

REFINITIV

DELTA REPORT

10-Q

VC - VISTEON CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	749
CHANGES	180
DELETIONS	330
ADDITIONS	239

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-15827

VISTEON CORPORATION

(Exact name of registrant as specified in its charter)

State of Delaware

(State or other jurisdiction of incorporation or organization)

38-3519512

(I.R.S. Employer
Identification No.)

One Village Center Drive, Van Buren Township, Michigan

(Address of principal executive offices)

48111

(Zip code)

Registrant's telephone number, including area code: (800)-VISTEON

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$.01 Per Share	VC	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant: has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of **October 19, 2023** **April 18, 2024**, the registrant had outstanding **27,811,203** **27,596,555** shares of common stock.

Exhibit index located on page number **39** **36**.

Visteon Corporation and Subsidiaries

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Part I

Financial Information

Item 1. Condensed Consolidated Financial Statements

VISTEON CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In millions except per share amounts)

(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Three Months Ended March 31,					
2024					
		Three Months Ended March 31,			
		2024			
		2023			
Net sales	Net sales	\$1,014	\$1,026	\$2,964	\$2,692
Cost of sales	Cost of sales	(871)	(922)	(2,607)	(2,438)
Gross margin	Gross margin	143	104	357	254
Selling, general and administrative expenses	Selling, general and administrative expenses	(52)	(47)	(156)	(134)
Restructuring and impairment		—	(1)	(2)	(12)
Restructuring, net					

Interest expense	Interest expense	(4)	(3)	(13)	(10)
Interest income	Interest income	3	1	6	3
Equity in net (loss) income of non-consolidated affiliates		(1)	(1)	(8)	3
Other income (expense), net		3	5	(4)	15
Equity in net income (loss) of non-consolidated affiliates					
Other income, net					
Income (loss) before income taxes	Income (loss) before income taxes	92	58	180	119
Provision for income taxes	Provision for income taxes	(21)	(9)	(48)	(24)
Net income (loss)					
Net income (loss)					
Net income (loss)	Net income (loss)	71	49	132	95
Less: Net (income) loss attributable to non-controlling interests	Less: Net (income) loss attributable to non-controlling interests	(5)	(5)	(12)	(5)
Net income (loss) attributable to Visteon Corporation	Net income (loss) attributable to Visteon Corporation	\$ 66	\$ 44	\$ 120	\$ 90
Comprehensive income (loss)					
Comprehensive income (loss)					
Comprehensive income (loss)	Comprehensive income (loss)	\$ 58	\$ 15	\$ 114	\$ 21
Less: Comprehensive (income) loss attributable to non-controlling interests	Less: Comprehensive (income) loss attributable to non-controlling interests	(4)	—	(6)	4
Comprehensive income (loss) attributable to Visteon Corporation	Comprehensive income (loss) attributable to Visteon Corporation	\$ 54	\$ 15	\$ 108	\$ 25
Basic earnings (loss) per share attributable to Visteon Corporation	Basic earnings (loss) per share attributable to Visteon Corporation	\$ 2.35	\$ 1.57	\$ 4.26	\$ 3.20
Basic earnings (loss) per share attributable to Visteon Corporation					
Basic earnings (loss) per share attributable to Visteon Corporation					
Diluted earnings (loss) per share attributable to Visteon Corporation	Diluted earnings (loss) per share attributable to Visteon Corporation	\$ 2.32	\$ 1.54	\$ 4.20	\$ 3.16

Diluted earnings (loss) per share attributable to Visteon Corporation

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		(Unaudited)			
		September	December		
		30,	31,		
		2023	2022		
	(Unaudited)				
		March 31,			
		March 31,			
		March 31,		December 31,	
	2024			2024	2023
ASSETS					
Cash and equivalents	Cash and equivalents	\$ 481	\$ 520		
Restricted cash	Restricted cash	4	3		
Accounts receivable, net	Accounts receivable, net	679	672		
Inventories, net	Inventories, net	318	348		
Other current assets	Other current assets	140	167		
Total current assets	Total current assets	1,622	1,710		
Property and equipment, net	Property and equipment, net	377	364		
Intangible assets, net	Intangible assets, net	83	99		
Right-of-use assets	Right-of-use assets	115	124		
Investments in non-consolidated affiliates	Investments in non-consolidated affiliates	36	49		
Deferred tax assets					
Other non-current assets	Other non-current assets	124	104		
Total assets	Total assets	\$ 2,357	\$ 2,450		
LIABILITIES AND EQUITY					
Short-term debt	Short-term debt	\$ 18	\$ 13		
Accounts payable	Accounts payable	595	657		
Accrued employee liabilities	Accrued employee liabilities	86	90		

Current lease liability	Current lease liability	30	29
Other current liabilities	Other current liabilities	219	246
Total current liabilities	Total current liabilities	948	1,035
Long-term debt, net	Long-term debt, net	323	336
Employee benefits	Employee benefits	104	115
Non-current lease liability	Non-current lease liability	87	99
Deferred tax liabilities	Deferred tax liabilities	30	27
Other non-current liabilities	Other non-current liabilities	64	64
Stockholders' equity:	Stockholders' equity:		
Preferred stock (par value 0.01, 50 million shares authorized, none outstanding as of September 30, 2023 and December 31, 2022)		—	—
Common stock (par value \$0.01, 250 million shares authorized, 55 million shares issued, 27.9 and 28.2 million shares outstanding as of September 30, 2023 and December 31, 2022, respectively)		1	1
Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding as of March 31, 2024 and December 31, 2023)			
Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding as of March 31, 2024 and December 31, 2023)			
Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding as of March 31, 2024 and December 31, 2023)			
Common stock (par value \$0.01, 250 million shares authorized, 55 million shares issued, 27.6 and 27.7 million shares outstanding as of March 31, 2024 and December 31, 2023, respectively)			
Additional paid-in capital	Additional paid-in capital	1,349	1,352
Retained earnings	Retained earnings	1,908	1,788
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(225)	(213)
Treasury stock	Treasury stock	(2,309)	(2,253)

Total Visteon Corporation stockholders' equity	Total Visteon Corporation stockholders' equity	724	675
Non-controlling interests	Non-controlling interests	77	99
Total equity	Total equity	801	774
Total liabilities and equity	Total liabilities and equity	\$ 2,357	\$ 2,450

See accompanying notes to the condensed consolidated financial statements.

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VISTEON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

		Nine Months Ended September 30,	
		2023	2022
		Three Months Ended March 31,	
		2024	2023
Operating Activities	Operating Activities	Three Months Ended March 31,	
Net income (loss)	Net income (loss)	2024	2023
Net income (loss)	Net income (loss)		
Net income (loss)	Net income (loss)	\$132	\$ 95
Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:	Adjustments to reconcile net income (loss) to net cash provided from (used by) operating activities:		
Depreciation and amortization	Depreciation and amortization	79	79
Depreciation and amortization	Depreciation and amortization		
Non-cash stock-based compensation	Non-cash stock-based compensation	26	19
Equity in net loss (income) of non-consolidated affiliates, net of dividends remitted	Equity in net loss (income) of non-consolidated affiliates, net of dividends remitted	8	—
Impairments	Impairments	—	4

Other non-cash items	Other non-cash items	(3)	(2)
Changes in assets and liabilities:	Changes in assets and liabilities:		
Accounts receivable			
Accounts receivable			
Accounts receivable	Accounts receivable	(19)	(244)
Inventories	Inventories	23	(112)
Accounts payable	Accounts payable	(54)	173
Other assets and other liabilities	Other assets and other liabilities	(23)	(10)
Net cash provided from operating activities		169	2
Net cash provided from (used by) operating activities			
Investing Activities	Investing Activities		
Capital expenditures, including intangibles	Capital expenditures, including intangibles	(82)	(54)
Contributions to equity method investments		(1)	(1)
Settlement of derivative contracts		—	9
Other		3	2
Capital expenditures, including intangibles			
Capital expenditures, including intangibles			
Other, net			
Net cash used by investing activities	Net cash used by investing activities	(80)	(44)
Financing Activities	Financing Activities		
Borrowings on term debt facility		—	350
Payments on term debt facility		—	(350)
Short-term debt, net			
Short-term debt, net			
Short-term debt, net	Short-term debt, net	—	(4)
Principal repayment of term debt facility	Principal repayment of term debt facility	(8)	—
Dividends to non-controlling interests		(27)	—
Dividends paid to non-controlling interests			
Repurchase of common stock	Repurchase of common stock	(76)	—

Stock based compensation tax withholding payments	Stock based compensation tax withholding payments	(16)	—
Proceeds from the exercise of stock options		8	—
Other		—	(3)
Net cash used by financing activities	Net cash used by financing activities	(119)	(7)
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	(8)	(41)
Net decrease in cash, equivalents, and restricted cash	Net decrease in cash, equivalents, and restricted cash	(38)	(90)
Cash, equivalents, and restricted cash at beginning of the period	Cash, equivalents, and restricted cash at beginning of the period	523	455
Cash, equivalents, and restricted cash at end of the period	Cash, equivalents, and restricted cash at end of the period	<u>\$485</u>	<u>\$365</u>

See accompanying notes to the condensed consolidated financial statements.

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VISTEON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In millions)
(Unaudited)

	Total Visteon Corporation Stockholders' Equity							
	Additional		Accumulated		Total Visteon		Non-	
	Common		Other		Corporation		Controlling	
	Stock	Paid-In Capital	Retained Earnings	Comprehensive Income (Loss)	Treasury Stock	Stockholders' Equity	Interests	Total Equity
December 31, 2022	\$ 1	\$ 1,352	\$ 1,788	\$ (213)	\$ (2,253)	\$ 675	\$ 99	\$ 774
Net income (loss)	—	—	34	—	—	34	4	38
Other comprehensive income (loss)	—	—	—	16	—	16	(1)	15
Stock-based compensation, net	—	(18)	—	—	13	(5)	—	(5)
Dividends to non-controlling interest	—	—	—	—	—	—	(15)	(15)
March 31, 2023	\$ 1	\$ 1,334	\$ 1,822	\$ (197)	\$ (2,240)	\$ 720	\$ 87	\$ 807
Total Visteon Corporation Stockholders' Equity								
Common								
Stock								
Common								
Stock								

March 31, 2022	\$	1	\$	1,339	\$	1,686	\$	(225)	\$	(2,260)	\$	541	\$	101	\$	642
Net income (loss)		—		—		24		—		—		24		(1)		23
Other comprehensive income (loss)		—		—		—		(40)		—		(40)		(4)		(44)
Stock-based compensation, net		—		6		—		—		1		7		—		7
Dividends payable		—		—		—		—		—		—		(2)		(2)
June 30, 2022	\$	1	\$	1,345	\$	1,710	\$	(265)	\$	(2,259)	\$	532	\$	94	\$	626
Net income (loss)		—		—		44		—		—		44		5		49
Other comprehensive income (loss)		—		—		—		(29)		—		(29)		(5)		(34)
Stock-based compensation, net		—		6		—		—		2		8		—		8
September 30, 2022	\$	1	\$	1,351	\$	1,754	\$	(294)	\$	(2,257)	\$	555	\$	94	\$	649
Dividends to non-controlling interests																
March 31, 2023																

See accompanying notes to the condensed consolidated financial statements.

VISTEON CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1. Summary of Significant Accounting Policies

Basis of Presentation - Interim Financial Statements

The condensed consolidated financial statements of Visteon Corporation and Subsidiaries (the "Company" or "Visteon") have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC") have been condensed or omitted pursuant to such rules and regulations. These interim condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments, except as otherwise disclosed) that management believes are necessary for a fair presentation of the results of operations, financial position, stockholders' equity, and cash flows of the Company for the interim periods presented. Interim results are not necessarily indicative of full-year results.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported herein. Considerable judgment is involved in making these determinations and the use of different estimates or assumptions could result in significantly different results. Management believes its assumptions and estimates are reasonable and appropriate. However, actual results could differ from those reported herein. Events and changes in circumstances arising after **September 30, 2023** **March 31, 2024** will be reflected in management's estimates in future periods.

Segment: The Company's reportable segment is Electronics. The Electronics segment provides vehicle cockpit electronics products to customers, including digital instrument clusters, domain controllers with integrated advanced driver assistance systems ("ADAS"), displays, Android-based infotainment systems, and battery management systems. As the Company has one reportable segment, net sales, total assets, depreciation, amortization and capital expenditures are equal to consolidated results.

Accounts Receivable: Accounts receivable are stated at the invoiced amount, less an allowance for doubtful accounts for estimated amounts not expected to be collected, and do not bear interest.

