

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

---

**FORM 8-K**

---

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 9, 2018**

---

**Dana Incorporated**  
(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-1063**  
(Commission  
File Number)

**26-1531856**  
(IRS Employer  
Identification Number)

**3939 Technology Drive, Maumee, Ohio 43537**  
(Address of principal executive offices) (Zip Code)

**(419) 887-3000**  
(Registrant's telephone number, including area code)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

---

**Item 7.01 Regulation FD.**

In connection with the announcement of the Business Combination (as defined below) and the related debt financing, Dana Incorporated (“Dana”) intends to present and/or distribute to certain investors a slide presentation dated March 9, 2018, which is attached hereto as Exhibit 99.1 and incorporated by reference herein (the “Investor Presentation”). Dana undertakes no obligation to update, supplement or amend the materials attached hereto as Exhibit 99.1. The Investor Presentation may also be used by executive management of Dana in future meetings with investors and analysts. The Investor Presentation will also be available on Dana’s website at [www.dana.com](http://www.dana.com).

The information in this section is being “furnished” and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

**Item 8.01 Other Events.**

On March 9, 2018, Dana issued a news release announcing entry into definitive agreements providing for the proposed combination of GKN plc’s (“GKN”) Driveline and Off-Highway Powertrain businesses and Dana to create Dana plc (the “Business Combination”). A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated by reference herein.

**Important Information for Investors and Stockholders**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction between Dana and GKN, an entity to be formed for the proposed transaction (“SpinCo”) will file with the Securities Exchange Commission (“SEC”) a registration statement containing a joint proxy statement/prospectus, which will constitute a preliminary prospectus of SpinCo and a preliminary proxy statement of Dana, and Dana will file with the SEC a proxy statement on Schedule 14A. The materials to be filed by Dana and SpinCo will be made available to Dana’s investors and stockholders at no expense to them and, once available, copies may be obtained free of charge on Dana’s website at [www.dana.com](http://www.dana.com). In addition, all of those materials will be available at no charge on the SEC’s website at [www.sec.gov](http://www.sec.gov). Investors and stockholders of Dana are urged to read the registration statement, the proxy statement and other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction because they contain important information about the proposed transaction and the parties to the proposed transaction.

Dana and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies of Dana stockholders in connection with the proposed transaction. Investors and stockholders may obtain more detailed information regarding the names, affiliations and interests of certain of Dana’s executive officers and directors in the solicitation by reading Dana’s preliminary proxy statement for its 2018 annual meeting of stockholders, Annual Report on Form 10-K for the fiscal year ended

December 31, 2017, and proxy statement and other relevant materials which will be filed with the SEC in connection with the proposed transaction when they become available. Information concerning the interests of Dana's participants in the solicitation, which may, in some cases, be different than those of Dana's stockholders generally, will be set forth in the proxy statement relating to the proposed transaction when it becomes available.

### **Cautionary Note Regarding Forward-Looking Statements**

Certain statements and projections contained in this communication 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. Forward-looking statements include, among other things, statements about the potential benefits of the proposed transaction; the prospective performance and outlook of the combined company's business, performance and opportunities, including the ability of the parties to complete the proposed transaction and the expected timing of completion of the proposed transaction; as well as any assumptions underlying any of the foregoing. 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. Such risks and uncertainties, include, without limitation, risks related to Dana's ability to complete the proposed transaction on the proposed terms and schedule, including obtaining shareholder and regulatory approvals; unforeseen liabilities; future capital expenditures; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the proposed transaction will not occur; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed transaction; disruption from the proposed transaction, making it more difficult to conduct business as usual or maintain relationships with customers, employers or suppliers; and the possibility that if the combined company does not achieve the perceived benefits of the proposed transaction as rapidly or to the extent anticipated by financial analysts or investors, the market price of the combined company's shares could decline, as well as other risks related to Dana's business. Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this communication speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are being filed and furnished with this report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Investor Presentation, dated March 9, 2018.</a>
99.2	<a href="#">News release, dated March 9, 2018.</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**DANA INCORPORATED**

Date: March 9, 2018

By: /s/ Douglas H. Liedberg

Name: Douglas H. Liedberg

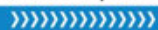
Title: Senior Vice President, General Counsel & Secretary



**Combination with GKN Driveline**  
*Creating a Global Leader in  
Electrified Drive Systems*



March 9, 2018





# Safe Harbor Statement

## **Important Information for Investors and Stockholders**

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction between Dana and GKN, an entity to be formed for this proposed transaction ("SpinCo") will file with the Securities and Exchange Commission ("SEC") a registration statement containing a joint proxy statement/prospectus, which will constitute a preliminary prospectus of SpinCo and a preliminary proxy statement of Dana, and Dana will file with the SEC a proxy statement on Schedule 14A. The materials to be filed by Dana and SpinCo will be made available to Dana's investors and stockholders at no expense to them and, once available, copies may be obtained free of charge on Dana's website at [www.dana.com](http://www.dana.com). In addition, all of those materials will be available at no charge on the SEC's website at [www.sec.gov](http://www.sec.gov). Investors and stockholders of Dana are urged to read the registration statement, the proxy statement and other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction because they contain important information about the proposed transaction and the parties to the proposed transaction.

Dana and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies of Dana stockholders in connection with the proposed transaction. Investors and stockholders may obtain more detailed information regarding the names, affiliations and interests of certain of Dana's executive officers and directors in the solicitation by reading Dana's preliminary proxy statement for its 2018 annual meeting of stockholders, Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and proxy statement and other relevant materials which will be filed with the SEC in connection with the proposed transaction when they become available. Information concerning the interests of Dana's participants in the solicitation, which may, in some cases, be different than those of Dana's stockholders generally, will be set forth in the proxy statement relating to the proposed transaction when it becomes available.

## **Forward-Looking Statements**

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. Forward-looking statements include, among other things, statements about the potential benefits of the proposed transaction; the prospective performance and outlook of the combined company's business, performance and opportunities, including cost synergies and projections; the ability of the parties to complete the proposed transaction and the expected timing of completion of the proposed transaction; as well as any assumptions underlying any of the foregoing. 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. Such risks and uncertainties, include, without limitation, risks related to Dana's ability to complete the proposed transaction on the proposed terms and schedule, including obtaining shareholder and regulatory approvals; unforeseen liabilities; future capital expenditures; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the proposed transaction will not occur; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed transaction; disruption from the proposed transaction, making it more difficult to conduct business as usual or maintain relationships with customers, employers or suppliers; and the possibility that if the combined company does not achieve the perceived benefits of the proposed transaction as rapidly or to the extent anticipated by financial analysts or investors, the market price of the combined company's shares could decline, as well as other risks related to Dana's business.

Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this communication speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.







# Transaction Summary

## Transaction Terms

- Dana to combine with GKN Driveline for consideration of:
  - \$3.5 billion in Dana plc stock (133 million newly issued shares)
  - \$1.6 billion in cash
  - Assumption of certain pension liabilities (approximately \$1.0 billion, net)
- Transaction Value
  - Implied 8.1x 2017 adjusted EBITDA<sup>1</sup> (including assumed pensions)
  - 5.5x 2017 adjusted EBITDA<sup>1</sup> (pro forma for expected cost synergies and tax efficiencies)
  - Dana's current 2017 multiple is 6.7x
- Ownership: Dana shareholders 52.75% / GKN shareholders 47.25%
  - Strong proforma balance sheet with net debt to adjusted EBITDA<sup>1</sup> of 2.0x

## Timing / Approvals

- Subject to customary shareholder and regulatory approvals
- Estimated close in H2 2018

## Corporate Structure

- Dana CEO and CFO will lead global organization
- Dana will expand its Board with two independent designees from GKN
- Combined company to be domiciled in U.K. as Dana plc
- Remains listed on NYSE

<sup>1</sup>Includes GKN's pro rata share of joint ventures.



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



# History and Overview





# Dana & GKN: A Journey of Long-term Partnership

Dowlais Ironworks

1759

GUEST, KEEN & NETTLEFOLDS

1902



1954



1983



1904



1946



1966

Driveline



1995



1999



2002



2011

Discussions Begin  
2017

2018

DAN LISTED NYSE



plc

## Global Transaction History

- 7 Joint Ventures
- 3 Acquisitions by Dana
- 4 Acquisitions by GKN

**Strong cultural fit and long history together**



# Snapshot

Driveline

 Founded in **1966**



2017 sales:  
**\$7.0 billion<sup>1</sup>**



**22**  
Customer  
Recognitions  
in 2017



**~35,000**  
people



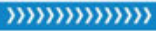
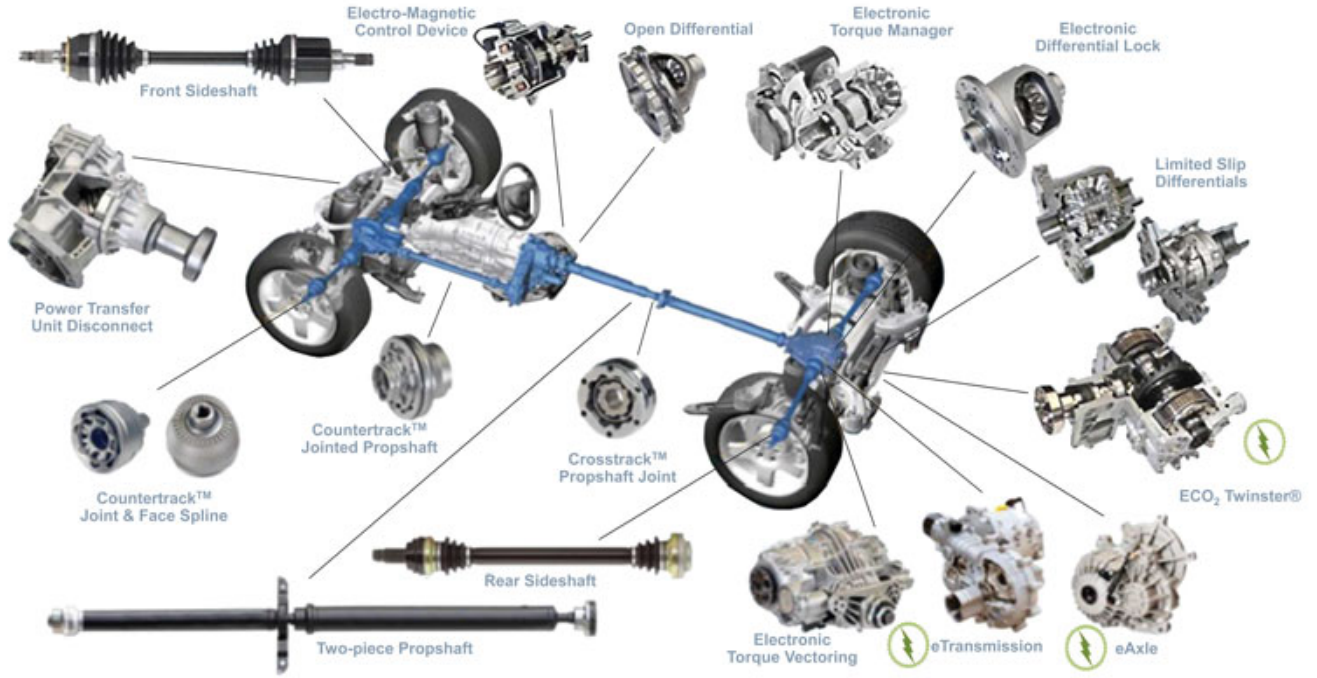
**5**  
R&D  
Centers  
**1,680**  
Patents &  
Applications



<sup>1</sup>Inclusive of pro rata share of joint ventures.



