



**2021 Third-quarter
Earnings Conference Call**

October 26, 2021

People Finding A Better Way[®]

Empowering
People

employee development
health and wellness workplace safety
inclusion and diversity

Innovating
Products

product safety and quality
advanced technology

Protecting the
Planet

environment
supply chain community



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



- **Introduction**

Craig Barber

*Senior Director, Investor Relations
and Strategic Planning*

- **Business Review**

James Kamsickas

*Chairman and
Chief Executive Officer*

- **Financial Review**

Jonathan Collins

*Executive Vice President
and Chief Financial Officer*



Business Highlights: 2021 Third Quarter

FINANCIAL RESULTS

sales
\$2.2 billion

↑ \$210M from prior year

free cash flow
\$(170) million

↓ \$431M from prior year

adjusted EBITDA
\$210 million

↑ \$9M from prior year

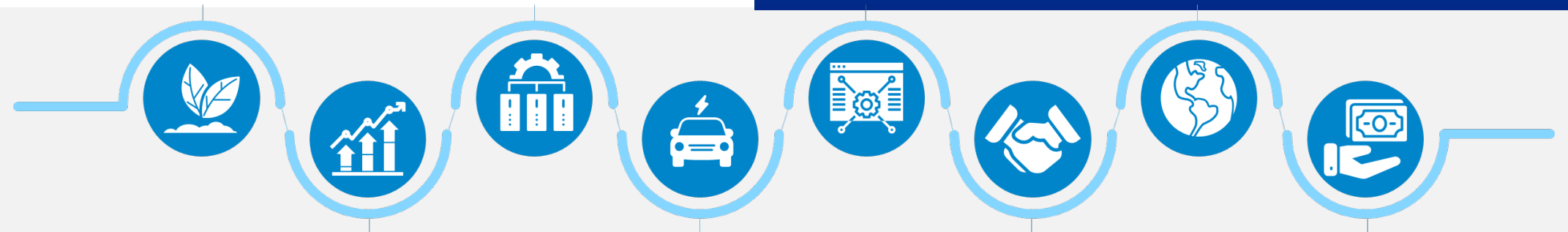
diluted adjusted EPS
\$0.41

↑ 4¢ from prior year

KEY HIGHLIGHTS

- 1 Navigated unprecedented supply chain constraints, raw material cost inflation, and labor shortage
- 2 Positioned for long-term cyclical recovery across all mobility markets
- 3 Hosted EV Capital Markets Day
- 4 Unveiled substantial new EV wins

Electrification.
Delivered.TM



1

2 Navigating Challenging Market Dynamics

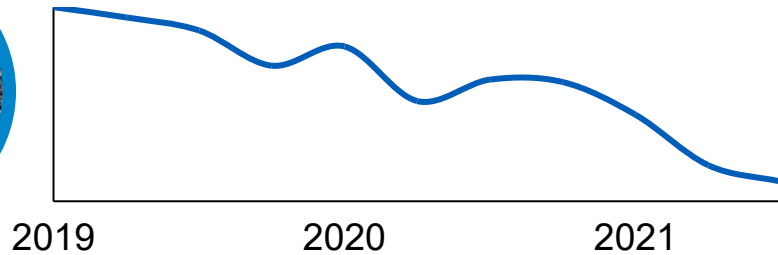


- Second half impacted by disrupted demand patterns, high commodity costs, and continued cost pressures
- Strong end-market demand, coupled with constrained production, leading to low finished vehicle inventories
- When supply chain issues abate, restocking will provide strong volume tailwind
- Expect longer, sustained recovery period as demand is forecasted to remain high for key platforms
- End-market cycles aligning as demand across the entire mobility landscape is expected to improve dramatically as supply constraints abate