The Company receives bank notes from certain customers in China to settle trade accounts receivable. The collection on such bank notes are included in operating cash flows based on the substance of the underlying transactions, which are operating in nature. The Company may hold such bank notes until maturity, exchange them with suppliers to settle liabilities, or sell them to third-party financial institutions in exchange for cash. The Company has entered into arrangements with financial institutions to sell certain bank notes, generally maturing within nine months. Bank notes are sold with recourse but qualify as a sale as all rights to the notes have passed to the financial institution. The Company redeemed \$46 million of China bank notes during the three months ended March 31, 2024. Remaining amounts outstanding at third-party institutions related to sold bank notes will mature by August 30, 2024.

Allowance for Doubtful Accounts: The Company establishes an allowance for doubtful accounts for accounts receivable based on the current expected credit loss impairment model ("CECL"). The Company applies a historical loss rate based on historic write-offs by region to aging categories. The historical loss rate is adjusted for current conditions and reasonable and supportable forecasts of future losses, as necessary. The Company may also record a specific reserve for individual accounts when the Company becomes aware of specific customer circumstances, such as in the case of a bankruptcy filing or deterioration in the customer's operating results or financial position. The allowance for doubtful accounts was \$8 million and \$5 million \$7 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

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Accounting Pronouncements Not Yet Adopted Adopted:

Business Combinations - Joint Venture - In August 2023, the FASB issued ASU 2023-05, "Joint Venture Formation (Subtopic 805-60) - Recognition and initial measurement." to provide decision-useful information to investors and other allocators of capital (collectively, investors) in a joint venture's financial statements and to create consistency in presentation. The amendments in this ASU are effective for fiscal years beginning after January 1, 2025 and interim periods within those fiscal years. The Company is currently evaluating the impacts of the provisions of ASU 2023-05.

Disclosure Improvements - In October 2023, the FASB issued ASU 2023-06, "Disclosure Improvements (Release No. 33-10532)." The amendments in this update modify the disclosure or presentation requirements of a variety of topics in the codification. Certain of the amendments represent clarifications to or technical corrections of the current requirements. The amendments in this ASU are effective for the interim period June 30, 2027. The Company is currently evaluating the impacts of the provisions of ASU 2023-06.

Segment Reporting - In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures" to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this ASU are effective for all public entities for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impacts of the provisions of ASU 2023-07.

Enhanced Income Tax Disclosures - In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): Improvement to Income Tax Disclosures to enhance the transparency and decision usefulness of income tax disclosures.ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis and early adoption is permitted.The Company is currently evaluating the potential effect of this accounting standard update on its consolidated financial statements and related disclosures.

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NOTE 2. Non-Consolidated Affiliates

Investments in Affiliates

The Company's investments in non-consolidated equity method affiliates include the following:

		September 30, 2023		December 31, 2023	
		March 31, 2024		December 31, 2023	
(In millions)	(In millions)	2023	2022	(In millions)	2023
Yanfeng Visteon Investment Co., Ltd. ("YFVIC") (50%)	Yanfeng Visteon Investment Co., Ltd. ("YFVIC") (50%)	\$ 11	\$ 25		
Limited partnerships	Limited partnerships	14	13		
Other	Other	11	11		

Total investments in non-consolidated affiliates	Total investments in non-consolidated affiliates	\$ 36	\$ 49
--	--	-------	-------

Variable Interest Entities

The Company evaluates whether joint ventures in which it has invested are Variable Interest Entities ("VIE") at the start of each new venture and when a reconsideration event has occurred. The Company consolidates a VIE if it is determined to be the primary beneficiary of the VIE having both the power to direct the activities of the VIE that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company determined that YFVIC is a VIE. The Company holds a variable interest in YFVIC primarily related to its ownership interests and subordinated financial support. The Company and Yangfeng Automotive Trim Systems Co. Ltd. ("YF") each own 50% of YFVIC and neither entity has the power to control the operations of YFVIC; therefore, the Company is not the primary beneficiary of YFVIC and does not consolidate the joint venture.

The Company's investments in YFVIC consists of the following:

(In millions)	September 30, 2023	December 31, 2022
Payables due to YFVIC	\$ 20	\$ 38
<u>Exposure to loss in YFVIC:</u>		
Investment in YFVIC	\$ 11	\$ 25
Receivables due from YFVIC	22	48
Maximum exposure to loss in YFVIC	\$ 33	\$ 73

A \$5 million dividend was declared by a non-consolidated affiliate during the second quarter 2023, which is recorded as a current asset as of September 30, 2023.

The Company recorded a \$9 million settlement charge related to a one-time contract dispute with a joint venture partner during the second quarter of 2022. This charge is recorded within Cost of Sales.

(In millions)	March 31, 2024	December 31, 2023
Payables due to YFVIC	\$ 17	\$ 24
<u>Exposure to loss in YFVIC:</u>		
Investment in YFVIC	\$ 2	\$ 8
Receivables due from YFVIC	11	19
Maximum exposure to loss in YFVIC	\$ 13	\$ 27

Equity Investments

In 2018, the Company committed to make a \$15 million investment in two entities principally focused on the automotive sector pursuant to limited partnership agreements. As a limited partner in each entity, the Company will periodically make capital contributions toward this total commitment amount. As of September 30, 2023 Through March 31, 2024, the Company has had contributed a total of approximately \$12 million toward the aggregate investment commitments to these entities. These limited partnerships investments are classified as equity method investments.

In 2022, the Company made an investment in a private limited company focused on technology development for the automotive industry of \$1 million. There have been no further contributions as of March 31, 2024.

NOTE 3. Restructuring and Impairments

Given the economically-sensitive and highly competitive nature of the automotive electronics industry, the Company continues to closely monitor current market factors and industry trends, taking actions as necessary which may include restructuring actions. However, there can be no assurance that any such actions will be sufficient to fully offset the impact of adverse factors on the Company or its results of operations, financial position and cash flows.

During the three months ended March 31, 2024 and 2023, the Company recorded \$2 million and \$1 million of restructuring expense primarily related to employee severance, respectively.

Current restructuring actions include the following:

- ### Restructuring Reserves

(In millions)

Impairments

During the nine months ended September 30, 2022, due to the geopolitical situation in Eastern Europe, the Company elected to close the Russian facility resulting in a non-cash impairment charge of \$4 million to fully impair property and equipment and reduce inventory to its net realizable value.

NOTE 4. Inventories

		September 30,	December 31,		
March 31,				March 31,	December 31,
(In millions)	(In millions)	2023	2022	(In millions)	2023
Raw materials	Raw materials	\$ 240	\$ 291		
Work-in-process	Work-in-process	34	26		
Finished products	Finished products	44	31		
		\$ 318	\$ 348		
	\$				

NOTE 5. Goodwill and Other Intangible Assets

Intangible assets, net are comprised of the following:

		September 30, 2023			December 31, 2022				
		March 31, 2024							
(In millions)	(In millions)	Estimated Weighted Average Useful Life (years)	Gross Intangibles	Accumulated Amortization	Net Intangibles	Gross Intangibles	Accumulated Amortization	Net Intangibles	(In millions)
Definite-Lived:	Definite-Lived:								
Developed technology	Developed technology	10	\$ 40	\$ (39)	\$ 1	\$ 40	\$ (39)	\$ 1	
Customer related	Customer related	10	84	(80)	4	88	(77)	11	
Capitalized software development	Capitalized software development	5	51	(21)	30	50	(16)	34	
Other	Other	32	17	(12)	5	17	(9)	8	
Subtotal	Subtotal		192	(152)	40	195	(141)	54	
Indefinite-Lived:	Indefinite-Lived:								
Goodwill	Goodwill		43	—	43	45	—	45	
Goodwill	Goodwill								
Total	Total		\$ 235	\$ (152)	\$ 83	\$ 240	\$ (141)	\$ 99	

Capitalized software development consists of software development costs intended for integration into customer products.

NOTE 6. Other Assets

Other current assets are comprised of the following components:

		September 30,	December 31,		
		March 31,	March 31,		
(In millions)	(In millions)	2023	2022	(In millions)	2023
Recoverable taxes	Recoverable taxes	\$ 54	\$ 55		
Contractually reimbursable engineering costs	Contractually reimbursable engineering costs	34	35		
Prepaid assets and deposits					

Joint venture receivables	Joint venture receivables	26	49
Prepaid assets and deposits		19	18
China bank notes		—	6
Contractual payments			
Other	Other	7	4
		\$ 140	\$ 167
		\$	

The Company receives bank notes from certain customers in China to settle trade accounts receivable. The collection of such bank notes are included in operating cash flows based on the substance of the underlying transactions which are operating in nature. The Company redeemed \$208 million and \$101 million of China bank notes during the nine months ended September 30, 2023 and 2022, respectively. Remaining amounts outstanding at third-party institutions related to sold bank notes will mature by the end of the first quarter of 2024.

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Other non-current assets are comprised of the following components:

		September 30,		December 31,	
		March 31,		March 31,	
		2023		2023	
(In millions)	(In millions)	2023	2022	(In millions)	2023
Deferred tax assets		\$ 41	\$ 42		
Contractual payments					
Contractually reimbursable engineering costs	Contractually reimbursable engineering costs	22	25		
Recoverable taxes	Recoverable taxes	11	11		
Derivative financial instruments		8	2		
Pension assets		4	4		
Other	Other	38	20		
		\$ 124	\$ 104		
Other					
Other					
		\$			

Current and non-current contractually reimbursable engineering costs are related to pre-production design and development costs incurred pursuant to long-term supply arrangements that are contractually guaranteed for reimbursement by customers. The Company expects to receive cash reimbursement payments of \$12 million \$27 million during the remainder of 2023, \$31 million in 2024, \$10 million \$17 million in 2025, \$2 million \$7 million in 2026, and \$1 million in 2027, and less than \$1 million in 2028 and beyond.

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NOTE 7. Other Liabilities

Other current liabilities are summarized as follows:

		September 30,	December 31,			
		March 31,		March 31,		December 31,
(In millions)	(In millions)	2023	2022	(In millions)	2024	2023
Deferred income	Deferred income	\$ 54	\$ 55			
Product warranty and recall accruals	Product warranty and recall accruals	43	31			
Income taxes payable						
Non-income taxes payable	Non-income taxes payable	26	35			
Joint venture payable		21	39			
Income taxes payable		17	22			
Joint venture payables						
Royalty reserves	Royalty reserves	15	14			
Restructuring reserves	Restructuring reserves	4	6			
Dividends payable		2	1			
Other	Other	37	43			
		<u>\$ 219</u>	<u>\$ 246</u>			
Other						
Other						
		<u>\$</u>				

Other non-current liabilities are summarized as follows:

		September 30,	December 31,			
		March 31,		March 31,		December 31,
(In millions)	(In millions)	2023	2022	(In millions)	2024	2023
Product warranty and recall accruals	Product warranty and recall accruals	\$ 23	\$ 20			
Income tax reserves						
Deferred income	Deferred income	11	14			
Income tax reserves		6	7			
Derivative financial instruments						
Restructuring reserves	Restructuring reserves	3	5			
Derivative financial instruments		—	2			
Other	Other	21	16			
		<u>\$ 64</u>	<u>\$ 64</u>			
		<u>\$</u>				

NOTE 8. Debt

The Company's debt consists of the following:

(In millions)	September 30,	December 31,
	2023	2022
Short-Term Debt:		
Current portion of long-term debt	\$ 18	\$ 13
Long-Term Debt:		
Term debt facility, net	\$ 323	\$ 336

As of December 31, 2021, the Company's credit agreement ("Credit Agreement") included a \$350 million Term Facility maturing March 24, 2024 and a \$400 million Revolving Credit Facility.

(In millions)	March 31,	December 31,
	2024	2023
Short-Term Debt:		
Current portion of long-term debt	\$ 18	\$ 18
Long-Term Debt:		
Term debt facility, net	\$ 314	\$ 318

On July 19, 2022, the Company entered into an amended and restated Credit Agreement which included a new \$350 million Term Facility and a \$400 million Revolving Credit Facility. The amendment, to among other things, changed the Credit Agreement to, among other things, extend the maturity dates of both facilities. The amended Revolving Credit Facility and Term Facility will mature on July 19, 2027. The amendment changed the method the Term Loan and Revolving Credit Facility accrue interest rate from a LIBOR-based rate to a Secured Overnight Financing Rate ("SOFR") based rate. rate and extended the Credit Agreement maturity date to July 19, 2027.

