



Dana Holding Corporation

2015 Second Quarter Earnings Conference Call

July 23, 2015

Honesty & Integrity

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Continuous Improvement



Certain statements and projections contained in this presentation are, by their nature, forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this presentation speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.



- ▶ Introduction
Craig Barber
*Director,
Investor Relations*
- ▶ Business Update
Roger Wood
*President and
Chief Executive Officer*
- ▶ Financial Review
Bill Quigley
*Executive Vice President
and Chief Financial Officer*
- ▶ Q&A Session
Includes:
Mark Wallace
*Executive Vice President and
Group President, On-Highway Driveline Technologies*

Second Quarter 2015 Highlights



- ▶ **Sales of \$1.61 billion**
 - ▶ 4% organic growth
- ▶ **Net Income of \$59 million**
 - ▶ Diluted Adjusted EPS: \$0.48
- ▶ **Adjusted EBITDA of \$180 million**
 - ▶ 11.2% margin
 - ▶ 30 bps improvement vs. prior quarter
- ▶ **Continued shareholder return**
 - ▶ Q2 share repurchases: \$63 million
 - ▶ \$1.215 billion returned to date*
 - ▶ \$185 million remaining under authorization
- ▶ **Further industry recognition**
- ▶ **Releasing new innovations**
- ▶ **Continue to win new business**

*Program inception through 6/30/2015



Awards and Recognition



DAIMLER

DAIMLER TRUCKS NORTH AMERICA

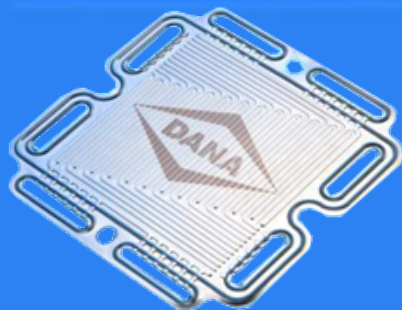
MASTERS OF

Quality

SUPPLIER AWARD

In appreciation and recognition of superior quality parts provided during the past 12 months to Daimler Trucks North America, we are proud to present our "Masters of Quality" Supplier Award for excellence.

New Innovations



Fuel Cell
Application



Increased
Battery
Range
50%

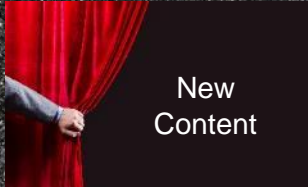
Approx.
25%
Lower
Weight



MuCell®
Thermoplastic
Replacing Metal



New Business Wins



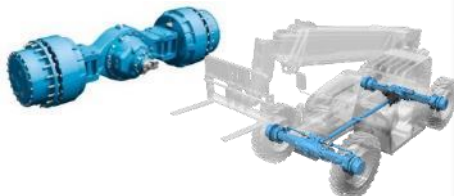
New Content

Two Commercial Vehicle OEM's



New Program

Major Construction Equipment OEM

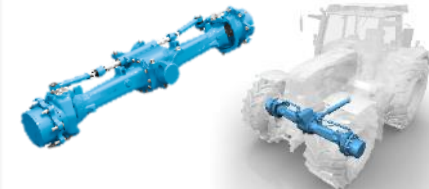


New Business SOP 2016



In Production Now

Major Agricultural Equipment OEM



New Business with New Product



Financial Review

2015 Second Quarter

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Foreign Currency Headwinds

- ▶ *FX lowered sales 9% compared with a year ago; Europe and South America most impacted*
- ▶ *Euro stronger than prior expectations but weaker Asian currencies in the quarter offset benefit*

Posted Organic Sales Growth of 4%

- ▶ *End-market demand in most regions in-line with expectations; continued benefit from new business*
- ▶ *South America demand further weakened; commercial truck demand fell +46% Y/Y*

All Business Units Posted Sequential Margin Improvements

- ▶ *Premium costs related to Commercial Vehicle Driveline supply-chain initiatives concluded in the quarter*

Financial Results



(\$ in millions, except EPS)

Second Quarter

	2015	2014	Change
Sales	\$ 1,609	\$ 1,710	\$ (101)
Adjusted EBITDA	180	205	(25)
Margin	11.2%	12.0%	(80) bps
Income from Continuing Operations before Interest Expense / Income Taxes	124	148	(24)
Net Income <i>(attributable to Dana)</i>	59	86	(27)
Diluted Adjusted EPS <i>(excludes nonrecurring items)</i>	\$ 0.48	\$ 0.58	\$ (0.10)
Capital Spend*	60	59	1
Free Cash Flow	88	133	(45)