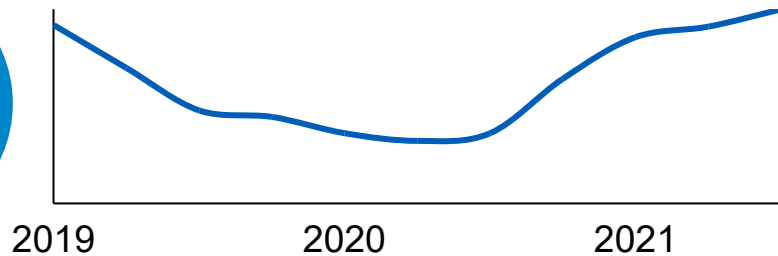
Robust Demand



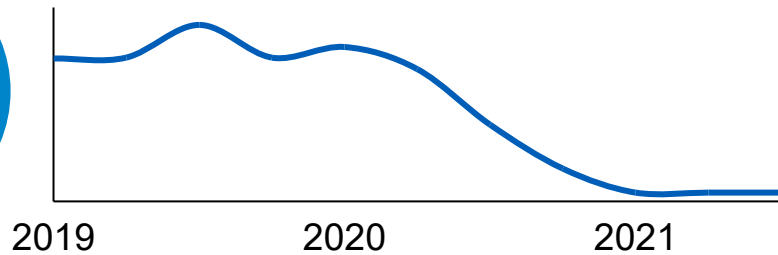
Historically low light-vehicle inventory



CI8 sales backlog above pre-pandemic

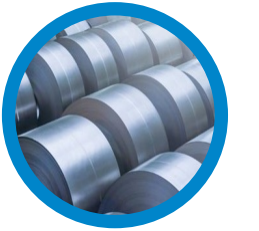
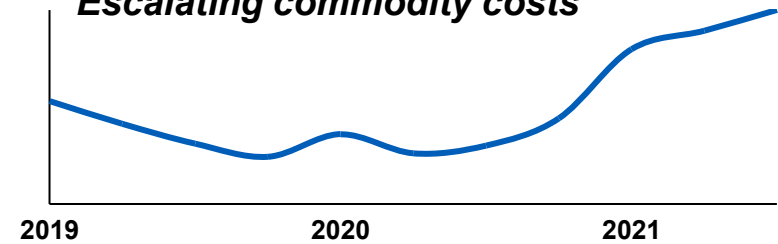


Dramatically low construction inventory

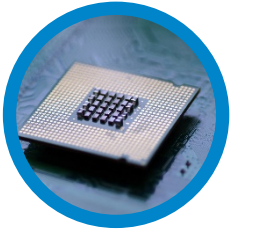
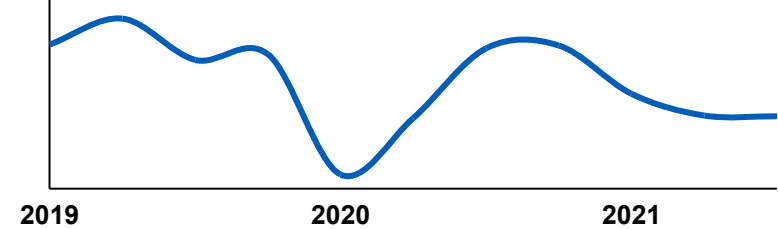


Constrained Supply

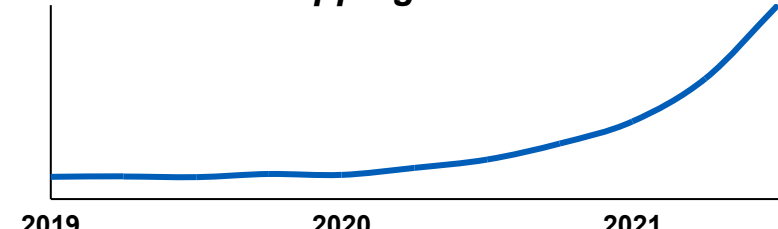
Escalating commodity costs



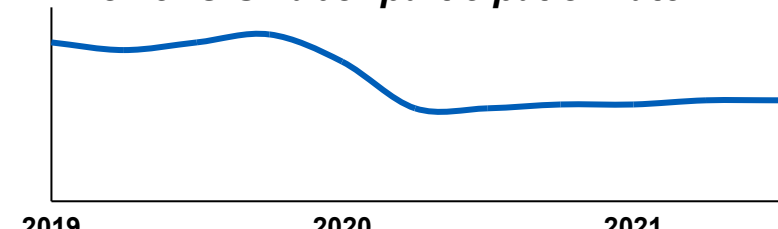
Chip shortage disrupting OEM production



Container shipping cost increases



Lower U.S. labor participation rate



Demand continues to be constrained by supply, positioning for robust cyclical growth



