



Deutsche Bank

2014 Global Auto Industry Conference

January 14, 2014

Honesty & Integrity

Good Corporate Citizen

Open Communication

Continuous Improvement

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.

Dana Snapshot



Dana is the global **technology** leader in efficient **power** conveyance and **energy** management **solutions** that enable our **customers** to achieve their **sustainability** objectives

- ▶ Founded in 1904
- ▶ Facilities in 26 countries
- ▶ Serving customers in 125 countries
- ▶ 2013 preliminary sales ~\$6.77 billion
- ▶ Adjusted EBITDA margin ~11.0%



Applying Dana's Expertise



End Markets



Business Segments



**Light Vehicle
Driveline**



**Commercial Vehicle
Driveline**



**Off-Highway
Driveline**



**Power
Technologies**

Competencies And Technologies



2013 Summary



- ▶ **Continued building solid base for growth with new product introductions and investment in engineering and technology**
 - ▶ *Opened two new technical centers in Asia*
 - ▶ *Spicer[®] Driveshafts are featured on the Dodge Ram 1500, Motor Trend's 2014 Truck of the Year*
 - ▶ *Dana again has products on six of Ward's Magazine 10 best engines*
 - ▶ *Dana's AdvanTek[®] 40 commercial vehicle axle nominated for PACE award*

- ▶ **Record Adjusted EBITDA margin of 11.0%**
 - ▶ *Continued execution despite lower than expected end-market demand*
 - ▶ *5th consecutive year of margin growth*

- ▶ **Record Free Cash Flow**
 - ▶ *\$365 million*
 - ▶ *U.S. pensions ~90% funded*

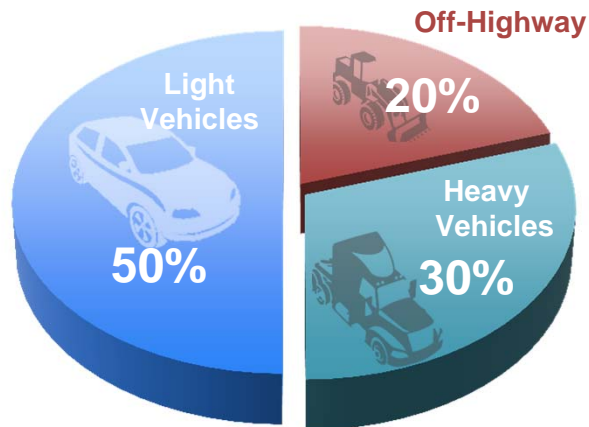
- ▶ **Significant shareholder return - \$829 million in share repurchases and redemptions**
 - ▶ *\$49 million returned to shareholders in Q4 2013*