# Complete Driveline Systems Offering

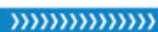




# Strategy and Execution

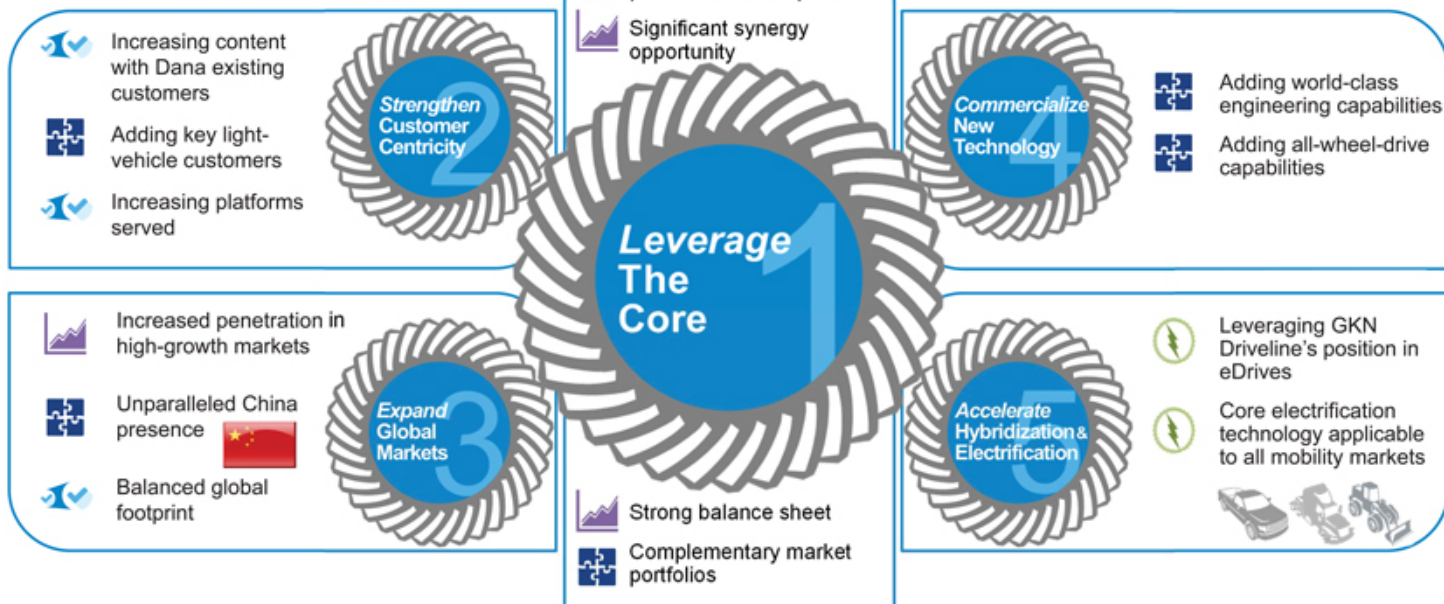


# Compelling Strategic Combination



# Strategic Fit

SHIFTING INTO  
**OVERDRIVE** >>>



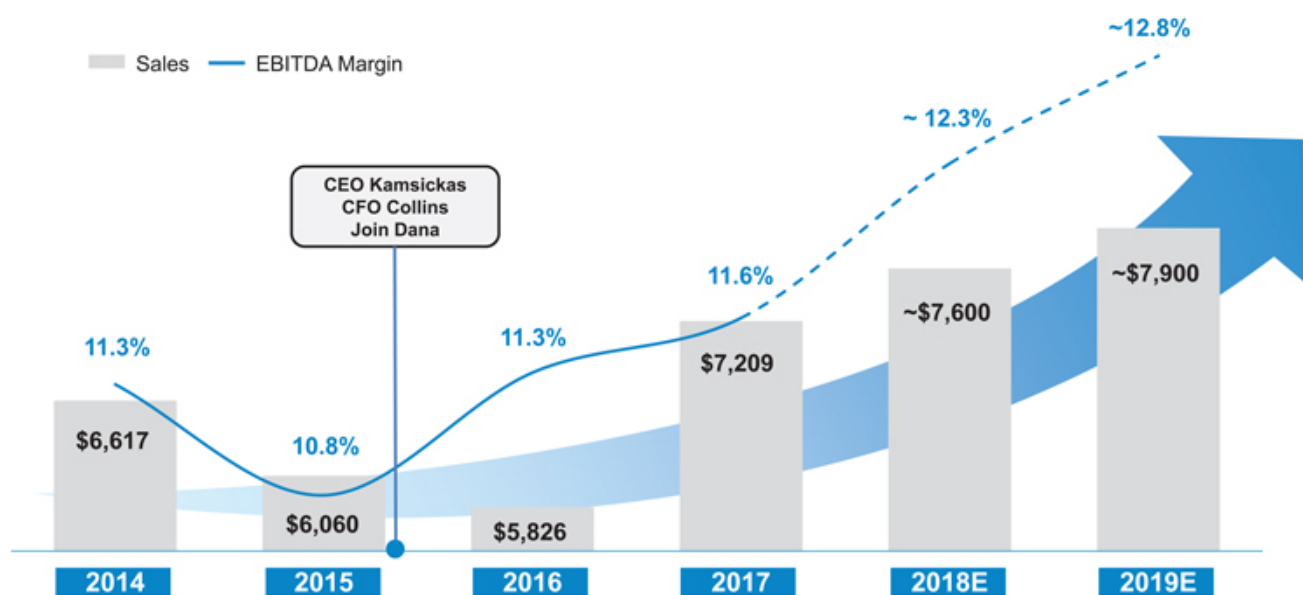


# Proven Acquisition Capability



# Leadership Driving Transformation

(\$ in millions)





# GKN Driveline Highlights



# A Leading Provider of eDrive Systems...

## Pioneer in Electric Driveline Systems

- With 9 programs in production and >700,000 electric axle drives produced to date, GKN Driveline's experience is unmatched
- 8 programs to launch, including 4 in China

### eDrive Offerings

Battery Electric



Co-axial eAxles

Plug-in Hybrid



Integrated eDrive systems

Full Hybrid



Multi-speed eAxles

Mild Hybrid



Multimode eTransmission

Micro Hybrid



Single-speed eAxles

### Illustrative Automotive Platforms



Mitsubishi Outlander



FIAT 500e



Nissan Cube



Peugeot 3008 HY4



BMW X1



BMW 2 series Active Tourer



Volvo XC90



Porsche 918 eSpyder

### Recent Awards



2017 Supplier Quality Excellence Award



2017 Supplier Quality Excellence Award



2016 Certification for Manufacturing Excellence



2015 Eco Innovation of the Year



#### Automotive News PACE Awards

- 2015 Winner – Two-Speed eAxle – BMW
- 2016 Winner – VL3 Driveshaft System – BMW
- 2017 Winner – Volvo eAxle



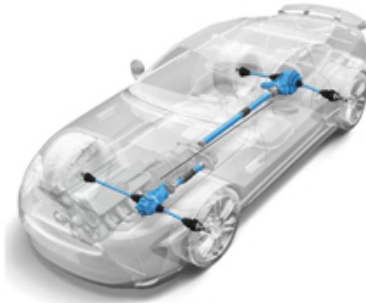
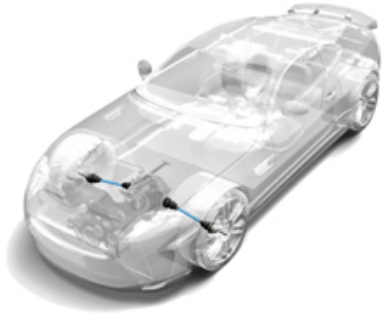
# ... With Growing Content per Vehicle...



