

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.

Adjusted net income (loss) attributable to the parent company is a non-GAAP financial measure which we have defined as net income (loss) attributable to the parent company, excluding any discrete income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to net income (loss) attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income (loss) attributable to the parent company divided by adjusted diluted shares. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income (loss) attributable to the parent company. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported in accordance with GAAP.

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, diluted adjusted EPS 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 and diluted adjusted EPS outlook to the most comparable GAAP measures of net income (loss) and diluted EPS. Providing net income (loss) and diluted EPS 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) and diluted EPS, including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented are indicative of the reconciliations 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 December 31, 2023 and 2022

(In millions, except per share amounts)

	Three Months Ended	
	December 31,	
	2023	2022
Net sales	\$ 2,494	\$ 2,555
Costs and expenses		
Cost of sales	2,330	2,375
Selling, general and administrative expenses	139	121
Amortization of intangibles	3	4
Restructuring charges, net	4	
Other income (expense), net	(7)	7
Earnings before interest and income taxes	11	62
Interest income	3	5
Interest expense	40	33
Earnings (loss) before income taxes	(26)	34
Income tax expense	3	217
Equity in earnings (loss) of affiliates	(15)	5
Net loss	(44)	(178)
Less: Noncontrolling interests net income	5	4
Less: Redeemable noncontrolling interests net loss	(10)	(3)
Net loss attributable to the parent company	<u>\$ (39)</u>	<u>\$ (179)</u>
Net loss per share available to common stockholders		
Basic	\$ (0.27)	\$ (1.25)
Diluted	\$ (0.27)	\$ (1.25)
Weighted-average shares outstanding - Basic	144.5	143.4
Weighted-average shares outstanding - Diluted	144.5	143.4

DANA INCORPORATED
Consolidated Statement of Operations
For the Year Ended December 31, 2023 and 2022

(In millions, except per share amounts)

	Year Ended	
	December 31,	
	2023	2022
Net sales	\$ 10,555	\$ 10,156
Costs and expenses		
Cost of sales	9,655	9,393
Selling, general and administrative expenses	549	495
Amortization of intangibles	13	14
Restructuring charges, net	25	(1)
Impairment of goodwill		(191)
Other income (expense), net	3	22
Earnings before interest and income taxes	316	86
Loss on extinguishment of debt	(1)	
Interest income	17	11
Interest expense	154	128
Earnings (loss) before income taxes	178	(31)
Income tax expense	121	284
Equity in earnings (loss) of affiliates	(9)	4
Net income (loss)	48	(311)
Less: Noncontrolling interests net income	22	15
Less: Redeemable noncontrolling interests net loss	(12)	(84)
Net income (loss) attributable to the parent company	\$ 38	\$ (242)
Net income (loss) per share available to common stockholders		
Basic	\$ 0.26	\$ (1.69)
Diluted	\$ 0.26	\$ (1.69)
Weighted-average shares outstanding - Basic	144.4	143.6
Weighted-average shares outstanding - Diluted	144.6	143.6

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended December 31, 2023 and 2022

(In millions)

	Three Months Ended December 31,	
	2023	2022
Net loss	\$ (44)	\$ (178)
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	36	32
Hedging gains and losses	2	19
Defined benefit plans	(16)	48
Other comprehensive income	22	99
Total comprehensive loss	(22)	(79)
Less: Comprehensive income attributable to noncontrolling interests	(6)	(4)
Less: Comprehensive (income) loss attributable to redeemable noncontrolling interests	6	(2)
Comprehensive loss attributable to the parent company	<u>\$ (22)</u>	<u>\$ (85)</u>

DANA INCORPORATED
Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2023 and 2022

(In millions)

	Year Ended December 31,	
	2023	2022
Net income (loss)	\$ 48	\$ (311)
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	30	(102)
Hedging gains and losses	(1)	17
Defined benefit plans	(16)	53
Other comprehensive income (loss)	13	(32)
Total comprehensive income (loss)	61	(343)
Less: Comprehensive income attributable to noncontrolling interests	(22)	(10)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	10	95
Comprehensive income (loss) attributable to the parent company	<u>\$ 49</u>	<u>\$ (258)</u>

DANA INCORPORATED
Consolidated Balance Sheet
As of December 31, 2023 and December 31, 2022

