



2023 Second-quarter Earnings Conference Call

July 28, 2023

"Driving Customer Satisfaction and Technology Leadership"



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



Craig Barber

Senior Director,
Investor Relations and
Strategic Planning

Introduction

James Kamsickas

Chairman and
Chief Executive Officer

Business
Review

Timothy Kraus

Senior Vice President
and Chief Financial Officer

Financial
Review

Highlights

Q2 Financial Results

sales

\$2.7 billion

↑ \$162M from prior year

free cash flow

\$134 million

↓ \$33M from prior year

adjusted EBITDA

\$243 million

↑ \$81M from prior year

diluted adjusted EPS

\$0.37

↑ 29¢ from prior year

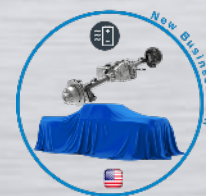
Key Items



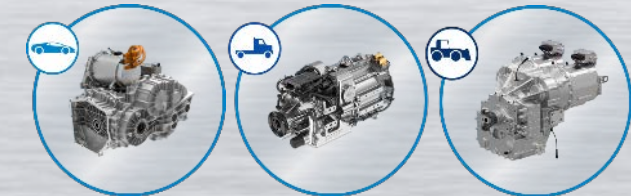
Operating Environment Improvement



Key Launch Success



New Business Win for EV



e-Transmissions in All Mobility Markets

Company-wide transformation and execution driving profitable long-term growth

Operating Environment

Commodity Costs & Currency



- Steel moderating compared to 2022
 - Expected to be profit tailwind
- Commodity recoveries normalizing
- Currencies headwinds moderating

Cost Inflation & Operations



- Cost inflation continues:
 - COLAs driving labor costs higher
 - Higher energy costs in Europe
- Pricing actions muting inflation impact
- Sequential improvement in customer production volatility seen late in Q2
- OEM customers are indicating that their supply chains are improving

Market Demand & New Business



- Demand remains strong across all end markets; monitoring OEM labor risk
- Launches progressing very well
- Expecting higher EV volumes to benefit battery cooling product sales in H2

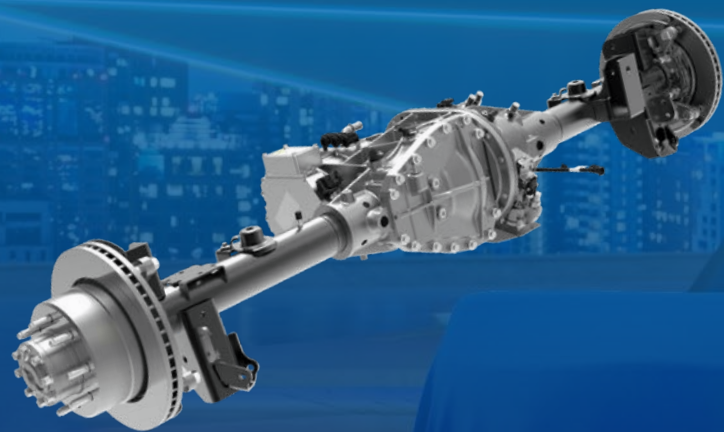
Customer production volatility decreasing, net inflation increasing in second half of year



Electric Light Truck for Major North American OEM



Rigid Beam e-Axle



SPICER
ELECTRIFIED

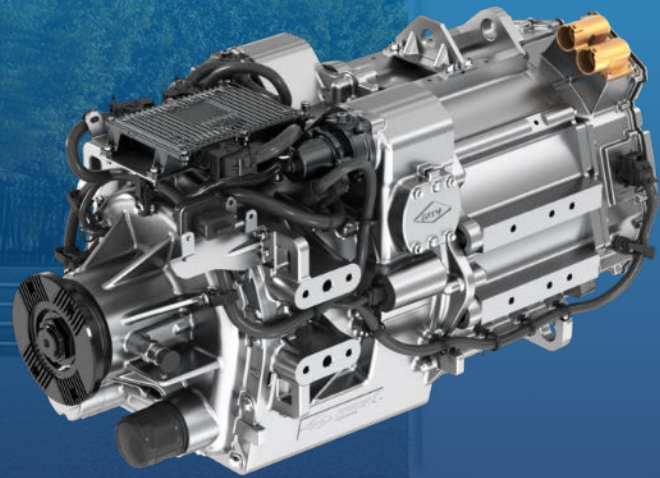
Representative product image

e-Transmissions Across All Markets



Introducing e-Transmissions for Commercial Vehicle

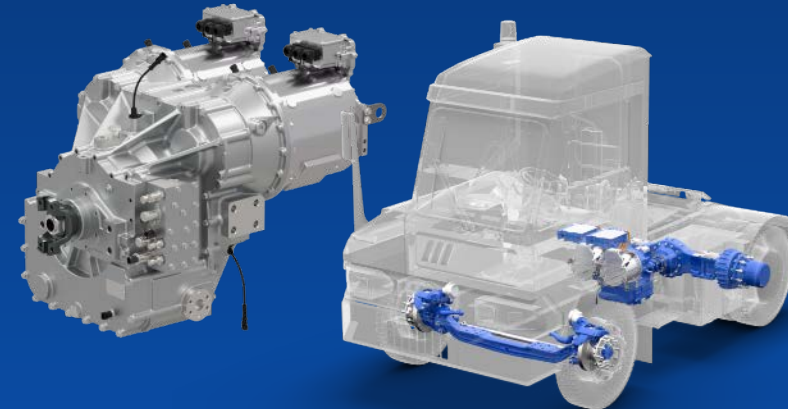
Zero-6 e-Transmission



Light Vehicle



Off Highway



Commercial Vehicle





DAN

LISTED

NYSE

Financial Review

Value Others | Inspire Innovation | Grow Responsibly | Win Together

2023 Q2 Financial Results

- Sales growth primarily due to increased demand and recovery of cost inflation, partially offset by currency headwinds
- Improved profit driven by lower net manufacturing costs, EV investment, and commodity costs
- Higher income tax expense primarily due to increased profit, jurisdictional mix, and the impact of a legacy case in Brazil
- Lower FCF driven by increased capital spending to support new business backlog and working capital to support launches and higher sales