2013 Preliminary Sales Breakdown

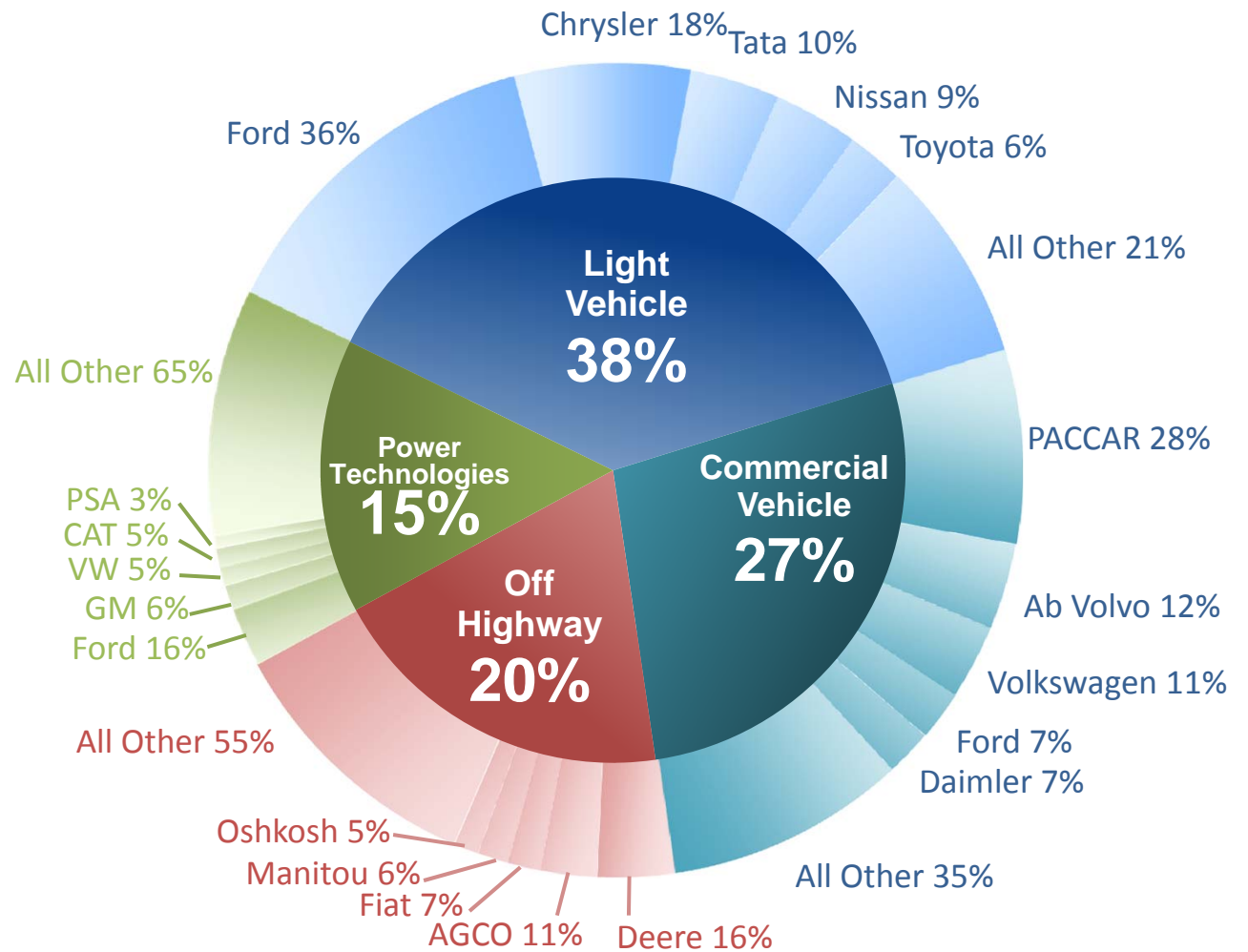
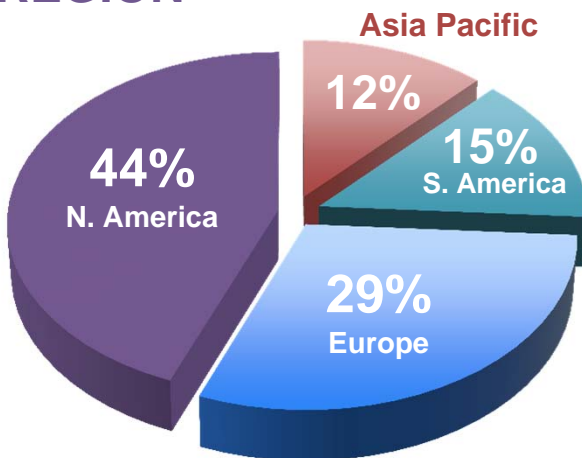


