

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 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. Adjusted free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities excluding discretionary pension contributions less purchases of property, plant and equipment. We believe these measures are useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow and adjusted free cash flow are 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 and adjusted 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, free cash flow and adjusted 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 September 30, 2022 and 2021

(In millions, except per share amounts)	Three Months Ended	
	September 30,	
	2022	2021
Net sales	\$ 2,535	\$ 2,204
Costs and expenses		
Cost of sales	2,332	1,998
Selling, general and administrative expenses	114	103
Amortization of intangibles	3	4
Restructuring charges, net	(1)	1
Impairment of goodwill	(191)	
Other income (expense), net	3	(4)
Earnings (loss) before interest and income taxes	(101)	94
Interest income	2	2
Interest expense	32	31
Earnings (loss) before income taxes	(131)	65
Income tax expense	31	20
Equity in earnings (loss) of affiliates	(1)	5
Net income (loss)	(163)	50
Less: Noncontrolling interests net income	4	4
Less: Redeemable noncontrolling interests net loss	(79)	(2)
Net income (loss) attributable to the parent company	<u>\$ (88)</u>	<u>\$ 48</u>
Net income (loss) per share available to common stockholders		
Basic	\$ (0.61)	\$ 0.33
Diluted	\$ (0.61)	\$ 0.33
Weighted-average shares outstanding - Basic	143.4	144.8
Weighted-average shares outstanding - Diluted	143.4	146.2

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Nine Months Ended September 30, 2022 and 2021

	Nine Months Ended	
	September 30,	
	2022	2021
(In millions, except per share amounts)		
Net sales	\$ 7,601	\$ 6,672
Costs and expenses		
Cost of sales	7,018	5,963
Selling, general and administrative expenses	374	348
Amortization of intangibles	10	11
Restructuring charges, net	(1)	2
Impairment of goodwill	(191)	
Other income (expense), net	15	(33)
Earnings before interest and income taxes	24	315
Loss on extinguishment of debt		(24)
Interest income	6	6
Interest expense	95	99
Earnings (loss) before income taxes	(65)	198
Income tax expense	67	56
Equity in earnings (loss) of affiliates	(1)	29
Net income (loss)	(133)	171
Less: Noncontrolling interests net income	11	9
Less: Redeemable noncontrolling interests net loss	(81)	(10)
Net income (loss) attributable to the parent company	<u>\$ (63)</u>	<u>\$ 172</u>
Net income (loss) per share available to common stockholders		
Basic	\$ (0.44)	\$ 1.19
Diluted	\$ (0.44)	\$ 1.17
Weighted-average shares outstanding - Basic	143.6	145.0
Weighted-average shares outstanding - Diluted	143.6	146.4

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended September 30, 2022 and 2021

(In millions)

	Three Months Ended September 30,	
	2022	2021
Net income (loss)	\$ (163)	\$ 50
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	(82)	(25)
Hedging gains and losses	1	(9)
Defined benefit plans	1	4
Other comprehensive loss	(80)	(30)
Total comprehensive income (loss)	(243)	20
Less: Comprehensive income attributable to noncontrolling interests	(1)	(4)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	89	4
Comprehensive income (loss) attributable to the parent company	<u>\$ (155)</u>	<u>\$ 20</u>

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Nine Months Ended September 30, 2022 and 2021

(In millions)

	Nine Months Ended	
	September 30,	
	2022	2021
Net income (loss)	\$ (133)	\$ 171
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	(134)	(11)
Hedging gains and losses	(2)	(10)
Defined benefit plans	5	11
Other comprehensive loss	<u>(131)</u>	<u>(10)</u>
Total comprehensive income (loss)	(264)	161
Less: Comprehensive (income) loss attributable to noncontrolling interests	(6)	2
Less: Comprehensive loss attributable to redeemable noncontrolling interests	97	
Comprehensive income (loss) attributable to the parent company	<u>\$ (173)</u>	<u>\$ 163</u>