③ September 28th Capital Markets Day



Guiding toward a zero-emissions future



Delivering complete e-Propulsion systems with in-house electrodynamics



Expanding margins from software-driven smart systems



Leveraging global infrastructure and multi-market scope



Growing total addressable market



Enduring product with 3x content-per-vehicle uplift



Existing and emerging commercial channels



Strengthening core business will fund growth

Electrification.
Delivered.TM

ICE-to-EV transition positioning for above-market secular growth



④ Announced New EV Business Wins

Komatsu Electric Mining Drill

e-Direct Drive



DANA SPICER

KOMATSU

Taylor Next-generation Battery-electric Container Handler



TAYLOR

Heavy-duty e-Torque Hubs and SUMO LD™ e-Motor and Power Inverter

DANA TM4

Navistar Electric Medium-duty Truck

e-Direct Drive



DANA SPICER

INTERMATIC **MV**

PACCAR Next-generation Global Electric Medium-duty Truck

e-Propulsion System

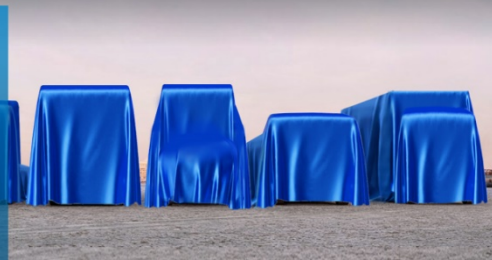
CONFIDENTIAL

DANA SPICER

DAF **KENWORTH** **Peterbilt**

Major European OEM Heavy-duty Electric Vehicle Lineup

MOTIVE™ e-Motor



DANA TM4

Navistar Electric School Bus

e-Direct Drive



DANA SPICER

U **ICE**

Major North American OEM Electric Class-8 Truck

e-Axles



DANA SPICER

Hybrid-electric Super Car

e-Transmission

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DANA SPICER

Electric Lifestyle Vehicle

Independent e-Axle



DANA SPICER

Rivian R1T Electric Pickup Truck

Battery Cooling Plates




DANA LONG

RIVIAN

Ford Electric F-150 Lightning

Battery Cooling Plates



DANA LONG

Nikola Tre Fuel-cell Electric Class-8 Truck

Metallic Bipolar Plates



DANA HYDROSEAL

NIKOLA TRE FCEV **BOSCH**

Customers across all major mobility markets are selecting Dana's EV solutions



Financial Review

People Finding A Better Way[®]

DAN

LISTED

NYSE

2021 Q3 Financial Results



- Sales growth primarily due to demand recovery in heavy-vehicle markets
- Profit margin compression due entirely to raw material cost inflation
- Free cash flow use driven by higher working capital requirements resulting from customer schedule disruptions and supply chain challenges

Changes from Prior Year			
	Q3 '21	Q3 '20	Change
Sales	\$ 2,204	\$ 1,994	\$ 210
Adjusted EBITDA	210	201	9
Margin	9.5%	10.1%	(60) bps
EBIT	94	89	5
Interest Expense, Net	29	35	(6)
Income Tax Expense	20	16	4
Net Income (attributable to Dana)	48	45	3
Adjusted Net Income (attributable to Dana)	60	53	7
Diluted Adjusted EPS	\$ 0.41	\$ 0.37	\$ 0.04
Operating Cash Flow	(75)	321	(396)
Capital Spending	95	60	35
Free Cash Flow	(170)	\$ 261	(431)

(\$ in millions, except EPS)

