PRESS RELEASE
Feb. 4, 2026

Adient reports solid first quarter 2026 financial results

- Q1 GAAP net loss and EPS diluted of $(22)M and $(0.28), respectively; Q1 Adj.-EPS diluted of $0.35
- Q1 Adj.-EBITDA of $207M, a $11M y-o-y improvement; Adj.-EBITDA margins increased from 5.6 % to 5.7 % y-o-y
- Gross debt and net debt totaled ~$2.4B and ~$1.5B, respectively, at December 31, 2025; cash and cash equivalents of $855M at December 31, 2025
- The company returned $25M to its shareholders in Q1 FY2026, repurchasing ~1.2M shares
- The company raised its FY26 guidance for revenue, Adj.-EBITDA and FCF to $14.6B, $880M, and $125M, respectively, underpinned by an improved vehicle production outlook and the company's expectation of continued positive business performance

Q1 FY2026 FINANCIAL RESULTS OVERVIEW

	REVENUE	EBIT	NET INCOME/(LOSS) attributable to Adient	EPS DILUTED
AS REPORTED	**$3,644M**	**$90M**	**$(22)M**	**$(0.28)**
vs. Q1 25	4 %	(3 %)	NM	NM
	ADJ. EBIT	ADJ. EBITDA	ADJ. NET INCOME attributable to Adient	ADJ. EPS DILUTED
AS ADJUSTED	**$130M**	**$207M**	**$28M**	**$0.35**
vs. Q1 25	7 %	6 %	22 %	30 %

For non-GAAP and adjusted results, see appendix for detail and reconciliation to U.S. GAAP
NM - Not a meaningful comparison

"Our resilient operating model has enabled us to consistently execute and deliver for our customers and has set a strong foundation for growth."

— Jerome Dorlack, President and Chief Executive Officer

ADIENT DELIVERS SOLID Q1 AND RAISES FULL-YEAR GUIDANCE

Adient continues to execute its resilient operating model, driving improved business performance, which helped offset headwinds associated with temporary customer production disruptions. For the quarter, Adient's Adj.-EBITDA totaled $207M, up $11M compared to Q1FY25, and improved its Adj.-EBITDA margin by 10 bps over the same period last year to 5.7 %. We continued to win new and conquest business across all regions and significantly outpace the China market. Collectively, these factors position Adient to translate volume recovery into sustained growth in earnings and free cash flow and reinforce our commitment to our balanced capital allocation strategy. Subsequent to the quarter, the company repriced its TLB (pricing SOFR + 200), further enhancing the strength and flexibility of the balance sheet. Given the company's strong performance in Q1 and an improving industry volume backdrop, Adient is raising its FY26 guidance on revenue, Adj.-EBITDA and FCF forecast. See page 3 for updated outlook.

ADIENT ANNOUNCES MODUTEC INNOVATION

In January, Adient announced its latest breakthrough innovation, ModuTec. ModuTec is a modular seat design solution intended to greatly simplify the seat building process and enable higher levels of automation. ModuTec was developed after in-depth analysis of the needs of automakers, manufacturing locations and consumers. With the ModuTec assembly process, build of the seat module happens offline and is then seamlessly sequenced into the main JIT line, reducing assembly time from minutes to seconds. This means Adient's new solution can help achieve higher efficiency, lower costs, and enable automation in ways the industry has not yet seen.

ADIENT RELEASES 2025 SUSTAINABILITY REPORT

Adient published its FY25 Sustainability Report on Feb. 4, highlighting progress across sustainable manufacturing, supply chain, product design, and employee engagement. This year's report highlights significant environmental achievements across global operations, including delivering estimated annual savings of 5,689 mt CO_2e, 67,559 m³ of water, 72.6 million kWh of energy, 13.4 million kWh-equivalent of fuel, and 4,671 metric tons of waste, supporting operational efficiency and sustainability performance. Read more about Adient's 2025 Sustainability Report on page 3.

