



# Wolfe Research

## Global Auto, Auto Tech & Mobility Conference

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# Important Information



Adient has made statements in this document that are forward-looking and, therefore, are subject to risks and uncertainties. All statements in this document other than statements of historical fact are statements that are, or could be, deemed “forward- looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In this document, statements regarding Adient’s expectations for the recently completed strategic transactions in China and its deleveraging activities, the timing, benefits and outcomes of those activities, as well as its future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, market position, outlook, targets, guidance or goals are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “should,” “forecast,” “project,” “plan” or “commit” or terms of similar meaning are also generally intended to identify forward-looking statements. Adient cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Adient’s control, that could cause Adient’s actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: whether recently completed strategic transactions in China and deleveraging activities may yield additional value for shareholders at all or on the same or different terms as those described herein, the timing, benefits and outcomes of the strategic transactions in China and/or the activities relating to our capital structure, the effects of local and national economic, credit and capital market conditions on the economy in general, and other risks and uncertainties, the continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on Adient and its customers, suppliers, joint venture partners and other parties, the ability of Adient to execute its turnaround plan, work stoppages, including due to supply chain disruptions and similar events, energy and commodity (particularly steel) prices, the availability of raw materials (including petrochemicals) and component products (including components required by our customers for the manufacture of vehicles (i.e., semiconductor chips)), automotive vehicle production levels, mix and schedules, as well as our concentration of exposure to certain automotive manufacturers, the ability of Adient to effectively launch new business at forecast and profitable levels, the ability of Adient to meet debt service requirements, the terms of future financing, the impact of tax reform legislation, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, general economic and business conditions, the strength of the U.S. or other economies, shifts in market shares among vehicles, vehicle segments or away from vehicles on which Adient has significant content, changes in consumer demand, global climate change and related emphasis on ESG matters by various stakeholders, currency exchange rates and cancellation of or changes to commercial arrangements, and the ability of Adient to identify, recruit, and retain key leadership. A detailed discussion of risks related to Adient’s business is included in the section entitled “Risk Factors” in Adient’s Annual Report on Form 10-K for the fiscal year ended September 30, 2021 filed with the U.S. Securities and Exchange Commission (the “SEC”) on November 23, 2021, Quarterly Report on Form 10-Q for the Quarterly Period ended December 31, 2021 filed with the SEC on February 4, 2022, and in subsequent reports filed with or furnished to the SEC, available at [www.sec.gov](http://www.sec.gov). Potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this document are made only as of the date of this document, unless otherwise specified, and, except as required by law, Adient assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this document.

In addition, this document includes certain projections provided by Adient with respect to the anticipated future performance of Adient’s businesses. Such projections reflect various assumptions of Adient’s management concerning the future performance of Adient’s businesses, which may or may not prove to be correct. The actual results may vary from the anticipated results and such variations may be material. Adient does not undertake any obligation to update the projections to reflect events or circumstances or changes in expectations after the date of this document or to reflect the occurrence of subsequent events. No representations or warranties are made as to the accuracy or reasonableness of such assumptions, or the projections based thereon.

This document also contains non-GAAP financial information because Adient’s management believes it may assist investors in evaluating Adient’s on-going operations. Adient believes these non-GAAP disclosures provide important supplemental information to management and investors regarding financial and business trends relating to Adient’s financial condition and results of operations. Investors should not consider these non-GAAP measures as alternatives to the related GAAP measures. A reconciliation of non-GAAP measures to their closest GAAP equivalent are included in the appendix. Reconciliations of non-GAAP measures related to FY2022 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.



## Building a foundation for FY22 and beyond

- > As expected entering FY22, numerous macro factors including supply chain disruptions (and resulting operating inefficiencies), elevated commodity prices, increased freight costs, and labor availability / inflation continue to influence the industry and Adient’s near-term results
  - > Although signs of stabilization began to emerge as Adient’s fiscal Q1 progressed (i.e., modestly softer steel prices and less abrupt swings in customer production schedules), the operating environment remains challenging
- > Despite the continued difficult operating environment, Adient continues to execute actions within its control to position the company for sustained success:
  - > Intense focus on launch execution, cost/operational improvement, and customer profitability management
  - > Issuing the company’s [2021 Sustainability Report](#) — highlighting Adient’s commitment to operating its business in an environmentally responsible manner
  - > Progressing Adient’s balance sheet transformation:
    - > About 85% of Adient’s \$600M 9.0% USD secured notes were tendered (~\$507M); received tenders up to the full cap amount on the 3.5% EUR unsecured notes (~€177M or ~\$200M USD)

Adient’s balance sheet transformation recognized by S&P Global Ratings with the recent upgrade of the company’s corporate credit rating and senior secured / unsecured issuer ratings



# Influences that could change the narrative on FY2022



## Positive influences

- > Faster-than-expected ramp in vehicle production (supply chain issues resolved or substantially improved)
- > Steady and consistent operating patterns at Adient's customers – ability to run at rate
- > Significant pull-back in COVID-19 cases – driving down absenteeism
- > Stabilization of labor (availability & cost)
- > Significant drop in commodity prices

## Negative influences

- > Prolonged supply chain disruptions
- > Instability in vehicle production (if production ramps too fast) driven from lack of underlying support such as labor or non-chip related part shortages
- > Significant increase in COVID-19 cases – driving up absenteeism
- > Geopolitical shock to financial markets / economy

**Although we are encouraged signs of stabilization for certain macro factors are emerging, we continue to monitor a number of external influences that could significantly change the narrative on FY2022**