Business Unit and Customer

MARKET



REGION



Product Technologies Fueling Growth



Key Products for Near-Term Growth



Spicer® 318 Transmission



Spicer® AdvanTEK® Axle



Spicer® AdvanTEK® 40 Tandem Drive Axle



Spicer® Modular Ag. Axle



Lightweight Cam Cover



Long® Active Warm-up Unit



Spicer® Power Boost™



VariGlide CVP



Spicer® Model 300 Axle



Lightweight Beam Steer Axle



Long® EREV2 Battery Cooling



Spicer® Diamond™ Series Driveshaft



Spicer® Dual Range Disconnect

Key Products for Future Growth



Electric Vehicle Gearbox



Hydro-mechanical Variable Powersplit Transmission System



Spicer® All-Wheel Drive Unit

2014

2016

2020



Financial Highlights

2013 Preliminary Financial Results



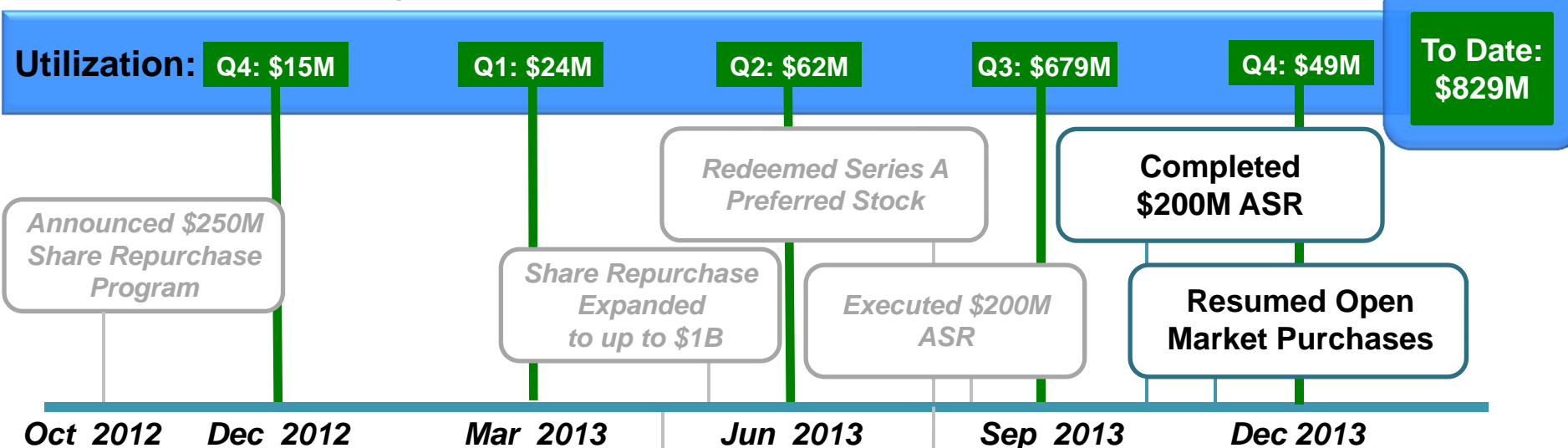
| | <u>2013 Guidance</u> | <u>Preliminary Results</u> |
|---------------------------------------|----------------------|----------------------------|
| Sales | ~\$6.7 B | \$6.77 B |
| Adjusted EBITDA | ~\$750 M | \$745 M |
| Margin | ~11.1% | 11.0% |
| Capital Spend | ~\$190 M | \$208 M |
| Free Cash Flow | \$240 – \$260 M | \$365 M |
| Cash and marketable securities | | \$1.36 B |

| <u>Business Segment</u> | | |
|-------------------------|--------------|----------------------|
| | <u>Sales</u> | <u>EBITDA Margin</u> |
| LVD | \$2.5 B | 9.5% |
| CVD | 1.9 B | 10.4% |
| OHD | 1.3 B | 12.3% |
| PTG | 1.0 B | 14.6% |

Capital Structure Update



Share Repurchase Program



Debt Actions



| Share Repurchase Summary | |
|---|---------|
| Shares Repurchased* | 39 M |
| 2013 Weighted Avg. Adj. Diluted Shares | 200 M |
| Series B Pref. Shares Outstanding 12/31 | 3.8 M |
| Remaining Authorization | \$171 M |

| Preliminary Debt / Leverage | |
|-----------------------------|----------|
| Total Debt | \$1.62 B |
| Net Debt 12/31 | \$258 M |
| 2013 Adjusted EBITDA | \$745 M |
| Net Leverage | 0.35 x |

* Including the redemption of 21 million shares of as converted Series A preferred

Significant Capital Allocation Actions

2014 Market Considerations – Dana Impact



| LVD | CVD | OH | PT |
|-----|-----|----|----|
| ↔ | ↑ | ↔ | ↑ |



| LVD | CVD | OH | PT |
|-----|-----|----|----|
| ↔ | ↔ | ↓ | ↑ |

Mostly stable end-market demand across most regions

- ▶ Continued strength in full frame light trucks
- ▶ Improving NA commercial vehicle demand
- ▶ Mining market remains sluggish worldwide