(In millions, except share and per share amounts)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 529	\$ 425
Accounts receivable		
Trade, less allowance for doubtful accounts of \$16 in 2023 and \$11 in 2022	1,371	1,374
Other	280	202
Inventories	1,676	1,609
Other current assets	247	219
Total current assets	4,103	3,829
Goodwill	263	259
Intangibles	182	201
Deferred tax assets	516	397
Other noncurrent assets	140	123
Investments in affiliates	123	136
Operating lease assets	327	311
Property, plant and equipment, net	2,311	2,193
Total assets	\$ 7,965	\$ 7,449
Liabilities, redeemable noncontrolling interests and equity		
Current liabilities		
Short-term debt	\$ 22	\$ 52
Current portion of long-term debt	35	8
Accounts payable	1,756	1,838
Accrued payroll and employee benefits	288	214
Taxes on income	86	54
Current portion of operating lease liabilities	42	36
Other accrued liabilities	373	277
Total current liabilities	2,602	2,479
Long-term debt, less debt issuance costs of \$24 in 2023 and \$22 in 2022	2,598	2,348
Noncurrent operating lease liabilities	284	277
Pension and postretirement obligations	334	298
Other noncurrent liabilities	319	249
Total liabilities	6,137	5,651
Commitments and contingencies		
Redeemable noncontrolling interests	191	195
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, 144,386,484 and 143,366,482 shares outstanding	2	2
Additional paid-in capital	2,255	2,229
Retained earnings	317	321
Treasury stock, at cost (474,981 and zero shares)	(9)	-
Accumulated other comprehensive loss	(990)	(1,001)
Total parent company stockholders' equity	1,575	1,551
Noncontrolling interests	62	52
Total equity	1,637	1,603
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,965	\$ 7,449

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended December 31, 2023 and 2022

(In millions)

	Three Months Ended December 31,	
	2023	2022
Operating activities		
Net loss	\$ (44)	\$ (178)
Depreciation	106	95
Amortization	6	6
Amortization of deferred financing charges	1	1
Earnings of affiliates, net of dividends received	15	(6)
Stock compensation expense	7	6
Deferred income taxes	(58)	209
Pension expense, net	(1)	(1)
Change in working capital	239	220
Change in other noncurrent assets and liabilities	11	3
Other, net	(4)	(13)
Net cash provided by operating activities	278	342
Investing activities		
Purchases of property, plant and equipment	(142)	(140)
Proceeds from sale of property, plant and equipment	2	3
Proceeds from sales of marketable securities		12
Settlements of undesignated derivatives	(3)	(2)
Other, net	(2)	(2)
Net cash used in investing activities	(145)	(129)
Financing activities		
Net change in short-term debt	(15)	(179)
Repayment of long-term debt	(2)	(5)
Dividends paid to common stockholders	(15)	(15)
Distributions to noncontrolling interests		(1)
Contributions from redeemable noncontrolling interests	4	21
Other, net	(1)	(1)
Net cash used in financing activities	(29)	(180)
Net increase in cash, cash equivalents and restricted cash	104	33
Cash, cash equivalents and restricted cash – beginning of period	440	390
Effect of exchange rate changes on cash balances	19	19
Cash, cash equivalents and restricted cash – end of period	\$ 563	\$ 442

DANA INCORPORATED
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2023 and 2022

(In millions)

	Year Ended December 31,	
	2023	2022
Operating activities		
Net income (loss)	\$ 48	\$ (311)
Depreciation	393	365
Amortization	23	23
Amortization of deferred financing charges	5	5
Write-off of deferred financing costs	1	
Earnings of affiliates, net of dividends received	11	23
Stock compensation expense	26	19
Deferred income taxes	(104)	153
Pension expense, net	3	(1)
Impairment of goodwill		191
Change in working capital	70	199
Change in other noncurrent assets and liabilities	11	9
Other, net	(11)	(26)
Net cash provided by operating activities	476	649
Investing activities		
Purchases of property, plant and equipment	(501)	(440)
Proceeds from sale of property, plant and equipment	2	3
Acquisition of business, net of cash acquired		(1)
Purchases of marketable securities		(15)
Proceeds from sales of marketable securities		30
Settlements of undesignated derivatives	(13)	(8)
Other, net	(16)	5
Net cash used in investing activities	(528)	(426)
Financing activities		
Net change in short-term debt	(30)	33
Proceeds from long-term debt	458	2
Repayment of long-term debt	(209)	(24)
Deferred financing payments	(9)	
Dividends paid to common stockholders	(58)	(58)
Repurchases of common stock		(25)
Distributions to noncontrolling interests	(10)	(9)
Contributions from redeemable noncontrolling interests	22	51
Payments to acquire noncontrolling interests		(4)
Other, net	(4)	(8)
Net cash provided by (used in) financing activities	160	(42)
Net increase in cash, cash equivalents and restricted cash	108	181
Cash, cash equivalents and restricted cash – beginning of period	442	287
Effect of exchange rate changes on cash balances	13	(26)
Cash, cash equivalents and restricted cash – end of period	\$ 563	\$ 442

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

(In millions)

Net cash provided by operating activities

Purchases of property, plant and equipment

Free cash flow

Three Months Ended

December 31,

2023	2022
\$ 278	\$ 342
(142)	(140)
<u>\$ 136</u>	<u>\$ 202</u>

Year Ended

December 31,

Net cash provided by operating activities

Purchases of property, plant and equipment

Free cash flow

2023	2022
\$ 476	\$ 649
(501)	(440)
<u>\$ (25)</u>	<u>\$ 209</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended December 31, 2023 and 2022