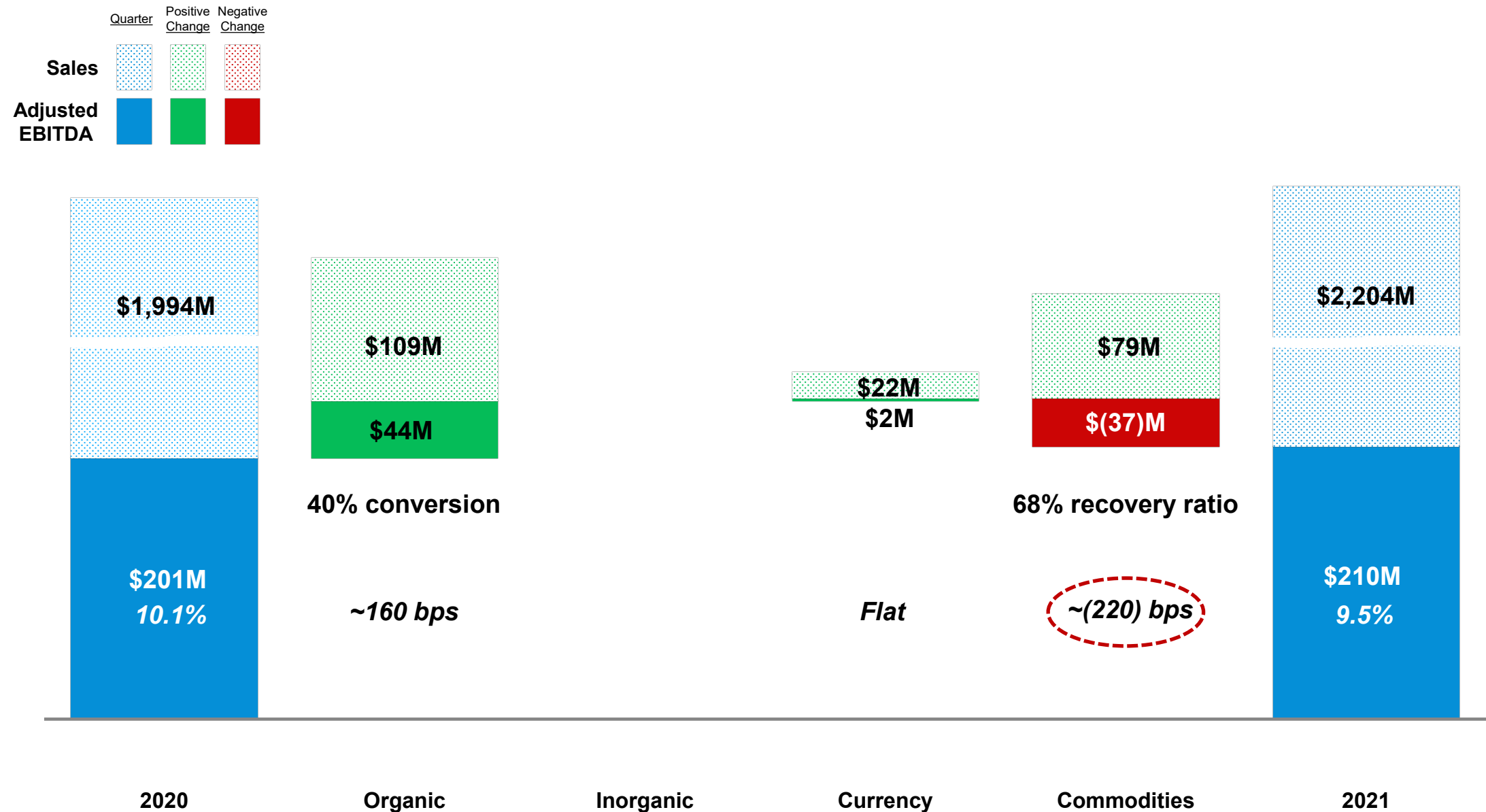
See appendix for comments regarding the presentation of non-GAAP measures

Commodity inflation compressing margin and operating conditions pressuring cash flow



2021 Q3 Sales and Profit Changes

- Organic growth primarily due to demand recovery in heavy-vehicle markets; conversion bolstered by cost containment actions including reduced incentive compensation
- Rising commodity costs, primarily steel, drove ~220 bps of margin compression as sales price recoveries continued to lag cost increases



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

Margins compressed as rising commodity costs overshadowed market recovery



2021 Q3 Free Cash Flow

- Free cash flow use driven by higher working capital requirements resulting from customer schedule disruptions and supply chain challenges
- Inventory increased >\$100M sequentially and >\$450M compared to Q3 last year, as OEM schedule attainment was dramatically constrained by chip shortage

Changes from Prior Year

(\$ in millions)

	<u>Q3 '21</u>	<u>Q3 '20</u>	<u>Change</u>
Adjusted EBITDA	\$ 210	\$ 201	\$ 9
One-time Costs¹	(7)	(9)	2
Interest, Net	(6)	(8)	2
Taxes	(27)	(15)	(12)
Working Capital / Other²	(245)	152	(397)
Capital Spending	(95)	(60)	(35)
Free Cash Flow	<u>\$ (170)</u>	<u>261</u>	<u>\$ (431)</u>

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.