DANA INCORPORATED
Consolidated Balance Sheet (Unaudited)
As of September 30, 2022 and December 31, 2021

(In millions, except share and per share amounts)

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 371	\$ 268
Marketable securities	13	17
Accounts receivable		
Trade, less allowance for doubtful accounts of \$11 in 2022 and \$7 in 2021	1,507	1,321
Other	252	220
Inventories	1,603	1,564
Other current assets	208	196
Total current assets	3,954	3,586
Goodwill	246	482
Intangibles	200	233
Deferred tax assets	613	580
Other noncurrent assets	181	131
Investments in affiliates	128	174
Operating lease assets	262	247
Property, plant and equipment, net	2,078	2,199
Total assets	\$ 7,662	\$ 7,632
Liabilities and equity		
Current liabilities		
Short-term debt	\$ 230	\$ 23
Current portion of long-term debt	7	8
Accounts payable	1,839	1,571
Accrued payroll and employee benefits	209	184
Taxes on income	67	41
Current portion of operating lease liabilities	37	43
Other accrued liabilities	269	304
Total current liabilities	2,658	2,174
Long-term debt, less debt issuance costs of \$22 in 2022 and \$26 in 2021	2,314	2,386
Noncurrent operating lease liabilities	229	209
Pension and postretirement obligations	350	398
Other noncurrent liabilities	244	292
Total liabilities	5,795	5,459
Commitments and contingencies		
Redeemable noncontrolling interests	196	198
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, 143,353,224 and 144,238,660 shares outstanding	2	2
Additional paid-in capital	2,440	2,427
Retained earnings	491	662
Treasury stock, at cost (13,469,842 and 11,661,591 shares)	(216)	(184)
Accumulated other comprehensive loss	(1,095)	(985)
Total parent company stockholders' equity	1,622	1,922
Noncontrolling interests	49	53
Total equity	1,671	1,975
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,662	\$ 7,632

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended September 30, 2022 and 2021

(In millions)	Three Months Ended	
	September 30,	
	2022	2021
Operating activities		
Net income (loss)	\$ (163)	\$ 50
Depreciation	88	92
Amortization	6	6
Amortization of deferred financing charges	1	2
Earnings of affiliates, net of dividends received		(4)
Stock compensation expense	5	6
Deferred income taxes	(14)	36
Impairment of goodwill	191	
Change in working capital	63	(262)
Other, net	(6)	(1)
Net cash provided by (used in) operating activities	171	(75)
Investing activities		
Purchases of property, plant and equipment	(94)	(95)
Investments in affiliates		(23)
Purchases of marketable securities	(2)	(9)
Proceeds from sales of marketable securities		30
Proceeds from maturities of marketable securities	8	14
Settlements of undesignated derivatives	1	2
Other, net	5	1
Net cash used in investing activities	(82)	(80)
Financing activities		
Net change in short-term debt	(2)	49
Proceeds from long-term debt		2
Repayment of long-term debt	(14)	(2)
Dividends paid to common stockholders	(14)	(15)
Repurchases of common stock		(23)
Distributions to noncontrolling interests	(6)	(8)
Contributions from redeemable noncontrolling interests	23	3
Deconsolidation of non-wholly owned subsidiary		(6)
Other, net	(1)	
Net cash used in financing activities	(14)	
Net increase (decrease) in cash, cash equivalents and restricted cash	75	(155)
Cash, cash equivalents and restricted cash – beginning of period	340	403
Effect of exchange rate changes on cash balances	(25)	(9)
Cash, cash equivalents and restricted cash – end of period	\$ 390	\$ 239

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Nine Months Ended September 30, 2022 and 2021

