

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

FORM 10-K

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

For the fiscal year ended September 30, 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: 001-37757



Adient plc

(exact name of Registrant as specified in its charter)

Ireland

(State or other jurisdiction of incorporation or organization)

98-1328821

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

3 Dublin Landings, North Wall Quay, IFSC, Dublin 1, Ireland D01 H104

(Address of principal executive offices)

734-254-5000

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Ordinary Shares, par value \$0.001	ADNT	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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 every Interactive Data File required to be submitted 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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant, as of March 31, 2024, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$3.0 billion. At September 30, 2024, 84,866,763 ordinary shares were outstanding.

Documents Incorporated by Reference

Portions of the Registrant's definitive proxy statement relating to its 2025 annual general meeting of shareholders to be held on March 11, 2025 (the "2025 Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2025 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

Adient plc
Form 10-K
For the Fiscal Year Ended September 30, 2024
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PART I

Item 1. Business

Adient plc (“Adient”) is a global leader in the automotive seating supply industry with leading market positions in the Americas, Europe and China and maintains longstanding relationships with the largest global automotive original equipment manufacturers (“OEMs”). Adient's proprietary technologies extend into virtually every area of automotive seating solutions, including complete seating systems, frames, mechanisms, foam, head restraints, armrests and trim covers. Adient is a global seat supplier with the capability to design, develop, engineer, manufacture, and deliver complete seat systems and components in every major automotive producing region in the world.

Adient designs, manufactures and markets a full range of seating systems and components for passenger cars, commercial vehicles and light trucks, including vans, pick-up trucks and sport/crossover utility vehicles. Adient operates more than 200 wholly- and majority-owned manufacturing or assembly facilities, with operations in 29 countries. Additionally, Adient has partially-owned affiliates in China, Asia, Europe and North America. Through its global footprint and vertical integration, Adient leverages its capabilities to drive growth in the automotive seating industry.

Adient's business model is focused on developing and maintaining long-term customer relationships, which allows Adient to successfully grow with leading global OEMs. Adient and its engineers work closely with customers as vehicle platforms are developed, which results in close ties with key decision makers at OEM customers.

Business Organization and Strategy

Global Manufacturing Footprint Adient is a global leader in automotive seating. With more than 70,000 employees operating in more than 200 manufacturing and assembly plants in 29 countries worldwide, Adient produces and delivers automotive seating for all vehicle classes and all major OEMs. From complete seating systems to individual components, Adient’s manufacturing capabilities span every aspect of the automotive seat-making process. Integrated, in-house skills allows Adient to take products from research and design all the way to engineering and manufacturing and into millions of vehicles every year.

Operational Efficiencies Adient intends to maintain high capacity utilization and increase its efficiency through continued use of standardized manufacturing processes, which represent a core competency. These standardized manufacturing processes allow Adient to deliver high quality levels and minimize waste. Adient achieves scale advantages through a global manufacturing footprint and an integrated supply chain. Adient also creates efficiencies and optimizes inventory, reduces freight and direct labor costs through its integrated modular assembly process. Adient fosters an environment of continuous improvement and identifies best business practices through the analysis of process and cost metrics, which are then shared globally throughout Adient's manufacturing network.

To ensure appropriate service levels, minimal inventory and optimal factory utilization, Adient employs a Sales & Operational Planning, or S&OP, process. A well-executed S&OP process provides two strategic advantages: focused customer service and on-time delivery which result in both customer retention and the opportunity for market share gain.

Investing in Technology Adient continues to invest in technology and innovation by utilizing automation in metals, foam, trim and complete seat operations as well as expanding the use of artificial intelligence (“AI”). AI technology is being pursued to reduce direct labor costs, improve accuracy and to ensure repeatable and reproducible results.

Longstanding Customer Relationships with Leading Global OEMs Adient works with OEMs to develop complete seating solutions to meet consumer expectations for performance, safety and comfort. Adient does business with all major global OEM customers, and in many cases, works closely with those customers to develop a seating solution integrated into the overall vehicle appearance and architecture.

Through dedicated customer teams, Adient maintains close relationships with its global OEM customers. These relationships enable Adient to clearly understand its customers' needs so that it is positioned to meet its customers' requirements. Adient's customer teams also lead the new business acquisition process, which ensures alignment with Adient's product, process and manufacturing strategies.

Product Innovation and Process Leadership Adient has a strong record for developing winning product and process technologies over many years, which has created a competitive advantage for Adient and its customers. Management expects to increase investment in innovation.

Adient utilizes a global Core Product Portfolio, or CPP, strategy for part and design reuse in all of its product applications. Adient intends to continue investing in its CPP to sustain and expand its market success and to leverage its existing modular and scalable systems and interchangeable components. Through the CPP strategy, Adient provides high quality products for its customers with market competitive cost and mass (low weight to improve fuel economy) while meeting their performance requirements. Adient continues to use its CPP to advance Adient's lean manufacturing initiatives by providing standard, flexible processes that reduce complexity, inventory and floor space. This will yield reductions in development time, product cost and investment.

Global Development Network Adient participates in innovating and developing key competitive differentiators in the automotive seating business. In the development process, key downstream elements of the product are locked in, including material costs, plant conversion costs, quality characteristics and certain technical requirements. Adient uses a common product development process globally that ensures that these elements are correct at the outset of the development process, reflects the best practices of Adient's operations worldwide and meets the expectations of Adient's diverse customer base. Its product launch system is customizable and scalable based on customer and product requirements.

Adient's worldwide engineering network includes ten core development centers. These development centers utilize a globally consistent approach to the process for developing seating products. By leveraging a network of subject matter technical experts, Adient efficiently implements best practices and improves product cost and quality. Adient's product development practices also entail leveraging low cost country development centers in India, China, Czech Republic and Slovakia.

Development Centers	
Plymouth (USA)	Trencin (Slovakia)
Burscheid (Germany)	Yokohama (Japan)
Solingen (Germany)	Chongqing (China)
Kaiserslautern (Germany)	Ceska Lipa (Czech Republic)
Ansan (South Korea)	Pune (India)

Leadership Position in China Adient is a leading supplier of "just-in-time" seating in China. It operates through its wholly owned entities and 6 joint ventures (nonconsolidated and consolidated) with 37 manufacturing locations in 22 cities, which are supported by additional technical centers. Adient's strong position with European and American automakers is complemented by partnerships with all major auto groups in China, which has resulted in Adient's broad market penetration relative to seating competitors and market leadership in the industry's largest market. Adient leverages its operating expertise and innovation capabilities developed worldwide to further support its growth in China.

Platform for Global Growth Adient's current global platform creates multiple opportunities for growth, such as:

- *Market share expansion in seating and seating components.* Adient has relationships with global OEM customers. These relationships, combined with Adient's product offerings, enhance Adient's ability to expand its business with regional customers who are growing and expanding globally and also with new entrants to the automotive market.
- *Regional growth opportunities.* Adient is able to leverage its position as the market leader in Europe, North America and China to grow in other markets, such as Southeast Asia.

- *Vertical integration.* Adient's operations provide opportunities for continued vertical integration in areas that could enhance Adient's capabilities, expand profit margins and grow revenues with customers who employ component sourcing strategies.

Product/Systems

Adient designs and manufactures a full range of seating systems and components for passenger cars, commercial vehicles and light trucks, including vans, pick-up trucks and sport/crossover utility vehicles. Adient's technologies extend into virtually every area of automotive seating solutions including complete seating systems, frames, mechanisms, foam, head restraints, armrests and trim covers.

Customers

Adient is a supplier to all of the global OEMs and has longstanding relationships with premier automotive manufacturers, including BMW, Mercedes-Benz Group, Ford Motor Company, General Motors Company, Honda Motor Company, Hyundai Motor Company, Jaguar Land Rover, Kia Corporation, Mazda Motor Corporation, Mitsubishi Motor Corporation, Nissan Motor Corporation, Renault Group, Stellantis N.V., Suzuki Motor Corporation, Toyota Motor Corporation, Volkswagen Group and Volvo Car Group. Adient also supplies most of the growing regional OEMs such as Beijing Automotive Group Co., Ltd., Changan Automobile (Group) Co., Ltd., FAW Group Corporation, Proton Holdings Berhad, Ashok Leyland, Tata Motors Limited and Zhejiang Geely Holding Group Co., Ltd. and newer auto manufacturers such as NIO, Xpeng Motors, BYD Company Ltd. and Xiaomi Motors. Additionally, Adient has 6 joint venture partnerships with key OEMs, including Guangzhou Automobile Group Co., Ltd., Beijing Automobile Group Co., Ltd. and FAW Group Corporation. Further details regarding Adient's customers is provided in Part II, Item 8 of this Form 10-K in Note 1, "Organization and Summary of Significant Accounting Policies," of the notes to consolidated financial statements.

Industry

The Automotive Seating industry provides OEMs with complete seats on a "just-in-time" or "in-sequence" basis. Seats are assembled to specific order and delivered on a predetermined schedule directly to an automotive assembly line. The components for these complete seat assemblies such as seating foam, metal structures, fabrics, seat covers and seat mechanisms are shipped to Adient or competitor seating assembly plants. Adient is a global leader in complete seat assembly and one of the largest in all major seating components including seating foam, metal structures, seat covers and seat mechanisms.

Demand for automotive parts in the OEM market is generally a function of the number of new vehicles produced, which is primarily driven by macro-economic factors such as credit availability, interest rates, fuel prices, consumer confidence, employment and other trends. Although OEM demand is tied to actual vehicle production, participants in the automotive supplier industry also have the opportunity to grow through increasing product content per vehicle by further penetrating business with existing customers and in existing markets, gaining new customers and increasing their presence in global markets. Adient believes that, as a company with a global presence and advanced technology, engineering, manufacturing and customer support capabilities, it is well positioned to benefit from these opportunities.

Sourcing Patterns by OEMs Most OEMs have adopted global vehicle platforms to increase standardization, reduce per unit cost and increase capital efficiency and profitability. In seating, three sourcing patterns exist:

1. *Core seat structures:* By developing common front seat frames and mechanisms across multiple vehicle platforms, OEMs are reducing costs.
2. *Component sourcing:* Several OEMs have shifted from sourcing a complete seating system to a components approach where the OEM sources each of the different components of the seat and seating assembly as separate business awards.
3. *Engineering "in-sourcing":* Some OEMs are conducting the design and engineering internally and are selecting suppliers that have the capability to manufacture products on a worldwide basis and adapt to regional variations.

As a supplier with global scale and strong design, engineering and lean manufacturing capabilities in both complete seat systems and components, Adient is well positioned to accommodate each of these three sourcing patterns.

Shorter Product Development Cycles As a result of new safety and environmental regulations, as well as a trend of more rapid customer preference changes, OEMs are requiring suppliers to respond faster with new designs and product innovations. Although these trends are more significant in mature markets, emerging markets are moving rapidly towards the regulatory standards and consumer preferences of the more mature markets. Suppliers with strong technologies, robust global engineering and development capabilities will be best positioned to meet OEM demands for rapid innovation.

Electric Vehicles Electric vehicles (“EVs”) continue to be a focus in the global automotive industry driven by a variety of product offerings from legacy manufacturers and from new entrants. The rollout of EVs platforms vary across the regions with factors such as pricing, affordability, government incentives, infrastructure and overall consumer acceptance influencing the pace of adoption. While seating systems are not largely impacted by the shift to EVs, key attributes of seat design are evolving as the market pivots toward EVs. This movement provides Adient with unique opportunities to provide value added solutions through Adient’s Evolution of Seating Systems Sustainability (“ES³”) and to capture market share through new entrants based on Adient’s existing leading market position.

Advanced Driver Assist Systems (“ADAS”) and Automated Driving Systems (“ADS”) As the global automotive industry continues to incorporate ADAS/ADS into its vehicles and as alternative usage models evolve, such as car sharing and urban mobility, Adient is poised to capitalize on greater seating content that may accompany these new innovations. Adient has developed an interiors concept for autonomous driving which addresses major seating and other interior trends that are expected to drive the automotive industry of the future. Adient will continue to partner with OEMs and other customers in the development of ADAS and ADS concepts.

Competition

Adient faces competition from other automotive suppliers and, with respect to certain products, from the automobile OEMs who produce or have the capability to produce certain products the business supplies. The automotive supply industry competes on the basis of technology, quality, reliability of supply and price. Design, engineering and product planning are also important factors. The competitive landscape for seating and components can be categorized into three segments: (1) traditional seating suppliers, (2) component specialists and (3) competitors who are partnered with an OEM through ownership or interlocking business relationships. Independent suppliers that represent the principal competitors of Adient include Lear Corporation, Toyota Boshoku Corporation, Forvia SE, Magna International Inc. and Yanfeng Automotive Systems Co., Ltd. Adient's deep vertical integration, global footprint and broad product offering make it well positioned to compete against the traditional global Tier-1 suppliers and component specialists.

Raw Materials

Raw materials used by Adient in connection with its operations include steel, aluminum, polyurethane chemicals, fabrics, leather, vinyl and polypropylene. Continuing into fiscal 2024, the automotive industry has experienced volatility in commodity prices. This price volatility may continue into the future as demand increases and/or supply is constrained. During fiscal 2025, commodity prices and availability could fluctuate throughout the year and significantly affect Adient's results of operations. Refer to the Sustainability heading in this Item 1, “Business” for information on sustainability actions Adient is taking with its products and related materials, and refer to Item 1A, “Risk Factors” of this Form 10-K for additional information on risks associated with the supply of Adient’s raw materials.

Intellectual Property

Generally, Adient seeks statutory protection for strategic or financially important intellectual property developed in connection with its business. Certain intellectual property, where appropriate, is protected by contracts, licenses, confidentiality or other agreements.

Adient owns numerous U.S. and non-U.S. patents (and their respective counterparts), the more important of which cover those technologies and inventions embodied in current products or which are used in the manufacture of those products. While Adient believes patents are important to its business operations and in the aggregate constitute a valuable asset, no single patent, or group of patents, is critical to the success of the business. Adient, from time to time, grants licenses under its patents and technology and receives licenses under patents and technology of others.

Adient's trademarks are registered or otherwise legally protected in the United States and many non-U.S. countries where products and services of Adient are sold.

Most works of authorship produced for Adient, such as computer programs, catalogs and sales literature, carry appropriate notices indicating Adient's claim to copyright protection under U.S. law and appropriate international treaties.

Regulation

Adient operates in a constantly evolving global regulatory environment and is subject to numerous and varying regulatory requirements for its product performance and material content. Adient's practice is to identify potential regulatory and quality risks early in the design and development process and proactively manage them throughout the product lifecycle through the use of routine assessments, protocols, standards, performance measures and audits. New regulations and changes to existing regulations are managed in collaboration with the OEM customers and implemented through Adient's global systems and procedures designed to ensure compliance with existing laws and regulations. Adient demonstrates material content compliance through the International Material Data System ("IMDS") which is the automotive industry material data system. In the IMDS, all materials used for automobile manufacturing are archived and maintained, in order to meet the obligations placed on the automobile manufacturers and thus on their suppliers by national and international standards, laws and regulations.

Adient works collaboratively with a number of stakeholder groups including government agencies (*e.g.*, National Highway Traffic Safety Administration), its customers and its suppliers to proactively engage in federal, state and international public policy processes.

Legal Matters

Adient is involved in various lawsuits, claims and proceedings incident to the operation of its businesses, including those pertaining to product liability, environmental, safety and health, intellectual property, employment, commercial and contractual matters, and various other matters. Although the outcome of such lawsuits, claims and proceedings cannot be predicted with certainty and some may be disposed of unfavorably to Adient, it is management's opinion that none of these will have a material adverse effect on Adient's financial position, results of operations or cash flows. Costs related to such matters were not material to the periods presented. Further details regarding Adient's commitments and contingencies is provided in Part II, Item 8 of this Form 10-K in Note 19, "Commitments and Contingencies," of the notes to consolidated financial statements.

Sustainability

Adient recognizes robust, responsible and sustainable policies and practices are essential to the long-term success of its business and the well-being of its stakeholders, including investors, employees, suppliers, customers and communities. Adient prioritizes environmental stewardship by integrating sustainability principles into product development initiatives, manufacturing processes, procurement practices, corporate governance activities and other key business areas. The Board of Directors and senior managers ensures that Adient operates ethically and in accordance with applicable laws and regulations, and, as appropriate, they oversee and implement sustainability policies and strategies with input from a cross-functional team of subject matter experts across the organization. Adient regularly communicates its targets and actions related to sustainability to stakeholders through SEC filings, media releases, adient.com website, quarterly earnings reports and the annual corporate sustainability report.

Production Processes

Adient remains committed to improving sustainability in its global operations and utilizing standardized processes to reduce energy consumption, conserve water and generate less waste and emissions at facilities globally. Adient set a goal of reducing its scope 1 and 2 greenhouse gas emissions 75% by 2030 (with 2019 as the base year), and continues to make progress toward that goal. In 2023, Adient expanded its goal with a longer term target of achieving carbon neutrality at its manufacturing sites for scope 1 and 2 greenhouse gas emissions by 2040. Some fiscal year 2024 examples of how Adient is reducing emissions and improving sustainability in its operations include:

- Identifying and repairing air leaks in pneumatic plant assembly lines.
- Recovering waste heat from air compressors and using it to help warm buildings.
- Installing wireless communication modules to automatically shut down fans when not needed.
- Optimizing how foam mold temperature machines are connected in parallel to ensure only heating the necessary number of machines.
- Optimizing packaging and delivery routes to reduce waste and fuel usage.
- Replacing liquefied petroleum gas ("LPG") and diesel forklifts with electric forklifts at the end of their life cycle.

In addition, Adient has set a goal to attribute 100% of the electricity consumed at its sites worldwide to renewable sources by 2035. Several of Adient's sites already generate renewable electricity on-site via solar panel installations, and more than 60 Adient sites now consume electricity from a renewable source.

Products

Sustainability has been an inherent part of product development and innovation at Adient for more than three decades, and customers' sustainability targets are closely tracked to ensure its efforts align with the needs and goals of its customers. More recently, vehicle electrification and a general move toward increasingly efficient transportation have emphasized the need for automotive seating products that are lighter, slimmer and made of more environmentally friendly materials than traditional seating products. To help meet this need, Adient has developed products such as the Soft Back Panel and Soft Side Valance components, which integrate up to 70% recycled polyethylene terephthalate ("PET") while improving knee clearance and reducing the weight of each seat by as much as 2 kg. Adient has also developed an innovative, EV-ready concept seat - the Pure Essential - that combines a high degree of comfort with a sleek appearance while reducing cost, complexity, weight and the seat's overall carbon footprint. The Pure Essential seat promotes product circularity by using just two primary eco-friendly material types: green steel for the seat structure and recyclable polyester for comfort features and trim covers. Through Adient's ES³ (Evolution of Seating Systems Sustainability) approach to product design, Adient is continuously identifying and integrating materials and manufacturing methods that minimize environmental impact and promote a circular economy.

Adient also recognizes the importance of its supply chain's environmental risks and impacts and is working with its suppliers to reduce scope 3 (value chain) emissions 35% by 2030 (with 2019 as the base year). In fiscal year 2024, Adient continued to expand the use of its proprietary Product Carbon Footprint Tool - data-based software that calculates the carbon footprint of a specific product based on its bill of materials - impacting designer, engineer and customer decisions and supporting its scope 3 emissions-reduction goal. As noted in Adient's recently updated Deforestation Commitment and natural resources webpage, Adient is making progress on its commitments in procuring forest risk commodities from more sustainable sources to reduce the impact on deforestation and protect natural habitats globally.

People

Adient continues to work to protect the human rights and well-being of its employees, suppliers, customers and communities in which Adient operates globally and released an updated Human Rights Policy Statement in 2024. Adient updated its Ethics Policy in 2023 to address evolving laws and regulations, including those regarding sustainability, and in fiscal year 2024, 99% of Adient's salaried workforce completed Adient's annual Ethics Policy certification. Adient also established in 2024 a new global Center of Excellence ("COE") centrally addressing global supplier compliance and risk management; this COE is dedicated to continuously improving Adient's processes, procedures and systems for vetting and performing supplier due diligence. Additionally, Adient is proud to support women-, minority- and veteran-owned businesses by spending more than \$1 billion with diverse suppliers every year.

Human Capital Resources

Adient's ability to sustain and grow its business requires it to hire, retain and develop a highly skilled and diverse workforce. Adient values character and integrity as much as qualifications and fosters an empowerment culture where employees have ownership in business outcomes. The highest levels of Adient's management drive these practices with the alignment and support of all levels within the organization. The Executive Vice President, Chief Legal and Human Resources Officer, and Corporate Secretary, reporting directly to the Chief Executive Officer ("CEO"), oversees Adient's global talent processes to attract, develop and retain the most valuable asset - its employees. Adient has more than 70,000 employees worldwide who represent a wide variety of backgrounds. Adient's workforce composition (including employees at consolidated joint ventures), as of September 30, 2024, consists of approximately:

- 46% work in the Americas, 41% work in EMEA and 13% work in Asia
- 41% of the global workforce is female
- 52% of employees in the U.S. have identified themselves as an ethnic minority

Adient ensures its people are engaged and working collaboratively to achieve company goals through positive employee relations activities that focus on supporting employees and their families. Adient also provides and encourages many forms of two-way communication such as town hall meetings, engagement surveys, open-door policies and an ethics Integrity Helpline so that employees can hear directly from Adient leadership and have the opportunity to ask questions, make suggestions, raise concerns, and provide input. Because the attraction, development and retention of the employee base is significant to its business strategy, executive management provides frequent updates on these metrics to the Board of Directors.

Health and Safety

Adient is committed to protecting the safety and well-being of colleagues, customers, suppliers and people using its premises by providing and maintaining a safe working environment that protects both physical and mental well-being. Adient requires protective equipment, enforces comprehensive safety policies and procedures, and encourages employees and leaders to look regularly for ways to improve workplace safety. Adient has implemented and maintains a health and safety management system that is certified to the ISO 45001 Occupational Health and Safety standard. Globally, 100% of Adient's facilities are internally audited and compliant, and 100% are also third-party audited and certified. Adient employees work together across the globe, sharing best practice ideas, procedures, and information regarding accidents and injuries. At Adient, every new machine, operation, building or workstation change requires a safety risk assessment. When Adient's employees come to work, they can know that where they work has undergone an extensive review of associated risks of injury or illness and that those risks are eliminated and/or minimized through robust controls. Adient provides regular updates on health and safety to its Board of Directors.

Diversity and Inclusion

Adient strives to build a culture of diversity and inclusion through purchasing, human resource practices and policies and strives to eliminate discrimination and harassment in all its forms, including but not limited to discrimination against women, minorities and other protected groups. Adient President and CEO Jerome Dorlack signed the "CEO Action for Diversity & Inclusion" pledge promulgated by the CEO Action for Diversity & Inclusion initiative, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. In addition, Adient is a member of the Center for Automotive Diversity, Inclusion and Advancement ("CADIA"). In fiscal year 2024, Adient updated its Human Rights Policy Statement; this document — as well as Adient's Commitment to Diversity, Equity and Inclusion document — emphasize Adient's commitment to protecting the safety, well-being and human rights of its people while driving a diverse and inclusive work culture. Guided by its diversity and inclusion vision and mission, Adient developed global focus areas, including developing, engaging, and attracting diverse talent at all levels of the organization, including the leadership level, over the next three years, ensuring there is equity in people and pay practices, and continuing to develop and refine our people metrics. Adient provides updates to the Board of Directors on diversity initiatives and shares information on initiatives and metrics in its annual sustainability report.

Since success in this area requires listening to diverse voices, Adient established diversity and inclusion councils in each of its three business regions: 1) the Americas, which is inclusive of North America and South America; 2) Europe, the Middle East and Africa ("EMEA") and 3) Asia Pacific/China ("Asia"). These councils drive strategic and tactical actions in the areas of talent acquisition and retention, communications and employee feedback, training and education, metrics and key performance indicators, and Adient's diverse and employee-led business resource groups ("BRGs"). While the three councils primarily work within their regions, they also communicate and collaborate across regions to ensure alignment and progress toward enterprise-wide diversity and inclusion goals. Additionally, Adient has periodic global online training for all salaried employees focused on diversity and inclusion. In addition to frequent workshops and panel discussions, in fiscal year 2024 Adient launched a four-part manager training series facilitated by CADIA.

In 2024, Adient employees launched one new BRG in the Americas region, the Mission*Integrity*Leadership BRG, as well as one new affinity group, the Technology Professionals Society. These two groups join Adient's five other Americas BRGs: Hispanic Origins • Latino Ancestry BRG, African Ancestry BRG, South Asian Community BRG, True Colors Network, and Women's Resource Network. Adient continues to develop and refine its initiatives to achieve its diversity and inclusion vision of being a premier employer that champions an inclusive and equitable work culture enriched by diversity, where all employees are valued and respected.

Succession and Talent Development

Adient believes that attracting, developing, motivating and retaining employees is key to sustainable and profitable growth. Adient understands that, like customers, employees and potential employees have choices of where to work, and Adient must compete for the best talent. Adient supports employee development in multiple ways. Adient has a global performance management process through which employees provide a self-assessment and managers provide evaluation and feedback on performance. This process informs employee development goals.

Adient has a number of global and regional development programs, growing employees at multiple stages in their career. Through these programs, Adient is investing in the long-term success of employees, helping them develop skills and leadership acumen based on current needs and in anticipation of future needs. Adient makes a substantial investment in employee development through its partnership with the University of Michigan's Ross School of Business. Through this partnership,

Adient offers two programs: Adient Accelerate, a leadership development program for director-level employees that is now in its fourth year, and Adient Leadership and Performance Skills (“ALPS”), a new program in fiscal year 2024. The ALPS program is targeted to providing mid-level managers the leadership skills and competency to address Adient’s current and future challenges.

Adient's Leadership Talent Review (“LTR”) is its annual process for identifying and evaluating talent for the purposes of aligning individual aspirations and development plans with the organization's needs and building a diverse pipeline of leaders to mitigate leadership vacancy risk. LTR is designed to be an inclusive process that promotes visibility of talent, increases the validity of succession plans and ensures development efforts are applied efficiently. Talent potential assessments and succession plans are calibrated with broader groups of leaders to drive consistency, awareness and alignment on decisions and development actions. Adient's executive leadership provides annual updates on succession and talent development to the Board of Directors.

Seasonal Factors

Adient's principal operations are directly related to the automotive industry. Consequently, Adient may experience seasonal fluctuations to the extent automotive vehicle production slows, such as in the summer months when many customer plants close for model year changeovers and in December when many customer plants close for the holidays.

Available Information

Adient's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are filed with the Securities and Exchange Commission (the “SEC”). Adient is subject to the informational requirements of the Exchange Act and files or furnishes reports, proxy statements and other information with the SEC. Such reports and other information filed by Adient with the SEC are available free of charge on Adient's website at www.adient.com when such reports are available on the SEC's website. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The contents of these websites are not incorporated into this filing. Further, Adient's references to website URLs are intended to be inactive textual references only.

Information about Adient’s Executive Officers

The following table sets forth certain information with respect to Adient's executive officers as of the date of this filing:

Name	Age	Position(s) Held	Year Appointed to Present Position
Michel P. Berthelin	54	Executive Vice President, EMEA	2019
James Conklin	52	Executive Vice President, Americas	2022
Jerome J. Dorlack	44	President and Chief Executive Officer	2024
James J. Huang	63	Executive Vice President, APAC	2019
Stephanie S. Marianos	56	Executive Vice President, Global IT & Business Services and Sustainability	2024
Mark A. Oswald	58	Executive Vice President and Chief Financial Officer	2024
Gregory S. Smith	56	Senior Vice President and Chief Accounting Officer	2019
Heather M. Tiltmann	52	Executive Vice President, Chief Legal and Human Resources Officer, and Corporate Secretary	2021

Michel P. Berthelin. Mr. Berthelin is the Executive Vice President, EMEA of Adient. Mr. Berthelin was the Vice President, EMEA of Delphi Technologies during 2018. He served as the Global Steering Vice President of ZF Friedrichshafen AG from 2016 to 2018 and the Vice President, North America-Braking of ZF Friedrichshafen AG during 2015. He was also Vice President, Europe-Braking for TRW Automotive Holdings Corp. from 2012 to 2015.

James Conklin. Mr. Conklin is the Executive Vice President, Americas of Adient. Mr. Conklin served as Adient’s Vice President, Americas Operations from 2016 to 2022, as well as General Manager of Adient’s Seat Structures and Mechanisms business from 2018 to 2020. Prior to that, he had various roles of increasing responsibility with Johnson Controls, Inc.,

including Vice President of Operations and Executive Director, Continuous Improvement and Best Business Practices, as well as leadership positions within Advanced Manufacturing, Lean Manufacturing, Operations and Quality.

Jerome J. Dorlack. Mr. Dorlack is the President and Chief Executive Officer and a Director of Adient. Mr. Dorlack served as Executive Vice President and Chief Financial Officer of Adient from 2022 to 2023, Executive Vice President, Americas of Adient from 2019 to 2022 and Vice President and Chief Purchasing Officer of Adient from 2018 to 2019. He also served as Senior Vice President and President, Electrical Distribution System and President, South America of Aptiv plc from 2017 to 2018, and Vice President, Powertrain Systems and General Manager, Global Powertrain Products of Delphi Automotive plc from 2016 to 2017. Prior to that, Mr. Dorlack served as Executive Vice President – Global Procurement of ZF Friedrichshafen from 2015 to 2016, and Vice President, Global Purchasing, Supplier Development and Logistics of ZF Friedrichshafen from 2013 to 2015.

James J. Huang. Mr. Huang is the Executive Vice President, APAC of Adient. Mr. Huang served as Vice President, Complete Seat APAC of Adient from 2016 to 2018, and Vice President Complete Seat APAC of Johnson Controls, Inc. from 2014 to 2016. Prior to that, Mr. Huang held leadership positions in Asia Pacific in purchasing and sales before serving as General Manager of Shanghai Yanfeng Johnson Controls Seating Co., Ltd.

Stephanie S. Marianos. Ms. Marianos is the Executive Vice President, Global IT and Business Services and Sustainability of Adient. She previously served as Vice President, Sustainability from 2023 to 2024 and Vice President, Internal Audit from 2020 to 2023. Prior to that, Ms. Marianos spent 15 years at Visteon Corporation in a variety of finance roles including Vice President, Operations Finance and Vice President, Chief Accounting Officer.

Mark A. Oswald. Mr. Oswald is the Executive Vice President and Chief Financial Officer of Adient. Mr. Oswald served as Vice President, Treasurer, Investor Relations, and Corporate Communications of Adient from 2020 to 2024. He previously served as Vice President Investor Relations and Corporate Communication from 2018 to 2020 and Vice President Investor Relations from 2016 to 2018. Mr. Oswald held various investor relations and finance roles with General Motors, TRW Automotive and Ford Motor Company from 1994 to 2016.

Gregory S. Smith. Mr. Smith is the Senior Vice President and Chief Accounting Officer of Adient. Mr. Smith served as Adient's Assistant Corporate Controller from 2016 to 2019. Prior to that, he served as Corporate Controller of Jason Industries, Inc. in 2015 and was with PricewaterhouseCoopers LLP from 1995 to 2015.

Heather M. Tiltmann. Ms. Tiltmann is the Executive Vice President, Chief Legal and Human Resources Officer, and Corporate Secretary of Adient. Ms. Tiltmann served as Senior Vice President, General Counsel and Secretary of Adient from 2020 to 2021. Prior to that, Ms. Tiltmann was Adient's Vice President and General Counsel, Labor & Employment, Litigation and Compliance, and has served in other legal roles at Adient since 2016. Ms. Tiltmann was an attorney at Johnson Controls, Inc. with increasing levels of responsibility from 2011 to 2016, and an attorney with the law firm of Whyte Hirschboeck Dudek S.C. from 2000 to 2011.

Item 1A. Risk Factors

The following discussion of risk factors contains forward-looking statements. These risk factors may be important to understanding other statements in this Form 10-K. The following information should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K.

The business, financial condition and operating results of Adient can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below, any one or more of which could, directly or indirectly, cause Adient's actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect Adient's business, financial condition, operating results and stock price.

Because of the following factors, as well as other factors affecting Adient's financial condition and operating results, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Risks Related to Adient's Global Business

General economic, credit, capital market and global political conditions could adversely affect Adient's financial performance, Adient's ability to grow or sustain its businesses and Adient's ability to access the capital markets.

Adient competes around the world in various geographic regions and product markets. Global economic conditions, including global demand for new vehicles, new vehicle affordability, supply chain disruptions, inflationary concerns and labor availability, affect Adient's business. As discussed in greater detail below, any future distress in the industries and/or markets where Adient competes could negatively affect Adient's revenues and financial performance in future periods, result in future restructuring charges, and adversely impact Adient's ability to grow or sustain its businesses.

The global automotive industry has recently experienced uncertainties due to changing macroeconomic conditions. Weakening consumer demand, impacted by new vehicle affordability and a high interest rate environment, among other factors, has resulted in lower automotive production volumes. The global adoption of electric vehicles by consumers has also slowed, creating disruptions in production scheduling. More specifically, the EMEA region is faced with overcapacity issues due to lower production volumes and resulting in pricing pressures. The EMEA region is also faced with intensifying competition from Chinese imports and lower exports to China as domestic brands expand in China. Adient strives to offset the impact of lower production volumes through improved operational performance, including commercial negotiations with Adient's customers and vendors and through other operational improvements that Adient can influence, however there is no guarantee that Adient will be able to sufficiently offset the impact of lower production volumes or to avoid more significant restructuring actions. The global automotive industry has also experienced significant volatility in the past due to supply chain disruptions, inflationary pressures, labor shortages, geopolitical uncertainties, high interest rates and foreign currency fluctuations. Although Adient's seating products have not typically been dependent directly on the components causing the supply chain disruptions, Adient has been directly impacted by lower production levels at the OEMs as a direct result of these disruptions. These disruptions have moderated in fiscal 2024, but supply chains remain fragile and, in the past have led to unplanned downtime at Adient's production facilities, often with very little warning, which created operating inefficiencies and limited Adient's ability to adequately mitigate such inefficiencies. The automotive industry has also experienced a period of significant price volatility (generally resulting in an increase in commodities, energy costs, freight costs, labor costs and other input costs), as well as encountering an environment of unfavorable foreign currency exposures and rising interest rates. While some of these input cost increases have moderated in fiscal 2024, other exposures will likely continue into fiscal 2025 and perhaps further into the future. This environment of significant price volatility has resulted in, and may continue to result in, increased costs for Adient that may not be, or may only be partially, offset. Adient also experienced constrained labor availability which has resulted in wage inflationary pressures, both internally and at key vendors. Adient continues to assess any impact labor shortages and wage inflation might have on Adient's ability to perform its obligations. Although Adient has developed and implemented strategies to mitigate the impact of supply chain disruptions along with the impact of higher input and other costs, these strategies, together with commercial negotiations with Adient's customers and suppliers, typically offset only a portion (less than 100%) of the adverse impact. Additionally, Adient's operating model requires long lead times between the design and development of products and the launch of production. This lead time requires Adient to secure vendor supply well in advance to minimize launch and production inefficiencies. During such lead times, price commitments are subject to change and could lead to an inability of Adient to fully recover all such price changes.

The capital and credit markets provide Adient with liquidity to operate and grow its business beyond the liquidity that operating cash flows provide. A worldwide economic downturn and/or disruption of the credit markets likely would reduce Adient's access to capital necessary for its operations and executing its strategic plan. Adient's ability to borrow against the ABL Credit Facility is limited to its borrowing base, which consists primarily of accounts receivable, inventory and certain cash account balances. Such working capital account balances fluctuate significantly depending on production levels and operating activities. If Adient's access to capital were to become constrained significantly, or if costs of capital increased significantly, due to lowered credit ratings, prevailing industry conditions, the volatility of the capital markets or other factors, Adient's financial condition, results of operations and cash flows likely would be adversely affected.

Unfavorable changes in the condition of the global automotive industry and the condition of individual automakers may adversely affect Adient's results of operations.

Adient's financial performance depends, in part, on conditions in the automotive industry. Automotive production and sales are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences. Automakers may experience a decline in the number of new vehicle sales, whether as a result of economic decline, supply chain disruptions and labor shortages, increasing consumer borrowing rates or for various other reasons. Automakers may also become less cost competitive due to rising input costs, such as labor or raw materials, and thereby experience a loss of demand for their products as consumers shift to lower cost options. As a result, Adient may experience reductions in orders from these customers, incur write-offs of accounts receivable, incur impairment charges or require additional restructuring actions beyond its current restructuring plans, particularly if any of the automakers cannot adequately fund their operations or experience financial distress. Such adverse changes likely would have a negative impact on Adient's business, financial condition or results of operations. In addition, Adient relies in part on its customers' forecasting of their expected needs, which forecasts can change rapidly and may not be accurate. Any inaccurate forecast data received by customers could also have an adverse impact on Adient's results of operations.

As a result of macroeconomic factors impacting Adient and the automotive industry, a heightened risk of impairment exists for the EMEA reporting unit as the difference between its fair value and carrying value is less than 10% as of September 30, 2024. The decrease in EMEA's fair value is driven by lower forecasted vehicle volumes from weakening consumer demand, slower consumer adoption of electric vehicles, overcapacity in the industry resulting in pricing pressure, intensifying competition from Chinese imports and lower exports to China from EMEA as domestic brands expand in China. As a result of the heightened risk of impairment, Adient will continuously assess the changing macroeconomic conditions in EMEA including the outlook for consumer demand for vehicles and other factors impacting the region, along with the need for further restructuring actions, all of which impact Adient's ability to achieve its projected long-term operating performance. Refer to Note 6, "Goodwill and Other Intangible Assets," of the notes to the consolidated financial statements for additional information.

Risks associated with joint venture partnerships may adversely affect Adient's business and financial results.

Adient has several joint ventures worldwide and may enter into additional joint ventures in the future. Adient's joint venture partners may at any time have economic, business or legal interests or goals that are inconsistent with Adient's goals or with the goals of the joint venture which could lead to, among other things, dissolution, liquidation and/or modification of the joint venture terms. Adient may compete against its joint venture partners in certain of its markets and certain negotiations with its customers may negatively impact its joint venture business with those same customers. Disagreements with Adient's business partners may impede Adient's ability to maximize the benefits of its partnerships and/or may consume management time and other resources to negotiate, and which could lead to, among other things, dissolution, liquidation and/or modification of the joint venture terms. Adient's joint venture arrangements may require Adient, among other matters, to pay certain costs or to make certain capital investments or to seek its joint venture partner's consent to take certain actions. Adient does not control the ability to collect cash dividends from its non-consolidated joint ventures. In addition, Adient does not control the financial reporting of its non-consolidated joint ventures, which may impact its ability to complete its financial statements in a timely or accurate manner. Delays in the collection of dividends, even by a few days, could adversely affect Adient's financial position and cash flows. Adient's joint venture partners may be unable or unwilling to meet their economic or other obligations under the operative documents, and Adient may be required to either fulfill those obligations alone to ensure the ongoing success of a joint venture or to dissolve and liquidate a joint venture. Further, joint venture partnerships are subject to renewal or expiration at various times. The failure to renew or extend the terms of Adient's joint venture partnerships could impact other areas of Adient's business, including its business relationships. The above risks, if realized, could result in a material adverse effect on Adient's business and financial results.

Furthermore, non-consolidated joint ventures present various risks, including the risk that Adient may be slower or less able to identify or react to problems affecting its non-consolidated joint ventures than Adient would for a wholly-owned subsidiary or consolidated joint venture. In addition, these arrangements may cause Adient to be slower to detect compliance related

problems and make its design of effective internal controls more challenging. Each of these challenges may be more costly to implement, and the risk of failure potentially higher, than would be the case in a more centralized structure. Depending on the nature of the problems, the failure to identify, detect or react could materially adversely affect Adient's business, financial condition or results of operations.

Risks associated with Adient's non-U.S. operations could adversely affect Adient's business, financial condition and results of operations.

Adient has significant operations in a number of countries outside the U.S., some of which are located in emerging markets. Long-term economic or political uncertainty in some of the regions of the world in which Adient operates, such as Asia, South America and Europe and other emerging markets, could result in the disruption of markets and negatively affect cash flows from Adient's operations to cover its capital needs and debt service requirements.

In addition, as a result of Adient's global presence, a significant portion of its revenues and expenses is denominated in currencies other than the U.S. Dollar. Adient is therefore subject to foreign currency risks and foreign exchange exposure. While Adient employs financial instruments to hedge some of its transactional foreign exchange exposure, these activities do not insulate Adient completely from those exposures. Exchange rates can be volatile and could adversely impact Adient's financial results and the comparability of results from period to period. Adient's use of financial instruments to limit this risk is guided by strict policies and processes and the success of Adient's hedging programs depends primarily on the performance of the business in comparison with Adient's forecasted sales proceeds and costs. If the forecast and other related factors are incorrect, the transactions entered into may have an adverse impact on Adient's financial results. No assurance can be given that judgment in this respect will be correct.

There are other risks that are inherent in Adient's non-U.S. operations, including the potential for changes in socioeconomic conditions, laws and regulations, including sanctions, import, export, direct and indirect taxes, value-added taxes, labor and environmental laws, and monetary and fiscal policies; protectionist measures that may prohibit acquisitions or joint ventures, or impact trade volumes; unsettled political conditions or instability; government-imposed plant or other operational shutdowns; backlash from foreign labor organizations related to Adient's restructuring actions; asset freezes and seizures; corruption; natural and man-made disasters; global health epidemics (such as COVID-19); hazards and losses; armed conflict, territorial disputes or acts of aggression in Asia, South America, Europe or otherwise; violence, civil and labor unrest; and possible terrorist attacks.

