



2022 Third-quarter Earnings Conference Call

October 27, 2022



People Finding A Better Way[®]



Safe Harbor Statement

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.

Agenda



- **Introduction**

Craig Barber

*Senior Director, Investor Relations
and Strategic Planning*

- **Business Review**

James Kamsickas

*Chairman and
Chief Executive Officer*

- **Financial Review**

Timothy Kraus

*Senior Vice President
and Chief Financial Officer*



Business Highlights: 2022 Third Quarter

Financial Results

sales

\$2.5 billion

↑ \$331M from prior year

free cash flow

\$77 million

↑ \$247M from prior year

adjusted EBITDA

\$192 million

↓ \$18M from prior year

diluted adjusted EPS

\$0.24

↓ 17¢ from prior year

Key Items

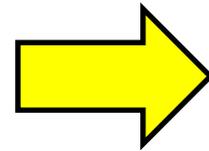
- 2022 Market Update
- 8th PACE Award Win
- EV Market Penetration
- Next-Gen Jeep[®] Wrangler

Electrification.
Delivered.[™]



2022 Market Update

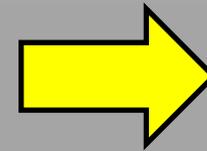
OEM Production Efficiency



Impact to
Dana Outlook

- OEM supply constraints driving volatile demand, leading to inefficient, stop-and-go production
 - Disrupted order patterns continued
 - Largest impact in light-vehicle markets
- OEM supply constraints will likely continue for remainder of the year

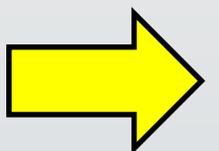
Inflation, Currency, & Commodities



Impact to
Dana Outlook

- Other cost inflation continues:
 - Energy
 - Labor
 - Transportation / Fuel
- Net inflation sequentially higher, in-line with current guidance
- Cost recovery actions continue
- Strong U.S. dollar translating to lower sales and profit
- Metals prices moderating
 - Expected to be slight profit tailwind

Market Demand



Impact to
Dana Outlook

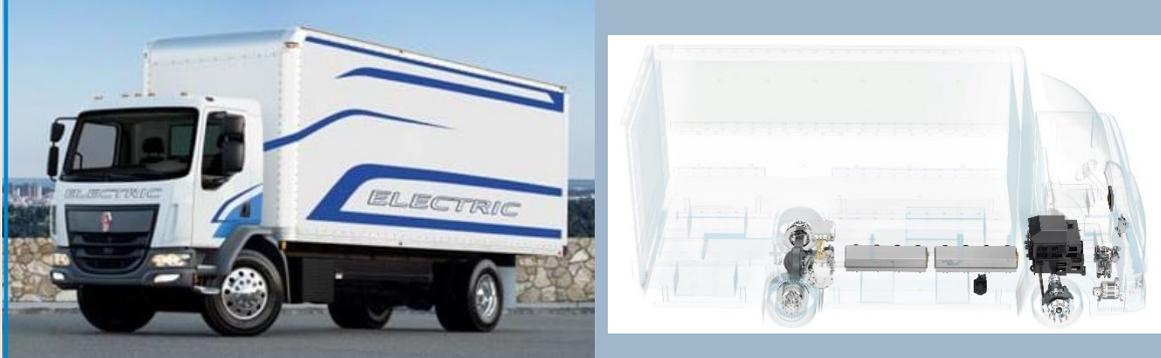
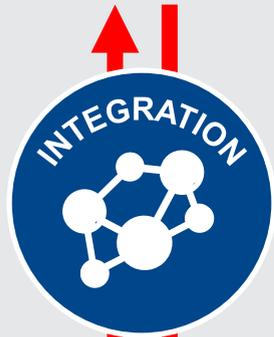
- Dealer vehicle and equipment inventories remain low
- User demand for key vehicle platforms remain strong
- Order book remains strong for heavy vehicles into 2023

Cost inflation and volatile production schedules continue to pressure margin growth

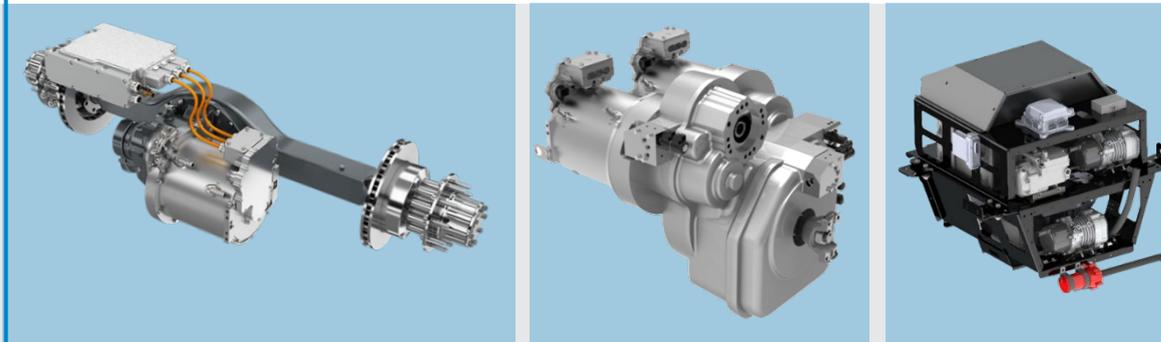
Dana Wins 8th PACE Award



Product Levels



Award-winning complete vehicle integration of e-Propulsion and e-Power



Expertise in complete 4-in-1 e-Propulsion and e-Power systems expands customer value proposition



Built on a foundation of Dana's in-house design, engineering, and manufacturing of world-class electrodynamic products