POSITIONED FOR GROWTH

Adient entered FY26 from a position of strength and is well-positioned for growth. In the Americas, the company has continued to make progress in supporting customers' onshoring efforts. Adient has capitalized on ~150K units of incremental annual volume and is well positioned to win additional business that it is currently quoting. In addition, indirect onshoring impacts have resulted in an additional ~25k annual units. In Asia, as evidenced in our Q1 results, we expect to significantly outpace the market in FY26 and continue to accelerate growth with domestic COEMs. In Europe, despite a challenging backdrop, Adient continues to win new and conquest business and is making steady progress in its restructuring efforts, positioning the region for sustainable margin expansion. Along with the company's commitment to ongoing investments in innovation and automation, we expect these actions will continue to drive strong business performance, leading to upward trends in earnings and free cash flow.

> *“The company’s strong start to the year, improved outlook, and confidence in our ability to drive business performance is expected to create sustainable value for our stakeholders in FY26 and beyond.”*
>
> *— Mark A. Oswald, Executive Vice President and Chief Financial Officer*

SEGMENT RESULTS (ADJUSTED EBITDA*)

Americas		EMEA		Asia	
Q1 26	Q1 25	Q1 26	Q1 25	Q1 26	Q1 25
$80M	$85M	$34M	$22M	$115M	$111M

Americas: Volume/mix headwinds on key customer platforms as well as planned increases in launch expenses during the quarter were partially offset by favorable business performance driven by the timing of commercial settlements.

EMEA: Business performance was a tailwind for the quarter, driven by improved operational efficiencies and favorable material margin. In addition, volume/mix was favorable y-o-y due to strong volume from key customers.

Asia: For the quarter, favorable equity income was driven by increased sales and positive business performance in our joint ventures. FX was a slight tailwind during the quarter due to translational impacts of Asian currencies. As expected, volume/mix was a slight headwind due to margin compression in China. Business performance was unfavorable y-o-y due to planned increases in engineering spending for new programs.

*On an adjusted basis. For complete details and to see reconciliation of non-GAAP measures to their most directly comparable GAAP measures refer to the appendix. Segment Adj.-EBITDA for Americas, EMEA, and Asia does not contain certain corporate costs that are not allocated back to the operations.

CASH FLOW & BALANCE SHEET

	Q1 26*	Q1 25*
OPERATING CASH FLOW	$80M	$109M
CAPITAL EXPENDITURES	$(65)M	$(64)M
FREE CASH FLOW	$15M	$45M

	12/31/25	09/30/25
CASH & CASH EQUIVALENTS	$855M	$958M
TOTAL DEBT	$2,391M	$2,397M
NET DEBT	$1,536M	$1,439M

For non-GAAP and adjusted results, see appendix for detail and reconciliation to U.S. GAAP

Q1 KEY OPERATING METRICS

		Q1 26	Q1 25	
SALES	CONSOLIDATED	$3,644M	$3,495M	Q1FY26 revenues up ~4 %, primarily due to translational FX impacts
SALES	UNCONSOLIDATED	$972M	$1,000M	Y-O-Y revenues down ~3 % primarily related to a portfolio rationalization action in the Americas which was finalized late in Q1 FY2025
	EQUITY INCOME	$27M	$25M	Q1FY26 equity income was slightly up vs. prior year due to increased sales in our joint ventures
	as adjusted	*$29M*	*$21M*	
	INTEREST EXPENSE	$48M	$45M	In line with internal expectations given Adient’s debt and cash position
	as adjusted	*$48M*	*$45M*	
	INCOME TAX EXPENSE	$42M	$22M	Increase in GAAP tax expense primarily due to accounting for non-recurring tax audit settlement in non-U.S. jurisdiction
	as adjusted	*$30M*	*$26M*	

*On an adjusted basis. For complete details and to see reconciliation of non-GAAP measures to their most directly comparable GAAP measures, refer to the appendix.

LOOKING FORWARD — FY 2026 OUTLOOK

Consolidated sales	**~$14.6B** *(up from ~$14.4B)*	**Interest expense**	**~$185M** *(no change)*
Adj.-EBITDA	**~$880M** *(up from ~$845M)*	**Cash interest**	**~$190M** *(no change)*
Equity income (included in Adj.-EBITDA)	**~$70M** *(no change)*	**Capital expenditures**	**~$300M** *(no change)*
Cash taxes	**~$125M** *(no change)*	**Free cash flow**	**~$125M** *(up from ~$90M)*

The company is updating its FY 2026 guide to reflect its strong business performance and current macro conditions (production volumes, tariffs, FX, etc.).