Changes from Prior Year

(\$ in millions, except EPS)

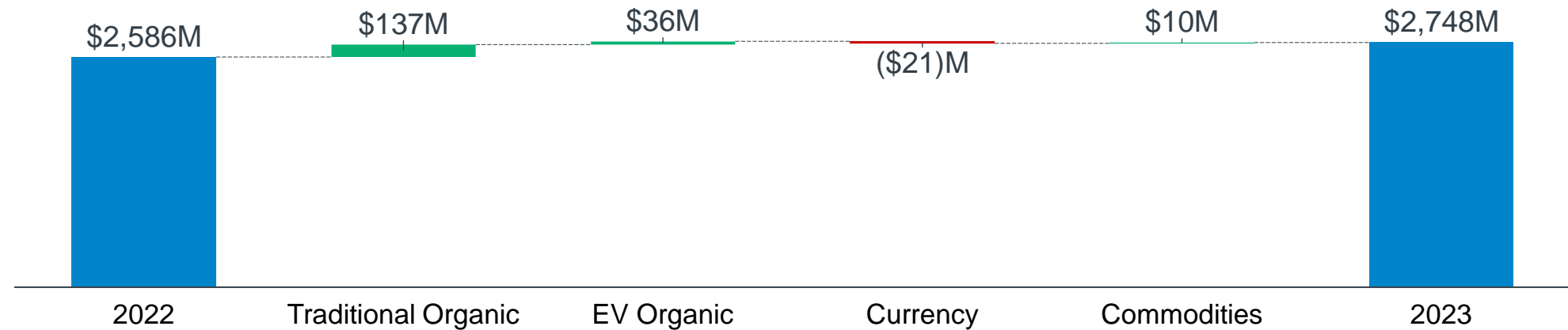
	<u>Q2 '23</u>	<u>Q2 '22</u>	<u>Change</u>
Sales	\$ 2,748	\$ 2,586	\$ 162
Adjusted EBITDA	243	162	81
Margin	8.8%	6.3%	250 bps
EBIT	124	59	65
Interest Expense, Net	34	30	4
Income Tax Expense	55	18	37
Net Income (attributable to Dana)	30	8	22
Diluted Adjusted EPS	\$ 0.37	\$ 0.08	\$ 0.29
Operating Cash Flow	256	257	(1)
Capital Spending	(122)	(90)	(32)
Free Cash Flow	134	167	(33)

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

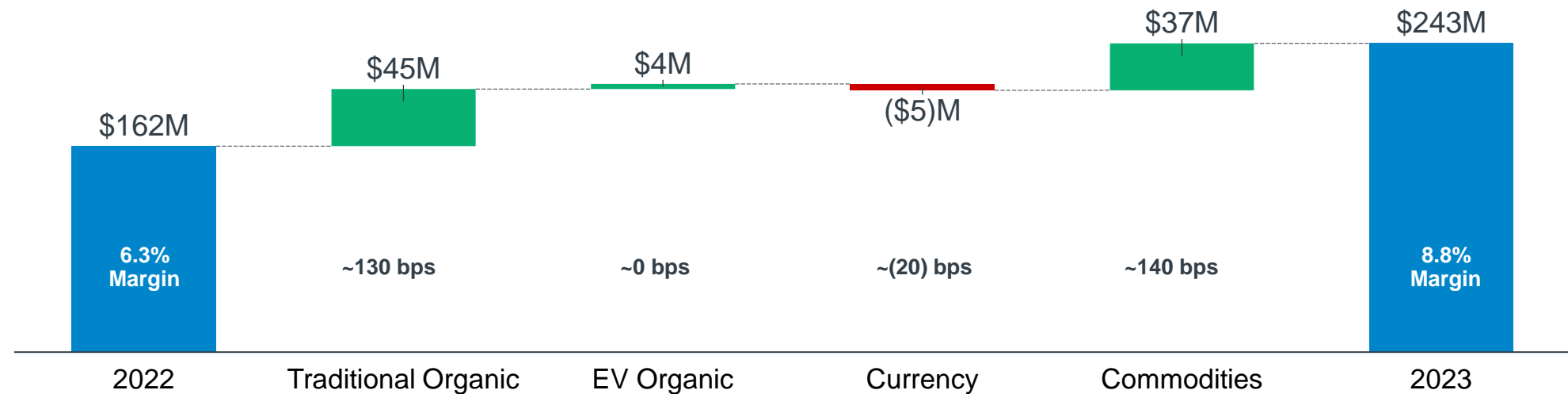
Strong demand converting to higher profit driven by improved operational execution

2023 Q2 Sales and Profit Changes

Sales



Adjusted EBITDA



- Organic growth driven by improved demand, pricing, and mix
- Strong operational execution muting ongoing cost inefficiencies from customer order volatility
- Cost inflation offset by customer recoveries
- Timing of investment offsetting majority of profit growth in EV business
- Translation of foreign currencies to U.S. dollars was a headwind to sales, profit, and margin
- Lower commodity costs and higher recoveries benefited sales and profit

Profit improvement due to operational execution and lower commodity prices

2023 Q2 Free Cash Flow

- Higher profit offset by increased working capital requirements and higher capital investment
- Higher cash interest due to higher interest rates and accelerated payment related to refinancing
- Higher working capital requirements due to increased sales and higher launch cadence
- Higher capital spending to support new business backlog, replacement business, and electrification programs

Changes from Prior Year

(\$ in millions)

	<u>Q2 '23</u>	<u>Q2 '22</u>	<u>Change</u>
Adjusted EBITDA	\$ 243	\$ 162	\$ 81
One-time Costs¹	(4)	(2)	(2)
Interest, Net	(38)	(33)	(5)
Taxes	(27)	(26)	(1)
Working Capital / Other²	82	156	(74)
Capital Spending	(122)	(90)	(32)
Free Cash Flow	\$ 134	\$ 167	\$ (33)

