



# J.P. Morgan Automotive Conference

August 12, 2020

**James Kamsickas**

Chairman and Chief Executive Officer

**Jonathan Collins**

Executive Vice President and Chief Financial Officer

*People Finding A Better Way<sup>®</sup>*

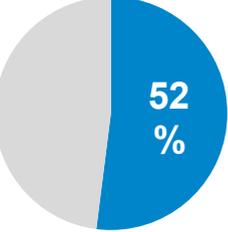
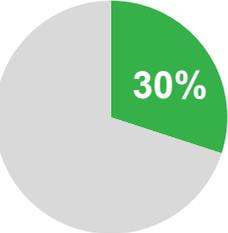
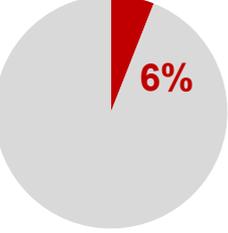
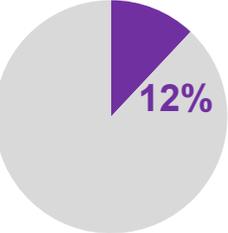


# Safe Harbor Statement

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.

# Business Overview



Markets	Segments	Regions	Technologies	Products
<b>Light Vehicles</b>  <p>52%</p>	<b>Light Vehicle Drive Systems</b> <b>42%</b> 	<b>North America</b> 	 <b>Drive</b>	Axles, e-Axles, e-Drives, propshafts / driveshafts, conventional and hybrid transmissions, wheel and track drives, high-precision gears
<b>Heavy Vehicles</b>  <p>20%</p>	<b>Off-Highway Drive and Motion Systems</b> <b>27%</b> 	<b>Europe</b> 	 <b>Motion</b>	Winches, slew drives, gearboxes, hydraulics, valves, custom gear and drives, controls and software, hub drives
<b>Off-Highway</b>  <p>28%</p>	<b>Commercial Vehicle Drive and Motion Systems</b> <b>19%</b> 	<b>South America</b> 	 <b>Electrodynamic</b>	Motors, inverters, controls and software, chargers, electrified power cradle, battery management system, fuel cell plates
	<b>Power Technologies</b> <b>12%</b> 	<b>Asia Pacific</b> 	 <b>Thermal</b>	Transmission and engine oil cooling; battery, motor, and electronics cooling; charge air cooling; active warm-up; thermal-acoustical protective shielding
			 <b>Sealing</b>	Cam covers, oil pan modules, engine gaskets and seals, transmission gaskets and seals, transmission separator plates
			 <b>Digital</b>	Active and passive system controls, descriptive and predictive analytics

# Return to Growth

Operations and Manufacturing

Customers

**Safety First**  
**Quality Focused**  
*All Day Every Day*

RESTART

REENGAGE

RENEW

Supply Chain

Employees

Launch Backlog



# New Business: European Electric Truck

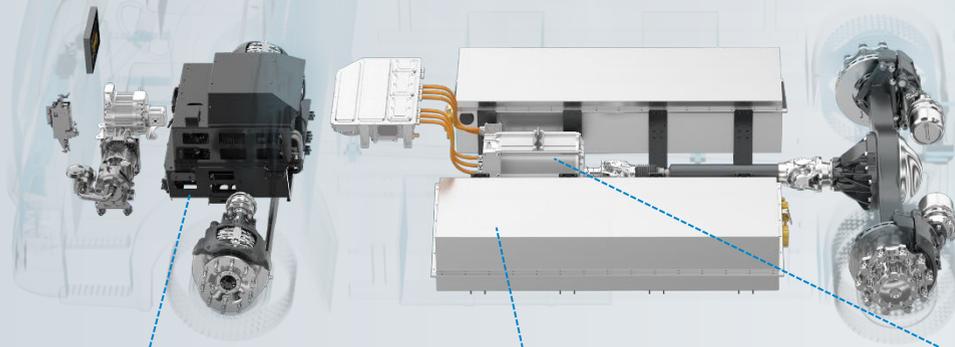


## Dana's 3<sup>rd</sup> Significant Electric Truck Program



### Complete Dana e-Powertrain:

- Electrodynamic components
- Complete vehicle integration
- Embedded software and controls



#### Power Cradle

Electric Charger, Converter, & Auxiliaries

#### Power Pack

Battery Modules, Thermal Management, & Battery Management System

#### e-Drive

Electric Motor, Inverter, & Axle

**e-Power System**

**e-Propulsion System**



- Major European manufacturer
- Multi-year program
- Launching in 2021





# 8 Electrification Acquisitions since 2017



February 2017

July 2018

January 2019

March 2019

July 2019

August 2019

February 2020

June 2020

- Expands product portfolio for off-highway market to include tracked vehicles
- Significantly broadens opportunities in industrial market
- Accelerates hybridization and electrification initiatives
- Includes:



- Motors and inverters complement Dana's e-Drive
- Complete system capabilities
- In production today with over 14,000 units in operation

- Low voltage AC motors, inverters, and controls
- Complements TM4 and Oerlikon acquisitions

- Products, controls, and software across electric drive systems
- Precision helical gears
- CV Low Floor Bus Axles
- Includes:

**FAIRFIELD**

**GRAZIANO**



- Motors and inverters complement Dana's e-Drive
- Further develop activities in China, the fastest-growing market for EVs

- Class 4 – 8 custom BEV integration
- Complete, turnkey solutions
- Strong expertise in BEV software, controls, and BMS

- Interior Permanent Magnet motors used to provide traction motors, pump motors, and generator systems in light vehicle and off-highway applications
- Specializing in motor design and optimization, mechanical integration, and testing

- BEV integration for trucks, buses and OH vehicles
- Electric vehicles for motorsports
- Embedded software programming and control systems
- Electrical system and circuit diagram design
- Safety layout, testing and calibration

# Ford Bronco Family



## Off-Road Capabilities and Proven Durability



2020 Launch



2021 Launch



# Near-term Financial Priorities

- Actions taken to reduce inventory by \$77 million in H1 as production demand declined due to shutdowns
- Through shutdown period, reduced hourly and salary labor costs and reduced operating costs inline with lower volumes
- Capital spending reductions continued in second quarter (~35%) YOY
- Temporary dividend suspension preserves additional flexibility
- Issued \$500 million in new senior unsecured notes
- Terminated undrawn bridge facility
- Repaid \$300 million drawn on revolver

## Conserved Cash



## Maximized Liquidity

	<b>Cash Balance<sup>1</sup></b>	<b>\$708 M</b>
	<b>Revolver Capacity</b>	<b>\$979 M</b>
	<b>Bridge Facility</b>	<b>Terminated</b>
	<b>Q2 Liquidity</b>	<b>\$1.7 B</b>

<sup>1</sup> Available cash and marketable securities as of 6/30/2020

**Significant progress on conserving cash and maximizing liquidity**



# Business Outlook



**Light  
Vehicle  
Market**



**Commercial  
Vehicle  
Market**



**Off-Highway  
Equipment  
Market**

- Strong light-truck demand
- Key vehicle inventories remain low
- N.A. and China seeing fastest recovery
  
- Class 8 demand soft; order rates improving
- Medium duty demand remains challenged
- Indian OEM production restarting slowly
  
- Agriculture equipment market outperforming
- Construction equipment demand remains weak
- China demand recovery accelerating

**Q3 sequential sales growth of more than 50% driving return to profitability and FCF generation**



*People Finding A Better Way<sup>®</sup>*



# Non-GAAP Financial Information

Adjusted EBITDA is a non-GAAP financial measure which we have defined as net income 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 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 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.