* 2014 adjusted to conform with 2015 presentation that excludes unpaid capital spend

Sales and Adj. EBITDA – 2015 vs. 2014



(\$ in millions)

Second Quarter

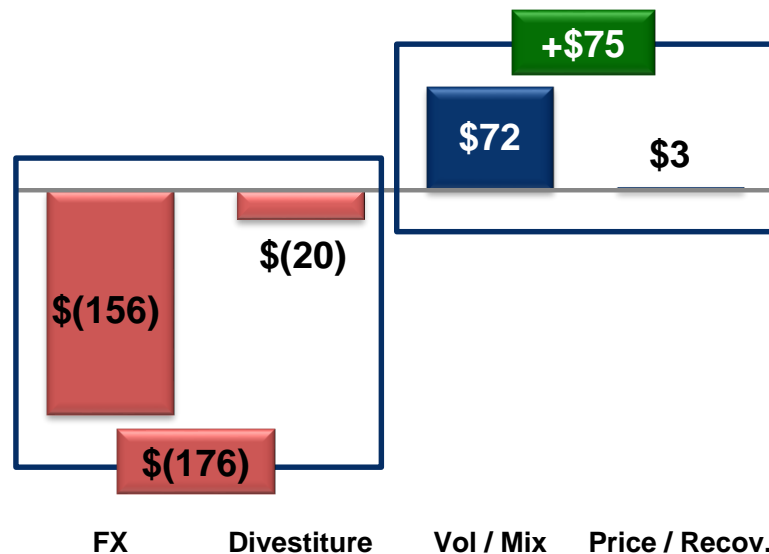
	2015	2014	Change
Sales	\$ 1,609	\$ 1,710	\$ (101)

		Y/Y Change	FX Impact	Divestiture	Organic Change
North America	53%	5%	(2)%		7%
Europe	28%	(15)%	(19)%		4%
South America	7%	(39)%	(19)%	(11)%	(9)%
Asia Pacific	12%	5%	(5)%		10%
Total		(6)%	(9)%	(1)%	4%