Front-Wheel-Drive (FWD)  
Internal Combustion Engine

All-Wheel-Drive (AWD)  
Internal Combustion Engine

FWD – AWD  
Battery Electric



~10x



~2x

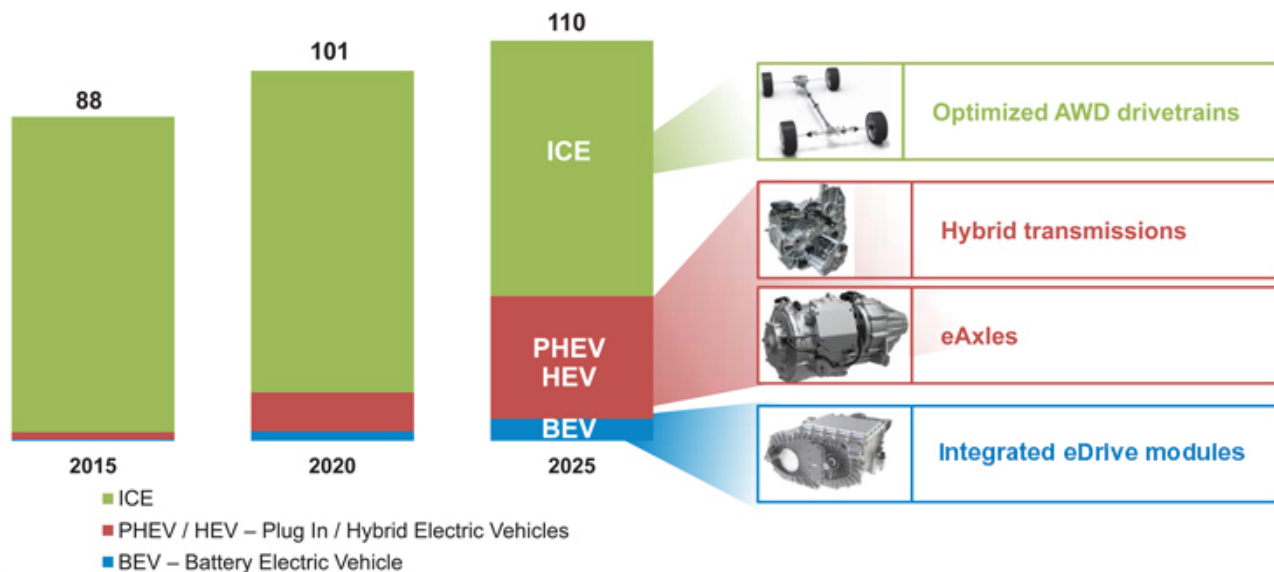
- ▣ Gearbox
- ▣ Motor
- ▣ Inverter
- ▣ Software / Controls



# ... Poised for Exponential Growth...

## The Right Product for Every Vehicle Architecture

(units in millions)



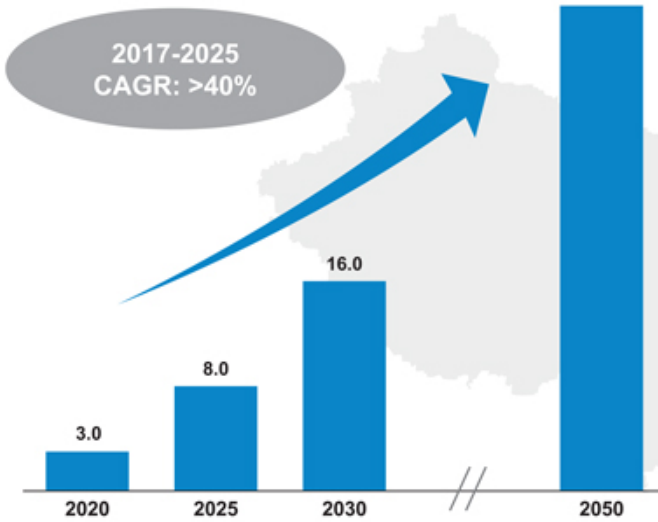
Source: IHS.





## Electric Vehicle Market in China

(units in millions)



## Joint Venture Overview

- » 30 years of experience and growth in China
- » Over \$1.3 billion in sales
- » 1st western Tier 1 automotive components supplier in China
- » **SDS** Shanghai Driveline Systems joint venture, established in 1988 with HUAYU Automotive
- » Strong customer relationships



上汽集团  
SAIC MOTOR



长城汽车  
Great Wall Motors



上海通用汽车  
SHANGHAI GM



FAW





# Combination Rationale





# Unique Strategic Combination





# Scaling Up to be a Global Leader



## A Global Leader in Drive Systems<sup>(1)</sup>

(\$ in billions)



- » Leading provider of drive systems across all 3 major mobility markets
- » Creates the largest driveline supplier in the world

Note: GKN Driveline financials figures converted from GBP to USD at 1.287 GBP/USD.  
<sup>1</sup>Based on 2017 sales figures.





# Most Comprehensive eDrive Offering...



## GKN Electric Driveline Capabilities

Single-speed eAxles



Multi-speed eAxles



Co-axial eAxles



Multimode eTransmissions



Integrated eDrive Systems



## Dana Electric Driveline Capabilities

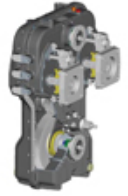
Medium-duty



EP 8 Transit Bus Axle



Mining Transmissions



## Select Vehicles

Sports Cars

CUV/SUV

Electric Vans

City Delivery

Light Trucks

Freight Truck

Transit Bus

Mining Truck



BMW i8



Mitsubishi Outlander



Volvo XC90



Street Scooter



Zenith Electric Van



DongFeng Alpha Bus



Sandvik DD422IE



Gross Vehicle Weight Continuum



Gross Vehicle Weight Continuum



*Dana and GKN's electric-vehicle capabilities and end markets are highly complementary*