Russia's invasion of Ukraine in February 2022 resulted in significant uncertainty and instability in global supply chains and availability of certain commodities and raw materials. Although Adient has no operations in Ukraine and its operation in Russia has since been disposed, certain of its suppliers as well as customers depend on commodities and other material supplies that originate in Ukraine or Russia. In response to Russia's invasion in Ukraine, a number of countries, including the United States, the United Kingdom and members of the European Union, have implemented economic sanctions on Russia and certain Russian enterprises including several large banks. The conflict also led to increases in the cost of energy and the potential for energy shortages, especially in Europe. If the conflict continues or expands, it may trigger a series of additional economic and other sanctions which in turn could further disrupt the global automotive supply chains by limiting supplies of key components and increasing inflationary pressures. This ongoing conflict, along with other geopolitical uncertainties such as the current conflict in the Middle East, could have broader adverse impacts on macroeconomic factors that impact Adient's business, cash flows, financial condition and results of operations.

Adient's business in China is subject to aggressive competition and is sensitive to economic and market conditions.

Maintaining a strong position in the Chinese market is a key component of Adient's strategy. Adient's business in China is conducted through both consolidated subsidiaries and nonconsolidated joint ventures. The automotive supply market in China is highly competitive, with competition from many of the largest global manufacturers and numerous smaller domestic manufacturers. As the size of the Chinese market evolves and as Chinese OEMs penetrate other markets around the globe, often with lower-cost products, Adient anticipates that market participants will act aggressively to increase or maintain their market share. Increased competition may result in price reductions, reduced margins and Adient's inability to gain or hold market share. In addition to the risks imposed by U.S. economic trade policy discussed further below, Adient's business in China is sensitive to economic, political and market conditions that drive automotive sales volumes in China. If Adient is unable to maintain its position in the Chinese market, or if vehicle sales in China decrease or do not continue to increase, then Adient's business and financial results may be adversely affected. Also, if Chinese OEMs continue to expand into other markets and regions, Adient's business and financial results may be adversely affected if Adient does not have the same level of content on Chinese OEM vehicles.

Changes in U.S. administrative policy, including changes to existing trade agreements and any resulting changes in international trade relations, may have an adverse effect on Adient.

There is continued uncertainty about the future relationship between the U.S. and various other countries, most significantly China, with respect to trade policies, treaties, government regulations and tariffs. Changes in U.S. administrative policy could lead to changes to existing trade agreements, greater restrictions on free trade generally, prohibitions or restrictions on the import of certain automobiles and components into the U.S. and significant increases in tariffs on goods imported into the U.S., particularly tariffs on products manufactured in Mexico and China, among other possible changes. A trade war, other governmental action related to tariffs or international trade agreements, changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where Adient currently manufactures and sells products, and any resulting negative sentiments towards the U.S. as a result of such changes, likely would have an adverse effect on Adient's business, financial condition or results of operations.

The regulation of Adient's international operations, and any failure of Adient to comply with those regulations, could adversely affect its business, results of operations and reputation.

Due to Adient's global operations, Adient is subject to many laws governing international relations and its international operations, including laws that prohibit improper payments to government officials and commercial customers and that restrict where Adient can do business, what information or products Adient can import and export to and from certain countries and what information Adient can provide to a non-U.S. government. These laws include but are not limited to the U.S. Foreign Corrupt Practices Act, the Irish Criminal Justice ("Corruption Offences") Act, the U.K. Bribery Act, the U.S. Export Administration Act and U.S. and international economic sanctions and money laundering regulations. Adient has internal policies and procedures relating to compliance with such laws; however, there is a risk that such policies and procedures will not always protect Adient from the improper acts of employees, agents, business partners, joint venture partners or representatives, particularly in the case of recently acquired operations that may not have significant training in applicable compliance policies and procedures. Violations of these laws, which are complex, may result in criminal penalties, sanctions and/or fines, and may also result in costly and time-consuming governmental investigations, any or all of which could have an adverse effect on Adient's business, financial condition and results of operations and reputation. In addition, Adient is subject to antitrust laws in various countries throughout the world. Changes in these laws or their interpretation, administration or enforcement may occur over time. Any such changes may limit Adient's future acquisitions, divestitures or operations. Violations of antitrust laws may result in penalties, sanctions and/or fines, and may also result in costly and time-consuming governmental investigations, any or all of which could have an adverse effect on Adient's business, financial condition and results of operations and reputation.

Risks Related to Adient's Operations

Increases in the costs and restrictions on the availability of raw materials, energy, commodities, freight, labor and product components could adversely affect Adient's financial performance.

Raw material, energy, commodity, freight and labor costs can be volatile. Although Adient has developed and implemented strategies to mitigate the impact of higher raw material, energy, commodity, freight and labor costs, these strategies, together with commercial negotiations with Adient's customers and suppliers, may only offset a portion of the adverse impact. Certain of these strategies also may limit Adient's opportunities in a declining commodity environment. In addition, the availability of raw materials, commodities, transportation and product components fluctuates from time to time due to factors outside of Adient's control. Due to a variety of global factors, the automotive industry has experienced, and may continue to experience, supply chain disruptions from an insufficient availability of raw materials, components and labor. As a result of these disruptions, the automotive industry has seen volatility in the volume of automobile production, which has resulted in, and may continue to result in, decreased sales, without a corresponding decrease in labor costs, for Adient. In addition, the automotive industry has seen periods of price increases for commodities, primarily related to steel, and to a lesser extent petrochemicals, and energy costs in Europe. Adient has also experienced constrained labor availability which has resulted in wage inflationary pressures, both internally and at key vendors. Given the United Auto Workers' ("UAW") strategy of targeted strikes, Adient may see increased pressure for wage and benefit increases in the U.S. These increases may continue into the future as demand increases and as supply may remain constrained, which has resulted in, and may continue to result in, increased costs for Adient. If the costs of raw materials, energy, commodities, freight costs, labor costs and product components increase or the availability thereof is restricted, it could adversely affect Adient's financial condition, operating results and cash flows.

Adient operates in the highly competitive automotive supply industry.

The global automotive component supply industry is highly competitive. Competition is based primarily on price, technology, quality, delivery and overall customer service. There can be no assurance that Adient's products will be able to compete successfully with the products of Adient's competitors. Furthermore, the rapidly evolving nature of the markets in which Adient competes, including as a result of the autonomous vehicle market and consumer preferences for mobility on demand services, such as car- and ride-sharing, may attract new entrants. Additionally, consolidation in the automotive industry may lead to decreased product purchases from Adient.

As a result, Adient's sales levels and margins could be adversely affected by pricing pressures from OEMs and pricing actions of competitors. These factors may lead to selective resourcing of business to competitors. Adient's competitors may develop, design or duplicate technologies that compete with Adient's owned or licensed intellectual property. Developments or assertions by or against Adient relating to intellectual property rights, or any inability to protect Adient's rights, could have an adverse impact on its business and competitive position. In addition, any of Adient's competitors may foresee the course of market development more accurately than Adient, develop products that are superior to Adient's products, produce similar products at a lower cost than Adient, or adapt more quickly than Adient to new technologies or evolving customer requirements. Adient cannot provide assurances that certain of Adient's products will not become obsolete or that Adient will be able to achieve the technological advances that may be necessary to remain competitive. As a result, Adient's products may not be able to compete successfully with its competitors' products and Adient may not be able to meet the growing demands of customers. In addition, Adient's customers may increase levels of production insourcing for a variety of reasons, such as shifts in customers' business strategies or the emergence of low-cost production opportunities in other countries. These trends may adversely affect Adient's sales as well as the profit margins on Adient's products.

Adient's profitability and results of operations may be adversely affected by a significant failure or inability to comply with the specifications and manufacturing requirements of its OEM customers or by program launch difficulties.

Adient's business faces the production demands and requirements of its OEM customers, as described in Item 1, "Business" of this Annual Report on Form 10-K. As a result of safety and environmental regulations, as well as a trend of more rapid customer preference changes, OEMs are requiring suppliers like Adient to respond faster with new designs and product innovations. A significant failure or inability to comply with customer specifications and manufacturing requirements or delays or other problems with existing or new products often results in financial penalties, increased costs, loss of sales, loss of customers or potential breaches of customer contracts, which likely would have an adverse effect on Adient's profitability and results of operations.

In addition, to the extent Adient experiences product launch difficulties (which could be the result of a wide range of factors, including the production readiness of Adient's and its suppliers' manufacturing facilities and manufacturing processes, as well as factors related to tooling, equipment, employees, initial product quality and other factors), vehicle production at Adient's customers could be significantly delayed or shut down. Such situations could result in significant financial penalties to Adient, a diversion of personnel and financial resources to improving launches rather than investment in continuous process improvement or other growth initiatives, and could result in Adient's customers shifting work away from Adient to a competitor, all of which could result in loss of revenue, loss of market share and likely would have an adverse effect on Adient's profitability and cash flows. Adient's failure to successfully launch material new or takeover business, or Adient's inability to accurately estimate the cost to design, develop and launch new or takeover business, likely would have an adverse effect on Adient's profitability and results of operations.

Adient may not be able to successfully negotiate pricing and other terms with its customers or may be unable to achieve product cost reductions that offset customer-imposed price reductions, both of which may adversely affect its results of operations.

Adient negotiates sales price adjustments and other contractual terms periodically with its automotive customers. There is no guarantee that Adient will be able to successfully negotiate pricing or other terms that are favorable or beneficial to Adient. Further, any cost-cutting initiatives that its customers adopt generally result in increased downward pressure on pricing. If Adient is unable to generate sufficient production or supply chain cost savings in the future to offset price reductions, Adient's results of operations may be adversely affected. In particular, large commercial settlements with Adient's customers likely would adversely affect Adient's results of operations. In addition, Adient must negotiate contract and other program changes during the life of customer programs to address situations unforeseen at the beginning of the program, including those relating to labor shortages and material cost increases. The inability of Adient to negotiate these contract or program changes in a manner favorable to Adient could also adversely affect Adient's results of operations.

Work stoppages, including those at Adient's customers, and similar events could significantly disrupt Adient'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 Adient's manufacturing and assembly facilities could have adverse effects on the business. Similarly, if one or more of Adient's customers were to experience a work stoppage, such as what occurred during the UAW strike in the U.S. in late 2023, resulting in ongoing supply chain disruptions, or otherwise, that customer would likely halt or limit purchases of Adient's products, which could result in the shutdown of the related Adient manufacturing facilities and or other cost-reduction initiatives. In certain instances, Adient may be unable to adjust its staffing levels to correspond to a customer's work stoppage such that Adient incurs increased labor costs along with a decrease in production. A significant disruption in the supply of a key component due to a work stoppage at one of Adient's suppliers or any other supplier could have the same consequences, and accordingly, have an adverse effect on Adient's financial results.

Adient may be unable to realize the expected benefits of its restructuring actions, which could adversely affect its profitability and operations.

In order to align Adient's resources with its strategies, operate more efficiently and control costs and to realign its businesses, with customer and market needs and operating conditions, Adient has periodically announced, and in the future may continue to announce, restructuring plans, which may include workforce reductions, global plant closures and consolidations, asset impairments and other cost reduction initiatives. In each of the last six fiscal years, Adient announced restructurings related to cost reduction initiatives, which included workforce reductions, plant closures and asset impairments. Adient may undertake additional restructuring actions, including plant closures and workforce reductions in the future, particularly in EMEA where Adient is closely monitoring macroeconomic conditions and customer production plans. As these plans and actions are complex, unforeseen factors could result in expected savings and benefits to be delayed or not realized to the full extent planned (if at all), and Adient's operations and business may be disrupted, which likely would adversely affect Adient's financial condition, operating results and cash flow. Furthermore, to the extent such initiatives involve workforce changes, such changes may temporarily reduce workforce productivity, which could be disruptive to Adient's business and adversely affect results of operations.

A failure of Adient's information technology ("IT") and data security infrastructure or the unsuccessful adoption of new technology such as artificial intelligence could adversely impact Adient's business, operations and reputation.

Adient relies upon the capacity, reliability and security of its IT and data security infrastructure, as well as its ability to expand and continually update this infrastructure in response to the changing needs of its business. If Adient experiences a problem with the functioning of an important IT system or a security breach of Adient's IT systems, including a potential ransomware attack, due to failure to timely upgrade systems or during system upgrades and/or new system implementations, the resulting disruptions could have an adverse effect on Adient's business.

Adient and certain of its third-party vendors receive and store personal information in connection with Adient's human resources operations and other aspects of Adient's business. Despite Adient's implementation of security measures, Adient's IT systems, like those of other companies, are vulnerable to damages from computer viruses, natural disasters, unauthorized access, cyber attack, ransomware attack, and other similar disruptions. Any system failure, accident or cyber security breach or incident could result in disruptions to Adient's operations. A material network breach in the security of Adient's IT systems could lead to the theft of Adient's intellectual property, trade secrets, customer information, human resources information or other confidential information. To the extent that any disruptions or security breach results in a loss or damage to Adient's data, or an inappropriate disclosure of confidential, proprietary or customer information, it could cause significant damage to Adient's reputation, affect Adient's relationships with its customers and vendors, lead to claims against Adient and ultimately harm its business. In addition, Adient may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

In addition, legislators and/or regulators in countries in which Adient operates are increasingly adopting or revising privacy, information security and data protection laws. In particular, the European Union's General Data Protection Regulation and the China security law both have extra-territorial scope. Violations of such laws and regulations may result in penalties, sanctions and/or fines, and may also result in costly and time-consuming governmental investigations, any or all of which could have an adverse effect on Adient's business, financial condition and results of operations and reputation.

Adient is increasingly incorporating automation and artificial intelligence capabilities into the development of technologies and business operations, and into products and services. Artificial intelligence technology is complex and rapidly evolving, and may subject Adient to significant competitive, legal, regulatory, operational and other risks. The implementation of artificial intelligence can be costly and there is no guarantee that Adient's use of artificial intelligence will enhance its technologies,

benefit its business operations, or produce products and services that are preferred by its customers. Adient's competitors may be more successful in their artificial intelligence strategy and develop superior products and services with the aid of artificial intelligence technology. Additionally, artificial intelligence algorithms or training methodologies may be flawed, and datasets may contain irrelevant, insufficient or biased information, which can cause errors in outputs. This may give rise to legal liability, reputational damage, and materially harm Adient's business. The use of artificial intelligence in the development of Adient's products and services could also cause loss of intellectual property, as well as subject it to risks related to intellectual property infringement or misappropriation, data privacy and cybersecurity. Additionally, market adoption of artificial intelligence technology could be impaired by ethical and other issues inherent in the technology, which could impair demand for Adient's products and services. Furthermore, the U.S. and other countries may adopt laws and regulations related to artificial intelligence. Such laws and regulations could cause Adient to incur greater compliance costs and limit the use of artificial intelligence in the development of its products and services. Any failure or perceived failure by Adient to comply with such regulatory requirements could subject Adient to legal liabilities, reputational damage, or otherwise have a material and adverse impact on Adient's business.

Negative or unexpected tax consequences could adversely affect Adient's results of operations.

Adverse changes in the underlying profitability and financial outlook of Adient's operations in several jurisdictions could lead to additional changes in Adient's valuation allowances against deferred tax assets and other tax reserves on Adient's statements of financial position. Additionally, changes in tax laws in Ireland, the U.S. or in other countries where Adient has significant operations could materially affect deferred tax assets and liabilities on Adient's statements of financial position and income tax provision on Adient's statements of income.

Adient is also subject to tax audits for both direct and indirect taxes by governmental authorities on a worldwide basis. Governmental authorities have become more aggressive in proposing tax assessments, including interest related to income taxes and transaction taxes such as Value Added Tax ("VAT"). Negative unexpected results from one or more such tax audits could adversely affect Adient's results of operations.

If Adient does not respond appropriately, the evolution of the automotive industry towards autonomous vehicles and mobility on demand services could adversely affect Adient's business.

The automotive industry is increasingly focused on the development of advanced driver assistance technologies, with the goal of developing and introducing a commercially-viable, fully automated driving experience. There has also been an increase in consumer preferences for mobility on demand services, such as car- and ride-sharing, as opposed to automobile ownership, which may result in a long term reduction in the number of vehicles per capita. These evolving areas have also attracted increased competition from entrants outside the traditional automotive industry. If Adient does not continue to innovate to develop or acquire new and compelling products that capitalize upon new technologies in response to OEM and consumer preferences, this could have an adverse impact on Adient's results of operations.

Adient may incur material losses and costs as a result of warranty claims and product liability actions that may be brought against Adient.

Adient faces an inherent business risk of exposure to warranty claims and product liability in the event that its products fail to perform as expected and, in the case of product liability, such failure of its products results, or is alleged to result, in bodily injury and/or property damage. While Adient will maintain reasonable limits of insurance coverage to appropriately respond to such exposures, large product liability claims, if made, could exceed Adient's insurance coverage limits and insurance may not continue to be available on commercially acceptable terms, if at all. Adient may incur significant costs to defend these claims or experience product liability losses in the future. If any of Adient's products are or are alleged to be defective, Adient may be required to participate in a recall involving such products. As suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, auto manufacturers are increasingly looking to their suppliers for contribution when faced with recalls and product liability claims. A recall claim brought against Adient that is not insured, or a product liability claim brought against Adient in excess of its available insurance, could have an adverse impact on Adient's results of operations. In addition, a recall claim could require Adient to review its entire product portfolio to assess whether similar issues are present in other product lines, which could result in significant disruption to Adient's business and could have an adverse impact on Adient's results of operations.

Auto manufacturers are also increasingly requiring their suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which Adient supplies products to an auto manufacturer, an auto manufacturer may attempt to hold Adient responsible for some or all of the repair or

replacement costs of defective products under new vehicle warranties, when the vehicle manufacturer asserts that the product supplied did not perform as warranted.

Although Adient cannot assure that the future costs of warranty claims by its customers and product liability claims will not be material, Adient believes its established reserves are adequate to cover potential settlements. Adient's reserves are based on Adient's best estimates of amounts necessary to settle future and existing claims. Adient regularly evaluates the level of these reserves, and adjusts them when appropriate. However, the final amounts determined to be due related to these matters could differ materially from Adient's recorded estimates.

Any changes in consumer credit availability or cost of borrowing could adversely affect Adient's business.

Declines in the availability of consumer credit and increases in consumer borrowing costs have negatively impacted global automotive sales and resulted in lower production volumes in the past. Substantial declines in automotive sales and production by Adient's customers likely would have an adverse effect on Adient's business, results of operations and financial condition.

Global climate change and related emphasis on sustainability matters by various stakeholders could negatively affect Adient's business.

Increased public awareness and concern regarding global climate change may result in more regional and/or federal requirements to reduce or mitigate the effects of greenhouse gas emissions. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Such regulatory uncertainty extends to future incentives for energy efficient vehicles and costs of compliance, which may impact the demand for Adient's products and Adient's results of operations.

The effects of climate change, such as extreme weather conditions, create financial risk to Adient's business. For example, the demand for Adient's products and services may be affected by unseasonable weather conditions. Climate changes could also disrupt Adient's operations by impacting the availability and cost of materials needed for manufacturing and could increase insurance and other operating costs. These factors may impact Adient's decisions to construct new facilities or maintain existing facilities in areas most prone to physical climate risks. Adient could also face indirect financial risks passed through the supply chain, and process disruptions due to physical climate changes could result in price modifications for Adient's products and the resources needed to produce them.

Furthermore, customer, investor, regulatory and employee expectations in areas such as sustainability have been rapidly evolving and increasing. Specifically, regulatory bodies around the globe continue to develop sustainability reporting requirements, many of which will be subject to independent audits. Emerging European legislation is requiring detailed emissions data reporting for imported carbon intensive commodities, subject to financial payment mechanisms after a transition period. Further European legislation is requiring extensive value chain diligence for forest related commodities to ensure goods do not result from recent deforestation, forest degradation or breaches of local law. Also, certain customers are beginning to require that Adient provide information on its plans and goals relating to certain climate-related matters such as carbon and greenhouse gas emissions and renewable energy. Product design activities for lower carbon emission products must keep pace with customer carbon emission reduction and pricing expectations. The enhanced stakeholder focus on sustainability issues relating to Adient requires the continuous monitoring of various and evolving standards and the associated reporting requirements. A failure to adequately meet regulatory requirements and stakeholder expectations or achieve its sustainability-related goals may result in the loss of business, diluted market valuation, an inability to attract customers or an inability to attract and retain top talent.

As of the date of this filing, Adient has made several public commitments regarding the intended reduction of carbon emissions, including commitments to science-based targets to reduce carbon emissions from its operations and the operations of its customers. Although Adient intends to meet these commitments, it may be required to expend significant resources to do so, which could increase its operational costs. Further, there can be no assurance that any of Adient's commitments will be achieved, or that any future investments it makes to achieve such targets and goals will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance. Moreover, Adient may determine that it is in the best interest of Adient and its shareholders to prioritize other business, social, governance or sustainable investments over the achievement of Adient's current commitments based on economic, regulatory and social factors, business strategy or pressure from investors, activist groups or other stakeholders. If Adient is unable to meet these commitments, then it could incur adverse publicity and reactions from investors, activist groups and other stakeholders, which could adversely impact the perception of Adient and its products and services by current and potential customers, as well as investors, which could in turn adversely impact its results of operations.

Risks related to Adient's defined benefit retirement plans may adversely impact Adient's results of operations and cash flow.

Significant changes in actual investment return on defined benefit plan assets, discount rates, mortality assumptions and other factors could adversely affect Adient's results of operations and the amounts of contributions Adient must make to its defined benefit plans in future periods. For example, Adient has recorded mark-to-market adjustments on the revaluation of its pension obligations that have significantly impacted its overall results the past two years. Generally accepted accounting principles in the U.S. require that Adient calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial markets and interest rates, which may change based on economic conditions. Funding requirements for Adient's defined benefit plans are dependent upon, among other factors, interest rates, underlying asset returns and the impact of legislative or regulatory changes related to defined benefit funding obligations.

Legal proceedings in which Adient is, or may be, a party may adversely affect Adient.

Adient is currently and may in the future become subject to legal proceedings and commercial, contractual or other disputes. These are typically lawsuits, claims and proceedings that arise in the normal course of business including, without limitation, claims pertaining to product liability, product safety, environmental, safety and health, intellectual property, employment, commercial, contractual and various other matters. The outcome of such lawsuits, claims or proceedings cannot be predicted with certainty and some may be disposed of unfavorably to Adient. There exists the possibility that such claims may have an adverse impact on Adient's results of operations that is greater than Adient anticipates, and/or negatively affect Adient's reputation.

A downgrade in the ratings of Adient's debt capital could restrict Adient's ability to access the debt capital markets and increase Adient's interest costs.

Unfavorable changes in the ratings that rating agencies assign to Adient's debt may ultimately negatively impact Adient's access to the debt capital markets and increase the costs Adient incurs to borrow funds. Future tightening in the credit markets and a reduced level of liquidity in many financial markets due to turmoil in the financial and banking industries could adversely affect Adient's access to the debt capital markets or the price Adient pays to issue debt. A downgrade in Adient's ratings or volatility in the financial markets causing limitations to the debt capital markets could have an adverse effect on Adient's business or Adient's ability to meet its liquidity needs. There can be no assurance that Adient would be able to obtain additional financing or refinancing and failure to obtain such additional financing or refinancing could have a material adverse impact on Adient's operations. Adient may incur or assume significantly more debt in the future. If Adient incurs more debt in the future and does not retire existing debt, the risks described above could increase.

Adient's debt obligations could adversely affect Adient's business, profitability and the ability to meet its obligations.

As of September 30, 2024, Adient's total consolidated indebtedness approximated \$2.4 billion. This significant amount of debt could potentially have adverse consequences to Adient and its debt and equity investors, including:

- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of its debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing Adient's vulnerability to general adverse economic and industry conditions;
- placing Adient at a competitive disadvantage relative to its competitors that may not be as highly leveraged with debt; and
- limiting Adient's ability to borrow additional funds as needed.

Adient's business success depends on attracting and retaining qualified personnel and the attempt to operate under a hybrid working environment may not be successful.

Adient's ability to sustain and grow its business requires it to hire, retain and develop a highly skilled and diverse management team and workforce. Failure to ensure that Adient has the leadership capacity with the necessary skill set and experience could impede Adient's ability to deliver its growth objectives and execute its strategic plan. Organizational and reporting changes as a result of any future leadership transition and corporate initiatives, including restructuring actions, could result in increased turnover. Additionally, any unplanned turnover or inability to attract and retain key employees could have a negative effect on Adient's results of operations. Further, certain of the recent austerity measures related to employee compensation, along with the on-going unpredictability of production schedules, could result in employees pursuing other employment opportunities outside of Adient.

Adient is operating under a “hybrid” working environment, meaning that the majority of its non-plant employees have the flexibility to work remotely at least some of the time, for the foreseeable future. The hybrid working environment may impair Adient’s ability to maintain its collaborative and innovative culture, and may cause disruptions among employees, including decreases in productivity, challenges in communications between on-site and off-site employees and, potentially, employee dissatisfaction and attrition. If Adient’s attempts to operate under a hybrid working environment are not successful, its business could be adversely impacted.

Adverse developments affecting, or the financial distress of, one or more of Adient's suppliers or other third-party counterparties could adversely affect Adient's financial performance.

Adient obtains components and other products and services from numerous automotive suppliers and other vendors throughout the world. In addition, Adient is party to various arrangements with third parties who owe Adient money or goods and services, or who purchase goods and services from Adient. Adient is responsible for managing its supply chain, including suppliers that may be the sole sources of products that Adient requires, which Adient's customers direct Adient to use or which have unique capabilities that would make it difficult and/or expensive to re-source. In addition, with fewer sources of supply for certain components, each supplier may perceive that it has greater leverage and, therefore, some ability to seek higher prices at a time that Adient faces substantial pressure from OEMs to reduce the prices of Adient’s products. This could adversely affect customer relations and business. In certain instances entire industries may experience short-term capacity constraints. Additionally, Adient's production capacity, and that of Adient's customers and suppliers, may be adversely affected by natural disasters. Any such significant disruption could adversely affect Adient's financial performance. Unfavorable economic or industry conditions could also result in financial distress within Adient's supply chain or among other third-party counterparties, thereby increasing the risk of supply disruption or lost orders. Although market conditions generally have improved in recent years, uncertainty remains and another economic downturn or other unfavorable industry conditions in one or more of the regions in which Adient operates could cause a supply disruption or loss of customer orders and thereby adversely affect Adient's financial condition, operating results and cash flows.

The loss of business with respect to, or the lack of commercial success of, a vehicle model for which Adient is a significant supplier could adversely affect Adient's financial performance.

Although Adient receives purchase orders from its customers, these purchase orders often provide for the supply of a customer's annual requirements for a particular vehicle model and assembly plant, or in some cases, for the supply of a customer's requirements for the life of a particular vehicle model, rather than for the purchase of a specific quantity of products. In addition, it is possible that Adient's customers could elect to manufacture its products internally or increase the extent to which they require Adient to utilize specific suppliers or materials in the manufacture of its products. The loss of business with respect to, the lack of commercial success of or an increase in directed component sourcing for a vehicle model for which Adient is a significant supplier could reduce Adient's sales or margins and thereby adversely affect Adient's financial condition, operating results and cash flows.

Shifts in market shares among vehicles, vehicle segments or shifts away from vehicles on which Adient has significant content or overall changes in consumer demand could have an adverse effect on Adient's profitability.

While Adient supplies parts for a wide variety of vehicles produced globally, Adient does not supply parts for all vehicles produced, nor is the number or value of parts evenly distributed among the vehicles for which Adient does supply parts. Shifts in market shares among vehicles or vehicle segments, including as a result of the autonomous vehicle market, particularly shifts away from vehicles on which Adient has significant content and shifts away from vehicle segments in which Adient's sales may be more heavily concentrated, could have an adverse effect on Adient's profitability. Similarly, certain vehicles or vehicle segments Adient supplies may be disproportionately impacted by overall industry disruptions such that Adient’s sales may be adversely effected relative to the industry in general or Adient’s competitors, which could have a negative effect on Adient’s business. Increases in energy costs or other factors (e.g., climate change concerns) may also shift consumer demand away from motor vehicles that typically have higher interior content that Adient supplies, such as light trucks, crossover vehicles, minivans and sports utility vehicles, to smaller vehicles having less interior content. The loss of business with respect to, or a lack of commercial success of, one or more particular vehicle models for which Adient is a significant supplier could reduce Adient's sales and harm Adient's profitability, thereby adversely affecting Adient's results of operations.

Adient may not pay dividends on its ordinary shares, which may impact Adient's investor base.

Adient currently does not have plans to pay dividends on its ordinary shares. The timing, declaration, amount and payment of future dividends to shareholders will fall within the discretion of Adient's Board of Directors. The Board's decisions regarding the payment of dividends will depend on many factors, such as Adient's financial condition, earnings, sufficiency of

distributable reserves, capital requirements, debt service obligations, legal requirements, regulatory constraints and other factors that the board deems relevant. Adient's ability to pay dividends will depend on its ongoing ability to generate cash from operations and access capital markets. Adient cannot guarantee that it will pay dividends in the future which may impact Adient's investor base.

A variety of other factors could adversely affect Adient's results of operations.

Any of the following could adversely impact Adient's results of operations: the inability of Adient to execute continued turnaround actions to improve profitability; the loss of, or changes in, automobile supply contracts, sourcing strategies or customer claims with Adient's major customers or suppliers; increased freight or shipping costs resulting from extreme weather conditions or supply chain disruptions, lack of commodity availability and unfavorable commodity pricing; start-up expenses associated with new vehicle programs or delays or cancellations of such programs; underutilization of Adient's manufacturing facilities, which are generally located near, and devoted to, a particular customer's facility; inability to recover engineering and tooling costs; market and financial consequences of any recalls that may be required on products that Adient has supplied or sold into the automotive aftermarket; delays or difficulties in new product development and integration; quantity and complexity of new program launches, which are subject to Adient's customers' timing, performance, design and quality standards; interruption of supply of certain single-source components; the potential introduction of similar or superior technologies; changing nature and prevalence of Adient's joint ventures and relationships with its strategic business partners; global overcapacity and vehicle platform proliferation; and the implementation of new internal control systems and procedures that fail to achieve accurate financial reporting or that fail to prevent fraudulent activity (such as vendor payments to fraudulent bank accounts).

Risks Related to Adient's Jurisdiction of Incorporation

As an Irish public limited company, certain capital structure decisions require shareholder approval, which may limit Adient's flexibility to manage its capital structure.

Irish law provides that a Board of Directors may allot shares (or rights to subscribe for or convertible into shares) only with the prior authorization of shareholders. At Adient's most recent Annual General Meeting, Adient's shareholders renewed this authorization for a period of 18 months (unless previously renewed, varied or revoked). This authorization will need to be further renewed by ordinary resolution, being a resolution passed by a simple majority of votes cast, prior to expiration. Adient anticipates seeking another authorization at the next Annual General Meeting and annually thereafter. Should this authorization not be approved, the ability to issue equity could be limited which could adversely affect Adient's securities holders.

Irish law also generally provides shareholders with preemptive rights when new shares are issued for cash; however, it is possible for shareholders to vote to exclude preemptive rights in a general meeting. At the most recent Annual General Meeting, Adient's shareholders renewed this authorization for a period of 18 months (unless previously renewed, varied or revoked). This authorization will need to be renewed by special resolution, being a resolution passed by not less than 75% of votes cast, upon expiration. Adient anticipates seeking another authorization at the next Annual General Meeting and annually thereafter. Should this authorization not be approved, the ability to issue equity could be limited which could adversely affect Adient's securities holders.

The laws of Ireland differ from the laws in effect in the U.S. and may afford less protection to holders of Adient securities.

It may not be possible to enforce court judgments obtained in the U.S. against Adient in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against Adient or its directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against Adient or those persons based on those laws. The U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters in Ireland. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

A judgment obtained against Adient will be enforced by the courts of Ireland if the following general requirements are met: (i) U.S. courts must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule) and (ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where however the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that in the meantime the judgment may not be actionable in Ireland. It remains to

be determined whether final judgment given in default of appearance is final and conclusive. However, Irish courts may refuse to enforce a judgment of the U.S. courts which meets the above requirements for one of the following reasons: (i) if the judgment is not for a definite sum of money; (ii) if the judgment was obtained by fraud; (iii) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice; (iv) the judgment is contrary to Irish public policy or involves certain U.S. laws which will not be enforced in Ireland; or (v) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Ireland Superior Courts Rules.

As an Irish company, Adient is governed by the Irish Companies Act 2014, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to Adient only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of Adient and may exercise such rights of action on behalf of Adient only in limited circumstances. Accordingly, holders of Adient's securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U.S.

In addition, the Adient articles of association provide that the Irish courts have exclusive jurisdiction to determine any and all derivative actions in which a holder of Adient ordinary shares asserts a claim in the name of Adient, actions asserting a claim of breach of a fiduciary duty of any of the directors of Adient and actions asserting a claim arising pursuant to any provision of Irish law or Adient's articles of association. Under Irish law, the proper claimant for wrongs committed against Adient, including by the Adient directors, is considered to be Adient itself. Irish law permits a shareholder to initiate a lawsuit on behalf of a company such as Adient only in limited circumstances, and requires court permission to do so.

Adient's effective tax rate could be volatile and materially change as a result of changes in tax laws, mix of earnings and other factors.

A change in tax laws is one of many factors that impact Adient's effective tax rate. The U.S. Congress, the Organization for Economic Co-operation and Development ("OECD") and other government agencies in jurisdictions where Adient and its affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. One example is in the area of base erosion and profit shifting, including situations where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in the U.S. and other countries in which Adient and its affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely impact Adient and its affiliates, including potential adverse impacts to Adient's effective tax rate.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "IRA") into law. The corporate tax provisions include (a) the creation of a 15% corporate minimum tax, effective for Adient's fiscal year 2024, and (b) a nondeductible 1% excise tax on share buy-backs of covered corporations, effective for stock repurchases that occur after December 31, 2022. Based upon current IRS guidance and Adient income levels, Adient is not subject to either provision. However, Adient will continue to monitor and reassess the impact, if any, as the IRS and U.S. Treasury issue additional guidance on the IRA provisions. Given the current political environment, it is uncertain whether additional U.S. corporate tax reform could be expected. There are a number of corporate income tax topics that were not addressed in the IRA that could be raised in the future, for example: increasing the U.S. corporate tax rate, increasing the rate of tax on certain earnings of foreign subsidiaries (the corporate minimum tax), modifying the base erosion and anti-abuse tax rules to target outbound payments to low-taxed jurisdictions, and further limiting interest expense deductibility. If any or all of these (or similar) proposals are ultimately enacted into law, in whole or in part, Adient's effective tax rate could be negatively impacted.

In 2021, the OECD released a framework for the fundamental reform of international tax rules. The framework provides for two primary "Pillars"; however, only Pillar Two, which provides for a global minimum corporate tax rate of 15% in each jurisdiction in which the group operates, is expected to be applicable to Adient (Pillar One is not expected to be applicable as Adient does not currently meet the turnover threshold – EUR 20 billion). In December 2022, Pillar Two was adopted by the Council of the European Union for implementation by European Union member states by December 31, 2023, with effect for tax years beginning in calendar year 2024 (Adient's 2025 fiscal year) and Ireland has enacted national legislation to implement Pillar Two. Similar directives under Pillar Two are already adopted or expected to be adopted by taxing authorities in other countries where Adient does business, with widespread implementation of the global minimum tax in calendar years 2024 and 2025. The OECD, and its member countries, continue to release new guidance on these rules and Adient is continuously evaluating the impact to its financial position. Currently, the global enactment of Pillar Two is not expected to materially impact Adient's effective tax rate or cash flows. However, Adient will continue to monitor and evaluate new legislation and guidance, which could change the current assessment.

Currently, Adient incurs losses in certain countries where it does not receive a financial statement benefit, and Adient operates in countries which have different statutory rates. Consequently, changes in the mix and source of earnings between countries could have a material impact on Adient's overall effective tax rate.

Legislative and other proposals that would deny governmental contracts to U.S. companies that move their corporate location abroad may affect Adient if adopted.

Various U.S. federal and state legislative and other proposals that would deny governmental contracts to U.S. companies (and subsidiaries of U.S. companies) that move (or have moved) their corporate location abroad may affect Adient and/or its affiliates if adopted. It is difficult to predict the likelihood that any such proposals might be adopted, the nature of the regulations that might be promulgated, or the effect such adoptions and increased regulatory scrutiny might have on Adient's business.

Adient's status as a foreign corporation for U.S. federal tax purposes could be affected by a change in law.

Under current law, Adient is expected to be treated as a foreign corporation for U.S. federal tax purposes and Section 7874 is not otherwise expected to apply to Adient or its affiliates as a result of the separation from Johnson Controls International plc (the "Former Parent") in 2016. However, changes to the rules contained in Section 7874 and the Treasury Regulations promulgated thereunder, or other changes in law, could adversely affect Adient's and/or its affiliates' status as foreign corporations for U.S. federal tax purposes, the ability of Adient's U.S. affiliates to use certain attributes or deductions, the Adient group's effective tax rate and/or future tax planning for the Adient group, and any such changes could have prospective or retroactive application to Adient, its shareholders and affiliates, and/or the separation and distribution from the Former Parent.

Prior legislative and other proposals have aimed to expand the scope of U.S. corporate tax residence. Under such proposals, Adient and/or its affiliates could be treated as U.S. corporations if the management and control of Adient or such affiliates were determined to be located primarily in the U.S. In addition, prior legislative and other proposals have aimed to expand the scope of Section 7874, or otherwise address certain perceived issues arising in connection with so-called inversion transactions. Such proposals, if made retroactively effective to transactions completed during the period in which the separation from the Former Parent occurred, could cause Adient and/or its affiliates to be treated as U.S. corporations for U.S. federal tax purposes. If enacted, such proposals could cause the Adient group to be subject to substantially greater U.S. tax liability than currently contemplated.

Transfers of Adient ordinary shares, other than by means of the transfer of book-entry interests in the Depository Trust Company, may be subject to Irish stamp duty.

It is expected that, for the majority of transfers of Adient ordinary shares, there will not be any Irish stamp duty. Transfers of Adient ordinary shares effected by means of the transfer of book-entry interests in the Depository Trust Company ("DTC") are not subject to Irish stamp duty. But if Adient ordinary shares are held directly rather than beneficially through DTC, any transfer of Adient ordinary shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). A shareholder who directly holds Adient ordinary shares may transfer those shares into his or her own broker account to be held through DTC (or vice versa) without giving rise to Irish stamp duty provided that there is no change in the beneficial ownership of the shares as a result of the transfer and the transfer is not in contemplation of a sale of the shares by a beneficial owner to a third-party.

Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of Adient ordinary shares.

Certain provisions in Adient's articles of association, among other things, could prevent or delay an acquisition of Adient, which could decrease the trading price of Adient ordinary shares.

Adient's articles of association include measures that may be found in the charters of U.S. companies and that could have the effect of deterring coercive takeover practices, inadequate takeover bids and unsolicited offers. These provisions include, among others: (i) the power for the Board of Directors to issue and allot preferred shares or implement a shareholder rights plan without shareholder approval in certain circumstances; (ii) a provision similar to Section 203 of the Delaware General Corporation Law, which provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15 percent of the outstanding ordinary shares of Adient shall not engage in any business combination with Adient, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or its affiliates becomes the holder of more than 15 percent of Adient's outstanding ordinary shares; (iii) rules

regarding how shareholders may present proposals or nominate directors for election at shareholder meetings; and (iv) the ability of the Adient Board of Directors to fill vacancies on the Board of Directors in certain circumstances.

It could be difficult for Adient to obtain shareholder approval for a merger or negotiated transaction because the shareholder approval requirements for certain types of transactions differ, and in some cases are greater, under Irish law than under U.S. state law.

In addition, several mandatory provisions of Irish law could prevent or delay an acquisition of Adient. For example, Adient will be subject to various provisions of Irish law relating to mandatory bids, voluntary bids, requirements to make a cash offer and minimum price requirements, as well as substantial acquisition rules and rules requiring the disclosure of interests in Adient ordinary shares in certain circumstances. Also, Irish companies, including Adient, may only alter their memorandum of association and articles of association with the approval of the holders of at least 75% of Adient's shares present and voting in person or by proxy at a general meeting of Adient (and certain provisions of Adient's memorandum of association and articles of association may only be amended with the approval of the holders of at least 80% in nominal value of Adient's issued ordinary shares).

Irish law requires that Adient meet certain additional financial requirements before it declares dividends.