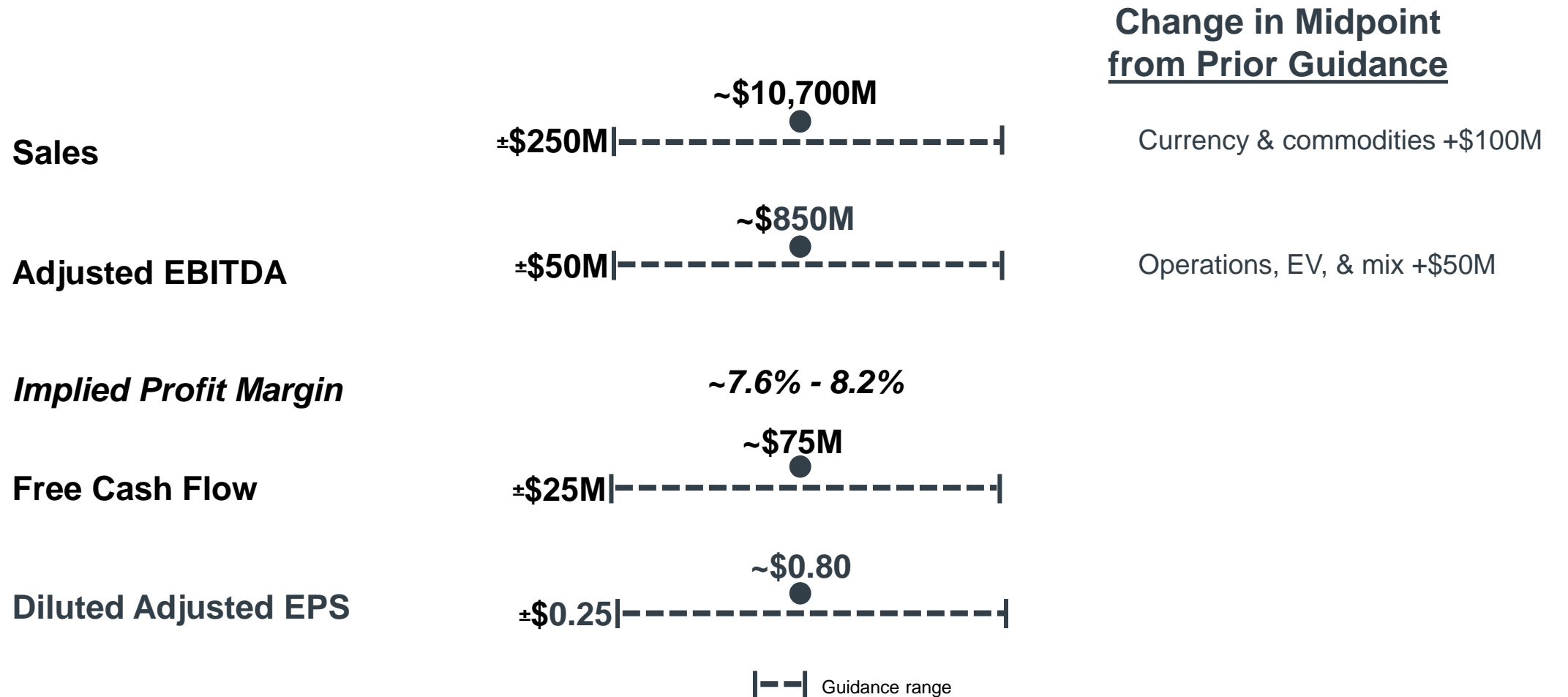
¹ Includes costs associated with business acquisitions and divestitures and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

Strong second quarter FCF generation due to continued working capital efficiency

2023 FY Financial Guide

- Sales growth supported by improved end-market demand, pricing actions, and market share gains
- Cost inefficiencies, driven by volatile customer production, and higher sales due to cost recoveries hindering margin
- Free cash flow includes significant capital investment to support accelerated EV growth and roll-on business
- ~60% effective tax rate included in adjusted EPS guide driven primarily by valuation allowances in U.S