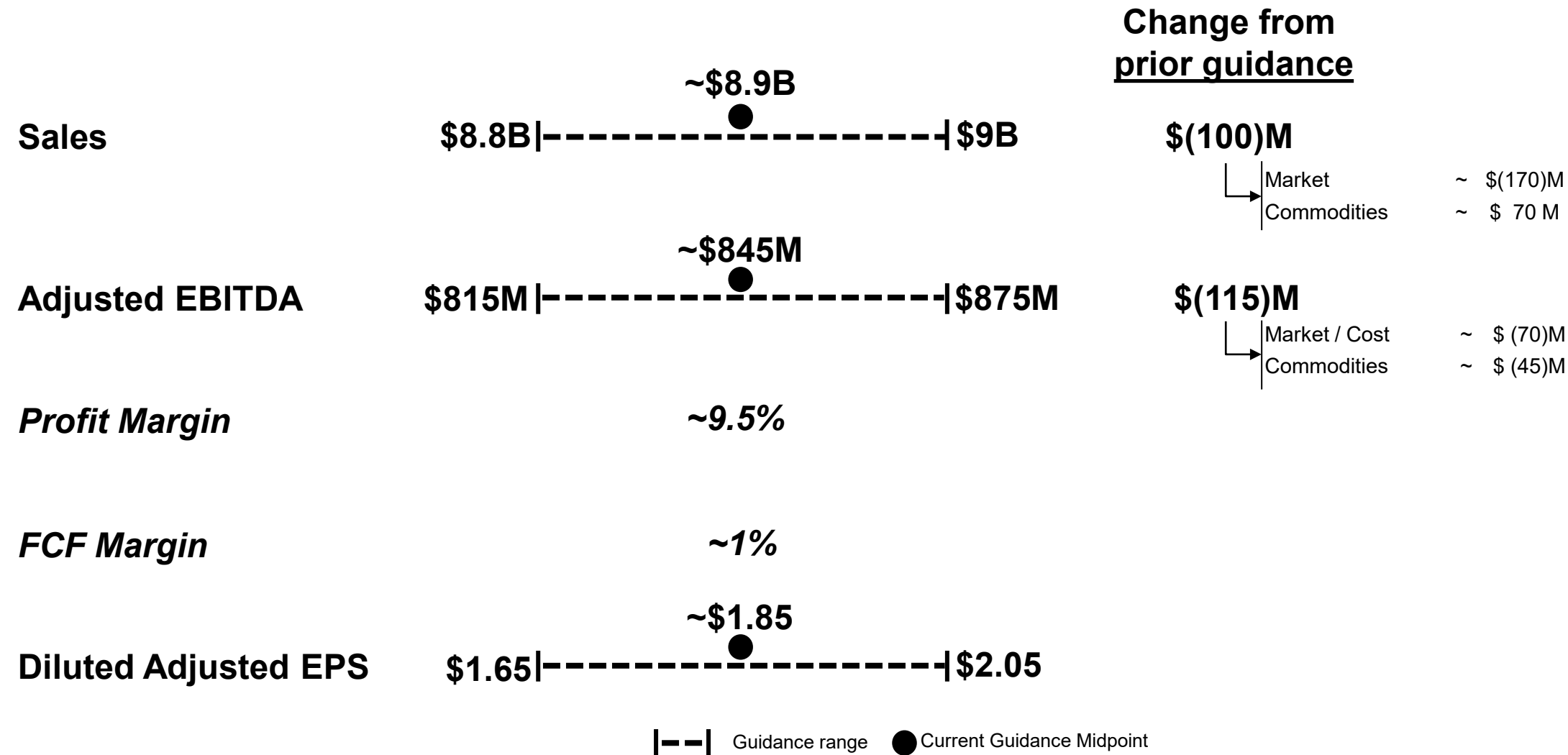
Elevated inventory levels drove free cash flow use



2021 FY Financial Guidance

- Current sales outlook implies Q4 sequentially flat, as chip shortage will continue to constrain OEM production
- Profit headwinds driven by demand pattern inefficiencies, cost inflation, and higher commodity costs