On June 28, 2023, the Company amended the existing Credit Agreement to, among other things, amend certain affirmative and negative covenants.

The Company has deferred costs of \$2 million and \$1 million related to these amendments to the Credit Agreement, which are recorded in Other non-current assets and Long-term debt, net, respectively. The deferred costs will be amortized over the term of the Credit Agreement.

Short-Term Debt

Terms of the amended credit facility require a quarterly principal payment equal to 1.25% of the original term debt balance. The first required payment was paid during the second quarter of 2023.

As of September 30, 2023 March 31, 2024, the Company has no other short-term borrowings, including at the Company's subsidiaries. The Company's subsidiaries have access to \$32 million \$148 million of capacity under short-term credit facilities.

Long-Term Debt

The Company has no outstanding borrowings on the Revolving Credit Facility as of September 30, 2023 March 31, 2024 and December 31, 2023.

Interest on the Term Facility loans and and Revolving Credit Facility accrue interest at a rate equal to a SOFR-based rate plus an applicable margin of between 1.00% 1.00% and 1.75% 1.75% as determined by the Company's total gross leverage ratio. The Company can benefit from a 5 basis point decrease to the applicable margin due to a sustainability-linked pricing provision based on the Company's annual performance on reducing GHG emissions.

The Credit Agreement requires compliance with customary affirmative and negative covenants and contains customary events of default. The Revolving Credit Facility also requires that the Company maintain a total net leverage ratio no greater than 3.50:1.00. During any period when the Company's corporate and family ratings meet investment grade ratings, certain of the negative covenants are suspended.

The Revolving Credit Facility also provides \$75 million \$75 million availability for the issuance of letters of credit and a maximum of \$20 million \$20 million for swing line borrowings. Any amount of the facility utilized for letters of credit or swing line loans outstanding will reduce the amount available under the existing Revolving Credit Facility. The Company may request increases in the limits under the Credit Agreement and may request the addition of one or more term loan facilities. Outstanding borrowings may be prepaid without penalty (other than borrowings made for the purpose of reducing the effective interest rate margin or weighted average yield of the loans). There are mandatory prepayments of principal principle in connection with: (i) excess cash flow sweeps above certain leverage thresholds, (ii) certain asset sales or other dispositions, (iii) (iii) certain refinancing of indebtedness and (iii) (iv) over-advances under the Revolving Credit Facility.

All obligations under the Credit Agreement and obligations with respect to certain cash management services and swap transaction agreements between the Company and its lenders are unconditionally guaranteed by certain of the Company's subsidiaries. Under the terms of the Credit Agreement, any amounts outstanding are secured by a first-priority perfected lien on substantially all property of the Company and the subsidiaries party to the security agreement, subject to certain limitations.

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Other

The Company has a \$4 million \$7 million letter of credit facility, whereby the Company is required to maintain a cash collateral account equal to 103% (110% for non-U.S. dollar denominated letters) of the aggregate stated amount of issued letters of credit and must reimburse any amounts drawn under issued letters of credit. The Company had \$3 million and \$2 million of outstanding letters of credit issued under this facility secured by restricted cash, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Additionally, the Company had \$2 million and \$3 million of locally issued bank guarantees and letters of credit issued as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, to support various tax appeals, customs arrangements and other obligations at its local affiliates.

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NOTE 9. Employee Benefit Plans

The Company's net periodic benefit costs for all defined benefit plans for the three month periods ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

(In millions)	U.S. Plans		Non-U.S. Plans	
	2023	2022	2023	2022
Costs Recognized in Income:				
Pension service (cost):				
Service cost	\$ —	\$ —	\$ —	\$ —
Pension financing benefits (cost):				
Interest cost	\$ (8)	\$ (5)	\$ (3)	\$ (2)
Expected return on plan assets	11	10	3	2
Amortization of losses and other	—	—	—	—
Total pension financing benefits:	3	5	—	—
Net pension benefit (cost)	\$ 3	\$ 5	\$ —	\$ —

The Company's net periodic benefit costs for all defined benefit plans for the nine month periods ended September 30, 2023 and 2022 were as follows:

U.S. Plans		U.S. Plans		Non-U.S. Plans	
(In millions)	(In millions)	2024	2023	2024	2023
Costs Recognized in Income:					
Pension service cost:					
Pension service cost:					
Pension service cost:					

Service cost
Service cost
Service cost
Pension financing benefits (cost):
Interest cost
Interest cost
Interest cost
Expected return on plan assets
Amortization of gains and other
Total pension financing benefits:

	U.S. Plans		Non-U.S. Plans	
(In millions)	2023	2022	2023	2022
Costs Recognized in Income:				
Pension service (cost):				
Service cost	\$ —	\$ —	\$ (1)	\$ (1)
Pension financing benefits (costs):				
Interest cost	\$(24)	\$(15)	\$ (7)	\$ (5)
Expected return on plan assets	31	30	7	6
Amortization of losses and other	1	—	—	(1)
Total pension financing benefits:	8	15	—	—
Net pension benefit (cost)	\$ 8	\$ 15	\$ (1)	\$ (1)

Net pension benefit (cost)

Net pension benefit (cost)

Pension financing benefits are classified as Other income, net on the Company's condensed consolidated statements of comprehensive income.

During the nine three months ended September 30, 2023 March 31, 2024, cash contributions to the Company's defined benefit plans were \$4 million \$1 million related to its non-U.S. plans. The Company estimates that total cash contributions to its U.S. and non-U.S. defined benefit pension plans during 2023 2024 will be \$5 million \$9 million and \$7 million, respectively.

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NOTE 10. Income Taxes

During the **nine** **three** month period ended **September 30, 2023** **March 31, 2024**, the Company recorded a provision for income tax of **\$48** **\$19** million which reflects income tax expense in countries where the Company is profitable, accrued withholding taxes, and the inability to record a tax benefit for pretax losses and/or recognize expense for pretax income in certain jurisdictions, **including the United States ("U.S.")**, due to valuation allowances. **Pre-tax** **Pretax** losses in jurisdictions where valuation allowances are maintained and no income tax benefits are recognized totaled **\$29** **\$10** million and **\$16** **\$11** million for the **nine** **three** month periods ended **September 30, 2023** **March 31, 2024** and **2022**, **March 31, 2023**, respectively, resulting in an increase in the Company's effective tax **rate**, **rate in those years**.

The Company's provision for income taxes in interim periods is computed by applying an estimated annual effective tax rate against income before income taxes, excluding equity in net income of non-consolidated affiliates for the period. Effective tax rates vary from period to period as separate calculations are performed for those countries where the Company's operations are profitable and whose results continue to be tax-effected and for those countries where full deferred tax valuation allowances exist and are maintained.

The need to maintain valuation allowances against deferred tax assets **in** **in connection with** the **U.S.** and other affected countries will cause variability **in** **preparation of** the Company's quarterly and annual effective tax rates. Full valuation allowances against deferred tax assets in the U.S. and applicable foreign countries will be maintained until sufficient positive evidence exists to reduce or eliminate them. The Company evaluates its deferred income taxes quarterly to determine if valuation allowances are required or should be adjusted. Based on the Company's current assessment, it is possible that sufficient positive evidence may be available to support the release of all, or a portion, of its U.S. valuation allowance **in** **three to twelve months**. Release of all, or a portion, of the valuation allowance would result in the recognition of certain deferred tax assets and a decrease to income tax expense **financial statements** for the period the release is recorded.

There were no material changes in unrecognized tax benefits during the third quarter of 2023. During the second **fourth** quarter of 2023, the Company recorded a **\$3** **released** **\$313** million increase in tax expense related to uncertain tax positions attributable to transfer pricing as a result of new information from discussions with foreign tax authorities. The long-term portion of uncertain income tax positions (including interest) of \$6 million is included in other non-current liabilities on the condensed consolidated balance sheet, while **\$4** million is included in other current liabilities, and \$5 million is reflected as a reduction of valuation allowance against its U.S. net deferred tax assets **included in Other non-current** reflecting the amount more likely than not to be realized. The Company continues to carefully assess all available positive and negative evidence closely monitoring current and projected financial performance as the realization of net deferred tax assets is dependent on the **condensed consolidated balance sheet**. Outstanding Company's ability to generate sufficient future taxable income during periods prior to the expiration of tax refund claims related primarily attributes to **India** fully utilize these assets.

The Organization for Economic Cooperation and **Brazil** Development (the "OECD"), Pillar Two initiative introduced a 15% global minimum tax applied on a country-by-country basis and for which many jurisdictions total \$7 million have now committed to an effective enactment date starting January 1, 2024. The Company has incorporated the estimated annual effect of these new rules and the impact to the Company's effective tax rate is not material. The Company will continue to evaluate and to monitor for any changes in these new rules as of **September 30, 2023**, well as any other changes in domestic and are included in other non-current assets on the condensed consolidated balance sheets, international tax rules and regulations.

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NOTE 11. Stockholders' Equity and Non-controlling Interests

Non-Controlling Interests

The Company's non-controlling interests are as follows:

		September 30, 2023		December 31, 2023	
		March 31, 2024		March 31, 2023	
(In millions)	(In millions)	2023	2022	(In millions)	2023
Shanghai Visteon Automotive Electronics, Co., Ltd.	Shanghai Visteon Automotive Electronics, Co., Ltd.	\$ 49	\$ 45		
Yanfeng Visteon Automotive Electronics, Co., Ltd.	Yanfeng Visteon Automotive Electronics, Co., Ltd.	13	37		
Changchun Visteon FAWAY Automotive Electronics, Co., Ltd.	Changchun Visteon FAWAY Automotive Electronics, Co., Ltd.	13	15		
Other	Other	2	2		

	\$	77	\$	99
\$				

15 During the three months ended March 31, 2024, the Company paid approximately \$1 million to buy-out the shares of a minority joint venture partner in Tunisia.

Accumulated Other Comprehensive Income (Loss)

Changes in Accumulated other comprehensive income (loss) ("AOCI") and reclassifications out of AOCI by component include:

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Changes in AOCI:				
Beginning balance	\$ (213)	\$ (265)	\$ (213)	\$ (229)
Other comprehensive income (loss) before reclassification, net of tax	(14)	(29)	(18)	(66)
Amounts reclassified from AOCI	2	—	6	1
Ending balance	\$ (225)	\$ (294)	\$ (225)	\$ (294)
Changes in AOCI by Component:				
<i>Foreign currency translation adjustments</i>				
Beginning balance	\$ (208)	\$ (206)	\$ (210)	\$ (149)
Other comprehensive income (loss) before reclassification, net of tax (a)	(19)	(45)	(17)	(102)
Ending balance	(227)	(251)	(227)	(251)
<i>Net investment hedge</i>				
Beginning balance	9	18	12	4
Other comprehensive income (loss) before reclassification, net of tax (a)	5	5	2	20
Amounts reclassified from AOCI	—	—	—	(1)
Ending balance	14	23	14	23
<i>Benefit plans</i>				
Beginning balance	(26)	(79)	(25)	(81)
Other comprehensive income (loss) before reclassification, net of tax (b)	—	2	—	3
Amounts reclassified from AOCI	(1)	—	(2)	1
Ending balance	(27)	(77)	(27)	(77)
<i>Unrealized hedging gain (loss)</i>				
Beginning balance	12	2	10	(3)
Other comprehensive income (loss) before reclassification, net of tax (c)	—	9	(3)	13
Amounts reclassified from AOCI	3	—	8	1
Ending balance	15	11	15	11
Total AOCI	\$ (225)	\$ (294)	\$ (225)	\$ (294)

(a) There were no income tax effects for either period due to the valuation allowance.

(b) Net tax expense was less than \$1 million related to benefit plans for the three and nine months ended September 30, 2023 and 2022.

(c) There were no income tax effects related to unrealized hedging gain (loss) for either period due to the valuation allowance.