Reconciliations of non-GAAP measures related to FY2026 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Adient reports progress on sustainability initiatives

DRIVING CONTINUOUS IMPROVEMENT GLOBALLY

In fiscal year 2025, Adient teams completed 1,990 continuous improvement projects across global operations. These projects are delivering estimated annual savings of 5,689 mt CO_2e, 67,559 m^3 of water, 72.6 million kWh of energy, 13.4 million kWh-equivalent of fuel, and 4,671 metric tons of waste, supporting operational efficiency and sustainability performance.

PURE ERGONOMICS ENABLES CIRCULARITY AND EFFICIENCY

Adient is innovating the seat system with sustainability and circularity in mind. The Pure Ergonomics seat architecture is designed for disassembly and features up to a 10 % weight reduction and 46 % recycled content, while enabling up to 60 mm of additional second-row legroom depending on vehicle configuration — supporting both resource efficiency and passenger experience.

CUTTING EMISSIONS AND SCALING RENEWABLES

Adient continues to advance its climate roadmap. As of Sept. 30, 2025, the company achieved a 42 % reduction[1] in Scope 1 and 2 (market-based) emissions versus its 2019 baseline and increased renewable electricity to 30 % of total electricity consumption, with 68 sites using electricity from renewable sources.

CLOSING THE LOOP ON SEAT FOAM

Adient advanced circular materials innovation through cross-industry collaboration. With Jaguar Land Rover (JLR) and Dow, Adient progressed a pilot incorporating 20 % end-of-life vehicle PU foam (re-polyol) into seating — recognized by the American Chemistry Council Sustainability Leadership Awards and JLR. In addition, eliminating carbon black from select foam materials is expected to avoid ~300,000 kg of CO_2 per year.

For more on what we do every day to make a difference, read our 2025 Sustainability Report.

[1] within SBTi boundaries

Additional information about Adient's corporate sustainability efforts is available at the links above and on our website at https://www.adient.com/about-us/sustainability. However, we are not including the information contained on, or that can be accessed through, our website as part of, or incorporating it by reference into, this release.

INVESTOR CONTACT

Linda Conrad
Vice President, FP&A and Investor Relations
+1 734 254 3998
linda.conrad@adient.com

MEDIA CONTACT

Mary Kay Dodero
Executive Director of Communications
+1 734 254 7704
mary.kay.dodero@adient.com

Adient (NYSE: ADNT) is a global leader in automotive seating. With more than 65,000 employees in 29 countries, Adient operates ~200 manufacturing/assembly plants worldwide. We produce and deliver automotive seating for all major OEMs. From complete seating systems to individual components, our expertise spans every step of the automotive seat-making process. We take our products from research and design to engineering and manufacturing — and into millions of vehicles every year. For more information, please visit www.adient.com.

Cautionary Statement Regarding Forward-Looking Statements:

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 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" or "plan" or terms of similar meaning are also generally intended to identify forward-looking statements. Adient cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Adient's control, that could cause Adient's actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: the effects of local and national economic, credit and capital market conditions (including the persistence of high interest rates, vehicle affordability and volatile currency exchange rates) on the global economy, increased competitive pressures in the EMEA and Asia regions from Chinese OEMs, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, automotive vehicle production levels, mix and schedules, as well as the concentration of exposure to certain automotive manufacturers particularly new entrants in the China market, shifts in market shares among vehicles, vehicle segments or away from vehicles on which Adient has significant content, changes in consumer demand, risks associated with Adient's joint ventures, volatile energy markets, Adient's ability and timing of customer recoveries for increased input costs, the availability of raw materials and component products (including components required by Adient's customers for the manufacture of vehicles), risks associated with warranty and product recall and product liability exposures, geopolitical uncertainties such as the Ukraine and Middle East conflicts and the impact on the regional and global economies and additional pressure on supply chain and vehicle production, the ability of Adient to effectively launch new business at forecast and profitable levels, the ability of Adient to successfully identify suitable opportunities for organic investment and/or acquisitions and to integrate such investments and/or acquisitions;, work stoppages, including due to strikes, supply chain disruptions and similar events, wage inflationary pressures due to labor shortages and new labor negotiations, the ability of Adient to execute its restructuring plans and achieve the desired benefit, the ability of Adient to meet debt service requirements and, terms of future financing, the impact of global tax reform legislation, the impact of more aggressive positions taken by tax authorities, potential adjustment of the value of deferred tax assets, global climate change and related emphasis on sustainability matters by various stakeholders, and the ability of Adient to achieve its sustainability-related goals, 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, 2025 filed with the U.S. Securities and Exchange Commission (the "SEC") on November 18, 2025, and in subsequent reports filed with or furnished to the SEC, available at www.sec.gov. Potential investors and others should consider these factors in evaluating the forward-looking statements and should not place undue reliance on such statements. The forward-looking statements included in this document are made only as of the date of this document, unless otherwise specified, and, except as required by law, Adient assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this document. In addition, this document includes certain projections provided by Adient with respect to the anticipated future performance of Adient's businesses. Such projections reflect various assumptions of Adient's management concerning the future performance of Adient's businesses, which may or may not prove to be correct. The actual results may vary from the anticipated results and such variations may be material. Adient does not undertake any obligation to update the projections to reflect events or circumstances or changes in expectations after the date of this document or to reflect the occurrence of subsequent events. No representations or warranties are made as to the accuracy or reasonableness of such assumptions, or the projections based thereon.

Use of Non-GAAP Financial Information:

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. Non-GAAP measures include Adjusted EBIT, Adjusted EBITDA, Adjusted net income, Adjusted effective tax rate, Adjusted earnings per share, Adjusted equity income, Adjusted interest expense, Free cash flow and Net debt. For further detail and reconciliations to their closest GAAP equivalents, please see the appendix. Reconciliations of non-GAAP measures related to FY 2026 guidance have not been provided due to the unreasonable efforts it would take to provide such reconciliations. This document also contains the key performance indicator of business performance, which is defined as the difference in period-over-period Adjusted EBITDA excluding production volume/mix, equity income, foreign exchange and net commodity pricing. Management believes this key performance indicator encompasses the significant drivers of the performance of the business that are within management's ability to influence and may assist investors in evaluating Adient's on-going operations and provide important supplemental information regarding financial and business trends relating to Adient's financial condition and results of operations. Investors should not consider this key performance indicator as an alternative to our GAAP financial results.

Adient plc
Condensed Consolidated Statements of Income (Loss)
(Unaudited)

	Three Months Ended December 31,	
(in millions, except per share data)	2025	2024
Net sales	$ 3,644	$ 3,495
Cost of sales	3,427	3,279
Gross profit	217	216
Selling, general and administrative expenses	130	125
Restructuring and impairment costs	24	23
Equity income	27	25
Earnings before interest and income taxes	90	93
Net financing charges	48	45
Other pension expense	1	1
Income before income taxes	41	47
Income tax provision	42	22
Net income (loss)	(1)	25
Income attributable to noncontrolling interests	21	25
Net income (loss) attributable to Adient	$ (22)	$ —
Diluted earnings (loss) per share	$ (0.28)	$ —
Shares outstanding at period end	78.3	83.9
Diluted weighted average shares	78.7	84.7

Adient plc
Condensed Consolidated Statements of Financial Position
(Unaudited)

(in millions)	December 31 2025	September 30, 2025
Assets		
Cash and cash equivalents	$ 855	$ 958
Accounts receivable - net	1,638	1,873
Inventories	760	695
Other current assets	663	607
Current assets	3,916	4,133
Property, plant and equipment - net	1,401	1,409
Goodwill	1,812	1,807
Other intangible assets - net	313	319
Investments in partially-owned affiliates	312	276
Assets held for sale	12	9
Other noncurrent assets	1,008	1,001
Total assets	$ 8,774	$ 8,954
Liabilities and Shareholders' Equity		
Short-term debt	$ 11	$ 11
Accounts payable and accrued expenses	2,850	2,942
Other current liabilities	731	734
Current liabilities	3,592	3,687
Long-term debt	2,380	2,386
Other noncurrent liabilities	705	723
Redeemable noncontrolling interests	68	95
Shareholders' equity attributable to Adient	1,735	1,766
Noncontrolling interests	294	297
Total liabilities and shareholders' equity	$ 8,774	$ 8,954

