



Dana Holding Corporation

2016 First-Quarter Earnings Conference Call

April 21, 2016

Honesty & Integrity

Good Corporate Citizen

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Continuous Improvement



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



- ▶ Introduction
Craig Barber
*Director,
Investor Relations*
- ▶ Business Update
James Kamsickas
*President and
Chief Executive Officer*
- ▶ Financial Review
Jonathan Collins
*Senior Vice President
and Chief Financial Officer*
- ▶ Q&A Session
Includes:
Rod Filcek
*Senior Vice President
and Chief Accounting Officer*

2016 First-Quarter Highlights



Sales of \$1.45 billion

Net Income of \$45 million

Diluted Adjusted EPS: \$0.34

Adjusted EBITDA of \$148 million

▶ **10.2% Margin**

Significant New Business Growth

Magnum® Gaskets Acquisition

Continued Shareholder Return

▶ **Q1 repurchases: \$28 million**

▶ **70 million shares to date***



*Program inception through 3/31/16

Customer Satisfaction and Growth



Light Vehicle Driveline

2016 Jeep® Safari

- Off-road enthusiasts
- 50th Anniversary
- Ultimate consumer satisfaction



Commercial Vehicle Driveline

New Business Win:
Isuzu North America
Medium Duty Trucks



New Business Wins:
Three Key Global Customers
Total Program Sales: \$35M/Yr



Spartan Truck Supplier Award



Off-Highway Driveline

New Business Win:
Complete Drivetrain on Sany
18.5-tonne Wheel Loader



Power Technologies

Winner European Association of
Automotive Suppliers “Innovation
Award” for Separator Plate
Technology in Audi Transmissions



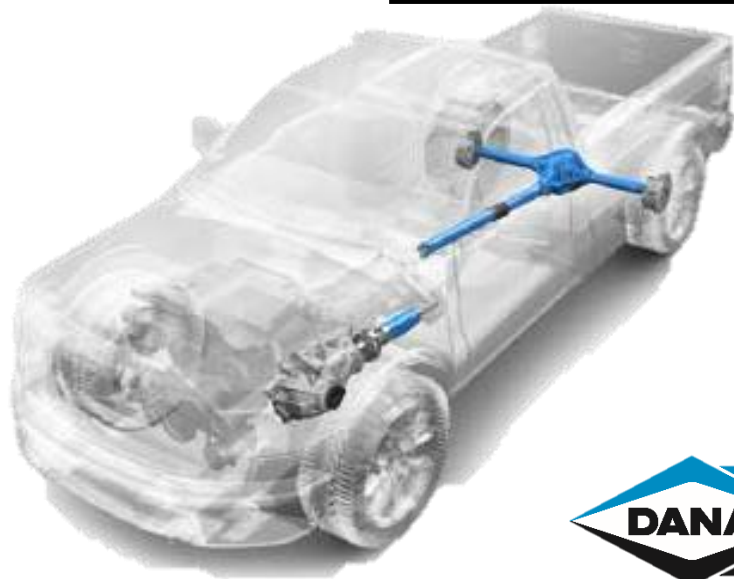
Recent New Business



New Truck and SUV Program
With a Key Global OEM

Next-Generation
Jeep® Wrangler

Incremental Sales: ~\$1.5 Billion



New Program
Beginning in 2019
8+ year program life

Incremental volume
Benefit to backlog in 2018
5+ year program life



▶ Enhance competitive position and grow our core business

- ▶ Relentless focus on customer satisfaction
- ▶ Sustain investment in innovative technologies and differentiated products
- ▶ Continue to grow organically
- ▶ Consider complementary inorganic opportunities

Over \$1.5B in new business

- Customer and industry awards
- New business wins in all groups
- Completed Magnum acquisition

▶ Continue driving profit margin improvement

- ▶ Accelerate lean manufacturing initiatives to eliminate waste and reduce cost
- ▶ Ensure successful launch of new business
- ▶ Improve CVD while continuing strong LVD, OHD, and PTG performance

Efficient Capacity Management

- Adding capacity in Light Vehicle
- Rationalizing production in CVD
- CVD margins improved sequentially