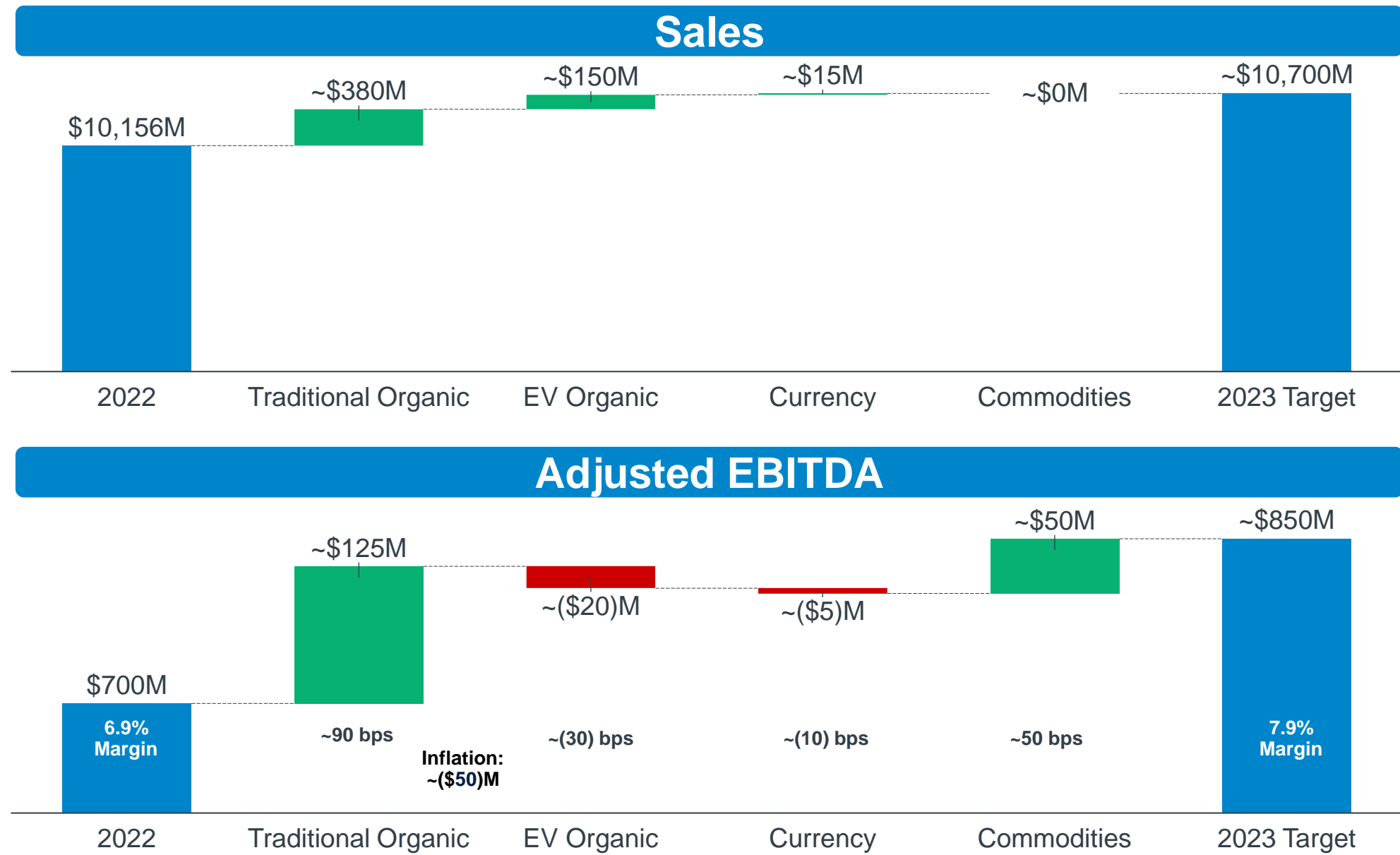
Revised Guidance Ranges*



* Assumes no customer labor disruption in 2023

Increasing guidance due to strong demand and execution, and improved market dynamics

2023 FY Sales and Profit Changes



- Organic growth driven by strong sales, pricing, and market share gains
- Gross inflation and related recoveries are now expected to be lower than prior estimate; net profit impact from inflation remains the same, as cost recovery actions are expected to offset all but ~\$50M of inflation headwind
- Continued investment in EV business offsetting profit contribution
- Translation of foreign currency expected to be a slight tailwind to sales due to the revised outlook for the relative value of the euro, and Brazilian real
- Commodity price outlook slightly elevated from prior estimate

Improved profit due to operational efficiencies and lower commodity costs

2023 FY Free Cash Flow

- Positive free cash flow even with increased capital spending
- Working capital expected to be a modest source, despite sales increase, as efficiency gains from 2022 continue
- Higher capital spending to support new business backlog and EV programs

Changes from Prior Year

(\$ in millions)

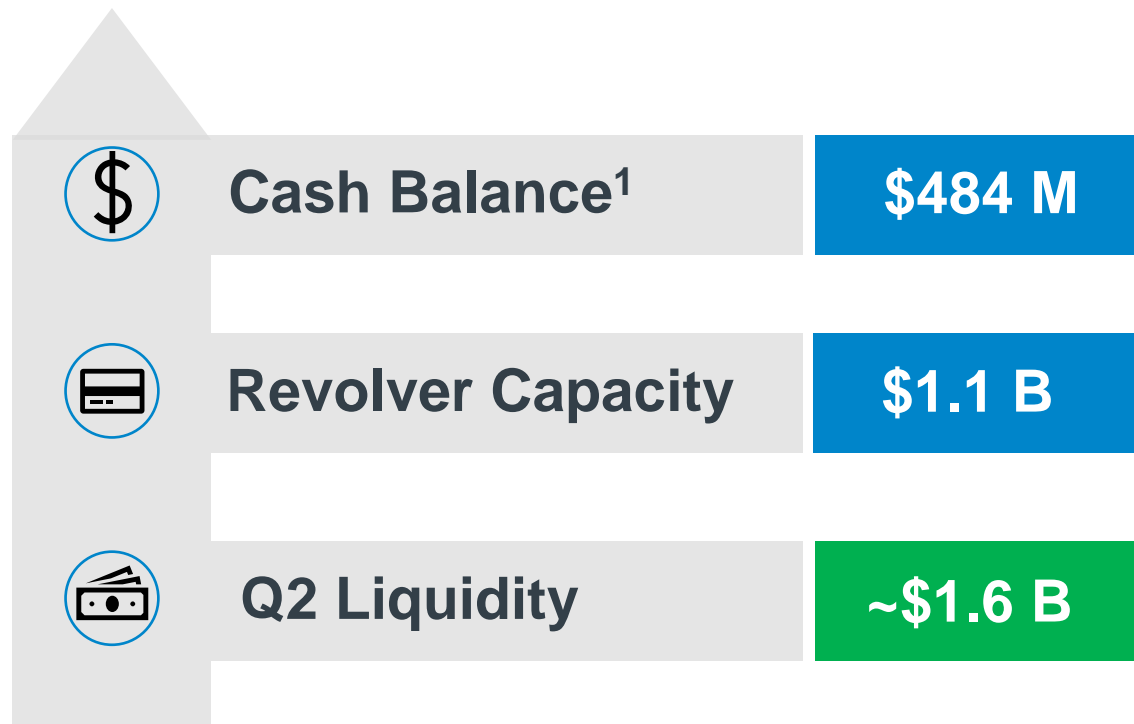
	<u>2023T</u>	<u>2022A</u>	<u>Change</u>
Adjusted EBITDA	\$ ~850	\$ 700	\$ ~150
One-time Costs¹	~(15)	(16)	-
Interest, Net	~(110)	(107)	~(5)
Taxes	~(150)	(132)	~(20)
Working Capital / Other²	~10	204	~(190)
Capital Spending	~(510)	(440)	~(70)
Free Cash Flow	\$ ~75	\$ 209	\$ ~(135)

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.