Adient plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024
Operating Activities		
Net income (loss) attributable to Adient	$ (22)	$ —
Income attributable to noncontrolling interests	21	25
Net income (loss)	(1)	25
Adjustments to reconcile net income to cash provided (used) by operating activities:		
Depreciation	69	69
Amortization of intangibles	11	11
Pension and postretirement benefit expense	3	2
Pension and postretirement contributions, net	—	(8)
Equity in earnings of partially-owned affiliates, net of dividends received	(27)	(15)
Gain on sale of interests in nonconsolidated partially-owned affiliates	—	(4)
Deferred income taxes	(2)	7
Non-cash impairment charges	—	10
Equity-based compensation	8	5
Other	2	(3)
Changes in assets and liabilities:		
Receivables	243	402
Inventories	(65)	6
Other assets	(42)	(70)
Accounts payable and accrued liabilities	(143)	(329)
Accrued income taxes	24	1
Cash provided by operating activities	80	109
Investing Activities		
Capital expenditures	(65)	(64)
Sale of property, plant and equipment	2	6
Business divestitures	—	27
Investments in partially-owned affiliates	(4)	(3)
Other	(1)	—
Cash used by investing activities	(68)	(34)
Financing Activities		
Increase (decrease) in short-term debt	—	(1)
Repayment of long-term debt	(2)	(2)
Debt financing costs	(6)	(1)
Share repurchases	(25)	(25)
Acquisition of a noncontrolling interest	—	(28)
Dividends paid to noncontrolling interests	(76)	(42)
Share based compensation and other	(5)	(3)
Cash used by financing activities	(114)	(102)
Effect of exchange rate changes on cash and cash equivalents	(1)	(58)
Decrease in cash and cash equivalents	$ (103)	$ (85)

Footnotes

1. Segment Results

Adient manages its business on a geographic basis and operates in the following three reportable segments for financial reporting purposes: 1) Americas, which is inclusive of North America and South America; 2) Europe, the Middle East and Africa ("EMEA") and 3) Asia Pacific/China ("Asia").

Adient evaluates the performance of its reportable segments using an adjusted EBITDA metric defined as income before income taxes and noncontrolling interests, excluding net financing charges, restructuring and impairment costs, restructuring related-costs, net mark-to-market adjustments on pension and postretirement plans, transaction gains/losses, purchase accounting amortization, depreciation, stock-based compensation and other non-recurring items. Also, certain corporate-related costs are not allocated to the segments. The reportable segments are consistent with how management views the markets served by Adient and reflect the financial information that is reviewed by its chief operating decision maker.

Financial information relating to Adient's reportable segments is as follows:

(in millions)	**Three months ended December 31, 2025**				
	Americas	**EMEA**	**Asia**	**Corporate/ Eliminations**	**Consolidated**
Net sales	$ 1,642	$ 1,205	$ 819	$ (22)	$ 3,644
Adjusted EBITDA	$ 80	$ 34	$ 115	$ (22)	$ 207
Adjusted EBITDA margin	4.9 %	2.8 %	14.0 %	N/A	5.7 %

	Three months ended December 31, 2024				
	Americas	**EMEA**	**Asia**	**Corporate/ Eliminations**	**Consolidated**
Net sales	$ 1,611	$ 1,129	$ 772	$ (17)	$ 3,495
Adjusted EBITDA	$ 85	$ 22	$ 111	$ (22)	$ 196
Adjusted EBITDA margin	5.3 %	1.9 %	14.4 %	N/A	5.6 %

The following is a reconciliation of Adient's reportable segments' adjusted EBITDA to income before income taxes:

	Three Months Ended December 31,	
(in millions)	**2025**	**2024**
Adjusted EBITDA		
Americas	$ 80	$ 85
EMEA	34	22
Asia	115	111
Subtotal	229	218
Corporate-related costs [1]	(22)	(22)
Restructuring and impairment costs [2]	(24)	(23)
Purchase accounting amortization [3]	(11)	(11)
Restructuring related activities [4]	(7)	(1)
Gain (loss) on disposal transactions [5]	—	4
Equity based compensation	(8)	(5)
Depreciation	(69)	(69)
Other items [6]	2	2
Earnings before interest and income taxes	$ 90	$ 93
Net financing charges	(48)	(45)
Other pension expense	(1)	(1)
Income before income taxes	$ 41	$ 47

Refer to the Footnote Addendum for footnote explanations.