▶ Maintain a strong balance sheet

- ▶ Continue capex discipline to drive returns
- ▶ Retain flexibility for new opportunities
- ▶ Return excess capital to shareholders

Focused Capital Allocation

- Capex to support new business
- Continued shareholder returns



Financial Review

2016 First Quarter

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Financial Results



(\$ in millions, except EPS)

First Quarter

	2016	2015	Change
Sales	\$ 1,449	\$ 1,608	\$ (159)
Adjusted EBITDA	148	176	(28)
Margin	10.2%	10.9%	(70) bps
Income from Continuing Operations before Interest Expense / Income Taxes	99	132	(33)
Net Income <i>(attributable to Dana)</i>	45	63	(18)
Diluted Adjusted EPS	\$ 0.34	\$ 0.50	\$ (0.16)
Capital Spend	71	62	9
Free Cash Flow	(98)	(82)	(16)

Sales and Adjusted EBITDA Comparisons



(\$ in millions)

First Quarter

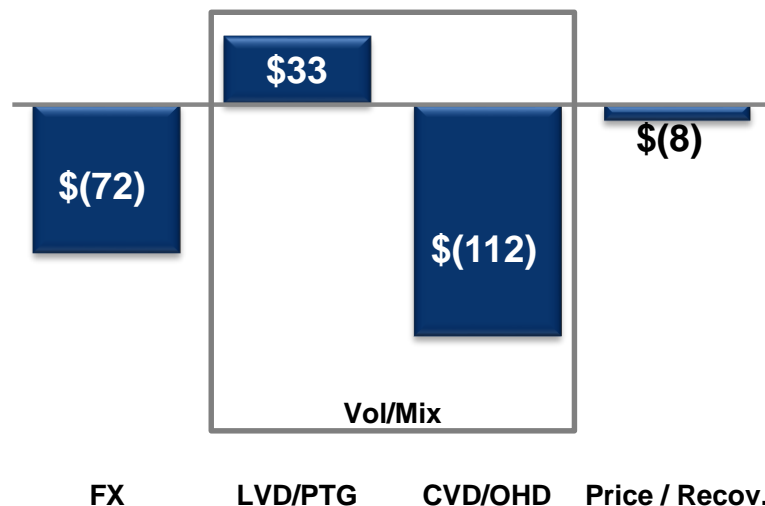
	2016	2015	Change
Sales	\$ 1,449	\$ 1,608	\$ (159)

Segment	Sales	Y/Y Change	FX Impact	Currency Adjusted
Light Vehicle	42%	(4)%	(6)%	2%
Comm. Vehicle	23%	(23)%	(5)%	(18)%
Off-Highway	17%	(15)%	(3)%	(12)%
Power Tech.	18%	3%	(3)%	6%
Total	100%	(10)%	(5)%	(5)%