(In millions)	Three Months Ended March 31,	
	2024	2023
Changes in AOCI:		
Beginning balance	\$ (254)	\$ (213)
Other comprehensive income (loss) before reclassification, net of tax	(17)	15
Amounts reclassified from AOCI	3	1
Ending balance	\$ (268)	\$ (197)
Changes in AOCI by Component:		
<i>Foreign currency translation adjustments</i>		
Beginning balance	\$ (192)	\$ (210)
Other comprehensive income (loss) before reclassification, net of tax	(22)	21
Ending balance	(214)	(189)

<i>Net investment hedge</i>			
Beginning balance		5	12
Other comprehensive income (loss) before reclassification, net of tax		7	(1)
Ending balance		12	11
<i>Benefit plans</i>			
Beginning balance		(76)	(25)
Amounts reclassified from AOCI		—	(1)
Ending balance		(76)	(26)
<i>Unrealized hedging gain (loss)</i>			
Beginning balance		9	10
Other comprehensive income (loss) before reclassification, net of tax		(2)	(5)
Amounts reclassified from AOCI		3	2
Ending balance		10	7
Total AOCI	\$	(268)	\$ (197)

Share Repurchase Program

On March 2, 2023 the Company's board of directors authorized a share repurchase program of \$300 million of common stock through December 31, 2026. Under this program, the Company will repurchase shares at the prevailing market prices pursuant to specified share price and daily volume limits. During the three months ended September 30, 2023 March 31, 2024, the Company has purchased 833,758 170,550 shares at an average price of \$137.11 \$117.27 related to this program. During the nine months ended September 30, 2023 As of March 31, 2024, the Company has purchased 545,537 repurchased 953,840 shares at an average price of \$138.87 \$132.01 related to this program. Excise taxes incurred due to purchases under the program totaled less than \$1 million during the three months ended March 31, 2024.

NOTE 12. Earnings Per Share

Basic earnings per share is calculated by dividing net income attributable to Visteon by the weighted average number of shares of common stock outstanding. Diluted earnings per share is calculated by dividing net income by the weighted average number of common and potentially dilutive common shares outstanding. Performance based share units are considered contingently issuable shares and are included in the computation of diluted earnings per share based on the number of shares that would be issuable if the reporting date were the end of the contingency period and if the result would be dilutive.

The table below provides details underlying the calculations of basic and diluted earnings per share:

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Three Months Ended March 31,				Three Months Ended March 31,	
(In millions, except per share amounts)	(In millions, except per share amounts)	2023	2022	2023	2022	(In millions, except per share amounts)	2024
Numerator:	Numerator:						
Net income (loss) attributable to Visteon	Net income (loss) attributable to Visteon	\$ 66	\$ 44	\$ 120	\$ 90		

Net income (loss) attributable to Visteon				
Net income (loss) attributable to Visteon				
Denominator:	Denominator:			
Average common stock outstanding - basic				
Average common stock outstanding - basic				
Average common stock outstanding - basic	Average common stock outstanding - basic	28.1	28.1	28.2
Dilutive effect of performance based share units and other	Dilutive effect of performance based share units and other	0.4	0.4	0.4
Diluted shares	Diluted shares	28.5	28.5	28.6
Basic and Diluted Per Share Data:	Basic and Diluted Per Share Data:			
Basic earnings (loss) per share attributable to Visteon	Basic earnings (loss) per share attributable to Visteon	\$2.35	\$1.57	\$4.26
Basic earnings (loss) per share attributable to Visteon				
Basic earnings (loss) per share attributable to Visteon				
Diluted earnings (loss) per share attributable to Visteon:	Diluted earnings (loss) per share attributable to Visteon:	\$2.32	\$1.54	\$4.20
Diluted earnings (loss) per share attributable to Visteon:				
Diluted earnings (loss) per share attributable to Visteon:				

NOTE 13. Fair Value Measurements and Financial Instruments

Fair Value Measurements

The Company uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. The fair value hierarchy gives the highest priority to the quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable inputs.

- Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.
- Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Items Measured at Fair Value on a Recurring Basis

The Company is exposed to various market risks including, but not limited to, changes in foreign currency exchange rates and market interest rates. The Company manages these risks, in part, through the use of derivative financial instruments. The use of derivative financial instruments creates exposure to credit loss in the event of nonperformance by the counterparty to the derivative financial instruments. The Company limits this exposure by entering into agreements including master netting arrangements directly with a variety of major highly rated financial institutions that are expected to fully satisfy their obligations under the contracts. Additionally, the Company's ability to utilize derivatives to manage risks is dependent on credit and market conditions. The Company presents its derivative positions and any related material collateral under master netting arrangements that provide for the net settlement of contracts, by counterparty, in the event of default or termination. There is no cash collateral on any of these derivatives.

Derivative financial instruments are measured at fair value on a recurring basis under an income approach using industry-standard models that consider various assumptions, including time value, volatility factors, current market and contractual prices for the underlying, and non-performance risk. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument or may derived from observable data. Accordingly, the Company's derivative

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currency instruments are classified as Level 2, "Other Observable Inputs" in the fair value hierarchy.

Cross Currency Swaps: The Company has executed cross-currency swap transactions intended to mitigate the variability of the U.S. dollar value of its investment in certain of its non-U.S. entities. These swaps are designated as net investment hedges and the Company has elected to assess hedge effectiveness under the spot method. Accordingly, changes in the fair value of the swaps are recorded as a cumulative translation adjustment in AOCI in the condensed consolidated balance sheet. Consolidated Balance Sheet.

During 2022, the Company terminated existing cross currency swaps and received \$9 million upon settlement. Subsequently, the Company executed new cross-currency swap transactions. As of September 30, 2023 March 31, 2024 and December 31, 2023, the Company had cross-currency swaps with aggregate notional amounts of \$200 million intended to mitigate the variability of U.S. dollar value investment in certain of its non-U.S. entities. These swaps are designated as net investment hedges. There was no ineffectiveness associated with such derivatives as of September 30, 2023, March 31, 2024 and the December 31, 2023. The fair value of these derivatives is a non-current liability of \$6 million, \$9 million and \$15 million as of March 31, 2024 and December 31, 2023, respectively. As of September 30, 2023 March 31, 2024, a gain of approximately \$3 million \$1 million is expected to be reclassified out of accumulated other comprehensive income into earnings within the next 12 months.

As of December 31, 2022, the fair value of these derivatives was a non-current liability of \$8 million.

Interest Rate Swaps: The Company utilizes interest rate swap instruments to manage its exposure and to mitigate the impact of interest rate variability. The swaps are designated as cash flow hedges, accordingly, the effective portion of the changes in fair value is recognized in accumulated other comprehensive income. Subsequently, the accumulated gains and losses recorded in equity are reclassified to income in the period during which the hedged exposure impacts earnings.

During 2022, the Company terminated existing interest rate swaps and received less than \$1 million upon settlement. Subsequently, the Company executed new interest rate swap instruments. As of September 30, 2023 March 31, 2024 and December 31, 2023, the Company had interest rate swaps with aggregate notional amounts of \$250 million. The fair value of these derivatives is a non-current asset of \$14 million \$11 million and \$7 million as of September 30, 2023, March 31, 2024 and December 31, 2023, respectively. As of September 30, 2023 March 31, 2024, a gain loss of approximately \$7 million \$2 million is expected to be reclassified out of accumulated other comprehensive income into earnings within the next twelve months.

As of December 31, 2022, the fair value of these derivatives was a non-current asset of \$10 million.

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Financial Statement Presentation

Gains and losses on derivative financial instruments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are as follows:

(In millions)	Recorded Income (Loss) into AOCI,		Reclassified from AOCI into Income		Recorded in (Income) Loss	
	net of tax		(Loss)			
	2023	2022	2023	2022	2023	2022
Three months ended September 30,						
Foreign currency risk - Cost of sales:						
Foreign currency derivative	\$	—	\$	—	\$	—

Interest rate risk - Interest expense, net:

Interest rate swaps	—	9	(3)	—	—	—
Net investment hedges	5	5	—	—	—	—
	\$ 5	\$ 14	\$ (3)	\$ —	\$ —	\$ —

Nine months ended September 30,**Foreign currency risk - Cost of sales:**

Foreign currency derivative	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3
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Interest rate risk - Interest expense, net:

Interest rate swaps	(3)	13	(8)	(1)	—	—
Net investment hedges	2	20	—	1	—	—
	\$ (1)	\$ 33	\$ (8)	\$ —	\$ —	\$ 3

(In millions)	Recorded Income (Loss) into AOCI, net of tax		Reclassified from AOCI into Income (Loss)	
	2024	2023	2024	2023
Three months ended March 31,				
Interest rate risk - Interest expense, net:				
Interest rate swap		(2)	(5)	(3)
Net investment hedges		7	(1)	—
	\$ 5	\$ (6)	\$ (3)	\$ (2)

Items Not Carried at Fair Value

The Company's fair value of debt was \$337 million \$329 million and \$336 million \$328 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Fair value estimates were based on the current rates offered to the Company for debt of the same remaining maturities. Accordingly, the Company's debt fair value disclosures are classified as Level 2 in the fair value hierarchy.

Concentrations of Credit Risk

Financial instruments including cash equivalents, derivative contracts, and accounts receivable, expose the Company to counterparty credit risk for non-performance. The Company's counterparties for cash equivalents and derivative contracts are banks and financial institutions that meet the Company's credit rating requirements. The Company's counterparties for derivative contracts are substantial investment and commercial banks with significant experience using such derivatives. The Company manages its credit risk pursuant to written policies that specify minimum counterparty credit profile and by limiting the concentration of credit exposure amongst its multiple counterparties.

The Company's credit risk with any single customer does not exceed ten percent of total accounts receivable except for GM, Ford, and GM Nissan/Renault and their affiliates. GM represents 16% and 15% of the Company's balance as of March 31, 2024 and December 31, 2023, respectively. Ford represents 18% 13% and 16% of the Company's balance as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. GM Nissan/Renault represents 13% 10% and 9% of the Company's balance as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

NOTE 14. Commitments and Contingencies**Litigation and Claims**

In 2003, the Local Development Finance Authority of the Charter Township of Van Buren, Michigan issued approximately \$28 million in bonds finally maturing in 2032, the proceeds of which were used at least in part to assist in the development of the Company's U.S. headquarters located in the Township. During January 2010, the Company and the Township entered into a settlement agreement (the "Settlement Agreement") that, among other things, reduced the taxable value of the headquarters property to current market value and also provided that the Company would negotiate in good faith with the Township if the property tax payments were inadequate to permit the Township to meet its payment obligations with respect to the bonds. On December 9, 2019, the Township commenced litigation against the Company in Michigan's Wayne County Circuit Court. On

June 27, 2023, June 27, 2023, Visteon and the Township entered into a Settlement and Mutual Release Agreement pursuant to which Visteon, without admitting wrongdoing, will pay the Township \$12 million. Payment will be made in two installments. One payment was made on July 3, 2023. The second payment is scheduled to be paid on July 1, 2024 and is classified as a current liability. The litigation commenced in Michigan's Wayne County Circuit Court and has been dismissed with prejudice.

In November 2013, the Company and Halla Visteon Climate Control Corporation ("HVCC"), jointly filed an Initial Notice of Voluntary Self-Disclosure statement with the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") regarding certain sales of automotive HVAC components by a minority-owned, Chinese joint venture of HVCC into Iran. The Company updated that notice in December 2013, and subsequently filed a voluntary self-disclosure regarding these sales with OFAC in March 2014. In May 2014, the Company voluntarily filed a supplementary self-disclosure identifying additional sales of automotive HVAC components by the Chinese joint venture, as well as similar sales involving an HVCC subsidiary in China, totaling \$12 million, and filed a final voluntary-self disclosure with OFAC on October 17, 2014. OFAC is currently reviewing the results of the Company's investigation. Following that review, OFAC may conclude that the disclosed sales resulted in violations of U.S. economic sanctions laws and warrant the imposition of civil penalties, such as fines, limitations on the Company's ability to export products from the United States, and/or referral for further investigation by the U.S. Department of Justice. Any such fines or restrictions may be material to the Company's financial results in the period in which they are imposed, but the Company is not able to estimate the possible loss or range of loss in connection with this matter. Additionally, disclosure of this conduct and any fines or other action relating to this conduct could harm the Company's reputation and have a material adverse effect on its business, operating results and financial condition. The Company cannot predict when OFAC will conclude its own review of voluntary self-disclosures or whether it may impose any of the potential penalties described above.

The Company's operations in Brazil are subject to highly complex labor, tax, customs and other laws. While the Company believes that it is in compliance with such laws, it is periodically engaged in litigation regarding the application of these laws. The Company maintained accruals of \$8 million for claims aggregating \$39 million \$53 million in Brazil as of September 30, 2023 March 31, 2024. The amounts accrued represent claims that are deemed probable of loss and are reasonably estimable based on the Company's assessment of the claims and prior experience with similar matters.