2. Earnings Per Share

The following table reconciles the numerators and denominators used to calculate basic and diluted income (loss) per share:

	Three Months Ended December 31,	
(in millions, except per share data)	**2025**	**2024**
Income available to shareholders		
Net income (loss) attributable to Adient	$ (22)	$ —
Weighted average shares outstanding		
Basic weighted average shares outstanding	78.7	84.4
Effect of dilutive securities:		
Unvested restricted stock and unvested performance share awards	—	0.3
Diluted weighted average shares outstanding	78.7	84.7
Earnings (loss) per share:		
Basic	$ (0.28)	$ —
Diluted	$ (0.28)	$ —

Potentially dilutive securities whose effect would have been anti-dilutive are excluded from the computation of diluted earnings per share for the three months ended December 31, 2025 as a result of being in a loss position. The effect of common stock equivalents which would have been anti-dilutive was excluded, and immaterial, from the calculation of diluted earnings per share for the three months ended December 31, 2024.

3. Non-GAAP Measures

Adjusted EBIT, adjusted EBIT margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net income attributable to Adient, adjusted effective tax rate, adjusted earnings per share, adjusted equity income, adjusted interest expense, free cash flow, net debt, and net leverage ratio as well as other measures presented on an adjusted basis are not recognized terms under U.S. GAAP and do not purport to be alternatives to the most comparable U.S. GAAP amounts. Since all companies do not use identical calculations, our definition and presentation of these measures may not be comparable to similarly titled measures reported by other companies. Management uses the identified non-GAAP measures to evaluate the operating performance of Adient and its business segments and to forecast future periods. Management believes these non-GAAP measures assist investors and other interested parties in evaluating Adient's on-going operations and 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. Reconciliations of non-GAAP measures to their closest U.S. GAAP equivalent are presented in the corresponding tables that follow the definitions below. Reconciliations of non-GAAP measures related to guidance for any future period have not been provided due to the unreasonable efforts it would take to provide such reconciliations.

Table

(a) Adjusted EBIT is defined as earnings before income taxes and noncontrolling interests excluding net financing charges, restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, other significant non-recurring items, and net mark-to-market adjustments on pension and postretirement plans. Adjusted EBIT margin is adjusted EBIT as a percentage of net sales.

(b) Adjusted EBITDA is defined as adjusted EBIT excluding depreciation and equity based compensation. Certain corporate-related costs are not allocated to the business segments in determining adjusted EBITDA. Adjusted EBITDA margin is adjusted EBITDA as a percentage of net sales.

(c) Adjusted net income attributable to Adient is defined as net income (loss) attributable to Adient excluding restructuring, impairment and related costs, purchase accounting amortization, transaction gains/losses, other significant non-recurring items, net mark-to-market adjustments on pension and postretirement plans, the tax impact of these items and other discrete tax charges/benefits.

(d) Adjusted income tax expense is defined as income tax expense adjusted for the tax effect of the adjustments to income before income taxes and other discrete tax changes/benefits. Adjusted effective tax rate is defined as adjusted income tax provision as a percentage of adjusted income before income taxes.

(e) Adjusted diluted earnings per share is defined as adjusted net income attributable to Adient divided by diluted weighted average shares.

(f) Adjusted equity income is defined as equity income excluding amortization of Adient's intangible assets related to its non-consolidated joint ventures and other unusual or non-recurring items impacting equity income.

(g) Adjusted interest expense is defined as net financing charges excluding unusual or one-time items impacting interest expense.

(h) Free cash flow is defined as cash provided by operating activities less capital expenditures.