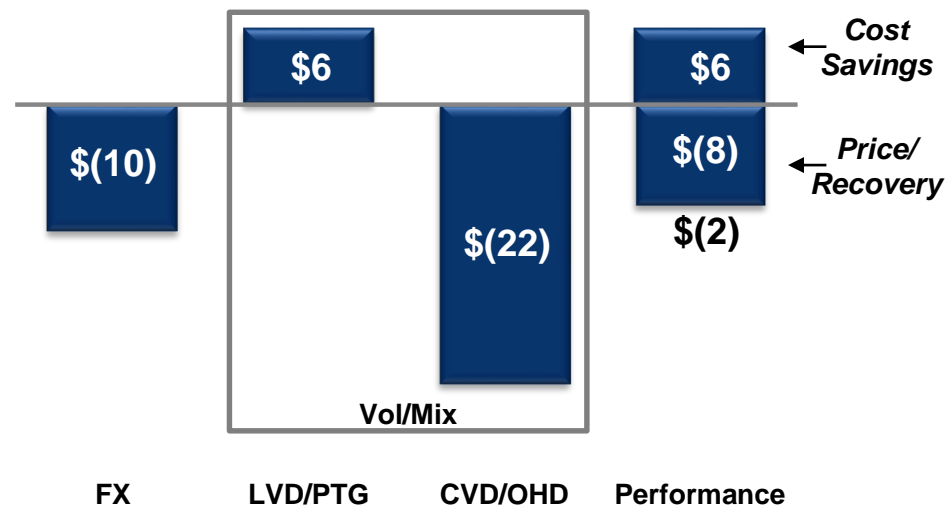
First Quarter

	2016	2015	Change
Adj. EBITDA	\$ 148	\$ 176	\$ (28)
Margin	10.2%	10.9%	(70) bps

Key Drivers of Y/Y Sales Change



Key Drivers of Y/Y EBITDA Change

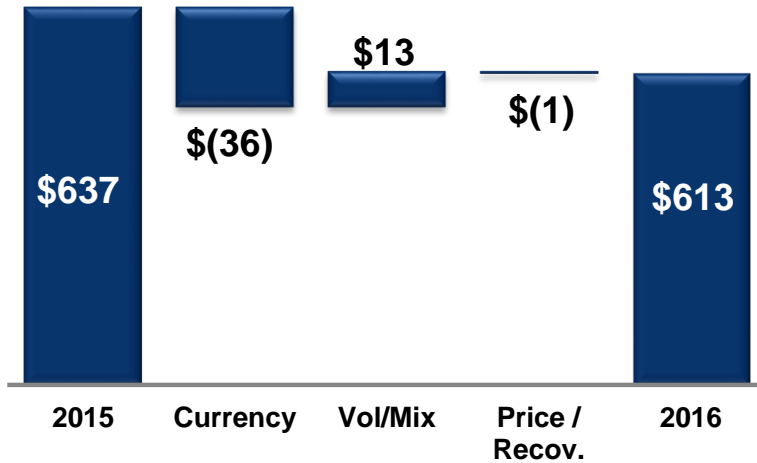


First-Quarter 2016 Business Results

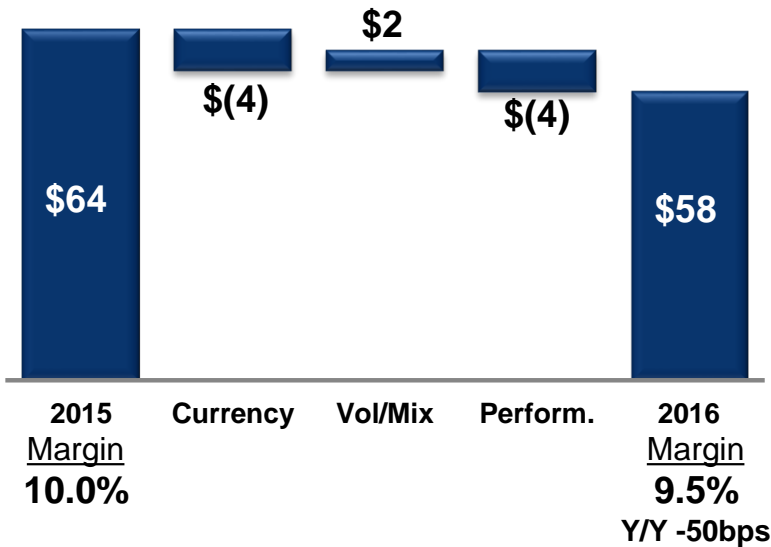