Guidance Ranges

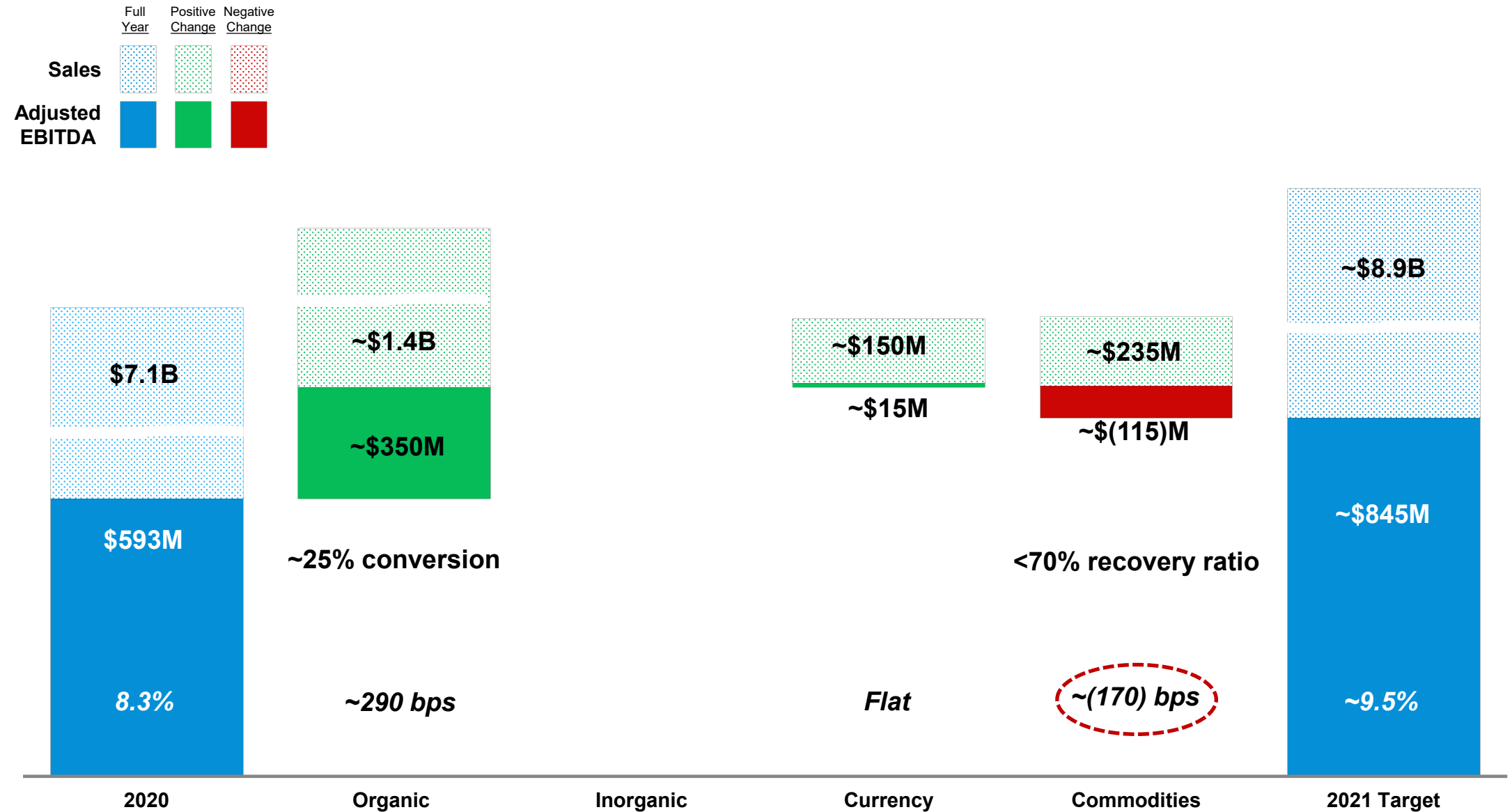


See appendix for comments regarding the presentation of non-GAAP measures

Guidance revision driven by stagnant production and cost inflation

2021 FY Sales and Profit Changes

- Sales growth driven primarily by market recovery and conversion of sales backlog
- Currency expected to be tailwind to sales and profit as USD has weakened against basket of currencies
- Commodity costs create significant margin headwind
- Proposed Modine transaction mutually terminated due to regulator approval process; was not included in previous full-year guidance