Higher profit and continuing working capital efficiency allowing for increased investment

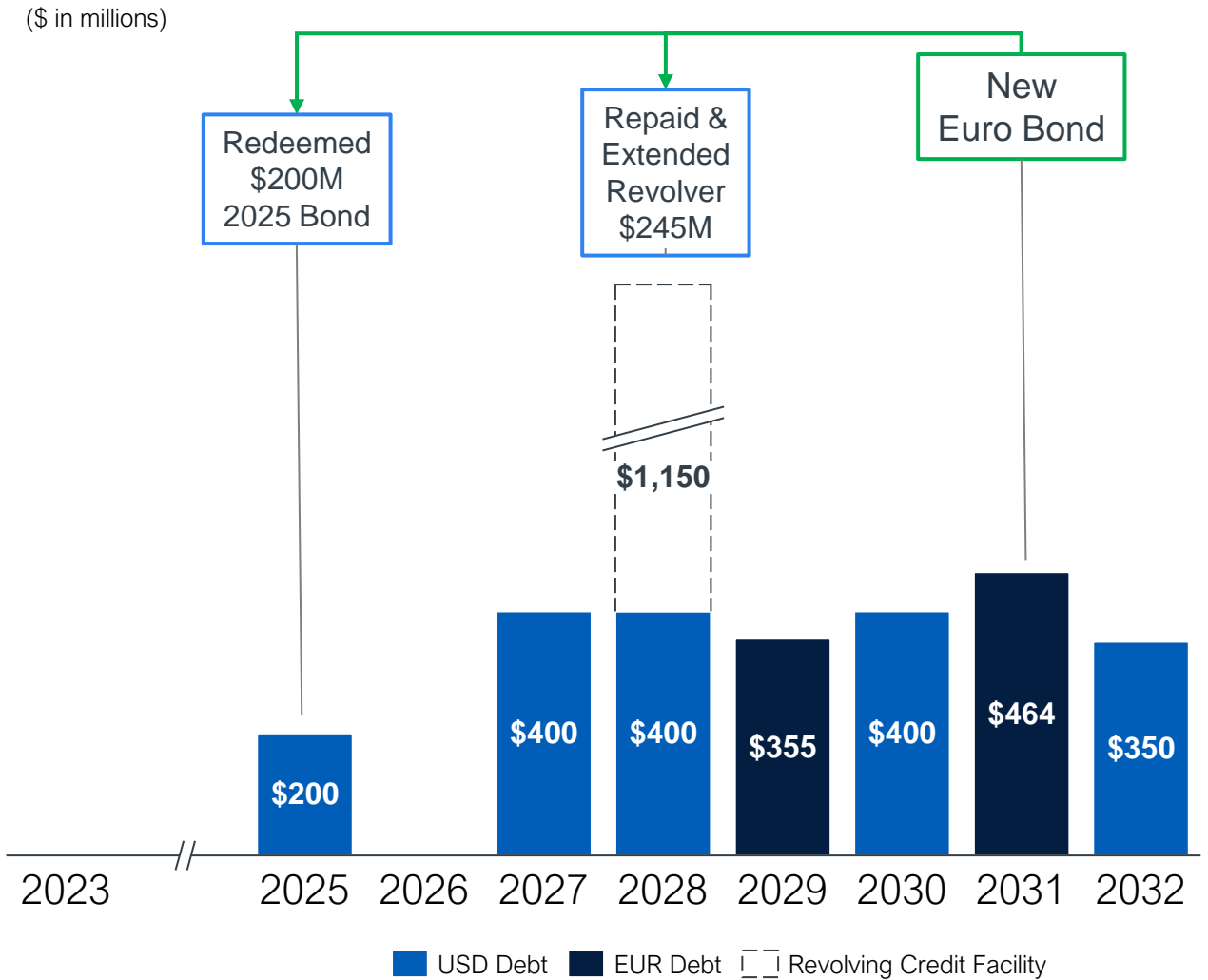
Strengthened Balance Sheet

Liquidity



¹ Available cash and cash equivalents as of 6/30/23

Debt Capital



Ample liquidity for growth, prudent refinancing actions



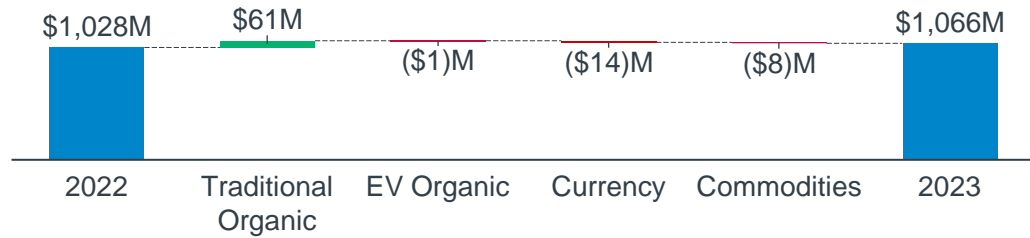
Appendix

2023 Q2 Sales and Profit Change by Segment

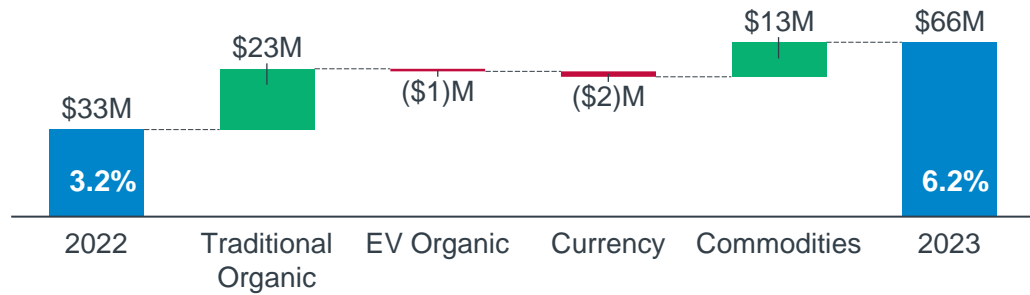


Light Vehicle Drive Systems

Sales

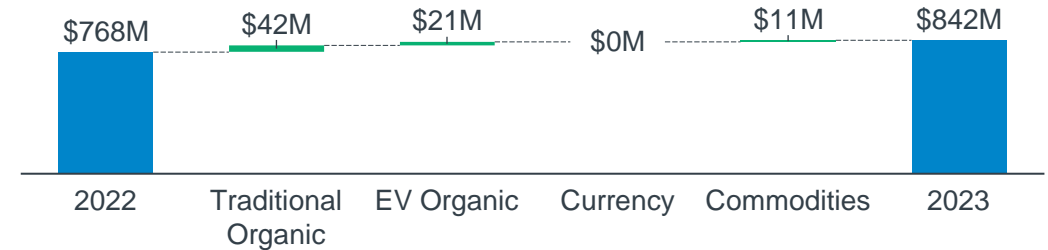