Light Vehicle Driveline

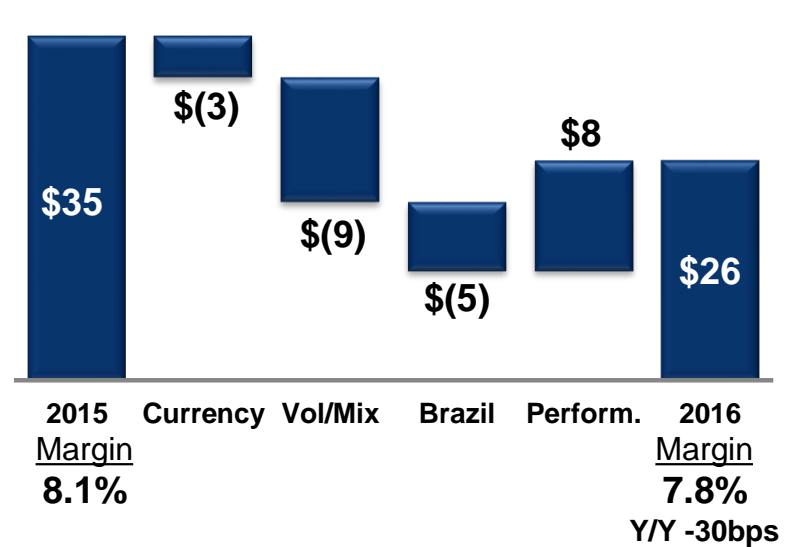
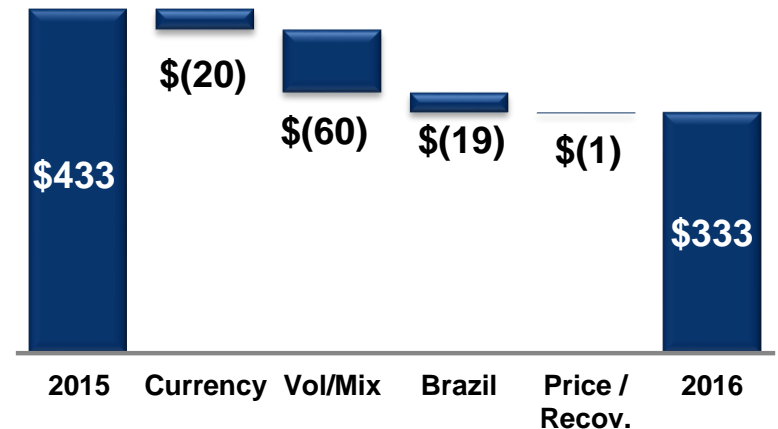
Sales



Segment EBITDA



Commercial Vehicle Driveline



First-Quarter 2016 Business Results

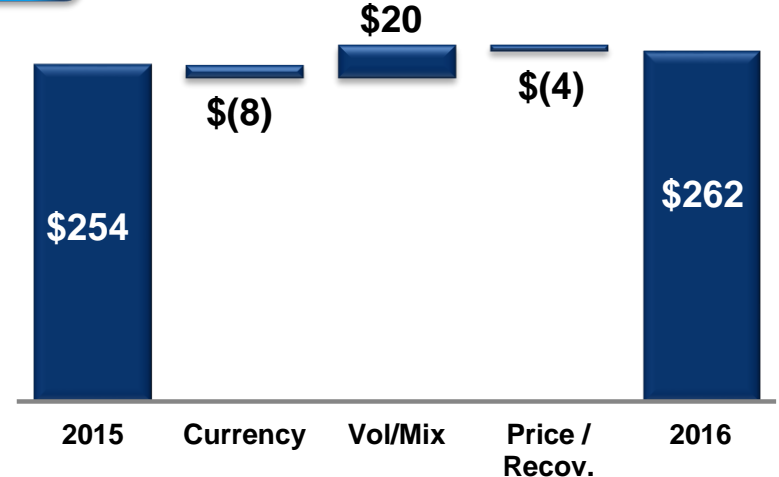
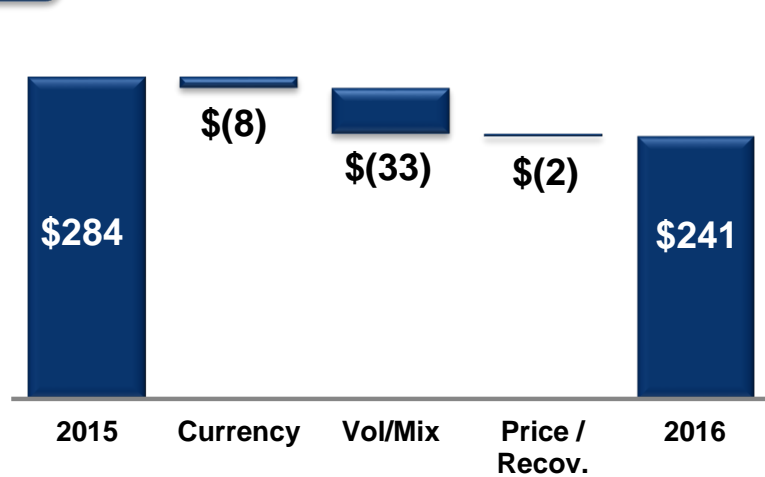