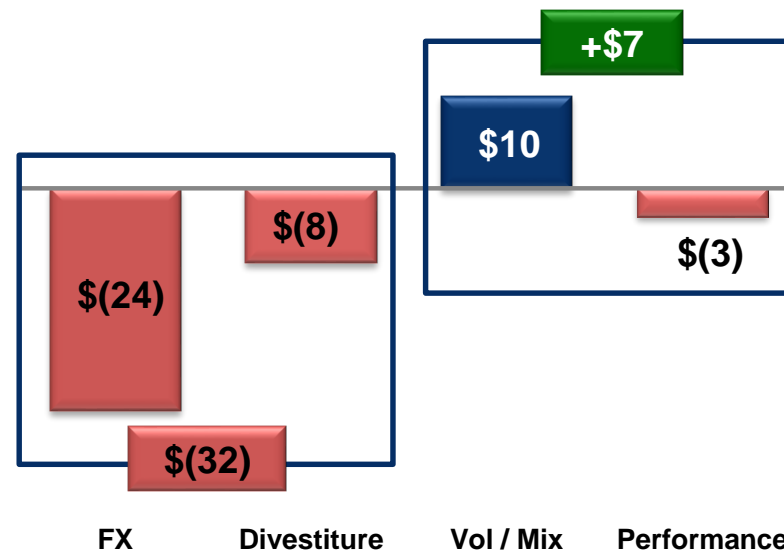
Second Quarter

	2015	2014	Change
Adj. EBITDA	\$ 180	\$ 205	\$ (25)
Margin	11.2%	12.0%	(80) bps

Key Drivers of Y/Y Sales Change



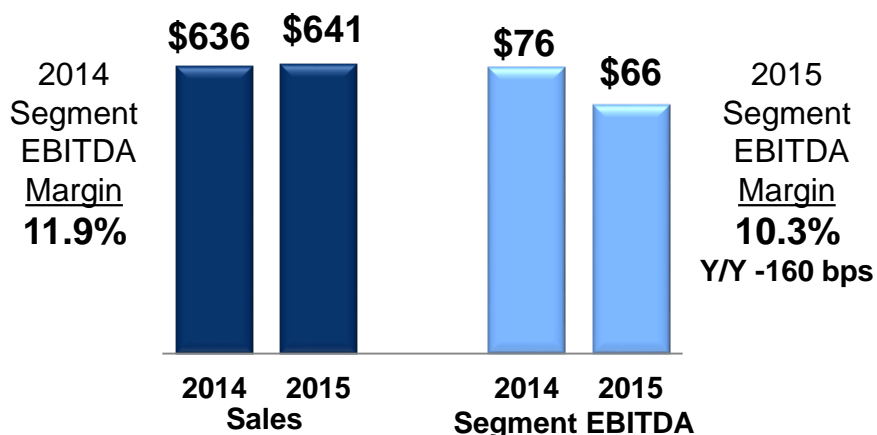
Key Drivers of Y/Y EBITDA Change



Second Quarter 2015 Business Results



Light Vehicle Driveline

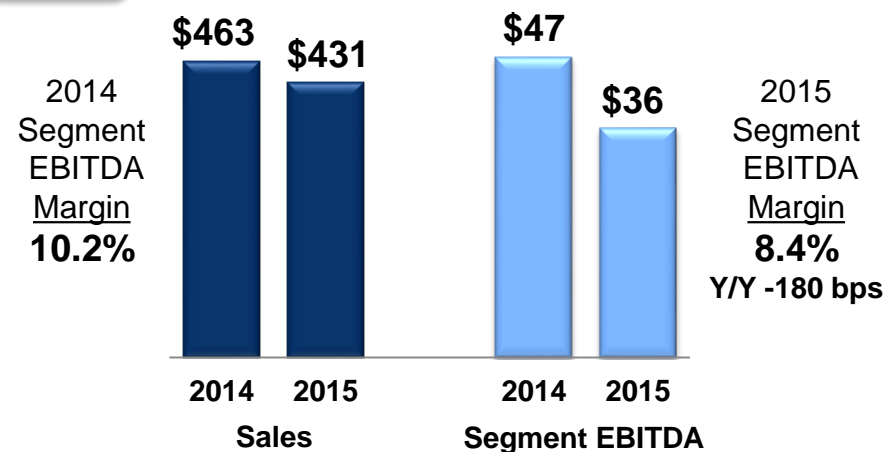


Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2014	\$636	\$76	11.9%
Divestiture	(20)	(8)	
Currency	(24)	(5)	
Vol / Mix	52	8	
Performance	(3)	(5)	
Change	5	(10)	
2015	\$641	\$66	10.3%



Commercial Vehicle Driveline



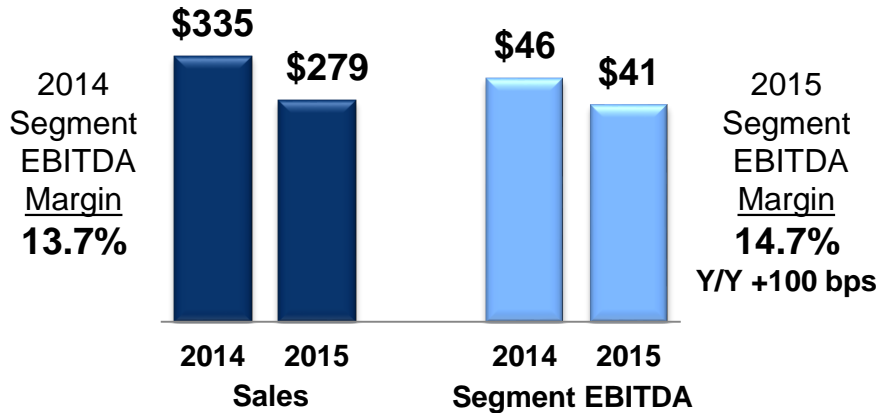
Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2014	\$463	\$47	10.2%
Currency	(45)	(5)	
Vol / Mix	32	5	
Brazil Market	(26)	(5)	
Performance	7	(6)	
Change	(32)	(11)	
2015	\$431	\$36	8.4%