Under Irish law, Adient will be able to declare dividends and make distributions only out of "distributable reserves." Distributable reserves are the accumulated realized profits of Adient that have not previously been utilized in a distribution or capitalization less accumulated realized losses that have not previously been written off in a reduction or reorganization of capital, and include reserves created by way of a reduction of capital, including the share premium account. In addition, no distribution or dividend may be paid or made by Adient unless the net assets of Adient are equal to, or exceed, the aggregate of Adient's called up share capital plus non-distributable reserves and the distribution does not reduce Adient's net assets below such aggregate. Non-distributable reserves include the share premium account, the capital redemption reserve fund and the amount by which Adient's accumulated unrealized profits that have not been previously utilized by any capitalization exceed Adient's accumulated unrealized losses that have not previously been written off in a reduction or reorganization of capital.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Adient recognizes the critical importance of cybersecurity risk management, strategy, and governance. Adient's focus is protecting its valuable assets and data, ensuring business continuity, and maintaining trust with customers and stakeholders. Adient's cybersecurity risk strategy involves assessing and prioritizing potential threats, implementing robust security controls, maintaining an incident response plan and building plans to restore business capabilities and services, allowing prompt return to normal operations. Continuous monitoring and regular updates are essential to detect and respond to threats in real-time. While providing users with clear guidelines and regular updates, ensuring leadership is informed about potential risks and mitigation strategies, the Adient IT leadership team keeps executives updated on the overall cybersecurity posture and any significant incidents, while maintaining transparency with customers and shareholders.

Risk Assessment

Adient's IT compliance team conducts regular risk assessments and related testing for software applications, networks and other asset vulnerabilities, including cybersecurity. Adient's internal audit function performs an independent risk assessment, including cyber risks, to determine its annual audit plan. The IT management team also conducts cyber maturity self-assessments at least every two years, whereby risk owners are responsible to further assess and remediate, as applicable. Assessment risks are gauged on their potential impact and likelihood. Adient documents and monitors the efficacy of its strategic interventions designed to minimize these risks, ensuring robust and proactive risk management. Separately, Adient applies a risk-based approach for suppliers, by conducting risk reviews, directing surveys, and requiring adherence to its Global Supplier Standards Manual. Adient's third-party risk assessment process is intended to equip leadership with an objective analysis of security risk for more informed decision making and enhanced organizational resilience.

Risk Identification

Potential malicious threats are identified through both internal and external resources and tools including, but not limited to, software information and event management software (“SIEM”), endpoint detection (“EDR”), threat intelligence services, network monitoring, and cloud monitoring. In addition, cybersecurity risks identified through external audits, customer audits, third-party monitoring services and industry benchmarking are reviewed for likelihood and impact and addressed accordingly.

Adient’s cybersecurity strategy is enhanced by the integration of specialized third-party services. These providers offer critical support in pinpointing, evaluating, and managing cybersecurity risks. Adient’s suite of external resources includes threat intelligence, risk reduction, surveillance of the dark web, external assessments, scoring services, monitoring of threats and reputation, forensic analysis, cyber insurance, consultative expertise, and legal advice.

For the year ended September 30, 2024, Adient did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect Adient’s business strategy, results of operations, or financial condition. For further information about the risks associated with cybersecurity incidents, refer to the cybersecurity risk factor in Item 1A, “Risk Factors” in this Form 10-K.

Risk Management

Adient’s management strategy includes evaluating and deploying tools and technologies for cyber protection and detection, addressing risks according to likelihood and magnitude, performing cybersecurity related tabletops, phishing exercises, engineering and architectural reviews, and penetration tests to simulate incidents, as well as conducting ongoing awareness trainings.

In an ever-evolving cybersecurity landscape, Adient has established a dynamic and comprehensive security posture. Adient implements a variety of technical, physical, and organizational measures to mitigate the risks associated with cyber threats. Adient’s strategy encompasses an incident response policy with scenario-based playbooks, a detection and response program, and a vulnerability management program. Additionally, Adient maintains disaster recovery and business continuity plans, and conducts regular risk assessments. Systems monitoring and employee awareness training further fortify Adient’s defenses. To underscore Adient’s commitment to information security, Adient has secured Trusted Information Security Assessment Exchange (“TISAX”) certification at multiple international locations, ensuring Adient meets industry recognized benchmarks for protecting data.

Adient employs advanced detection tools to continuously track cybersecurity threats and incidents. Upon identifying potential risks, Adient swiftly implements mitigation and remediation measures. Subsequently, pertinent threats are reported by Adient’s information security leadership team.

Adient follows its cybersecurity incident response policy which outlines roles, identifies incident categories, severity levels, response activities and communication protocols that leverages the National Institute of Standards and Technology (“NIST”) Framework.

Board Oversight

Adient’s Board of Directors has delegated cybersecurity risk oversight to the Audit Committee. The Chief Information Officer and information security leadership regularly update the Audit Committee regarding cybersecurity programs, risks and significant incidents. The Board of Directors receives a summary of cybersecurity matters in connection with regular reports from the Audit Committee. Cybersecurity risks are also considered by the Audit Committee and the full Board of Directors as part of the annual enterprise risk management process and the annual internal audit plan, which is reviewed and approved by the Audit Committee.

Management Expertise

Adient’s global information operations security leader has over 30 years of experience in IT with a focus on cybersecurity for the past 25 years, reporting into Adient’s Chief Information Officer, who has over 25 years of IT related experience and who further reports into Adient’s Executive Vice President of Global IT & Business Services and Sustainability as well as the senior executive team and the Audit Committee and the Board, as necessary.

Item 2. Properties

The following table sets forth Adient's principal owned and leased facilities as of September 30, 2024.

	Number of Locations					
	Operations			Administrative		
	Owned	Leased	Total	Owned	Leased	Total
United States	20	10	30	2	1	3
Mexico	8	10	18	—	1	1
Germany	3	9	12	2	6	8
Thailand	3	11	14	—	—	—
China	5	25	30	—	3	3
Czech Republic	3	4	7	—	1	1
Japan	5	3	8	1	1	2
Other EMEA	25	28	53	—	9	9
Other Asia	6	20	26	—	4	4
Other Americas	7	2	9	—	—	—
	85	122	207	5	26	31

Adient considers its facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. See Part II, Item 8 of this Annual Report on Form 10-K in Note 8, "Leases," of the notes to consolidated financial statements for information regarding lease commitments.

Item 3. Legal Proceedings

Adient is involved in various lawsuits, claims and proceedings incident to the operation of its businesses, including those pertaining to product liability, product safety, environmental, safety and health, intellectual property, employment, commercial, contractual and various other matters. Although the outcome of any such lawsuit, claim or proceeding cannot be predicted with certainty and some may be disposed of unfavorably to Adient, it is management's opinion that none of these will have a material adverse effect on Adient's financial position, results of operations or cash flows. Adient accrues for potential liabilities in a manner consistent with accounting principles generally accepted in the U.S., that is, when it is probable a liability has been incurred and the amount of the liability is reasonably estimable.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Principal Market

Adient's ordinary shares are traded on the New York Stock Exchange ("NYSE") under the symbol "ADNT."

Holders

As of September 30, 2024, there were 22,289 shareholders of record.

Dividends

Adient suspended its cash dividends following the dividend paid in the first quarter of fiscal 2019. Any future dividends will be at the discretion of the Board of Directors and will depend upon Adient's financial condition, results of operations, capital requirements, alternative uses of capital and other factors the Board of Directors may consider at its discretion. In addition, under Irish law, dividends and distributions (including the payment of cash dividends or share repurchases) may be made only from "distributable reserves" on Adient's unconsolidated balance sheet prepared in accordance with the Irish Companies Act 2014. In addition, no distribution or dividend may be paid or made by Adient unless the net assets of Adient are equal to, or exceed, the aggregate of Adient's share capital that has been paid up or that is payable in the future plus non-distributable reserves, and the distribution does not reduce Adient's net assets below such aggregate.

Recent Sales of Unregistered Equity Securities

None.

Repurchases of Equity Securities

In November 2022, Adient's Board of Directors authorized the repurchase of Adient's ordinary shares up to an aggregate purchase price of \$600 million with no expiration date. Under the share repurchase authorization, Adient's ordinary shares may be purchased either through discretionary purchases on the open market, by block trades or privately negotiated transactions. The number of ordinary shares repurchased, if any, and the timing of repurchases will depend on a number of factors, including share price, trading volume and general market conditions, as well as on working capital requirements, general business conditions and other factors. During fiscal 2023, Adient repurchased \$65 million of its ordinary shares at an average price of \$37.00 a share under the program. During fiscal 2024, Adient repurchased \$275 million of its ordinary shares at an average price of \$29.18 a share under the program. As of September 30, 2024, Adient has a remaining repurchase authorization of \$260 million.

Share repurchase activity during the three months ended September 30, 2024 was as follows:

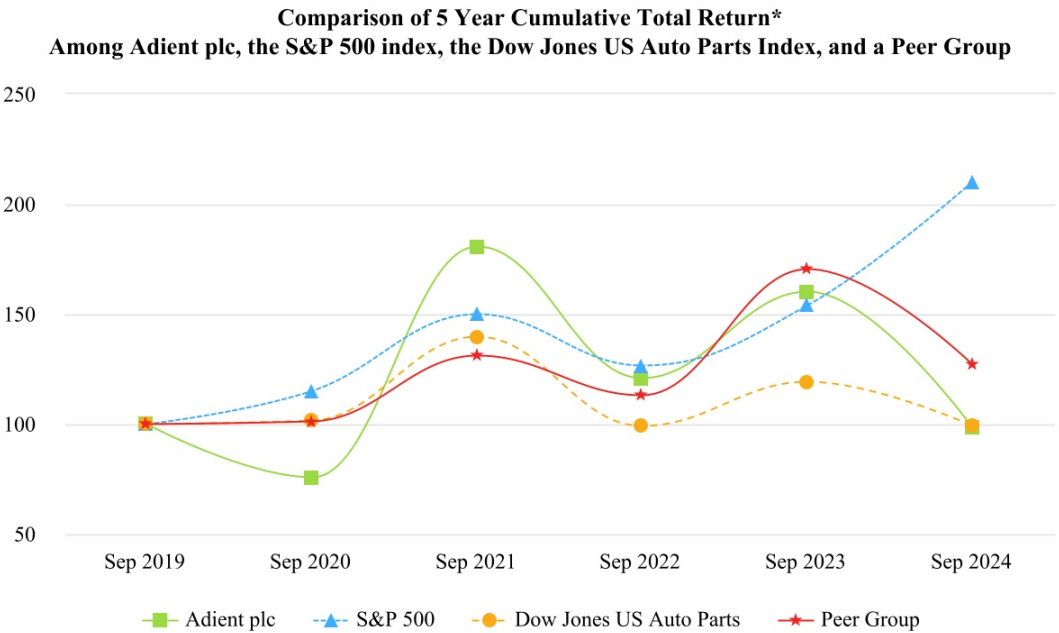
Periods	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares (or Units) that may yet be Purchased Under the Plans or Programs (in millions) ⁽¹⁾
July 1 to July 31, 2024	—	\$ —	—	\$ 310
August 1 to August 31, 2024	2,326,616	21.49	2,326,616	260
September 1 to September 30, 2024	—	—	—	260
	<u>2,326,616</u>	<u>\$ 21.49</u>	<u>2,326,616</u>	<u>\$ 260</u>

Stock Performance Graph

The following information in this Item 5 is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange

Act of 1934, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Adient specifically incorporates it by reference into such a filing.

The following graph shows a comparison of cumulative total shareholder return, calculated on a dividend reinvested basis, for Adient’s ordinary shares, the Standard & Poor’s 500 Index, the Dow Jones US Auto Parts Index and a peer group for September 30, 2019 through September 30, 2024. The graph assumes the value of the investment in Adient's ordinary shares and each index was \$100 on September 30, 2019, and that all dividends were reinvested. Historic stock price performance is not necessarily indicative of future stock price performance. Adient selected a peer group comprised of representative independent automotive suppliers whose common stock is publicly traded. The peer group referenced in the graph below consists of Autoliv, Inc., BorgWarner, Inc., Cooper-Standard Holding, Inc., Forvia SE, The Goodyear Tire & Rubber Company, Huayu Automotive Systems Co. Ltd., Lear Corporation, Magna International Inc., and Toyota Boshoku Corporation.



*\$100 invested on 9/30/19 in stock or index, including reinvestment of dividends.
Fiscal year ending September 30.

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	Sep/2019	Sep/2020	Sep/2021	Sep/2022	Sep/2023	Sep/2024
Adient plc	\$ 100	\$ 75	\$ 181	\$ 121	\$ 160	\$ 98
S&P 500	\$ 100	\$ 115	\$ 150	\$ 127	\$ 154	\$ 210
Dow Jones US Auto Parts	\$ 100	\$ 101	\$ 140	\$ 99	\$ 119	\$ 99
Peer Group	\$ 100	\$ 101	\$ 131	\$ 113	\$ 170	\$ 127

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Presentation of Information

Unless the context requires otherwise, references to "Adient plc" or "Adient" refer to Adient plc and its consolidated subsidiaries. The information presented herein are based on management's perspective of Adient's results of operations.

Forward-Looking Statements

Adient has made statements in this section and other parts of this Annual Report on Form 10-K that are management's perspective of forward-looking information and, therefore, are subject to risks and uncertainties. All statements in this Form 10-K 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 Form 10-K, statements regarding Adient's future financial position, sales, costs, earnings, cash flows, other measures of results of operations, capital expenditures or debt levels and plans, objectives, outlook, targets, guidance or goals are forward-looking statements. Words such as "future," "may," "will," "would," "could," "can," "expect," "intend," "estimate," "anticipate," "believe," "should," "forecast," "predict," "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, automotive vehicle production levels, mix and schedules, as well as the concentration of exposure to certain automotive manufacturers, 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), 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, uncertainties in U.S. administrative policy regarding trade agreements, tariffs and other international trade relations, the ability of Adient to effectively launch new business at forecast and profitable levels, 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, 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. Factors that might cause differences include, but are not limited to, those discussed in Part 1, Item 1A of this Form 10-K under the heading "Risk Factors," which are incorporated herein by reference. All information presented herein is based on Adient's fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to Adient's fiscal years ended in September and the associated quarters, months and periods of those fiscal years. The forward-looking statements included in this Form 10-K are made only as of the date of this report, 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 Form 10-K.

Overview

Adient is a global leader in the automotive seating supply industry and maintains relationships with the largest global automotive original equipment manufacturers, or OEMs. Adient's proprietary technologies extend into virtually every area of automotive seating solutions, including complete seating systems, frames, mechanisms, foam, head restraints, armrests and trim covers. Adient is an independent seat supplier with global scale and the capability to design, develop, engineer, manufacture and deliver complete seat systems and components in every major automotive producing region in the world.

Adient designs, manufactures and markets a full range of seating systems and components for passenger cars, commercial vehicles and light trucks, including vans, pick-up trucks and sport/crossover utility vehicles. Adient operates more than 200 wholly- and majority-owned manufacturing or assembly facilities, with operations in 29 countries. Additionally, Adient has partially-owned affiliates in China, Asia, Europe and North America. Through its global footprint and vertical integration, Adient leverages its capabilities to drive growth in the automotive seating industry.

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 (“Adjusted EBITDA”). 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. Refer to Note 17, "Segment Information," of the notes to the consolidated financial statements for additional information on Adient's reportable segments.

Factors Affecting Adient's Operating Environment

Adient, along with the automotive industry, continues to experience lower than expected vehicle production due to softening consumer demand, uncertainties surrounding the global adoption of electric vehicles and delayed vehicle launches in Americas along with persistent operational and market-driven headwinds in EMEA. Refer to the consolidated results of operations and segment analysis discussion below for additional information on the impacts of these items on Adient's results.

As a result of macroeconomic factors impacting Adient and the automotive industry, a heightened risk of impairment exists for the EMEA reporting unit as the difference between its fair value and carrying value is less than 10% as of September 30, 2024. The decrease in EMEA's fair value is driven by lower forecasted vehicle volumes from weakening consumer demand, slower consumer adoption of electric vehicles, overcapacity in the industry resulting in pricing pressure, intensifying competition from Chinese imports and lower exports to China from EMEA as domestic brands expand in China. As a result of the heightened risk of impairment, Adient will continuously assess the changing macroeconomic conditions in EMEA including the outlook for consumer demand for vehicles and other factors impacting the region, along with the need for further restructuring actions, all of which impact Adient's ability to achieve its projected long-term operating performance. Refer to Note 6, “Goodwill and Other Intangible Assets,” of the notes to the consolidated financial statements for additional information.

Global Automotive Industry

Adient conducts its business globally in the automotive industry, which is highly competitive and sensitive to economic, political and social factors in the various regions. During fiscal 2024, global light vehicle production increased 1.5%, driven by improved production volumes predominately in China. The current operating environment varies by region, being impacted by weakening consumer demand due to new vehicle affordability and high interest rates along with slower electric vehicle adoption rates.

Light vehicle production levels by geographic region are provided below:

(units in millions)	Light Vehicle Production				
	2024	Change	2023	Change	2022
Global	89.4	1.5 %	88.1	8.0 %	81.6
North America	15.6	0.6 %	15.5	9.9 %	14.1
South America	2.8	-6.7 %	3.0	7.1 %	2.8
Europe	16.2	-2.4 %	16.6	15.3 %	14.4
Other EMEA	1.3	18.2 %	1.1	-8.3 %	1.2
China	29.5	7.7 %	27.4	2.6 %	26.7
Asia, excluding China	24.0	-2.0 %	24.5	9.4 %	22.4

Source: S&P Global, October 2024

Financial Results Summary

Significant aspects of Adient's financial results for fiscal 2024 include the following:

- Adient recorded net sales of \$14,688 million for fiscal 2024, representing a decrease of \$707 million when compared to fiscal 2023. The decrease in net sales is attributable to Adient's lower overall production volumes in all regions, the unfavorable impact of foreign currencies, and unfavorable material economics recoveries, partially offset by favorable net pricing adjustments.
- Gross profit was \$928 million, or 6.3% of net sales for fiscal 2024 compared to \$1,033 million, or 6.7% of net sales for fiscal 2023. Profitability, including gross profit as a percentage of net sales, was lower due to lower production volumes in all regions, the unfavorable impact of foreign currencies, unfavorable operating performance in EMEA, unfavorable

material economics, net of recoveries and non-recurring net benefits largely associated with insurance recoveries in fiscal 2023, partially offset by favorable operating performance in Americas and Asia.

- Equity income was \$90 million for fiscal 2024, which compares to equity income of \$84 million for fiscal 2023. The increase is primarily attributable to favorable operating performance at partially-owned affiliates, partially offset by the impact of the KEIPER supply agreement modifications executed in fiscal 2023 and the unfavorable impact of foreign currencies.
- Net income attributable to Adient was \$18 million for fiscal 2024, compared to an income of \$205 million for fiscal 2023. The lower net income in fiscal 2024 is primarily attributable to lower overall production volumes, higher restructuring and impairment costs, unfavorable material economics, net of recoveries, higher income tax expense, the unfavorable impact of foreign currencies and prior year non-recurring net benefits largely associated with insurance recoveries, partially offset by favorable net operating performance, lower Selling, general and administrative expenses ("SG&A") mainly driven by lower incentive compensation expense and lower net engineering and other administrative spending, higher equity income and lower income attributable to noncontrolling interests.

Consolidated Results of Operations

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net sales	\$ 14,688	(5)%	\$ 15,395	9%	\$ 14,121
Cost of sales	13,760	(4)%	14,362	8%	13,314
Gross profit	928	(10)%	1,033	28%	807
Selling, general and administrative expenses	507	(8)%	554	(7)%	598
Restructuring and impairment costs	168	>100%	40	60%	25
Equity income	90	7%	84	12%	75
Earnings before interest and income taxes	343	(34)%	523	>100%	259
Net financing charges	189	(3)%	195	(9)%	215
Other pension expense (income)	21	(36)%	33	>100%	(10)
Income before income taxes	133	(55)%	295	>100%	54
Income tax provision	32	>100%	—	>(100)%	94
Net income (loss)	101	(66)%	295	>100%	(40)
Income attributable to noncontrolling interests	83	(8)%	90	13%	80
Net income (loss) attributable to Adient	\$ 18	(91)%	\$ 205	>100%	\$ (120)

Net Sales

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net sales	\$ 14,688	(5)%	\$ 15,395	9%	\$ 14,121

Net sales decreased by \$707 million, or 5%, during fiscal 2024 as compared to fiscal 2023 due to lower overall production volumes in all regions that are resulting from softening consumer demand and weaker product mix in EMEA along with slower than expected product launches and production disruptions at certain customers in the Americas including the impact of the United Auto Workers ("UAW") strike during the first fiscal quarter (\$697 million), unfavorable material economics recoveries (\$93 million) and the unfavorable impact of foreign currencies (\$16 million), partially offset by net favorable pricing adjustments (\$99 million).

Net sales increased by \$1,274 million, or 9%, in fiscal 2023 as compared to fiscal 2022 due to higher overall production volumes in all operating segments (\$1,558 million) and net favorable pricing adjustments (\$141 million), partially offset by the unfavorable impact of foreign currencies (\$301 million) and unfavorable material economics recoveries (\$124 million).

Refer to the segment analysis below for a discussion of segment net sales.

Cost of Sales / Gross Profit

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Cost of sales	\$ 13,760	(4)%	\$ 14,362	8%	\$ 13,314
Gross profit	928	(10)%	1,033	28%	807
% of sales	6.3 %		6.7 %		5.7 %

Cost of sales decreased by \$602 million, or 4%, and gross profit decreased by \$105 million, or 10%, during fiscal 2024 as compared to fiscal 2023. The year over year decrease in cost of sales was primarily due to lower production volumes (\$522 million), favorable material economics (\$79 million), favorable operating performance driven by lower freight costs (\$25 million), favorable supplier pricing adjustments (\$20 million), the favorable impact of the KEIPER supply agreement modifications (\$8 million) and lower depreciation expense (\$2 million), partially offset by non-recurring net benefits largely associated with insurance recoveries in fiscal 2023 (\$29 million), the unfavorable impact of foreign currencies (\$18 million), and higher restructuring related charges (\$5 million). Gross profit for fiscal 2024 was unfavorably impacted by lower production volumes, non-recurring net benefits largely associated with insurance recoveries in fiscal 2023, unfavorable material economics, net of recoveries and the unfavorable impact of foreign currencies, partially offset by favorable operating performance.

Cost of sales increased by \$1,048 million, or 8%, and gross profit increased by \$226 million in fiscal 2023 as compared to fiscal 2022. The year-over-year increase in cost of sales was due to higher production volumes (\$1,312 million), increased utilities and labor costs along with operating inefficiencies associated with supply chain issues (\$104 million), and the impact of fiscal 2022 gains associated with retrospective recoveries of Brazil indirect tax credits (\$29 million), partially offset by the favorable impact of foreign currencies (\$282 million), favorable supplier pricing (\$69 million), non-recurring fiscal 2023 net benefits largely associated with insurance recoveries (\$29 million), the favorable impact of the KEIPER supply agreement modifications (\$11 million), and lower depreciation expense (\$6 million). Gross profit was favorably impacted by higher overall production volumes, net favorable pricing adjustments, and non-recurring net benefits largely associated with insurance recoveries, partially offset by higher utilities and labor costs, and unfavorable net material economics.

Refer to the segment analysis below for a discussion of segment profitability.

Selling, General and Administrative Expenses

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Selling, general and administrative expenses	\$ 507	(8)%	\$ 554	(7)%	\$ 598
% of sales	3.5 %		3.6 %		4.2 %

SG&A for fiscal 2024 decreased by \$47 million, or 8%, as compared to fiscal 2023. The year over year decrease in SG&A was primarily due to lower compensation expense including performance-based incentive compensation costs and other compensation related austerity measures (\$32 million), lower net engineering and other administrative spending (\$16 million), lower depreciation and amortization expense (\$6 million), the favorable impact of foreign currencies (\$2 million) and lower transaction costs (\$2 million), partially offset by a one-time loss on business divestiture (\$8 million) and other non-recurring items (\$3 million).

SG&A in fiscal 2023 decreased by \$44 million, or 7%, as compared to fiscal 2022. The-year-over year decrease in SG&A is attributable to the favorable impact of foreign currencies (\$12 million), one-time gain on sale of a restructured facility (\$10 million), lower transaction costs (\$5 million), non-recurring unfavorable fiscal 2022 costs (\$17 million), lower overall

engineering and other administrative spending (\$15 million), and lower depreciation and amortization expense (\$4 million), partially offset by higher compensation expense including stock-based and performance-based incentive compensation costs due in part to the non-recurrence of fiscal 2022 austerity measures (\$19 million).

Refer to the segment analysis below for a discussion of segment profitability.

Restructuring and Impairment Costs

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Restructuring and impairment costs	\$ 168	>100%	\$ 40	60%	\$ 25

Restructuring and impairment costs were higher by \$128 million during fiscal 2024 due to restructuring actions taken primarily in EMEA in response to the macroeconomic factors occurring in the European automotive market causing reduced production volumes and to ensure Adient maintains a competitive cost structure by reducing labor costs and increasing efficiencies. Adient also recorded a \$9 million impairment on its Adient Aerospace investment in fiscal 2024 contributing to the increase year over year. Adient continues to monitor and assess market conditions within the automotive industry in each of its regions, with particular focus on EMEA in the near term, and will consider taking further restructuring action as needed to stay competitive and to position Adient to serve the needs of its customers.

Restructuring and impairment costs were higher by \$15 million in fiscal 2023 as compared to fiscal 2022 due primarily to higher levels of restructuring actions taken in EMEA. The restructuring actions related to cost reduction initiatives and consisted primarily of workforce reductions.

Refer to Note 15, "Restructuring and Impairment Costs," of the notes to the consolidated financial statements and the discussion under Liquidity and Capital Resources below for additional information related to Adient's restructuring plans.

Equity Income

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Equity income	\$ 90	7%	\$ 84	12%	\$ 75

Equity income was \$90 million for fiscal 2024, compared to \$84 million for fiscal 2023. The increase is primarily attributable to favorable production volumes and operating performance at partially-owned affiliates (\$17 million) and the non-recurrence of prior year non-cash impairment charges recorded on certain of Adient's investments in non-consolidated affiliates (\$3 million), partially offset by the impact of the KEIPER supply agreement modifications executed in fiscal 2023 (\$8 million), and the unfavorable impact of foreign currencies (\$5 million).

Equity income was \$84 million in fiscal 2023 compared to \$75 million in fiscal 2022. The increase is primarily attributable to higher production volumes and favorable operating performance at Adient's partially-owned affiliates (\$28 million), one-time gain on divestiture of investment at an affiliate (\$4 million), and lower non-cash impairment charges recorded on certain of Adient's investments in non-consolidated affiliates (\$2 million), partially offset by the impact of the KEIPER supply agreement modifications (\$17 million), the unfavorable impact of foreign currencies (\$7 million), and restructuring-related activities at certain affiliates (\$1 million).

Refer to Note 3, "Acquisitions and Divestitures," and Note 18, "Nonconsolidated Partially-Owned Affiliates," of the notes to the consolidated financial statements for more information.

Net Financing Charges

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net financing charges	\$ 189	(3)%	\$ 195	(9)%	\$ 215

Net financing charges decreased by \$6 million during fiscal 2024 as compared to fiscal 2023 due primarily to premiums paid and deferred financing cost write offs associated with repurchasing of debt during fiscal 2023. Net financing charges decreased by \$20 million in fiscal 2023 as compared to fiscal 2022 due to higher premiums paid to tender outstanding debt and higher accelerated expensing of deferred financing costs during fiscal 2022.

Refer to Note 9, "Debt and Financing Arrangements," of the notes to the consolidated financial statements for information related to the components of Adient's net financing charges.

Other Pension Expense (Income)

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Other pension expense (income)	\$ 21	(36)%	\$ 33	>100%	\$ (10)

Other pension expense (income) consists of mark-to-market, curtailment and settlement adjustments, and non-service components of net periodic pension costs of Adient's retirement plans. Other pension expense was lower by \$16 million in fiscal 2024 as compared to fiscal 2023 due primarily to a \$13 million current year mark-to-market loss (compared to a \$19 million loss in fiscal 2023) and an \$8 million prior year curtailment loss primarily associated with employee termination benefit plans in the Americas segment.

The higher fiscal 2023 expense compared to fiscal 2022 is due primarily to a \$19 million fiscal 2023 mark-to-market loss (compared to a \$8 million gain in fiscal 2022), an \$8 million curtailment loss primarily associated with employee termination benefit plans in the Americas segment, and higher pension interest expense. Refer to Note 14, "Retirement Plans," of the notes to the consolidated financial statements for information related to the components of Adient's net periodic pension costs.

Income Tax Provision

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Income tax provision	\$ 32	>100%	\$ —	>(100)%	\$ 94

The fiscal 2024 income tax expense of \$32 million was higher than the Irish statutory rate of 12.5% primarily due to the inability to record a tax benefit for losses in jurisdictions with valuation allowances, the repatriation of foreign earnings, \$17 million of tax expense related to foreign exchange remeasurements of tax balances primarily in Mexico and tax expense from the establishment of valuation allowances at certain subsidiaries, partially offset by tax benefits from the release of uncertain tax positions due to audit closures and from the release of valuation allowances at certain subsidiaries.

Adient reviews the realizability of its deferred tax assets on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or combined group recording the net deferred tax asset are considered, along with any other positive or negative evidence. All of the factors that Adient considers in evaluating whether and when to establish or release all or a portion of the deferred tax asset valuation allowance involve significant judgment. Since future financial results may differ from previous estimates, periodic adjustments to Adient's valuation allowances may be necessary.

Given current earnings and anticipated future earnings at certain subsidiaries, Adient believes that there is a possibility that sufficient positive evidence may become available that would allow the release of all, or a portion of, valuation allowances at certain subsidiaries within the next twelve months. A release of valuation allowances, if any, would result in the recognition of certain deferred tax assets which could generate a material income tax benefit for the period in which such release is recorded.

As a result of Adient's fiscal 2024 analysis of the realizability of its worldwide deferred tax assets, and after considering tax planning initiatives and other positive and negative evidence, Adient determined it was more likely than not that certain deferred tax assets would be realizable and recorded an income tax benefit of \$14 million in China, \$8 million in Mexico, \$7 million in France, and \$6 million in Japan to release valuation allowances. In addition, Adient determined it was necessary to establish valuation allowances on certain deferred tax assets in Poland and Mexico, recording tax expense of \$14 million and \$5 million, respectively. Adient continues to record valuation allowances on certain deferred tax assets in Germany, Hungary, Luxembourg, Mexico, Poland, Spain, the United Kingdom, the U.S. and other jurisdictions as it remains more likely than not that they will not be realized.

The fiscal 2023 income tax expense of \$0 million was lower than the Irish statutory rate of 12.5% primarily due to the release of valuation allowances in Mexico, partially offset by the inability to recognize a tax benefit for losses in jurisdictions with valuation allowances, the repatriation of foreign earnings, and foreign tax rate differentials.

As a result of Adient's fiscal 2023 analysis of the realizability of its worldwide deferred tax assets, and after considering tax planning initiatives and other positive and negative evidence, Adient determined it was more likely than not that certain deferred tax assets in Mexico would be realizable and recorded an income tax benefit of \$114 million to release valuation allowances. In addition, Adient determined it was necessary to release valuation allowances and establish valuation allowances in other jurisdictions that did not have a material impact on Adient’s financial statements.

The fiscal 2022 income tax expense of \$94 million was higher than the Irish statutory rate of 12.5% primarily due to the inability to recognize a tax benefit for losses in jurisdictions with valuation allowances, the establishment of valuation allowances in certain jurisdictions, and the repatriation of foreign earnings, partially offset by tax benefits related to the release of valuation allowances in certain jurisdictions.

As a result of Adient's fiscal 2022 analysis of the realizability of its worldwide deferred tax assets, and after considering tax planning initiatives and other positive and negative evidence, Adient determined it was more likely than not that certain deferred tax assets in Canada, Japan, and other jurisdictions would not be realized and recorded income tax expense of \$12 million, \$3 million and \$3 million, respectively, to establish valuation allowances. Additionally, Adient determined it was more likely than not that deferred tax assets in the Czech Republic and other jurisdictions would be realizable and recorded income tax benefit of \$11 million and \$2 million, respectively, to release valuation allowances.

Adient is subject to income taxes in Ireland, the U.S. and other non-U.S. jurisdictions. Judgment is required in determining its worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of Adient's business, there are many transactions and calculations where the ultimate tax determination is uncertain. Adient's income tax returns for various fiscal years remain under audit by the respective tax authorities. Although the outcome of tax audits is always uncertain, management believes that it has appropriate support for the positions taken on its tax returns and that its annual tax provisions included amounts sufficient to pay assessments, if any, which may be proposed by the taxing authorities. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

Adient does not generally provide for additional income taxes which would become payable upon repatriation of undistributed earnings of wholly owned foreign subsidiaries. Adient's intent is for such earnings to be reinvested by the subsidiaries or to be repatriated only when it would be tax efficient.

Income Attributable to Noncontrolling Interests

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Income attributable to noncontrolling interests	\$ 83	(8)%	\$ 90	13%	\$ 80

The decrease in income attributable to noncontrolling interests during fiscal 2024 compared to fiscal 2023 is attributable to lower production volumes associated with new program launches at certain affiliates, which is partially offset by a \$5 million adjustment to increase income attributable to noncontrolling interests recorded in fiscal 2024 but related to fiscal 2023.

The \$10 million increase in income attributable to noncontrolling interests in fiscal 2023 as compared to fiscal 2022 is primarily attributable to higher production volumes at affiliates in various jurisdictions.

Net Income (Loss) Attributable to Adient

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net income (loss) attributable to Adient	\$ 18	(91)%	\$ 205	>100%	\$ (120)

Net income attributable to Adient was \$18 million for fiscal 2024, compared to an income of \$205 million for fiscal 2023. The lower net income in fiscal 2024 is primarily attributable to lower overall production volumes, higher restructuring and impairment costs, unfavorable material economics, net of recoveries, higher income tax expense, the unfavorable impact of foreign currencies and prior year non-recurring net benefits largely associated with insurance recoveries, partially offset by favorable net operating performance, lower SG&A expenses mainly driven by lower incentive compensation expense and lower net engineering and other administrative spending, higher equity income and lower income attributable to noncontrolling interests.

Net income attributable to Adient was \$205 million in fiscal 2023, compared to \$120 million of net loss attributable to Adient in fiscal 2022. The higher net income in fiscal 2023 is primarily attributable to higher overall production volumes, favorable pricing and operating performance, one-time insurance recoveries, one-time income tax benefit related to the release of certain tax valuation allowances, lower SG&A expenses, lower net financing charges, and higher equity income, partially offset by unfavorable material economics, higher other pension expense, higher restructuring cost, higher income attributable to noncontrolling interests, and the unfavorable impact of foreign currencies.

Comprehensive Income (Loss) Attributable to Adient

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Comprehensive income (loss) attributable to Adient	\$ 167	(20)%	\$ 208	>100%	\$ (338)

Comprehensive income attributable to Adient was \$167 million in fiscal 2024 compared to \$208 million of comprehensive income in fiscal 2023. The decrease of \$41 million is due primarily to lower net income (\$194 million), higher realized and unrealized losses on derivatives (\$53 million) and higher comprehensive income attributable to noncontrolling interests (\$15 million), partially offset by the favorable impact of foreign currency translation adjustments (\$221 million).

Comprehensive income attributable to Adient was \$208 million in fiscal 2023 compared to \$338 million of comprehensive loss in fiscal 2022. The increase of \$546 million is due primarily to higher net income (\$335 million), the favorable impact of foreign currency translation adjustments (\$233 million) and the impact of realized and unrealized gains on derivatives (\$21 million), partially offset by higher comprehensive income attributable to noncontrolling interests (\$42 million).

Segment Analysis

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) EMEA and 3) 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.

The following table summarizes net sales and adjusted EBITDA by reportable segment for fiscal 2024, 2023 and 2022:

(in millions)	Americas		EMEA		Asia		Corporate/Eliminations		Consolidated	
Fiscal 2024										
Net sales	\$	6,763	\$	5,029	\$	2,989	\$	(93)	\$	14,688
Adjusted EBITDA	\$	375	\$	155	\$	439	\$	(89)	\$	880
Fiscal 2023										
Net sales	\$	7,220	\$	5,195	\$	3,085	\$	(105)	\$	15,395
Adjusted EBITDA	\$	336	\$	232	\$	464	\$	(94)	\$	938
Fiscal 2022										
Net sales	\$	6,557	\$	4,764	\$	2,926	\$	(126)	\$	14,121
Adjusted EBITDA	\$	242	\$	138	\$	383	\$	(88)	\$	675

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

(in millions)	Year Ended September 30,		
	2024	2023	2022
Adjusted EBITDA			
Americas	\$ 375	\$ 336	\$ 242
EMEA	155	232	138
Asia	439	464	383
Subtotal	969	1,032	763
Corporate-related costs ⁽¹⁾	(89)	(94)	(88)
Restructuring and impairment costs ⁽²⁾	(168)	(40)	(25)
Purchase accounting amortization ⁽³⁾	(48)	(52)	(54)
Restructuring related activities ⁽⁴⁾	—	2	(6)
Loss on disposal transactions ⁽⁵⁾	(7)	(6)	—
Depreciation	(285)	(290)	(298)
Equity based compensation	(31)	(34)	(29)
Other items ⁽⁶⁾	2	5	(4)
Earnings before interest and income taxes	343	523	259
Net financing charges	(189)	(195)	(215)
Other pension income (expense)	(21)	(33)	10
Income before income taxes	\$ 133	\$ 295	\$ 54

Notes:

(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. During fiscal 2024, an impairment charge of \$9 million related to Adient's investment in Adient Aerospace was recorded. During fiscal 2022, an impairment charge of \$4 million related to the withdrawal from and sale of its operations in Russia, and a held-for-sale impairment charge of \$6 million were recorded in EMEA. Refer to Note 15, "Restructuring and Impairment Costs," of the notes to the consolidated financial statements for more information.

(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. Fiscal 2024 and 2023 also each include a non-recurring \$10 million gain on the sale of two restructured facilities in Americas.

(5) Fiscal 2024 reflects an \$8 million loss on sale of 51% of Adient's interest in LFADNT (as described in Note 3, "Acquisitions and Divestitures," of the notes to consolidated financial statements), partially offset by a \$1 million gain on sale of a nonconsolidated partially-owned affiliate. Fiscal 2023 reflects \$3 million and \$3 million of non-cash impairment related to certain of Adient's investments in nonconsolidated partially-owned affiliates in Asia and EMEA, respectively,

(6) Fiscal 2024 reflects a \$3 million non-recurring gain on a contract related settlement and \$1 million of indirect tax recoveries in Brazil, partially offset by \$1 million of transaction costs and a \$1 million one-time divestiture related impact at an affiliate. Fiscal 2023 reflects \$4 million of one-time divestiture gain at an affiliate and \$4 million of a gain associated with the retrospective recovery of indirect tax credits in Brazil, partially offset by \$3 million of transaction costs. Fiscal 2022 includes \$3 million and \$7 million of non-cash impairments of certain of Adient's investments in nonconsolidated partially-owned affiliates in Asia and EMEA, respectively, \$8 million of transaction costs, a \$14 million charge related to a non-recurring contract related settlement, \$1 million of accounts receivable allowances resulting from the withdrawal from and sale of operations in Russia, and \$2 million of loss on finalization of asset sale in Turkey, partially offset by a gain of \$32 million associated with the retrospective recovery of indirect tax credits in Brazil.

Americas

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net sales	\$ 6,763	(6)%	\$ 7,220	10%	\$ 6,557
Adjusted EBITDA	\$ 375	12%	\$ 336	39%	\$ 242

Net sales decreased in fiscal 2024 by \$457 million primarily due to lower current year production volumes resulting from weakening consumer demand, slower than expected product launches and the UAW strike-related disruptions during the first quarter of fiscal 2024 at certain customers (\$470 million), unfavorable material economics recoveries (\$55 million) and the unfavorable impact of foreign currencies (\$21 million), partially offset by net favorable pricing adjustments (\$89 million).

Adjusted EBITDA increased in fiscal 2024 by \$39 million due to net favorable pricing adjustments and operational improvements including lower freight costs and the impact of the KEIPER supply agreement modifications (\$145 million) and lower SG&A expenses driven by lower compensation expense, including lower performance based compensation costs and other compensation related austerity measures, along with improved engineering recoveries (\$48 million), partially offset by lower current year production volumes (\$89 million, including the UAW strike-related impact during the first quarter of fiscal 2024 of \$25 million), the unfavorable impact of foreign currencies (\$27 million), unfavorable material economics, net of recoveries (\$25 million) and non-recurring net benefits largely associated with insurance recoveries in fiscal 2023 (\$13 million).

Net sales increased in fiscal 2023 by \$663 million primarily as a result of higher production volumes (\$669 million) and favorable net pricing adjustments (\$73 million), partially offset by the unfavorable impact of material economics recoveries (\$79 million).

Adjusted EBITDA increased in fiscal 2023 by \$94 million due to higher production volumes (\$93 million), net material margin improvements including the impact of the KEIPER supply agreement modifications (\$79 million), non-recurring net benefits associated with insurance recoveries (\$13 million), and higher equity income (\$1 million), partially offset by higher labor, utility and launch costs (\$58 million), unfavorable material economics, net of recoveries (\$17 million), higher administrative and engineering expense due in part to the non-recurrence of fiscal 2022 austerity measures (\$8 million), and the unfavorable impact of foreign currencies (\$9 million).

EMEA

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net sales	\$ 5,029	(3)%	\$ 5,195	9%	\$ 4,764
Adjusted EBITDA	\$ 155	(33)%	\$ 232	68%	\$ 138

Net sales decreased in fiscal 2024 by \$166 million primarily due to lower production volumes resulting from weakening consumer demand for new vehicles and product mix (\$212 million), unfavorable material economics recoveries (\$36 million) and net unfavorable pricing adjustments (\$9 million), partially offset by the favorable impact of foreign currencies (\$91 million).