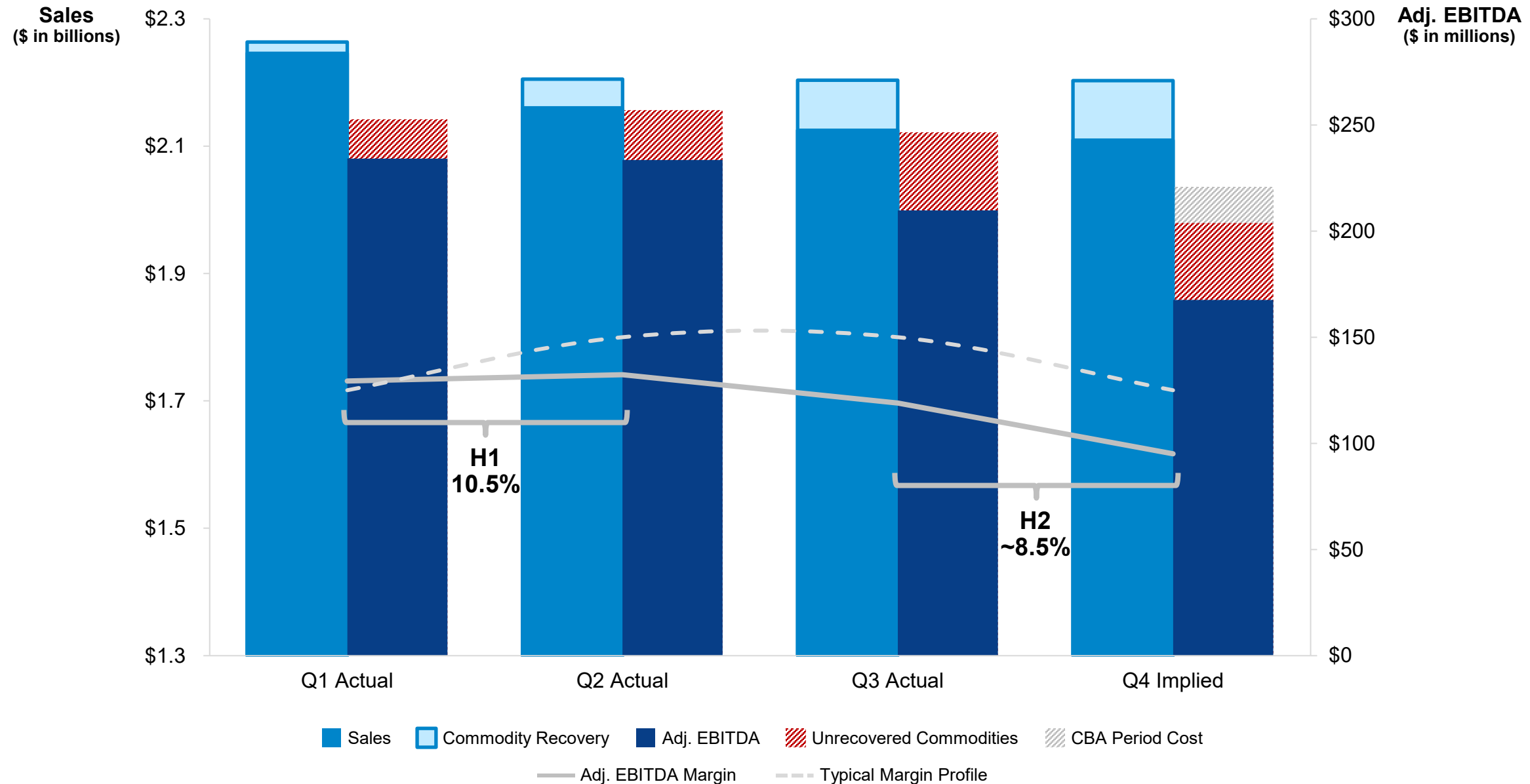
See appendix for comments regarding the presentation of non-GAAP measures

Margin expansion hampered by commodity inflation



2021 Sales and Profit by Quarter

- Typical adj. EBITDA margins are higher in the middle of the year (Q2 and Q3) and lower at the beginning and end of the year (Q1 and Q4), due to seasonality of production schedules
- In 2021, rising commodity costs and the impact of supply chain challenges on operating costs have put ~200 bps of downward pressure on H2 margins
- Full year guidance implies sequentially lower Q4 margins due to normal seasonality and additional period costs associated with the anticipated ratification of U.S. collective bargaining agreements (CBA)



