1] FY17 Q4
N. America	-10%
Europe	8%
Asia & China	6%

1 – Growth rates at constant foreign exchange

Adjusted-EBIT

- Adjusted-EBIT expanded to $296M, up 3% y-o-y
  - Seating totaled $274M, up $12M y-o-y
  - Interiors totaled $22M, down $2M y-o-y
- Primary drivers of Adjusted-EBIT improvement:
  - SG&A improvement reflecting lower corporate expenses and the benefits of restructuring actions
  - Increase in equity income
  - Improved operational performance (excluding metals)
- Material economics (steel and chemicals), lower volumes and launch related headwinds within the metals operations 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

Margin progression on track

Mid-term Plan

SG&A Benchmark Savings	Metals	Growth Inv. / Other	Targeted Improvement
+150 bps FY17-FY18	+100 - 200 bps FY19-FY20	- (50 – 150) bps FY17-FY20	+200 bps

Progress to Date

consolidated

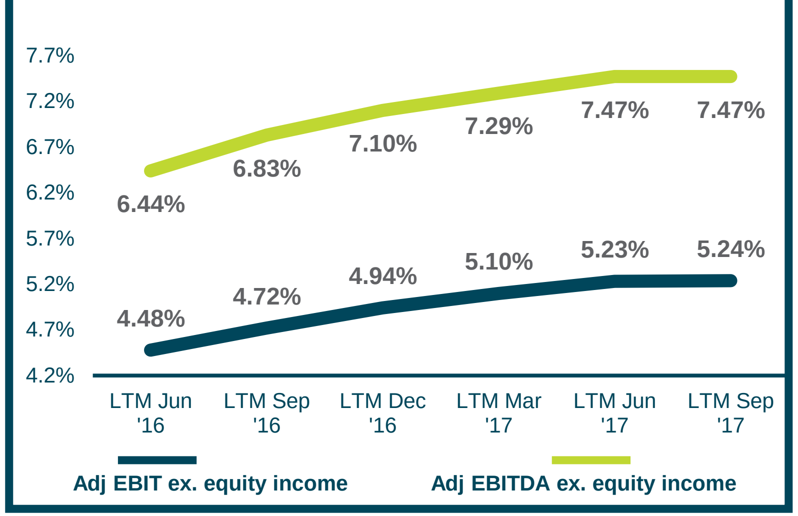
76 bps Adj. EBIT improvement excluding equity income thru 9/30/17

unconsolidated

44 bps improvement from strong growth in equity income thru 9/30/17

SG&A Benchmark Savings	Metals	Growth Investment	Other Improvement	Equity Income
~105 bps thru 9/30/17	~(45) bps thru 9/30/17	~(15) bps thru 9/30/17	~31 bps thru 9/30/17	+ ~44 bps thru 9/30/17

Adj. EBIT and Adj. EBITDA Margin (excluding equity income)[1]



Adient has delivered 120 basis points of Adj. EBIT margin improvement since June 2016 LTM [1]

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

Adient JV equity income and cash dividend summary

- Robust growth continues in equity income and cash dividends
- In FY17, equity income (fx adjusted) increased 12% y-o-y outpacing unconsolidated sales growth of 11% (fx adjusted)
- Equity income expected to increase over 10% in FY18 vs. FY17
- Cash conversion expected to be about 70% in FY18

Sources	Equity income (as adjusted) [1]	Cash dividends paid	% Conversion
2015	$286M	$193M	67.5%
2016	$364M	$199M	54.7%
2017	$394M	$280M	71.1%
FY15A-FY17 CAGR	**17.4%**	**20.4%**	
2018 (Estimate)	$435M		~70%

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

Cash flow & debt [1]

Free Cash Flow (1)

(in $ millions)	FY17 Actual Q4 FY17
Adjusted EBITDA	$ 390
(-) Interest Expense	(33)
(-) Taxes	(16)
(-) Restructuring (Cash)	(43)
(+/-) Change in Trade Working Capital	137
(+/-) Net Equity in Earnings	120
(+/-) Other [2]	(109)
Operating Cash flow	$ 446
(-) CapEx	(160)
Adjusted Free Cash flow	$ 286

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

Debt (1)

- Cash and cash equivalents of $709M at September 30, 2017 (includes ~$350M net cash outlay related to Futuris acquisition)
- Net leverage of 1.73x at September 30, 2017, down 12% compared with September 30, 2016

Net Debt and Net Leverage

(in $ millions)	September 30 2017	September 30 2016
Cash	$ 709	$ 550
Total Debt	3,478	3,521
Net Debt	$ 2,769	$ 2,971
Pro-forma Adjusted EBITDA (last twelve months)	1,605	1,511
Net Leverage	1.73x	1.97x

Looking forward: FY2018 guidance
(excludes impact of aircraft seating business)