(In millions)	Three Months Ended	
	December 31,	
	2023	2022
Sales		
Light Vehicle	\$ 923	\$ 1,030
Commercial Vehicle	509	504
Off-Highway	762	740
Power Technologies	300	281
Total Sales	\$ 2,494	\$ 2,555
Segment EBITDA		
Light Vehicle	\$ 22	\$ 34
Commercial Vehicle	13	5
Off-Highway	106	113
Power Technologies	19	23
Total Segment EBITDA	160	175
Corporate expense and other items, net	(4)	1
Adjusted EBITDA	\$ 156	\$ 176

DANA INCORPORATED
Segment Sales and Segment EBITDA
For the Year Ended December 31, 2023 and 2022

(In millions)	Year Ended	
	December 31,	
	2023	2022
Sales		
Light Vehicle	\$ 4,035	\$ 4,090
Commercial Vehicle	2,092	1,979
Off-Highway	3,185	2,946
Power Technologies	1,243	1,141
Total Sales	\$ 10,555	\$ 10,156
Segment EBITDA		
Light Vehicle	\$ 212	\$ 158
Commercial Vehicle	87	43
Off-Highway	465	404
Power Technologies	89	94
Total Segment EBITDA	853	699
Corporate expense and other items, net	(8)	1
Adjusted EBITDA	\$ 845	\$ 700

DANA INCORPORATED**Reconciliation of Segment and Adjusted EBITDA to Net Loss (Unaudited)****For the Three Months Ended December 31, 2023 and 2022**

(In millions)	Three Months Ended	
	December 31,	
	2023	2022
Segment EBITDA	\$ 160	\$ 175
Corporate expense and other items, net	(4)	1
Adjusted EBITDA	156	176
Depreciation	(106)	(95)
Amortization	(6)	(6)
Non-service cost components of pension and OPEB costs	(3)	(4)
Restructuring charges, net	(4)	
Stock compensation expense	(7)	(6)
Strategic transaction expenses	(1)	(2)
Distressed supplier costs	(18)	
Amounts attributable to previously divested/closed operations		(2)
Other items		1
Earnings before interest and income taxes	11	62
Interest income	3	5
Interest expense	40	33
Earnings (loss) before income taxes	(26)	34
Income tax expense	3	217
Equity in earnings (loss) of affiliates	(15)	5
Net loss	\$ (44)	\$ (178)

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Loss)

For the Year Ended December 31, 2023 and 2022

	Year Ended	
	December 31,	
	2023	2022
(In millions)		
Segment EBITDA	\$ 853	\$ 699
Corporate expense and other items, net	(8)	1
Adjusted EBITDA	845	700
Depreciation	(393)	(365)
Amortization	(23)	(23)
Non-service cost components of pension and OPEB costs	(13)	(7)
Restructuring charges, net	(25)	1
Stock compensation expense	(26)	(19)
Strategic transaction expenses	(5)	(8)
Distressed supplier costs	(44)	
Amounts attributable to previously divested/closed operations		(2)
Impairment of goodwill		(191)
Earnings before interest and income taxes	316	86
Loss on extinguishment of debt	(1)	
Interest income	17	11
Interest expense	154	128
Earnings (loss) before income taxes	178	(31)
Income tax expense	121	284
Equity in earnings (loss) of affiliates	(9)	4
Net income (loss)	<u>\$ 48</u>	<u>\$ (311)</u>

DANA INCORPORATED**Reconciliation of Net Loss Attributable to the Parent Company to
Adjusted Net Loss Attributable to the Parent Company and
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended December 31, 2023 and 2022**

(In millions, except per share amounts)

	Three Months Ended December 31,	
	2023	2022
Net loss attributable to the parent company	\$ (39)	\$ (179)
Items impacting loss before income taxes:		
Amortization	5	5
Restructuring charges, net	3	
Strategic transaction expenses	1	
Distressed supplier costs	18	
Other items	(1)	2
Items impacting income taxes:		
Net income tax benefit on items above	6	2
Income tax expense (benefit) attributable to various discrete tax matters	(4)	155
Adjusted net loss attributable to the parent company	\$ (11)	\$ (15)
Diluted shares - as reported	144.5	143.4
Adjusted diluted shares	144.5	143.4
Diluted adjusted EPS	\$ (0.08)	\$ (0.10)

DANA INCORPORATED
**Reconciliation of Net Income (Loss) Attributable to the Parent Company to
Adjusted Net Income Attributable to the Parent Company and
Diluted Adjusted EPS (Unaudited)
For the Year Ended December 31, 2023 and 2022**

(In millions, except per share amounts)

	Year Ended December 31,	
	2023	2022
Net income (loss) attributable to the parent company	\$ 38	\$ (242)
Items impacting income (loss) before income taxes:		
Amortization	20	20
Restructuring charges, net	24	(1)
Strategic transaction expenses	5	8
Distressed supplier costs	44	
Impairment of goodwill		118
Other items	1	2
Items impacting income taxes:		
Net income tax expense on items above	(20)	(8)
Income tax expense attributable to various discrete tax matters	10	157
Adjusted net income attributable to the parent company	<u>\$ 122</u>	<u>\$ 54</u>
Diluted shares - as reported	144.6	143.6
Adjusted diluted shares	144.6	144.3
Diluted adjusted EPS	\$ 0.84	\$ 0.37