(i) Net debt is calculated as total debt (short-term and long-term) less cash and cash equivalents.

(j) Net leverage ratio is calculated as net debt divided by adjusted EBITDA for the last four quarters.

Reconciliations of non-GAAP measures to their closest US GAAP equivalent:

(a) & (b) Adjusted EBIT and Adjusted EBITDA

The following table reconciles net income (loss) to EBIT, adjusted EBIT and adjusted EBITDA:

	Three Months Ended December 31,	
(in millions)	**2025**	**2024**
Net income (loss)	$ (1)	$ 25
Net financing charges	48	45
Other pension expense	1	1
Income tax expense	42	22
Earnings before interest and income taxes (EBIT)	$ 90	$ 93
EBIT adjustments:		
Restructuring and impairment costs [2]	24	23
Purchase accounting amortization [3]	11	11
Restructuring related activities [4]	7	1
Gain on disposal transactions [5]	—	(4)
Other items [6]	(2)	(2)
EBIT adjustments total	40	29
Adjusted EBIT	$ 130	$ 122
EBITDA adjustments:		
Depreciation	69	69
Equity based compensation	8	5
Adjusted EBITDA	$ 207	$ 196
Net sales	$ 3,644	$ 3,495
Net income as % of net sales	— %	0.7 %
EBIT as % of net sales	2.5 %	2.7 %
Adjusted EBIT as % of net sales	3.6 %	3.5 %
Adjusted EBITDA as % of net sales	5.7 %	5.6 %

Refer to the Footnote Addendum for footnote explanations.

(c) Adjusted net income (loss) attributable to Adient

The following table reconciles net income (loss) attributable to Adient to adjusted net income attributable to Adient:

(in millions)	Three Months Ended December 31, 2025	2024
Net income (loss) attributable to Adient	$ (22)	$ —
Net income adjustments:		
EBIT adjustments total - see table (a) & (b)	40	29
Tax impact of EBIT adjustments and other tax items - see table (d)	12	(4)
Impact of adjustments on noncontrolling interests (7)	(2)	(2)
Net income adjustments total	50	23
Adjusted net income attributable to Adient	$ 28	$ 23

Refer to the Footnote Addendum for footnote explanations.

(d) Adjusted income tax expense and effective tax rate

The following table reconciles income before income taxes to adjusted income before income taxes, reconciles income tax expense to adjusted income tax expense and presents the related effective tax rate and adjusted effective tax rate:

	Three months ended December 31,					
	2025			2024		
(in millions, except effective tax rate)	Income before income taxes	Income tax expense (benefit)	Effective tax rate	Income before income taxes	Income tax expense (benefit)	Effective tax rate
As reported	$ 41	$ 42	nm	$ 47	$ 22	46.8 %
Adjustments						
EBIT adjustments - see table (a) & (b)	40	3	7.5 %	29	3	10.3 %
Tax audit closures and statute expirations	—	10	nm	—	7	nm
UTP establishments and interest	—	(24)	nm	—	(1)	nm
FX remeasurements of tax balances	—	1	nm	—	(6)	nm
Other	—	(2)	nm	—	1	nm
Subtotal of adjustments	40	(12)	(30.0)%	29	4	13.8 %
As adjusted	$ 81	$ 30	37.0 %	$ 76	$ 26	34.2 %

nm - not meaningful

(e) Adjusted diluted earnings per share

The following table shows the calculation of diluted earnings per share on an adjusted basis:

	Three Months Ended December 31,	
(in millions, except per share data)	**2025**	**2024**
Numerator:		
Adjusted net income attributable to Adient - see table (c)	$ 28	$ 23
Denominator:		
Basic weighted average shares outstanding	78.7	84.4
Effect of dilutive securities:		
Unvested restricted stock and unvested performance share awards	0.7	0.3
Diluted weighted average shares outstanding	79.4	84.7
Adjusted diluted earnings per share	$ 0.35	$ 0.27

The following table reconciles diluted earnings (loss) per share as reported to adjusted diluted earnings per share (see table (c) for corresponding dollar amounts):