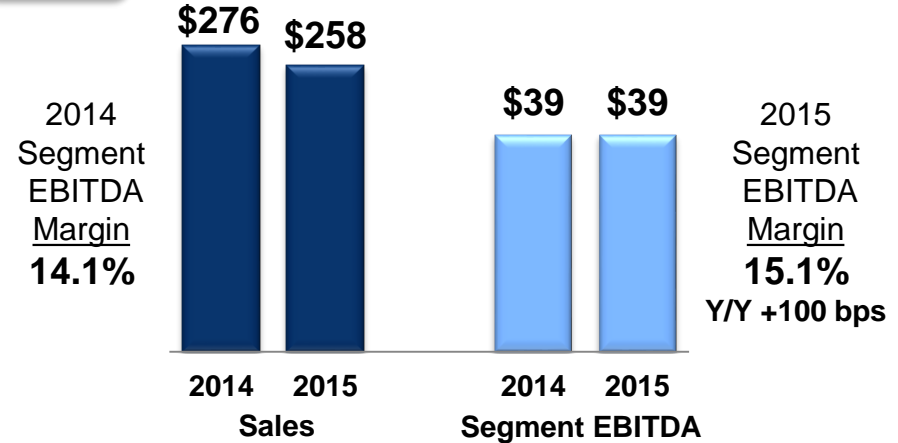
Second Quarter 2015 Business Results



Off-Highway Driveline



Power Technologies



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2014	\$335	\$46	13.7%
Currency	(55)	(8)	
Vol / Mix	(2)	-	
Performance	1	3	
Change	(56)	(5)	
2015	\$279	\$41	14.7%

Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2014	\$276	\$39	14.1%
Currency	(32)	(6)	
Vol / Mix	16	2	
Performance	(2)	4	
Change	(18)	-	
2015	\$258	\$39	15.1%

Cash Metrics



Free Cash Flow (\$ in millions)	Second Quarter		
	2015	2014	Change
Adjusted EBITDA	\$ 180	\$ 205	\$ (25)
Working Capital*	(9)	17	(26)
Restructuring	(3)	(5)	2
Pension, Net	(4)	(3)	(1)
Interest, Net	(12)	(1)	(11)
Cash Taxes	(12)	(22)	10
Capital Spending**	(60)	(59)	(1)
Other	8	1	7
Free Cash Flow	\$ 88	\$ 133	\$ (45)
YTD Free Cash Flow	\$ 6	\$ 97	\$ (91)

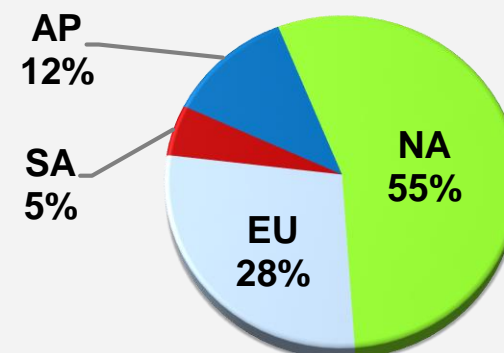
* Changes in working capital relating to interest, taxes, and restructuring are included in those respective categories

** 2014 adjusted to conform with 2015 presentation that excludes unpaid capital spend

Cash, Debt & Liquidity

(\$ in millions)	Q2 2015
Total Cash*	\$ 1,063
Total Debt	1,621
Net Debt	\$ (558)
Liquidity**	\$ 1,437

Cash* by Region



* Includes marketable securities; cash and marketable securities also includes \$150 in a wholly-owned subsidiary where access is subject to approval of subsidiary's independent board member

** \$392 available under U.S. ABL facility



Currency Environment Likely to Remain Volatile

Weaker South America Demand Environment

- ▶ *Lowered full year commercial truck production by ~30%*

Continued Margin Improvement Across All Business Segments

- ▶ *Light Vehicle Driveline program development cost recoveries*
- ▶ *Non-recurrence of premium costs in Commercial Vehicle Driveline*
- ▶ *Continued cost discipline and productivity*
- ▶ *Capitalize on organic growth*

Full Year Financial Targets Updated

- ▶ *Sales and earnings ranges lowered for South America expectations*
- ▶ *Adjusted EBITDA margin maintained*
- ▶ *Free Cash Flow range maintained*

2015 Financial Targets



Key Financial Metrics

	2015 Targets
Sales	\$6.2 – \$6.3 B
Adjusted EBITDA	\$720 – \$730 M
Margin	~11.7%
Diluted Adjusted EPS*	\$2.00 – \$2.10
Capital Spend	\$290 – \$300 M
Free Cash Flow	\$190 – \$220 M

