

## **DANA INCORPORATED**

### **Quarterly Financial Information and Reconciliations of Non-GAAP Financial Measures**

#### **Non-GAAP Financial Measures**

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 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.

**DANA INCORPORATED**  
**Consolidated Statement of Operations (Unaudited)**  
**For the Three Months Ended March 31, 2022 and 2021**

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2022	2021
<b>Net sales</b>	\$ 2,480	\$ 2,263
Costs and expenses		
Cost of sales	2,283	2,012
Selling, general and administrative expenses	130	119
Amortization of intangibles	4	4
Restructuring charges, net	(1)	1
Other income (expense), net	2	(19)
Earnings before interest and income taxes	66	108
Interest income	2	2
Interest expense	31	34
Earnings before income taxes	37	76
Income tax expense	18	22
Equity in earnings of affiliates	1	14
<b>Net income</b>	20	68
Less: Noncontrolling interests net income	4	1
Less: Redeemable noncontrolling interests net loss	(1)	(4)
<b>Net income attributable to the parent company</b>	<u>\$ 17</u>	<u>\$ 71</u>
<b>Net income per share available to common stockholders</b>		
Basic	\$ 0.12	\$ 0.49
Diluted	\$ 0.12	\$ 0.48
Weighted-average shares outstanding - Basic	144.2	144.9
Weighted-average shares outstanding - Diluted	145.3	146.4

**DANA INCORPORATED**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Three Months Ended March 31, 2022 and 2021**

(In millions)

	Three Months Ended March 31,	
	2022	2021
<b>Net income</b>	\$ 20	\$ 68
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	39	(5)
Hedging gains and losses	(4)	(17)
Defined benefit plans	1	3
Other comprehensive income (loss)	36	(19)
<b>Total comprehensive income</b>	56	49
Less: Comprehensive (income) loss attributable to noncontrolling interests	(4)	1
Less: Comprehensive loss attributable to redeemable noncontrolling interests	1	3
<b>Comprehensive income attributable to the parent company</b>	<u>\$ 53</u>	<u>\$ 53</u>

**DANA INCORPORATED**  
**Consolidated Balance Sheet (Unaudited)**  
**As of March 31, 2022 and December 31, 2021**

(In millions, except share and per share amounts)

	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 259	\$ 268
Marketable securities	19	17
Accounts receivable		
Trade, less allowance for doubtful accounts of \$7 in 2022 and \$7 in 2021	1,625	1,321
Other	250	220
Inventories	1,631	1,564
Other current assets	210	196
<b>Total current assets</b>	<b>3,994</b>	<b>3,586</b>
Goodwill	479	482
Intangibles	225	233
Deferred tax assets	603	580
Other noncurrent assets	128	131
Investments in affiliates	175	174
Operating lease assets	244	247
Property, plant and equipment, net	2,205	2,199
<b>Total assets</b>	<b>\$ 8,053</b>	<b>\$ 7,632</b>
<b>Liabilities and equity</b>		
Current liabilities		
Short-term debt	\$ 301	\$ 23
Current portion of long-term debt	8	8
Accounts payable	1,717	1,571
Accrued payroll and employee benefits	207	184
Taxes on income	55	41
Current portion of operating lease liabilities	39	43
Other accrued liabilities	293	304
<b>Total current liabilities</b>	<b>2,620</b>	<b>2,174</b>
Long-term debt, less debt issuance costs of \$25 in 2022 and \$26 in 2021	2,376	2,386
Noncurrent operating lease liabilities	211	209
Pension and postretirement obligations	390	398
Other noncurrent liabilities	269	292
<b>Total liabilities</b>	<b>5,866</b>	<b>5,459</b>
Commitments and contingencies		
Redeemable noncontrolling interests	200	198
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding	-	-
Common stock, 450,000,000 shares authorized, \$0.01 par value, 143,334,271 and 144,238,660 shares outstanding	2	2
Additional paid-in capital	2,431	2,427
Retained earnings	664	662
Treasury stock, at cost (13,466,902 and 11,661,591 shares)	(216)	(184)
Accumulated other comprehensive loss	(949)	(985)
Total parent company stockholders' equity	<b>1,932</b>	<b>1,922</b>
Noncontrolling interests	55	53
<b>Total equity</b>	<b>1,987</b>	<b>1,975</b>
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	<b>\$ 8,053</b>	<b>\$ 7,632</b>

**DANA INCORPORATED**  
**Consolidated Statement of Cash Flows (Unaudited)**  
**For the Three Months Ended March 31, 2022 and 2021**

(In millions)