Off-Highway Driveline

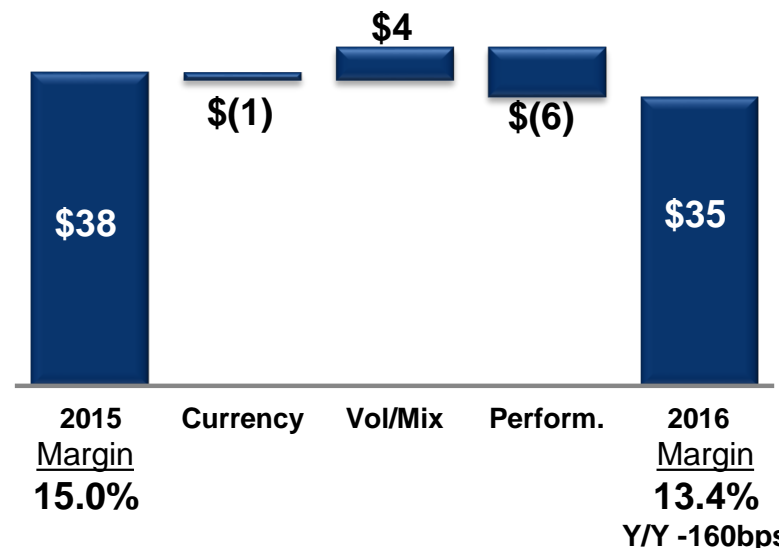
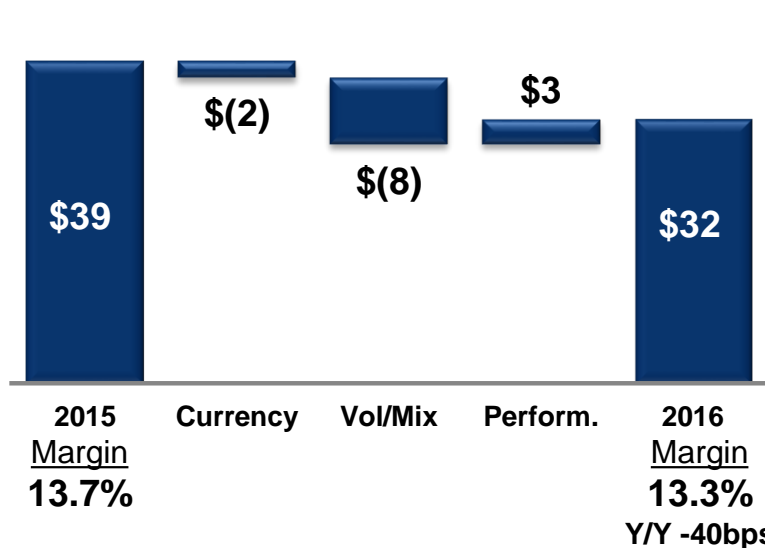


Power Technologies

Sales



Segment EBITDA



Free Cash Flow and Liquidity

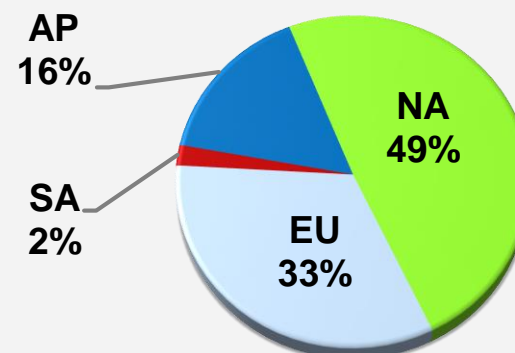


Free Cash Flow (\$ in millions)	First Quarter		
	2016	2015	Change
Adjusted EBITDA	\$ 148	\$ 176	\$ (28)
Working Capital ¹	(114)	(139)	25
Capital Spending	(71)	(62)	(9)
Restructuring	(3)	(5)	2
Pension, Net	(7)	(5)	(2)
Interest, Net	(33)	(34)	1
Cash Taxes	(19)	(14)	(5)
Other	1	1	0
Free Cash Flow	\$ (98)	\$ (82)	\$ (16)