Other Cash Flow Items

Depreciation / Amortization	~\$170 M / ~\$20 M
Cash Taxes	~\$90 M
Net Interest	~\$90 M
Pension Funding, Net	~\$15 M
Cash Restructuring	~\$25 M

Currency Assumptions

Euro / USD	1.05
CAD / USD	0.80
USD / BRL	3.00
USD / ARS	11.25
GBP / USD	1.51

Tax Assumptions

U.S. GAAP Rate	32%
Cash Tax Rate	23%
Adjusted EPS Rate	24%

Note :Divestiture impact for rest of year 2015: Q3 Sales: \$(23) million; EBITDA: \$(6) million Q4 Sales: \$(38) million; EBITDA: \$(4) million

*Calculated based on fully diluted outstanding shares of 163 million - excludes future impact of the share repurchase program



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Appendix

Global Vehicle Production Dana Forecasts (Units in 000s)



	2014 Actuals	2015 Outlook
North America		
Light Truck (Full Frame)	3,834	4,000 – 4,100
Light Vehicle Engines	15,079	15,100 – 15,500
Medium Truck (Class 5-7)	226	205 – 225
Heavy Truck (Class 8)	297	310 – 330
Agricultural Equipment	64	60 – 65
Construction/Mining Equipment	155	155 – 165
Europe (Incl. Eastern Europe)		
Light Trucks	7,792	7,700 – 8,000
Light Vehicle Engines	21,440	21,500 – 22,500
Medium/Heavy Truck	397	400 – 420
Agricultural Equipment	220	205 – 215
Construction/Mining Equipment	298	300 – 310
South America		
Light Trucks	1,147	1,000 – 1,110
Light Vehicle Engines	3,178	2,600 – 2,800
Medium/Heavy Truck	167	90 – 100
Agricultural Equipment	43	35 – 40
Construction/Mining Equipment	17	10 – 15
Asia Pacific		
Light Trucks	22,298	22,300 – 23,300
Light Vehicle Engines	46,589	48,000 – 49,000
Medium/Heavy Truck	1,574	1,450 – 1,500
Agricultural Equipment	710	700 – 715
Construction /Mining Equipment	509	475 – 500