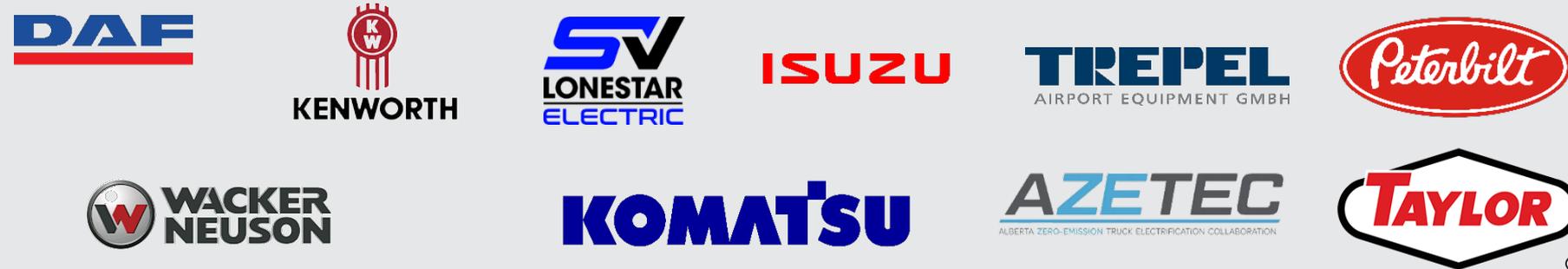
Complete e-Systems capabilities and applications across the value chain to serve all markets

EV Penetration at All Levels and Markets



Product Levels

Select Dana Customers Across All Markets



CONFIDENTIAL
To Be Announced



CONFIDENTIAL
To Be Announced



CONFIDENTIAL
To Be Announced

Complete e-Systems capabilities and applications across the value chain to serve all markets

Next-Gen Jeep® Wrangler and Gladiator



WRANGLER



GLADIATOR

STELLANTIS

- Next-generation **Jeep**
- Key multi-year Light Vehicle driveline program
- 80+ years of collaboration on Jeep Wrangler programs



Front axles · Rear axles · Driveshafts



Financial Review

People Finding A Better Way[®]

DAN
LISTED
NYSE

2022 Q3 Financial Results



- Sales growth primarily due to increased demand in all our end-markets and recovery of commodity and other cost inflation, offset by currency headwinds
- Higher inflation and inefficiencies driven by rapidly changing customer order patterns driving lower profitability
- Net loss related to Commercial Vehicle goodwill impairment charge which is attributed to continuing cost inflation, demand pattern disruptions and higher discount rates
- Higher FCF driven improved working capital management

Changes from Prior Year

(\$ in millions except EPS)

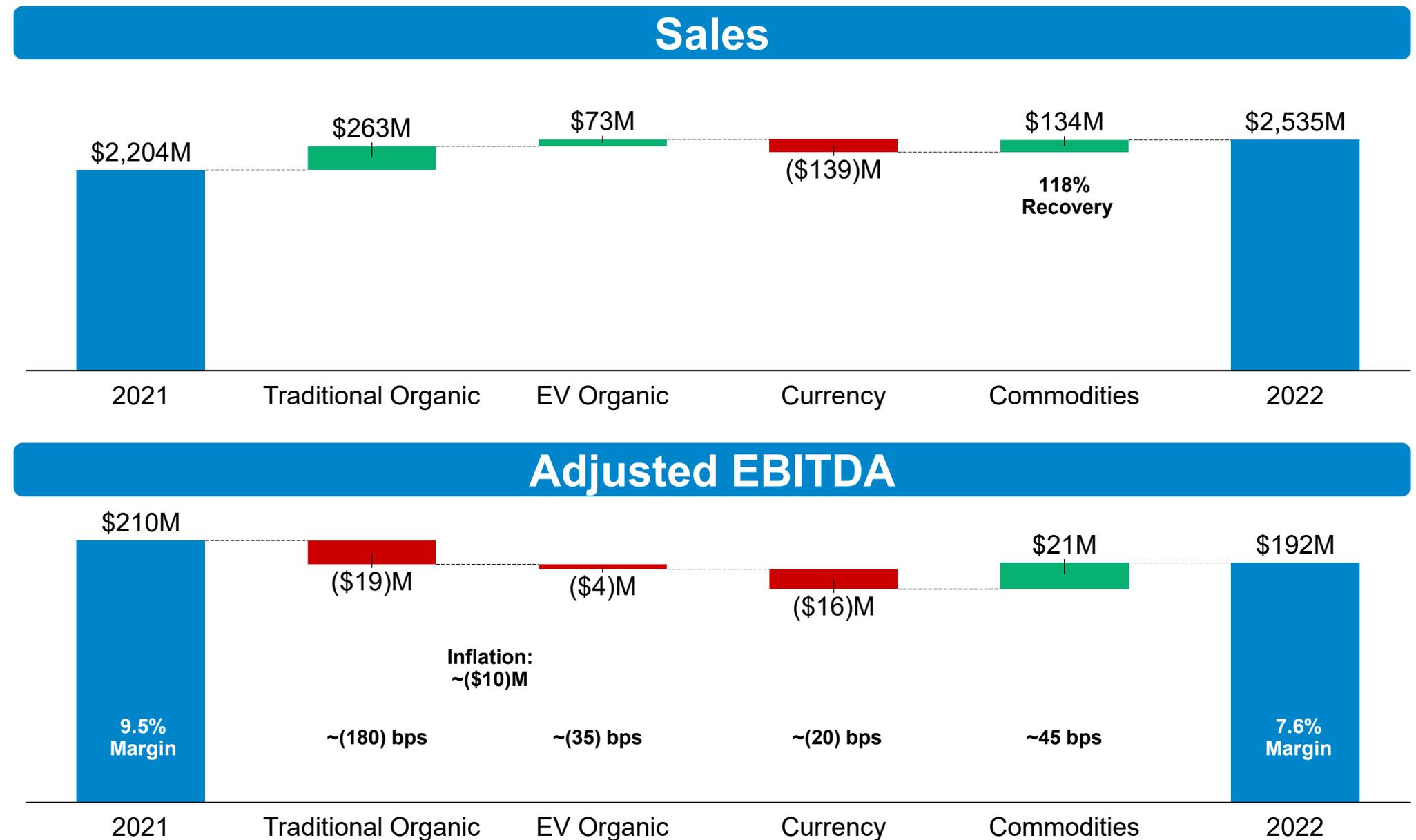
	<u>Q3 '22</u>	<u>Q3 '21</u>	<u>Change</u>
Sales	\$ 2,535	\$ 2,204	\$ 331
Adjusted EBITDA	192	210	(18)
Margin	7.6%	9.5%	(190) bps
Impairment of Goodwill	(191)	-	(191)
EBIT	(101)	94	(195)
Interest Expense, Net	30	29	1
Income Tax Expense	31	20	11
Net Income (Loss) (attributable to Dana)	(88)	48	(136)
Adjusted Net Income (attributable to Dana)	34	60	(26)
Diluted Adjusted EPS	\$ 0.24	\$ 0.41	\$ (0.17)
Operating Cash Flow	171	(75)	246
Capital Spending	94	95	(1)
Free Cash Flow	77	(170)	247