# ...With Significant CPV Increase



## Internal Combustion Engine

## Electric

Trucks



~2x



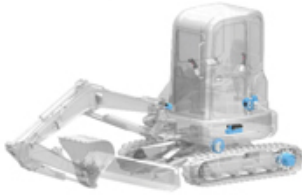
Buses



~2x



Construction



~1x

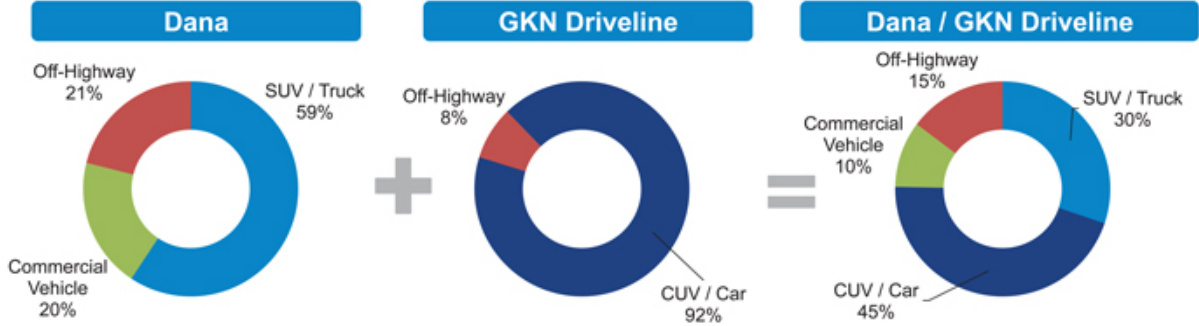




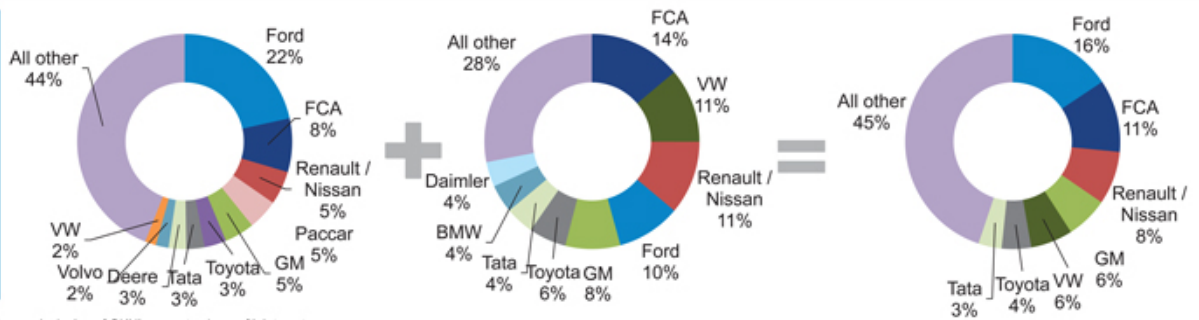
# Diversified Business Mix...



## Balanced End-Market Mix



## Global Coverage of All Major Customers



Note: Based on 2017 sales figures, inclusive of GKN's pro rata share of joint ventures.  
GBP converted to USD at a rate of 1.287.





# ...With a More Complete Product Offering



## Light Vehicle

## Commercial Vehicle

## Off-Highway



X ✓ ✓ ✓

✓ ✓

✓ ✓



✓ ✓ X X

X X

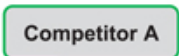
✓ ✓



✓ ✓ ✓ ✓

✓ ✓

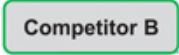
✓ ✓



X X ✓ ✓

X X

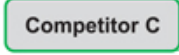
X X



X X X X

✓ ✓

X X



X X X X

X X

✓ ✓

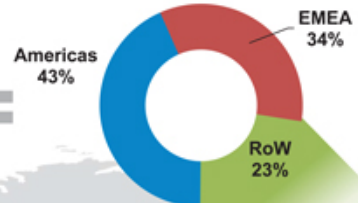
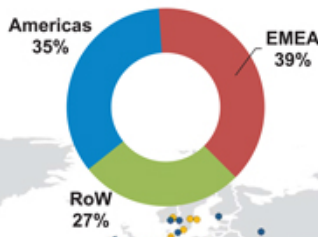
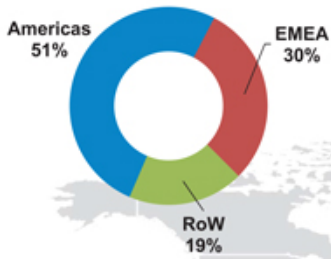




# Balanced Geographic Presence ...



## Dana      GKN Driveline      Dana / GKN Driveline

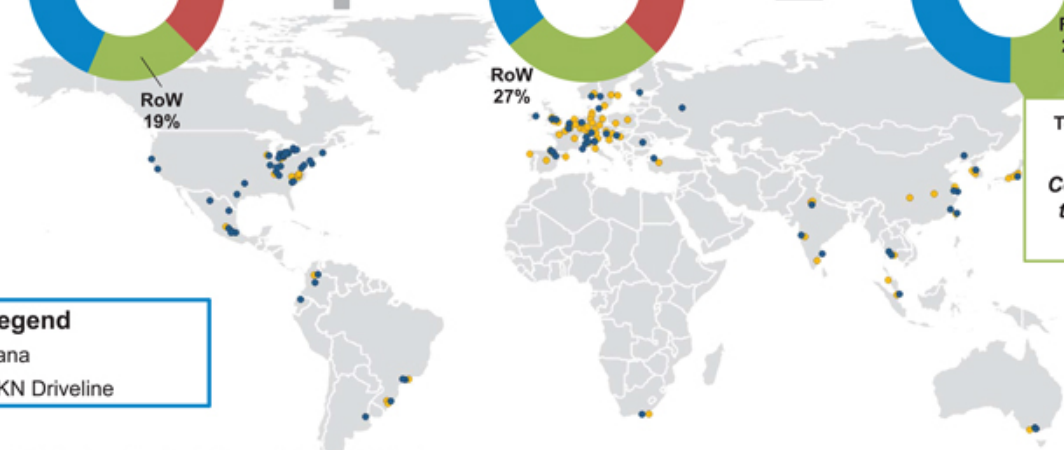


Total pro forma combined sales in China of \$2.6B<sup>1</sup>  
 Combination brings together two of the largest driveline joint ventures in China



**Legend**

- Dana
- GKN Driveline



Note: Based on 2017 sales figures, inclusive of GKN's pro rata share of SDS joint venture. GBP converted to USD at a rate of 1.287.

<sup>1</sup>Inclusive of 100% of DDAC joint venture (Dana) and 100% of SDS joint venture (GKN).



# ...With Industry Leading Joint Ventures in China

## Top Chinese Light Vehicle OEMs

	OEM	Supplier	Joint Venture
#1	SAIC MOTOR	GKN Driveline	SDS
#2			
#3			
#4	北京汽车 BAIC MOTOR		
#5	Great Wall		

## Top Chinese Commercial Vehicle OEMs

	OEM	Supplier	Joint Venture
#1	DFM	DANA	DDAC
#2	FAW		
#3	WEICHAI		
#4	北京汽车 BAIC MOTOR		
#5	JAC		

**Dana and GKN have joint ventures with the largest Chinese OEMs**

Source: IHS.