	Three Months Ended December 31,	
	2025	**2024**
Diluted earnings (loss) per share as reported	$ (0.28)	$ —
EBIT adjustments total	0.51	0.34
Tax impact of EBIT adjustments and other tax items	0.15	(0.05)
Impact of adjustments on noncontrolling interests	(0.03)	(0.02)
Adjusted diluted earnings per share	$ 0.35	$ 0.27

(f) Adjusted equity income

The following table reconciles equity income to adjusted equity income:

	Three Months Ended December 31,	
(in millions)	**2025**	**2024**
Equity income	$ 27	$ 25
Equity income adjustments:		
Gain on sale of Setex	—	(4)
Restructuring charges at affiliates	2	—
Equity income adjustments total	2	(4)
Adjusted equity income	$ 29	$ 21

(g) Adjusted interest expense

The following table reconciles net financing charges to adjusted net financing charges:

(in millions)	**Three Months Ended December 31, 2025**	**Three Months Ended December 31, 2024**
Net financing charges	$ 48	$ 45
Interest expense adjustments:		
None	—	—
Interest expense adjustments total	—	—
Adjusted net financing charges	$ 48	$ 45

(h) Free cash flow

The following table reconciles cash from operating activities to free cash flow:

(in millions)	**Three Months Ended December 31, 2025**	**Three Months Ended December 31, 2024**
Operating cash flow	$ 80	$ 109
Capital expenditures	(65)	(64)
Free cash flow	$ 15	$ 45

The following table reconciles adjusted EBITDA to free cash flow:

(in millions)	**Three Months Ended December 31, 2025**	**Three Months Ended December 31, 2024**
Adjusted EBITDA	$ 207	$ 196
Adjusted equity income	(29)	(21)
Dividends from partially owned affiliates	—	6
Restructuring (cash)	(19)	(34)
Net customer tooling	10	(16)
Trade working capital (Net AR/AP + Inventory)	187	234
Accrued compensation	(76)	(78)
Interest paid	(54)	(54)
Tax refund/taxes paid	(20)	(15)
Non-income related taxes (VAT)	(44)	(22)
Commercial settlements	(37)	(9)
Net capitalized engineering	6	5
Other	(51)	(83)
Operating cash flow	80	109
Capital expenditures	(65)	(64)
Free cash flow	$ 15	$ 45

(i) & (j) Net debt and net leverage ratio

The following table presents calculations of net debt and net leverage ratio:

(in millions)	**December 31 2025**	**September 30, 2025**
Numerator:		
Short-term debt	$ 2	$ 2
Current portion of long-term debt	9	9
Long-term debt	2,380	2,386
Total debt	2,391	2,397
Less: cash and cash equivalents	855	958
Net debt	$ 1,536	$ 1,439
Denominator:		
Adjusted EBITDA - last four quarters		
Q1 2025	na	$ 196
Q2 2025	$ 233	233
Q3 2025	226	226
Q4 2025	226	226
Q1 2026 - see table (a) & (b)	207	na
Last four quarters	$ 892	$ 881
Net leverage ratio	1.72	1.63

Footnote Addendum

(1) Corporate-related costs not allocated to the segments include executive office, communications, corporate development, legal and corporate finance.

(2) Reflects restructuring charges for costs that are probable and reasonably estimable and one-time asset impairments related to restructuring activities.

(3) Reflects amortization of intangible assets including those related to partially owned affiliates recorded within equity income.

(4) Reflects restructuring-related charges for costs that are recorded as incurred or as earned and other non-recurring impacts that are directly attributable to restructuring activities:

	Three Months Ended June 30,	
(in millions)	**2025**	**2024**
Restructuring related charges	$ (5)	$ (6)
Restructuring charges at affiliates	(2)	—
Gain of sale of a restructured facility	—	5
	$ (7)	$ (1)

(5) Gain on disposal transactions include:

	Three Months Ended June 30,	
(in millions)	**2025**	**2024**
Gain on sale of Setex	$ —	$ 4
	$ —	$ 4

(6) Other items include:

	Three Months Ended June 30,	
(in millions)	**2025**	**2024**
Non-recurring contract related settlement	$ 2	$ 2
	$ 2	$ 2

(7) Reflects the impact of adjustments, primarily purchase accounting amortization on noncontrolling interests.