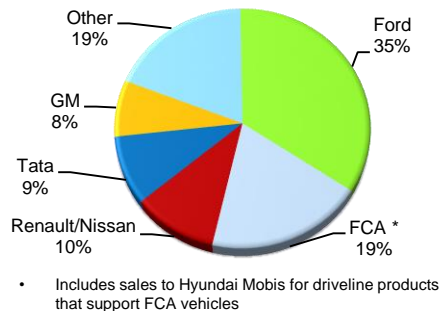
Segment Profiles



Customer Sales

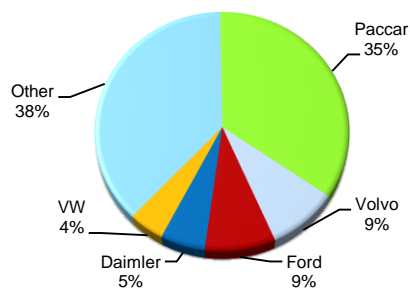
Light Vehicle Driveline

Year to Date 6/30/2015



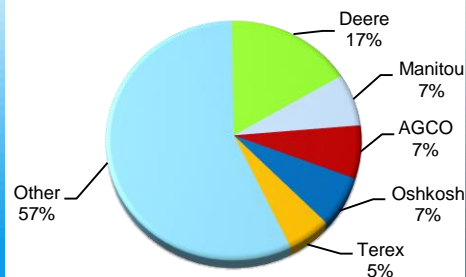
Commercial Vehicle Driveline

Year to Date 6/30/2015



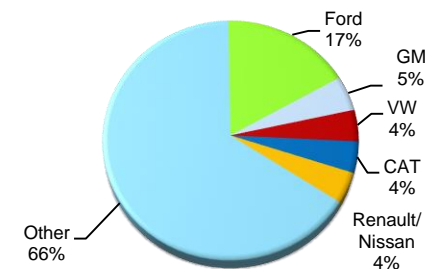
Off-Highway Driveline

Year to Date 6/30/2015

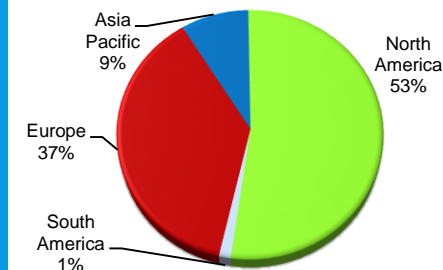
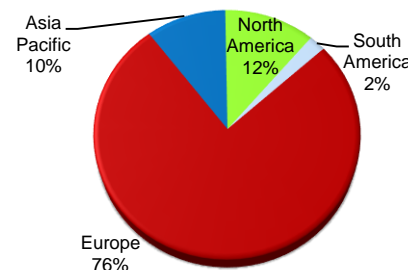
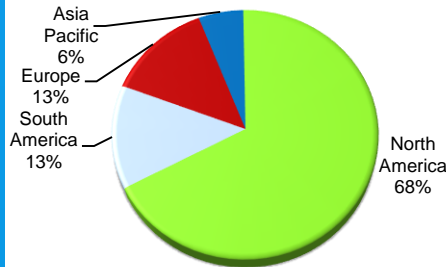
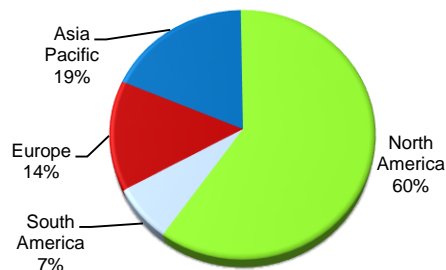


Power Technologies

Year to Date 6/30/2015



Regional Sales



Performance

\$ Millions

	Q2		Year to Date	
	2015	2014	2015	2014
Sales	\$641	\$636	\$1,278	\$1,254
Segment EBITDA	\$66	\$76	\$130	\$106
EBITDA Margin	10.3%	11.9%	10.2%	8.5%

\$ Millions

	Q2		Year to Date	
	2015	2014	2015	2014
Sales	\$431	\$463	\$864	\$920
Segment EBITDA	\$36	\$47	\$71	\$91
EBITDA Margin	8.4%	10.2%	8.2%	9.9%

\$ Millions

	Q2		Year to Date	
	2015	2014	2015	2014
Sales	\$279	\$335	\$563	\$676
Segment EBITDA	\$41	\$46	\$80	\$88
EBITDA Margin	14.7%	13.7%	14.2%	13.0%

\$ Millions

	Q2		Year to Date	
	2015	2014	2015	2014
Sales	\$258	\$276	\$512	\$548
Segment EBITDA	\$39	\$39	\$77	\$83
EBITDA Margin	15.1%	14.1%	15.0%	15.1%

Diluted Adjusted EPS



DANA HOLDING CORPORATION Diluted Adjusted EPS (Unaudited) For the Three Months Ended June 30, 2015 and 2014

(In millions except per share amounts)

	Three Months Ended June 30,	
	2015	2014
Net income attributable to parent company	\$ 59	\$ 86
Restructuring charges (1)	7	2
Amortization of intangibles (1)	3	10
Non-recurring items (1):		
Nonrecurring tax expense	10	1
Other items		2
Adjusted net income	<u>\$ 79</u>	<u>\$ 101</u>
Diluted shares - as reported	<u>163</u>	<u>175</u>
Adjusted diluted shares	<u>163</u>	<u>175</u>
Diluted adjusted EPS	\$ 0.48	\$ 0.58

(1) Amounts are net of associated tax effect.

DANA HOLDING CORPORATION Diluted Adjusted EPS (Unaudited) For the Six Months Ended June 30, 2015 and 2014

(In millions except per share amounts)

	Six Months Ended June 30,	
	2015	2014
Net income attributable to parent company	\$ 122	\$ 120
Restructuring charges (1)	8	11
Amortization of intangibles (1)	7	21
Non-recurring items (1):		
Noncontrolling interests	4	
Loss on extinguishment of debt	2	
Nonrecurring tax expense	18	5
Other items	1	1
Adjusted net income	<u>\$ 162</u>	<u>\$ 158</u>
Diluted shares - as reported	<u>165</u>	<u>176</u>
Adjusted diluted shares	<u>165</u>	<u>176</u>
Diluted adjusted EPS	\$ 0.98	\$ 0.90

(1) Amounts are net of associated tax effect.