Continued currency headwinds, principally South America

Developing economies remain challenging

- ▶ Venezuela, Argentina and India

2014 Market Growth Offset by Currency



| LVD | CVD | OH | PT |
|-----|-----|----|----|
| ↑ | ↔ | ↔ | ↔ |



| LVD | CVD | OH | PT |
|-----|-----|----|----|
| ↑ | ↑ | ↔ | ↔ |

2014 Financial Targets



| Key Financial Metrics | 2014 Targets |
|------------------------------|--------------------|
| Sales | \$6.8 – \$6.9 B |
| Adjusted EBITDA | \$760 – \$770 M |
| <i>Margin</i> | ~11.2% |
| Diluted Adjusted EPS* | \$1.82 – \$1.86 |
| Capital Spend | \$210 – \$230 M |
| Free Cash Flow | \$235 – \$255 M |
| Other Cash Flow Items | |
| Depreciation / Amortization | ~\$180 M / ~\$50 M |
| Cash Taxes | ~\$130 M |
| Net Interest | ~\$110 M |
| Pension Funding, Net | ~\$25 M |
| Cash Restructuring | ~\$40 M |

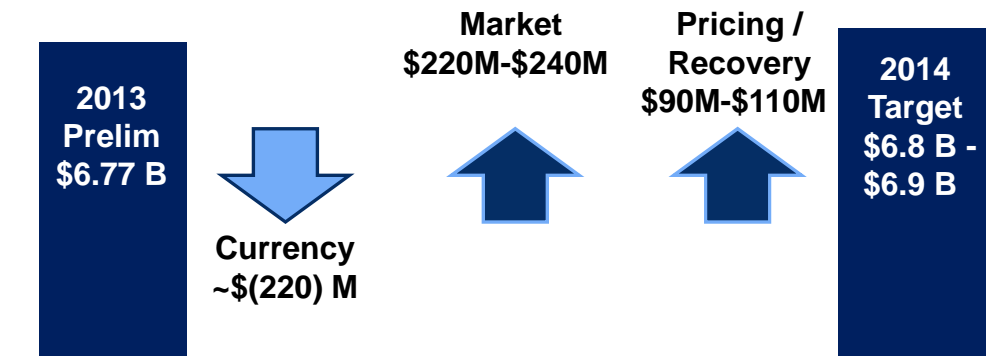
| <u>Currency Assumptions</u> | |
|-----------------------------|-------|
| Euro / USD | 1.29 |
| USD / MXN | 12.50 |
| USD / BRL | 2.20 |
| USD / ARP | 7.56 |
| USD / INR | 60.00 |
| USD / VEF | 9.50 |
| <u>Tax Assumptions</u> | |
| US GAAP Rate | 29% |
| Cash Tax Rate | 35% |
| Adjusted EPS Rate | 27% |

*Calculated based on fully diluted outstanding shares of 179 million - excludes future impact of the share repurchase program