The adverse impacts of the COVID-19 pandemic led to a significant reduction in vehicle production in the first half of 2020, which was followed by increased consumer demand and vehicle production schedules in the second half of 2020, particularly in the fourth quarter. Because semiconductor suppliers have been unable to rapidly reallocate production to serve the automotive industry, the surge in demand has led to a worldwide semiconductor supply shortage. The Company's semiconductor suppliers, along with most automotive component supply companies that use semiconductors, have been unable to fully meet the vehicle production demands of the Company's customers due to events which are outside the Company's control, including but not limited to, the COVID-19 pandemic, the global semiconductor shortage, a fire at a semiconductor fabrication facility in Japan, significant weather events impacting semiconductor supplier facilities in the southern United States, and other extraordinary events. The Company is working closely with suppliers and customers to attempt to minimize potential adverse impacts of these events. While the Company believes its accruals for litigation and claims are adequate, the final amounts required to resolve such matters could differ materially from recorded estimates and the Company's results of operations and cash flows could be materially affected. Certain customers have communicated that they expect the Company to absorb some of the financial impact of their reduced production and are reserving their rights to claim damages arising from supply shortages, however, the Company believes it has a number of legal Guarantees and Commitmentsd intends to defend any such claims vigorously. The Company has also notified semiconductor suppliers that it will seek compensation from them for failure to deliver sufficient quantities. The Company is not able to estimate the possible loss or range of loss in connection with this As part of 2015 divestitures involving the Company's former climate and interiors businesses, the Company continues to provide lease guarantees to divested Climate and Interiors entities. As of September 30, 2023, the Company has \$2 million and \$2 million of outstanding guarantees related to the divested Climate and Interiors entities, respectively. The guarantees represent the maximum potential amount that the Company could be required to pay under the guarantees in the event of default by the guaranteed parties. The guarantees will generally cease upon expiration of current lease agreement which expire in 2026 and 2024 for the Climate and Interiors entities, respectively.

Product Warranty and Recall

Amounts accrued for product warranty and recall claims are based on management's best estimates of the amounts that will ultimately be required to settle such items. The Company's estimates for product warranty and recall obligations are developed with support from its sales, engineering, quality and legal functions and include due consideration of contractual arrangements, past experience, current claims and related information, production changes, industry and regulatory developments, and various other considerations. The Company can provide no assurances that it will not experience material claims in the future or that it will not incur significant costs to defend or settle such claims beyond the amounts accrued or beyond what the Company may recover from its suppliers.

The following table provides a rollforward of changes in the product warranty and recall claims liability:

		Nine Months Ended September 30,	
		Three Months Ended March 31,	
		Three Months Ended March 31,	
(In millions)	(In millions)	2023	2022
Beginning balance	Beginning balance	\$ 51	\$ 50
Provisions	Provisions	26	13
Changes in estimates	Changes in estimates	2	1

Currency	(1)	(6)
Settlements, net	(12)	(11)
Currency/other Settlements		
Ending balance	Ending balance	<u>\$ 66</u> <u>\$ 47</u>

The Guarantees and Commitments

As part of 2015 divestitures involving the Company's former climate and interiors businesses, the Company continues to provide lease guarantees to divested Climate and Interiors entities. As of March 31, 2024, the Company has recorded \$15 million approximately \$1 million and \$2 million of expense during outstanding guarantees for each of the nine months ended September 30, 2023 related divested Climate and Interiors entities, respectively. The guarantees represent the maximum potential amount that the Company could be required to a recall campaign for certain vehicles involving instrument panel clusters manufactured pay under the guarantees in the event of default by the Company, guaranteed parties. The cause guarantees will generally cease upon expiration of current lease agreement which expire in 2026 and in the fourth quarter of 2024 for the instrument panel cluster failures was resolved by the Company in April 2023 Climate and the recall relates to certain parts shipped prior to that time. The amount recorded represents the Company's best estimate and the ultimate resolution of these matters could have a further negative effect on the Company's financial position, results of operations, and cash flow.

Interiors entities, respectively.

Other Contingent Matters

Various legal actions, governmental investigations and proceedings and claims are pending or may be instituted or asserted in the future against the Company, including those arising out of alleged defects in the Company's products; governmental regulations relating to safety; employment-related matters; customer, supplier and other contractual relationships; intellectual property rights; product warranties; customs and international trade regulations; product recalls; product liability claims; and environmental matters. Some of the foregoing matters may involve compensatory, punitive or antitrust or other treble damage claims in very large amounts, or demands for recall campaigns, environmental remediation programs, sanctions, or other relief which, if granted, would require very large expenditures. The Company enters into agreements that contain indemnification provisions in the normal course of business for which the risks are considered nominal and impracticable to estimate.

Contingencies are subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. Reserves have been established by the Company for matters discussed in the immediately foregoing paragraphs where losses are deemed probable and reasonably estimable. It is possible, however, that some of the matters discussed in the foregoing paragraphs could be decided unfavorably to the Company and could require the Company to pay damages or make other expenditures in amounts, or a range of amounts, that cannot be estimated as of September 30, 2023 March 31, 2024 and that are in excess of established reserves. The Company does not reasonably expect, except as otherwise described herein, based on its analysis, that any adverse outcome from such matters would have a material effect on the Company's financial condition, results of operations or cash flows, although such an outcome is possible.

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NOTE 15. Revenue Recognition and Geographical Information

Financial Information by Geographic Region

Disaggregated net sales by geographical market and product lines is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,				
Three Months Ended March 31,						Three Months Ended March 31,		
(In millions)	(In millions)	2023	2022	2023	2022	(In millions)	2024	2023
Geographical Markets	Geographical Markets							
Europe								
Europe								
Europe	Europe	\$ 321	\$ 335	\$ 997	\$ 929			
Americas	Americas	311	308	879	828			
China	China							
Domestic	Domestic	162	180	442	431			

China	China				
Export	Export	88	72	259	166
Other Asia-Pacific	Other Asia-Pacific	170	175	508	439
Eliminations	Eliminations	(38)	(44)	(121)	(101)
		<u>\$1,014</u>	<u>\$1,026</u>	<u>\$2,964</u>	<u>\$2,692</u>
	\$				

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Product Lines				
Instrument clusters	\$ 494	\$ 481	\$ 1,445	\$ 1,286
Cockpit domain controller	146	130	397	313
Infotainment	136	141	397	357
Information displays	87	122	274	376
Body and electrification electronics	83	67	226	143
Other	68	85	225	217
	<u>\$ 1,014</u>	<u>\$ 1,026</u>	<u>\$ 2,964</u>	<u>\$ 2,692</u>

Disaggregated revenue by product lines is as follows:

(In millions)	Three Months Ended March 31,	
	2024	2023
Product Lines		
Instrument clusters	\$ 440	\$ 474
Cockpit domain controller	141	113
Infotainment	118	135
Body and electrification electronics	109	71
Information displays	81	97
Other	44	77
	<u>\$ 933</u>	<u>\$ 967</u>

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations, financial condition, and cash flows of Visteon Corporation ("Visteon" or the "Company"). MD&A is provided as a supplement to, and should be read in conjunction with, the Company's Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023** filed with the Securities and Exchange Commission on **February 16, 2023** **February 20, 2024** and the financial statements and accompanying notes to the financial statements included elsewhere herein.

Executive Summary

Strategic Priorities

Visteon is a global automotive technology company serving the mobility industry, dedicated to creating more enjoyable, connected, and safe driving experiences. **The Company's** **Our** platforms leverage proven, scalable hardware and software solutions that enable the digital, electric and autonomous evolution of **the Company's** **our** global automotive customers. The automotive mobility market is expected to grow faster than underlying vehicle production volumes as the vehicle shifts from analog to digital and towards device and cloud connected, electric vehicles, and vehicles with more advanced safety features.

The Company has laid out the following strategic priorities:

- **Technology Innovation** - The Company is an established global leader in cockpit electronics and is positioned to provide solutions as the industry transitions to the next generation automotive cockpit experience. The cockpit is becoming fully digital, connected, automated, learning, and voice enabled. Visteon's broad portfolio of cockpit

electronics technology, the industry's first wireless battery management system, and the development of safety technology integrated into its domain controllers positions Visteon to support these macro trends in the automotive industry.

- *Long-Term Growth* - The Company has continued to win business at a rate that exceeds current sales levels by demonstrating product quality, technical and development capability, new product innovation, reliability, timeliness, product design, manufacturing capability, and flexibility, as well as overall customer service.
- *Enhance Shareholder Returns While Maintaining a Strong Balance Sheet* - The Company has continued to maintain a strong balance sheet to withstand near-term industry volatility while providing a foundation for future growth and shareholder returns. In March 2023, the Company announced a \$300 million share repurchase program maturing at the end of 2026. The Company has repurchased \$76 \$126 million of Company common stock during the first nine months of 2023 as part of under this program.

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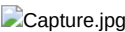
Financial Results

The pie charts below highlight the net sales breakdown for Visteon for the three and nine months ended September 30, 2023 March 31, 2024.

Three Months Ended September 30, 2023



Nine Months Ended September 30, 2023 March 31, 2024



*Regional net sales are based on the geographic region where sales originate and not where customer is located (excludes inter-regional eliminations).

Global Automotive Market Conditions and Production Levels

For the last few years, the Automotive industry production has been negatively impacted by turbulent in recent years with impacts from the COVID-19 pandemic, worldwide semiconductor and other supply related shortages, and a UAW strike, increased geopolitical challenges, challenges, and the industry transition to electric vehicles. Industry vehicle volumes increased in 2022 and are forecasted to increase again in 2023 as the worldwide semiconductor and other supply related shortages have eased. However, industry production volumes are expected to remain well at approximately 90 million units in 2024, which is below recent industry production levels that peaked in 2017 and risks related to vehicle affordability, economic uncertainty, and potential geopolitical challenges, and customer market share changes create ongoing uncertainties. The magnitude of the impact on the financial statements, results of operations, and cash flows will depend be dependent on the evolution of the semiconductor supply shortage, plant production schedules, supply chain impacts, and global economic impacts. impacts, and electric vehicle adoption.

The current United Autoworkers (UAW) work stoppages at certain customer facilities exposes the Company to the risk of reduced customer orders due to labor disruptions affecting its customers' production and operations. A protracted UAW strike, or strikes by other labor unions at customer facilities, may lead to decreased demand for the Company's products or services, as its customers' production schedules may be adversely impacted. The Company intends to closely monitor the UAW strike and any related developments, including their impact on customer relationships and financial results.

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Results of Operations - Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

The Company's consolidated results of operations for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

Three Months Ended September 30,					Three Months Ended March 31,		
Three Months Ended March 31,					Three Months Ended March 31,		
(In millions)	(In millions)	2023	2022	Change	(In millions)	2024	2023
Net sales	Net sales	\$1,014	\$1,026	\$ (12)			
Cost of sales	Cost of sales	(871)	(922)	51			
Gross margin	Gross margin	143	104	39			

Selling, general and administrative expenses	Selling, general and administrative expenses	(52)	(47)	(5)
Restructuring and impairment		—	(1)	1
Restructuring, net				
Interest expense, net	Interest expense, net	(1)	(2)	1
Equity in net income of non-consolidated affiliates		(1)	(1)	—
Equity in net income (loss) of non-consolidated affiliates				
Other income, net	Other income, net	3	5	(2)
Provision for income taxes	Provision for income taxes	(21)	(9)	(12)
Net income (loss)	Net income (loss)	71	49	22
Less: Net (income) loss attributable to non-controlling interests	Less: Net (income) loss attributable to non-controlling interests	(5)	(5)	—
Net income (loss) attributable to Visteon Corporation	Net income (loss) attributable to Visteon Corporation	\$ 66	\$ 44	\$ 22
Adjusted EBITDA*	Adjusted EBITDA*	\$ 128	\$ 95	\$ 33

* Adjusted EBITDA is a Non-GAAP financial measure, as further discussed below.

Net Sales, Cost of Sales and Gross Margin

(In millions)	(In millions)	Net Sales	Cost of Sales	Gross Margin
Three months ended September 30, 2022		\$ 1,026	\$ (922)	\$ 104
(In millions)				
(In millions)				
Three months ended March 31, 2023				
Three months ended March 31, 2023				
Three months ended March 31, 2023				
Volume, mix, and net new business				
Volume, mix, and net new business				
Volume, mix, and net new business	Volume, mix, and net new business	91	(76)	15
Currency	Currency	(2)	5	3
Currency				
Currency				
Customer pricing				
Customer pricing	Customer pricing	(102)	—	(102)

Engineering costs, net *	Engineering costs, net		
	—	5	5
Engineering costs, net *			
Engineering costs, net *			
Cost performance, design changes and other	Cost performance, design changes and other		
	1	117	118
Three months ended September 30, 2023	\$ 1,014	\$ (871)	\$ 143
Cost performance, design changes and other			
Cost performance, design changes and other			
Three months ended March 31, 2024			
Three months ended March 31, 2024			
Three months ended March 31, 2024			

*Excludes the impact of currency. *Excludes the impact of currency.