	Three Months Ended	
	March 31,	
	2022	2021
<b>Operating activities</b>		
Net income	\$ 20	\$ 68
Depreciation	91	88
Amortization	6	7
Amortization of deferred financing charges	1	2
Earnings of affiliates, net of dividends received	(1)	(14)
Stock compensation expense	4	5
Deferred income taxes	(25)	(6)
Pension expense, net	(1)	
Change in working capital	(211)	(133)
Other, net	(5)	10
<b>Net cash provided by (used in) operating activities</b>	<b>(121)</b>	<b>27</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(116)	(53)
Acquisition of businesses, net of cash acquired		(17)
Purchases of marketable securities	(5)	(11)
Proceeds from sales and maturities of marketable securities	2	6
Other, net	2	2
<b>Net cash used in investing activities</b>	<b>(117)</b>	<b>(73)</b>
<b>Financing activities</b>		
Net change in short-term debt	278	(1)
Proceeds from long-term debt	2	2
Repayment of long-term debt	(3)	(1)
Deferred financing payments		(2)
Dividends paid to common stockholders	(14)	(14)
Distributions to noncontrolling interests	(1)	
Contributions from redeemable noncontrolling interests	2	1
Payments to acquire noncontrolling interests	(3)	
Repurchases of common stock	(25)	
Other, net	(7)	(1)
<b>Net cash provided by (used in) financing activities</b>	<b>229</b>	<b>(16)</b>
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>(9)</b>	<b>(62)</b>
Cash, cash equivalents and restricted cash – beginning of period	287	567
Effect of exchange rate changes on cash balances	2	(12)
<b>Cash, cash equivalents and restricted cash – end of period</b>	<b>\$ 280</b>	<b>\$ 493</b>

**DANA INCORPORATED****Reconciliation of Net Cash Provided By (Used In) Operating Activities to  
Free Cash Flow and Adjusted Free Cash Flow (Unaudited)**

(In millions)	Three Months Ended	
	March 31,	
	2022	2021
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (121)</u>	<u>\$ 27</u>
Purchase of property, plant and equipment	<u>(116)</u>	<u>(53)</u>
<b>Free cash flow</b>	<u>(237)</u>	<u>(26)</u>
Discretionary pension contributions		
<b>Adjusted free cash flow</b>	<u><u>\$ (237)</u></u>	<u><u>\$ (26)</u></u>

**DANA INCORPORATED**  
**Segment Sales and Segment EBITDA (Unaudited)**  
**For the Three Months Ended March 31, 2022 and 2021**

(In millions)	Three Months Ended	
	March 31,	
	2022	2021
<b>Sales</b>		
Light Vehicle	\$ 985	\$ 991
Commercial Vehicle	463	349
Off-Highway	744	635
Power Technologies	288	288
<b>Total Sales</b>	<b>\$ 2,480</b>	<b>\$ 2,263</b>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 31	\$ 100
Commercial Vehicle	10	15
Off-Highway	100	79
Power Technologies	29	41
<b>Total Segment EBITDA</b>	<b>170</b>	<b>235</b>
Corporate expense and other items, net		(1)
<b>Adjusted EBITDA</b>	<b>\$ 170</b>	<b>\$ 234</b>

**DANA INCORPORATED****Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)****For the Three Months Ended March 31, 2022 and 2021**

(In millions)

	Three Months Ended	
	March 31,	
	2022	2021
<b>Segment EBITDA</b>	\$ 170	\$ 235
Corporate expense and other items, net		(1)
<b>Adjusted EBITDA</b>	170	234
Depreciation	(91)	(88)
Amortization	(6)	(7)
Non-service cost components of pension and OPEB costs		(2)
Restructuring charges, net	1	(1)
Stock compensation expense	(4)	(5)
Strategic transaction expenses	(4)	(3)
Loss on investment in Hyliion		(17)
Loss on disposal group held for sale		(7)
Other items		4
Earnings before interest and income taxes	66	108
Interest income	2	2
Interest expense	31	34
Earnings before income taxes	37	76
Income tax expense	18	22
Equity in earnings of affiliates	1	14
<b>Net income</b>	<b>\$ 20</b>	<b>\$ 68</b>



**DANA INCORPORATED**

**Reconciliation of Net Income (Loss) Attributable to the Parent Company to  
Adjusted Net Income (Loss) Attributable to the Parent Company and  
Diluted Adjusted EPS (Unaudited)  
For the Three Months Ended March 31, 2022 and 2021**

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2022	2021
<b>Net income attributable to parent company</b>	\$ 17	\$ 71
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	(1)	1
Strategic transaction expenses	2	3
Loss on investment in Hyllion		17
Loss on disposal group held for sale		5
Other items	2	
Items impacting income taxes:		
Net income tax expense on items above	(2)	(6)
Income tax expense attributable to various discrete tax matters		1
<b>Adjusted net income attributable to the parent</b>	<u>\$ 23</u>	<u>\$ 97</u>
Diluted shares - as reported	145.3	146.4
Adjusted diluted shares	145.3	146.4
<b>Diluted adjusted EPS</b>	\$ 0.16	\$ 0.66