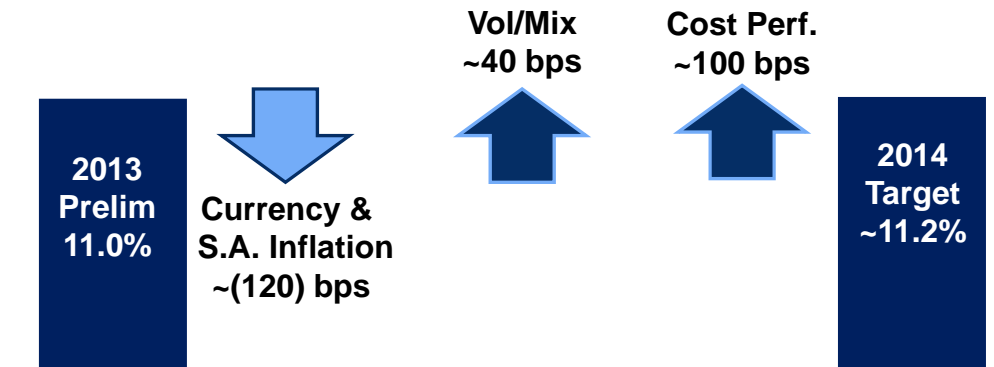
2014 Sales and Adjusted EBITDA Margin



Sales Progression



Adjusted EBITDA Margin Progression



Business Segments – 2014 Targets

Light Vehicle Driveline

| Sales | Margin |
|----------|--------|
| ~\$2.7 B | ~10% |

Commercial Vehicle Driveline

| Sales | Margin |
|----------|--------|
| ~\$1.9 B | ~10% |

Off-Highway Driveline

| Sales | Margin |
|----------|--------|
| ~\$1.3 B | ~12% |

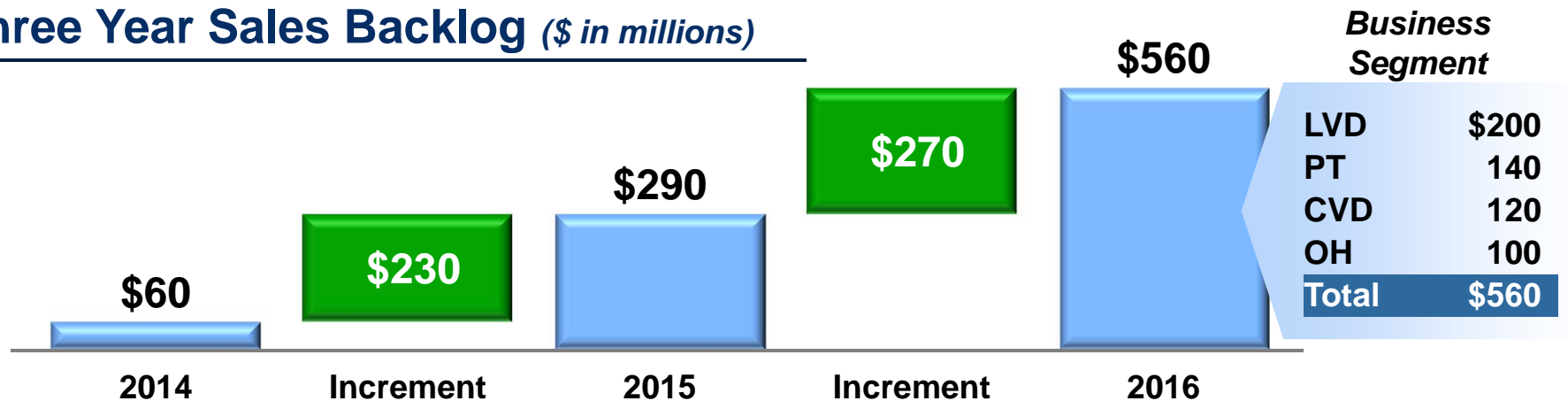
Power Technologies

| Sales | Margin |
|----------|--------|
| ~\$1.0 B | ~15% |

Forward View: Sales Backlog



Three Year Sales Backlog (\$ in millions)



- ▶ Sales backlog representing top-line growth in excess of market demand
- ▶ Incremental backlog number is additive to prior year sales

Includes:

- ▶ New sales won over the last few years adjusted for current volume expectations
- ▶ Net of any lost sales

Excludes:

- ▶ Replacement business wins
- ▶ Future currency changes
- ▶ Future market changes