*Excludes the impact of currency.

*Excludes the impact of currency.

Net sales for the three months ended September 30, 2023 March 31, 2024 totaled \$1,014 million \$933 million, representing a decrease of \$12 million \$34 million compared with the same period of 2022, 2023. Volumes and net new business increased net sales by \$91 million \$10 million due to increases in customer production and continued market outperformance as a result of recent product launches. Unfavorable currency decreased net sales launches partially offset by \$2 million, primarily attributable to the euro, Chinese renminbi, and Japanese yen. lower customer vehicle production volumes. Customer pricing decreased net sales by \$102 million primarily \$39 million as a result of lower semiconductor open market purchases and the associated customer recoveries due to improving supply chain dynamics related and annual price reductions. Unfavorable currency decreased net sales by \$5 million, primarily attributable to the worldwide semiconductor supply shortage. Other cost performance, primarily related to design changes, increased sales Chinese renminbi and Japanese yen, partially offset by \$1 million. the euro.

Cost of sales decreased by \$51 million \$43 million for the three months ended September 30, 2023 March 31, 2024 compared with the same period in 2022, 2023. Volume, mix and net new business increased cost of sales by \$76 million \$7 million. Foreign Net engineering costs, excluding currency, increased cost of sales by \$4 million. Favorable currency decreased cost of sales by \$5 million \$2 million, primarily attributable to the euro, Chinese renminbi, Japanese yen, partially offset by the Brazilian real and Japanese yen. Net engineering costs, excluding currency, decreased cost of sales by \$5 million. Mexican peso. Favorable cost performance, design changes and other decreased cost of sales by \$117 million \$52 million primarily due to improving improved supply chain and material cost impacts associated with the worldwide semiconductor supply shortage dynamics as well as manufacturing efficiencies.

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A summary of net engineering costs is shown below:

		Three Months Ended September 30,			
		Three Months Ended March 31,		Three Months Ended March 31,	
(In millions)	(In millions)	2023	2022	(In millions)	2023
Gross engineering costs	Gross engineering costs	\$(79)	\$(83)		
Engineering recoveries	Engineering recoveries	25	25		
Engineering costs, net	Engineering costs, net	\$(54)	\$(58)		

Gross engineering costs relate to forward model program development and advanced engineering activities and exclude contractually reimbursable engineering costs. Net engineering costs of \$54 million \$60 million for the three months ended September 30, 2023 March 31, 2024, including the impacts of currency, were \$4 million lower higher than the

same period of 2022, 2023. This decrease/increase is primarily related to the timing of project expenses, partially offset by increased personnel costs, recoveries.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses was/were \$52 million for/during the three months ended September 30, 2023. The increase of \$5 million as compared to March 31, 2024 and 2023.

Restructuring, Net

During the three months ended 2022 is primarily due to increased personnel costs March 31, 2024 and reserves for bad debt.

Restructuring and impairment

The 2023, the Company recorded less than \$1 million/\$2 million and \$1 million for the three months ended September 30, 2023 and 2022, respectively, of restructuring expense primarily related to employee severance, severance, respectively.

Interest Expense, Net

Interest expense, net, for the three months ended September 30, 2023 March 31, 2024 and 2022/2023 was less than \$1 million and \$2 million/\$3 million, respectively. Interest/The decrease in interest expense for these periods is primarily related/due to the Company's term debt facility partially offset by higher interest income as a result of higher interest rates, on cash balances.

Equity in Net Income of Non-Consolidated Affiliates

Equity in net income of non-consolidated affiliates was a loss of \$1 million income/\$4 million and \$5 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Other Income, Net

Other income, net of \$3 million/\$2 million and \$5 million for the three-months ended September 30, 2023 and 2022, respectively, was primarily related to net pension financing benefits.

Income Taxes

The Company's provision for income taxes of \$21 million for the three months ended September 30, 2023 represents an increase of \$12 million compared with \$9 million in the same period of 2022. The increase in tax expense is primarily attributable to the overall increase in pre-tax income, including changes in the mix of earnings and differing tax rates between jurisdictions as well as withholding taxes.

Adjusted EBITDA

The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, non-cash stock-based compensation expense, provision for income taxes, net interest expense, net income attributable to non-controlling interests, restructuring and impairment expense, equity in net income of non-consolidated affiliates, and other gains and losses not reflective of the Company's ongoing operations.

Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. Not all companies use identical calculations and, accordingly, the Company's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be a

substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments, and debt service requirements. The Company uses Adjusted EBITDA as a factor in incentive compensation decisions and to evaluate the effectiveness of the Company's business strategies. In addition, the Company's credit agreements use measures similar to Adjusted EBITDA to measure compliance with certain covenants.

The reconciliation of net income (loss) attributable to Visteon to Adjusted EBITDA for the three months ended September 30, 2023 and 2022, is as follows:

(In millions)	Three Months Ended September 30,			
	2023		2022	Change
Net income (loss) attributable to Visteon Corporation	\$ 66	\$	44	\$ 22
Depreciation and amortization	24		27	(3)

Provision for income taxes	21	9	12
Non-cash, stock-based compensation expense	9	6	3
Net income attributable to non-controlling interests	5	5	—
Interest expense, net	1	2	(1)
Restructuring and impairment	—	1	(1)
Equity in net income of non-consolidated affiliates	1	1	—
Other	1	—	1
Adjusted EBITDA	\$ 128	\$ 95	\$ 33

Adjusted EBITDA was \$128 million for the three months ended September 30, 2023, representing an increase of \$33 million when compared to \$95 million for the same period of 2022. Favorable volumes and mix increased Adjusted EBITDA by \$15 million. Foreign currency increased Adjusted EBITDA by \$2 million, primarily attributable to the euro, Chinese renminbi, and Japanese yen. Net engineering costs, excluding currency, increased Adjusted EBITDA by \$5 million. Customer pricing decreased Adjusted EBITDA by \$102 million primarily as a result of lower semiconductor open market purchases and the associated customer recoveries due to improving supply chain dynamics related to the worldwide semiconductor supply shortage. Other cost performance increased Adjusted EBITDA by \$109 million primarily related to design changes and improved supply chain dynamics related to the worldwide semiconductor supply shortage as well as manufacturing efficiencies.

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Results of Operations - Nine Months Ended September 30, 2023 and 2022

The Company's consolidated results of operations for the nine months ended September 30, 2023 and 2022 were as follows:

(In millions)	Nine Months Ended September 30,		
	2023	2022	Change
Net sales	\$ 2,964	\$ 2,692	\$ 272
Cost of sales	(2,607)	(2,438)	(169)
Gross margin	357	254	103
Selling, general and administrative expenses	(156)	(134)	(22)
Restructuring and impairment	(2)	(12)	10
Interest expense, net	(7)	(7)	—
Equity in net income of non-consolidated affiliates	(8)	3	(11)
Other income, net	(4)	15	(19)
Provision for income taxes	(48)	(24)	(24)
Net income (loss)	132	95	37
Less: Net (income) loss attributable to non-controlling interests	(12)	(5)	(7)
Net income (loss) attributable to Visteon Corporation	\$ 120	\$ 90	\$ 30
Adjusted EBITDA*	\$ 317	\$ 245	\$ 72

* Adjusted EBITDA is a Non-GAAP financial measure, as further discussed below.

Net Sales, Cost of Sales and Gross Margin

(In millions)	Net Sales	Cost of Sales	Gross Margin
Nine Months Ended September 30, 2022	\$ 2,692	\$ (2,438)	\$ 254
Volume, mix, and net new business	494	(382)	112
Currency	(51)	31	(20)
Customer pricing	(162)	—	(162)
Engineering costs, net *	—	(27)	(27)
Cost performance, design changes and other	(9)	209	200
Nine Months Ended September 30, 2023	\$ 2,964	\$ (2,607)	\$ 357

*Excludes the impact of currency.

Net sales for the nine months ended September 30, 2023 totaled \$2,964 million, representing an increase of \$272 million compared with the same period of 2022. Volumes and net new business increased net sales by \$494 million. Unfavorable currency decreased net sales by \$51 million, primarily attributable to the euro, Chinese renminbi, and Japanese yen.

Customer pricing decreased net sales by \$162 million primarily related to lower semiconductor open market purchases and the associated customer recoveries due to improving supply chain dynamics related to the worldwide semiconductor supply shortage. Other cost performance, primarily related to design changes, reduced sales by \$9 million.

Cost of sales increased by \$169 million for the nine months ended September 30, 2023 compared with the same period in 2022. Volume, mix, and net new business increased cost of sales by \$382 million. Foreign currency decreased cost of sales by \$31 million, primarily attributable to the euro, Chinese renminbi, and Japanese yen. Net engineering costs, excluding currency, increased cost of sales by \$27 million. Favorable cost performance, design changes and other decreased cost of sales by \$209 million primarily due to reduced supply chain and material cost impacts associated with the worldwide semiconductor supply shortage as well as manufacturing efficiencies, partially offset by a charge of \$15 million related to a product recall with one of the Company's customers.

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A summary of net engineering costs is shown below:

(In millions)	Nine Months Ended September 30,	
	2023	2022
Gross engineering costs	\$ (253)	\$ (245)
Engineering recoveries	81	98
Engineering costs, net	\$ (172)	\$ (147)

Gross engineering costs relate to forward model program development and advanced engineering activities and exclude contractually reimbursable engineering costs. Net engineering costs of \$172 million for the nine months ended September 30, 2023, including the impacts of currency, were \$25 million higher than the same period of 2022. This increase is primarily related to further investments in engineering, inflation, and the timing of engineering recoveries.

Selling, General and Administrative Expenses

Selling, general, and administrative expenses was \$156 million for the nine months ended September 30, 2023. The increase of \$22 million as compared to the nine months ended 2022 is primarily due to increased personnel costs, investments in information technology, and reserves for bad debt.

Restructuring and impairment

During the nine months ended September 30, 2023 and 2022, the Company recorded \$2 million and \$8 million, respectively, of restructuring expense primarily related to employee severance.

Due to the geopolitical situation in Eastern Europe, the Company closed its Russian facility resulting in a 2022 non-cash impairment charge of \$4 million to fully impair property and equipment and reduce inventory to its net realizable value.

Interest Expense, Net

Interest expense, net, for the nine months ended September 30, 2023 and 2022 was \$7 million. Interest expense for these periods is primarily related to the borrowings on the Company's term debt facility partially offset by higher interest income as a result of higher interest rates.

Equity in Net Income of Non-Consolidated Affiliates

Equity in net income of non-consolidated affiliates was a loss of \$8 million and income of \$3 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease in income is primarily due to various operational and non-operational charges incurred at an affiliate.

Other Income (Expense), Net

Other expense, net of \$4 million for the nine-month three-month periods ending September 30, 2023 was primarily related to a litigation settlement expense partially offset by net pension financing benefits.

Other income, net of \$15 million for the nine-month periods ending September 30, 2022 March 31, 2024 and 2023, respectively, is primarily due to net pension financing benefits.

Income Taxes

The Company's provision for income taxes of \$48 million \$19 million for the nine three months ended September 30, 2023 March 31, 2024 represents an increase of \$24 million \$5 million compared with \$24 million \$14 million in the same period of 2022, 2023. The increase in tax expense is primarily attributable to the overall increase in pre-tax net income, including changes in the mix of earnings and differing tax rates between jurisdictions as well as withholding taxes, and \$3 million related to uncertain tax positions attributable to transfer pricing following new discussions with foreign tax authorities, jurisdictions.

Adjusted EBITDA

The Company defines Adjusted EBITDA as net income attributable to the Company adjusted to eliminate the impact of depreciation and amortization, non-cash stock-based compensation expense, provision for income taxes, net interest expense, net income attributable to non-controlling interests, restructuring and impairment expense, equity in net income of non-consolidated affiliates, and other gains and losses not reflective of the Company's ongoing operations.

Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance that management believes is useful to investors because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. Not all companies use identical calculations and, accordingly, the Company's presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. Adjusted EBITDA is not a recognized term under U.S. GAAP and does not purport to be a substitute for net income as an indicator of operating performance or cash flows from operating activities as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and is not intended to be a measure of cash flow available for management's discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments, and

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debt service requirements. The Company uses Adjusted EBITDA as a factor in incentive compensation decisions and to evaluate the effectiveness of the Company's business strategies. In addition, the Company's credit agreements use measures similar to Adjusted EBITDA to measure compliance with certain covenants covenants.