Cost inflation and demand pattern disruptions driving lower margin



2022 Q3 Sales and Profit Changes

- Organic growth driven by strong sales and cost recoveries
- Net cost inflation of ~\$10 million and customer-demand-driven operational environment causing negative organic conversion
- Continued investment in EV business offsetting profit contribution
- Translation of foreign currencies to U.S. dollars, primarily the euro, rupee, and baht was a headwind to sales, profit, and margin
- Lower commodity costs and higher customer recoveries benefiting margin



Cost inflation and operational environment driving profit headwind



2022 Q3 Free Cash Flow

- Free cash flow driven by improved working capital management
- Higher cash interest due to revised timing of payments resulting from last year's refinancing actions
- Higher cash taxes due to timing of regional payments
- Alignment of working capital with operational environment driving improvement

Changes from Prior Year

(\$ in millions)

	<u>Q3 '22</u>	<u>Q3 '21</u>	<u>Change</u>
Adjusted EBITDA	\$ 192	\$ 210	\$ (18)
One-time Costs¹	(3)	(7)	4
Interest, net	(26)	(6)	(20)
Taxes	(47)	(27)	(20)
Working Capital / Other²	55	(245)	300
Capital Spending	(94)	(95)	1
Free Cash Flow	\$ 77	\$ (170)	\$ 247

¹ Includes costs associated with business acquisitions and divestitures and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

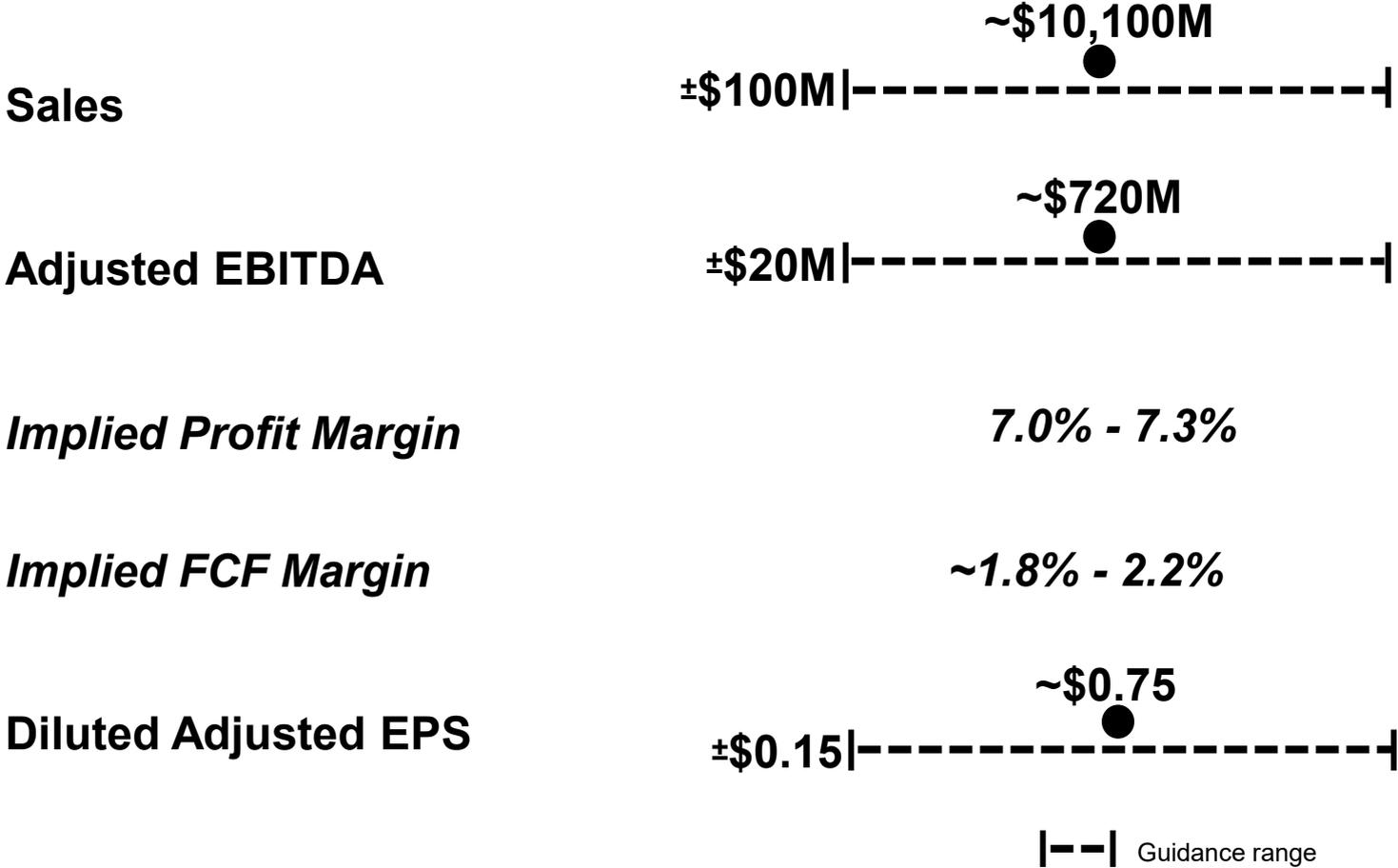
Working capital improvement driving strong free cash flow



