

DANA INCORPORATED

Quarterly Financial Information and Reconciliations of Non-GAAP Financial Measures

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure which we have defined as net income (loss) before interest, income taxes, depreciation, amortization, equity grant expense, restructuring expense, non-service cost components of pension and other postretirement benefit costs and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. We use adjusted EBITDA in assessing the effectiveness of our business strategies, evaluating and pricing potential acquisitions and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors and others to evaluate financial performance of our company relative to other Tier 1 automotive suppliers. Adjusted EBITDA should not be considered a substitute for earnings (loss) before income taxes, net income (loss) or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. We believe free cash flow is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is not intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported in accordance with GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides reconciliations of adjusted EBITDA and free cash flow to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have not provided a reconciliation of our adjusted EBITDA outlook to the most comparable GAAP measure of net income (loss). Providing net income (loss) guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income (loss), including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliation of adjusted EBITDA to net income (loss) for the historical periods presented are indicative of the reconciliation that will be prepared upon completion of the periods covered by the non-GAAP guidance.

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Three Months Ended March 31, 2024 and 2023

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2024	2023
Net sales	\$ 2,735	\$ 2,644
Costs and expenses		
Cost of sales	2,491	2,415
Selling, general and administrative expenses	139	140
Amortization of intangibles	3	3
Restructuring charges, net	5	1
Loss on disposal group held for sale	(29)	
Other income (expense), net	2	5
Earnings before interest and income taxes	70	90
Interest income	4	4
Interest expense	39	34
Earnings before income taxes	35	60
Income tax expense	37	30
Equity in earnings of affiliates	2	1
Net income	-	31
Less: Noncontrolling interests net income	5	4
Less: Redeemable noncontrolling interests net loss	(8)	(1)
Net income attributable to the parent company	\$ 3	\$ 28
Net income per share available to common stockholders		
Basic	\$ 0.02	\$ 0.19
Diluted	\$ 0.02	\$ 0.19
Weighted-average shares outstanding - Basic	144.8	143.9
Weighted-average shares outstanding - Diluted	144.8	144.3

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended March 31, 2024 and 2023

(In millions)

	Three Months Ended March 31,	
	2024	2023
Net income	\$ -	\$ 31
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	(20)	25
Hedging gains and losses	(2)	15
Defined benefit plans	1	1
Other comprehensive income (loss)	(21)	41
Total comprehensive income (loss)	(21)	72
Less: Comprehensive income attributable to noncontrolling interests	(4)	(4)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	11	
Comprehensive income (loss) attributable to the parent company	<u>\$ (14)</u>	<u>\$ 68</u>

DANA INCORPORATED
Consolidated Balance Sheet (Unaudited)
As of March 31, 2024 and December 31, 2023

(In millions, except share and per share amounts)

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 351	\$ 529
Accounts receivable		
Trade, less allowance for doubtful accounts of \$14 in 2024 and \$16 in 2023	1,526	1,371
Other	251	280
Inventories	1,625	1,676
Other current assets	287	247
Current assets of disposal group held for sale	62	
Total current assets	4,102	4,103
Goodwill	257	263
Intangibles	169	182
Deferred tax assets	507	516
Other noncurrent assets	158	140
Investments in affiliates	123	123
Operating lease assets	315	327
Property, plant and equipment, net	2,226	2,311
Total assets	\$ 7,857	\$ 7,965
Liabilities, redeemable noncontrolling interests and equity		
Current liabilities		
Short-term debt	\$ 39	\$ 22
Current portion of long-term debt	8	35
Accounts payable	1,697	1,756
Accrued payroll and employee benefits	316	288
Taxes on income	90	86
Current portion of operating lease liabilities	41	42
Other accrued liabilities	352	373
Current liabilities of disposal group held for sale	22	
Total current liabilities	2,565	2,602
Long-term debt, less debt issuance costs of \$23 in 2024 and \$24 in 2023	2,580	2,598
Noncurrent operating lease liabilities	271	284
Pension and postretirement obligations	318	334
Other noncurrent liabilities	318	319
Noncurrent liabilities of disposal group held for sale	4	
Total liabilities	6,056	6,137
Commitments and contingencies		
Redeemable noncontrolling interests	197	191
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding	-	-
Common stock, 450,000,000 shares authorized, \$0.01 par value, 144,954,645 and 144,386,484 shares outstanding	2	2
Additional paid-in capital	2,260	2,255
Retained earnings	297	317
Treasury stock, at cost (821,207 and 474,981 shares)	(13)	(9)
Accumulated other comprehensive loss	(1,007)	(990)
Total parent company stockholders' equity	1,539	1,575
Noncontrolling interests	65	62
Total equity	1,604	1,637
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,857	\$ 7,965