	2018 Guidance	2018 Guidance vs. FY17 [1]
Revenue	$17.0 - $17.2 billion	+5%
ADJ. EBIT	$1.28 - $1.33 billion includes $435M equity income	+5% equity income up 10%
ADJ. EBITDA	$1.70 - $1.75 billion	+7%
Interest Expense	~$135 million	Flat
Effective Tax Rate	~11%	≥ 240 bps improvement
ADJ. Net Income	$940 - $980 million	+9%
Capital Expenditures	$575 - $600 million	Flat
Free Cash Flow	~$525 million	up ~$40M

Creating value for ADNT's shareholders is a top priority for the company and our FY18 financial goals are aligned with that commitment

1 - at mid-point of guidance
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

Adient's Key Investment Thesis

ADIENT

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

FY 2017 Fourth Quarter

Non-GAAP financial measurements

> Adjusted EBIT, Adjusted EBIT margin, Pro-forma adjusted EBIT, Pro-forma adjusted EBIT margin, Pro-forma adjusted EBITDA, Adjusted effective tax rate, Adjusted net income attributable to Adient, Pro-forma adjusted net income attributable to Adient, Adjusted earnings per share, Adjusted Free cash flow, Net debt, Net leverage, Adjusted SG&A, as well as other measures presented on an adjusted basis are not recognized terms under GAAP and do not purport to be alternatives to the most comparable GAAP amounts. Since all companies do not use identical calculations, our definition and presentation of these measures may not be comparable to similarly titled measures reported by other companies.

> Adjusted EBIT, Adjusted EBIT margin, Pro-forma adjusted EBIT, Pro-forma adjusted EBIT margin, Pro-forma adjusted EBITDA, Adjusted effective tax rate, Adjusted net income attributable to Adient, Pro-forma adjusted net income attributable to Adient, Adjusted earnings per share and Adjusted Free cash flow are measures used by management to evaluate the operating performance of the company and its business segments to forecast future periods.

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

> Net debt is calculated as gross debt less cash and cash equivalents.

> Net leverage is calculated as net debt divided by last twelve months (LTM) pro-forma adjusted-EBITDA.

Non-GAAP reconciliations
EBIT, Pro-forma Adjusted EBIT, Pro-forma Adjusted EBITDA

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

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

Non-GAAP reconciliations
Adjusted Net Income

Adjusted Net Income

(in $ millions)	Three Months Ended September 30 2017	Three Months Ended September 30 2016	Twelve Months Ended September 30 2017	Twelve Months Ended September 30 2016
Net income attributable to Adient	$ 344	$ (881)	$ 877	$ (1,546)
Separation costs [1]	-	115	10	369
Becoming Adient [1]	37	-	95	-
Purchase accounting amortization [2]	14	9	43	37
Restructuring related charges [3]	9	4	37	14
Pension mark-to-market [6]	(45)	110	(45)	110
Other items [4]	3	(1)	16	(79)
Restructuring and impairment costs [5]	40	88	46	332
Gain on previously held interest [7]	(151)	-	(151)	-
Tax impact of above adjustments and one time tax items	(32)	756	(50)	1,591
Adjusted net income attributable to Adient	$ 219	$ 200	$ 878	$ 828
Pro-forma IT dis-synergies [6]	-	(7)	-	(26)
Pro-forma net financing charges [6]	-	(21)	-	(115)
Tax impact of above pro-forma adjustments	-	9	-	30
Pro-forma effective tax rate adjustment [6]	-	21	-	81
Pro-forma Adjusted net income attributable to Adient	$ 219	$ 202	$ 878	$ 798

Adjusted Diluted EPS

	Three Months Ended September 30 2017	Three Months Ended September 30 2016	Twelve Months Ended September 30 2017	Twelve Months Ended September 30 2016
Diluted earnings per share as reported	$ 3.67	$ (9.40)	$ 9.34	$ (16.50)
Separation costs [1]	-	1.23	0.11	3.94
Becoming Adient [1]	0.39	-	1.01	-
Purchase accounting amortization [2]	0.15	0.10	0.46	0.39
Restructuring related charges [3]	0.10	0.04	0.39	0.15
Pension mark-to-market [6]	(0.48)	1.17	(0.48)	1.17
Other items [4]	0.03	(0.01)	0.17	(0.84)
Restructuring and impairment costs [5]	0.43	0.94	0.49	3.55
Gain on previously held interest [7]	(1.61)	-	(1.61)	-
Tax impact of above adjustments and one time tax items	(0.34)	8.06	(0.53)	16.97
Adjusted diluted earnings per share	$ 2.34	$ 2.13	$ 9.35	$ 8.83
Pro-forma IT dis-synergies [6]	-	(0.07)	-	(0.28)
Pro-forma net financing charges [6]	-	(0.23)	-	(1.22)
Tax impact of above pro-forma adjustments	-	0.10	-	0.32
Pro-forma effective tax rate adjustment [6]	-	0.22	-	0.86
Pro-forma Adjusted diluted earnings per share	$ 2.34	$ 2.15	$ 9.35	$ 8.51