2022 FY Financial Guidance

- Reaffirmed full-year guidance ranges
- Sales supported by strong end-market demand and cost recovery actions
- Cost inflation and customer driven production inefficiencies compressing margin
- Translation of foreign currency expected to be a sales and profit headwind

Guidance Ranges

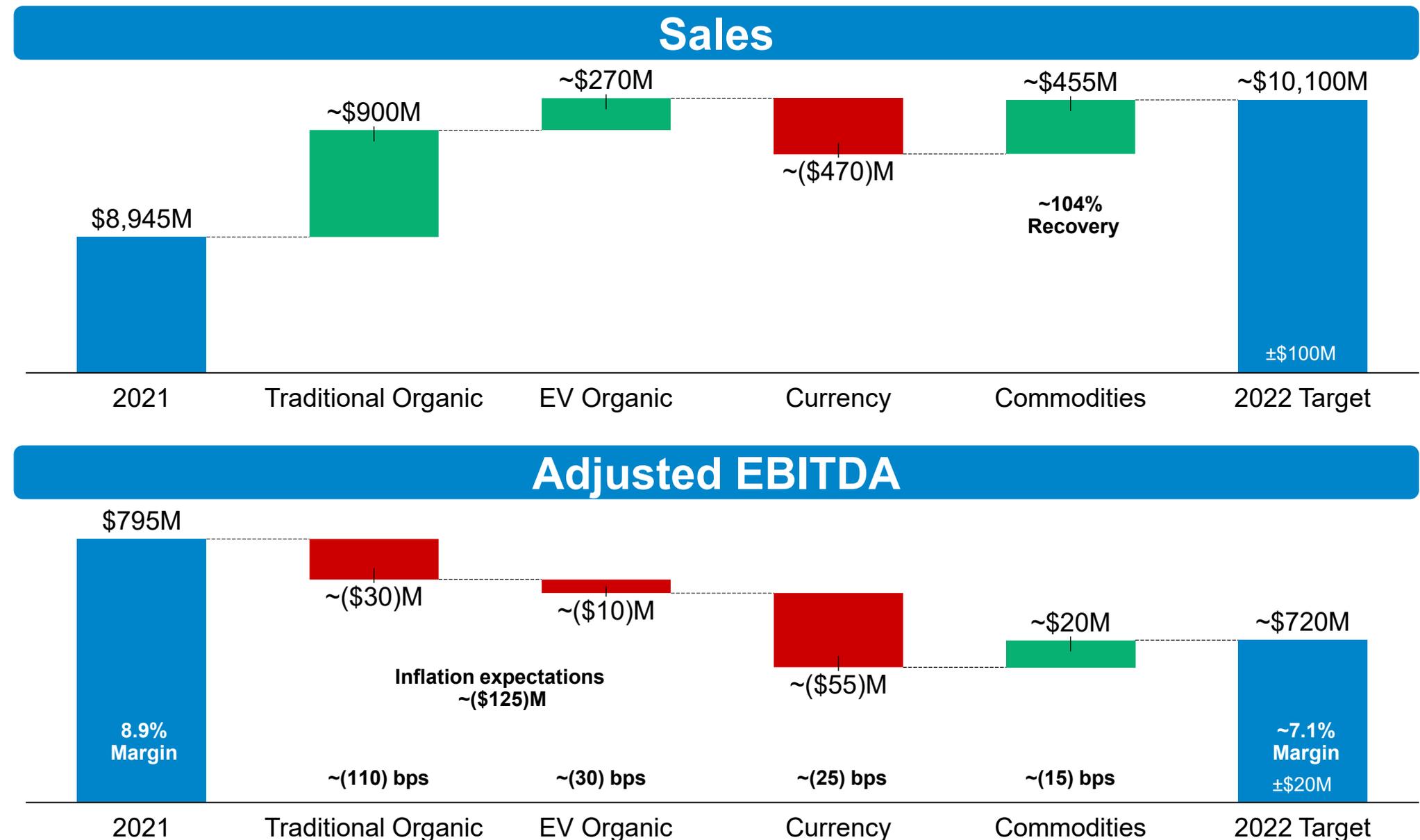


End-customer demand remains strong; cost inflation and currency pressuring margins



2022 FY Sales and Profit Changes

- End-market growth driven by increased production in light vehicles and continued recovery in heavy-vehicle markets
- Net cost inflation of ~\$125 million, along with operational inefficiencies, driving reduced organic conversion
- EV growth driving higher investment, offsetting profit contribution from early low-volume programs
- Higher commodity costs in prior periods resulting in increased recoveries adding to sales; slight profit benefit as commodity costs abate



Margin headwinds continue due to higher raw material cost and inflation



2022 FY Free Cash Flow Guidance

- Management of working capital improving free cash flow
- Working with customers and suppliers to better align terms with market conditions
- Elevated capital spending due to strong demand for EV product and to support new business launches

