VISTEON CORP Form 10-Q May 02, 2012

UNITED STATES	
SECURITIES AND EXCHANGE COMMISSION	
Washington D.C. 20549	
FORM 10-Q	
(Mark One)	
b QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)	
OF THE SECURITIES EXCHANGE ACT OF 1934	
For the quarterly period ended March 31, 2012, 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 1-15827	
VISTEON CORPORATION	
(Exact name of registrant as specified in its charter)	
Delaware	38-3519512
	(I.R.S. employer
(State of incorporation)	identification number)
One Village Center Drive, Van Buren Township, Michigan	48111
(Address of principal executive offices)	(Zip code)
Registrant's telephone number, including area code: (800)-VISTEON	r
Indicate by check mark whether the registrant: (1) has filed all reports required to be filed	d by Section 13 or 15(d) of
the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter	•
was required to file such reports), and (2) has been subject to such filing requirements fo	-
No	1
Indicate by check mark whether the registrant: has submitted electronically and posted o	n its corporate Web site, if
any, every Interactive Data File required to be submitted and posted pursuant to Rule 40:	_
232.405 of this chapter) during the preceding 12 months (or for such shorter period that t	
submit and post such files). Yes ü No	
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated	filer, a non-accelerated filer,
or a smaller reporting company. See the definitions of "large accelerated filer," "accelera	
company" in Rule 12b-2 of the Exchange Act. Large accelerated filer ü Accelerated file	
Smaller reporting company	_
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b	o-2 of the Exchange Act). Yes
No ü	,
Indicate by check mark whether the registrant has filed all documents and reports require	ed to be filed by Sections 12,
13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of secu	
by a court. Yes ü No	•
As of April 26, 2012, the registrant had outstanding 52,472,395 shares of common stock	•
Exhibit index located on page number 41.	
1	

Edgar Filing: VISTEON CORP - Form 10-Q

INDEX

Part I - Financial Information	
<u>Item 1 - Financial Statements</u>	<u>1</u>
Consolidated Statements of Comprehensive Income	<u>1</u>
Consolidated Balance Sheets	<u>2</u>
Consolidated Statements of Cash Flows	<u>3</u>
Notes to Consolidated Financial Statements	<u>4</u>
Item 2 - Management's Discussion and Analysis of Financial Condition and Results of	27
<u>Operations</u>	<u>27</u>
<u>Item 3 - Quantitative and Qualitative Disclosures about Market Risk</u>	<u>37</u>
<u>Item 4 - Controls and Procedures</u>	<u>39</u>
Part II - Other Information	
<u>Item 1 - Legal Proceedings</u>	<u>39</u>
<u>Item 1A - Risk Factors</u>	<u>39</u>
Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds	<u>39</u>
<u>Item 6 - Exhibits</u>	<u>40</u>
<u>Signature</u>	<u>40</u>
Exhibit Index	<u>42</u>

Table of Contents

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS VISTEON CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited, Dollars in Millions Except Per Share Amounts)

•	Three Months Ended March 31		
	2012		2011
Sales	\$1,717		\$1,850
Cost of sales	1,583		1,707
Gross margin	134		143
Selling, general and administrative expenses	91		96
Restructuring and other expenses	63		2
Operating (loss) income	(20)	45
Interest expense	12		15
Interest income	3		6
Equity in net income of non-consolidated affiliates	42		44
Income from continuing operations before income taxes	13		80
Provision for income taxes	27		28
(Loss) income from continuing operations	(14)	52
Income from discontinued operations, net of tax	3		4
Net (loss) income	(11)	56
Net income attributable to non-controlling interests	18		17
Net (loss) income attributable to Visteon Corporation	\$(29)	\$39
Basic (loss) earnings per share:			
Continuing operations	\$(0.62)	\$0.69
Discontinued operations	0.06		0.08
Basic (loss) earnings attributable to Visteon Corporation	\$(0.56)	\$0.77
Diluted (loss) earnings per share:			
Continuing operations	\$(0.62)	\$0.67
Discontinued operations	0.06		0.08
Diluted (loss) earnings attributable to Visteon Corporation	\$(0.56)	\$0.75
Comprehensive income:			
Comprehensive income	\$36		\$119
Comprehensive income attributable to Visteon Corporation	\$11		\$92

See accompanying notes to the consolidated financial statements.