See accompanying slide in the appendix for comments regarding the presentation of non-GAAP measures

Segment Data



DANA HOLDING CORPORATION Segment Sales & Segment EBITDA (Unaudited) For the Three Months Ended June 30, 2015 and 2014

(In millions)	Three Months Ended	
	June 30,	
	2015	2014
Sales		
Light Vehicle	\$ 641	\$ 636
Commercial Vehicle	431	463
Off-Highway	279	335
Power Technologies	258	276
Total Sales	\$ 1,609	\$ 1,710
Segment EBITDA		
Light Vehicle	\$ 66	\$ 76
Commercial Vehicle	36	47
Off-Highway	41	46
Power Technologies	39	39
Total Segment EBITDA	182	208
Corporate expense and other items, net	(2)	(3)
Adjusted EBITDA	\$ 180	\$ 205

DANA HOLDING CORPORATION Segment Sales & Segment EBITDA (Unaudited) For the Six Months Ended June 30, 2015 and 2014

(In millions)	Six Months Ended	
	June 30,	
	2015	2014
Sales		
Light Vehicle	\$ 1,278	\$ 1,254
Commercial Vehicle	864	920
Off-Highway	563	676
Power Technologies	512	548
Total Sales	\$ 3,217	\$ 3,398
Segment EBITDA		
Light Vehicle	\$ 130	\$ 106
Commercial Vehicle	71	91
Off-Highway	80	88
Power Technologies	77	83
Total Segment EBITDA	358	368
Corporate expense and other items, net	(2)	2
Adjusted EBITDA	\$ 356	\$ 370

See accompanying slide in the appendix for comments regarding the presentation of non-GAAP measures

Segment Data (continued)



DANA HOLDING CORPORATION Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)

For the Three Months Ended June 30, 2015 and 2014

(In millions)	Three Months Ended	
	June 30,	
	2015	2014
Segment EBITDA	\$ 182	\$ 208
Corporate expense and other items, net	(2)	(3)
Adjusted EBITDA	180	205
Depreciation	(39)	(41)
Amortization of intangibles	(4)	(12)
Restructuring	(11)	(3)
Stock compensation expense	(5)	(5)
Strategic transaction expenses and other items	(1)	1
Interest expense, net	(23)	(26)
Income from continuing operations before income taxes	97	119
Income tax expense	36	33
Equity in earnings of affiliates	2	6
Income from continuing operations	63	92
Loss from discontinued operations		(2)
Net income	<u>\$ 63</u>	<u>\$ 90</u>

DANA HOLDING CORPORATION Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)

For the Six Months Ended June 30, 2015 and 2014

(In millions)	Six Months Ended	
	June 30,	
	2015	2014
Segment EBITDA	\$ 358	\$ 368
Corporate expense and other items, net	(2)	2
Adjusted EBITDA	356	370
Depreciation	(78)	(81)
Amortization of intangibles	(10)	(27)
Restructuring	(12)	(12)
Stock compensation expense	(8)	(9)
Strategic transaction expenses and other items	(2)	
Gain on derecognition of noncontrolling interest	5	
Loss on extinguishment of debt	(2)	
Recognition of unrealized gain on payment-in-kind note receivable		2
Interest expense, net	(48)	(53)
Income from continuing operations before income taxes	201	190
Income tax expense	67	67
Equity in earnings of affiliates	3	7
Income from continuing operations	137	130
Loss from discontinued operations		(3)
Net income	<u>\$ 137</u>	<u>\$ 127</u>

See accompanying slide in the appendix for comments regarding the presentation of non-GAAP measures

Non-GAAP Financial Information



The preceding slides refer to Adjusted EBITDA, which we've defined to be earnings from continuing and discontinued operations before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense and other nonrecurring items (gain/loss on debt extinguishment, pension settlements or divestitures, impairment, etc.). Adjusted EBITDA is a primary driver of cash flows from operations and a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. Adjusted EBITDA should not be considered a substitute for income (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.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income divided by adjusted diluted shares. We define adjusted net income as net income attributable to the parent company excluding any nonrecurring income tax items, restructuring and impairment expense, amortization expense and other nonrecurring items (as used in adjusted EBITDA), net of any associated income tax effects. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income. 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 under GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as cash provided by (used in) operating activities, less purchases of property, plant and equipment. We believe this measure 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 neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported under GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

Please reference the "Non-GAAP financial information" accompanying our quarterly earnings conference call presentations on our website at www.dana.com/investors for our GAAP results and the reconciliations of these measures, where used, to the comparable GAAP measures.