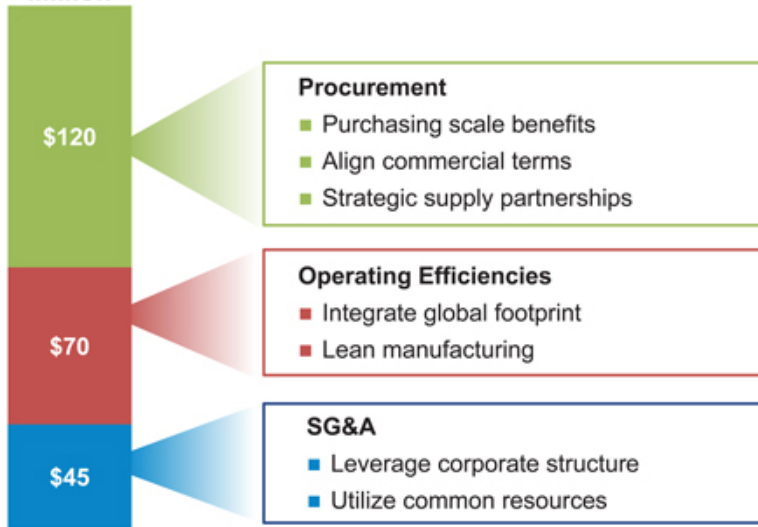




# Significant Synergies



~\$235  
Million



### Procurement

- Purchasing scale benefits
- Align commercial terms
- Strategic supply partnerships

### Operating Efficiencies

- Integrate global footprint
- Lean manufacturing

### SG&A

- Leverage corporate structure
- Utilize common resources

- » Synergies equal to ~1.7% of combined sales
- » Synergies to be implemented within first three years
- » Three-year implementation cost expected to be between \$250-\$300 million

**Significant and achievable near-term cost synergy plan**

Note: Please see Synergy Information rider at the end of presentation for further synergies details.





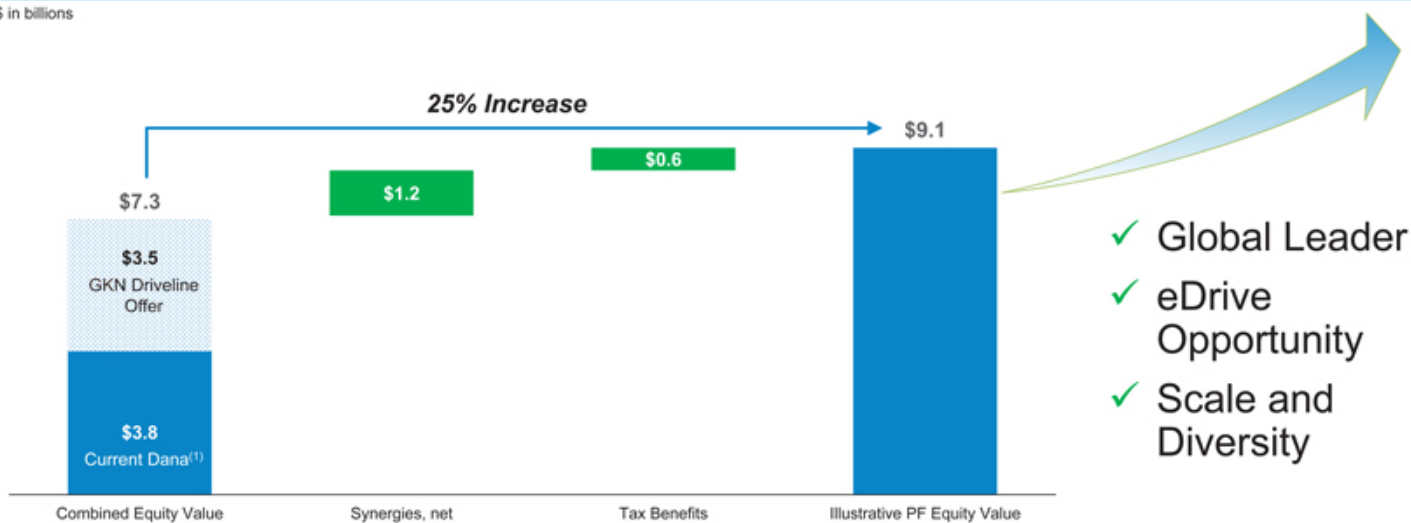
# Value Creation



# Significant Shareholder Value Creation

## Illustrative Pro Forma Equity Value

\$ in billions



**Substantial incremental value potential from expected synergies and tax benefits**

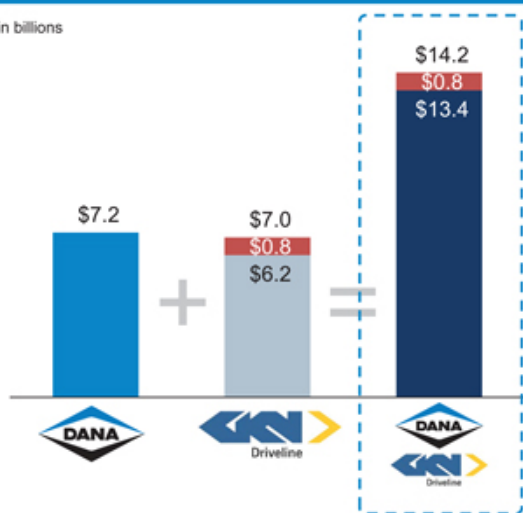
Source: Dana and GKN Management.  
<sup>1</sup>Equity value as of 3/8/18 close.



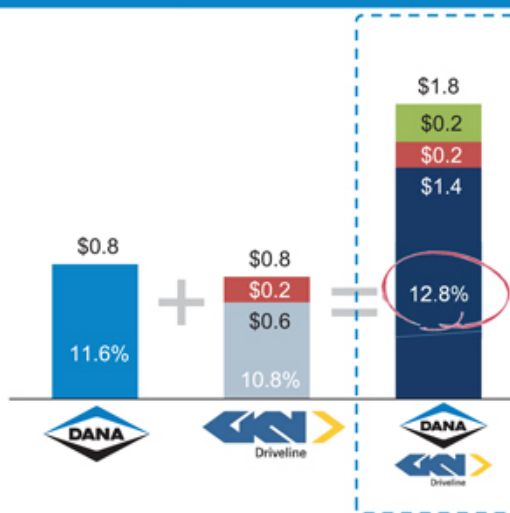
# Attractive Financial Profile

## 2017 Sales

\$ in billions

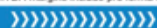


## 2017 Adjusted EBITDA / Margin<sup>1</sup>



■ Proportional Unconsolidated JV Sales ■ Run-Rate Synergies

Source: Dana financials based on reported financials. GKN DriveLine financials on reported financials, including restatement of Off-Highway business per 1H 2017 financials GKN JV D&A based on trading profit %.  
 Note: \$ in billions. GBP converted to USD at 1.267.  
<sup>1</sup>Adjusted for estimated R&D capitalized by GKN DriveLine of \$32m.  
<sup>2</sup>EBITDA margins include pro forma synergies.