Changes from Prior Year

(\$ in millions)

	<u>2022T</u>	<u>2021A</u>	<u>Change</u>
Adjusted EBITDA	\$ ~720	\$ 795	\$ ~(75)
One-time Costs¹	~(15)	(31)	~15
Interest, net	~(110)	(101)	~(10)
Taxes	~(145)	(99)	~(45)
Working Capital / Other²	~190	(406)	~595
Capital Spending	~(440)	(369)	~(70)
Free Cash Flow	\$ ~200	\$ (211)	\$ ~410

¹ Includes costs associated with business acquisitions and divestitures and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

Improved working capital management driving higher free cash flow



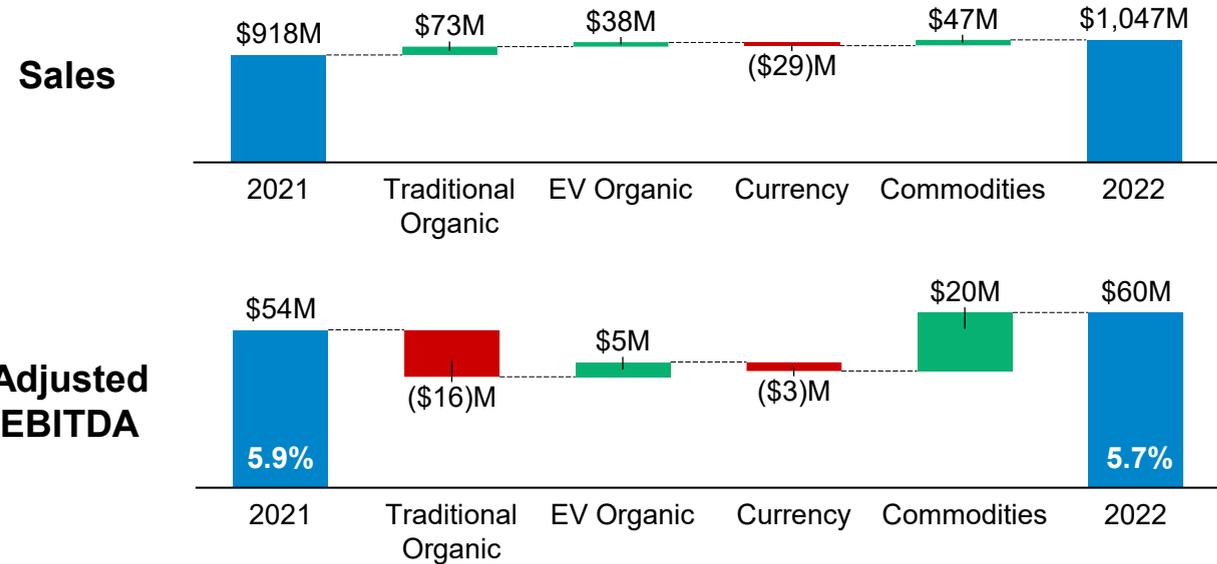
Appendix



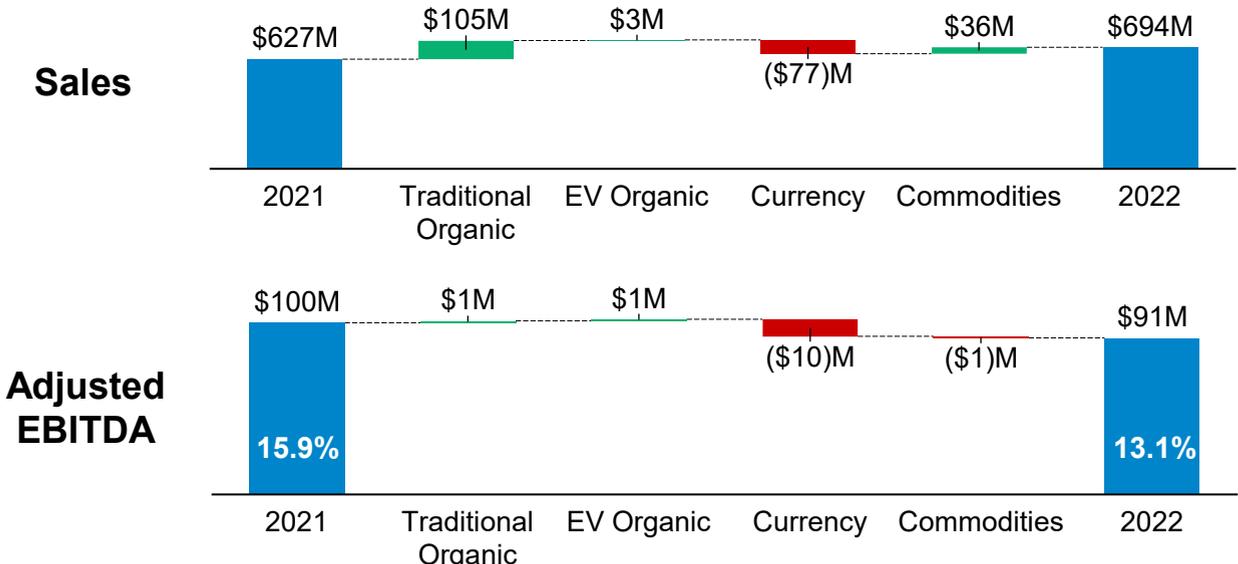
2022 Q3 Sales and Profit Change by Segment