Adjusted EBITDA decreased in fiscal 2024 by \$77 million due to lower production volumes (\$48 million), higher operating costs associated with lower levels of customer orders, which were often reduced with little warning, leading to unplanned downtime and operating inefficiencies (\$21 million), non-recurring net benefits largely associated with insurance recoveries in fiscal 2023 (\$17 million) and the non-recurrence of prior year gains on sale of assets (\$6 million), partially offset by the favorable impact of foreign currencies (\$5 million), increased equity income (\$4 million), favorable material economics, net of recoveries (\$4 million) and lower administrative and engineering expense (\$2 million).

Net sales increased in fiscal 2023 by \$431 million primarily as a result of higher production volumes (\$511 million), and net favorable pricing adjustments (\$87 million), partially offset by the unfavorable impact of foreign currency (\$124 million) and the unfavorable impact of material economics recoveries (\$43 million).

Adjusted EBITDA increased in fiscal 2023 by \$94 million due primarily to net material margin improvements (\$117 million), higher production volumes (\$81 million), non-recurring net benefits associated with insurance recoveries (\$17 million), the favorable impact of foreign currencies (\$22 million), higher equity income (\$4 million), and lower administrative and engineering expense (\$6 million), partially offset by unfavorable material economics, net of recoveries (\$111 million) and higher input costs including freight, labor and utilities (\$42 million).

Refer to the “Factors Affecting Adient’s Operating Environment” included above in Item 7 within the Management’s Discussion and Analysis section for more information.

Asia

(in millions)	Year Ended September 30,				
	2024	Change	2023	Change	2022
Net sales	\$ 2,989	(3)%	\$ 3,085	5%	\$ 2,926
Adjusted EBITDA	\$ 439	(5)%	\$ 464	21%	\$ 383

Net sales decreased in fiscal 2024 by \$96 million due to the unfavorable impact of foreign currencies (\$85 million), lower production volumes due primarily to program changeovers, program launches and lower volumes on foreign OEM platforms in China (\$29 million) and unfavorable material economics recoveries (\$2 million), partially offset by net favorable pricing adjustments (\$20 million).

Adjusted EBITDA decreased in fiscal 2024 by \$25 million due to lower current year production volumes and unfavorable product mix (\$38 million), the unfavorable impact of foreign currencies (\$19 million) and higher administrative and engineering expense (\$6 million), partially offset by net favorable pricing adjustments and improved labor efficiencies (\$30 million), favorable material economics, net of recoveries (\$6 million) and higher equity income which includes the unfavorable impact of the KEIPER supply agreement modifications (\$2 million).

Net sales increased in fiscal 2023 by \$159 million due to higher production volumes and mix (\$360 million), partially offset by the unfavorable impact of foreign currencies (\$180 million), net unfavorable pricing adjustments (\$19 million), and the unfavorable impact of material economics recoveries (\$2 million).

Adjusted EBITDA increased in 2023 by \$81 million due primarily to favorable volume and mix (\$72 million), net material margin improvements including the impact of the KEIPER supply agreement modifications and including certain favorable pricing adjustments in China that are non-recurring (\$25 million), higher equity income at partially-owned affiliates (\$13 million), favorable operating performance (\$17 million), and favorable impact of material economics, net of recoveries (\$4 million), partially offset by the unfavorable impact of foreign currencies (\$26 million), the impact of the KEIPER supply agreement modifications on equity income (\$18 million), and higher administrative and engineering expense (\$6 million).

Liquidity and Capital Resources

Adient's primary liquidity needs are to fund general business requirements, including working capital, capital expenditures, restructuring costs and debt service requirements. Adient's principal sources of liquidity are cash flows from operating activities, the revolving credit facility and other debt issuances, and existing cash balances. Adient actively manages its working capital and associated cash requirements and continually seeks more effective uses of cash. During fiscal 2023, Adient announced a share repurchase authorization (up to \$600 million) with no expiration date, wherein Adient has taken and will continue to take a measured approach as to the timing and amount of share repurchases as part of its assessment of the most effective use of cash. Working capital is highly influenced by the timing of cash flows associated with sales and purchases, and therefore can be difficult to manage at times. See below and refer to Note 9, "Debt and Financing Arrangements," of the notes to consolidated financial statements for discussion of financing arrangements. Following the first quarter of fiscal 2019 dividend payout, Adient suspended future dividends. Adient believes that its current financial resources will be sufficient to fund its liquidity requirements for at least the next twelve months.

Indebtedness

Adient US LLC ("Adient US"), a wholly owned subsidiary of Adient, together with certain of Adient's other subsidiaries, maintains an asset-based revolving credit facility (the "ABL Credit Facility"), which provides for a revolving line of credit up to \$1,250 million, including a North American subfacility of up to \$950 million and a European subfacility of up to \$300 million, subject to borrowing base capacity and certain other restrictions, including a minimum fixed charge coverage ratio. The ABL Credit Facility, as amended in November 2022, is set to mature on November 2, 2027, subject to certain springing maturity provisions. Adient paid \$7 million in debt issuance costs for the amended ABL Credit Facility and will pay a commitment fee of 0.25% to 0.375% on the unused portion of the commitments under the asset-based revolving credit facility based on average global availability. Letters of credit are limited to the lesser of (x) \$150 million and (y) the aggregate unused amount of commitments under the ABL Credit Facility then in effect. Subject to certain conditions, the ABL Credit Facility may be expanded by up to \$250 million in additional commitments. Loans under the ABL Credit Facility may be denominated, at the option of Adient, in U.S. Dollars, Euros, Pounds Sterling or Swedish Krona. It also provides flexibility for future amendments to the ABL Facility to incorporate certain sustainability-based pricing provisions. The ABL Credit Agreement is secured on a first-priority lien on all accounts receivable, inventory and bank accounts (and funds on deposit therein) and a second-priority lien on all of the tangible and intangible assets of certain Adient subsidiaries. Interest is payable on the ABL Credit Facility at a fluctuating rate of interest determined by reference to Term Secured Overnight Financing Rate ("SOFR"), in the case of amounts outstanding in Dollars, Euro Interbank Offered Rate ("EURIBOR"), in the case of amounts outstanding in Euros, Stockholm Interbank Offered Rate ("STIBOR"), in the case of amounts outstanding in Swedish Krona and Sterling Over Night Indexed Average ("SONIA"), in the case of amounts outstanding in Pounds Sterling, in each case, plus an applicable margin of 1.50% to 2.00%. As of September 30, 2024, Adient had not drawn down on the ABL Credit Facility and had availability under this facility of approximately \$779 million (net of \$11 million of letters of credit).

In addition, Adient Global Holdings S.à r.l., a wholly-owned subsidiary of Adient, maintains a senior secured term loan facility (the "Term Loan B Agreement") that had an outstanding balance of \$632 million as of September 30, 2024. During fiscal 2023, Adient prepaid \$350 million of the Term Loan B Agreement principal, and wrote off \$2 million of previously deferred financing costs to net financing charges. During fiscal 2024, the Term Loan B Agreement was amended to reduce the applicable margin from 3.25% to 2.75% and extend final maturity to January 31, 2031 (which maturity was previously April 8, 2028). Adient incurred \$5 million of costs associated with the modification, of which \$4 million was recorded as deferred financing costs. The Term Loan B Agreement amortizes in equal quarterly installments at a rate of 1.00% per annum of the original principal amount thereof, with the remaining balance due at final maturity. The Term Loan B Agreement also permits Adient to incur incremental term loans in an aggregate amount not to exceed the greater of \$750 million and an unlimited amount subject to a pro forma first lien secured net leverage ratio of not greater than 1.75 to 1.00 and certain other conditions.

The ABL Credit Facility and Term Loan B Agreement contain covenants that are usual and customary for facilities and debt instruments of this type and that, among other things, restrict the ability of Adient and its restricted subsidiaries to: create certain liens and enter into sale and lease-back transactions; create, assume, incur or guarantee certain indebtedness; pay

dividends or make other distributions on, or repurchase or redeem, Adient's capital stock or certain other debt; make other restricted payments; and consolidate or merge with, or convey, transfer or lease all or substantially all of Adient's and its restricted subsidiaries' assets, to another person. These covenants are subject to a number of other limitations and exceptions set forth in the agreements. The agreements also provide for customary events of default, including, but not limited to, cross-default clauses with other debt arrangements, failure to pay principal and interest, failure to comply with covenants, agreements or conditions, and certain events of bankruptcy or insolvency involving Adient and its significant subsidiaries.

During fiscal 2023, Adient Global Holdings Ltd. ("AGH"), a wholly-owned subsidiary of Adient, issued (i) \$500 million (net proceeds of \$494 million) in aggregate principal amount of 7% senior secured notes due 2028 and (ii) \$500 million (net proceeds of \$494 million) in aggregate principal amount of 8.250% senior unsecured notes due 2031. Interest on both of these notes are paid on April 15 and October 15 each year, beginning on October 15, 2023. These notes contain covenants that are usual and customary. The total net proceeds of \$988 million along with cash on hand were used primarily to redeem \$350 million of the senior secured term loan facility under the Term Loan B Agreement as described above, and repurchase €700 million (\$743 million) of the 3.50% unsecured notes due 2024 as described below. Adient paid \$16 million in debt issuance costs for these new debt issuances.

AGH also maintains 4.875% USD-denominated unsecured notes due 2026. The aggregate principal amount of these notes was \$795 million as of September 30, 2024 and 2023. AGH also paid the remaining balance of its 3.50% Euro denominated unsecured notes of €123 million (\$132 million) in August 2024 upon final maturity. During fiscal 2023, Adient repurchased €700 million (\$743 million) of the 3.50% unsecured notes due 2024 at a premium of €7 million (\$7 million) plus €3 million (\$3 million) of accrued and unpaid interest, and expensed €2 million (\$2 million) of previously deferred financing costs to net financing charges.

During fiscal 2022, Adient repurchased the entirety of its \$600 million, 9.00% Senior First Lien Notes due 2025 at a premium of \$34 million plus \$19 million of accrued interest.

Sources of Cash Flows

(in millions)	Year Ended September 30,		
	2024	2023	2022
Cash provided (used) by operating activities	\$ 543	\$ 667	\$ 274
Cash provided (used) by investing activities	(253)	(229)	484
Cash provided (used) by financing activities	(502)	(271)	(1,273)
Capital expenditures	(266)	(252)	(227)

Cash flows from operating activities

Fiscal 2024 compared to Fiscal 2023: The decrease in cash flows from operating activities is primarily due to lower profitability driven by lower production volumes in fiscal 2024 along with unfavorable changes to working capital year over year.

Fiscal 2023 compared to Fiscal 2022: The increase in cash flows from operating activities is primarily due to the higher net income attributable to Adient in fiscal 2023 and favorable overall changes to working capital year-over-year due to lower levels of inventory and higher levels of current liabilities. See the working capital section below for further information on changes in working capital.

Cash flows from investing activities

Fiscal 2024 compared to Fiscal 2023: The increase in cash used by investing activities is primarily attributable to higher capital expenditures as further explained below and by lower levels of proceeds from asset sales.

Fiscal 2023 compared to Fiscal 2022: The increase in cash used by investing activities is primarily related to the non-recurrence of the fiscal 2022 cash inflows associated with business divestitures including the \$651 million of proceeds received related to the 2021 Yanfeng Transaction (as defined and described in Form 10-K for the fiscal year ended September 30, 2021), \$46 million in proceeds received from the sale of the assets in Turkey, and the collection of \$41 million of deferred proceeds related to the 2020 Yanfeng Transaction (as defined and described in Form 10-K for the fiscal year ended September 30, 2021).

Cash flows from financing activities

Fiscal 2024 compared to Fiscal 2023: The increase in cash used by financing activities is attributable to \$275 million common stock repurchases transacted in fiscal 2024 (\$65 million in fiscal 2023) and the repayment of the €123 million (\$132 million) unsecured notes, partially offset by the non-recurrence of prior year debt refinancing activities. Refer to Note 9, "Debt and Financing Arrangements," and Note 13, "Equity and Noncontrolling Interests," of the notes to the consolidated financial statements for additional information.

Fiscal 2023 compared to Fiscal 2022: The decrease in cash used by financing activities is attributable to fiscal 2022 financing activities. This includes repayment of long-term debt of \$744 million (including \$34 million of premiums), amounts paid to acquire the noncontrolling interest of Chongqing Adient Automotive Components Co., Ltd. (\$153 million), and higher dividend payments to noncontrolling interests. These are partially offset by fiscal 2023 debt refinancing activities totaling \$102 million and common stock repurchases of \$65 million.

Capital expenditures

Fiscal 2024 compared to Fiscal 2023: Higher capital expenditures in fiscal 2024 were due primarily to timing of program spend on product launches in EMEA.

Fiscal 2023 compared to Fiscal 2022: A \$25 million increase in capital expenditures is primarily associated with new program launches particularly in EMEA and Asia, and additional investments in continuous improvement initiatives in all regions.

Working capital

(in millions)	September 30, 2024	September 30, 2023
Current assets	\$ 4,086	\$ 4,316
Current liabilities	3,678	3,738
Working capital	\$ 408	\$ 578

Working capital decreased by \$170 million as of September 30, 2024 primarily due to a decrease in cash as a result of the share repurchase activity and debt pay downs in fiscal 2024, a decrease in inventories due to focused management of inventory levels and an increase in the restructuring reserves as a result of the EMEA restructuring actions taken in fiscal 2024, partially offset by decreases in accrued compensation and benefits.

Off-Balance Sheet Arrangements

Adient enters into supply chain financing programs in certain domestic and foreign jurisdictions to either sell or discount accounts receivable without recourse to third-party institutions. Sales or discounts of accounts receivable are reflected as a reduction of accounts receivable on the consolidated statements of financial position and the proceeds are included in cash flows from operating activities in the consolidated statements of cash flows. As of both September 30, 2024 and September 30, 2023, \$170 million was funded under these programs.

Adient also has a program with an external financial institution under which Adient's suppliers can sell their receivables from Adient to the financial institution at their sole discretion. Adient is not a party to the agreements between the participating suppliers and the financial institution. Adient's obligation under the program is to pay the original amounts of supplier invoices to the financial institution on the original invoice dates. No fees are paid and no assets are pledged by Adient. The payment terms for trade payables can range from 45 days to 120 days depending on types of services and goods being purchased. The payment terms for molds, dies and other tools that are acquired as part of pre-production activities are in general longer, and are normally dependent on the terms which Adient has agreed with its customers. As of September 30, 2024, and September 30, 2023, Adient's liabilities related to this program were \$76 million and \$50 million, respectively. Cash flows related to the program are all presented within operating activities in Adient's consolidated statements of cash flows.

Contractual Obligations

A summary of Adient's significant contractual obligations as of September 30, 2024:

(in millions)	Total	2025	2026-2027	2028-2029	Beyond 2030
Long-term debt	\$ 2,432	\$ 8	\$ 810	\$ 512	\$ 1,102
Interest on long-term debt	815	164	289	215	147
Operating leases	291	91	110	43	47
Purchase obligations ⁽¹⁾	426	257	22	66	81
Pension contributions	83	9	18	14	42
Total contractual cash obligations	<u>\$ 4,047</u>	<u>\$ 529</u>	<u>\$ 1,249</u>	<u>\$ 850</u>	<u>\$ 1,419</u>

⁽¹⁾ Primarily consists of commitments for production materials and other supply items, as well as \$74 million of committed capital expenditures.

Effects of Inflation and Changing Prices

The effects of inflation have historically not been significant to Adient's results of operations. Generally, Adient has been able to implement operating efficiencies to sufficiently offset cost increases, which over time have been moderate. The automotive industry has recently experienced a period of significant volatility in commodity and other input costs, including steel, petrochemical, freight, energy and labor costs. This price volatility may continue into the future as demand increases and/or supply is constrained. Price volatility has resulted in an overall increase of input costs for Adient that may not be, or may only be partially, offset through customer negotiations. During fiscal 2025, commodity prices and availability could fluctuate throughout the year and significantly affect Adient's results of operations.

Critical Accounting Estimates and Policies

Adient prepares its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). This requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. The following policies are considered by management to be the most critical in understanding the judgments that are involved in the preparation of Adient's consolidated financial statements and the uncertainties that could impact results of operations, financial position and cash flows.

Revenue Recognition

Adient provides production and service parts to its customers under awarded multi-year programs. The duration of a program is generally consistent with the life cycle of a vehicle, however, an awarded program does not reach the level of a performance obligation until Adient receives either a purchase order and/or a materials release from the customer for a specific number of parts at a specified price, at which point an enforceable contract exists. Revenue is recognized at a point in time when Adient transfers control of the product to the customer. Contracts with customers may provide for annual price reductions over the production life of the awarded program. Transaction prices are adjusted on an ongoing basis to reflect changes in product content/cost and other commercial factors, some of which are considered as variable consideration and must be estimated. The amount of revenue recognized reflects the consideration that Adient expects to be entitled to in exchange for such products based on purchase orders, annual price reductions and ongoing price adjustments.

In pursuit of new program awards, Adient at times agrees to make upfront payments to customers. Each time such a payment is made, Adient evaluates its nature, the underlying economics, legal and compliance ramifications, and other relevant factors and circumstances. These payments are deemed to be consideration payable to customers and are generally recognized as a reduction to revenue once mutually agreed. Certain upfront payments, however, are capitalized as other current and noncurrent assets if they are determined to be incremental, attributable only to the specific new program being awarded, and recoverable. As products under the new program are sold to the customer, the capitalized amount is amortized and recognized as a reduction to revenue over the term of the program, typically between three and seven years. Adient assesses recoverability of the capitalized amounts on an on-going basis. Any amounts that are concluded to be no longer recoverable are immediately

recognized as a reduction to revenue.

Refer to Note 1, "Organization and Summary of Significant Accounting Policies," and Note 2, "Revenue Recognition," of the notes to the consolidated financial statements for more information.

Impairment of Goodwill, Other Long-lived Assets and Investments in Partially Owned Affiliates

Goodwill reflects the cost of an acquisition in excess of the fair values assigned to identifiable net assets acquired. Adient reviews goodwill for impairment during the fourth fiscal quarter or more frequently if events or changes in circumstances indicate the asset might be impaired. Adient performs impairment reviews for its reporting units, which have been determined to be Adient's reportable segments, using a fair value method based on management's judgments and assumptions or third-party valuations. The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. In estimating the fair value, Adient uses the income approach in which discounted cash flow analyses are used to derive estimates of fair value of each reporting unit. Multiples of earnings based on the average of historical, published multiples of earnings of comparable entities with similar operations and economic characteristics are also used in developing estimated fair values. The inputs utilized in the analyses are classified as Level 3 inputs within the fair value hierarchy as defined in ASC 820, "Fair Value Measurement." These calculations contain uncertainties as they require management to make assumptions about market comparables, future cash flows and appropriate discount rates (based on weighted average cost of capital ranging from 15.5% to 18.5% at September 30, 2024) to reflect the risk inherent in the future cash flows and to derive a reasonable enterprise value and related premium.

The estimated future cash flows reflect management's latest assumptions of the financial projections based on current and anticipated competitive landscape, including estimates of revenue based on production volumes over the foreseeable future and long-term growth rates, and operating margins based on historical trends and future cost containment activities. The financial projections considered the impact of the various issues causing uncertainty in the automotive industry such as weaker vehicle demand impacted by new vehicle affordability and a high interest rate environment, slower global adoption of electric vehicles by consumers, volatile commodity pricing, and persistent inflationary pressures. Specifically in the EMEA region, where Adient recorded significant restructuring charges during fiscal 2024, a heightened risk of impairment exists as the difference between its fair value and carrying value is less than 10%. The EMEA reporting unit maintains \$341 million of goodwill at September 30, 2024. The decrease in EMEA's fair value is driven by lower forecasted vehicle volumes from weakening consumer demand, slower consumer adoption of electric vehicles, overcapacity in the industry resulting in pricing pressure, intensifying competition from Chinese imports and lower exports to China from EMEA as domestic brands expand in China. No goodwill impairment was recorded in fiscal 2024; however, if further degradation in the economic conditions in the EMEA region occur or if significantly higher levels of restructuring actions are needed in the region, the EMEA reporting unit may incur significant impairment of goodwill and other long-lived assets. Adient generally assumes operating margins in future years will normalize over time as it is believed that this is consistent with a market participant view. Had Adient assumed future operating margins consistent with those in fiscal 2024, the EMEA reporting unit would have failed the impairment quantitative tests, which may have resulted in material goodwill impairment losses. The current year results are not indicative of future market participant expectations primarily due to the current challenging market conditions as mentioned above. While revenue is not expected to return to historical levels, there are expectations for enhanced profitability and cash flows driven by near-term efficiency actions, strategic review of portfolio and reduction of capital expenditures. Long-term profitability and cash flows will also be impacted by the expiration of underperforming contracts and more profitable business starting in fiscal 2026 along with restructuring benefits taking full effect. Further, the high levels of recent restructurings and the associated significant costs of such actions in the EMEA region are not expected to persist for the long-term at comparable levels. To pass the impairment quantitative test, projected long-term operating margins, utilizing the discounted cash flow method, are expected to average approximately 5.5%-6.5%. Additionally, if further restructuring actions persist beyond what is anticipated or if a hypothetical increase occurred in the discount rate of approximately 100 basis points at September 30, 2024, with all other assumptions unchanged, the carrying value of this reporting unit would likely exceed its fair value, which may have resulted in a material goodwill impairment loss. Refer to Note 6, "Goodwill and Other Intangible Assets," of the notes to the consolidated financial statements for additional information.

Adient reviews long-lived assets, including property, plant and equipment and other intangible assets with definite lives, for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. Adient conducts its long-lived asset impairment analyses in accordance with ASC 360-10-15, "Impairment or Disposal of Long-Lived Assets." ASC 360-10-15 requires Adient to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and evaluate the asset group against the sum of the undiscounted future cash flows. If the undiscounted cash flows do not indicate the carrying amount of the asset is recoverable, an impairment charge is measured as the amount by which the carrying amount of the asset group exceeds its fair value based on discounted cash flow analysis or appraisals. Intangible assets with definite lives continue to be amortized over

their estimated useful lives and are subject to impairment testing as part of their asset group if events or changes in circumstances indicate that the asset might be impaired. A considerable amount of management judgment and assumptions are required in performing the impairment tests. No triggering events were identified during fiscal 2024 and 2023.

Adient monitors its investments in partially-owned affiliates for indicators of other-than-temporary declines in value on an ongoing basis. If Adient determines that an other-than-temporary decline in value has occurred, it recognizes an impairment loss, which is measured as the difference between the recorded book value and the fair value of the investment. Fair value is generally determined using an income approach based on discounted cash flows or negotiated transaction values. No other-than-temporary impairment indicators were present in fiscal 2024. During fiscal 2023, Adient concluded that indicators of other-than-temporary impairment were present related to two nonconsolidated partially-owned affiliates, and recorded a \$6 million (\$3 million in Asia and \$3 million in EMEA) non-cash impairment as a result. Refer to Note 18, "Nonconsolidated Partially-Owned Affiliates," of the notes to the consolidated financial statements for additional information.

During fiscal 2024, Adient determined that an impairment had occurred with its investment in Adient Aerospace and recorded an impairment charge of \$9 million. Refer to Note 15, "Restructuring and Impairment Costs," of the notes to the consolidated financial statements for additional information.

Employee Benefit Plans

Adient provides a range of pension benefits to its employees and retired employees. These benefits are Adient's direct obligation and have been recorded within Adient's consolidated financial statements. Plan assets and obligations are measured annually, or more frequently if there is a remeasurement event, based on Adient's measurement date utilizing various actuarial assumptions such as discount rates, assumed rates of return, compensation increases, turnover rates and health care cost trend rates as of that date. Adient reviews its actuarial assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when appropriate.

Adient utilizes a mark-to-market approach for recognizing pension benefit expenses, including measuring the market related value of plan assets at fair value and recognizing actuarial gains and losses in the fourth quarter of each fiscal year or at the date of a remeasurement event.

U.S. GAAP requires that companies recognize in the statement of financial position a liability for defined benefit pension and postretirement plans that are underfunded or unfunded, or an asset for defined benefit pension and postretirement plans that are overfunded. U.S. GAAP also requires that companies measure the benefit obligations and fair value of plan assets that determine a benefit plan's funded status as of the date of the employer's fiscal year end.

Adient considers the expected benefit payments on a plan-by-plan basis when setting assumed discount rates. As a result, Adient uses different discount rates for each plan depending on the plan jurisdiction, the demographics of participants and the expected timing of benefit payments. For the U.S. pension plans, Adient uses a discount rate provided by an independent third-party calculated based on an appropriate mix of high quality bonds. For the non-U.S. pension, Adient consistently uses the relevant country specific benchmark indices for determining the various discount rates. Adient's discount rate on U.S. pension plans was 4.99% and 5.87% at September 30, 2024 and 2023, respectively. Adient's weighted average discount rate on non-U.S. plans was 4.75% and 5.60% at September 30, 2024 and 2023, respectively.

In estimating the expected return on plan assets, Adient considers the historical returns on plan assets, adjusted for forward-looking considerations, inflation assumptions and the impact of the active management of the plans' invested assets. Reflecting the relatively long-term nature of the plans' obligations, approximately 70% of the plans' assets are invested in fixed income securities and 10% in equity securities, with the remainder primarily invested in alternative investments. For fiscal years 2024 and 2023, Adient's expected long-term return on U.S. pension plan assets used to determine net periodic benefit cost was 6.75% and 6.75% respectively. The actual rate of return on U.S. pension plans was above 6.75% in fiscal 2024 and was above 6.75% in fiscal 2023. For fiscal years 2024 and 2023, Adient's weighted average expected long-term return on non-U.S. pension plan assets was 4.95% and 4.53%, respectively. The actual rate of return on non-U.S. pension plans was above 4.95% in fiscal 2024 and was below 4.53% in fiscal 2023.

For fiscal 2025, Adient estimates the long-term rate of return will approximate 6.75% and 4.95% for U.S. pension and non-U.S. pension plans, respectively. Any differences between actual investment results and the expected long-term asset returns will be reflected in net periodic benefit costs in the fourth quarter of each fiscal year. If Adient's actual returns on plan assets are less than Adient's expectations, additional contributions may be required.

In fiscal 2024, total Adient contributions to the defined benefit pension plans were \$20 million. Adient expects to contribute at least \$10 million in cash to its defined benefit pension plans in fiscal 2025.

Based on information provided by its independent actuaries and other relevant sources, Adient believes that the assumptions used to measure Adient's pension obligations are reasonable; however, changes in these assumptions could impact Adient's financial position, results of operations or cash flows.

The following table illustrates estimated increases (decreases) in projected benefit obligation ("PBO") and net periodic benefit cost excluding changes in mark-to-market adjustments and settlement charges ("NPBC") as of September 30, 2024 and for fiscal 2024 assuming a decrease of 100 basis points in the discount rate and expected return on plan assets.

(in millions)	Pension Benefits			
	U.S. Plans		Non-U.S. Plans	
	Change in PBO	Change in NPBC	Change in PBO	Change in NPBC
100 basis point decrease in discount rate	\$ —	\$ —	\$ 42	\$ (1)
100 basis point decrease in expected return on plan assets	N/A	—	N/A	2

Refer to Note 14, "Retirement Plans," of the notes to consolidated financial statements for more information on Adient's pension plans.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and other loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Adient records a valuation allowance that primarily represents operating and other loss carryforwards for which realization is uncertain. Management judgment is required in determining Adient's provision for income taxes, deferred tax assets and liabilities, and the valuation allowance recorded against Adient's net deferred tax assets.

Adient reviews the realizability of its deferred tax assets on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or combined group recording the net deferred tax asset are considered, along with any other positive or negative evidence. Since future financial results may differ from previous estimates, periodic adjustments to Adient's valuation allowances may be necessary.

Adient is subject to income taxes in Ireland, the U.S. and other non-U.S. jurisdictions. Judgment is required in determining its worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of Adient's business, there are many transactions and calculations where the ultimate tax determination is uncertain. Adient's income tax returns for various fiscal years remain under audit by the respective tax authorities. Although the outcome of tax audits is always uncertain, management believes that it has appropriate support for the positions taken on its tax returns and that its annual tax provisions included amounts sufficient to pay assessments, if any, which may be proposed by the taxing authorities. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

Adient does not generally provide for additional income taxes which would become payable upon repatriation of undistributed earnings of wholly owned foreign subsidiaries. Adient's intent is for such earnings to be reinvested by the subsidiaries or to be repatriated only when it would be tax efficient.

Refer to Note 16, "Income Taxes," of the notes to consolidated financial statements for Adient's income tax disclosures.

Restructuring Costs

Adient accrues costs in connection with its restructuring actions. These accruals include estimates primarily related to employee headcount, local statutory benefits, and other employee termination costs. Actual costs may vary from these estimates. These

accruals are reviewed on a quarterly basis and changes to restructuring actions are appropriately recognized when identified. Refer to Note 15, “Restructuring and Impairment Costs,” of the notes to consolidated financial statements for more information.

During fiscal 2024, Adient committed to a restructuring plan of \$169 million that was offset by prior period underspend of \$1 million and \$9 million cost reimbursement committed by a customer. The fiscal 2024 charges are mostly related to termination benefits in Europe. The 2024 Plan is being implemented in response to the macroeconomic factors occurring in the European automotive market causing reduced production volumes and to ensure Adient maintains a competitive cost structure by reducing operating, administrative and engineering costs, and increasing efficiencies. Restructuring actions associated with these specific plans will primarily occur in fiscal years 2025 and 2026 and are expected to be substantially complete by fiscal year 2027. Adient estimates that upon completion of the restructuring actions, the fiscal 2024 restructuring plan would reduce annual operating costs by approximately \$110 million, which was primarily the result of lower costs of sales and selling, general and administrative expenses due to reduced employee-related costs, of which approximately 60% would result in net savings. Restructuring costs are included in restructuring and impairment costs in the consolidated statements of income.

During fiscal 2023, Adient committed to a restructuring plan (“2023 Plan”) of \$39 million. Adient also recorded additional charges totaling \$1 million related to prior year plans. The restructuring actions related to cost reduction initiatives and consist primarily of workforce reductions in EMEA. Adient estimated that upon completion of the restructuring actions, the fiscal 2023 restructuring plan would reduce annual operating costs by approximately \$30 million, which was primarily the result of lower costs of sales and selling, general and administrative expenses due to reduced employee-related costs, of which approximately 15% would result in net savings. The restructuring actions are expected to be substantially completed by fiscal 2025.

During fiscal 2022, Adient committed to a restructuring plan (“2022 Plan”) of \$25 million that was offset by \$10 million of prior year underspend. The restructuring actions related to cost reduction initiatives and consist primarily of workforce reductions in EMEA and Americas. Adient estimated that upon completion of the restructuring actions, the fiscal 2022 restructuring plan would reduce annual operating costs by approximately \$30 million, which was primarily the result of lower costs of sales and selling, general and administrative expenses due to reduced employee-related costs, of which approximately 30% would result in net savings. The restructuring actions were substantially completed by fiscal 2023.

New Accounting Pronouncements

See Note 1, “Organization and Summary of Significant Accounting Policies,” of the notes to consolidated financial statements for a discussion of new accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate and Foreign Currency Risk Management

Adient regularly reviews its underlying foreign exchange and interest rate exposures, both on a stand-alone basis and in conjunction with applicable derivative hedge positions. Given the effective horizons of Adient's risk management activities and the anticipatory nature of the exposures, there is no assurance the "derivative hedge" positions will offset more than a portion of the financial impact resulting from movements in Adient's underlying foreign exchange or interest rate exposures. Further, the recognition of the gains and losses related to these instruments may not coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect Adient's financial condition and operating results.

Adient selectively uses derivative instruments to reduce market risk associated with changes in foreign currency. All hedging transactions were authorized and executed pursuant to clearly defined policies and procedures, which strictly prohibit the use of financial instruments for speculative purposes. At the inception of the hedge, Adient assesses the effectiveness of the hedge instrument and designates the hedge instrument as either (1) a hedge of a recognized asset or liability or of a recognized firm commitment (a fair value hedge), (2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to an unrecognized asset or liability (a cash flow hedge) or (3) a hedge of a net investment in a non-U.S. operation (a net investment hedge). Adient performs hedge effectiveness testing on an ongoing basis depending on the type of hedging instrument used. All other derivatives not designated as hedging instruments under ASC 815, "Derivatives and Hedging," are revalued in the consolidated statements of income.

Adient evaluates cash flow hedges for effectiveness at inception based on the critical terms match method. The hedges are not expected to incur any ineffectiveness, however, a quarterly qualitative assessment of effectiveness is done to determine if the critical terms match method remains appropriate to use.

For all designated net investment hedges, Adient assesses its net investment position in non-U.S. operations and compares it with the outstanding net investment hedge principal on a quarterly basis. All hedges are deemed highly effective if the aggregate outstanding principal of the hedge instrument designated as the net investment hedge in a non-U.S. operation is between 80% and 125% of its net investment position in respective non-U.S. operations.

Further details are provided in Part II, Item 8 of this Annual Report in the notes to consolidated financial statements. A discussion of Adient's accounting policies for derivative financial instruments is included in Note 1, "Organization and Summary of Significant Accounting Policies," and further disclosure relating to derivatives and hedging activities is included in Note 10, "Derivative Instruments and Hedging Activities," and Note 11, "Fair Value Measurements," of the notes to consolidated financial statements.

Interest Rate Risk

Adient's exposure to changes in global interest rates relates primarily to Adient's investment portfolio and outstanding debt. While Adient is exposed to global interest rate fluctuations, Adient's interest income and expense are most sensitive to fluctuations in U.S. interest rates. Changes in global interest rates affect the interest earned on Adient's cash, cash equivalents and marketable securities and the fair value of those securities, as well as costs associated with hedging and interest paid on Adient's debt.

Adient's investment policy and strategy are focused on preservation of capital and supporting Adient's liquidity requirements. Adient uses a combination of internal and external management to execute its investment strategy and achieve its investment objectives. Adient typically invests in highly-rated securities, and its investment policy generally limits the amount of credit exposure to any one issuer. The policy requires investments generally to be investment grade, with the primary objective of minimizing the potential risk of principal loss.

Further details regarding Adient's debt and financing arrangements are provided in Note 9, "Debt and Financing Arrangements," of the notes to consolidated financial statements.

Foreign Currency Risk

Adient has manufacturing, sales and distribution facilities around the world and thus makes investments and enters into transactions denominated in various foreign currencies. In order to maintain strict control and achieve the benefits of Adient's global diversification, foreign exchange exposures for each currency are netted internally so that only its net foreign exchange exposures are, as appropriate, hedged with financial instruments.

On an annual basis, Adient hedges 70% to 90% of the nominal amount of each of its known foreign exchange transactional exposures. Adient primarily enters into foreign currency exchange contracts to reduce the earnings and cash flow impact of the variation of non-functional currency denominated receivables and payables. Gains and losses resulting from hedging instruments offset the foreign exchange gains or losses on the underlying assets and liabilities being hedged. The maturities of the forward exchange contracts generally coincide with the settlement dates of the related transactions. Realized and unrealized gains and losses on these contracts are recognized in the same period as gains and losses on the hedged items. During fiscal 2024, Adient had hedge contracts outstanding with the aim of hedging balance sheet items, or with the aim of hedging forecasted commitments. Foreign exchange contracts hedging balance sheet items are marked-to-market through the income statement, while foreign exchange contracts to hedge forecasted commitments are designated in a hedge relationship as a cash flow hedge. These are marked-to-market through other comprehensive income when effective.

As of September 30, 2024, certain foreign currency forward contracts have been designated to selectively hedge portions of Adient's net investments in China. The currency effects of the foreign currency forward contracts are reflected in the accumulated other comprehensive income account ("AOCI") within shareholders' equity attributable to Adient where they offset gains and losses recorded on Adient's net investments in China.

At September 30, 2024 and 2023, Adient estimates that the fair value of outstanding foreign exchange contracts would have been adversely impacted by approximately \$72 million and \$47 million, respectively, from an unfavorable 10% change in all applicable foreign currency exchange rates versus the U.S. Dollar. In practice, such a change would generally be offset by an opposing fair value change of the underlying asset, liability or transaction.

Commodity Risk

Adient's exposures to market risk from changes in the price of production material are managed primarily through indexing arrangements and negotiations with suppliers and customers, although not all customer commodity exposures are covered by indexing arrangements and there can be no assurance that Adient will otherwise be able to recover all such costs. Adient's current indexing arrangements with its customers typically provide for partial recovery of commodity price changes on a lag of 3 months to, in some cases, more than 12 months between cost occurrence and partial recovery. Adient continues to evaluate its arrangements with its customers and to pursue negotiated commercial settlements related to commodity pricing matters. Adient evaluates from time to time derivatives available in the marketplace and may decide to utilize derivatives in the future to manage select commodity risks if acceptable hedging instruments and counterparties are identified for its exposure level at that time, as well as the effectiveness of the financial hedge among other factors.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Adient plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Adient plc and its subsidiaries (the “Company”) as of September 30, 2024 and 2023, and the related consolidated statements of income (loss), of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended September 30, 2024, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Annual Goodwill Impairment Assessment

As described in Notes 1, 6 and 17 to the consolidated financial statements, the Company's goodwill balance, which is comprised of the Americas, Europe, the Middle East and Africa (EMEA), and Asia Pacific/China (Asia) reporting units (collectively, "the reporting units"), was \$2,164 million as of September 30, 2024. Management reviews goodwill for impairment during the fourth fiscal quarter or more frequently if events or changes in circumstances indicate the asset might be impaired. Fair value of the reporting units is estimated using an income approach utilizing discounted cash flow analyses. The estimated future cash flows reflect management's latest assumptions of the financial projections based on current and anticipated competitive landscape, including estimates of revenue based on production volumes over the foreseeable future and long-term growth rates, and operating margins based on historical trends and future cost containment activities, as well as the discount rates.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessment is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to estimates of operating margins for the Americas reporting unit, estimates of revenue, long-term growth rate, and operating margins, as well as the discount rate for the EMEA reporting unit, and estimates of revenue for the Asia reporting unit; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Company's reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the reporting units; (ii) evaluating the appropriateness of the discounted cash flow analyses; (iii) testing the completeness and accuracy of underlying data used by management in the discounted cash flow analyses; and (iv) evaluating the reasonableness of the significant assumptions used by management related to estimates of operating margins for the Americas reporting unit, estimates of revenue, long-term growth rate, and operating margins, as well as the discount rate for the EMEA reporting unit, and estimates of revenue for the Asia reporting unit. Evaluating management's assumptions related to estimates of revenue, long-term growth rate, and operating margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the reporting units, as applicable; (ii) the consistency with relevant industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the discounted cash flow analyses and the reasonableness of the long-term growth rate and discount rate assumptions.

/s/ PricewaterhouseCoopers LLP
Detroit, Michigan
November 18, 2024

We have served as the Company's auditor since 1957.

Adient plc
Consolidated Statements of Income (Loss)

(in millions, except per share data)	Year Ended September 30,		
	2024	2023	2022
Net sales	\$ 14,688	\$ 15,395	\$ 14,121
Cost of sales	13,760	14,362	13,314
Gross profit	928	1,033	807
Selling, general and administrative expenses	507	554	598
Restructuring and impairment costs	168	40	25
Equity income	90	84	75
Earnings before interest and income taxes	343	523	259
Net financing charges	189	195	215
Other pension expense (income)	21	33	(10)
Income before income taxes	133	295	54
Income tax provision	32	—	94
Net income (loss)	101	295	(40)
Income attributable to noncontrolling interests	83	90	80
Net income (loss) attributable to Adient	\$ 18	\$ 205	\$ (120)
Earnings per share:			
Basic	\$ 0.20	\$ 2.17	\$ (1.27)
Diluted	\$ 0.20	\$ 2.15	\$ (1.27)
Shares used in computing earnings per share:			
Basic	89.5	94.5	94.8
Diluted	90.1	95.4	94.8

The accompanying notes are an integral part of the consolidated financial statements.

Adient plc
Consolidated Statements of Comprehensive Income (Loss)

(in millions)	Year Ended September 30,		
	2024	2023	2022
Net income (loss)	\$ 101	\$ 295	\$ (40)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	204	(17)	(250)
Realized and unrealized gains (losses) on derivatives	(32)	21	—
Pension and postretirement plans	—	—	1
Other comprehensive income (loss)	172	4	(249)
Total comprehensive income (loss)	273	299	(289)
Comprehensive income (loss) attributable to noncontrolling interests	106	91	49
Comprehensive income (loss) attributable to Adient	\$ 167	\$ 208	\$ (338)

The accompanying notes are an integral part of the consolidated financial statements.