Edgar Filing: VISTEON CORP - Form 10-Q

Table of Contents

VISTEON CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Unaudited, Dollars in Millions)

ASSETS Cash and equivalents Restricted cash 25 25 23 Accounts receivable, net 1,191 1,063 Inventories, net 381 381 Other current assets 70tal current assets 71total current assets 71total current assets 867 723 Restricted cash 81 381 381 Other current assets 394 304 70tal current assets 92,687 2,494 Property and equipment, net Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 70tal assets 81 70tal assets 85,158 84,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt Accounts payable Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 196 1,706 1,553 Long-term debt Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 50 million shares authorized, 53 million and 52 million shares issued, 53 million shares outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares outstanding at March 31, 2012 and December 31, 2011) Stock warrants Additional paid-in capital	(Unaudited, Dollars in Millions)		
ASSETS Cash and equivalents Restricted cash Restricted cash 25 23 Accounts receivable, net 1,191 1,063 Inventories, net 381 381 381 381 Other current assets 2,687 2,494 Property and equipment, net 1,384 1,412 Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets 55,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 1187 Other non-current liabilities 196 187 Other non-current liabilities 197 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares outstanding at March 31, 2012 and December 31, 2011) Stock warrants 13		March 31	December 31
Cash and equivalents \$696 \$723 Restricted cash 25 23 Accounts receivable, net 1,191 1,063 Inventories, net 381 381 Other current assets 394 304 Total current assets 2,687 2,494 Property and equipment, net 1,384 1,412 Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 <		2012	2011
Cash and equivalents \$696 \$723 Restricted cash 25 23 Accounts receivable, net 1,191 1,063 Inventories, net 381 381 Other current assets 394 304 Total current assets 2,687 2,494 Property and equipment, net 1,384 1,412 Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 <			
Restricted cash	ASSETS		
Accounts receivable, net 1,191 1,063 Inventories, net 381 381 381 Other current assets 394 304 Total current assets 2,687 2,494 Property and equipment, net 1,384 1,412 Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets 5,5158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares issued, 53 million and 52 million shares soutstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	Cash and equivalents	\$696	\$723
Inventories, net	Restricted cash	25	23
Other current assets 394 304 Total current assets 2,687 2,494 Property and equipment, net 1,384 1,412 Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) — — Common stock (par value \$0.01, 250 m	Accounts receivable, net	1,191	1,063
Total current assets	Inventories, net	381	381
Property and equipment, net 1,384 1,412 Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 297 267 Total current debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) ————————————————————————————————————	Other current assets	394	304
Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) — — Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares outstanding at 1 1 1 March 31, 2012 and December 31, 2011, respectively) 13 13	Total current assets	2,687	2,494
Equity in net assets of non-consolidated affiliates 679 644 Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) — — Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares outstanding at 1 1 1 March 31, 2012 and December 31, 2011, respectively) 13 13	Property and equipment, net	1,384	1,412
Intangible assets, net 340 353 Other non-current assets 68 66 Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt \$93 \$87 Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) — — Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 1 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13		·	·
Other non-current assets Other non-current assets Total assets \$5,158 \$4,969 LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt Accounts payable Accounts payable Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 196 187 Other non-current liabilities 245 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	- ·		
LIABILITIES AND SHAREHOLDERS' EQUITY Short-term debt, including current portion of long-term debt Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	· · · · · · · · · · · · · · · · · · ·		
Short-term debt, including current portion of long-term debt Accounts payable Accounts payable Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	Total assets	\$5,158	\$4,969
Short-term debt, including current portion of long-term debt Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	LIABILITIES AND SHAREHOLDERS' FOUITY		
Accounts payable 1,155 1,010 Accrued employee liabilities 161 189 Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13		\$93	\$87
Accrued employee liabilities Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 189 297 267 267 27 267 27 267 28 297 297 297 297 297 297 297 297 297 297			
Other current liabilities 297 267 Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	* *	·	·
Total current liabilities 1,706 1,553 Long-term debt 503 512 Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13			
Long-term debt Employee benefits Deferred tax liabilities 196 187 Other non-current liabilities 245 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13			
Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13		,	,
Employee benefits 417 495 Deferred tax liabilities 196 187 Other non-current liabilities 245 225 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	Long-term debt	503	512
Deferred tax liabilities Other non-current liabilities 196 245 Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 187 245 225			
Shareholders' equity: Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	▲ ▼	196	187
Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	Other non-current liabilities	245	225
Preferred stock (par value \$0.01, 50 million shares authorized, none outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	Sharahaldare' aquity		
outstanding at March 31, 2012 and December 31, 2011) Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	* *		
Common stock (par value \$0.01, 250 million shares authorized, 53 million and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	*	_	_
and 52 million shares issued, 53 million and 52 million shares outstanding at 1 March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13			
March 31, 2012 and December 31, 2011, respectively) Stock warrants 13 13	•	1	1
Stock warrants 13 13	· · · · · · · · · · · · · · · · · · ·	1	1
		13	13
			10