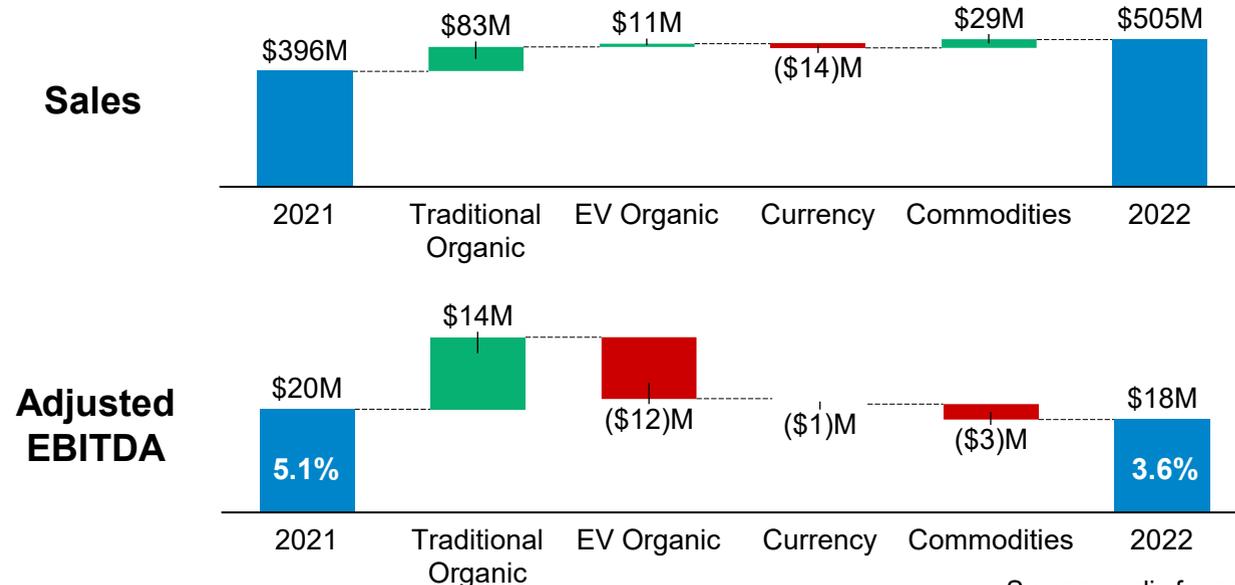
Light Vehicle Drive Systems



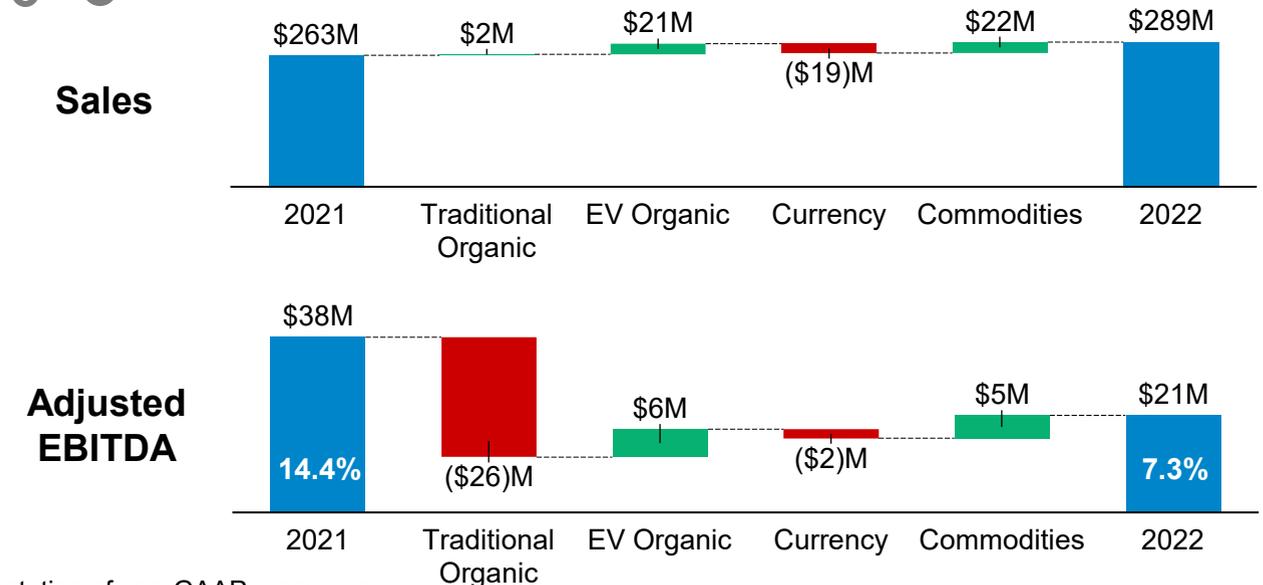
Off-Highway Drive and Motion Systems



Commercial Vehicle Drive and Motion Systems



Power Technologies



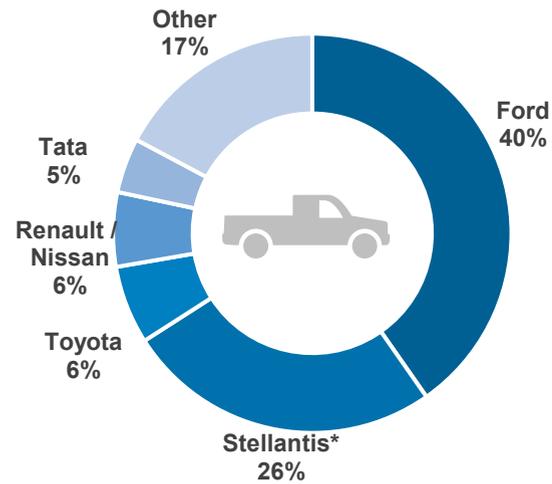
See appendix for comments regarding the presentation of non-GAAP measures