Cash, Debt & Liquidity

(\$ in millions)	Q1 2016
	Total Cash*
Total Debt**	1,622
Net Debt	\$ (789)
Liquidity***	\$ 1,128

Cash* by Region



* Includes marketable securities; cash and marketable securities also includes \$143 in a wholly-owned subsidiary where access is subject to approval of subsidiary's independent board member

** Excludes capitalized debt issuance costs

*** \$304 available under U.S. ABL facility

¹ Changes in working capital relating to interest, taxes, and restructuring are included in those respective categories

2016 Financial Targets



Key Financial Metrics

	2016 Targets
Sales	\$5.8 – \$6.0 B
Adjusted EBITDA	\$640 – \$670 M
Margin	11.0% – 11.2%
Diluted Adjusted EPS*	\$1.65 – \$1.75
Cash Flow Items	
Capital Spend	\$320 – \$340 M
Cash Restructuring	~\$25 M
Pension Funding, Net	~\$15 M
Net Interest	~\$90 M
Cash Taxes	~\$90 M
Free Cash Flow	\$120 – \$140 M

Business Segments – 2016 Targets

Light Vehicle Driveline

Sales	Margin
~\$2.5 B	~11%

Commercial Vehicle Driveline

Sales	Margin
~\$1.3 B	~7%

Off-Highway Driveline

Sales	Margin
~\$1.0B	~14%

Power Technologies

Sales	Margin
~\$1.1 B	~15%

Currency Assumptions

Euro / USD	1.05 - 1.10
USD / CAD	0.75 - 0.80
USD / BRL	4.00 - 4.25
USD / ARS	13.00 - 15.00
USD / THB	36.50 - 40.00

Tax Assumptions

U.S. GAAP Rate	30%
Cash Tax Rate	26%
Adjusted EPS Rate	28%

*Calculated based on fully diluted outstanding shares of 150 million - excludes future impact of the share repurchase program



▶ **Sales growth on track**

- ▶ Light vehicle markets stable; new business will drive growth
- ▶ Class 8 truck markets and Dana share remain stable, seeing growth in medium duty
- ▶ Off highway markets challenging but Dana continues to win new business

▶ **Full-year margin improvement throughout the year**

- ▶ LVD 2nd half margins will be better than 1st half due to new business
- ▶ CVD will see slight decline in 2nd half due to volume shifting to LVD
 - ▶ New product design will allow moving certain medium duty business to LVD for better manufacturing efficiency
- ▶ OHD cost actions will improve rest-of-year margins
- ▶ PTG will see normal seasonality; higher in mid-year



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Appendix

Global Vehicle Production Dana Forecasts (Units in 000s)



	2015 Actuals	2016 Outlook
North America		
Lights Truck (Full Frame)	4,136	4,300 – 4,400
Light Vehicle Engines	15,510	16,000 – 16,500
Medium Truck (Class 5-7)	237	230 – 240
Heavy Truck (Class 8)	323	240 – 260
Agricultural Equipment	58	50 – 55
Construction/Mining Equipment	158	145 – 155
Europe (Incl. Eastern Europe)		
Light Trucks	8,525	8,800 – 8,900
Light Vehicle Engines	22,423	22,500 – 23,000
Medium/Heavy Truck	435	440 – 445
Agricultural Equipment	202	190 – 195
Construction/Mining Equipment	299	295 – 305
South America		
Light Trucks	941	900 – 950
Light Vehicle Engines	2,488	2,100 – 2,150
Medium/Heavy Truck	88	70 – 80
Agricultural Equipment	32	30 – 35
Construction/Mining Equipment	13	10 – 15
Asia Pacific		
Light Trucks	24,132	24,000 – 25,000
Light Vehicle Engines	47,247	48,500 – 49,500
Medium/Heavy Truck	1,378	1,400 – 1,450
Agricultural Equipment	676	655 – 690
Construction/Mining Equipment	405	390 – 410