The reconciliation of net income (loss) attributable to Visteon to Adjusted EBITDA for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023, is as follows:

		Nine Months Ended September 30,					
		Three Months Ended March 31,			Three Months Ended March 31,		
(In millions)	(In millions)	2023	2022	Change	(In millions)	2024	2023
Net income (loss) attributable to Visteon Corporation	Net income (loss) attributable to Visteon Corporation	\$120	\$ 90	\$ 30			
Depreciation and amortization	Depreciation and amortization	79	79	—			
Provision for income taxes	Provision for income taxes	48	24	24			
Non-cash, stock-based compensation expense	Non-cash, stock-based compensation expense	26	19	7			
Restructuring and impairment		2	12	(10)			
Interest expense, net	Interest expense, net	7	7	—			
Net income (loss) attributable to non-controlling interests	Net income (loss) attributable to non-controlling interests	12	5	7			
							Change

Equity in net income of non-consolidated affiliates	8	(3)	11	
Restructuring, net				
Equity in net (income) loss of non-consolidated affiliates				
Equity in net (income) loss of non-consolidated affiliates				
Equity in net (income) loss of non-consolidated affiliates				
Other	Other	15	12	3
Adjusted EBITDA	Adjusted EBITDA	\$317	\$245	\$ 72

Adjusted EBITDA was \$317 million\$102 million for the nine three months ended September 30, 2023March 31, 2024, representing an increase of \$72 million\$3 million when compared to \$245 million\$99 million for the same period of 2022. Favorable volumes and mix increased Adjusted EBITDA by \$112 million. 2023. Foreign currency decreased Adjusted EBITDA by \$19 million\$3 million, primarily attributable to the euro, Chinese renminbi and Japanese yen. Mexican peso, partially offset by the Euro. Net engineering costs, excluding currency, decreased Adjusted EBITDA by \$25 million. Customer pricing decreased Adjusted EBITDA by \$162 million, primarily\$4 million as a result of lower semiconductor open market purchases recoveries. Favorable cost performance, design changes and the associated other actions, partially offset by customer recoveries due to improving supply chain dynamics related to the worldwide semiconductor supply shortage. Other cost performance pricing increased Adjusted EBITDA by \$163 million,\$8 million primarily due to reducedimproved supply chain and material cost impacts associated with the worldwide semiconductor supply shortage dynamics as well as manufacturing efficiencies, partially offset by a charge of \$15 million related to a product recall with one of the Company's customers. efficiencies.

Liquidity

The Company's primary sources of liquidity are cash flows from operations, existing cash balances, and borrowings under available credit facilities. The Company's intra-year needs are normally impacted by seasonal effects in the industry, such as mid-year shutdowns, the ramp-up of new model production, and year-end shutdowns at key customers.

A substantial portion of the Company's cash flows from operations are generated by operations located outside of the United States. Accordingly, the Company utilizes a combination of cash repatriation strategies, including dividends and distributions, royalties, and other intercompany arrangements to provide the funds necessary to meet obligations globally. The Company's ability to access funds from its subsidiaries is subject to, among other things, customary regulatory and statutory requirements

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and contractual arrangements including joint venture agreements and local credit facilities. Moreover, repatriation efforts may be modified by the Company according to prevailing circumstances.

Access to additional capital through the debt or equity markets is influenced by the Company's credit ratings. As of September 30, 2023March 31, 2024, the Company's corporate credit rating is BB- BB by Standard & Poor's. See Note 8, "Debt" for a comprehensive discussion of the Company's debt facilities. Incremental funding requirements of the Company's consolidated foreign entities are primarily accommodated by intercompany cash pooling structures. Affiliate working capital lines, which may be utilized by the Company's local subsidiaries and consolidated joint ventures, had availability of \$32 million\$148 million and the Company had \$400 million of available credit under the revolving credit facility, as of September 30, 2023March 31, 2024.

Cash Balances

As of September 30, 2023March 31, 2024, the Company had total cash and cash equivalents of \$485 million\$507 million, including \$4 million\$3 million of restricted cash. Cash balances totaling \$293 million\$442 million were located in jurisdictions outside of the United States, of which approximately \$30 million\$120 million is considered permanently reinvested for funding ongoing operations outside of the U.S. If such permanently reinvested funds were repatriated to the U.S., no U.S. federal taxes would be imposed on the distribution of such foreign earnings due to U.S. tax reform enacted in December 2017. However, the Company would be required to accrue additional tax expense, primarily related to foreign withholding taxes.

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Other Items Affecting Liquidity

During the nine three months ended September 30, 2023 March 31, 2024, cash contributions to the Company's defined benefit plans were \$4 million \$1 million related to its non-U.S. plans. The Additionally, the Company estimates that total cash expects to make contributions to its U.S. and non-U.S. defined benefit pension plans of \$9 million and \$7 million, respectively, during 2023 will be \$5 million. 2024.

During the nine three months ended September 30, 2023 March 31, 2024, the Company paid \$6 \$2 million related to restructuring activities. Additional discussion regarding the Company's restructuring activities is included in Note 3, "Restructuring and Impairments." The Company estimates that total cash restructuring payments during the next twelve months will be approximately \$4 million; \$5 million.

The Company committed to make a \$15 million investment in two funds managed by venture capital firms principally focused on the automotive sector pursuant to limited partnership agreements. As of September 30, 2023 March 31, 2024, the Company contributed \$12 million toward the aggregate investment commitments. As a limited partner in each entity, the Company will periodically make capital contributions toward this total commitment amount.

On March 2, 2023 the Company's board of directors authorized a share repurchase program of \$300 million of common stock through December 31, 2026. Under this program, the Company will repurchase shares at the prevailing market prices pursuant to specified share price and daily volume limits. During the three months ended March 31, 2024, the Company has purchased 170,550 shares at an average price of \$117.27 under this program.

The Company may be required to make significant cash outlays related to its unrecognized tax benefits, including interest and penalties. As of September 30, 2023 March 31, 2024, the Company had unrecognized tax benefits, including interest and penalties, that would be expected to result in a cash outlay of \$10 million. \$17 million. Given the number of years, jurisdictions and positions subject to examination, the Company is unable to estimate the period of cash settlement, if any, with the respective taxing authorities.

On March 2, 2023 the Company's board of directors authorized a share repurchase program of \$300 million of common stock through December 31, 2026. As of September 30, 2023, the Company has purchased 545,537 shares at an average price of \$138.87.

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Cash Flows

Operating Activities

The Company benefited from \$169 million provided \$69 million of cash inflows from operating activities during the nine three months ended September 30, 2023, representing increased cash generation of \$167 million March 31, 2024 as compared to prior year. usage of \$19 million during 2023 representing a \$88 million increase.

The increase in cash from operations during 2023 the three months ended March 31, 2024 when compared to the prior period is primarily attributable to higher Adjusted EBITDA of \$72 million \$3 million and improved working capital usage of \$133 million \$66 million, primarily related to customer collections and improved increased payables due to increased inventory management, offset by decreased payables, purchases to support new product launches.

Investing Activities

Net cash used by investing activities during the nine three months ended September 30, 2023 March 31, 2024 totaled \$80 million \$37 million, representing a \$36 million \$17 million increase as compared to \$20 million use of cash used by investing activities during the same period in 2022. 2023. This increase in cash used by investing activities is primarily due to increased capital expenditures of \$28 million. \$16 million.

Financing Activities

Cash used by financing activities during the nine three months ended September 30, 2023 March 31, 2024 was \$119 million \$31 million, representing a \$112 million \$26 million increase as compared to \$5 million use of cash used by financing activities during the same period in 2022. 2023. This increase is primarily attributable to repurchases of common stock of \$76 million \$20 million and principal repayments on the term debt facility of \$4 million. During the three months ended March 31, 2023, subsidiary borrowings increased \$3 million due to affiliate borrowings and dividends of \$8 million were paid to non-controlling interest of \$27 million during the nine months ended September 30, 2023. interests.

Debt and Capital Structure

See Note 8, "Debt" to the condensed consolidated financial statements included in Item 1.

Significant Accounting Policies and Critical Accounting Estimates

See Note 1, "Summary of Significant Accounting Policies" to the accompanying condensed consolidated financial statements in Item 1.

Fair Value Measurements

See Note 13, "Fair Value Measurements and Financial Instruments" to the condensed consolidated financial statements included in Item 1.

Recent Accounting Pronouncements

See Note 1, "Summary of Significant Accounting Policies" to the accompanying condensed consolidated financial statements in Item 1.

Forward-Looking Statements

Certain statements contained or incorporated in this Quarterly Report on Form 10-Q which are not statements of historical fact constitute "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Forward-looking statements give current expectations or forecasts of future events. Words such as "anticipate", "expect", "intend", "plan", "believe", "seek", "estimate" and other words and terms of similar meaning in connection with discussions of future operating or financial performance signify forward-looking statements. These statements reflect the Company's current views with respect to future events and are based on assumptions and estimates, which are subject to risks and uncertainties. Accordingly, undue reliance should not be placed on these forward-looking statements. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this report. The Company does not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made and qualifies all of its forward-looking statements by these cautionary statements.

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You should understand that various factors, in addition to those discussed elsewhere in this document, could affect the Company's future results and could cause results to differ materially from those expressed in such forward-looking statements, including:

- Significant or prolonged shortage of critical components from Visteon's suppliers including, but not limited to semiconductors and those components from suppliers who are sole or primary sources.
- Continued and future impacts related to of the conflict between Russia geopolitical conflicts and the Ukraine including related supply chain disruptions, reduction including but not limited to the conflicts in customer demand, the middle east, Russia and East Asia and the possible the imposition of sanctions on Russia.
- Continued and future impacts of the coronavirus ("COVID-19") pandemic on Visteon's financial condition and business operations including global supply chain disruptions, market downturns, reduced consumer demand, and new government actions or restrictions. sanctions.
- Failure of the Company's joint venture partners to comply with contractual obligations or to exert undue influence or pressure in China.
- Significant changes in the competitive environment in the major markets where Visteon procures materials, components, or supplies or where its products are manufactured, distributed, or sold.
- Visteon's ability to satisfy its future capital and liquidity requirements; Visteon's ability to access the credit and capital markets at the times and in the amounts needed and on terms acceptable to Visteon; Visteon's ability to comply with covenants applicable to it; and the continuation of acceptable customer and supplier payment terms.
- Visteon's ability to avoid or continue to operate during a strike, or partial work stoppage or slow down at any of Visteon's principal customers
- Visteon's ability to access funds generated by its foreign subsidiaries and joint ventures on a timely and cost-effective basis.
- Changes in the operations (including products, product planning, and part sourcing), financial condition, results of operations, or market share of Visteon's customers.
- Changes in vehicle production volume of Visteon's customers in the markets where it operates.
- Increases in commodity costs and the Company's ability to offset or recover these costs or disruptions in the supply of commodities, including resins, copper, fuel, and natural gas.
- Visteon's ability to generate cost savings to offset or exceed agreed-upon price reductions or price reductions to win additional business and, in general, improve its operating performance; to achieve the benefits of its restructuring actions; and to recover engineering and tooling costs and capital investments.
- Visteon's ability to compete favorably with automotive parts suppliers with lower cost structures and greater ability to rationalize operations; and to exit non-performing businesses on satisfactory terms, particularly due to limited flexibility under existing labor agreements.
- Restrictions in labor contracts with unions that restrict Visteon's ability to close plants, divest unprofitable, noncompetitive businesses, change local work rules and practices at a number of facilities, and implement cost-saving measures.
- The costs and timing of facility closures or dispositions, business or product realignments, or similar restructuring actions, including potential asset impairment or other charges related to the implementation of these actions or other adverse industry conditions and contingent liabilities.
- Legal and administrative proceedings, investigations, and claims, including shareholder class actions, inquiries by regulatory agencies, product liability, warranty, employee-related, environmental and safety claims, and any recalls of products manufactured or sold by Visteon.
- Changes in economic conditions, currency exchange rates, interest rates, and fuel prices, changes in foreign laws, regulations or trade policies, or political stability in foreign countries where Visteon procures materials, components, or supplies or where its products are manufactured, distributed, or sold.
- Shortages of materials or interruptions in transportation systems, labor strikes, work stoppages, or other interruptions to or difficulties in the employment of labor in the major markets where Visteon purchases materials, components, or supplies to manufacture its products or where its products are manufactured, distributed, or sold.
- Visteon's ability to satisfy its pension and other postretirement employee benefit obligations, and to retire outstanding debt and satisfy other contractual commitments, all at the levels and times planned by management.