Segment Profiles

CUSTOMER SALES

Light Vehicle Drive Systems

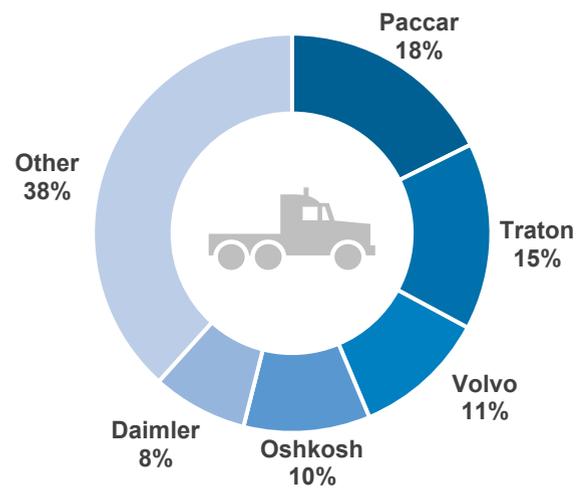
Year to Date 9/30/2022



* Includes sales to systems *integrations* for driveline products that support Stellantis vehicles

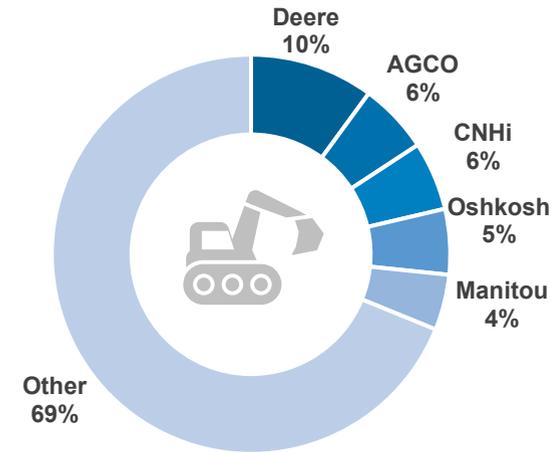
Commercial Vehicle Drive and Motion Systems

Year to Date 9/30/2022



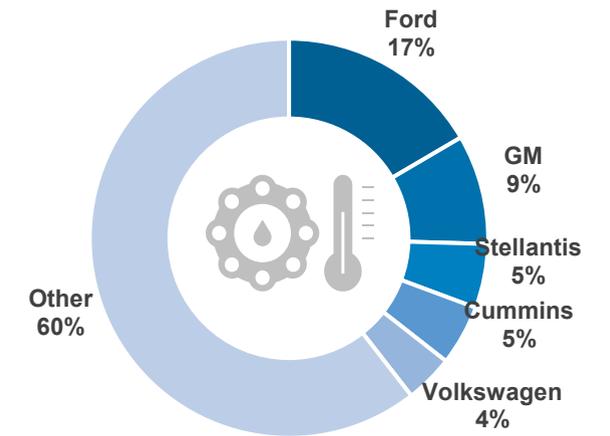
Off Highway Drive and Motion Systems

Year to Date 9/30/2022

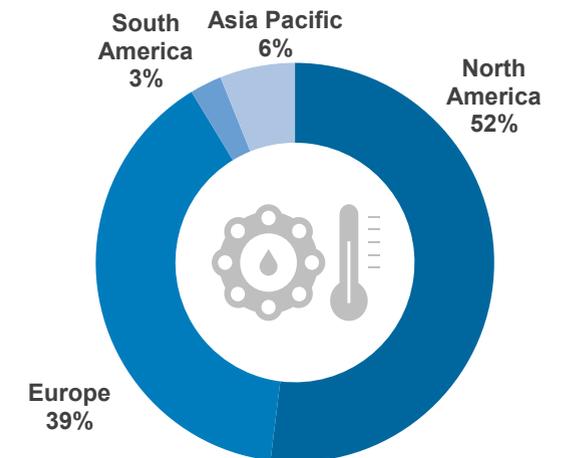
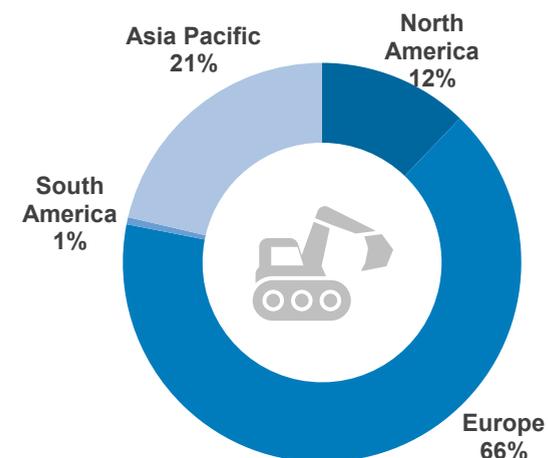
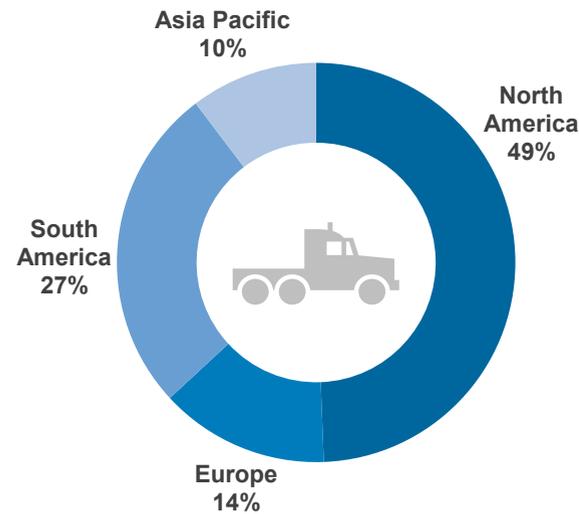
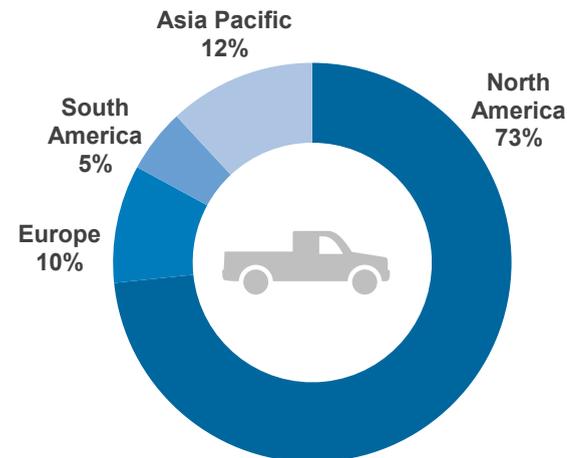