Adjusted EBITDA

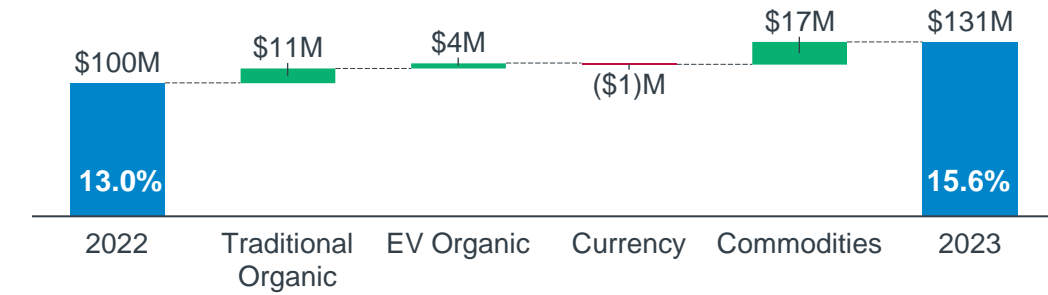


Off-Highway Drive and Motion Systems

Sales

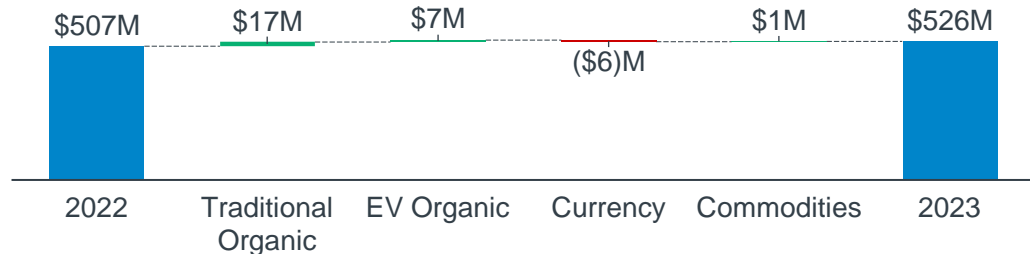


Adjusted EBITDA

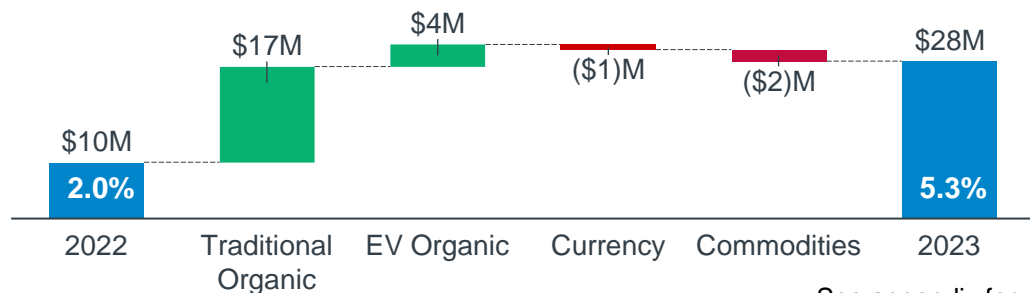


Commercial Vehicle Drive and Motion Systems

Sales

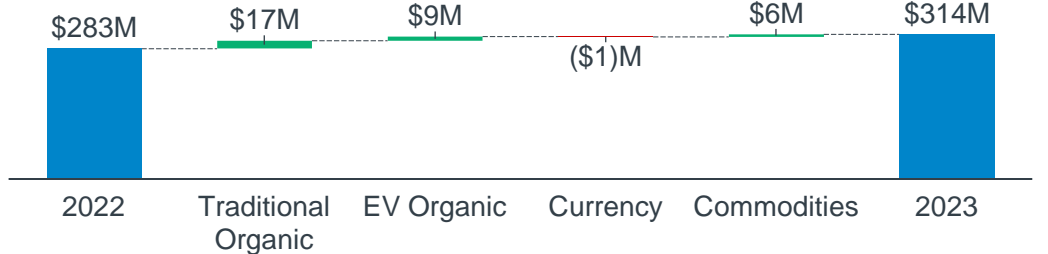


Adjusted EBITDA

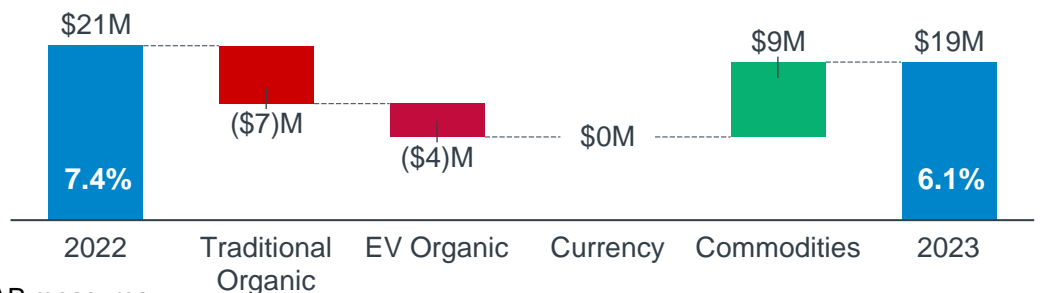


Power Technologies

Sales



Adjusted EBITDA



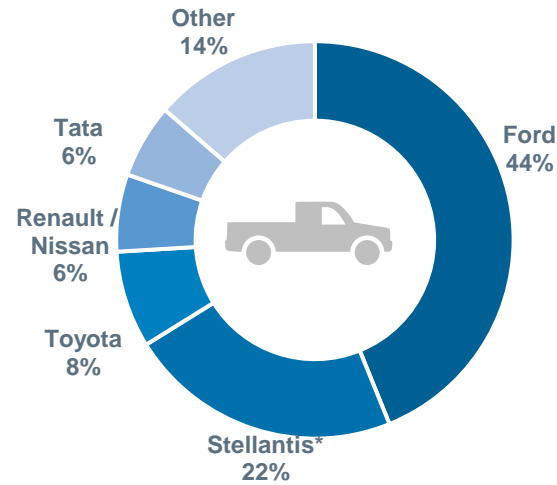
See appendix for comments regarding the presentation of non-GAAP measures