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended March 31, 2024 and 2023

(In millions)

	Three Months Ended	
	March 31,	
	2024	2023
Operating activities		
Net income	\$ -	\$ 31
Depreciation	101	92
Amortization	5	5
Amortization of deferred financing charges	1	1
Earnings of affiliates, net of dividends received	(2)	(1)
Stock compensation expense	6	6
Deferred income taxes	2	(8)
Pension expense, net	(7)	
Change in working capital	(251)	(304)
Loss on disposal group held for sale	29	
Other, net	14	8
Net cash used in operating activities	(102)	(170)
Investing activities		
Purchases of property, plant and equipment	(70)	(120)
Proceeds from sale of property, plant and equipment	4	2
Settlements of undesignated derivatives	(1)	
Other, net	4	
Net cash used in investing activities	(63)	(118)
Financing activities		
Net change in short-term debt	17	269
Repayment of long-term debt	(27)	(2)
Deferred financing payments		(2)
Dividends paid to common stockholders	(15)	(15)
Distributions to noncontrolling interests	(3)	(1)
Contributions from redeemable noncontrolling interests	9	10
Deferred purchase price proceeds	11	
Other, net	9	(4)
Net cash provided by financing activities	1	255
Net decrease in cash, cash equivalents and restricted cash	(164)	(33)
Cash, cash equivalents and restricted cash – beginning of period	563	442
Effect of exchange rate changes on cash balances	(12)	10
Cash, cash equivalents and restricted cash – end of period	\$ 387	\$ 419

DANA INCORPORATED**Reconciliation of Net Cash Provided By (Used In) Operating Activities to
Free Cash Flow (Unaudited)**

(In millions)	Three Months Ended	
	March 31,	
	2024	2023
Net cash used in operating activities	\$ (102)	\$ (170)
Purchase of property, plant and equipment	(70)	(120)
Free cash flow	<u>\$ (172)</u>	<u>\$ (290)</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended March 31, 2024 and 2023

(In millions)	Three Months Ended	
	March 31,	
	2024	2023
Sales		
Light Vehicle	\$ 1,098	\$ 962
Commercial Vehicle	524	522
Off-Highway	781	842
Power Technologies	332	318
Total Sales	\$ 2,735	\$ 2,644
Segment EBITDA		
Light Vehicle	\$ 67	\$ 49
Commercial Vehicle	17	17
Off-Highway	115	118
Power Technologies	27	23
Total Segment EBITDA	226	207
Corporate expense and other items, net	(3)	(3)
Adjusted EBITDA	\$ 223	\$ 204

DANA INCORPORATED**Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)****For the Three Months Ended March 31, 2024 and 2023**

(In millions)	Three Months Ended	
	March 31,	
	2024	2023
Segment EBITDA	\$ 226	\$ 207
Corporate expense and other items, net	(3)	(3)
Adjusted EBITDA	223	204
Depreciation	(101)	(92)
Amortization	(5)	(5)
Non-service cost components of pension and OPEB costs	(4)	(3)
Restructuring charges, net	(5)	(1)
Stock compensation expense	(6)	(6)
Strategic transaction expenses	(2)	(1)
Distressed supplier costs		(8)
Loss on disposal group held for sale	(29)	
Other items	(1)	2
Earnings before interest and income taxes	70	90
Interest income	4	4
Interest expense	39	34
Earnings before income taxes	35	60
Income tax expense	37	30
Equity in earnings of affiliates	2	1
Net income	\$ -	\$ 31