Adient plc
Consolidated Statements of Financial Position

(in millions, except share and per share data)	September 30,	
	2024	2023
Assets		
Cash and cash equivalents	\$ 945	\$ 1,110
Accounts receivable, less allowances of \$24 and \$15, respectively	1,896	1,874
Inventories	758	841
Other current assets	487	491
Current assets	4,086	4,316
Property, plant and equipment - net	1,410	1,382
Goodwill	2,164	2,094
Other intangible assets - net	371	408
Investments in partially-owned affiliates	338	303
Assets held for sale	8	7
Other noncurrent assets	974	914
Total assets	\$ 9,351	\$ 9,424
Liabilities and Shareholders' Equity		
Short-term debt	\$ 1	\$ 2
Current portion of long-term debt	8	132
Accounts payable	2,552	2,526
Accrued compensation and benefits	358	400
Other current liabilities	759	678
Current liabilities	3,678	3,738
Long-term debt	2,396	2,401
Pension benefits	105	92
Other noncurrent liabilities	638	590
Long-term liabilities	3,139	3,083
Commitments and Contingencies (Note 19)		
Redeemable noncontrolling interests	91	57
Preferred shares issued, par value \$0.001; 100,000,000 shares authorized zero shares issued and outstanding at September 30, 2024	—	—
Ordinary shares issued, par value \$0.001; 500,000,000 shares authorized 84,866,763 shares issued and outstanding at September 30, 2024	—	—
Additional paid-in capital	3,712	3,973
Retained earnings (accumulated deficit)	(885)	(903)
Accumulated other comprehensive income (loss)	(693)	(842)
Shareholders' equity attributable to Adient	2,134	2,228
Noncontrolling interests	309	318
Total shareholders' equity	2,443	2,546
Total liabilities and shareholders' equity	\$ 9,351	\$ 9,424

The accompanying notes are an integral part of the consolidated financial statements.

Adient plc
Consolidated Statements of Cash Flows

(in millions)	Year Ended September 30,		
	2024	2023	2022
Operating Activities			
Net income (loss) attributable to Adient	\$ 18	\$ 205	\$ (120)
Income attributable to noncontrolling interests	83	90	80
Net income (loss)	101	295	(40)
Adjustments to reconcile net income (loss) to cash provided (used) by operating activities:			
Depreciation	285	290	298
Amortization of intangibles	47	50	52
Pension and postretirement benefit expense (benefit)	27	38	(2)
Pension and postretirement contributions, net	(20)	(17)	(16)
Equity in earnings of partially-owned affiliates, net of dividends received	(17)	(34)	4
(Gain) on sale of / impairment of nonconsolidated partially owned affiliates	(1)	6	10
Premium paid on repurchase of debt	—	7	38
Retrospective recoveries of Brazil indirect tax credits	—	—	(29)
Derivative loss on the 2021 Yanfeng Transaction	—	—	3
Deferred income taxes	(1)	(124)	5
Non-cash restructuring and impairment charges	9	—	14
Equity-based compensation	31	34	29
Other	7	(4)	17
Changes in assets and liabilities:			
Receivables	12	16	(576)
Inventories	93	126	(62)
Other assets	(57)	(26)	32
Accounts payable and accrued liabilities	90	(19)	485
Accrued income taxes	(63)	29	12
Cash provided (used) by operating activities	543	667	274
Investing Activities			
Capital expenditures	(266)	(252)	(227)
Sale of property, plant and equipment	15	26	20
Settlement of derivative contracts	—	—	(30)
Acquisition of businesses, net of cash acquired	—	(6)	(19)
Business divestitures	(2)	5	740
Other	—	(2)	—
Cash provided (used) by investing activities	(253)	(229)	484

Continued on next page

Adient plc
Consolidated Statements of Cash Flows
(Continued)

(in millions)	Year Ended September 30,		
	2024	2023	2022
Financing Activities			
Increase (decrease) in short-term debt	(1)	(1)	(14)
Increase (decrease) in long-term debt	—	1,002	—
Repayment of long-term debt	(137)	(1,104)	(987)
Debt financing costs	(5)	(23)	(1)
Share repurchases	(275)	(65)	—
Cash paid to acquire a noncontrolling interest	—	—	(153)
Dividends paid to noncontrolling interests	(72)	(67)	(106)
Other	(12)	(13)	(12)
Cash provided (used) by financing activities	(502)	(271)	(1,273)
Effect of exchange rate changes on cash and cash equivalents	47	(4)	(59)
Increase (decrease) in cash and cash equivalents	(165)	163	(574)
Cash and cash equivalents at beginning of period	1,110	947	1,521
Cash and cash equivalents at end of period	\$ 945	\$ 1,110	\$ 947

The accompanying notes are an integral part of the consolidated financial statements.

Adient plc
Consolidated Statements of Shareholders' Equity

(in millions)	Ordinary Shares, par value	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Shareholders' Equity Attributable to Adient	Shareholders' Equity Attributable to Noncontrolling Interests	Total Equity
Balance at September 30, 2021	\$ —	\$ 3,991	\$ (988)	\$ (627)	\$ 2,376	\$ 342	\$ 2,718
Net income (loss)	—	—	(120)	—	(120)	45	(75)
Foreign currency translation adjustments	—	—	—	(219)	(219)	(20)	(239)
Employee retirement plans	—	—	—	1	1	—	1
Dividends paid to and other transactions with noncontrolling interests	—	—	—	—	—	(53)	(53)
Purchase of subsidiary shares from noncontrolling interest	—	12	—	—	12	(12)	—
Share based compensation and other	—	23	—	—	23	—	23
Balance at September 30, 2022	\$ —	\$ 4,026	\$ (1,108)	\$ (845)	\$ 2,073	\$ 302	\$ 2,375
Net income	—	—	205	—	205	63	268
Foreign currency translation adjustments	—	—	—	(18)	(18)	(2)	(20)
Realized and unrealized gains on derivatives	—	—	—	21	21	—	21
Dividends paid to and other transactions with noncontrolling interests	—	—	—	—	—	(45)	(45)
Repurchase and retirement of ordinary shares	—	(65)	—	—	(65)	—	(65)
Share based compensation and other	—	12	—	—	12	—	12
Balance at September 30, 2023	\$ —	\$ 3,973	\$ (903)	\$ (842)	\$ 2,228	\$ 318	\$ 2,546
Net income	—	—	18	—	18	45	63
Foreign currency translation adjustments	—	—	—	181	181	6	187
Realized and unrealized losses on derivatives	—	—	—	(32)	(32)	—	(32)
Dividends paid to and other transactions with noncontrolling interests	—	—	—	—	—	(60)	(60)
Repurchase and retirement of ordinary shares	—	(275)	—	—	(275)	—	(275)
Share based compensation and other	—	14	—	—	14	—	14
Balance at September 30, 2024	\$ —	\$ 3,712	\$ (885)	\$ (693)	\$ 2,134	\$ 309	\$ 2,443

The accompanying notes are an integral part of the consolidated financial statements.

Adient plc
Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

Adient is a global leader in the automotive seating supplier industry and maintains relationships with the largest global automotive original equipment manufacturers, or OEMs. Adient's proprietary technologies extend into virtually every area of automotive seating solutions, including complete seating systems, frames, mechanisms, foam, head restraints, armrests and trim covers. Adient is an independent seat supplier with global scale and the capability to design, develop, engineer, manufacture, and deliver complete seat systems and components in every major automotive producing region in the world.

Basis of Presentation

The consolidated financial statements of Adient have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Principles of Consolidation

Adient consolidates its wholly-owned subsidiaries and those entities in which it has a controlling interest. Investments in partially-owned affiliates are accounted for by the equity method when Adient does not have a controlling interest but is assessed to have significant influence on their operations. Certain figures for comparative periods were reclassified to conform to current period presentation.

Consolidated VIEs

Based upon the criteria set forth in the Financial Accounting Standards Board Accounting Standards Codification ("ASC") 810, "Consolidation," Adient has determined that it was the primary beneficiary in two variable interest entities ("VIEs") for the reporting periods ended September 30, 2024 and 2023, respectively, as Adient absorbs significant economics of the entities and has the power to direct the activities that are considered most significant to the entities.

The two VIEs manufacture seating products in North America for the automotive industry. Adient funds the entities' short-term liquidity needs through revolving credit facilities and has the power to direct the activities that are considered most significant to the entities through its key customer supply relationships.

The carrying amounts and classification of assets (none of which are restricted) and liabilities included in Adient's consolidated statements of financial position for the consolidated VIEs are as follows:

(in millions)	September 30,	
	2024	2023
Current assets	\$ 285	\$ 265
Noncurrent assets	98	121
Total assets	<u>\$ 383</u>	<u>\$ 386</u>
Current liabilities	\$ 241	\$ 228
Noncurrent liabilities	12	13
Total liabilities	<u>\$ 253</u>	<u>\$ 241</u>

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The consolidated financial statements reflect management's estimates as of the reporting date. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The fair values of cash and cash equivalents, accounts receivable, short-term debt and accounts payable approximate their carrying values. See Note 10, “Derivative Instruments and Hedging Activities,” and Note 11, “Fair Value Measurements,” of the notes to consolidated financial statements for fair value of financial instruments, including derivative instruments and hedging activities.

Cash and Cash Equivalents

Adient considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash is managed by legal entity, with cash pooling agreements in place for all participating entities on a global basis, as applicable.

Receivables

Receivables consist of amounts billed and currently due from customers and revenues that have been recognized for accounting purposes but not yet billed to customers. Adient extends credit to customers in the normal course of business and maintains allowances resulting from the inability or unwillingness of customers to make required payments. The allowances are established based on historical data along with Adient’s assessment of expected credit losses that reflects current and forecasted industry and economic conditions, in accordance with ASC Topic 326, Financial Instruments - Credit Losses. Adient enters into supply chain financing programs in certain domestic and foreign jurisdictions to either sell or discount accounts receivable without recourse to third-party institutions. Sales or discounts of accounts receivable are reflected as a reduction of accounts receivable on the consolidated statements of financial position and the proceeds are included in cash flows from operating activities in the consolidated statements of cash flows. As of both September 30, 2024 and 2023, \$170 million was funded under these programs.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs.

Pre-Production Costs Related to Long-Term Supply Arrangements

Adient's policy for engineering, research and development, and other design and development costs related to products that will be sold under long-term supply arrangements requires such costs to be expensed as incurred or capitalized if reimbursement from the customer is contractually assured. Income related to recovery of these costs is recorded within selling, general and administrative expense in the consolidated statements of income. At September 30, 2024 and 2023, Adient recorded within the consolidated statements of financial position \$310 million and \$274 million, respectively, of engineering and research and development costs for which customer reimbursement is contractually assured. The reimbursable costs are recorded in other current assets if reimbursement will occur in less than one year and in other noncurrent assets if reimbursement will occur beyond one year. At September 30, 2024, Adient had \$108 million and \$202 million of reimbursable costs recorded in current and noncurrent assets, respectively. At September 30, 2023, Adient had \$104 million and \$170 million of reimbursable costs recorded in current and noncurrent assets, respectively.

Costs for molds, dies and other tools used to make products that will be sold under long-term supply arrangements are capitalized within property, plant and equipment if Adient has title to the assets or has the non-cancelable right to use the assets during the term of the supply arrangement. Capitalized items, if specifically designed for a supply arrangement, are amortized over the term of the arrangement; otherwise, amounts are amortized over the estimated useful lives of the assets. At September 30, 2024 and 2023, approximately \$50 million and \$53 million, respectively, of costs for molds, dies and other tools were capitalized within property, plant and equipment which represented assets to which Adient had title. In addition, at September 30, 2024, Adient recorded within the consolidated statements of financial position in other current and noncurrent assets \$156 million and \$25 million, respectively, of costs for molds, dies and other tools for which customer reimbursement is contractually assured. At September 30, 2023, Adient recorded within the consolidated statements of financial position in other current and noncurrent assets \$151 million and \$11 million, respectively, of costs for molds, dies and other tools for which customer reimbursement is contractually assured.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. The estimated useful lives range from 3 to 40 years for buildings and improvements and from 3 to 15 years for machinery and equipment.

Leases

Operating lease right-of-use (“ROU”) assets and liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement dates. ROU assets also include payments made in advance and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options are to be exercised. Adient uses its incremental borrowing rate, which is the rate of interest it would pay to borrow on a collateralized basis over a similar term to the lease in a similar economic environment, for discounting lease consideration as most lease agreements do not provide an implicit rate. Refer to Note 8, “Leases” of the notes to consolidated financial statements for more information regarding Adient’s leases.

Goodwill and Other Intangible Assets

Goodwill reflects the cost of an acquisition in excess of the fair values assigned to identifiable net assets acquired. Adient reviews goodwill for impairment during the fourth fiscal quarter or more frequently if events or changes in circumstances indicate the asset might be impaired. Adient performs impairment reviews for its reporting units, which have been determined to be Adient's reportable segments using a fair value method based on management's judgments and assumptions or third-party valuations. The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. In estimating the fair value, Adient primarily uses an income approach utilizing discounted cash flow analyses. Adient also uses a market approach utilizing published multiples of earnings of comparable entities with similar operational and economic characteristics to further support the fair value estimates. The inputs utilized in the analyses are classified as Level 3 inputs within the fair value hierarchy as defined in ASC 820, “Fair Value Measurement.” The estimated fair value is then compared with the carrying amount of the reporting unit, including recorded goodwill. An impairment is recorded to the extent the estimated fair value is below the carrying amount of the reporting unit. No goodwill impairment has been recorded in fiscal 2024, 2023 or 2022.

As a result of macroeconomic factors impacting Adient and the automotive industry, a heightened risk of impairment exists for the EMEA reporting unit as the difference between its fair value and carrying value is less than 10% as of September 30, 2024. The decrease in EMEA’s fair value is driven by lower forecasted vehicle volumes from weakening consumer demand, slower consumer adoption of electric vehicles, overcapacity in the industry resulting in pricing pressure, intensifying competition from Chinese imports and lower exports to China from EMEA as domestic brands expand in China. As a result of the heightened risk of impairment, Adient will continuously assess the changing macroeconomic conditions in EMEA including the outlook for consumer demand for vehicles and other factors impacting the region, along with the need for further restructuring actions, all of which impact Adient’s ability to achieve its projected long-term operating performance. Refer to Note 6, “Goodwill and Other Intangible Assets,” of the notes to the consolidated financial statements for additional information.

Intangible assets with definite lives are amortized over their estimated useful lives and are subject to impairment testing if events or changes in circumstances indicate that the asset might be impaired.

Impairment of Long-Lived Assets

Adient reviews long-lived assets, including property, plant and equipment, operating lease ROU assets and other intangible assets with definite lives, for impairment whenever events or changes in circumstances indicate that the asset's carrying amount may not be recoverable. Adient conducts its long-lived asset impairment analyses in accordance with ASC 360-10-15, “Impairment or Disposal of Long-Lived Assets.” ASC 360-10-15 requires Adient to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and evaluate the asset group against the sum of the undiscounted future cash flows. If the undiscounted cash flows do not indicate the carrying amount of the asset is recoverable, an impairment charge is measured as the amount by which the carrying amount of the asset group exceeds its fair value based on discounted cash flow analysis or appraisals.

Impairment of Investments in Partially-Owned Affiliates

Adient monitors its investments in partially-owned affiliates for indicators of other-than-temporary declines in value on an ongoing basis. If Adient determines that an other-than-temporary decline in value has occurred, it recognizes an impairment loss, which is measured as the difference between the recorded book value and the fair value of the investment. Fair value is generally determined using an income approach based on discounted cash flows or negotiated transaction values. Refer to Note 18, “Nonconsolidated Partially-Owned Affiliates,” of the notes to consolidated financial statements for more information on Adient’s partially-owned affiliates.

Revenue Recognition

Adient provides production and service parts to its customers under awarded multi-year programs. The duration of a program is generally consistent with the life cycle of a vehicle, however, an awarded program does not reach the level of a performance obligation until Adient receives either a purchase order and/or a materials release from the customer for a specific number of parts at a specified price, at which point an enforceable contract exists. Sales revenue is recognized at the point in time when parts are shipped and control has transferred to the customer, at which point an enforceable right to payment exists. Contracts may provide for annual price reductions over the production life of the awarded program, and prices are adjusted on an ongoing basis to reflect changes in product content/cost and other commercial factors. The amount of revenue recognized reflects the consideration that Adient expects to be entitled to in exchange for such products based on purchase orders, annual price reductions and ongoing price adjustments. Refer to Note 2, “Revenue Recognition,” of the notes to consolidated financial statements for information on Adient's revenue recognition.

Customers

Essentially all of Adient’s sales are to the automotive industry. Volkswagen Group comprised 13% and 11% of consolidated net sales in fiscal 2024 and 2023, respectively, primarily within the EMEA segment. Ford Motor Company comprised 12% and 11% of consolidated net sales in fiscal 2024 and 2023, respectively, across all segments. Stellantis N.V. comprised 10% and 12% of consolidated net sales in fiscal 2023 and 2022, respectively, primarily within the Americas segment.

Research and Development Costs

Expenditures for research activities relating to product development and improvement (other than those expenditures that are contractually guaranteed for reimbursement from the customer) are charged against income as incurred and included within selling, general and administrative expenses in the consolidated statements of income. Such expenditures for the years ended September 30, 2024, 2023 and 2022 were \$372 million, \$362 million and \$322 million, respectively. A portion of these costs associated with these activities are reimbursed by customers in the amounts of \$280 million, \$250 million and \$194 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively.

Government Assistance

Adient periodically receives government incentives in the forms of cash grants which are based on making qualifying capital investments in property, plant and equipment. Such assistance is initially recorded as a reduction to property, plant and equipment. Once in use, the balance is systematically recognized in the statements of income as the asset is depreciated over the useful life of the underlying asset. Adient also periodically receives government assistance for creating new job opportunities and maintaining a certain number of employees. Such employment-related incentives are normally deferred as current or noncurrent liabilities as appropriate. These benefits are recognized in the statements of income as a reduction of expense when Adient has met or is expected to meet all related contractual obligations. The impact of government assistance received by Adient and related balances for all periods presented were immaterial.

Foreign Currency Translation

Adient's international operations, in general, use the respective local currency as the functional currency. Assets and liabilities of international entities have been translated at period-end exchange rates, and income and expenses have been translated using average exchange rates for the period. Monetary assets and liabilities denominated in non-functional currencies are adjusted to reflect period-end exchange rates. The resulting translation adjustments are accumulated as a component of AOCI. The aggregate transaction gains (losses) included in net income for the years ended September 30, 2024, 2023 and 2022 were \$(3) million, \$4 million and \$6 million, respectively.

Derivative Financial Instruments

The fair values of all derivatives are recorded in the consolidated statements of financial position. The change in a derivative's fair value is recorded each period in current earnings or accumulated other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction and if so, the type of hedge transaction. Refer to Note 10, "Derivative Instruments and Hedging Activities," and Note 11, "Fair Value Measurements," of the notes to consolidated financial statements for disclosure of Adient's derivative instruments and hedging activities.

Restructuring Costs

Adient recognizes restructuring costs that are probable and reasonably estimable related to separation programs that have been approved by and are committed to by management. In these situations, the affected employees are identified and it is unlikely that actions required to complete the separation plan will change significantly. Costs associated with benefits that are contingent on the employee continuing to provide services are recorded over the required service period. All other costs associated with restructuring activities are expensed as incurred.

Stock-Based Compensation

Stock-based compensation is initially measured at the fair value of the awards on the grant date and is recognized in the financial statements over the period the employees are required to provide services in exchange for the awards. The fair value of restricted stock awards is based on the number of units granted and the stock price on the grant date. The fair value of performance-based share unit, or PSU, awards is based on the stock price at the grant date and the assessed probability of meeting future performance targets. The fair value of cash settled awards are recalculated at the end of each reporting period and the liability and expense are adjusted based on the new fair value. Refer to Note 12, "Stock-Based Compensation," of the notes to consolidated financial statements for Adient's stock based compensation disclosures.

Pension and Postretirement Benefits

Adient utilizes a mark-to-market approach for recognizing pension and postretirement benefit expenses, including measuring the market related value of plan assets at fair value and recognizing actuarial gains and losses in the fourth quarter of each fiscal year or at the date of a remeasurement event. Refer to Note 14, "Retirement Plans," of the notes to consolidated financial statements for disclosure of Adient's pension and postretirement benefit plans.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and other loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Adient records a valuation allowance that primarily represents operating and other loss carryforwards for which realization is uncertain. Management judgment is required in determining Adient's provision for income taxes, deferred tax assets and liabilities, and the valuation allowance recorded against Adient's net deferred tax assets.

Adient reviews the realizability of its deferred tax assets on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or combined group recording the net deferred tax asset are considered, along with any other positive or negative evidence. Since future financial results may differ from previous estimates, periodic adjustments to Adient's valuation allowances may be necessary.

Adient is subject to income taxes in Ireland, the U.S. and other non-U.S. jurisdictions. Judgment is required in determining its worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of Adient's business, there are many transactions and calculations where the ultimate tax determination is uncertain. Adient's income tax returns for various fiscal years remain under audit by the respective tax authorities. Although the outcome of tax audits is always uncertain, management believes that it has appropriate support for the positions taken on its tax returns and that its annual tax provisions included amounts sufficient to pay assessments, if any, which may be proposed by the taxing authorities. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

Adient does not generally provide for additional income taxes which would become payable upon repatriation of undistributed earnings of wholly owned foreign subsidiaries. Adient's intent is for such earnings to be reinvested by the subsidiaries or to be repatriated only when it would be tax efficient.

Refer to Note 16, "Income Taxes," of the notes to consolidated financial statements for Adient's income tax disclosures.

Earnings Per Share

The following table shows the computation of basic and diluted earnings per share:

(in millions, except per share data)	Year Ended September 30,		
	2024	2023	2022
Numerator:			
Net income (loss) attributable to Adient	\$ 18	\$ 205	\$ (120)
Denominator:			
Shares outstanding	89.5	94.5	94.8
Effect of dilutive securities	0.6	0.9	—
Diluted shares	90.1	95.4	94.8
Earnings per share:			
Basic	\$ 0.20	\$ 2.17	\$ (1.27)
Diluted	\$ 0.20	\$ 2.15	\$ (1.27)

The effect of common stock equivalents which would have been anti-dilutive was excluded from the calculation of diluted earnings per share for fiscal 2024 and 2023 and was immaterial. Potentially dilutive securities whose effect would have been antidilutive are excluded from the computation of diluted earnings per share for fiscal 2022 which is a result of being in a loss position.

New Accounting Pronouncements

Standards Adopted During Fiscal 2024

On October 1, 2023, Adient adopted Accounting Standards Codification ("ASU") 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which requires disclosures of key terms of Adient's material supplier finance program. Refer to Note 9, "Debt and Financing Arrangements," of the notes to consolidated financial statements for additional information.

Standards Effective After Fiscal 2024

Adient has considered the new standards that are summarized below, each to be effective after fiscal 2024:

Standard to be Adopted	Description	Date Effective
ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	The ASU requires additional disclosures on significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss (collectively referred to as the “significant expense principle”). The ASU also requires additional disclosures of an amount for other segment items by reportable segment and a description of its composition.	October 1, 2024
ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures	The ASU requires disclosure of additional details about the reporting entity's reconciliation of the effective tax rate to the statutory rate for federal, state, and foreign income taxes. The ASU also requires further disaggregation of income tax amounts paid by federal, state and foreign, as well as by material jurisdiction.	October 1, 2025
SEC Climate Disclosure Rules Final Rule 33-11275	In March 2024, the SEC adopted the final rule surrounding disclosures of the impacts and risks of climate-related matters that have a material impact on Adient's operations and consolidated financial statements. These disclosures would be required in annual reports and registration statements and would discuss Scope 1 and Scope 2 greenhouse gas emissions along with other climate-related information such as severe weather events and other natural conditions. In April 2024, the SEC voluntarily stayed the climate disclosure rules pending judicial review. Adient is monitoring the outcome and evaluating the impact of these rules on its consolidated financial statements and related disclosures.	October 1, 2025 (under final rules which are now stayed)
ASU 2024-03 Income Statement - Reporting Comprehensive Income - Expense: Disaggregation Disclosures (Subtopic 220-40)	The ASU requires disclosures of specified information about certain costs and expenses in the notes to financial statements at each interim and annual reporting period, including: the amounts of purchases of inventory, employee compensation, depreciation, intangible asset amortization, and a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. It also requires disclosures of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.	October 1, 2027

2. Revenue Recognition

Adient generates revenue through the sale of automotive seating solutions, including complete seating systems and the components of complete seating systems. Adient provides production and service parts to its customers under awarded multi-year programs. The duration of a program is generally consistent with the life cycle of a vehicle, however, the program can be canceled at any time without cause by the customer. Programs awarded to Adient to supply parts to its customers do not contain a firm commitment by the customer for volume or price and do not reach the level of a performance obligation until Adient receives either a purchase order and/or a materials release from the customer for a specific number of parts at a specified price, at which point an enforceable contract exists. Sales revenue is generally recognized at the point in time when parts are shipped and control has transferred to the customer, at which point an enforceable right to payment exists. Contracts may provide for annual price reductions over the production life of the awarded program, and prices are adjusted on an ongoing basis to reflect changes in product content/cost and other commercial factors. The amount of revenue recognized reflects the consideration that Adient expects to be entitled to in exchange for such products based on purchase orders, annual price reductions and ongoing price adjustments (some of which are accounted for as variable consideration and subject to being constrained), net of the impact, if any, of consideration paid to the customer. Approximately 1% of net sales recorded in fiscal 2024 were related to product sales transacted in prior fiscal years.

In pursuit of new program awards, Adient at times agrees to make upfront payments to customers. Each time such a payment is made, Adient evaluates its nature, the underlying economics, legal and compliance ramifications, and other relevant factors and circumstances. These payments are deemed to be consideration payable to customers and are generally recognized as a reduction to revenue once mutually agreed. Certain upfront payments, however, are capitalized as other current and noncurrent assets if they are determined to be incremental, attributable only to the specific new program being awarded, and recoverable. As products under the new program are sold to the customer, the capitalized amount is amortized and recognized as a reduction to revenue over the term of the program, typically between three and seven years. Adient assesses recoverability of the capitalized amounts on an on-going basis. Any amounts that are concluded to be no longer recoverable are immediately recognized as a reduction to revenue. As of September 30, 2024 and 2023, Adient maintained capitalized upfront payments of

\$155 million and \$126 million, respectively, within other noncurrent assets.

In a typical arrangement with the customer, purchase orders are issued for pre-production activities which consist of engineering, design and development, tooling and prototypes for the manufacture and delivery of component parts. Adient has concluded that these activities are not in the scope of ASC 606, "Revenue from Contracts with Customers."

Adient includes shipping and handling fees billed to customers in revenue, while including costs of shipping and handling in cost of sales. Taxes collected from customers are excluded from revenue and credited directly to obligations to the appropriate government agencies. Payment terms with customers are established based on customary industry and regional practices and do not contain significant financing components.

Contract assets primarily relate to the right to consideration for work completed, but not billed at the reporting date on contracts with customers. The contract assets are transferred to receivables when the rights become unconditional. Contract liabilities primarily relate to contracts where advance payments or deposits have been received, but performance obligations have not yet been satisfied and revenue has not been recognized. No material contract assets or liabilities exist at September 30, 2024. As described above, the issuance of a purchase order and/or a materials release by the customer represents the point at which an enforceable contract with the customer exists. Therefore, Adient has elected to apply the practical expedient in ASC 606, paragraph 606-10-50-14 and does not disclose information about the remaining performance obligations that have an original expected duration of one year or less. Refer to Note 17, "Segment Information," of the notes to consolidated financial statements for disaggregated revenue by geographical market.

3. Acquisitions and Divestitures

2024 Transaction

In November 2023, Adient finalized the sale of 51% of its interest (previously held 100%) in Adient (Langfang) Seating Co., Ltd. ("LFADNT") in China for ¥44 million (\$6 million), resulting in the deconsolidation of LFADNT, including \$9 million of cash. Adient recorded an \$8 million loss as a result of the transaction in the Asia segment, including \$5 million of allocated goodwill.

2023 Transactions

Adient completed the acquisition of Nantong Yanfeng Adient Seating Trim Co., Ltd. ("YFAT") from KEIPER Seating Mechanisms Co., Ltd. ("KEIPER"), in April 2023 for ¥150 million (\$23 million). Adient made an initial deposit of ¥75 million (\$12 million) in fiscal 2022, which represents 50% of the purchase price (reflected within other current assets as of September 30, 2022). During fiscal 2023, Adient paid the remaining purchase price of ¥75 million (\$11 million). The acquisition was accounted for using the acquisition method, and the operating results and cash flows of YFAT are included in Adient's consolidated financial statements starting from May 2023. The acquisition is expected to provide additional synergies within the Asia segment. Adient recorded a purchase price allocation for the assets acquired and liabilities assumed based on their fair values as of the April 2023 acquisition date, which included \$13 million of goodwill and \$5 million of acquired cash. The allocation of the purchase price is based on the valuations performed to determine the fair value of the net assets as of the acquisition date. If the acquisition of YFAT had occurred on October 1, 2021, its impact on Adient's net sales and net income attributable to Adient for fiscal 2022 and fiscal 2023 would have been immaterial. Upon acquisition, YFAT was renamed as Adient (Nantong) Automotive Seating Components Co., Ltd.

2022 Transactions

In conjunction with the 2021 and 2020 Yanfeng Transactions (as defined and described in Form 10-K for the fiscal year ended September 30, 2021), Adient received total proceeds of \$693 million during fiscal 2022 from sales of its interests in two nonconsolidated partially-owned affiliates in China.

Assets held for sale

During fiscal 2022, Adient committed to sell certain assets in EMEA. As a result, these assets were classified as assets held for sale and were required to be adjusted to the lower of fair value less cost to sell or carrying value, which resulted in an impairment charge of \$6 million. Also, the sale of certain operations in EMEA which were classified as held for sale in fiscal 2021 was completed in fiscal 2022 for total proceeds of \$46 million.

4. Inventories

Inventories consisted of the following:

(in millions)	September 30,	
	2024	2023
Raw materials and supplies	\$ 582	\$ 644
Work-in-process	29	34
Finished goods	147	163
Inventories	<u>\$ 758</u>	<u>\$ 841</u>

5. Property, Plant and Equipment

Property, plant and equipment consisted of the following:

(in millions)	September 30,	
	2024	2023
Buildings and improvements	\$ 1,031	\$ 990
Machinery and equipment	3,245	3,097
Construction in progress	152	148
Land	86	84
Total property, plant and equipment	4,514	4,319
Less: accumulated depreciation	(3,104)	(2,937)
Property, plant and equipment - net	<u>\$ 1,410</u>	<u>\$ 1,382</u>

There were no material finance leases included in net property, plant and equipment at September 30, 2024 and 2023.

As of September 30, 2024, Adient is the lessor of properties included in gross building and improvements for \$14 million and accumulated depreciation of \$10 million. As of September 30, 2023, Adient is the lessor of properties included in gross building and improvements for \$13 million and accumulated depreciation of \$9 million.

6. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill are as follows:

(in millions)	Americas	EMEA	Asia	Total
Balance at September 30, 2022	\$ 607	\$ 295	\$ 1,155	\$ 2,057
Business acquisitions	—	—	13	13
Currency translation and other	2	22	—	24
Balance at September 30, 2023	<u>\$ 609</u>	<u>\$ 317</u>	<u>\$ 1,168</u>	<u>\$ 2,094</u>
Business divestiture	—	—	(5)	(5)
Currency translation and other	(3)	24	54	75
Balance at September 30, 2024	<u>\$ 606</u>	<u>\$ 341</u>	<u>\$ 1,217</u>	<u>\$ 2,164</u>

Refer to Note 3, “Acquisitions and Divestitures,” of the notes to consolidated financial statements for additional information.

Adient performed its annual goodwill impairment test during the fourth quarter of fiscal year 2024 using a fair value method based on management's judgments and assumptions regarding future cash flows. These calculations contain uncertainties as they require management to make assumptions about market comparables, future cash flows, and the appropriate discount rates

(based on weighted average cost of capital ranging from 15.5% to 18.5%) to reflect the risk inherent in the future cash flows and to derive a reasonable enterprise value and related premium. The estimated future cash flows reflect management's latest assumptions of the financial projections based on current and anticipated competitive landscape, including estimates of revenue based on production volumes over the foreseeable future and long-term growth rates, and operating margins based on historical trends and future cost containment activities. The financial projections considered the impact of the various issues causing uncertainty in the automotive industry such as weaker vehicle demand impacted by new vehicle affordability and a high interest rate environment, slower global adoption of electric vehicles by consumers, volatile commodity pricing, and persistent inflationary pressures. Specifically in the EMEA region, where Adient recorded significant restructuring charges during fiscal 2024, a heightened risk of impairment exists as the difference between its fair value and carrying value is less than 10%. The EMEA reporting unit maintains \$341 million of goodwill at September 30, 2024. The decrease in EMEA's fair value is driven by lower forecasted vehicle volumes from weakening consumer demand, slower consumer adoption of electric vehicles, overcapacity in the industry resulting in pricing pressure, intensifying competition from Chinese imports and lower exports to China from EMEA as domestic brands expand in China. No goodwill impairment was recorded in fiscal 2024; however, if further degradation in the economic conditions in the EMEA region occur or if significantly higher levels of restructuring actions are needed in the region, the EMEA reporting unit may incur significant impairment of goodwill and other long-lived assets. Adient generally assumes operating margins in future years will normalize over time as it is believed that this is consistent with a market participant view. The current year results are not indicative of future market participant expectations primarily due to the current challenging market conditions as mentioned above. While revenue is not expected to return to historical levels, there are expectations for enhanced profitability and cash flows driven by near-term efficiency actions, strategic review of portfolio and reduction of capital expenditures. Long-term profitability and cash flows will also be impacted by the expiration of underperforming contracts and more profitable business starting in fiscal 2026 along with restructuring benefits taking full effect. Further, the high levels of recent restructurings and the associated significant costs of such actions in the EMEA region are not expected to persist for the long-term at comparable levels.

Adient's other intangible assets, primarily from business acquisitions valued based on independent appraisals, consisted of:

(in millions)	September 30, 2024			September 30, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Intangible assets						
Patented technology	\$ 81	\$ (39)	\$ 42	\$ 79	\$ (32)	\$ 47
Customer relationships	563	(246)	317	550	(201)	349
Trademarks and other	25	(13)	12	41	(29)	12
Total intangible assets	<u>\$ 669</u>	<u>\$ (298)</u>	<u>\$ 371</u>	<u>\$ 670</u>	<u>\$ (262)</u>	<u>\$ 408</u>

Amortization of other intangible assets for the fiscal years ended September 30, 2024, 2023 and 2022 was \$47 million, \$50 million and \$52 million, respectively. Adient anticipates amortization for fiscal 2025, 2026, 2027, 2028 and 2029 will be approximately \$47 million, \$46 million, \$40 million, \$32 million and \$32 million, respectively.

7. Product Warranty

Adient offers warranties to its customers depending upon the specific product and terms of the customer purchase agreement. A typical warranty program requires that Adient replace defective products within a specified time period from the date of sale. Adient records an estimate for future warranty-related costs based on actual historical return rates and other known factors. Based on analysis of return rates and other factors, Adient's warranty provisions are adjusted as necessary. Adient monitors its warranty activity and adjusts its reserve estimates when it is probable that future warranty costs will be different than those estimates. Adient's product warranty liability is recorded in the consolidated statements of financial position in other current liabilities.

The changes in Adient's total product warranty liability are as follows:

(in millions)	September 30,	
	2024	2023
Balance at beginning of period	\$ 21	\$ 21
Accruals for warranties issued during the period	7	8
Settlements made (in cash or in kind) during the period	(6)	(8)
Balance at end of period	<u>\$ 22</u>	<u>\$ 21</u>

8. Leases

Adient's lease portfolio consists of operating leases for real estate including production facilities, warehouses and administrative offices, equipment such as forklifts, computer servers, laptops and fleet vehicles. Adient has elected not to record leases with an initial term of 12 months or less on its consolidated statement of financial position.

A lease liability and corresponding ROU asset are recognized based on the present value of lease payments. To determine the present value of lease payments, Adient uses its incremental borrowing rate as of lease commencement. The incremental borrowing rate (IBR) is defined as the rate Adient would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Adient primarily derives its IBR from its debt portfolio, adjusted for collateralization, lease term and jurisdictional factors.

The components of lease costs for the years ended September 30, 2024, 2023 and 2022 were as follows:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Operating lease cost	\$ 108	\$ 108	\$ 117
Short-term lease cost	29	29	20
Total lease cost	<u>\$ 137</u>	<u>\$ 137</u>	<u>\$ 137</u>

Operating lease right-of-use assets and lease liabilities included in the consolidated statement of financial position were as follows:

(in millions)		September 30,	
		2024	2023
Operating leases:			
Operating lease right-of-use assets	Other noncurrent assets	<u>\$ 248</u>	<u>\$ 241</u>
Operating lease liabilities - current	Other current liabilities	\$ 78	\$ 77
Operating lease liabilities - noncurrent	Other noncurrent liabilities	<u>168</u>	<u>163</u>
		<u>\$ 246</u>	<u>\$ 240</u>

Weighted average remaining lease term:

Operating leases	5 years	5 years
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Weighted average discount rate:

Operating leases	6.2 %	6.1 %
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Maturities of operating lease liabilities and minimum payments for operating leases having initial or remaining non-cancelable terms in excess of one year as of September 30, 2024 were as follows:

Fiscal years (in millions)	Operating Leases
2025	\$ 91
2026	64
2027	46
2028	28
2029	15
Thereafter	47
Total lease payments	291
Less: imputed interest	(45)
Present value of lease liabilities	<u>\$ 246</u>

Supplemental cash flow information related to leases was as follows:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases (non-cash activity)	<u>\$ 84</u>	<u>\$ 35</u>	<u>\$ 52</u>
Operating cash flows:			
Cash paid for amounts included in the measurement of lease liabilities	<u>\$ 108</u>	<u>\$ 108</u>	<u>\$ 116</u>

Adient's finance leases were not significant to the consolidated financial statements during fiscal 2024, 2023 and 2022. Refer to Note 9, "Debt and Financing Arrangements," of the notes to consolidated financial statements for additional information.

9. Debt and Financing Arrangements

Long-term and short-term debt consisted of the following:

(in millions)	September 30,	
	2024	2023
<i>Long-term debt:</i>		
8.25% Notes due 2031	\$ 500	\$ 500
7.00% Secured Notes due 2028	500	500
Term Loan B due in 2031	632	635
4.875% Notes due in 2026	795	795
3.50% Notes due in 2024	—	130
Other bank borrowings and finance lease obligations	5	4
Less: debt issuance costs	(28)	(31)
Gross long-term debt	<u>2,404</u>	<u>2,533</u>
Less: current portion	<u>8</u>	<u>132</u>
Net long-term debt	<u>\$ 2,396</u>	<u>\$ 2,401</u>
<i>Short-term debt:</i>		
Other bank borrowings ⁽¹⁾	1	2
Total short-term debt	<u>\$ 1</u>	<u>\$ 2</u>

⁽¹⁾ The weighted average interest rates on short-term debts, based on levels of debt maintained in various jurisdictions, were 5.4% and 10.1% at September 30, 2024 and 2023, respectively.

Adient US LLC (“Adient US”), a wholly owned subsidiary of Adient, together with certain of Adient's other subsidiaries, maintains an asset-based revolving credit facility (the “ABL Credit Facility”), which provides for a revolving line of credit up to \$1,250 million, including a North American subfacility of up to \$950 million and a European subfacility of up to \$300 million, subject to borrowing base capacity and certain other restrictions, including a minimum fixed charge coverage ratio. The ABL Credit Facility, as amended in November 2022, is set to mature on November 2, 2027, subject to certain springing maturity provisions. Adient paid \$7 million in debt issuance costs for the amended ABL Credit Facility and will pay a commitment fee of 0.25% to 0.375% on the unused portion of the commitments under the asset-based revolving credit facility based on average global availability. Letters of credit are limited to the lesser of (x) \$150 million and (y) the aggregate unused amount of commitments under the ABL Credit Facility then in effect. Subject to certain conditions, the ABL Credit Facility may be expanded by up to \$250 million in additional commitments. Loans under the ABL Credit Facility may be denominated, at the option of Adient, in U.S. Dollars, Euros, Pounds Sterling or Swedish Krona. It also provides flexibility for future amendments to the ABL Facility to incorporate certain sustainability-based pricing provisions. The ABL Credit Agreement is secured on a first-priority lien on all accounts receivable, inventory and bank accounts (and funds on deposit therein) and a second-priority lien on all of the tangible and intangible assets of certain Adient subsidiaries. Interest is payable on the ABL Credit Facility at a fluctuating rate of interest determined by reference to Term SOFR, in the case of amounts outstanding in Dollars, EURIBOR, in the case of amounts outstanding in Euros, STIBOR, in the case of amounts outstanding in Swedish Krona and SONIA, in the case of amounts outstanding in Pounds Sterling, in each case, plus an applicable margin of 1.50% to 2.00%. As of September 30, 2024, Adient had not drawn down on the ABL Credit Facility and had availability under this facility of approximately \$779 million (net of \$11 million of letters of credit).

In addition, Adient Global Holdings S.à r.l., a wholly-owned subsidiary of Adient, maintains a senior secured term loan facility (the “Term Loan B Agreement”) that had an outstanding balance of \$632 million as of September 30, 2024. During fiscal 2023, Adient prepaid \$350 million of the Term Loan B Agreement principal, and wrote off \$2 million of previously deferred financing costs to net financing charges. During fiscal 2024, the Term Loan B Agreement was amended to reduce the applicable margin from 3.25% to 2.75% and extend final maturity to January 31, 2031 (which maturity was previously April 8, 2028). Adient incurred \$5 million of costs associated with the modification, of which \$4 million was recorded as deferred financing costs. The Term Loan B Agreement amortizes in equal quarterly installments at a rate of 1.00% per annum of the original principal amount thereof, with the remaining balance due at final maturity. The Term Loan B Agreement also permits Adient to incur incremental term loans in an aggregate amount not to exceed the greater of \$750 million and an unlimited amount subject to a pro forma first lien secured net leverage ratio of not greater than 1.75 to 1.00 and certain other conditions.