# Strong Balance Sheet

## Pro Forma Capitalization

(\$ in millions)	Dana 12/31/2017	Transaction Adjustments	Pro Forma 12/31/2017
Cash and Marketable Securities	643	–	643
Undrawn Revolver	578	625	1,203
<b>Liquidity</b>	<b>\$1,221</b>	<b>\$625</b>	<b>\$1,846</b>
Term Loan A	275	250	525
Senior Notes	1,500	1,775	3,275
Other Debt	46	–	46
<b>Total Debt</b>	<b>\$1,821</b>	<b>\$2,025</b>	<b>\$3,846</b>
<b>Net Debt</b>	<b>\$1,178</b>	<b>\$2,025</b>	<b>\$3,203</b>
<b>Adjusted EBITDA (pre-synergies)</b>	<b>\$835</b>	<b>\$757<sup>1</sup></b>	<b>\$1,592</b>
Net Leverage	1.4x	0.6x	2.0x

- » Committed debt financing in place
- » No maturities until 2023
- » Robust liquidity approaching \$2 billion
- » Cash flow generation enables rapid deleveraging on path to investment grade credit metrics
- » Pensions assumed from GKN largely “Pay-as-you-go”; UK plan fully-funded at close

<sup>1</sup>Includes GKN's pro rata share of joint ventures



# A Winning Proposition for All Stakeholders

## Stakeholders



- Substantial synergies and significant value creation potential
- Transformational leadership team
- Dana has increased shareholder value by more than 130% over the past two years
- Best-in-class global governance

## Customers



- OEMs prefer working with suppliers they trust and have developed partnerships with over many years
- Full alignment on long-term investment to develop differentiated products
- Benefits from pooling of two suppliers with complementary strengths and technologies

## Employees



*People Finding A Better Way®*

- Dana's exceptional people culture focused on employee engagement
- Strong, complementary cultures with an engineering DNA
- Energized and talented global workforce
- Broader opportunities for all employees
- Diversity driving an inclusive work environment



# Unique Strategic Combination





**Accelerating  
Electrified  
Mobility**



**Growing Through  
Transformation**



**Executing Enterprise  
Strategy**



**Increasing  
Shareholder Value**

*People Finding A Better Way®*





# Non-GAAP Financial Information

The preceding slides refer to Adjusted EBITDA, a non-GAAP financial measure which we have defined as net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense 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 income before income taxes, net income 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 charges, amortization expense and other adjustments not related to our core operations (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 net 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](http://www.dana.com/investors) for 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 and diluted EPS. Providing net income 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 and diluted EPS, including restructuring actions, asset impairments and income tax valuation adjustments. The reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented on our website are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.





# Synergy Information

The information regarding synergies and similar information elsewhere in this presentation relate to the synergies being targeted by Dana following the consummation of the transactions. The estimates and forward-looking statements are necessarily speculative in nature and it can be expected that some or all of the assumptions relating to such information may not materialize or will vary significantly from actual results. As a result, there is no assurance that the synergies will be realized. We undertake no obligation to update publicly any information relating to synergies or other forward-looking statement for any reason after the date of this document to conform these statements to actual results or to changes to our expectations.



Filed by Dana Incorporated  
Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934  
Subject Company: Dana Incorporated  
(Commission File No. 001-01063)

# News Release



## Dana Announces Agreement to Combine with GKN's Driveline Division

- *Creates a global leader in vehicle drive systems and electric propulsion*
- *Significantly increases scale – combined sales of \$13.4 billion*
- *Anticipated run-rate cost synergies of \$235 million*
- *Accretive to Dana's adjusted earnings per share in 2019*

MAUMEE, Ohio, Mar. 9, 2018 – Dana Incorporated (NYSE: DAN) announced today that it has signed definitive agreements to combine with the Driveline division of GKN plc (LON: GKN) to create Dana plc, a global leader in driveline systems. The total consideration is composed of \$1.6 billion in cash proceeds to GKN plc, the assumption of approximately \$1.0 billion of net pension liabilities, and 133 million new Dana plc shares issued to GKN's shareholders, valued at approximately \$3.5 billion (based on Dana's share price as of March 8, 2018).

Under terms of the agreements, Dana shareholders will own approximately 52.75 percent of the company with GKN shareholders owning 47.25 percent. The combined company will be domiciled in the United Kingdom as Dana plc and will continue to trade on the New York Stock Exchange under the ticker symbol DAN.

“This transformative and strategic transaction solidifies Dana as a world leader in vehicle drive systems and establishes a leading position in electric propulsion, which we see as the future of vehicle drivetrains,” said James Kamsickas, president and CEO of Dana. “We have a long history of partnering with GKN, and the companies possess similar cultures and exceptionally talented people. Our highly complementary businesses share a deep understanding of our customers' long-term requirements. We look forward to welcoming GKN Driveline into the Dana family and to delivering value and growth to our shareholders.”

### Compelling Strategic Rationale for the Combination

- **Scaling the Portfolio:** With pro forma sales of approximately \$13.4 billion in 2017, the company will be the global leader in vehicle drive systems across all three major mobility markets – light vehicle, commercial vehicle, and off-highway.
- **Leading Electrification:** Core eDrive technology portfolio uniquely positions the company to capitalize on electrification opportunities in a rapidly changing market with significant growth potential.

- **Completing the Platform:** The combined entity will provide global coverage to all major customers with an enhanced product portfolio, balanced end markets, and a diverse geographic presence – strengthening the company’s presence in key markets such as China.
- **Delivering Value:** The combined company will have a strong balance sheet, and the transaction is expected to result in \$235 million of annual cost synergies within three years and be accretive to earnings in the first full year.

Keith Wandell, non-executive chairman of the Dana Board of Directors, said, “This combination of global leaders results in a unique platform benefiting from the key trends of electrification and global emerging market growth, underpinned by substantial synergies. We look forward to welcoming our new board members and shareholders to create true value for all of our stakeholders.”

Headquartered in the United Kingdom, GKN Driveline has built market leadership positions in three light-vehicle product segments – constant-velocity jointed driveshafts, all-wheel-drive systems, and electrified driveline solutions. The business has expertise across mechanical systems, electronic and software control, and particularly vehicle integration. The transaction also includes GKN’s Off-Highway Powertrain Services business, an expert in off-highway power delivery and service.

With approximately 35,000 employees, GKN Driveline has operations in 23 countries and has 61 manufacturing locations, including one of the largest driveline businesses in China via its joint venture, Shanghai GKN Huayu Driveline Systems (known as SDS). In 2017, the business generated consolidated sales of approximately \$6.2 billion.

#### Financial Highlights

Dana has put in place committed debt financing to fund the cash consideration and will issue 133 million shares of Dana plc stock to GKN shareholders to consummate the transaction. This mix of consideration preserves the company’s strong balance sheet, with an expected net debt / adjusted EBITDA ratio (including GKN’s share of its China joint venture but excluding any synergies) of approximately 2.0x.