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- Changes in laws, regulations, policies or other activities of governments, agencies and similar organizations, domestic and foreign, that may tax or otherwise increase the cost of, or otherwise affect, the manufacture, licensing, distribution, sale, ownership, or use of Visteon's products or assets.
- Possible terrorist attacks or acts of war, which could exacerbate other risks such as slowed vehicle production, interruptions in the transportation system, changes in fuel prices, and disruptions of supply.
- The cyclical and seasonal nature of the automotive industry.
- Visteon's ability to comply with environmental, safety, and other regulations applicable to it and any increase in the requirements, responsibilities, and associated expenses and expenditures of these regulations.
- Disruptions in information technology systems including, but not limited to, system failure, cyber-attack, malicious computer software (malware including ransomware), unauthorized physical or electronic access, or other natural or man-made incidents or disasters.
- Visteon's ability to protect its intellectual property rights and to respond to changes in technology and technological risks and to claims by others that Visteon infringes their intellectual property rights.
- Visteon's ability to quickly and adequately remediate control deficiencies in its internal control over financial reporting.
- Other factors, risks and uncertainties detailed from time to time in Visteon's Securities and Exchange Commission filings.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary market risks to which the Company is exposed include changes in currency exchange rates, interest rates and certain commodity prices. The Company manages these risks through operating actions including fixed price contracts with suppliers and cost sourcing arrangements with customers and through various derivative instruments. The Company's use of derivative instruments is strictly intended for hedging purposes to mitigate market risks pursuant to written risk management policies. Accordingly, derivative instruments are not used for speculative or trading purposes. The Company's use of derivative instruments creates exposure to credit loss in the event of non-performance by the counter-party to the derivative financial instruments. The Company limits this exposure by entering into agreements directly with a variety of major financial institutions with high credit standards and that are expected to fully satisfy their obligations under the contracts. Additionally, the Company's ability to utilize derivatives to manage market risk is dependent on credit conditions, market conditions, and prevailing economic environment.

Foreign Currency Risk

The Company's net cash inflows and outflows exposed to the risk of changes in foreign currency exchange rates arise from the sale of products in countries other than the manufacturing source, foreign currency denominated customer receipts, supplier payments, debt and other payables, subsidiary dividends, investments in subsidiaries, and anticipated foreign currency denominated transaction proceeds. The Company may utilize derivative financial instruments to manage foreign currency exchange rate risks. Forward and option contracts may be utilized to reduce the impact to the Company's cash flow from adverse movements in exchange rates. Foreign currency exposures are reviewed periodically, and any natural offsets are considered prior to entering into a derivative financial instrument.

In addition to the transactional exposure described above, the Company's operating results are impacted by foreign currency risk related to the translation of its foreign operations, operating income into U.S. dollars. The Company has does not entered enter into currency foreign exchange rate contracts to mitigate this exposure.

The hypothetical pre-tax gain or loss in fair value from a 10% favorable or adverse change in quoted currency exchange rates would be \$20 million \$21 million and \$21 million \$22 million for currency derivative financial instruments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. These estimated changes assume a parallel shift in all currency exchange rates and include the gain or loss on financial instruments used to hedge investments in subsidiaries. Because exchange rates typically do not all move in the same direction, the estimate may overstate the impact of changing exchange rates on the net fair value of the Company's financial derivatives. It is also important to note that gains and losses indicated in the sensitivity analysis would generally be offset by gains and losses on the underlying exposures being hedged.

Interest Rate Risk

See Note 13, "Fair Value Measurements and Financial Instruments" to the condensed consolidated financial statements included in Item 1 for additional information.

Commodity Risk

The Company's exposures to market risk from changes in the price of production material are managed primarily through negotiations with suppliers and customers, although there can be no assurance that the Company will recover all such costs. The Company continues to evaluate derivatives available in the marketplace and may decide to utilize derivatives in the future to manage select commodity risks if an acceptable hedging instrument is identified for the Company's exposure level at that time, as well as the effectiveness of the financial hedge among other factors.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in periodic reports filed with the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Senior Vice President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

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As of September 30, 2023 March 31, 2024, an evaluation was performed under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Senior Vice President and Chief Financial Officer, of the effectiveness of the design and operation of disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Senior Vice President and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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Part II Other Information

Item 1. Legal Proceedings

See the information above under Note 14, "Commitments and Contingencies," to the condensed consolidated financial statements which is incorporated herein by reference.

Item 1A. Risk Factors

The Company is supplementing For information regarding factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors describe under discussed in Part I, "Item 1A. Risk Factors" in its the Company's Annual Report on Form 10-K for the year ended December 31, 2022, December 31, 2023 filed with the additional risk factors set forth below, which supplement, and to the extent inconsistent, supersedes such risk factors. SEC on February 20, 2024. See also, "Forward-Looking Statements" included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

A disruption in the Company's information technology systems, including because of cyberattack, could adversely affect its business and financial performance

The Company relies on the accuracy, capacity, and security of its information technology systems as well as those of its customers, suppliers, partners, and service providers to conduct its business. Despite the security and risk-prevention measures the Company has implemented, the Company's systems could be breached, damaged, or otherwise interrupted by a system failure, cyberattack, malicious computer software (including malware or ransomware), unauthorized physical or electronic access, or other natural or man-made incidents or disasters. The Company is also susceptible to security breaches that may go undetected. Such a breach or interruption could result in business disruption, theft of the Company's intellectual property or trade secrets, and unauthorized access to personal information. To the extent that business is interrupted or data is lost, destroyed, or inappropriately used or disclosed, such disruptions could lead to legal claims against the Company and adversely affect the Company's competitive position, reputation, relationships with customers, financial condition, operating results, and cash flows.

On July 3, 2023, the Company experienced a disruption of certain IT services and assets at its third-party data center provider that resulted in some IT services experiencing interruptions and loss of data. Operations were not significantly impacted. The Company continues to work to restore the affected services and assets. There can be no guarantee that all information will be recovered, which may result in additional costs and inefficiencies.

Work stoppages and similar events could significantly disrupt the Company's business

Because the automotive industry relies heavily on just-in-time delivery of components during the assembly and manufacture of vehicles, a work stoppage at one or more of the Company's manufacturing and assembly facilities could have material adverse effects on the business. Similarly, if one or more of the Company's customers were to experience a work stoppage, that customer would likely halt or limit purchases of the Company's products, which could result in the shutdown of the related manufacturing facilities. A significant

disruption in the supply of a key component due to a work stoppage at any of the Company's suppliers or subsuppliers, or reduced orders from the Company's customers as a result of work stoppages, could have a material adverse effect on the Company's business, operating results, financial condition, and cash flow.

The current United Autoworkers (UAW) work stoppages at certain customer facilities exposes the Company to the risk of reduced customer orders due to labor disruptions affecting its customers' production and operations. A protracted UAW strike, or strikes by other labor unions at customer facilities, may lead to decreased demand for the Company's products or services, as its customers' production schedules may be adversely impacted. The Company intends to closely monitor the UAW strike and any related developments, including their impact on customer relationships and financial results.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table summarizes information relating to purchases made by or on behalf of the Company, or an affiliated purchaser, of shares of the Company's common stock during the **third first** quarter of **2023, 2024**.

Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or units) Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (in millions)
July 1 to July 31, 2023	—	—	—	270
August 1 to August 31, 2023	80,527	135.68	80,527	259
September 1 to September 30, 2023	253,231	137.56	253,231	224
Total	333,758	137.11	333,758	224

Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or units) Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1 to January 31, 2024	170,550	117.27	170,550	174
February 1 to February 29, 2024	—	—	—	174
March 1 to March 31, 2024	—	—	—	174
Total	170,550	117.27	170,550	174

(1) The Company does not include shares surrendered to pay taxes incurred upon exercises of stock options for purposes of this Item 2 of Part II of this Quarterly Report on Form 10-Q.

(2) The Inflation Reduction Act of 2022, which was enacted into law on August 16, 2022, imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. All dollar amounts presented exclude such excise taxes, as applicable.

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Item 5. Other Information

The Company's directors and officers (as defined in Exchange Act Rule 16a-1(f)) may from time to time enter into plans or other arrangements for the purchase or sale of the Company's shares that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or may represent a non-Rule 10b5-1 trading arrangement under the Exchange Act. During the quarter ended **September 30, 2023**, no such plans or other arrangements were adopted or terminated. **March 31, 2024** the following officer(s) took the following action.

Name	Title	Action	Intended to satisfy the	Date	Number of Shares	Expiration Date
			affirmative defense of Rule 10b5-1?			
Robert R. Vallance	Senior Vice President, Global Customer Business Groups, New Technology Product Lines, and General Manager APAC Region	Adoption	Yes	3/11/2024	6,000	5/2/2025

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Item 6. Exhibits

The exhibits listed on the "Exhibit Index" on Page 39 36 hereof are filed with this report or incorporated by reference as set forth therein.

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Exhibit Index

Exhibit No.	Description
10.1	Amendment of Visteon Corporation 2010 Supplemental Executive Retirement Plan dated October 18, 2023.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer dated October 26, 2023April 25, 2024.
31.2	Rule 13a-14(a) Certification of Senior Vice President, Chief Financial Officer dated October 26, 2023April 25, 2024.
32.1	Section 1350 Certification of Chief Executive Officer dated October 26, 2023April 25, 2024.
32.2	Section 1350 Certification of Senior Vice President, Chief Financial Officer dated October 26, 2023April 25, 2024.
101.INS	XBRL Instance Document.**
101.SCH	XBRL Taxonomy Extension Schema Document.**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.**

* Indicates that exhibit is a management contract or compensatory plan or arrangement.

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files as Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

In lieu of filing certain instruments with respect to long-term debt of the kind described in Item 601(b)(4) of Regulation S-K, Visteon agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

Signatures

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, Visteon Corporation has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VISTEON CORPORATION

By: /s/ Abigail S. Fleming Colleen E. Myers

Abigail S. Fleming Colleen E. Myers

Vice President and Chief Accounting Officer

Date: October 26, 2023 April 25, 2024

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Exhibit 10.1

VISTEON CORPORATION
ORGANIZATION AND COMPENSATION COMMITTEE

October 18, 2023

Amendment of Visteon Corporation 2010 Supplemental Executive Retirement Plan

WHEREAS, Visteon Corporation (the "Corporation") maintains the Visteon Corporation 2010 Supplemental Executive Retirement Plan (the "SERP") for the benefit of eligible management employees of the Corporation and its affiliates; and

WHEREAS, the Committee deems it in the best interest of the Corporation to amend the SERP to freeze the eligibility provisions, such that no individual shall become a new Participant in the SERP on or after October 18, 2023.

NOW, THEREFORE, RESOLVED, that Section 1.01(o) of the SERP is hereby amended by adding the following sentence to the end thereof:

"Notwithstanding the foregoing, or any other provisions of the Plan to the contrary (including, but not limited to, Sections 2.01, 3.01 and 4.01), the eligibility provisions of the Plan were frozen effective October 18, 2023, and no individual shall become a Participant on or after such date."

FURTHER RESOLVED, that in accordance with the authority granted pursuant to Section 7.08 of the SERP, the Corporation's Chief Human Resources Officer is hereby authorized and directed to adopt such further amendments to the SERP, or to otherwise take such actions and execute such documents, as determined by such officer to be necessary or desirable in order to effectuate the foregoing resolution.

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Sachin S. Lawande, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Visteon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which

this report is being prepared;

- b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 26, 2023** **April 25, 2024**

/s/ Sachin S. Lawande
Sachin S. Lawande
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)

I, Jerome J. Rouquet, certify that:

- 1. I have reviewed this Quarterly Report on Form 10-Q of Visteon Corporation;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~October 26, 2023~~ April 25, 2024

/s/ Jerome J. Rouquet
Jerome J. Rouquet
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SS.1350
AND EXCHANGE ACT RULE 13a-14(b)

Solely for the purposes of complying with 18 U.S.C. ss.1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), I, the undersigned President and Chief Executive Officer of Visteon Corporation (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended ~~September 30, 2023~~ March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) of the Exchange Act and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Sachin S. Lawande
Sachin S. Lawande

~~October 26, 2023~~ April 25, 2024

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SS.1350
AND EXCHANGE ACT RULE 13a-14(b)

Solely for the purposes of complying with 18 U.S.C. ss.1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), I, the undersigned Senior Vice President and Chief Financial Officer of Visteon Corporation (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended ~~September 30, 2023~~ March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) of the Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Jerome J. Rouquet
Jerome J. Rouquet

~~October 26, 2023~~ April 25, 2024

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