Power Technologies

Year to Date 9/30/2022



REGIONAL SALES



Diluted Adjusted EPS



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	<u>\$ 34</u>	<u>\$ 60</u>
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

Segment Data



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	\$ 2,535	\$ 2,204
Segment EBITDA		
Light Vehicle	\$ 60	\$ 54
Commercial Vehicle	18	20
Off-Highway	91	100
Power Technologies	21	38
Total Segment EBITDA	190	212
Corporate expense and other items, net	2	(2)
Adjusted EBITDA	\$ 192	\$ 210

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	\$ 7,601	\$ 6,672
Segment EBITDA		
Light Vehicle	\$ 124	\$ 241
Commercial Vehicle	38	53
Off-Highway	291	276
Power Technologies	71	111
Total Segment EBITDA	524	681
Corporate expense and other items, net		(4)
Adjusted EBITDA	\$ 524	\$ 677

Segment Data Continued



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 Hylion		(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 Hylion		(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 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>

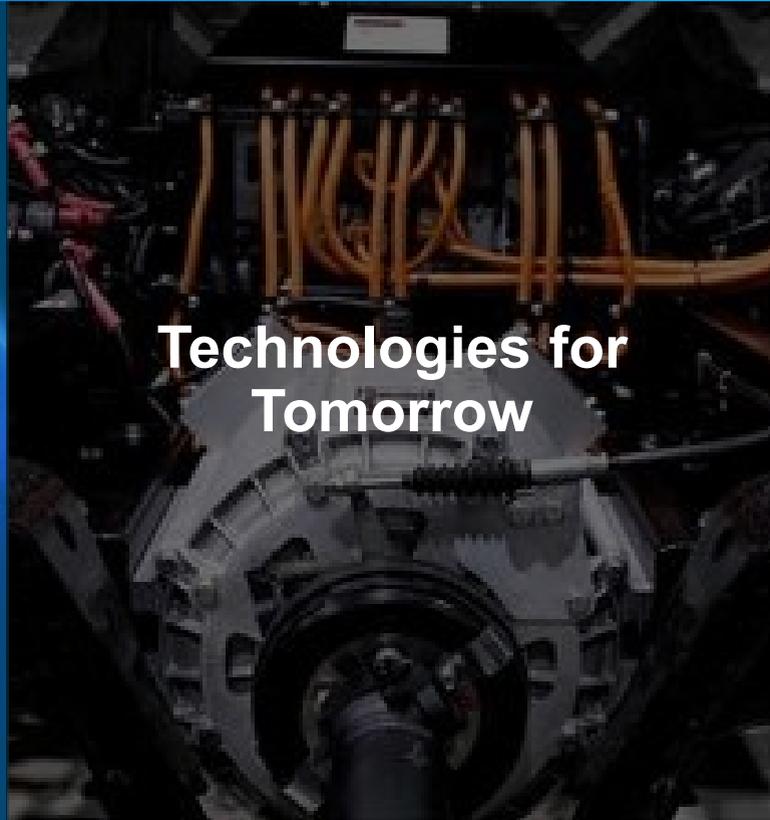
(In millions)	Nine Months Ended	
	September 30,	
	2022	2021
Net cash provided by operating activities	\$ 307	\$ 19
Purchase of property, plant and equipment	(300)	(228)
Free cash flow	7	(209)
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ 7</u>	<u>\$ (209)</u>



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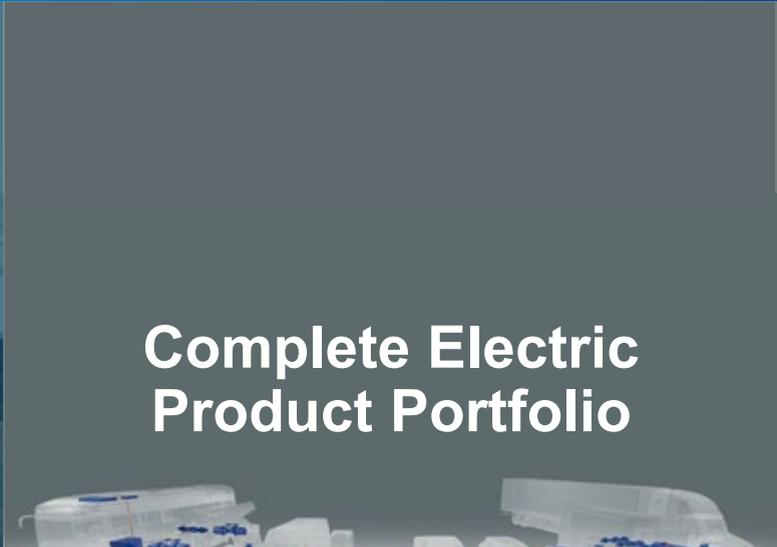
Global Scale &
Financial Strength



Technologies for
Tomorrow



Balanced End-
Market Presence



Complete Electric
Product Portfolio





Non-GAAP Financial Information

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 reconciliations 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. Reconciliations of these non-GAAP measures with the most comparable GAAP measures for historical periods are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.