The ABL Credit Facility and Term Loan B Agreement contain covenants that are usual and customary for facilities and debt instruments of this type and that, among other things, restrict the ability of Adient and its restricted subsidiaries to: create certain liens and enter into sale and lease-back transactions; create, assume, incur or guarantee certain indebtedness; pay dividends or make other distributions on, or repurchase or redeem, Adient’s capital stock or certain other debt; make other restricted payments; and consolidate or merge with, or convey, transfer or lease all or substantially all of Adient’s and its restricted subsidiaries’ assets, to another person. These covenants are subject to a number of other limitations and exceptions set forth in the agreements. The agreements also provide for customary events of default, including, but not limited to, cross-default clauses with other debt arrangements, failure to pay principal and interest, failure to comply with covenants, agreements or conditions, and certain events of bankruptcy or insolvency involving Adient and its significant subsidiaries.

During fiscal 2023, Adient Global Holdings Ltd. (“AGH”), a wholly-owned subsidiary of Adient, issued (i) \$500 million (net proceeds of \$494 million) in aggregate principal amount of 7% senior secured notes due 2028 and (ii) \$500 million (net proceeds of \$494 million) in aggregate principal amount of 8.250% senior unsecured notes due 2031. Interest on both of these notes are paid on April 15 and October 15 each year, beginning on October 15, 2023. These notes contain covenants that are usual and customary. The total net proceeds of \$988 million along with cash on hand were used primarily to redeem \$350 million of the senior secured term loan facility under the Term Loan B Agreement as described above, and repurchase €700 million (\$743 million) of the 3.50% unsecured notes due 2024 as described below. Adient paid \$16 million in debt issuance costs for these new debt issuances.

AGH also maintains 4.875% USD-denominated unsecured notes due 2026. The aggregate principal amount of these notes was \$795 million as of September 30, 2024 and 2023. AGH also paid the remaining balance of its 3.50% Euro denominated unsecured notes of €123 million (\$132 million) in August 2024 upon final maturity. During fiscal 2023, Adient repurchased €700 million (\$743 million) of the 3.50% unsecured notes due 2024 at a premium of €7 million (\$7 million) plus €3 million (\$3 million) of accrued and unpaid interest, and expensed €2 million (\$2 million) of previously deferred financing costs to net financing charges.

During fiscal 2022, Adient repurchased the entirety of its \$600 million, 9.00% Senior First Lien Notes due 2025 at a premium of \$34 million plus \$19 million of accrued interest.

Principal payments required on long-term debt during the next five years are as follows:

(in millions)	Year Ended September 30,					
	2025	2026	2027	2028	2029	Thereafter
Principal payments	\$ 8	\$ 803	\$ 7	\$ 506	\$ 6	\$ 1,102

Net Financing Charges

Adient's net financing charges in the consolidated statements of income (loss) contained the following components:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Interest expense, net of capitalized interest costs	\$ 191	\$ 186	\$ 161
Banking fees and debt issuance cost amortization	18	20	22
Interest income	(28)	(22)	(9)
Premium paid on repurchase of debt	—	7	38
Derivative loss on Yanfeng transaction	—	—	3
Net foreign exchange	8	4	—
Net financing charges	\$ 189	\$ 195	\$ 215

Banking fees in fiscal 2023 and 2022 includes \$4 million and \$8 million, respectively, of one-time accelerated-deferred financing fee charges associated with voluntary repayments of debt. Total interest paid on both short and long-term debt for the fiscal years ended September 30, 2024, 2023 and 2022 was \$187 million, \$132 million and \$192 million, respectively.

Other Arrangements

Adient enters into supply chain financing programs in certain domestic and foreign jurisdictions to either sell or discount accounts receivable without recourse to third-party institutions. Sales or discounts of accounts receivable are reflected as a reduction of accounts receivable on the consolidated statements of financial position and the proceeds are included in cash flows from operating activities in the consolidated statements of cash flows. As of both September 30, 2024 and September 30, 2023, \$170 million was funded under these programs.

Adient also has a program with an external financial institution under which Adient's suppliers can sell their receivables from Adient to the financial institution at their sole discretion. Adient is not a party to the agreements between the participating suppliers and the financial institution. Adient's obligation under the program is to pay the original amounts of supplier invoices to the financial institution on the original invoice dates. No fees are paid and no assets are pledged by Adient. The payment terms for trade payables can range from 45 days to 120 days depending on types of services and goods being purchased. The payment terms for molds, dies and other tools that are acquired as part of pre-production activities are in general longer, and are normally dependent on the terms which Adient has agreed with its customers. As of September 30, 2024, and September 30, 2023, Adient's liabilities related to this program were \$76 million and \$50 million, respectively. Cash flows related to the program are all presented within operating activities in Adient's consolidated statements of cash flows.

10. Derivative Instruments and Hedging Activities

Adient selectively uses derivative instruments to reduce Adient's market risk associated with changes in foreign currency. Under Adient's policy, the use of derivatives is restricted to those intended for hedging purposes; the use of any derivative instrument for speculative purposes is strictly prohibited. A description of each type of derivative utilized to manage Adient's risk is included in the following paragraphs. In addition, refer to Note 11, "Fair Value Measurements," of the notes to consolidated financial statements for information related to the fair value measurements and valuation methods utilized by Adient for each derivative type.

Adient has global operations and participates in the foreign exchange markets to minimize its risk of loss from fluctuations in foreign currency exchange rates. Adient primarily uses foreign currency exchange contracts to hedge certain foreign exchange rate exposures. Adient hedges 70% to 90% of the nominal amount of each of its known foreign exchange transactional exposures. Gains and losses on derivative contracts offset gains and losses on underlying foreign currency exposures. These contracts have been designated as cash flow hedges under ASC 815, "Derivatives and Hedging," and the hedge gains or losses due to changes in fair value are initially recorded as a component of AOCI and are subsequently reclassified into earnings when the hedged transactions occur and affect earnings. All contracts were highly effective in hedging the variability in future cash flows attributable to changes in currency exchange rates at September 30, 2024 and 2023, respectively.

The €123 million (\$132 million) aggregate principal amount of 3.50% Euro-denominated unsecured notes due August 2024 was previously designated as a net investment hedge to selectively hedge portions of Adient's net investment in Europe. The currency effects of Adient's Euro-denominated notes are reflected in the AOCI account within shareholders' equity attributable to Adient where they offset gains and losses recorded on Adient's net investment in Europe. During the first quarter of fiscal 2024, Adient de-designated these notes as a net investment hedge concurrent with entering into a foreign exchange forward contract designated as a fair value hedge of the principal balance on the 3.50% notes. The impact of foreign currency changes on the notes and the contract were recorded in net financing charges until payment of the notes and maturity of the foreign exchange forward contract in August 2024.

During the second quarter of fiscal 2024, Adient entered into a ¥685 million (\$96 million) foreign exchange forward contract to selectively hedge portions of its net investment in China. Adient de-designated the majority of the contracted amount during fourth quarter of fiscal 2024, resulting in an outstanding contract amount of ¥120 million (\$17 million) as of September 30, 2024. The contract matured in October 2024, the impact of which was not material. During the third quarter of fiscal 2024, Adient entered into an additional ¥570 million (\$78 million) contract to selectively hedge portions of its net investment in China. The contract is set to mature in October 2025.

Adient entered into a ¥240 million (\$35 million) foreign exchange forward contract during the second quarter of fiscal 2023 to selectively hedge portions of its net investment in China. The currency effects of the forward contract were reflected in the AOCI account within shareholders' equity attributable to Adient, where they offset gains and losses recorded on Adient's net investment in China. During fiscal 2023, the foreign exchange forward contract matured, the impact of which was not material.

Adient entered into a ¥150 million (\$23 million) foreign exchange forward contract during fiscal 2022 to selectively hedge portions of its net investment in China. The currency effects of the forward contract are reflected in the AOCI account within shareholders' equity attributable to Adient, where they offset gains and losses recorded on Adient's net investment in China. The forward contract matured in early fiscal 2023, the impact of which was not material.

The following table presents the location and fair values of derivative instruments and other amounts used in hedging activities included in Adient's consolidated statements of financial position:

	Derivatives and Hedging Activities Designated as Hedging Instruments under ASC 815		Derivatives and Hedging Activities Not Designated as Hedging Instruments under ASC 815	
	September 30,			
(in millions)	2024	2023	2024	2023
Other current assets				
Foreign currency exchange derivatives	\$ 9	\$ 30	\$ 6	\$ 4
Other noncurrent assets				
Foreign currency exchange derivatives	1	—	2	—
Total assets	<u>\$ 10</u>	<u>\$ 30</u>	<u>\$ 8</u>	<u>\$ 4</u>
Other current liabilities				
Foreign currency exchange derivatives	\$ 32	\$ 8	\$ —	\$ —
Other noncurrent liabilities				
Foreign currency exchange derivatives	9	6	—	—
Long-term debt				
Foreign currency denominated debt	—	130	—	—
Total liabilities	<u>\$ 41</u>	<u>\$ 144</u>	<u>\$ —</u>	<u>\$ —</u>

Adient enters into International Swaps and Derivatives Associations master netting agreements with counterparties that permit the net settlement of amounts owed under the derivative contracts. The master netting agreements generally provide for net settlement of all outstanding contracts with a counterparty in the case of an event of default or a termination event. Adient has not elected to offset the fair value positions of the derivative contracts recorded in the consolidated statements of financial position. Collateral is generally not required of Adient or the counterparties under the master netting agreements. As of September 30, 2024 and 2023, no cash collateral was received or pledged under the master netting agreements.

The gross and net amounts of derivative instruments and other amounts used in hedging activities are as follows:

(in millions)	Assets		Liabilities	
	September 30,			
	2024	2023	2024	2023
Gross amount recognized	\$ 18	\$ 34	\$ 41	\$ 144
Gross amount eligible for offsetting	(9)	(12)	(9)	(12)
Net amount	\$ 9	\$ 22	\$ 32	\$ 132

The following table presents the effective portion of pretax gains (losses) recorded in other comprehensive income related to cash flow hedges:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Foreign currency exchange derivatives	\$ (2)	\$ 89	\$ 8

The following table presents the location and amount of the effective portion of pretax gains (losses) on cash flow hedges reclassified from AOCI into Adient's consolidated statements of income:

(in millions)		Year Ended September 30,		
		2024	2023	2022
Foreign currency exchange derivatives	Cost of sales	\$ 46	\$ 66	\$ 6

During the next twelve months, \$23 million of pretax loss on cash flow hedges are expected to be reclassified from AOCI into Adient's consolidated statements of income.

The following table presents the location and amount of pretax gains (losses) on fair value hedge activity in Adient's consolidated statements of income:

(in millions)		Year Ended September 30,		
		2024	2023	2022
Foreign currency exchange derivatives	Net financing charges	\$ 1	\$ —	\$ —

The following table presents the location and amount of pretax gains (losses) on derivatives not designated as hedging instruments recognized in Adient's consolidated statements of income (loss):

(in millions)		Year Ended September 30,		
		2024	2023	2022
Foreign currency exchange derivatives	Cost of sales	\$ (8)	\$ 8	\$ —
Foreign currency exchange derivatives	Net financing charges	22	(10)	(33)
Total		\$ 14	\$ (2)	\$ (33)

The effective portion of pretax gains (losses) recorded in currency translation adjustment ("CTA") within other comprehensive income (loss) related to net investment hedges was \$(5) million, \$(67) million and \$151 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively. For the years ended September 30, 2024, 2023 and 2022, respectively, no significant gains or losses were reclassified from CTA into income for Adient's outstanding net investment hedges.

For the years ended September 30, 2024, 2023 and 2022, no gains or losses were recognized in income for the ineffective portion of cash flow hedges.

11. Fair Value Measurements

ASC 820, "Fair Value Measurement," defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Recurring Fair Value Measurements

The following tables present Adient's fair value hierarchy for those assets and liabilities measured at fair value. Refer to Note 14, "Retirement Plans," of the notes to consolidated financial statements for fair value tables of pension assets.

(in millions)	Fair Value Measurements Using:			
	Total as of September 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other current assets				
Foreign currency exchange derivatives	\$ 15	\$ —	\$ 15	\$ —
Other noncurrent assets				
Foreign currency exchange derivatives	3	—	3	—
Total assets	<u>\$ 18</u>	<u>\$ —</u>	<u>\$ 18</u>	<u>\$ —</u>
Other current liabilities				
Foreign currency exchange derivatives	\$ 32	\$ —	\$ 32	\$ —
Other noncurrent liabilities				
Foreign currency exchange derivatives	9	—	9	—
Total liabilities	<u>\$ 41</u>	<u>\$ —</u>	<u>\$ 41</u>	<u>\$ —</u>

(in millions)	Fair Value Measurements Using:			
	Total as of September 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Other current assets				
Foreign currency exchange derivatives	\$ 34	\$ —	\$ 34	\$ —
Total assets	<u>\$ 34</u>	<u>\$ —</u>	<u>\$ 34</u>	<u>\$ —</u>
Other current liabilities				
Foreign currency exchange derivatives	\$ 8	\$ —	\$ 8	\$ —
Other noncurrent liabilities				
Foreign currency exchange derivatives	6	—	6	—
Total liabilities	<u>\$ 14</u>	<u>\$ —</u>	<u>\$ 14</u>	<u>\$ —</u>

Valuation Methods

Foreign currency exchange derivatives Adient selectively hedges anticipated transactions and net investments that are subject to foreign exchange rate risk primarily using foreign currency exchange hedge contracts. The foreign currency exchange derivatives are valued under a market approach using publicized spot and forward prices. Changes in fair value on foreign exchange derivatives accounted for as hedging instruments under ASC 815 are initially recorded as a component of AOCI and are subsequently reclassified into earnings when the hedged transactions occur and affect earnings. These contracts were highly effective in hedging the variability in future cash flows attributable to changes in currency exchange rates at September 30, 2024 and 2023, respectively. The changes in fair value of foreign currency exchange derivatives not designated as hedging instruments under ASC 815 are recorded in the consolidated statements of income.

The fair value of cash and cash equivalents, accounts receivable, short-term debt and accounts payable approximate their carrying values. The fair value of long-term debt, which was \$2.4 billion and \$2.5 billion at September 30, 2024 and 2023, respectively, was determined primarily using market quotes classified as Level 1 inputs within the ASC 820 fair value hierarchy.

12. Stock-Based Compensation

Adient provides certain key employees equity awards in the form of restricted stock units (“RSU”) and performance share units (“PSUs”) under the Adient plc 2016 Omnibus Incentive Plan and the Adient plc 2021 Omnibus Incentive Plan (collectively, the “Plan”). Adient also provides directors with share awards under the Adient plc 2016 Director Share Plan and the Adient plc 2021 Omnibus Incentive Plan.

Total stock-based compensation cost included in the consolidated statements of income was \$31 million, \$34 million and \$29 million for the fiscal years ended September 30, 2024, 2023 and 2022, respectively. No material income tax benefits were recognized in the consolidated statements of income for the share-based compensation arrangements in any of these years due to tax valuation allowances in those years.

The following tables present activity related to the granting of awards during the year ended September 30, 2024 along with the composition of outstanding and exercisable awards at September 30, 2024.

Restricted Stock

The Plan provides for the award of restricted stock or restricted stock units to certain employees. These awards are typically share settled except for certain non-U.S. employees which are settled in cash. Cash settled awards are recorded in Adient's consolidated statements of financial position as a liability and adjusted each reporting period for changes in share value until the settlement of the award. Restricted stock awards typically vest over a three year period following the grant date. The Plan allows for different vesting terms on specific grants with approval by Adient's Board of Directors.

A summary of the status of nonvested restricted stock awards at September 30, 2024, and changes for the fiscal year then ended, is presented below:

	Weighted Average Price	Restricted Shares/Units
Nonvested, September 30, 2023	\$ 38.32	962,089
Granted	32.55	888,994
Vested	36.50	(443,946)
Forfeited	33.99	(216,473)
Nonvested, September 30, 2024	\$ 35.36	1,190,664

At September 30, 2024, Adient had approximately \$19 million of total unrecognized compensation cost related to nonvested restricted stock arrangements granted. That cost is expected to be recognized over a weighted-average period of 1.9 years.

Performance Share Awards

The Plan permits the grant of PSU awards. The number of PSUs granted is equal to the PSU award value divided by the closing price of a Adient ordinary share at the grant date. The PSUs are generally contingent on the achievement of predetermined performance goals over a three-year performance period as well as on the award holder's continuous employment until the vesting date. Each PSU that is earned will be settled with an ordinary share of Adient following the completion of the performance period except for certain non-U.S. employees which are settled in cash. Cash settled awards are recorded in Adient's consolidated statements of financial position as a liability and adjusted each reporting period for changes in share value until the settlement of the award.

A summary of the status of Adient's nonvested PSUs at September 30, 2024, and changes for the fiscal year then ended is presented below:

	Weighted Average Price	Performance Shares/Units
Nonvested, September 30, 2023	\$ 36.87	858,583
Granted	32.99	538,680
Vested	27.84	(304,418)
Forfeited	34.88	(285,216)
Nonvested, September 30, 2024	\$ 38.39	807,629

At September 30, 2024, Adient had approximately \$8 million of total unrecognized compensation cost related to nonvested performance share units granted. That cost is expected to be recognized over a weighted-average period of 1.9 years.

13. Equity and Noncontrolling Interests

The following table presents changes in AOCI attributable to Adient:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Foreign currency translation adjustments			
Balance at beginning of period	\$ (854)	\$ (836)	\$ (617)
Aggregate adjustment for the period, net of tax	181	(18)	(219)
Balance at end of period ⁽¹⁾	(673)	(854)	(836)
Realized and unrealized gains (losses) on derivatives			
Balance at beginning of period	13	(8)	(8)
Current period changes in fair value, net of tax	(1)	79	6
Reclassification to income, net of tax	(31)	(58)	(6)
Balance at end of period	(19)	13	(8)
Pension plans			
Balance at beginning of period	(1)	(1)	(2)
Net reclassifications to AOCI	—	—	1
Balance at end of period	(1)	(1)	(1)
Accumulated other comprehensive income (loss), end of period	\$ (693)	\$ (842)	\$ (845)

⁽¹⁾ Foreign currency translation adjustments as of September 30, 2024 and 2023 include gains (losses) on designated net investment hedge instruments of \$(4) million and \$76 million, respectively. During the next twelve months, no significant gains or losses are expected to be reclassified from AOCI into Adient's consolidated statements of income.

Adient consolidates certain subsidiaries in which the noncontrolling interest party has within their control the right to require Adient to redeem all or a portion of its interest in the subsidiary. These redeemable noncontrolling interests are reported at their estimated redemption value. Any adjustment to the redemption value impacts retained earnings but does not impact net income. Redeemable noncontrolling interests which are redeemable only upon future events, the occurrence of which is not currently probable, are recorded at carrying value. The following table presents changes in the redeemable noncontrolling interests:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Beginning balance	\$ 57	\$ 45	\$ 240
Net income ⁽¹⁾	38	27	35
Dividends	(21)	(18)	(66)
Change in noncontrolling interest share	—	—	(153)
Foreign currency translation adjustments	17	3	(11)
Ending balance	<u>\$ 91</u>	<u>\$ 57</u>	<u>\$ 45</u>

⁽¹⁾ During fiscal 2024, a \$5 million adjustment was recorded to increase income attributable to noncontrolling interest related to fiscal 2023.

The change in noncontrolling interests in fiscal 2022 relates to Adient's acquisition of the remaining 25% interest in Chongqing Adient Automotive Components Co., Ltd.

Repurchases of Equity Securities

In November 2022, Adient's Board of Directors authorized the repurchase of Adient's ordinary shares up to an aggregate purchase price of \$600 million with no expiration date. Under the share repurchase authorization, Adient's ordinary shares may be purchased either through discretionary purchases on the open market, by block trades or privately negotiated transactions. The number of ordinary shares repurchased, if any, and the timing of repurchases will depend on a number of factors, including share price, trading volume and general market conditions, as well as on working capital requirements, general business conditions and other factors. During fiscal 2023, Adient repurchased and immediately retired 1,756,777 of its ordinary shares at an average purchase price per share of \$37.00. The aggregate amount of cash paid to repurchase the shares was \$65 million. During fiscal 2024, Adient repurchased and immediately retired 9,424,668 of its ordinary shares at an average purchase price per share of \$29.18. The aggregate amount of cash paid to repurchase the shares was \$275 million. As of September 30, 2024, the remaining aggregate amount of authorized repurchases was \$260 million.

14. Retirement Plans

Pension Benefits

Adient maintains non-contributory defined benefit pension plans covering primarily non-U.S. employees and a limited number of U.S. employees. The benefits provided are primarily based on years of service and average compensation or a monthly retirement benefit amount. Funding for non-U.S. plans observes the local legal and regulatory limits. Funding for U.S. pension plans equals or exceeds the minimum requirements of the Employee Retirement Income Security Act of 1974.

For pension plans with accumulated benefit obligations ("ABO") that exceed plan assets, the projected benefit obligation ("PBO"), ABO and fair value of plan assets of those plans were \$162 million, \$144 million and \$52 million, respectively, as of September 30, 2024, and \$155 million, \$137 million and \$48 million, respectively, as of September 30, 2023.

For pension plans with a PBO that exceed plan assets, the PBO, ABO and fair value of plan assets of those plans were \$162 million, \$144 million and \$52 million, respectively, as of September 30, 2024 and \$155 million, \$137 million and \$48 million, respectively, as of September 30, 2023.

In fiscal 2024, Adient paid contributions to the defined benefit pension plans of \$20 million. Contributions of at least \$10 million in cash to its defined benefit pension plans are expected in fiscal 2025. Projected benefit payments from the plans as of September 30, 2024 are estimated as follows (in millions):

2025	\$	23
2026		25
2027		26
2028		25
2029		24
2030-2033		146

Savings and Investment Plans

Adient sponsors various defined contribution savings plans that allow employees to contribute a portion of their pre-tax and/or after-tax income in accordance with plan specified guidelines. Under specified conditions, Adient will contribute to certain savings plans based on the employees' eligible pay and/or will match a percentage of the employee contributions up to certain limits. Matching contributions expense in connection with these plans amounted to \$38 million, \$46 million and \$23 million for fiscal years 2024, 2023 and 2022, respectively.

Plan Assets

Adient's investment policies employ an approach whereby a mix of equities, fixed income and alternative investments are used to maximize the long-term return of plan assets for a prudent level of risk. The investment portfolio primarily contains a diversified blend of equity and fixed income investments. Equity investments are diversified across domestic and non-domestic stocks, as well as growth, value and small to large capitalizations. Fixed income investments include corporate and government issues, with short-, mid- and long-term maturities, with a focus on investment grade when purchased and a target duration close to that of the plan liability. Investment and market risks are measured and monitored on an ongoing basis through regular investment portfolio reviews, annual liability measurements and periodic asset/liability studies. The majority of the real estate component of the portfolio is invested in a diversified portfolio of high-quality, operating properties with cash yields greater than the targeted appreciation. Investments in other alternative asset classes, including hedge funds and commodities, diversify the expected investment returns relative to the equity and fixed income investments. As a result of Adient's diversification strategies, there are no significant concentrations of risk within the portfolio of investments.

Adient's actual asset allocations are in line with target allocations. Adient rebalances asset allocations as appropriate, in order to stay within a range of allocation for each asset category.

The expected return on plan assets is based on Adient's expectation of the long-term average rate of return of the capital markets in which the plans invest. The average market returns are adjusted, where appropriate, for active asset management returns. The expected return reflects the investment policy target asset mix and considers the historical returns earned for each asset category. Adient's plan assets by asset category, are as follows:

(in millions)	Fair Value Measurements Using:				Net Asset Value (NAV)
	Total as of September 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Pension					
Cash	\$ 5	\$ 5	\$ —	\$ —	\$ —
Equity Securities					
Domestic	2	2	—	—	—
International - Developed	19	19	—	—	—
Fixed Income Securities					
Government	150	33	90	—	27
Corporate/Other	70	29	29	—	12
Hedge Fund	38	—	38	—	—
Real Estate	9	—	—	—	9
Total	\$ 293	\$ 88	\$ 157	\$ —	\$ 48

(in millions)	Fair Value Measurements Using:					Net Asset Value (NAV)
	Total as of September 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Pension						
Cash	\$ 6	\$ 6	\$ —	\$ —	\$ —	—
Equity Securities						
Domestic	1	1	—	—	—	—
International - Developed	17	17	—	—	—	—
International - Emerging	—	—	—	—	—	—
Fixed Income Securities						
Government	128	30	75	—	—	23
Corporate/Other	59	24	25	—	—	10
Hedge Fund	34	—	34	—	—	—
Real Estate	18	—	—	4	—	14
Total	\$ 263	\$ 78	\$ 134	\$ 4	\$ —	47

The following is a description of the valuation methodologies used for assets measured at fair value.

Cash: The fair value of cash is valued at cost.

Equity Securities: The fair value of equity securities is determined by direct quoted market prices. The underlying holdings are direct quoted market prices on regulated financial exchanges.

Fixed Income Securities: The fair value of fixed income securities is determined by direct or indirect quoted market prices. If indirect quoted market prices are utilized, the value of assets held in separate accounts is not published, but the investment managers report daily the underlying holdings. The underlying holdings are direct quoted market prices on regulated financial exchanges.

Hedge Funds: The fair value of hedge funds is determined by the custodian. The custodian obtains valuations from underlying managers based on market quotes for the most liquid assets and alternative methods for assets that do not have sufficient trading activity to derive prices. Adient and custodian review the methods used by the underlying managers to value the assets. Adient believes this is an appropriate methodology to obtain the fair value of these assets.

Real Estate: The fair value of certain investments in real estate is deemed Level 3 since these investments do not have a readily determinable fair value and requires the fund managers independently to arrive at fair value by calculating NAV per share. In order to calculate NAV per share, the fund managers value the real estate investments using any one, or a combination of, the following methods: independent third-party appraisals, discounted cash flow analysis of net cash flows projected to be generated by the investment and recent sales of comparable investments. Assumptions used to revalue the properties are updated every quarter. Adient believes this is an appropriate methodology to obtain the fair value of these assets.

Investments at NAV: For mutual or collective funds where a NAV is not publicly quoted, the NAV per share is used as a practical expedient and is based on the quoted market prices of the underlying net assets of the fund as reported daily by the fund managers. Funds valued based on NAV per share as a practical expedient are not categorized within the fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Adient believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following sets forth a summary of changes in the fair value of pension assets measured using significant unobservable inputs (Level 3):

(in millions)	Real Estate
Pension	
Asset value as of September 30, 2022	\$ 7
Redemptions	(2)
Unrealized gain	(1)
Asset value as of September 30, 2023	\$ 4
Redemptions	(4)
Asset value as of September 30, 2024	\$ —

Funded Status

The table that follows contains the ABO and reconciliations of the changes in the PBO, the changes in plan assets and the funded status:

(in millions)	Pension Benefits	
	2024	2023
Accumulated Benefit Obligation	\$ 366	\$ 331
Change in Projected Benefit Obligation:		
Projected benefit obligation at beginning of year	\$ 349	\$ 340
Service cost	5	5
Interest cost	19	18
Actuarial loss (gain)	28	(15)
Benefits paid	(28)	(20)
Curtailments, settlements and other	(6)	(6)
Currency translation adjustment	17	27
Projected benefit obligation at end of year	\$ 384	\$ 349
Change in Plan Assets:		
Fair value of plan assets at beginning of year	\$ 263	\$ 283
Actual return on plan assets	26	(23)
Employer contributions, net	20	17
Benefits paid	(28)	(20)
Curtailments, settlements and other	(6)	(14)
Currency translation adjustment	18	20
Fair value of plan assets at end of year	\$ 293	\$ 263
Funded status	\$ (91)	\$ (86)
Amounts recognized in the statement of financial position consist of:		
Pension plan assets (other noncurrent assets)	\$ 19	\$ 22
Pension benefits (of which \$5 million and \$16 million are included in accrued compensation and benefits, respectively)	(110)	(108)
Net amount recognized	\$ (91)	\$ (86)

	Pension Benefits			
	U.S. Plans		Non-U.S. Plans	
	2024	2023	2024	2023
Weighted Average Assumptions ⁽¹⁾:				
Discount rate ⁽²⁾	4.99 %	5.87 %	4.75 %	5.60 %
Rate of compensation increase	N/A	N/A	4.82 %	4.53 %

(1) Plan assets and obligations are determined based on a September 30 measurement date.

(2) Adient considers the expected benefit payments on a plan-by-plan basis when setting assumed discount rates. As a result, Adient uses different discount rates for each plan depending on the plan jurisdiction, the demographics of participants and the expected timing of benefit payments. For the U.S. pension plan, Adient uses a discount rate provided by an independent third-party calculated based on an appropriate mix of high quality bonds. For the non-U.S. pension plans, Adient consistently uses the relevant country specific benchmark indices for determining the various discount rates.

Accumulated Other Comprehensive Income

The amounts in AOCI on the consolidated statements of financial position, exclusive of tax impacts, that have not yet been recognized as components of net periodic benefit cost at September 30, 2024 and 2023 were \$2 million and \$2 million, respectively, related to pension benefits.

The amounts in AOCI expected to be recognized as components of net periodic benefit cost over the next fiscal year for pension and postretirement benefits are not significant.

Net Periodic Benefit Cost

The tables that follow contain the components and key assumptions of net periodic benefit cost related to Adient's pension plans:

(in millions)	Pension Benefits		
	2024	2023	2022
Components of Net Periodic Benefit Cost (Credit):			
Service cost	\$ 6	\$ 5	\$ 7
Interest cost	19	18	10
Expected return on plan assets	(12)	(12)	(14)
Net actuarial loss (gain)	13	19	(7)
Settlement loss	1	8	1
Net periodic benefit cost (credit)	<u>\$ 27</u>	<u>\$ 38</u>	<u>\$ (3)</u>

	Pension Benefits					
	U.S. Plans			Non-U.S. Plans		
	2024	2023	2022	2024	2023	2022
Expense Assumptions:						
Discount rate	5.87 %	5.51 %	3.06 %	5.60 %	4.98 %	2.14 %
Expected return on plan assets	6.75 %	6.75 %	6.75 %	4.95 %	4.53 %	3.20 %
Rate of compensation increase	N/A	N/A	NA	4.53 %	4.43 %	4.05 %

15. Restructuring and Impairment Costs

Restructuring

To better align its resources with its overall strategies and reduce the cost structure of its global operations to address the softness in certain underlying markets, Adient commits to restructuring plans as necessary. Adient, in general, records costs associated with separation programs when management has approved the plan for separation, the affected employees are identified, and it is unlikely that actions required to complete the separation plan will change significantly. Costs associated with benefits that are contingent on the employee continuing to provide service are accrued over the required service period. All other costs associated with restructuring activities are expensed as incurred.

During fiscal 2024, Adient committed to a restructuring plan of \$169 million that was offset by prior period underspend of \$1 million and \$9 million of cost reimbursement committed by a customer. The fiscal 2024 charges are mostly related to termination benefits in Europe. The 2024 Plan is being implemented in response to the macroeconomic factors occurring in the European automotive market causing reduced production volumes and to ensure Adient maintains a competitive cost structure by reducing operating, administrative and engineering costs, and increasing efficiencies. Restructuring actions associated with these specific plans will primarily occur in fiscal years 2025 and 2026 and are expected to be substantially complete by fiscal year 2027. Restructuring costs are included in restructuring and impairment costs in the consolidated statements of income. The following tables summarize the changes in Adient's restructuring reserve.

(in millions)	Employee Severance and Termination Benefits	Currency Translation and Other	Total
Balance at September 30, 2021	\$ 112	\$ 3	\$ 115
2022 Plan charges	25	—	25
Utilized - cash	(57)	—	(57)
Noncash adjustment - (under) overspend and other	(11)	(12)	(23)
Balance at September 30, 2022	\$ 69	\$ (9)	\$ 60
2023 Plan charges	39	—	39
Utilized - cash	(53)	—	(53)
Noncash adjustment - (under) overspend and other	1	4	5
Balance at September 30, 2023	\$ 56	\$ (5)	\$ 51
2024 Plan charges	169	—	169
Utilized - cash	(43)	—	(43)
Noncash adjustment - (under) overspend and other	(1)	6	5
Balance at September 30, 2024	<u>\$ 181</u>	<u>\$ 1</u>	<u>\$ 182</u>
Current restructuring reserve - other current liabilities			\$ 87
Noncurrent restructuring reserve - other noncurrent liabilities			95
Balance at September 30, 2024			<u>\$ 182</u>

Adient's management closely monitors its overall cost structure and continually analyzes each of its businesses for opportunities to consolidate current operations, improve operating efficiencies and locate facilities in low cost countries in close proximity to customers. This ongoing analysis includes a review of its manufacturing, engineering, purchasing and administrative functions, as well as the overall global footprint for all its businesses. Because of the importance of new vehicle sales by automotive manufacturers, Adient is affected by the general business conditions in the automotive industry. Future adverse developments in the automotive industry could impact Adient's liquidity position, lead to impairment charges and/or require additional restructuring of its operations.

Impairment

During fiscal 2024, Adient recorded an impairment loss of \$9 million on its investment in Adient Aerospace. The impairment is included in restructuring and impairment costs in the consolidated statement of income (loss).

16. Income Taxes

Consolidated income (loss) before income taxes and noncontrolling interests for the years ended September 30, 2024, 2023, and 2022 is as follows:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Ireland	\$ (13)	\$ (1)	\$ (2)
United States	(361)	(178)	(595)
Other Foreign	507	474	651
Income before income taxes and noncontrolling interests	<u>\$ 133</u>	<u>\$ 295</u>	<u>\$ 54</u>

The components of the provision (benefit) for income taxes are as follows:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Current			
Ireland	\$ —	\$ —	\$ (1)
US - Federal and State	5	4	6
Other Foreign	28	120	84
	<u>33</u>	<u>124</u>	<u>89</u>
Deferred			
Ireland	—	—	1
US - Federal and State	—	1	(1)
Other Foreign	(1)	(125)	5
	<u>(1)</u>	<u>(124)</u>	<u>5</u>
Income tax provision	<u>\$ 32</u>	<u>\$ —</u>	<u>\$ 94</u>

The significant components of Adient's income tax provision are summarized in the following tables. These amounts do not include the impact of income tax expense related to Adient's nonconsolidated partially-owned affiliates, which is netted against equity income on the consolidated statements of income (loss).

The reconciliation between the Irish statutory income tax rate, and Adient's effective tax rate is as follows:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Tax expense at Ireland statutory rate	\$ 17	\$ 37	\$ 7
State and local income taxes, net of federal benefit	(15)	(5)	(38)
Foreign tax rate differential	9	22	(1)
Notional interest deduction	(6)	(6)	(6)
Credits and incentives	(12)	(7)	(15)
Repatriation of foreign earnings	18	24	24
Foreign exchange	17	(7)	(2)
Impact of tax rate changes	(1)	—	(3)
Audit settlements and change in uncertain tax positions	(43)	(8)	(2)
Change in valuation allowance	90	(61)	94
Tax adjustments to value of investments	(38)	—	—
Tax impact of corporate equity and business restructuring transactions	1	1	30
Other	(5)	10	6
Income tax provision	<u>\$ 32</u>	<u>\$ —</u>	<u>\$ 94</u>

The income tax expense was higher than the Irish statutory rate of 12.5% for fiscal 2024 due to the inability to record a tax benefit for losses in jurisdictions with valuation allowances, the repatriation of foreign earnings, tax expense related to foreign exchange remeasurements of tax balances primarily in Mexico, and tax expense from the establishment of valuation allowances at certain subsidiaries, partially offset by tax benefits from the release of uncertain tax positions due to audit closures and from the release of valuation allowances at certain subsidiaries. No items included in the other category are individually, or when appropriately aggregated, significant.

The income tax expense was lower than the Irish statutory rate of 12.5% for fiscal 2023 primarily due to the release of valuation allowances in Mexico, partially offset by the inability to recognize a tax benefit for losses in jurisdictions with valuation allowances, the repatriation of foreign earnings, and foreign tax rate differentials. No items included in the other category are individually, or when appropriately aggregated, significant.

The income tax expense was higher than the Irish statutory rate of 12.5% for fiscal 2022 primarily due to the inability to recognize a tax benefit for losses in jurisdictions with valuation allowances, the establishment of valuation allowances in certain jurisdictions, and the repatriation of foreign earnings, partially offset by tax benefits related to the release of valuation allowances in certain jurisdictions. No items included in the other category are individually, or when appropriately aggregated, significant.

Adient's foreign tax rate differential primarily comprises two components. First is the difference in foreign tax rates from the Irish statutory tax rate that will fluctuate with the mix of income and losses in multiple jurisdictions with higher or lower statutory tax rates. Second is the elimination of the effects, at the Irish statutory tax rate, on the amount of income reported for nonconsolidated partially-owned affiliates whose corresponding income tax expense is already netted against equity income on the consolidated statements of income and reflected in income (loss) before income taxes. During fiscal 2024, 2023 and 2022, significant income and loss jurisdictions include Brazil, China, Germany, Luxembourg, Mexico, Thailand, the United Kingdom, and the United States, with federal statutory tax rates ranging between 16% and 34%, which are all above the Irish statutory rate of 12.5%.

Due to the significant jurisdictions in which it operates having statutory tax rates higher than the Irish statutory rate of 12.5%, Adient generally expects that foreign tax rate differentials will continue to result in net expense when its consolidated subsidiaries generate net pretax income and overall pretax income does not consist primarily of equity income from nonconsolidated partially-owned affiliates. In periods in which Adient's consolidated subsidiaries generate net losses, or overall pretax income consists primarily of equity income reported from nonconsolidated partially-owned affiliates, Adient generally expects that foreign tax rate differentials will result in a net benefit. During fiscal 2024 and 2023, Adient's pretax income was primarily generated by Adient's consolidated subsidiaries, resulting in a net foreign tax rate differential expense. During fiscal 2022, Adient's pretax income consisted primarily of income of nonconsolidated partially-owned affiliates whose corresponding

income tax expense is netted against equity income on the consolidated statements of income, with the elimination of the effects at the Irish statutory tax rate resulting in a net foreign tax rate differential benefit.

For fiscal 2024, the foreign tax differential expense of \$9 million includes \$20 million related to the higher tax expense resulting from the tax rate differential primarily from the mix of income and losses in the significant jurisdictions listed above with higher statutory tax rates than Ireland, which was partially offset by \$11 million related to the elimination of the tax effects of the equity income from nonconsolidated partially-owned affiliates whose corresponding income tax expense is already netted in income before income taxes.

For fiscal 2023, the foreign tax differential expense of \$22 million includes \$33 million related to the higher tax expense resulting from the tax rate differential primarily from the mix of income and losses in the significant jurisdictions listed above with higher statutory tax rates than Ireland, which was partially offset by \$11 million related to the elimination of the tax effects of the equity income from nonconsolidated partially-owned affiliates whose corresponding income tax expense is already netted in income before income taxes.

For fiscal 2022, the foreign tax differential benefit of \$1 million includes \$9 million related to the elimination of the tax effects of the equity income from nonconsolidated partially-owned affiliates, partially offset by \$8 million related to the higher tax expense resulting from tax rate differential primarily related to the mix of income and losses in Adient's consolidated subsidiaries with tax rates higher than Ireland.

Deferred taxes are classified in the consolidated statements of financial position as follows:

(in millions)	September 30,	
	2024	2023
Other noncurrent assets	\$ 245	\$ 253
Other noncurrent liabilities	(191)	(206)
Net deferred tax asset	\$ 54	\$ 47

Temporary differences and carryforwards which gave rise to deferred tax assets and liabilities included:

(in millions)	September 30,	
	2024	2023
Deferred tax assets:		
Accrued expenses and reserves	\$ 123	\$ 135
Employee and retiree benefits	24	25
Net operating loss and other carryforwards	1,400	1,293
Property, plant and equipment	114	113
Intangible assets	112	132
Operating lease liabilities	57	55
Research and development	102	66
	1,932	1,819
Valuation allowances	(1,769)	(1,655)
	163	164
Deferred tax liabilities:		
Unremitted earnings of foreign subsidiaries	39	38
Indirect tax credits	—	10
Operating lease right-of-use assets	57	55
Other	13	14
	109	117
Net deferred tax asset	\$ 54	\$ 47

At September 30, 2024, Adient had available net operating loss carryforwards of approximately \$4.7 billion which are available to reduce future tax liabilities. Net operating loss carryforwards of \$2.4 billion will expire at various dates between 2025 and 2044, with the remainder having an indefinite carryforward period. Net operating loss carryforwards of \$3.4 billion are offset by a valuation allowance.

Adient reviews the realizability of its deferred tax assets on a quarterly basis, or whenever events or changes in circumstances indicate that a review is required. In determining the requirement for a valuation allowance, the historical and projected financial results of the legal entity or combined group recording the net deferred tax asset are considered, along with any other positive or negative evidence. All of the factors that Adient considers in evaluating whether and when to establish or release all or a portion of the deferred tax asset valuation allowance involve significant judgment. Since future financial results may differ from previous estimates, periodic adjustments to Adient's valuation allowances may be necessary.