2016 Sales and Margin Targets

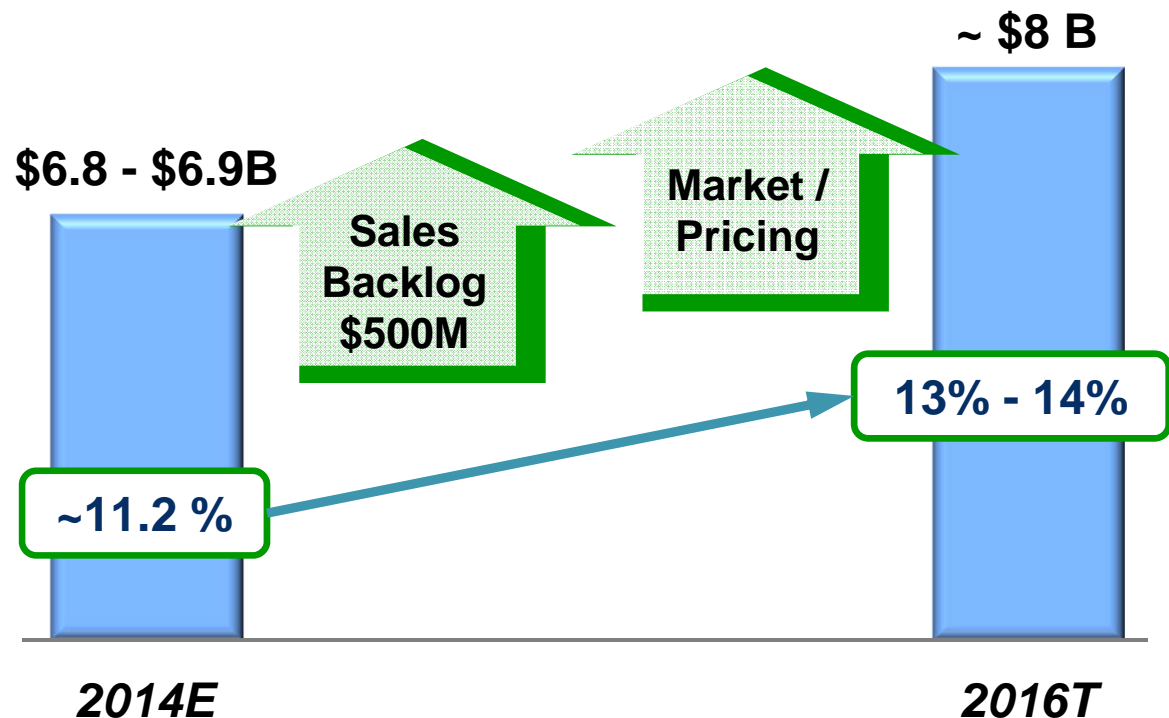


+\$1 Billion in Expected Sales Growth Fueled by Sales Backlog and Market Factors

2016 Adjusted EBITDA Margin Target Exit Rate of 13% - 14% Reflects:

- ▶ *Sales backlog at higher returns based on technology and capability*
- ▶ *Leveraging of existing capacity and infrastructure*
- ▶ *Continued manufacturing and materials efficiencies*

2016 Sales / Adjusted EBITDA Margin Targets



The Dana Advantage



- ▶ **Continued margin expansion**
 - ▶ In light of end-market demand
 - ▶ Driven by operating efficiencies, product rationalization, innovation
- ▶ **Strong cash flow generation**
 - ▶ Strong balance sheet providing flexibility for continued business investment and shareholder value initiatives
- ▶ **New business coming on-line in 2015 and 2016**
 - ▶ Further driving margin expansion and operating leverage
- ▶ **Pursuing and investing in technology and innovation**





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Appendix Materials

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Global Vehicle Production Dana Forecasts (Units in 000s)



| | 2013 Prelim | 2014 Outlook |
|--------------------------------------|----------------|-----------------|
| North America | | |
| Light Truck (Full Frame) | 3,600 | 3,550 – 3,650 |
| Light Vehicle Engines | 14,350 | 14,700 – 15,100 |
| Medium Truck (Class 5-7) | 195 | 200 – 210 |
| Heavy Truck (Class 8) | 250 | 260 – 270 |
| Agricultural Equipment | 80 | 75 – 80 |
| Construction/Mining Equipment | 150 | 150 – 155 |
| Europe (Incl. Eastern Europe) | | |
| Light Trucks | 7,000 | 6,900 – 7,100 |
| Light Vehicle Engines | 20,800 | 21,000 – 25,000 |
| Medium/Heavy Truck | 400 | 380 – 390 |
| Agricultural Equipment | 245 | 240 – 250 |
| Construction/Mining Equipment | 315 | 310 – 320 |
| South America | | |
| Light Trucks | 1,300 | 1,300 – 1,400 |
| Light Vehicle Engines | 3,700 | 3,800 – 4,000 |
| Medium/Heavy Truck | 205 | 200 – 210 |
| Agricultural Equipment | 55 | 55 – 60 |
| Construction/Mining Equipment | 20 | 18 – 22 |
| Asia Pacific | | |
| Light Trucks | 20,000 | 20,000 – 21,000 |
| Light Vehicle Engines | 44,500 | 45,500 – 46,100 |
| Medium/Heavy Truck | 1,490 | 1,500 – 1,600 |
| Agricultural Equipment | 800 | 800 – 850 |
| Construction /Mining Equipment | 570 | 550 – 570 |

Appendix

Non-GAAP Financial Information



The preceding slides refer to Adjusted EBITDA, which we've defined to be earnings from continuing and discontinued operations before interest, taxes, depreciation, amortization, non-cash equity grant expense, restructuring expense and other nonrecurring items (gain/loss on debt extinguishment or divestitures, impairment, etc.). The most significant impact on Dana's ongoing results of operations as a result of applying fresh start accounting following our emergence from bankruptcy was higher depreciation and amortization. By using adjusted EBITDA, a performance measure which excludes depreciation and amortization, the comparability of results is enhanced. Management also believes that adjusted EBITDA is an important measure since the financial covenants in our debt agreements are based, in part, on adjusted EBITDA. 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 (loss) attributable to the parent company excluding restructuring expense, amortization expense and nonrecurring items (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 excluding any bankruptcy claim-related payments, 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.