Dana expects to deliver annual run-rate cost synergies of \$235 million within three years. The combination will also yield tax benefits, creating further value for shareholders. The transaction is expected to be accretive to Dana’s diluted adjusted EPS in 2019.

“We believe this transaction will result in a much stronger Dana, both strategically and financially, by taking advantage of the combined company’s global scale, technology leadership, strong balance sheet, and attractive cash flow profile,” said Jonathan Collins, executive vice president and chief financial officer of Dana. “In the near-term, we expect our business to achieve best-in-class returns on capital and continue on the path to an investment grade credit profile.”

Dana expects to complete the transaction, which is subject to shareholder and customary regulatory approvals, in the second half of 2018.

Credit Suisse and Barclays acted as M&A advisers to Dana. Credit Suisse served as lead adviser and provided a fairness opinion to Dana's Board of Directors. Credit Suisse, Barclays, and Citi provided committed financing to Dana for the transaction. Maven Global acted as capital markets adviser to Dana. Paul, Weiss, Rifkind, Wharton & Garrison LLP and Macfarlanes LLP acted as legal advisers to Dana.

In addition, the Dana Board of Directors was advised by Skadden, Arps, Slate, Meagher & Flom as legal advisers and PJT Partners as financial advisers.

#### Governance and Leadership

Effective as of the closing of the transaction, Mr. Wandell will serve as non-executive chairman and Mr. Kamsickas will be president, chief executive officer, and a director of the new company. In addition to the Dana representatives, the board of directors of combined company will include two representatives to be designated by GKN.

#### Dana to Host Conference Call at 8:30 a.m. Today

Dana will host a webcast and conference call at 8:30 a.m. EST today. Participants may listen to the audio portion of the conference call either through audio streaming online or by telephone. Slide viewing is available online via a link provided on the Dana investor website: [www.dana.com/investors](http://www.dana.com/investors). U.S. and Canadian locations should dial 1-888-311-4590 and international locations should call 1-706-758-0054. Please enter conference I.D. 7897632 and ask for the "Dana Webcast and Conference Call." Phone registration will be available starting at 8 a.m. EST.

An audio recording of the webcast will be available after 5:30 p.m. EST on March 9 by dialing 1-855-859-2056 (U.S. or Canada) or 1-404-537-3406 (international) and entering conference I.D. 7897632. A webcast replay will also be available after 5:30 p.m. EST and may be accessed via Dana's investor website.

#### Non-GAAP Financial Information

This release refers to adjusted EBITDA, a non-GAAP financial measure which we have defined as net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense 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 income before income taxes, net income 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 (loss) attributable to the parent company, excluding any nonrecurring income tax items, restructuring and impairment expense, amortization expense, and other adjustments not related to our core operations (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.

Please reference the “Non-GAAP Financial Information” accompanying our quarterly earnings conference call presentations on our website at [www.dana.com/investors](http://www.dana.com/investors) for reconciliations of adjusted EBITDA and diluted adjusted EPS 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 and diluted EPS. Providing net income 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 and diluted EPS, including restructuring actions, asset impairments and income tax valuation adjustments. The reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented on our website are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

#### Important Information for Investors and Stockholders

This release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction between Dana and GKN, an entity to be created for this transaction (“SpinCo”) will file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 containing a joint proxy statement/prospectus, which will constitute a preliminary prospectus of SpinCo and a preliminary proxy statement of Dana, and Dana will file with the SEC a proxy statement on Schedule 14A. The materials to be filed by Dana and SpinCo will be made available to Dana’s investors and stockholders at no expense to them and, once available, copies may be obtained free of charge on Dana’s website at [www.dana.com](http://www.dana.com). In addition, all of those materials will be available at no charge on the SEC’s website at [www.sec.gov](http://www.sec.gov). Investors and stockholders of Dana are urged to read the registration statement on Form S-4, the proxy

statement and other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction because they contain important information about the proposed transaction and the parties to the proposed transaction.

Dana and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies of Dana stockholders in connection with the proposed transaction. Investors and stockholders may obtain more detailed information regarding the names, affiliations and interests of certain of Dana's executive officers and directors in the solicitation by reading Dana's preliminary proxy statement for its 2018 annual meeting of stockholders, Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and proxy statement and other relevant materials which will be filed with the SEC in connection with the proposed transaction when they become available. Information concerning the interests of Dana's participants in the solicitation, which may, in some cases, be different than those of Dana's stockholders generally, will be set forth in the proxy statement relating to the proposed transaction when it becomes available.

#### Forward-Looking Statements

Certain statements and projections contained in this release 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. Forward-looking statements include, among other things, statements about the potential benefits of the proposed transaction; the prospective performance and outlook of the combined company's business, performance and opportunities, including cost synergies and projections; the ability of the parties to complete the proposed transaction and the expected timing of completion of the proposed transaction; as well as any assumptions underlying any of the foregoing. 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. Such risks and uncertainties, include, without limitation, risks related to Dana's ability to complete the transaction on the proposed terms and schedule, including obtaining shareholder and regulatory approvals; unforeseen liabilities; future capital expenditures; risks associated with business combination transactions, such as the risk that the businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the transaction will not occur; risks related to future opportunities and plans for the combined company, including uncertainty of the expected financial performance and results of the combined company following completion of the proposed

transaction; disruption from the proposed transaction, making it more difficult to conduct business as usual or maintain relationships with customers, employers or suppliers; and the possibility that if the combined company does not achieve the perceived benefits of the proposed transaction as rapidly or to the extent anticipated by financial analysts or investors, the market price of the combined company's shares could decline, as well as other risks related to Dana's business.

Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this release speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

#### **About Dana Incorporated**

Dana is a world leader in highly engineered solutions for improving the efficiency, performance, and sustainability of powered vehicles and machinery. Dana supports the passenger vehicle, commercial truck, and off-highway markets, as well as industrial and stationary equipment applications. Founded in 1904, Dana employs more than 30,000 people in 33 countries on six continents who are committed to delivering long-term value to customers. Based in Maumee, Ohio, USA, the company reported sales of \$7.2 billion in 2017. Dana is ranked among the Drucker Institute's listing of the 250 most effectively managed companies. For more information, please visit [dana.com](http://dana.com).

#### **Investor Contact**

Craig Barber  
419.887.5166

#### **U.S. Media Contact**

Jeff Cole  
419.887.3535

#### **U.K. Media Contact**

Rollo Head, James Murgatroyd, or Gordon Simpson  
Finsbury  
The Adelphi  
1-11 John Adam Street  
London  
WC2N 6HT  
+44 207 251 3801