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. Fourth quarter of 2017 reflects $3 million of transaction costs associated with the acquisition of Futuris. Also reflects a first quarter 2016 $13 million favorable commercial settlement, second quarter 2016 $22 million favorable settlement from prior year business divestitures and a $6 million favorable legal settlement, and a third quarter 2016 $14 million favorable legal settlement. Also reflected is a multi-employer pension credit associated with the removal of costs for pension plans that remained with the former Parent in the amount of $8 million, $7 million, $8 million and $1 million in the first, second, third, and fourth quarters of 2016, respectively.
5. Reflects qualified restructuring charges for costs that are directly attributable to restructuring activities and meet the definition of restructuring under ASC 420.
6. 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.
7. Adient amended the agreement with a seating joint venture in China, giving Adient control of the previously non-consolidated JV. Adient began consolidating in July 2017 and was required to apply purchase accounting, including recognizing a gain on our previously held interest, which has been recorded in equity income.

Non-GAAP reconciliations
Free Cash Flow

ADIENT

Free Cash Flow

(in $ millions)	Three Months Ended September 30 2017	Three Months Ended September 30 2016	Twelve Months Ended September 30 2017	Twelve Months Ended September 30 2016
Operating cash flow	$ 446	$ (1,478)	$ 746	$ (1,034)
Less: Capital expenditures	(160)	(125)	(577)	(437)
Cash from former parent	-	-	315	-
Adjusted Free cash flow	$ 286	$ (1,603)	$ 484	$ (1,471)

Adjusted EBITDA to Free Cash Flow

(in $ millions)	Three Months Ended September 30 2017
Adjusted EBITDA	$ 390
(-) Interest Expense	(33)
(-) Taxes	(16)
(-) Restructuring (Cash)	(43)
(+/-) Change in Trade Working Capital	137
(+/-) Net Equity in Earnings	120
(+/-) Other	(109)
Operating cash flow	$ 446
(-) CapEx	(160)
Adjusted Free cash flow	$ 286

Non-GAAP reconciliations
Net Debt and Adjusted Equity Income

Net Debt and Net Leverage

(in $ millions)	September 30 2017	September 30 2016
Cash (1)	$ 709	$ 550
Total Debt (2)	3,478	3,521
Net Debt	$ 2,769	$ 2,971
Pro-forma Adjusted EBITDA (last twelve months)	1,605	1,511
Net Leverage	1.73x	1.97x

Adjusted Equity Income

(in $ millions)	Three Months Ended September 30		Twelve Months Ended September 30		
	2017	2016	2017	2016	2015
Equity income as reported	$ 248	$ 93	$ 522	$ 344	$ 281
Purchase accounting amortization (3)	6	5	22	20	5
Gain on previously held interest (4)	(151)	-	(151)	-	-
YFAI restructuring	-	-	1	-	-
Adjusted equity income	$ 103	$ 98	$ 394	$ 364	$ 286

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.
4. Adient amended the agreement with a seating joint venture in China, giving Adient control of the previously non-consolidated JV. Adient began consolidating in July 2017 and was required to apply purchase accounting, including recognizing a gain on our previously held interest, which has been recorded in equity income.

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

ADIENT

Adjusted Income before Income Taxes

(in $ millions)	Three Months Ended September 30						Twelve Months Ended September 30					
	2017			2016			2017			2016		
	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate	Income before Income Taxes	Tax impact	Effective tax rate
As reported	$ 356	$ (5)	-1.4%	$ (46)	$ 812	*	$ 1,061	$ 99	9.3%	$ 377	$ 1,839	*
Adjustments, including prior year pro-forma impacts	(93)	32	-34.4%	297	(786)	*	51	50	98.0%	642	(1,702)	*
As adjusted	$ 263	$ 27	10.3%	$ 251	$ 26	10.3%	$ 1,112	$ 149	13.4%	$ 1,019	$ 137	13.4%

* Measure not meaningful

Financing Charges

(in $ millions)	Three Months Ended September 30		Twelve Months Ended September 30	
	2017	2016	2017	2016
Net financing charges as reported	$ 33	$ 14	$ 132	$ 22
Pro-forma net financing charges [(1)]		21		115
Pro-forma adjusted net financing charges		$ 35		$ 137

Adjusted EBIT/Pro-forma adjusted EBIT by segment

(in $ millions)	Three Months Ended September 30		Twelve Months Ended September 30	
	2017	2016	2017	2016
Seating (includes 2016 pro-forma IT dis-synergies)	$ 274	$ 262	$ 1,151	$ 1,065
Interiors	22	24	93	91
Pro-forma adjusted EBIT	$ 296	$ 286	$ 1,244	$ 1,156

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.

Non-GAAP reconciliations
Reported to Adjusted SG&A

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

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

1. Reflects incremental expenses associated with becoming an independent company and expenses associated with the separation from JCI.
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5. Reflects net mark-to-market adjustments on pension and postretirement plans.

Prior Period Results

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