Segment Profiles

CUSTOMER SALES

Light Vehicle Drive Systems

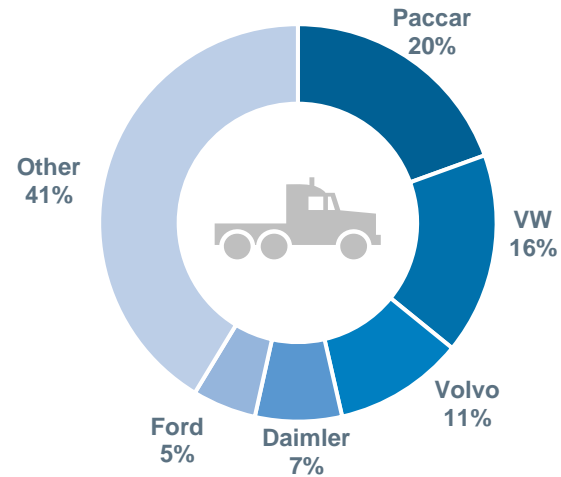
Year to Date 6/30/2023



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

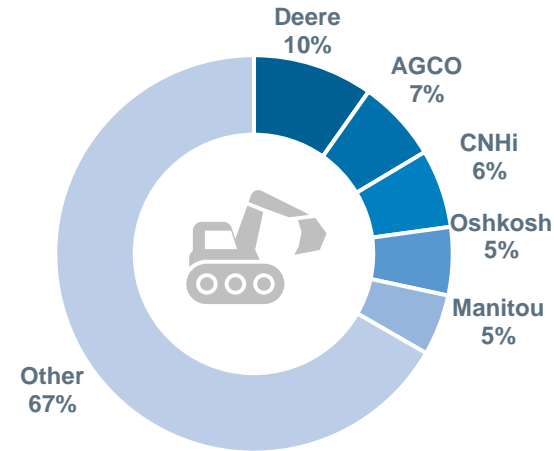
Commercial Vehicle Drive and Motion Systems

Year to Date 6/30/2023



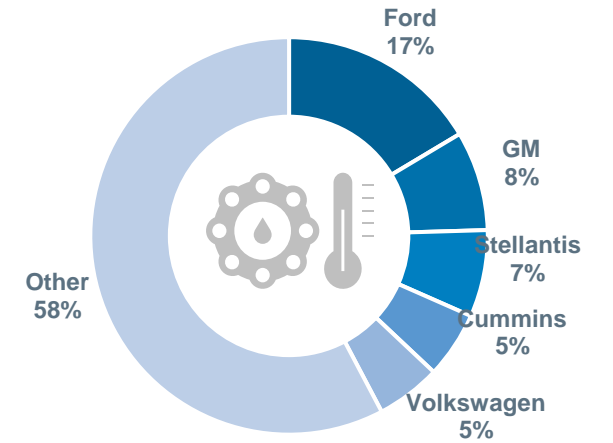
Off Highway Drive and Motion Systems

Year to Date 6/30/2023

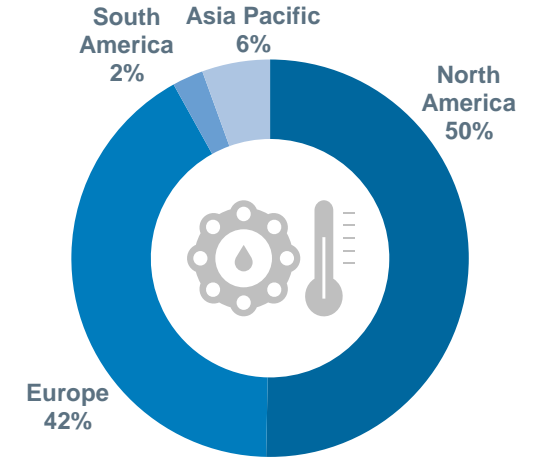
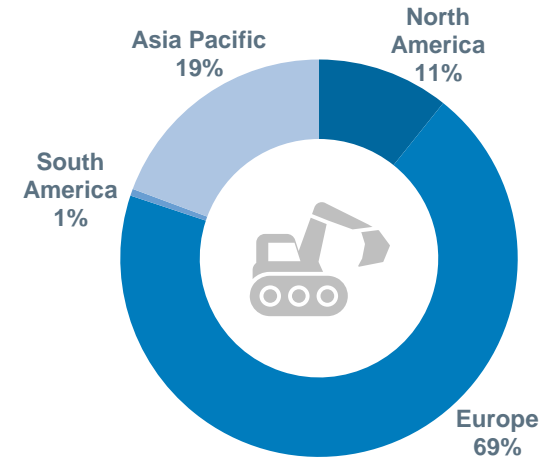
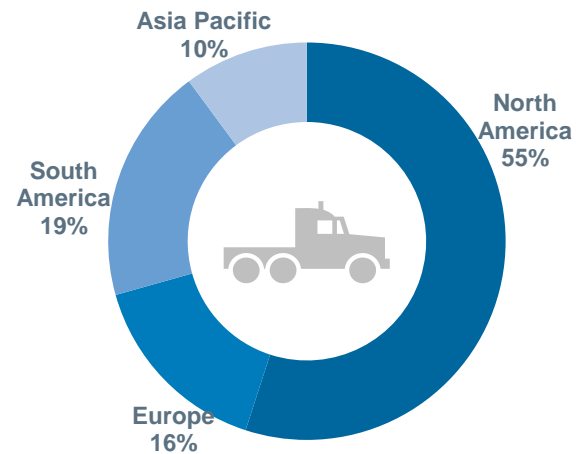
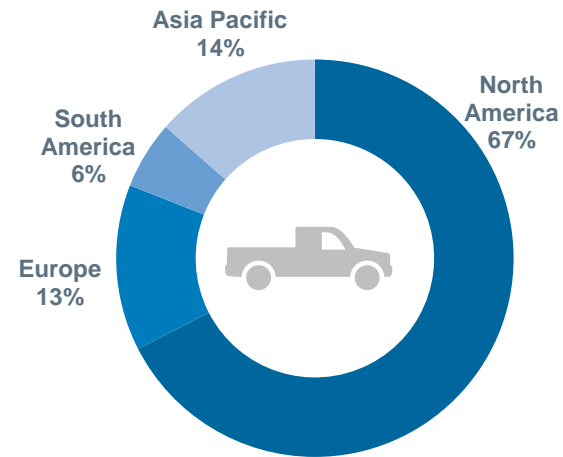