(In millions)	Nine Months Ended	
	September 30,	
	2022	2021
Operating activities		
Net income (loss)	\$ (133)	\$ 171
Depreciation	270	272
Amortization	17	18
Amortization of deferred financing charges	4	5
Redemption premium on debt		21
Write-off of deferred financing costs		3
Earnings of affiliates, net of dividends received	29	(11)
Stock compensation expense	13	15
Deferred income taxes	(56)	8
Impairment of goodwill	191	
Change in working capital	(21)	(501)
Other, net	(7)	18
Net cash provided by operating activities	307	19
Investing activities		
Purchases of property, plant and equipment	(300)	(228)
Acquisition of businesses, net of cash acquired	(1)	(18)
Investments in affiliates		(23)
Proceeds from sale of subsidiary, net of cash disposed		(4)
Purchases of marketable securities	(15)	(25)
Proceeds from sales of marketable securities		30
Proceeds from maturities of marketable securities	18	27
Settlement of terminated fixed-to-fixed cross currency swap		(22)
Settlements of undesignated derivatives	(6)	(2)
Other, net	7	5
Net cash used in investing activities	(297)	(260)
Financing activities		
Net change in short-term debt	212	43
Proceeds from long-term debt	2	802
Repayment of long-term debt	(19)	(805)
Redemption premium on debt		(21)
Deferred financing payments		(13)
Dividends paid to common stockholders	(43)	(44)
Repurchases of common stock	(25)	(23)
Distributions to noncontrolling interests	(8)	(10)
Contributions from redeemable noncontrolling interests	30	6
Deconsolidation of non-wholly owned subsidiary		(6)
Payments to acquire noncontrolling interests	(4)	
Other, net	(7)	
Net cash provided by (used in) financing activities	138	(71)
Net increase (decrease) in cash, cash equivalents and restricted cash	148	(312)
Cash, cash equivalents and restricted cash – beginning of period	287	567
Effect of exchange rate changes on cash balances	(45)	(16)
Cash, cash equivalents and restricted cash – end of period	\$ 390	\$ 239

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

(In millions)	Three Months Ended	
	September 30,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 171	\$ (75)
Purchase of property, plant and equipment	(94)	(95)
Free cash flow	77	(170)
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ 77</u>	<u>\$ (170)</u>

(In millions)	Nine Months Ended	
	September 30,	
	2022	2021
Net cash provided by operating activities	\$ 307	\$ 19
Purchase of property, plant and equipment	(300)	(228)
Free cash flow	7	(209)
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ 7</u>	<u>\$ (209)</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended September 30, 2022 and 2021

(In millions)	Three Months Ended	
	September 30,	
	2022	2021
Sales		
Light Vehicle	\$ 1,047	\$ 918
Commercial Vehicle	505	396
Off-Highway	694	627
Power Technologies	289	263
Total Sales	<u>\$ 2,535</u>	<u>\$ 2,204</u>
Segment EBITDA		
Light Vehicle	\$ 60	\$ 54
Commercial Vehicle	18	20
Off-Highway	91	100
Power Technologies	21	38
Total Segment EBITDA	<u>190</u>	<u>212</u>
Corporate expense and other items, net	<u>2</u>	<u>(2)</u>
Adjusted EBITDA	<u>\$ 192</u>	<u>\$ 210</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Nine Months Ended September 30, 2022 and 2021

(In millions)	Nine Months Ended	
	September 30,	
	2022	2021
Sales		
Light Vehicle	\$ 3,060	\$ 2,799
Commercial Vehicle	1,475	1,132
Off-Highway	2,206	1,931
Power Technologies	860	810
Total Sales	<u>\$ 7,601</u>	<u>\$ 6,672</u>
Segment EBITDA		
Light Vehicle	\$ 124	\$ 241
Commercial Vehicle	38	53
Off-Highway	291	276
Power Technologies	71	111
Total Segment EBITDA	<u>524</u>	<u>681</u>
Corporate expense and other items, net		(4)
Adjusted EBITDA	<u>\$ 524</u>	<u>\$ 677</u>

DANA INCORPORATED**Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)
For the Three Months Ended September 30, 2022 and 2021**

(In millions)