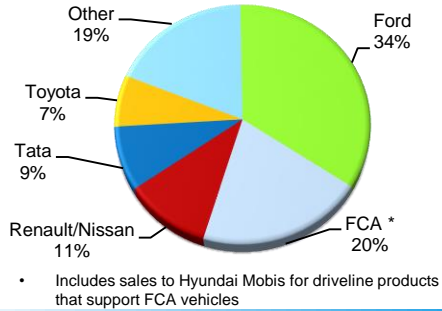
Segment Profiles



Customer Sales

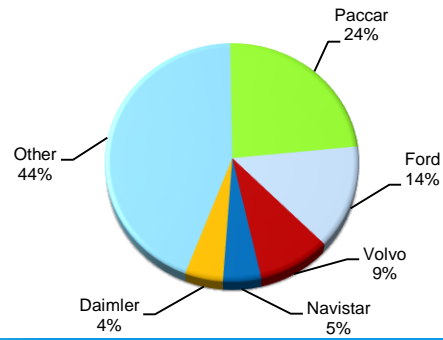
Light Vehicle Driveline

Year to Date 3/31/2016



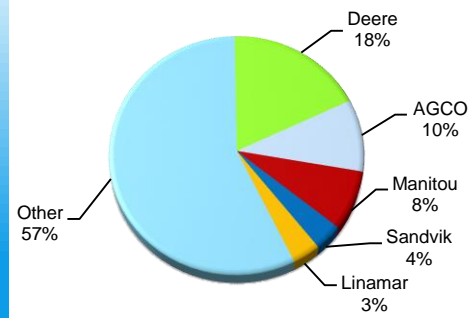
Commercial Vehicle Driveline

Year to Date 3/31/2016



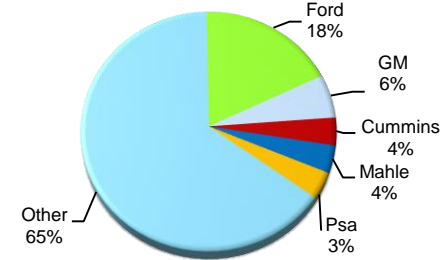
Off-Highway Driveline

Year to Date 3/31/2016

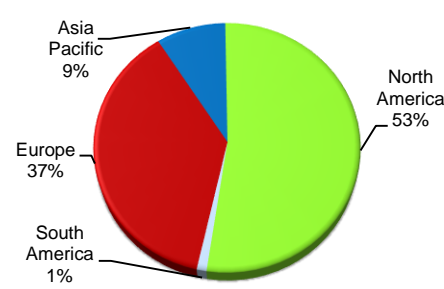
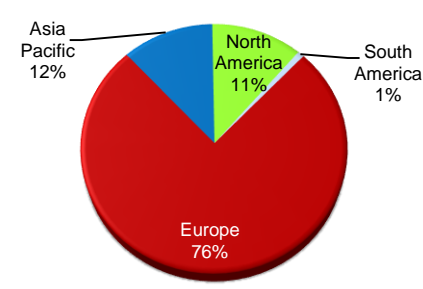
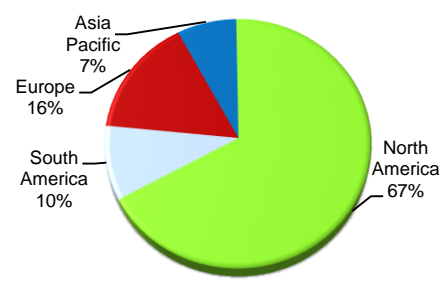
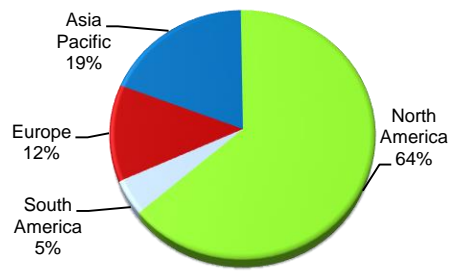