Power Technologies

Year to Date 6/30/2023



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 June 30, 2023 and 2022

(In millions, except per share amounts)

	Three Months Ended June 30,	
	2023	2022
Net income attributable to the parent company	\$ 30	\$ 8
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	3	1
Strategic transaction expenses	1	3
Distressed supplier costs	4	
Other items	1	(2)
Items impacting income taxes:		
Net income tax expense on items above	(4)	(3)
Income tax expense attributable to various discrete tax matters	14	
Adjusted net income attributable to the parent company	\$ 54	\$ 12
Diluted shares - as reported	144.4	143.7
Adjusted diluted shares	144.4	143.7
Diluted adjusted EPS	\$ 0.37	\$ 0.08

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 Six Months Ended June 30, 2023 and 2022

(In millions, except per share amounts)

	Six Months Ended June 30,	
	2023	2022
Net income attributable to the parent company	\$ 58	\$ 25
Items impacting income before income taxes:		
Amortization	10	10
Restructuring charges, net	4	
Strategic transaction expenses	2	5
Distressed supplier costs	12	
Other items		
Items impacting income taxes:		
Net income tax expense on items above	(10)	(5)
Income tax expense attributable to various discrete tax matters	14	
Adjusted net income attributable to the parent company	\$ 90	\$ 35
Diluted shares - as reported	144.3	144.6
Adjusted diluted shares	144.3	144.6
Diluted adjusted EPS	\$ 0.62	\$ 0.24

Segment Data

DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended June 30, 2023 and 2022

(In millions)	Three Months Ended	
	June 30,	
	2023	2022
Sales		
Light Vehicle	\$ 1,066	\$ 1,028
Commercial Vehicle	526	507
Off-Highway	842	768
Power Technologies	314	283
Total Sales	\$ 2,748	\$ 2,586
Segment EBITDA		
Light Vehicle	\$ 66	\$ 33
Commercial Vehicle	28	10
Off-Highway	131	100
Power Technologies	19	21
Total Segment EBITDA	244	164
Corporate expense and other items, net	(1)	(2)
Adjusted EBITDA	\$ 243	\$ 162

DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Six Months Ended June 30, 2023 and 2022

(In millions)	Six Months Ended	
	June 30,	
	2023	2022
Sales		
Light Vehicle	\$ 2,028	\$ 2,013
Commercial Vehicle	1,048	970
Off-Highway	1,684	1,512
Power Technologies	632	571
Total Sales	\$ 5,392	\$ 5,066
Segment EBITDA		
Light Vehicle	\$ 115	\$ 64
Commercial Vehicle	45	20
Off-Highway	249	200
Power Technologies	42	50
Total Segment EBITDA	451	334
Corporate expense and other items, net	(4)	(2)
Adjusted EBITDA	\$ 447	\$ 332

Segment Data Continued

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended June 30, 2023 and 2022

(In millions)	Three Months Ended	
	June 30,	
	2023	2022
Segment EBITDA	\$ 244	\$ 164
Corporate expense and other items, net	(1)	(2)
Adjusted EBITDA	243	162
Depreciation	(94)	(91)
Amortization	(6)	(5)
Non-service cost components of pension and OPEB costs	(3)	(3)
Restructuring charges, net	(3)	(1)
Stock compensation expense	(8)	(4)
Strategic transaction expenses	(1)	(1)
Distressed supplier costs	(4)	
Other items		2
Earnings before interest and income taxes	124	59
Loss on extinguishment of debt	(1)	
Interest income	5	2
Interest expense	39	32
Earnings before income taxes	89	29
Income tax expense	55	18
Equity in earnings (loss) of affiliates	2	(1)
Net income	\$ 36	\$ 10

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Six Months Ended June 30, 2023 and 2022

(In millions)	Six Months Ended	
	June 30,	
	2023	2022
Segment EBITDA	\$ 451	\$ 334
Corporate expense and other items, net	(4)	(2)
Adjusted EBITDA	447	332
Depreciation	(186)	(182)
Amortization	(11)	(11)
Non-service cost components of pension and OPEB costs	(6)	(3)
Restructuring charges, net	(4)	
Stock compensation expense	(14)	(8)
Strategic transaction expenses	(2)	(5)
Distressed supplier costs	(12)	
Other items	2	2
Earnings before interest and income taxes	214	125
Loss on extinguishment of debt	(1)	
Interest income	9	4
Interest expense	73	63
Earnings before income taxes	149	66
Income tax expense	85	36
Equity in earnings of affiliates	3	
Net income	\$ 67	\$ 30

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

(In millions)

	Three Months Ended June 30,	
	2023	2022
Net cash provided by operating activities	\$ 256	\$ 257
Purchases of property, plant and equipment	(122)	(90)
Free cash flow	<u>\$ 134</u>	<u>\$ 167</u>

(In millions)

	Six Months Ended June 30,	
	2023	2022
Net cash provided by operating activities	\$ 86	\$ 136
Purchases of property, plant and equipment	(242)	(206)
Free cash flow	<u>\$ (156)</u>	<u>\$ (70)</u>



People Finding A Better Way[®]



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. We believe free cash flow 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 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 may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides 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 (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.