	Three Months Ended	
	September 30,	
	2022	2021
Segment EBITDA	\$ 190	\$ 212
Corporate expense and other items, net	2	(2)
Adjusted EBITDA	192	210
Depreciation	(88)	(92)
Amortization	(6)	(6)
Non-service cost components of pension and OPEB costs		(2)
Restructuring charges, net	1	(1)
Stock compensation expense	(5)	(6)
Strategic transaction expenses	(1)	(3)
Loss on investment in Hyliion		(6)
Impairment of goodwill	(191)	
Other items	(3)	
Earnings (loss) before interest and income taxes	(101)	94
Interest income	2	2
Interest expense	32	31
Earnings (loss) before income taxes	(131)	65
Income tax expense	31	20
Equity in earnings (loss) of affiliates	(1)	5
Net income (loss)	\$ (163)	\$ 50

DANA INCORPORATED**Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)
For the Nine Months Ended September 30, 2022 and 2021**

(In millions)

	Nine Months Ended	
	September 30,	
	2022	2021
Segment EBITDA	\$ 524	\$ 681
Corporate expense and other items, net		(4)
Adjusted EBITDA	524	677
Depreciation	(270)	(272)
Amortization	(17)	(18)
Non-service cost components of pension and OPEB costs	(3)	(7)
Restructuring charges, net	1	(2)
Stock compensation expense	(13)	(15)
Strategic transaction expenses	(6)	(11)
Loss on investment in Hyliion		(20)
Loss on disposal group held for sale		(7)
Loss on de-designation of fixed-to-fixed cross currency swaps		(9)
Impairment of goodwill	(191)	
Other items	(1)	(1)
Earnings before interest and income taxes	24	315
Loss on extinguishment of debt		(24)
Interest income	6	6
Interest expense	95	99
Earnings (loss) before income taxes	(65)	198
Income tax expense	67	56
Equity in earnings (loss) of affiliates	(1)	29
Net income (loss)	\$ (133)	\$ 171

DANA INCORPORATED
Reconciliation of Net Income Attributable to the Parent Company to
Adjusted Net Income Attributable to the Parent Company and
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended September 30, 2022 and 2021

(In millions, except per share amounts)

	Three Months Ended September 30,	
	2022	2021
Net income (loss) attributable to parent company	\$ (88)	\$ 48
Items impacting income (loss) before income taxes:		
Amortization	5	5
Restructuring charges, net	(1)	1
Strategic transaction expenses	3	
Gain on investment in Hylion		6
Impairment of goodwill	118	
Other items		3
Items impacting income taxes:		
Net income tax expense on items above	(5)	(4)
Income tax expense attributable to various discrete tax matters	2	1
Adjusted net income attributable to the parent	\$ 34	\$ 60
Diluted shares - as reported	143.8	146.2
Adjusted diluted shares	143.8	146.2
Diluted adjusted EPS	\$ 0.24	\$ 0.41

DANA INCORPORATED
Reconciliation of Net Income Attributable to the Parent Company to
Adjusted Net Income Attributable to the Parent Company and
Diluted Adjusted EPS (Unaudited)
For the Nine Months Ended September 30, 2022 and 2021

(In millions, except per share amounts)

	Nine Months Ended September 30,	
	2022	2021
Net income (loss) attributable to parent company	\$ (63)	\$ 172
Items impacting income (loss) before income taxes:		
Amortization	15	15
Restructuring charges, net	(1)	2
Strategic transaction expenses	8	8
Loss on investment in Hylion		20
Loss on disposal group held for sale		7
Loss on extinguishment of debt		24
Loss on de-designation of fixed-to-fixed cross currency swaps		9
Impairment of goodwill	118	
Other items		5
Items impacting income taxes:		
Net income tax expense on items above	(10)	(14)
Income tax expense (benefit) attributable to various discrete tax matters	2	(5)
Adjusted net income attributable to the parent	<u>\$ 69</u>	<u>\$ 243</u>
Diluted shares - as reported	144.4	146.4
Adjusted diluted shares	144.4	146.4
Diluted adjusted EPS	\$ 0.48	\$ 1.66