Given current earnings and anticipated future earnings at certain subsidiaries, Adient believes that there is a possibility that sufficient positive evidence may become available that would allow the release of all, or a portion of, valuation allowances at certain subsidiaries within the next twelve months. A release of valuation allowances, if any, would result in the recognition of certain deferred tax assets which could generate a material income tax benefit for the period in which such release is recorded.

As a result of Adient's fiscal 2024 analysis of the realizability of its worldwide deferred tax assets, and after considering tax planning initiatives and other positive and negative evidence, Adient determined it was more likely than not that certain deferred tax assets would be realizable and recorded an income tax benefit of \$14 million in China, \$8 million in Mexico, \$7 million in France, and \$6 million in Japan to release valuation allowances. In addition, Adient determined it was necessary to establish valuation allowances on certain deferred tax assets in Poland and Mexico, recording tax expense of \$14 million and \$5 million, respectively. Adient continues to record valuation allowances on certain deferred tax assets in Germany, Hungary, Luxembourg, Mexico, Poland, Spain, the United Kingdom, the U.S. and other jurisdictions as it remains more likely than not that they will not be realized. During fiscal 2024, the valuation allowance in Luxembourg increased by \$38 million related to tax adjustments to the value of certain investments, with an offsetting increase in net operating loss carryforwards and no net impact to tax expense.

As a result of Adient's fiscal 2023 analysis of the realizability of its worldwide deferred tax assets, and after considering tax planning initiatives and other positive and negative evidence, Adient determined it was more likely than not that certain deferred tax assets in Mexico would be realizable and recorded an income tax benefit of \$114 million to release valuation allowances. In addition, Adient determined it was necessary to release valuation allowances and establish valuation allowances in other jurisdictions that did not have a material impact on Adient's financial statements.

As a result of Adient's fiscal 2022 analysis of the realizability of its worldwide deferred tax assets, and after considering tax planning initiatives and other positive and negative evidence, Adient determined it was more likely than not that certain deferred tax assets in Canada, Japan, and other jurisdictions would not be realized and recorded income tax expense of \$12 million, \$3 million and \$3 million, respectively, to establish valuation allowances. Additionally, Adient determined it was more likely than not that deferred tax assets in the Czech Republic and other jurisdictions would be realizable and recorded income tax benefit of \$11 million and \$2 million, respectively, to release valuation allowances.

Adient is subject to income taxes in Ireland, the U.S. and other foreign jurisdictions. With few exceptions, Adient is no longer subject to income tax examination by U.S. federal, state or local tax authorities or by non-U.S. tax authorities for years before 2014.

Adient regularly assesses the likelihood of an adverse outcome resulting from examinations to determine the adequacy of its tax reserves. For the year ended September 30, 2024, Adient believes that it is more likely than not that the tax positions it has taken will be sustained upon the resolution of its audits resulting in no material impact on its consolidated financial statements. However, the final determination with respect to tax audits and any related litigation could be materially different from Adient's estimates.

For the years ended September 30, 2024, 2023 and 2022, Adient had gross tax effected unrecognized tax benefits of \$422 million, \$527 million, and \$499 million, respectively. If recognized, \$106 million of Adient's unrecognized tax benefits would impact the effective tax rate. Total net accrued interest for the years ended September 30, 2024, 2023 and 2022, was approximately \$21 million, \$31 million and \$22 million, respectively (net of tax benefit). Adient recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense.

During fiscal 2024, Adient settled audits in various jurisdictions that resulted in a \$115 million reduction to its unrecognized tax benefits, of which \$63 million was recorded as a tax benefit. The remaining difference primarily offset other changes in deferred tax balances.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(in millions)	Year Ended September 30,		
	2024	2023	2022
Beginning balance	\$ 527	\$ 499	\$ 499
Additions for tax positions related to the current year	6	2	62
Additions for tax positions of prior years	18	50	2
Reductions for tax positions of prior years	(9)	(5)	(52)
Settlements with taxing authorities	(115)	(11)	(3)
Statute closings	(5)	(8)	(9)
Ending balance	\$ 422	\$ 527	\$ 499

During the next twelve months, it is possible that tax audit resolutions or applicable statute of limitation lapses could result in a significant change in the balance of gross unrecognized tax benefits. Given the number of years, jurisdictions and positions subject to examination, Adient is unable to estimate the full range of possible adjustments to the balance of unrecognized tax benefits.

Adient has recorded a deferred tax liability of approximately \$39 million as of September 30, 2024 on the undistributed earnings of certain consolidated and unconsolidated foreign affiliates for which Adient does not have an indefinite reinvestment assertion. Adient has not provided for deferred taxes on the remainder of undistributed earnings from consolidated foreign affiliates because such earnings should not give rise to additional tax liabilities upon repatriation or are considered to be indefinitely reinvested. It is not practicable to determine the unrecognized deferred tax liability on these earnings because the actual tax liability, if any, is dependent on circumstances existing when remittance occurs.

Income taxes paid for the fiscal years ended September 30, 2024, 2023 and 2022 were \$96 million, \$94 million and \$77 million, respectively.

Impacts of Tax Legislation and Change in Statutory Tax Rates

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 into law. Adient does not expect the provisions of the legislation to have a significant impact on the effective tax rate or the income tax payable and deferred income tax positions of Adient.

During fiscal years 2024, 2023, and 2022, other tax legislation was adopted in various jurisdictions. These law changes did not have a material impact on the consolidated financial statements.

Tax Impact of One-Time Items

During fiscal 2022, Adient recognized a one-time gain of \$32 million associated with the retrospective recovery of indirect tax credits in Brazil resulting from Adient's prioritization of those credits, resulting in net tax expense of \$4 million.

17. Segment Information

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 ("Adjusted EBITDA"). 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.

The following table summarizes net sales and adjusted EBITDA by reportable segment for fiscal 2024, 2023 and 2022:

(in millions)	Americas		EMEA		Asia		Corporate/Eliminations		Consolidated	
Fiscal 2024										
Net sales	\$	6,763	\$	5,029	\$	2,989	\$	(93)	\$	14,688
Adjusted EBITDA	\$	375	\$	155	\$	439	\$	(89)	\$	880
Fiscal 2023										
Net sales	\$	7,220	\$	5,195	\$	3,085	\$	(105)	\$	15,395
Adjusted EBITDA	\$	336	\$	232	\$	464	\$	(94)	\$	938
Fiscal 2022										
Net sales	\$	6,557	\$	4,764	\$	2,926	\$	(126)	\$	14,121
Adjusted EBITDA	\$	242	\$	138	\$	383	\$	(88)	\$	675

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

(in millions)	Year Ended September 30,		
	2024	2023	2022
Adjusted EBITDA			
Americas	\$ 375	\$ 336	\$ 242
EMEA	155	232	138
Asia	439	464	383
Subtotal	969	1,032	763
Corporate-related costs ⁽¹⁾	(89)	(94)	(88)
Restructuring and impairment costs ⁽²⁾	(168)	(40)	(25)
Purchase accounting amortization ⁽³⁾	(48)	(52)	(54)
Restructuring related activities ⁽⁴⁾	—	2	(6)
Loss on disposal transactions ⁽⁵⁾	(7)	(6)	—
Depreciation	(285)	(290)	(298)
Equity based compensation	(31)	(34)	(29)
Other items ⁽⁶⁾	2	5	(4)
Earnings before interest and income taxes	343	523	259
Net financing charges	(189)	(195)	(215)
Other pension income (expense)	(21)	(33)	10
Income before income taxes	\$ 133	\$ 295	\$ 54

Notes:

(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. During fiscal 2024, an impairment charge of \$9 million related to Adient's investment in Adient Aerospace was recorded. During fiscal 2022, an impairment charge of \$4 million related to the withdrawal from and sale of its operations in Russia, and a held-for-sale impairment charge of \$6 million were recorded in EMEA. Refer to Note 15, "Restructuring and Impairment Costs," of the notes to the consolidated financial statements for more information.

(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. Fiscal 2024 and 2023 also each include a non-recurring \$10 million gain on the sale of two restructured facilities in Americas.

(5) Fiscal 2024 reflects an \$8 million loss on sale of 51% of Adient's interest in LFADNT (as described in Note 3, "Acquisitions and Divestitures," of the notes to consolidated financial statements), partially offset by a \$1 million gain on sale of a nonconsolidated partially-owned affiliate. Fiscal 2023 reflects \$3 million and \$3 million of non-cash impairment related to certain of Adient's investments in nonconsolidated partially-owned affiliates in Asia and EMEA, respectively,

(6) Fiscal 2024 reflects a \$3 million non-recurring gain on a contract related settlement and \$1 million of indirect tax recoveries in Brazil, partially offset by \$1 million of transaction costs and a \$1 million one-time divestiture related impact at an affiliate. Fiscal 2023 reflects \$4 million of one-time divestiture gain at an affiliate and \$4 million of a gain associated with the retrospective recovery of indirect tax credits in Brazil, partially offset by \$3 million of transaction costs. Fiscal 2022 includes \$3 million and \$7 million of non-cash impairments of certain of Adient's investments in nonconsolidated partially-owned affiliates in Asia and EMEA, respectively, \$8 million of transaction costs, a \$14 million charge related to a non-recurring contract related settlement, \$1 million of accounts receivable allowances resulting from the withdrawal from and sale of operations in Russia, and \$2 million of loss on finalization of asset sale in Turkey, partially offset by a gain of \$32 million associated with the retrospective recovery of indirect tax credits in Brazil.

Additional Segment Information

(in millions)	Year Ended September 30, 2024				
	Reportable Segments			Reconciling Items ⁽¹⁾	Consolidated
	Americas	EMEA	Asia		
Net Sales	\$ 6,763	\$ 5,029	\$ 2,989	\$ (93)	\$ 14,688
Equity Income	3	15	73	(1)	90
Total Assets	2,863	2,349	3,185	954	9,351
Depreciation	127	112	46	—	285
Amortization	12	2	33	—	47
Capital Expenditures	100	107	59	—	266

⁽¹⁾ Reconciling items include the elimination of intercompany transactions, corporate-related assets and other amounts to reconcile to consolidated totals. Specific reconciling items for equity income represents \$1 million of purchase accounting amortization. Corporate-related assets primarily include cash and assets held for sale.

(in millions)	Year Ended September 30, 2023				
	Reportable Segments			Reconciling Items ⁽¹⁾	Consolidated
	Americas	EMEA	Asia		
Net Sales	\$ 7,220	\$ 5,195	\$ 3,085	\$ (105)	\$ 15,395
Equity Income	3	16	71	(6)	84
Total Assets	3,122	2,252	2,930	1,120	9,424
Depreciation	133	107	50	—	290
Amortization	12	3	35	—	50
Capital Expenditures	114	81	57	—	252

⁽¹⁾ Reconciling items include the elimination of intercompany transactions, corporate-related assets and other amounts to reconcile to consolidated totals. Specific reconciling items for equity income represents \$6 million of non-cash impairments of Adient's investments in partially-owned affiliates, \$2 million of restructuring related charges, and \$2 million of purchase accounting amortization, partially offset by a \$4 million gain on sale of certain assets at affiliates in China. Corporate-related assets primarily include cash and assets held for sale.

Year Ended September 30, 2022

(in millions)	Reportable Segments			Reconciling Items⁽¹⁾	Consolidated
	Americas	EMEA	Asia		
Net Sales	\$ 6,557	4,764	\$ 2,926	(126)	\$ 14,121
Equity Income	—	12	76	(13)	75
Total Assets	3,073	2,166	2,959	960	9,158
Depreciation	130	116	52	—	298
Amortization	12	4	36	—	52
Capital Expenditures	104	73	50	—	227

⁽¹⁾ Reconciling items include the elimination of intercompany transactions, corporate-related assets and other amounts to reconcile to consolidated totals. Specific reconciling items for equity income represents \$10 million of non-cash impairments of Adient's investments in partially-owned affiliates, \$1 million of restructuring related charges, \$2 million of purchase accounting amortization, \$7 million of a non-recurring customer termination charge at an affiliate in Asia, partially offset by a \$7 million non-recurring gain on sale of land use rights at an affiliate in China. Corporate-related assets primarily include cash and deferred income tax assets.

Geographic Information

Financial information relating to Adient's operations by geographic area is as follows:

Net Sales

(in millions)	Year Ended September 30,		
	2024	2023	2022
Americas			
United States	\$ 5,893	\$ 6,530	\$ 5,876
Mexico	2,634	2,661	2,427
Other Americas	314	338	377
Regional Elimination	(2,078)	(2,309)	(2,123)
	6,763	7,220	6,557
EMEA			
Germany	942	1,046	862
Poland	939	963	770
Czech Republic	756	900	962
Other EMEA	3,736	3,714	3,462
Regional Elimination	(1,344)	(1,428)	(1,292)
	5,029	5,195	4,764
Asia			
China	1,420	1,385	1,374
Thailand	496	564	508
Korea	488	534	534
Japan	344	373	264
Other Asia	294	284	270
Regional Elimination	(53)	(55)	(24)
	2,989	3,085	2,926
Inter-segment elimination	(93)	(105)	(126)
Total	<u>\$ 14,688</u>	<u>\$ 15,395</u>	<u>\$ 14,121</u>

Long-Lived Assets (consisting of net property, plant and equipment)

(in millions)	Year Ended September 30,	
	2024	2023
Americas		
United States	\$ 420	\$ 446
Mexico	151	152
Other Americas	17	18
	588	616
EMEA		
Germany	127	127
Poland	155	131
Czech Republic	35	30
Other EMEA	233	228
	550	516
Asia		
China	115	113
Thailand	52	45
Korea	23	22
Japan	62	51
Other Asia	20	19
	272	250
Total	<u>\$ 1,410</u>	<u>\$ 1,382</u>

18. Nonconsolidated Partially-Owned Affiliates

Investments in the net assets of nonconsolidated partially-owned affiliates are reported in the "Investments in partially-owned affiliates" line in the consolidated statements of financial position. Equity in the net income of nonconsolidated partially-owned affiliates are reported in the "Equity income" line in the consolidated statements of income (loss). Adient maintains total investments in partially-owned affiliates of \$338 million and \$303 million at September 30, 2024 and 2023, respectively. Operating information for nonconsolidated partially-owned affiliates is as follows:

Name of key partially-owned affiliate	% ownership at September 30,	
	2024	2023
KEIPER Seating Mechanisms Co., Ltd. ("KEIPER")	50.0%	50.0%
Changchun FAWAY Adient Automotive Systems Co. Ltd. ("CFAA")	49.0%	49.0%

(in millions)	Year Ended September 30,		
	2024	2023	2022
Income statement data:			
Net sales	\$ 3,783	\$ 3,791	\$ 4,039
Gross profit	\$ 368	\$ 346	\$ 374
Net income	\$ 184	\$ 173	\$ 189
Net income attributable to the entity	\$ 182	\$ 171	\$ 187

(in millions)	September 30,	
	2024	2023
Balance sheet data:		
Current assets	\$ 2,072	\$ 1,800
Noncurrent assets	\$ 730	\$ 756
Current liabilities	\$ 1,875	\$ 1,639
Noncurrent liabilities	\$ 269	\$ 283

During fiscal 2023, Adient concluded that indicators of other-than-temporary impairment were present related to nonconsolidated partially-owned affiliates in Asia and EMEA, and recorded non-cash impairment charges of \$3 million and \$3 million as a result, respectively.

In fiscal 2023 and 2022, Adient and KEIPER have modified existing supply agreements, resulting in reductions in Adient's purchase prices on certain products. Such modifications resulted in reductions of \$25 million and \$34 million in Adient's cost of sales and equity income, respectively, during fiscal 2023. The modifications resulted in reductions of \$14 million and \$17 million in Adient's cost of sales and equity income, respectively, during fiscal 2022.

19. Commitments and Contingencies

Adient is involved in various lawsuits, claims and proceedings incident to the operation of its businesses, including those pertaining to product liability, casualty, environmental, safety and health, intellectual property, employment, trade compliance, commercial and contractual matters, and various other matters. Although the outcome of any such lawsuit, claim or proceeding cannot be predicted with certainty and some may be disposed of unfavorably to Adient, it is management's opinion that none of these will have a material adverse effect on Adient's financial position, results of operations or cash flows. Costs related to such matters were not material to the periods presented.

Adient accrues for potential environmental liabilities when it is probable a liability has been incurred and the amount of the liability is reasonably estimable. Reserves for environmental liabilities totaled \$3 million and \$4 million at September 30, 2024 and 2023, respectively. Adient reviews the status of its environmental sites on a quarterly basis and adjusts its reserves accordingly. Such potential liabilities accrued by Adient do not take into consideration possible recoveries of future insurance proceeds. They do, however, take into account the likely share other parties will bear at remediation sites. It is difficult to estimate Adient's ultimate level of liability at many remediation sites due to the large number of other parties that may be involved, the complexity of determining the relative liability among those parties, the uncertainty as to the nature and scope of the investigations and remediation to be conducted, the uncertainty in the application of law and risk assessment, the various choices and costs associated with diverse technologies that may be used in corrective actions at the sites, the often quite lengthy periods over which eventual remediation may occur, and changing environmental laws. Nevertheless, Adient does not currently believe that any claims, penalties or costs in connection with known environmental matters will have a material adverse effect on Adient's financial position, results of operations or cash flows.

20. Related Party Transactions

In the ordinary course of business, Adient enters into transactions with related parties, such as equity affiliates. Such transactions consist of the sale or purchase of goods and other arrangements.

The following table sets forth the location and amounts of net sales to and purchases from related parties included in Adient's consolidated statements of income (loss):

(in millions)		Year Ended September 30,		
		2024	2023	2022
Net sales to related parties	Net sales	\$ 251	\$ 253	\$ 247
Purchases from related parties	Cost of sales	399	397	434

The following table sets forth the location and amount of accounts receivable due from and payable to related parties in Adient's consolidated statements of financial position:

(in millions)		September 30,	
		2024	2023
Accounts receivable due from related parties	Accounts receivable	\$ 28	\$ 26
Accounts payable due to related parties	Accounts payable	114	67

Average receivable and payable balances with related parties remained consistent with the period end balances shown above.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision of and with the participation of management, including the principal executive officer and principal financial officer, Adient conducted an evaluation of the effectiveness of the design and operation of disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of September 30, 2024, the end of the period covered by this report, or the Evaluation Date. Based upon the evaluation, the principal executive officer and principal financial officer concluded that Adient's disclosure controls and procedures were effective at the reasonable assurance level as of the Evaluation Date. Disclosure controls and procedures are controls and procedures designed to provide reasonable assurance that information required to be disclosed in Adient's reports filed or submitted under the Exchange Act, such as this report, is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to provide reasonable assurance that such information is accumulated and communicated to Adient's management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Definition of and Inherent Limitations over Internal Control over Financial Reporting

Adient's internal control over financial reporting is a process designed by, or under the supervision of, the principal executive officer and principal financial officer, or persons performing similar functions, and effected by Adient's Board of Directors, management and other personnel designed 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. Adient's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures are being made only in accordance with authorizations of Adient's management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Adient's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act). Management has assessed the effectiveness of Adient's internal control over financial reporting based on the criteria set forth in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. Based on this evaluation, management concluded that Adient maintained effective internal control over financial reporting as of September 30, 2024. The effectiveness of Adient's internal control over financial reporting as of September 30, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report in Item 8 of Part II of this Form 10-K.

Changes in Internal Control over Financial Reporting

During fiscal 2024, Adient implemented a new enterprise resource planning (“ERP”) system at certain of its 100% owned entities in China. The implementation of the ERP system is planned to occur in phases over the coming years for all majority-owned entities in China. There were no other changes in internal control over financial reporting during the fiscal year ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, Adient's internal control over financial reporting.

Item 9B. Other Information

During the fourth quarter of fiscal year 2024, none of Adient’s directors or executive officers adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as those terms are defined in Item 408(a) of Regulation S-K.

On November 14, 2024, the Board of Directors (the “Board”) of Adient plc (“Adient”) approved a restricted stock unit award for Jerome J. Dorlack, Adient’s President and Chief Executive Officer (the “Replacement RSU Award”), pursuant to Adient’s 2021 Omnibus Incentive Plan in replacement of 30% of his salary for calendar year 2025 in connection with a salary reduction program, which is being done to further Adient’s commitment to aligning pay with performance and the interests of Adient’s chief executive officer with the interests of its shareholders. The Replacement RSU Award will have a grant date of January 1, 2025, and a grant date fair value in an amount equal to 30% of his salary as in effect at the time of grant. The terms of the Replacement RSU Award will be reflected in a form of Restricted Shares or Restricted Share Unit Award Agreement that was previously approved for use in granting a salary replacement restricted stock unit award to Mr. Dorlack, as disclosed in Adient’s Current Report on Form 8-K dated as of November 8, 2023. The Replacement RSU Award granted to Mr. Dorlack will vest upon the one-year anniversary of the grant date (subject to continued vesting upon an involuntary termination without cause, or accelerated vesting upon death or disability).

On November 14, 2024, the Human Capital and Compensation Committee (the “Committee”) of the Board approved a one-time restricted stock unit retention award for James J. Huang, Adient’s Executive Vice President, APAC (the “Special RSU Award”), pursuant to Adient’s 2021 Omnibus Incentive Plan based on the centrality of his role in fiscal year 2024 and his key contributions to date. The Special RSU Award had a grant date of November 14, 2024 and a grant date fair value in an amount equal to \$2,000,000. The Special RSU Award granted to Mr. Huang will vest one-half per year over two years (subject to continued vesting upon an involuntary termination without cause, or accelerated vesting upon death or disability). The terms of the Special RSU Award will be reflected in a form of Restricted Shares or Restricted Share Unit Award Agreement (the “Special RSU Agreement”), which is filed as Exhibit 10.42 to this Annual Report on Form 10-K and incorporated by reference herein. The foregoing description of the Special RSU Agreement is not complete and is qualified in its entirety by the full text of the Special RSU Agreement.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Adient intends to hold its 2025 annual general meeting of shareholders on March 11, 2025.

The information required by this Item is set forth under the sections entitled "Q: Where can I find Corporate Governance materials for Adient?," "Proposal One: Election of Directors," "Corporate Governance," "Board and Committee Information," "Audit Committee Report," and "Delinquent Section 16(a) Reports" in Adient's 2025 Proxy Statement to be filed with the U.S. Securities and Exchange Commission ("SEC") within 120 days after September 30, 2024 in connection with the solicitation of proxies for Adient's 2025 annual general meeting of shareholders and is incorporated herein by reference.

Adient has an Ethics Policy that applies to all employees, including Adient's principal executive officer, principal financial officer, and principal accounting officer, as well as to the members of the Board of Directors of Adient. The Ethics Policy is available at www.adient.com. Adient intends to disclose any changes in, or waivers from, this Ethics Policy by posting such information on the same website or by filing a Current Report on Form 8-K, in each case to the extent such disclosure is required by rules of the SEC or the NYSE.

Adient has an Insider Trading Policy governing the purchase, sale and/or other dispositions of its securities by Adient's directors, officers, employees and related persons that is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to Adient. A copy of the Insider Trading Policy, as amended to date, is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by this Item is set forth under the sections entitled "Corporate Governance," "Board and Committee Information," "Human Capital and Compensation Committee Report," "Compensation Discussion and Analysis," "Director Compensation," "Potential Payments upon Termination and Change in Control," and "Security Ownership of Certain Beneficial Owners and Management" in Adient's 2025 Proxy Statement to be filed with the SEC within 120 days after September 30, 2024 and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is set forth under the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans" and "Security Ownership of Certain Beneficial Owners and Management" in Adient's 2025 Proxy Statement to be filed with the SEC within 120 days after September 30, 2024 and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is set forth under the section entitled "Corporate Governance," "Certain Relationships and Related Person Transactions" and "Board and Committee Information" in Adient's 2025 Proxy Statement to be filed with the SEC within 120 days after September 30, 2024 and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this Item is set forth under the section entitled "Audit Committee Report" in Adient's 2025 Proxy Statement to be filed with the SEC within 120 days after September 30, 2024 and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report

(1) All financial statements

Index to Consolidated Financial Statements	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	53
Consolidated Statements of Income (Loss) for the years ended September 30, 2024, 2023 and 2022	56
Consolidated Statements of Comprehensive Income (Loss) for the years ended September 30, 2024, 2023 and 2022	57
Consolidated Statements of Financial Position as of September 30, 2024 and 2023	58
Consolidated Statements of Cash Flows for the years ended September 30, 2024, 2023 and 2022	59
Consolidated Statements of Shareholders' Equity for the years ended September 30, 2024, 2023 and 2022	61
Notes to Consolidated Financial Statements	62
Schedule II - Valuation and Qualifying Accounts for the years ended September 30, 2024, 2023 and 2022	103

(2) Financial Statement Schedules

ADIENT AND SUBSIDIARIES SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(in millions)	Year Ended September 30,		
	2024	2023	2022
Accounts Receivable - Allowances			
Balance at beginning of period	\$ 15	\$ 21	\$ 29
Provision charged to costs and expenses	13	9	10
Reserve adjustments	(5)	(15)	(16)
Currency translation	1	—	(2)
Balance at end of period	<u>\$ 24</u>	<u>\$ 15</u>	<u>\$ 21</u>
Deferred Tax Assets - Valuation Allowance			
Balance at beginning of period	\$ 1,655	\$ 1,662	\$ 1,637
Allowance provision (benefit) for operating and other loss carryforwards	90	(61)	94
Allowance provision (benefit) adjustments	24	54	(69)
Balance at end of period	<u>\$ 1,769</u>	<u>\$ 1,655</u>	<u>\$ 1,662</u>

All other financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto included in this Form 10-K.

(3) Exhibits required by Item 601 of Regulation S-K

EXHIBIT INDEX

Exhibit No.	Exhibit Title
2.1	<u>Separation and Distribution Agreement, dated as of September 8, 2016, by and between Johnson Controls International plc and Adient Limited (incorporated by reference to Exhibit 2.1 to Amendment No. 4 to Adient plc's Registration Statement on Form 10 filed September 20, 2016 (File No. 1-37757)).#</u>
3.1	<u>Memorandum of Association and Amended and Restated Articles of Association of Adient (incorporated by reference to Exhibit 3.1 to Adient plc's Current Report on Form 8-K filed November 1, 2016 (File No. 1-37757)).</u>
4.1	<u>Indenture, dated as of August 19, 2016, between Adient Global Holdings Ltd and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 to Amendment No. 4 to Adient plc's Registration Statement on Form 10 filed September 20, 2016 (File No. 1-37757)).</u>
4.2	<u>Guarantor Supplemental Indenture to the Dollar Notes Indenture, dated as of October 14, 2016, by and among Adient Global Holdings Limited, U.S. Bank National Association, as Trustee, and certain subsidiaries of Adient Global Holdings Limited party thereto (incorporated by reference to Exhibit 4.2 to Adient plc's Current Report on Form 8-K filed November 1, 2016 (File No. 1-37757)).</u>
4.3	<u>Guarantor Supplemental Indenture to the Dollar Notes Indenture, dated as of October 31, 2016, by and among Adient plc, Adient Global Holdings Limited, U.S. Bank National Association, as Trustee, and certain subsidiaries of Adient Global Holdings Limited party thereto (incorporated by reference to Exhibit 4.4 to Adient plc's Current Report on Form 8-K filed November 1, 2016 (File No. 1-37757)).</u>
4.4	<u>Guarantor Supplemental Indenture to the Dollar Notes Indenture, dated as of June 19, 2017, by and among Adient Global Holdings Ltd, Adient Global Holdings S.à r.l., Adient Global Holdings Luxembourg S.à r.l., Adient Holding Ireland Limited and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Adient plc's Quarterly Report on Form 10-Q filed May 7, 2018 (File No. 1-37757)).</u>
4.5	<u>Fourth Supplemental Indenture to the Dollar Notes Indenture, dated as of January 29, 2018, by and among Adient Global Holdings Ltd, Adient Ltd, Adient UK Global Financing Ltd and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Adient plc's Quarterly Report on Form 10-Q filed May 7, 2018 (File No. 1-37757)).</u>
4.6	<u>Guarantor Supplemental Indenture to the Dollar Notes Indenture, dated as of March 20, 2018, by and among Adient Global Holdings Ltd, U.S. Bank National Association, as Trustee, and certain subsidiaries of Adient Global Holdings Ltd party thereto (incorporated by reference to Exhibit 4.6 to Adient plc's Quarterly Report on Form 10-Q filed May 7, 2018 (File No. 1-37757)).</u>
4.7	<u>Indenture, dated as of May 6, 2019, among Adient US LLC, the guarantors party thereto from time to time and U.S. Bank National Association, as Trustee and Collateral Agent, relating to the \$800.0 million aggregate principal amount of 7.00% senior first lien notes due 2026 (the "Indenture") (incorporated by reference to Exhibit 4.1 to Adient plc's Current Report on Form 8-K filed May 6, 2019 (File No. 1-37757)).</u>
4.8	<u>Supplemental Indenture, dated as of May 6, 2019, among Adient Fabrics Spain, S.A.U., Michel Thierry Unit Components, S.L.U., Adient Seating Holding Spain, S.L.U., Adient Seating Spain, S.L.U., Adient Automotive, S.L.U., Adient Real Estate Holding Spain, S.L.U. and U.S. Bank National Association, relating to the Indenture (incorporated by reference to Exhibit 4.2 to Adient plc's Current Report on Form 8-K filed May 6, 2019 (File No. 1-37757)).</u>
4.9	<u>Guarantor Supplemental Indenture to the Dollar Notes Indenture, dated as of October 3, 2019, by and among Adient Global Holdings Ltd, the subsidiary of Adient Global Holdings Ltd party thereto, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.16 to Adient plc's Annual Report on Form 10-K filed November 22, 2019 (File No. 1-37757)).</u>

4.10	<u>Indenture, dated as of April 23, 2020, among Adient US LLC, the guarantors party thereto from time to time and U.S. Bank National Association, as Trustee and Collateral Agent, relating to the \$600.0 million aggregate principal amount of 9.000% senior first lien notes due 2025 (the "Indenture") (incorporated by reference to Exhibit 4.1 to Adient plc's Current Report on Form 8-K filed April 23, 2020 (File No. 1-37757)).</u>
4.11	<u>Description of securities (incorporated by reference to Exhibit 4.17 to Adient plc's Annual Report on Form 10-K filed November 22, 2019 (File No. 1-37757)).</u>
4.12	<u>Third Supplemental Indenture, dated as of February 10, 2022, among Adient US LLC, the guarantors party thereto and U.S. Bank National Association, as Trustee and Collateral Agent (incorporated by reference to Exhibit 4.1 to Adient plc's Current Report on Form 8-K filed February 10, 2022 (File No. 1-37757)).</u>
4.13	<u>Indenture, dated as of March 14, 2023, among Adient Global Holdings Ltd, the guarantors party thereto from time to time and U.S. Bank Trust Company, National Association, as Trustee and Collateral Agent, relating to the \$500.0 million aggregate principal amount of 7.000% senior secured notes due 2028 (incorporated by reference to Exhibit 4.1 to Adient plc's Current Report on Form 8-K filed on March 14, 2023 (File No. 1-37757)).</u>
4.14	<u>Supplemental Indenture, dated as of March 14, 2023, among Adient Seating Holding Spain, S.L.U., Adient Seating Spain, S.L.U., Adient Automotive, S.L.U., Adient Real Estate Holding Spain, S.L.U. and U.S. Bank Trust Company, National Association, relating to the Secured Indenture (incorporated by reference to Exhibit 4.2 to Adient plc's Current Report on Form 8-K filed on March 14, 2023 (File No. 1-37757)).</u>
4.15	<u>Indenture, dated as of March 14, 2023, among Adient Global Holdings Ltd, the guarantors party thereto from time to time and U.S. Bank Trust Company, National Association, as Trustee and Collateral Agent, relating to the \$500.0 million aggregate principal amount of 8.250% senior unsecured notes due 2031 (incorporated by reference to Exhibit 4.3 to Adient plc's Current Report on Form 8-K filed on March 14, 2023 (File No. 1-37757)).</u>
4.16	<u>Supplemental Indenture, dated as of March 14, 2023, among Adient Seating Holding Spain, S.L.U., Adient Seating Spain, S.L.U., Adient Automotive, S.L.U., Adient Real Estate Holding Spain, S.L.U. and U.S. Bank Trust Company, National Association, relating to the Unsecured Indenture (incorporated by reference to Exhibit 4.4 to Adient plc's Current Report on Form 8-K filed on March 14, 2023 (File No. 1-37757)).</u>
10.1	<u>Tax Matters Agreement, dated as of September 8, 2016, by and between Johnson Controls International plc and Adient Limited, as amended October 31, 2016 (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to Adient plc's Annual Report on Form 10-K/A filed June 29, 2017 (File No. 1-37757)).</u>
10.2	<u>Employee Matters Agreement, dated as of September 8, 2016, by and between Johnson Controls International plc and Adient Limited (incorporated by reference to Exhibit 10.3 to Amendment No. 4 to Adient plc's Registration Statement on Form 10 filed September 20, 2016 (File No. 1-37757)).</u>
10.3	<u>Form of Indemnification Agreement (Ireland) with individual directors and officers (incorporated by reference to Exhibit 10.5 to Amendment No. 1 to Adient plc's Annual Report on Form 10-K/A filed June 29, 2017 (File No. 1-37757)).*</u>
10.4	<u>Form of Indemnification Agreement (US) with individual directors and officers (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to Adient plc's Annual Report on Form 10-K/A filed June 29, 2017 (File No. 1-37757)).*</u>
10.5	<u>Joint Venture Contract, dated October 22, 1997, between Shanghai Yanfeng Automotive Trim Company, Ltd. and Johnson Controls International, Inc., as amended (incorporated by reference to Exhibit 10.7 of Adient plc's Registration Statement on Form 10 filed April 27, 2016 (File No. 1-37757)).</u>

10.6	<u>Term Loan Credit Agreement, dated as of May 6, 2019, among Adient US LLC, Adient Global Holdings S.à r.l., the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed May 6, 2019 (File No. 1-37757)).</u>
10.7	<u>Amendment and Restatement Agreement to Amended and Restated Revolving Credit Agreement, dated as of November 2, 2022, among Adient US LLC, the other borrower subsidiaries party thereto, the lenders party thereto, the issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed November 4, 2022 (File No. 1-37757)).</u>
10.8	<u>Adient plc 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 4.1 to Adient plc's Registration Statement on Form S-8 filed October 28, 2016 (File No. 1-37757)).</u> *
10.9	<u>Form of Adient plc Restricted Shares or Restricted Share Unit Award Agreement (incorporated by reference to Exhibit 10.10 to Amendment No. 1 to Adient plc's Annual Report on Form 10-K/A filed June 29, 2017 (File No. 1-37757)).</u> *
10.10	<u>Form of Adient plc Performance Share Unit Award Agreement (incorporated by reference to Exhibit 10.11 to Amendment No. 1 to Adient plc's Annual Report on Form 10-K/A filed June 29, 2017 (File No. 1-37757)).</u> *
10.11	<u>Form of Adient plc Performance Unit Award agreement (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed September 29, 2017 (File No. 1-37757)).</u> *
10.12	<u>Form of Adient plc Restricted Shares or Restricted Share Unit Award agreement (incorporated by reference to Exhibit 10.2 to Adient plc's Current Report on Form 8-K filed September 29, 2017 (File No. 1-37757)).</u> *
10.13	<u>Adient US LLC Retirement Restoration Plan, as amended and restated effective January 1, 2017 (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed January 13, 2017 (File No. 1-37757)).</u> *
10.14	<u>Adient US LLC Executive Deferred Compensation Plan, as amended and restated March 12, 2018 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed May 7, 2018 (File No. 1-37757)).</u> *
10.15	<u>Adient plc Flexible Perquisites Program (incorporated by reference to Exhibit 10.3 to Adient plc's Quarterly Report on Form 10-Q filed August 7, 2019 (File No. 1-37757)).</u> *
10.16	<u>Written description of Adient US LLC severance benefit for certain executive officers (incorporated by reference to Exhibit 10.18 to Adient plc's Annual Report on Form 10-K filed November 22, 2019 (File No. 1-37757)).</u> *
10.17	<u>Adient plc Non-Employee Directors Compensation Summary and Ownership Guidelines, as amended and restated effective as of October 1, 2022 (incorporated by reference to Exhibit 10.17 to Adient plc's Annual Report on Form 10-K filed November 17, 2023 (File No. 1-37757)).</u> *
10.18	<u>Adient plc Executive Share Ownership Guidelines effective as of September 17, 2019 (incorporated by reference to Exhibit 10.20 to Adient plc's Annual Report on Form 10-K filed November 22, 2019 (File No. 1-37757)).</u> *
10.19	<u>Form of Key Executive Severance and Change of Control Agreement by and among Adient plc, Adient US LLC and the following executive officers: Jerome J. Dorlack, James D. Conklin, Stephanie S. Marianos, Mark A. Oswald, and Heather M. Tiltmann (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed January 20, 2017 (File No. 1-37757)).</u> *

10.20	<u>Employment Contract, dated October 29, 2018, entered into between Adient Germany Ltd. & Co. KG and Michel Pierre Berthelin, (incorporated by reference to Exhibit 10.2 to Adient plc's Quarterly Report on Form 10-Q filed August 7, 2019 (File No. 1-37757)).*</u>
10.21	<u>Labour Contract, dated as of March 6, 2016, by and between Adient Management (China) Co., Ltd. and Jian James Huang (incorporated by reference to Exhibit 10.29 to Adient plc's Annual Report on Form 10-K filed November 22, 2019 (File No. 1-37757)).*</u>
10.22	<u>Master Agreement, dated as of January 31, 2020, by and among Adient plc, Yanfeng Automotive Trim Systems Company Ltd., Adient Yanfeng Seating Mechanisms Co., Ltd., Yanfeng Adient Seating Co., Ltd. and Yanfeng Global Automotive Interior Systems Co., Ltd. (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on January 31, 2020).*</u>
10.23	<u>Amendment to the Joint Venture Contract of Yanfeng Adient Seating Co., Ltd. (effective upon the satisfaction of the relevant conditions set forth in the Master Agreement filed as Exhibit 10.29 to this Form 10-K) (incorporated by reference to Exhibit 10.2. to Adient plc's Current Report on Form 8-K filed on January 31, 2020).*</u>
10.24	<u>Restricted Shares or Restricted Share Unit Award Agreement for grants made July 1, 2020 under the Adient plc Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on May 28, 2020).*</u>
10.25	<u>Amended and Restated Master Agreement, dated as of June 24, 2020, by and among Adient plc, Yanfeng Automotive Trim Systems Company Ltd., Adient Yanfeng Seating Mechanisms Co., Ltd., Yanfeng Adient Seating Co., Ltd. and Yanfeng Global Automotive Interior Systems Co., Ltd. (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on June 24, 2020).*</u>
10.26	<u>Adient US LLC Retirement Restoration Plan, as amended and restated effective January 1, 2021 (incorporated by reference to Exhibit 10.33 to Adient plc's Annual Report on Form 10-K filed November 30, 2020 (File No. 1-37757)).*</u>
10.27	<u>Master Agreement, dated as of March 12, 2021, by and among Adient plc, Adient Asia Holdings Co., Ltd., Qiyue (Shanghai) Trading Co., Ltd., Yanfeng Automotive Trim Systems Co., Ltd., Yanfeng Adient Seating Co., Ltd. and KEIPER Seating Mechanisms Co., Ltd. (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on March 12, 2021).#</u>
10.28	<u>Ancillary Master Agreement, dated as of March 12, 2021, by and among Adient plc, Adient Asia Holdings Co., Ltd., Yanfeng Adient Seating Co., Ltd., Yanfeng Automotive Trim Systems Co., Ltd. and KEIPER Seating Mechanisms Co., Ltd. (incorporated by reference to Exhibit 10.2 to Adient plc's Current Report on Form 8-K filed on March 12, 2021).#</u>
10.29	<u>Equity Transfer Agreement, dated as of March 12, 2021, by and between Yanfeng Automotive Trim Systems Co., Ltd. and Adient Asia Holdings Co., Ltd. (incorporated by reference to Exhibit 10.3 to Adient plc's Current Report on Form 8-K filed on March 12, 2021).#</u>
10.30	<u>Amendment No. 1 dated April 8, 2021 to the Term Loan Credit Agreement dated as of May 6, 2019, among the Borrowers, the lenders party hereto, and the Agent (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on April 9, 2021).*</u>
10.31	<u>Restricted Shares or Restricted Share Unit Award Agreement for certain salary reduction replacement grants made under the Adient plc 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on June 30, 2021).*</u>
10.32	<u>Form of Restricted Shares or Restricted Share Unit Award Agreement under the Adient plc 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to Adient plc's Current Report on Form 8-K filed on March 10, 2021 (File No. 1-37757)).*</u>

10.33	<u>Adient plc 2021 Omnibus Incentive Plan (incorporated by reference to Annex A to Adient plc's definitive proxy statement on Schedule 14A filed on January 26, 2021 for the Adient plc 2021 annual general meeting of shareholders held March 9, 2021 (File No. 1-37757)).*</u>
10.34	<u>Form of Performance Unit Award Agreement under the Adient plc 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to Adient plc's Current Report on Form 8-K filed on March 10, 2021 (File No. 1-37757)).*</u>
10.35	<u>Form of Adient plc Performance Unit Award Agreement under the Adient plc 2021 Omnibus Incentive Plan, as updated in March 2022 (incorporated by reference to Exhibit 10.1 to Adient plc's Quarterly Report on Form 10-Q filed on May 5, 2022 (File No. 1-37757)).*</u>
10.36	<u>Form of Restricted Shares or Restricted Share Unit Award Agreement for the 2022 salary replacement awards for Douglas G. Del Grosso and Jerome J. Dorlack made under the Adient plc 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on September 23, 2022 (File No. 1-37757)).*</u>
10.37	<u>Amendment Agreement No. 1, dated March 13, 2023, to Amended and Restated Revolving Credit Agreement, dated as of November 2, 2022, among Adient US LLC, the other borrower subsidiaries party thereto, the lenders party thereto, the issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to Adient plc's Quarterly Report on Form 10-Q filed May 3, 2023 (File No. 1-37757)).</u>
10.38	<u>Amendment Agreement No. 2, dated March 13, 2023, to Amended and Restated Revolving Credit Agreement, dated as of November 2, 2022, among Adient US LLC, the other borrower subsidiaries party thereto, the lenders party thereto, the issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.2 to Adient plc's Quarterly Report on Form 10-Q filed May 3, 2023 (File No. 1-37757)).</u>
10.39	<u>Amendment Agreement, dated March 13, 2023, to Term Loan Credit Agreement, dated as of May 6, 2019, among Adient US LLC, Adient Global Holdings S.à r.l., the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.3 to Adient plc's Quarterly Report on Form 10-Q filed May 3, 2023 (File No. 1-37757)).</u>
10.40	<u>Amendment No. 2, dated April 24, 2023, to the Term Loan Credit Agreement dated as of May 6, 2019, among Adient US LLC, Adient Global Holdings S.à r.l., the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.4 to Adient plc's Quarterly Report on Form 10-Q filed May 3, 2023 (File No. 1-37757)).</u>
10.41	<u>Amendment No. 3 dated January 31, 2024 to the Term Loan Credit Agreement dated as of May 6, 2019, among Adient US LLC, Adient Global Holdings S.à r.l., the lenders party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to Adient plc's Current Report on Form 8-K filed on February 1, 2024 (File No. 1-37757)).</u>
10.42	<u>Form of Restricted Shares or Restricted Share Unit Award Agreement for certain retention awards made under the Adient plc 2021 Omnibus Incentive Plan.*</u>
19.1	<u>Adient plc Insider Trading Policy.</u>
21.1	<u>List of Subsidiaries.</u>
23.1	<u>Consent of Independent Registered Public Accounting Firm.</u>
31.1	<u>Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>

31.2	<u>Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1	<u>Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
97.1	<u>Adient plc Amended and Restated Executive Compensation Incentive Recoupment Policy.</u>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).
#	Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Adient hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the SEC.
*	Denotes management contract or compensatory plan or arrangement required to be filed as an exhibit hereto.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Adient plc

By: /s/ Jerome J. Dorlack
Jerome J. Dorlack
President and Chief Executive Officer and a Director
Date: November 18, 2024

By: /s/ Mark A. Oswald
Mark A. Oswald
Executive Vice President and Chief Financial Officer
Date: November 18, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of November 18, 2024, by the following persons on behalf of the Registrant and in the capacities indicated:

/s/ Jerome J. Dorlack
Jerome J. Dorlack
President and Chief Executive Officer and a Director
(Principal Executive Officer)

/s/ Gregory S. Smith
Gregory S. Smith
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

/s/ Julie L. Bushman
Julie L. Bushman
Director

/s/ Ricky T. Dillon
Ricky T. Dillon
Director

/s/ Richard Goodman
Richard Goodman
Director

/s/ Barb J. Samardzich
Barb J. Samardzich
Director

/s/ Mark A. Oswald
Mark A. Oswald
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Frederick A. Henderson
Frederick A. Henderson
Non-Executive Chairman and Director

/s/ Peter H. Carlin
Peter H. Carlin
Director

/s/ Jodi E. Eddy
Jodi E. Eddy
Director

/s/ José M. Gutiérrez
José M. Gutiérrez
Director

ADIENT PLC
RESTRICTED SHARES OR RESTRICTED SHARE UNIT AWARD AGREEMENT

Grant - Terms for Restricted Shares and Restricted Share Units

Participant Name:	###PARTICIPANT_NAME###
Grant Date:	###GRANT_DATE###
Number of Restricted Share Units:	###TOTAL_AWARDS###
Restriction Period:	1 Year from the Grant Date for 50% of the Restricted Share Units 2 Years from the Grant Date for 50% of the Restricted Share Units
Settlement of Units and Dividend Equivalents:	###CF_EE_GRANT_GRANT/ AWARD USER CODE 2###

Adient plc has adopted the 2021 Omnibus Incentive Plan to permit awards of restricted shares or restricted share units to be made to certain key employees of the Company or any Affiliate. The Company desires to provide incentives and potential rewards for future performance by the employee by providing the Participant with a means to acquire or to increase his or her proprietary interest in the Company's success.