Power Technologies

Year to Date 3/31/2016



Regional Sales



Performance

\$ Millions

	Q1	
	2016	2015
Sales	\$613	\$637
Segment EBITDA	\$58	\$64
EBITDA Margin	9.5%	10.0%

\$ Millions

	Q1	
	2016	2015
Sales	\$333	\$433
Segment EBITDA	\$26	\$35
EBITDA Margin	7.8%	8.1%

\$ Millions

	Q1	
	2016	2015
Sales	\$241	\$284
Segment EBITDA	\$32	\$39
EBITDA Margin	13.3%	13.7%

\$ Millions

	Q1	
	2016	2015
Sales	\$262	\$254
Segment EBITDA	\$35	\$38
EBITDA Margin	13.4%	15.0%

Diluted Adjusted EPS



DANA HOLDING CORPORATION
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended March 31, 2016 and 2015

(In millions except per share amounts)

	Three Months Ended	
	March 31,	
	<u>2016</u>	<u>2015</u>
Net income attributable to parent company	\$ 45	\$ 63
Restructuring charges (1)	1	1
Amortization of intangibles (1)	2	4
Non-recurring items (1):		
Noncontrolling interests adjustment		4
Loss on extinguishment of debt		2
Nonrecurring tax expense	3	8
Other items		1
Adjusted net income	<u>\$ 51</u>	<u>\$ 83</u>
Diluted shares - as reported	<u>150</u>	<u>166</u>
Adjusted diluted shares	<u>150</u>	<u>166</u>
Diluted adjusted EPS	\$ 0.34	\$ 0.50

(1) Amounts are net of associated tax effect.

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

Segment Data



DANA HOLDING CORPORATION Segment Sales & Segment EBITDA (Unaudited) For the Three Months Ended March 31, 2016 and 2015

(In millions)	Three Months Ended	
	March 31,	
	2016	2015
Sales		
Light Vehicle	\$ 613	\$ 637
Commercial Vehicle	333	433
Off-Highway	241	284
Power Technologies	262	254
Total Sales	\$ 1,449	\$ 1,608
Segment EBITDA		
Light Vehicle	\$ 58	\$ 64
Commercial Vehicle	26	35
Off-Highway	32	39
Power Technologies	35	38
Total Segment EBITDA	151	176
Corporate expense and other items, net	(3)	-
Adjusted EBITDA	\$ 148	\$ 176

DANA HOLDING CORPORATION Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended March 31, 2016 and 2015

(In millions)	Three Months Ended	
	March 31,	
	2016	2015
Segment EBITDA	\$ 151	\$ 176
Corporate expense and other items, net	(3)	
Adjusted EBITDA	148	176
Depreciation	(41)	(39)
Amortization of intangibles	(2)	(6)
Restructuring	(1)	(1)
Stock compensation expense	(2)	(3)
Strategic transaction expenses	(2)	(1)
Other items	(4)	
Distressed supplier costs	(1)	
Amounts attributable to previously divested/closed operation	1	
Gain on derecognition of noncontrolling interest		5
Loss on extinguishment of debt		(2)
Interest expense, net	(24)	(25)
Income before income taxes	72	104
Income tax expense	24	31
Equity in earnings of affiliates		1
Net income	\$ 48	\$ 74

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

Non-GAAP Financial Information



The preceding slides refer to Adjusted EBITDA, which we've defined net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense and other adjustments not related to core operations (gain/loss on debt extinguishment, pension settlements or divestitures, impairment, etc.). Adjusted EBITDA is a primary driver of cash flows from operations and a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. Adjusted EBITDA should not be considered a substitute for income (loss) before income taxes, net income (loss) or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income divided by adjusted diluted shares. We define adjusted net income as net income attributable to the parent company excluding any nonrecurring income tax items, restructuring and impairment expense, amortization expense and other adjustments not related to 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 cash provided by (used in) operating activities, less purchases of property, plant and equipment. We believe this measure is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported under GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

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