Definitions. Capitalized terms used in this Award Agreement have the following meanings:

- (a) "Award" means this grant of Restricted Shares and/or Restricted Share Units.
- (b) "Award Agreement" means this agreement setting forth the terms and conditions of the Award.
- (c) "Award Notice" means an Award notification (if any) other than this Award Agreement delivered to the Participant in connection with this Award.
- (d) "Company" means Adient plc or any successor thereto.
- (e) "Inimical Conduct" means any of the following as determined by the Administrator in its sole discretion: (i) any act or omission that is inimical to the best interests of the Company or any Affiliate as determined by the Administrator, (ii) violation of any employment, non-compete, confidentiality or other agreement in effect with the Company or any Affiliate, or the Company's or an Affiliate's code of ethics, as then in effect, (iii) conduct rising to the level of gross negligence or willful misconduct in the course of employment with the Company or an Affiliate, (iv) commission of an act of dishonesty or disloyalty involving the Company or an Affiliate, or taking any action which damages or negatively reflects on the reputation of the Company or an Affiliate, (v) failure to comply with applicable laws relating to trade secrets, confidential information or unfair competition or a violation of any other federal, state or local law in connection with the Participant's employment or service, or (vi) breach of any fiduciary duty to the Company or an Affiliate.
- (f) "Participant" means the individual selected to receive this Award.
- (g) "Plan" means the Adient plc 2021 Omnibus Incentive Plan, as may be amended from time to time.
- (h) "Restriction Period" means the length of time indicated above or in any Award Notice during which the Participant cannot sell, transfer, pledge, assign or otherwise encumber the Restricted Shares or Restricted Share Units granted under this Award.
- (i) "Restricted Shares" means Shares that are subject to a risk of forfeiture and the Restriction Period.

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- (j) "Restricted Share Unit" means the right to receive a payment, in cash or Shares, equal to the Fair Market Value of one Share, that is subject to a risk of forfeiture and the Restriction Period.
- (k) "Share" means an ordinary share of the Company.

Other capitalized terms used in this Award Agreement have the meanings given in the Plan.

The parties agree as follows:

1. **Grant of Award.** The Company hereby grants to the Participant an award of Restricted Shares or Restricted Share Units, as specified above or in any Award Notice, on the date and with respect to the number of Shares or Units specified above or in any Award Notice. The Award is subject to the terms and conditions set forth herein and in the Plan, a copy of which has been delivered to the Participant, and which is made a part of this Award.
2. **Restricted Shares.** If the Award is in the form of Restricted Shares, the Shares are subject to the following terms:
 - a. Restriction Period. The Company will hold the Shares in escrow or via an independent trust or nominee for the Restriction Period. During this period, the Shares shall be subject to forfeiture as provided in Section 4.
 - b. Removal of Restrictions. Subject to any applicable deferral election under the Adient US LLC Executive Deferred Compensation Plan (or any successor plan) and to Section 4 below, Shares that have not been forfeited shall become available to the Participant after the last day of the Restriction Period upon payment in full of all taxes due with respect to such Shares.
 - c. Voting Rights. During the Restriction Period, the Participant may exercise full voting rights with respect to the Shares.
 - d. Dividends and Other Distributions. Any cash dividends or other distributions paid or delivered with respect to Restricted Shares for which the record date occurs on or before the last day of the Restriction Period will be credited to a bookkeeping account for the benefit of the Participant. To the extent such account is credited, it will be converted into and settled in additional Shares issued under the Plan at the end of the applicable Restriction Period unless it is indicated above or in any Award Notice that the account will be paid to the Participant in cash, in which case it will be paid in cash at the end of the applicable Restriction Period. Prior to the end of the Restriction Period, any account credited pursuant to this paragraph will be subject to the same terms and conditions (including risk of forfeiture) as the Restricted Shares to which the dividends or other distributions relate.
3. **Restricted Share Units.** If the Award is in the form of Restricted Share Units, the Restricted Share Units are subject to the following terms:
 - a. Restriction Period. During the Restriction Period, the Restricted Share Units shall be subject to forfeiture as provided in Section 4.
 - b. Settlement of Restricted Share Units. Subject to any applicable deferral election under the Adient US LLC Executive Deferred Compensation Plan (or any successor plan thereto) and to Section 4 below, the Restricted Share Units shall be settled by

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payment of one Share per Restricted Share Unit unless it is indicated above or in any Award Notice that the Restricted Share Units will be settled through payment of cash, in which case the Restricted Share Units will be settled through payment of cash equal to the Fair Market Value of one Share per Restricted Share Unit, in each case as soon as practicable after the last day of the Restriction Period and upon payment in full of all taxes due with respect to such Restricted Share Units. Notwithstanding the foregoing, if this Award provides that it will be settled in cash, but the Company has satisfied all registration, qualification or other legal requirements necessary to permit the settlement of the Restricted Share Units in Shares in the Participant's jurisdiction without adverse legal, tax, financial or accounting consequences to the Company or its Affiliates, then such Award will instead be settled in Shares and the Participant will have no right to receive cash. Notwithstanding the foregoing, if the Participant is a specified employee within the meaning of Code Section 409A and the Restriction Period lapses due to a termination of employment (other than for death), then the vested Restricted Share Units will be settled as soon as practicable six months after the Participant's termination to the extent required to comply with Code Section 409A.

- c. Dividend Equivalent Units. Any cash dividends or other distributions paid or delivered with respect to the Shares for which the record date occurs on or before the last day of the Restriction Period will result in a credit to a bookkeeping account for the benefit of the Participant. Any such credit or dividend equivalent will be equal to the dividends or other distributions that would have been paid with respect to the Shares subject to the Restricted Share Units had such Shares been outstanding. To the extent a bookkeeping account is credited pursuant to this paragraph, it will be converted into and settled in additional Shares issued under the Plan at the end of the applicable Restriction Period unless it is indicated above or in any Award Notice that the account will be paid to the Participant in cash, in which case it will be paid in cash at the end of the applicable Restriction Period. Prior to the end of the Restriction Period, any account credited pursuant to this paragraph will be subject to the same terms and conditions (including risk of forfeiture) as the Restricted Share Units to which the dividends or other distributions relate.

4. **Termination of Employment – Risk of Forfeiture.**

- a. Involuntary Termination Other Than For Cause. If the Participant's employment with the Company and its Affiliates terminates due to the Company's involuntary termination of the Participant's employment other than for Cause before the end of the Restriction Period, then the Participant's Restricted Shares or Restricted Share Units that are then unvested will continue to vest and otherwise be subject to the terms and conditions of this Award Agreement as if the Participant's employment had not terminated. If the Participant, after his or her involuntary termination, engages in Inimical Conduct, then any Restricted Shares or Restricted Share Units that have not yet vested or been settled shall automatically be forfeited and returned to the Company as of the date of the Administrator's determination. The Participant shall provide such information or documentation as the Administrator reasonably determines is necessary to confirm whether the Participant has engaged in any prohibited activity as described in the preceding sentence.

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- b. Voluntary Termination. If the Participant's employment with the Company and its Affiliates terminates due to a voluntary resignation before the end of the Restriction Period, then all Restricted Shares and Restricted Share Units subject to this Award shall automatically be forfeited and returned to the Company as of the date of such resignation.
- c. Death. If the Participant's employment with the Company and its Affiliates terminates because of death at a time when the Participant could not have been terminated for Cause, then, effective as of the date the Company determines the Participant's employment terminated due to death (provided such determination is made no more than 75 days after the date of death), any remaining Restriction Period shall automatically lapse. The Company shall have no liability to any person for any taxes, penalties or interest incurred by any person due to the Company not receiving notice of the Participant's death within 75 days.
- d. Disability. If the Participant becomes Disabled at a time when the Participant could not have been terminated for Cause, then the Participant shall become vested in (and any remaining Restriction Period shall automatically lapse with respect to) the Restricted Shares or Restricted Share Units subject to this Award as of the date of such Disability.
- e. Other Termination. If the Participant's employment terminates for any reason not described above, then any Restricted Shares or any Restricted Share Units (and all deferred dividends paid or credited thereon) still subject to the Restriction Period as of the date of such termination of employment shall automatically be forfeited and returned to the Company. The Company may suspend payment or delivery of Shares (without liability for interest thereon) pending the Administrator's determination of whether the Participant's employment was or should have been terminated for Cause or whether the Participant has engaged in Inimical Conduct.

5. **Withholding.** The Participant agrees to remit to the Company any foreign, U.S. federal, state and/or local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the issuance of Shares under this Award, the vesting of this Award or the payment of cash under this Award. Unless the Company otherwise determines, the Company will satisfy any withholding obligations in connection with this Award by withholding from cash or Shares otherwise payable or issuable under this Award in the amount needed to satisfy any withholding obligations; provided that, in the case of Shares, the amount withheld may not exceed the total maximum statutory tax rates associated with the transaction. Alternatively, the Company may require the Participant to pay to the Company, in cash, promptly on demand, amounts sufficient to satisfy such tax obligations or make other arrangements satisfactory to the Company regarding the payment to the Company of the aggregate amount of any such tax obligations, or the Company may withhold from cash or other property, payable or issuable to the Participant or from Shares no longer subject to restrictions in the amount needed to satisfy any withholding obligations.

6. **No Claim for Forfeiture.** Neither the Award nor any benefit accruing to the Participant from the Award will be considered to be part of the Participant's normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation,

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termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments. In no event may the Award or any benefit accruing to the Participant from the Award be considered as compensation for, or relating in any way to, past services for the Company or any Affiliate. In consideration of the Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of the Participant's employment by the Company or any Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and its Affiliates from any such claim that may arise. If, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the grant, the Participant shall have been deemed irrevocably to have waived any entitlement to pursue such claim.

7. **Electronic Delivery.** The Company or its Affiliates may, in its or their sole discretion, decide to deliver any documents related to current or future participation in the Plan or related to this Award by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Participant hereby agrees that all on-line acknowledgements shall have the same force and effect as a written signature.

8. **Securities Compliance.** The Company may place a legend or legends upon the certificates for Shares issued under the Plan and may issue "stop transfer" instructions to its transfer agent in respect of such Shares as it determines to be necessary or appropriate to (a) prevent a violation of, or to obtain an exemption from, the registration requirements of the Securities Act of 1933, as amended, applicable state securities laws or other legal requirements, or (b) implement the provisions of the Plan, this Award Agreement or any other agreement between the Company and the Participant with respect to such Shares.

9. **Successors.** All obligations of the Company under this Award shall be binding on any successor to the Company. The terms of this Award and the Plan shall be binding upon and inure to the benefit of the Participant, and his or her heirs, executors, administrators or legal representatives.

10. **Legal Compliance.** The granting of this Award and the issuance of Shares under this Award shall be subject to all applicable laws, rules, and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

11. **Governing Law; Arbitration.** This Award and the rights and obligations hereunder shall be governed by and construed in accordance with, except to the extent preempted by other applicable laws (a) with respect to the corporate law requirements applicable to the Company, the validity and authorization of the issuance of Shares under the Plan and similar matters, the internal laws of Ireland (without reference to conflict of law principles thereof) and (b) with respect to all other matters relating to the Plan and Awards, the internal laws of the State of New York (without reference to conflict of law principles thereof). Arbitration will be conducted, to the extent applicable, per the provisions in the Plan.

12. **Data Privacy and Sharing.** As a condition of the granting of the Award, the Participant acknowledges and agrees that it is necessary for some of the Participant's personal identifiable information to be provided to certain employees of the Company, the third party data processor that administers the Plan and the Company's designated third party broker in the United States. These transfers will be made pursuant to a contract that requires the processor to provide adequate levels of protection for data privacy and security interests in accordance with the General Data Protection

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Regulation (EU 2016/679) and the implementing legislation of the Participant's home country. By accepting the Award, the Participant acknowledges having been informed of the processing of the Participant's personal identifiable information described in the preceding paragraph and consents to the Company collecting and transferring to the Company's Total Rewards Department or Shareholder Services Department, and its independent benefit plan administrator and third party broker, the Participant's personal data that are necessary to administer the Award and the Plan. The Participant understands that his or her personal information may be transferred, processed and stored outside of the Participant's home country in a country that may not have the same data protection laws as his or her home country, for the purposes mentioned in this Award Agreement.

This Award, including any Award Notice delivered to the Participant and any other documents expressly referenced in this Award Agreement, contain all of the provisions applicable to the Award and no other statements, documents or practices may modify, waive or alter such provisions unless expressly set forth in writing, signed by an authorized officer of the Company and delivered to the Participant.

The Company has caused this Award Agreement to be executed by one of its authorized officers as of the date of grant.

ADIENT PLC

[Placeholder for signature]

Heather M. Tiltmann
Executive Vice President, Chief Legal and Human Resources Officer and Corporate Secretary

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ADIENT PLC

INSIDER TRADING POLICY

U.S. Federal securities laws, and other countries' securities laws, prohibit the use of material nonpublic information in connection with securities Transactions (defined below). Individuals violating these restrictions may be subject to serious criminal and civil liabilities and sanctions, including civil penalties of up to three times the illegal profit gained or loss avoided on the securities Transaction. The violation may also subject Adient plc ("Adient") to criminal and civil penalties, and would severely damage Adient's reputation and business relationships.

Accordingly, Adient has adopted this Insider Trading Policy in an effort to apply uniform conduct guidelines to all Directors, Section 16 Officers (defined below), employees, and Related Persons (defined below) of Adient and its subsidiaries globally. Adient may also determine that other persons should be subject to this policy, such as contractors or consultants who have access to material nonpublic information. Any violation of this policy may result in Adient imposing serious sanctions, including dismissal for cause, of the persons involved.

1. Objectives. The objectives of this Insider Trading Policy are to: (1) promote compliance with applicable securities laws and avoid even the appearance of improper conduct relative to such laws; (2) preserve the reputation and integrity of Adient and its Directors, Section 16 Officers, employees and Related Persons; and (3) describe the general standards and procedures for engaging in Transactions involving Adient Securities (defined below) and the securities of other publicly traded companies. This policy and Adient's authorized employees may provide advice and guidance relative to insider trading compliance; however, ultimate responsibility for compliance resides with the individual.

2. Scope. This policy applies to all Directors, Section 16 Officers, employees, and Related Persons (collectively referred to herein as "You").

3. Policy.

a. Prohibition Against Trading on Material Nonpublic Information. You may not trade in Adient Securities at any time if you are aware of any material nonpublic information relating to Adient (definitions of "material" and "nonpublic" are included below). This prohibition also applies to any material nonpublic information you become aware of in the course of your employment or service with Adient relating to any other company, including Adient's suppliers and customers.

b. Prohibition Against Tipping. You may not disclose material nonpublic information to persons within Adient whose jobs do not require them to have that information, or outside of Adient to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in

accordance with Adient's policies regarding the protection or authorized external disclosure of information regarding Adient. This disclosure may be viewed as "tipping," resulting in liability under the Federal securities laws for both the person who provides the information, and the person who receives the information. This prohibition also applies to any material nonpublic information you become aware of in the course of your employment or service with Adient relating to any other company, including Adient's suppliers and customers.

4. Penalties for Violations.

a. Individual Penalties. The federal securities laws impose severe penalties on persons who trade while aware of material nonpublic information or who improperly disclose such information to a third party. Individuals trading on (or tipping) material nonpublic information may be liable for criminal fines of up to \$5 million, 20 years imprisonment and civil penalties of up to three times the profit gained or loss avoided.

b. Control Person Penalties. Penalties may also be imposed against so-called "controlling persons" who fail to take appropriate steps to prevent and detect insider trading violations (including tipping) by their employees or subordinates. The SEC may impose upon control persons a civil penalty of up to the greater of \$1 million or three times the amount of profit gained or loss avoided as a result of the employee's violation. In addition, incorporated violators may be fined up to \$25 million if found guilty of a criminal insider trading violation. It is possible that your status as a Director, Section 16 Officer and/or employee would implicate you as a controlling person subject to personal liability for the insider trading violations of Adient's employees.

5. Definitions.

a. Adient Securities. Includes ordinary and preferred shares, derivative securities (e.g., share options), and debt securities (e.g., bonds and notes) of Adient plc.

b. Material Information. It is difficult to describe exhaustively what constitutes "material" information, but you should assume that any information, positive or negative, that might affect the price of Adient Securities or otherwise might be of significance to an investor in determining whether to purchase, sell or hold Adient Securities would be "material." Some examples of information that would typically be considered material include:

- earnings information, including annual, quarterly or monthly financial results and guidance or projections relating to future earnings performance;
- mergers, tender offers, joint ventures or material acquisitions or dispositions of assets;
- new products or services, or developments regarding customers or suppliers (e.g., the acquisition or loss of an important contract);
- changes in control of Adient or in its senior management;
- a change in auditors or an auditor notification that Adient may no longer rely on an auditor's audit report;

events regarding Adient Securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, share splits, changes in dividend policy, changes to the rights of security holders, financing transactions or public or private offerings of securities);

pending significant litigation or a change in the status of such litigation; and
bankruptcies or receiverships involving Adient or parties with whom Adient has a material relationship.

This list is not intended to be all-inclusive. Questions concerning the materiality of particular information should be directed to Shareholder Services prior to your trading in Adient Securities or the securities of another publicly traded company, such as a customer or supplier of Adient.

c. Nonpublic information. Nonpublic information is generally not known or available to the public. To be “public”, information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Adient generally considers information to be public after one full trading day has elapsed following Adient's release of such information to the general public.

d. Related Persons. For purposes of the policy, a related person includes the following:
your spouse, minor children and relatives who share your home, and certain entities affiliated with you (e.g., trusts, partnerships, estates, and corporations).
any family members who do not live in your household, but whose transactions in securities are directed by you or are subject to your influence or control.
any person to whom you have disclosed material, nonpublic information.
any person acting on your behalf or on behalf of any individual listed above.

e. Section 16 Officer. For purposes of the policy, a Section 16 Officer is an individual designated by Adient’s Board of Directors as an “officer” of Adient for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

f. Trades or Transactions. Includes sales, dispositions, purchases, acquisitions, share option exercises, standing orders¹, gifts, pledges, transfers and certain employee benefit plan Transactions as discussed below. This list is not all-inclusive; questions regarding whether an activity is considered a Transaction should be directed to Shareholder Services prior to consummation.

6. Applicability of Policy to Transactions under Adient Benefit Plans.

¹ You may be liable for Trades made pursuant to standing orders (e.g., market and/or limit orders) if such Trade is made while you are in possession of material nonpublic information. Accordingly, you are strongly discouraged from entering into a standing order if there is a reasonable chance that the order may be executed while you are in possession of material nonpublic information.

The following are applications of this policy under Adient benefit plans:

- a. 401(k) Plan. The policy trading prohibition **does not apply** to purchases or acquisitions of Adient share units in your 401(k) plan account resulting from periodic contributions of money pursuant to an existing payroll deduction. However, the trading prohibition **does apply** to an election to:
- begin or terminate investing in the Adient share fund of the 401(k) plan;
 - increase or decrease the percentage of your periodic contributions that will be allocated to the Adient share fund of the 401(k) plan;
 - make an intra-plan transfer of an existing account balance into or out of the Adient share fund;
 - borrow money against your 401(k) plan balance if the loan will result in a liquidation of some or all of your Adient share fund balance; and
 - pre-pay a plan loan if the pre-payment will result in the allocation of loan proceeds to the Adient share fund.
- b. Deferred Compensation Plan. The policy trading prohibition **does not apply** to acquisitions of Adient share units in your deferred compensation account resulting from periodic deferrals of compensation pursuant to the deferral methods allowed under the deferred compensation plan and your advance deferral election. However, the trading prohibition **does apply** to an election to:
- begin or terminate investing in the Adient share fund of the deferred compensation plan;
 - increase or decrease the percentage of your periodic contributions that will be allocated to the Adient share fund of the deferred compensation plan; and
 - make an intra-plan transfer of an existing account balance into or out of the Adient share fund.
- c. Direct Share Purchase Plan. The policy trading prohibition **does not apply** to acquisitions of Adient shares under the Bank Sponsored Direct Purchase Plan administered by Wells Fargo N.A. resulting from your reinvestment of dividends paid on Adient shares. The policy trading prohibition **does apply** to an election to:
- sell Adient shares acquired via the plan;
 - begin or terminate participation in the plan;
 - increase or decrease your level of participation in the plan; and
 - make additional contributions to the plan which result in a voluntary purchase of Adient shares.
- d. Performance Share Awards and Restricted Share Awards. The policy trading prohibition **does not apply** to the awarding or vesting of performance share or restricted share awards and related dividend equivalents, or the withholding of Adient shares to cover the employee's minimum tax liability upon vesting. However, the policy trading prohibition **does apply** to Transactions involving the underlying Adient shares after vesting (e.g., the sale or transfer of Adient shares).

e. Share Appreciation Rights and Share Options. The policy trading prohibition **does not apply to the** granting or vesting of share appreciation rights and share options. However, the policy trading prohibition **does apply** to all exercises of share appreciation rights and share options, except as set forth in the Blackout Guidelines and pursuant to approved Rule 10b5-1 Trading Plans (as discussed in Section 14 below).

7. Pre-Clearance Guidelines. Directors and Section 16 Officers must contact Shareholder Services prior to engaging in or making any commitment to engage in a Transaction in Adient Securities. These individuals will receive additional information from Shareholder Services regarding the Pre-Clearance Guidelines.

8. Blackout Guidelines. Directors, Section 16 Officers, certain employees and Related Persons are subject to periodic prohibitions on the trading of Adient Securities under Adient's Blackout Guidelines. These individuals will receive written notice from Shareholder Services if they are subject to the Blackout Guidelines.

9. Restrictions on Certain Types of Transactions. Trading on an exchange in puts, calls or any other derivative securities relating to Adient Securities, and engaging in hedging or monetization transactions relating to Adient Securities, or short sales of Adient Securities, **is prohibited** at all times. Investments in mutual fund(s) or exchange traded fund(s) that invest in a broad index or sector ("ETF") that also invest in Adient Securities, **are not prohibited**, although the purchase, sale or hedging of mutual fund or ETF shares based on material nonpublic information about Adient would violate this policy and implicate the securities laws.

10. Discretionary Brokerage Accounts. If there is a reasonable chance that a trade involving Adient Securities may be executed at a time when you are in possession of material nonpublic information, we strongly discourage you from holding Adient Securities in a discretionary brokerage account. A discretionary brokerage account, also known as a controlled account, is an investment account whereby the broker has complete authority to act on your behalf in buying and selling securities without your prior approval or knowledge of the type and price of the security.

11. Margin Accounts and Pledges. You are prohibited from holding Adient Securities in a margin account, or pledging Adient Securities as collateral for a loan. Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in a foreclosure if you default on a loan. The margin or foreclosure sale may occur when you are aware of material nonpublic information or otherwise are not permitted to trade in Adient Securities.

12. Confidentiality. You should not discuss internal Adient matters or developments with anyone outside of Adient, except as required in your performance of regular employment duties. Please refer to Adient Communication Policy and Adient Ethics Policy for further guidance on Adient's policies concerning confidential information.

13. Post-Termination Transactions. The prohibitions in this policy apply to Transactions in Adient Securities even after termination of service to or employment with Adient. If an individual is in possession of material nonpublic information when his or her service or employment terminates, that individual may not trade in Adient Securities until that information has become public or is no longer material.

14. Rule 10b5-1 Trading Plans. Certain individuals as determined by the General Counsel are permitted to enter Rule 10b5-1 trading plans that are approved by Adient in advance and meet certain guidelines. For additional information regarding Rule 10b5-1 trading plans contact Shareholder Services.

15. Adient Assistance. If you have any doubts as to your responsibilities under this policy, you should seek guidance and clarification from Shareholder Services. Please do not try to resolve uncertainties on your own.

16. Interpretation Authority. The General Counsel shall have the authority to interpret this policy and all related policies and procedures and such other authority and responsibility as described in this policy or in related policies and procedures. The Shareholder Services department has authority to manage this policy and all related policies and procedures.

Effective: June 5, 2018

Exhibit 21.1

Subsidiaries of Adient plc*

Name of Entity	Jurisdiction of Formation	Economic Interest (if not 100%)
Adient & Summit Corporation Ltd.	Thailand	68.0%
Adient (Thailand) Co., Ltd.	Thailand	68.0%
Adient Asia Holdings Co., Limited	Hong Kong	
Adient Automotive Argentina S.R.L.	Argentina	
Adient Automotive Interior Investment Co., Limited	Hong Kong	
Adient Automotive Romania S.R.L.	Romania	
Adient Automotive Seating (M) Sdn. Bhd.	Malaysia	87.0%
Adient Belgium BV	Belgium	
Adient Beteiligungs GmbH	Germany	
Adient Czech Republic s.r.o.	Czech Republic	
Adient Clanton Inc.	US	
Adient Components Ltd. & Co. KG	Germany	
Adient do Brasil Bancos Automotivos Ltda.	Brazil	
Adient DongSung Inc	Korea	60.0%
Adient Eldon Inc.	US	
Adient Financial Luxembourg S.a r.l.	Luxembourg	
Adient France SAS	France	
Adient Germany Ltd. & Co. KG.	Germany	
Adient GK	Japan	
Adient Global Holdings Ltd	Jersey	
Adient Global Holdings S.à r.l.	Luxembourg	
Adient Hungary Kft.	Hungary	
Adient India Private Limited	India	
Adient Interiors Ltd. & Co. KG	Germany	
Adient Korea Inc	Korea	
Adient Ltd. & Co. KG	Germany	
Adient Luxembourg Asia Holding S.a.r.l.	Luxembourg	
Adient Mexico Automotriz S. de R.L. de C.V.	Mexico	
Adient Mezőlak Korlátolt Felelősségű Társaság	Hungary	
Adient Novo mesto, proizvodnja avtomobilskih sedežev, d.o.o.	Slovenia	
Adient Poland Sp. z o.o.	Poland	
Adient Properties UK Ltd	UK	
Adient Saarlouis Ltd. & Co. KG	Germany	
Adient Seating d.o.o.	Serbia	
Adient Seating Poland Spółka z ograniczona odpowiedzialnoscia	Poland	
Adient Seating Spain S.L.	Spain	
Adient SRL	Romania	
Adient Seating UK Ltd	UK	
Adient South Africa (Pty) Ltd.	South Africa	
Adient Strasbourg	France	
Adient Sweden AB	Sweden	

Subsidiaries of Adient plc (continued)*

Name of Entity	Jurisdiction of Formation	Economic Interest (if not 100%)
Adient (Taizhou) Automotive Components Co., Ltd.	China	
Adient UK Financing Ltd	UK	
Adient US LLC	US	
Adient Verwaltungs GmbH & Co. KG	Germany	
Avanzar Interior Technologies, Ltd.	US	49.0%
Beijing Adient Automotive Components Co., Ltd.	China	51.0%
Bridgewater Interiors, LLC	US	49.0%
Adient (Chongqing) Automotive Components Co., Ltd.	China	
Adient Yufu (Chongqing) Automotive Components Co., Ltd.	China	
Adient (Chengdu) Automotive Components Co., Ltd.	China	
Adient (Daqing) Automotive Components Co., Ltd.	China	
Ensamble de Interiores Automotrices Mexico, S. de R.L. de C.V.	Mexico	
Guangzhou Adient Automotive Seating Co. Ltd.	China	52.0%
PT Adient Automotive Indonesia	Indonesia	
TechnoTrim de Mexico, S. de R.L. de C.V.	Mexico	51.0%
TechnoTrim, Inc.	US	51.0%

*Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of Adient plc are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-237106, 333-214320 and 333-254026) of Adient plc of our report dated November 18, 2024 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Detroit, Michigan

November 18, 2024

Certification

I, Jerome J. Dorlack, certify that:

- 1 I have reviewed this annual report on Form 10-K of Adient plc;
- 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(s) 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(s) 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 the 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: November 18, 2024

By: /s/ Jerome J. Dorlack

Jerome J. Dorlack

President and Chief Executive Officer and a Director

Certification

I, Mark A. Oswald, certify that:

- 1 I have reviewed this annual report on Form 10-K of Adient plc;
- 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(s) 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(s) 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 the 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: November 18, 2024

By: /s/ Mark A. Oswald

Mark A. Oswald

Executive Vice President and Chief Financial Officer

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jerome J. Dorlack, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Adient plc on Form 10-K for the fiscal year ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Adient plc.

Date: November 18, 2024

By: /s/ Jerome J. Dorlack
Jerome J. Dorlack
President and Chief Executive Officer and a Director

I, Mark A. Oswald, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Adient plc on Form 10-K for the fiscal year ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Adient plc.

Date: November 18, 2024

By: /s/ Mark A. Oswald
Mark A. Oswald
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Adient plc and will be retained by Adient plc and furnished to the Securities and Exchange Commission or its staff upon request.



ADIENT PLC
AMENDED AND RESTATED EXECUTIVE INCENTIVE
COMPENSATION RECOUPMENT POLICY

1. **Purpose.** The purpose of this Amended and Restated Executive Incentive Compensation Recoupment Policy (this “Policy”) is to describe the circumstances under which Adient plc (the “Company”) has the right, or is required, to recover, reduce or cancel certain compensation paid or awarded to, or earned by, certain employees. Any references in compensation plans, agreements, equity awards or other policies to the Company’s “recoupment”, “clawback” or similarly-named policy shall be deemed to refer to this Policy with respect to (a) Incentive-Based Compensation Received after the Effective Date and (b) any other compensation paid, awarded or earned after the Amendment Effective Date. With respect to (x) Incentive-Based Compensation Received prior to the Effective Date, such references to the Company’s “recoupment”, “clawback” or similarly-named policy in compensation plans, agreements, equity awards or other policies shall be deemed to refer to the Company’s “recoupment,” “clawback” or similarly-named policy in effect prior to the Effective Date and (y) other compensation paid, awarded or earned prior to the Amendment Effective Date, such references to the Company’s “recoupment”, “clawback” or similarly-named policy in compensation plans, agreements, equity awards or other policies shall be deemed to refer to the Company’s “recoupment,” “clawback” or similarly-named policy in effect prior to the Amendment Effective Date.
 2. **Mandatory Recovery of Compensation.** In the event that the Company is required to prepare an Accounting Restatement, the Company shall recover reasonably promptly the amount of Erroneously Awarded Compensation.
 3. **Discretionary Recovery of Compensation.** If any of the following has occurred with respect to a current or former Covered Officer, then the Administrator may instruct the Company, and the Company shall be entitled (to the extent permitted by applicable law), to recover, reduce or cancel all or a portion of any equity- or cash-based award or any other past or future compensation (other than base salary) paid or awarded to, or earned by, such current or former Covered Officer on or after the Amendment Effective Date:
 - (a) The Covered Officer has committed a material breach of any agreement between the Covered Officer and the Company or materially violated any Company policy, the Company has notified the Covered Officer of such breach or violation, as applicable, and the Covered Officer has not cured such breach or violation within 15 days after such notification;
 - (b) The Covered Officer has been convicted of, or entered a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or of a lesser crime having as its predicate element fraud, dishonesty or misappropriation of property, whether or not property of the Company (if, in the case of a crime having as its
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predicate element fraud or dishonesty, such fraud or dishonesty related to actions of the Covered Officer associated with or related to the Company or its affiliates);

- (c) The Covered Officer has engaged in willful misconduct, willful dishonesty, or illegal conduct that the Administrator reasonably determines has caused or could cause material financial or reputational harm to the Company or its affiliates; or
- (d) The Covered Officer has willfully and materially failed to comply with any valid and legal directive of the Company.

4. Definitions. For purposes of this Policy, the following terms, when capitalized, shall have the meanings set forth below:

- (a) “*Accounting Restatement*” shall mean any accounting restatement required due to material noncompliance of the Company with any financial reporting requirement under the securities laws, including to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- (b) “*Amendment Effective Date*” shall mean September 13, 2024.
- (c) “*Covered Officer*” shall mean the Company’s president; principal financial officer; principal accounting officer (or if there is no such accounting officer, the controller); any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance); any other officer who performs a significant policy-making function; or any other person who performs similar significant policy-making functions for the Company.
- (d) “*Effective Date*” shall mean October 2, 2023.
- (e) “*Erroneously Awarded Compensation*” shall mean the excess of (i) the amount of Incentive-Based Compensation Received by a person (A) after beginning service as a Covered Officer, (B) who served as a Covered Officer at any time during the performance period for that Incentive-Based Compensation, (C) while the Company has a class of securities listed on a national securities exchange or a national securities association and (D) during the Recovery Period; over (ii) the Recalculated Compensation.
- (f) “*Incentive-Based Compensation*” shall mean any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure. A financial reporting measure is a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, regardless of whether such measure is presented within the financial statements or included in a filing with the Securities Exchange

Commission. Each of stock price and total shareholder return is a financial reporting measure. For the avoidance of doubt, incentive-based compensation subject to this Policy does not include stock options, restricted stock, restricted stock units or similar equity-based awards for which the grant is not contingent upon achieving any financial reporting measure performance goal and vesting is contingent solely upon completion of a specified employment period and/or attaining one or more non-financial reporting measures.

- (g) “*Recalculated Compensation*” shall mean the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts in the Accounting Restatement, computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of the Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of the Recalculated Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return, as the case may be, on the compensation Received. The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the national securities exchange or association on which its securities are listed.
- (h) Incentive-Based Compensation is deemed “*Received*” in the Company’s fiscal period during which the financial reporting measure specified in the award of such Incentive-Based Compensation is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.
- (i) “*Recovery Period*” shall mean the three completed fiscal years of the Company immediately preceding the date the Company is required to prepare an Accounting Restatement; provided that the Recovery Period shall not begin before the Effective Date. For purposes of determining the Recovery Period, the Company is considered to be “required to prepare an Accounting Restatement” on the earlier to occur of: (i) the date the Company’s Board of Directors (the “Board”), a committee thereof, or the Company’s authorized officers conclude, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement. If the Company changes its fiscal year, then the transition period within or immediately following such three completed fiscal years also shall be included in the Recovery Period, provided that if the transition period between the last day of the Company’s prior fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, then such transition period shall instead be deemed one of the three completed fiscal years and shall not extend the length of the Recovery Period.

5. Exceptions. Notwithstanding anything to the contrary in this Policy, recovery of Erroneously Awarded Compensation will not be required to the extent the Company's committee of independent directors responsible for executive compensation decisions (or a majority of the independent directors on the Board in the absence of such a committee) has made a determination that such recovery would be impracticable and one of the following conditions have been satisfied:
- (a) The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation that was Incentive-Based Compensation based on the expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the national securities exchange or association on which its securities are listed.
 - (b) Recovery would violate home country law where, with respect to Incentive-Based Compensation, that law was adopted prior to November 28, 2022; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation that was Incentive-Based Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the national securities exchange or association on which its securities are listed, that recovery would result in such a violation, and must provide such opinion to the exchange or association.
 - (c) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.
6. Manner of Recovery. In addition to any other actions permitted by law or contract, the Company may take any or all of the following actions to recover any Erroneously Awarded Compensation or any compensation subject to recovery under Section 3: (a) require the Covered Officer to repay such amount; (b) offset such amount from any other compensation owed by the Company or any of its affiliates to the Covered Officer, regardless of whether the contract or other documentation governing such other compensation specifically permits or specifically prohibits such offsets; and (c) subject to Section 5(c), to the extent the Erroneously Awarded Compensation or other compensation subject to recovery was deferred into a plan of deferred compensation, whether or not qualified, forfeit such amount (as well as the earnings on such amounts) from the Covered Officer's balance in such plan, regardless of whether the plan specifically permits or specifically prohibits such forfeiture. If the Erroneously Awarded Compensation or other compensation subject to recovery consists of shares of the Company's common stock, and the Covered Officer still owns such shares, then the

Company may satisfy its recovery obligations or rights by requiring the Covered Officer to transfer such shares back to the Company.

7. Other.

- (a) This Policy shall be administered and interpreted, and may be amended from time to time, by the Board or any committee to which the Board may delegate its authority in its sole discretion in compliance with the applicable listing standards of the national securities exchange or association on which the Company's securities are listed (the Board or such committee, the "Administrator"), and the determinations of the Administrator shall be binding on all Covered Officers.
- (b) The Company shall not indemnify any Covered Officer against the loss of Erroneously Awarded Compensation.
- (c) The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including disclosure required by the Securities Exchange Commission filings.
- (d) Any right to recovery under this Policy shall be in addition to, and not in lieu of, any other rights of recovery that may be available to the Company.

Effective: October 2, 2023

Amendment Effective Date: September 13, 2024