Input cost inflation driving sequential stable sales and margin headwinds



2021 Free Cash Flow

- Free cash flow constrained by higher working capital requirements resulting from customer schedule disruptions and supply chain challenges
- Near-term elevated inventory levels partially offset by planned sale of receivables in Q4

Changes from Prior Year

(\$ in millions)

	<u>2021T</u>	<u>2020A</u>	<u>Change</u>
Adjusted EBITDA	\$ ~845	\$ 593	\$ ~250
One-time Costs¹	~(30)	(39)	~10
Interest, net	~(100)	(120)	~20
Taxes	~(120)	(98)	~(20)
Working Capital / Other²	~(130)	50	~(180)
Capital Spending	~(375)	(326)	~(50)
Free Cash Flow	\$ ~90	\$ 60	\$ ~30
Margin	~1%	1%	<i>flat</i>

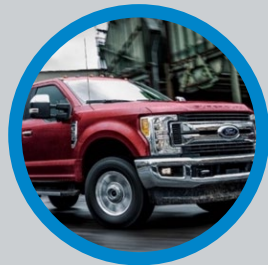
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Increased profit largely offset by higher working capital and capex requirements

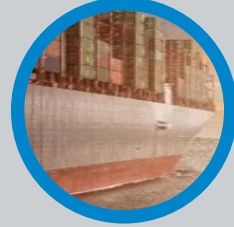
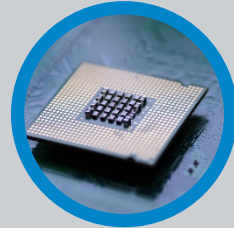
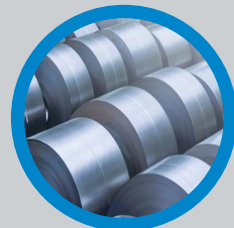
Long-term Outlook

Mobility Market Dynamics

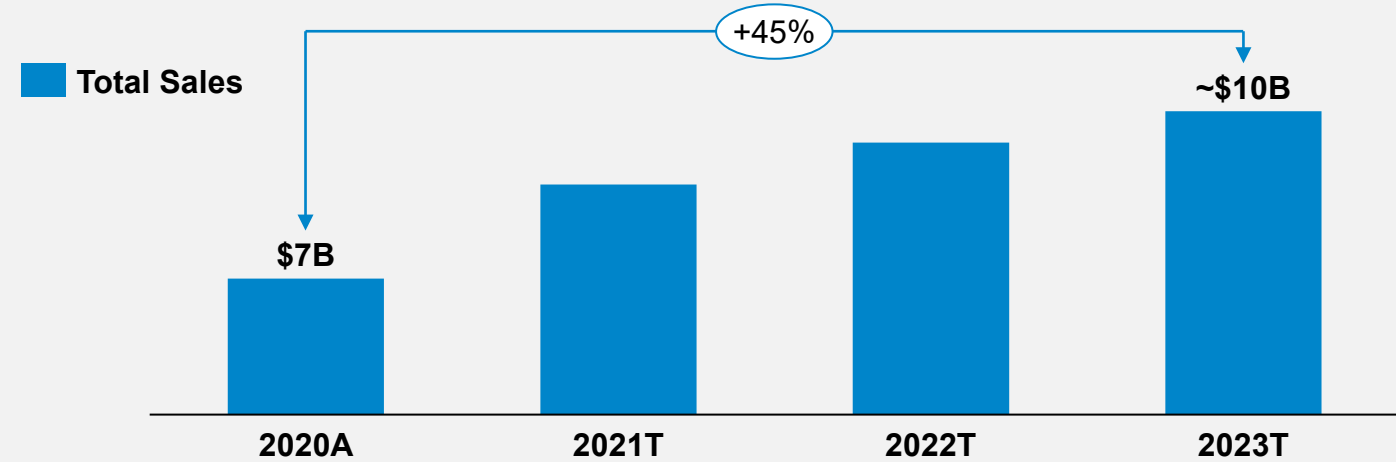
Robust Demand



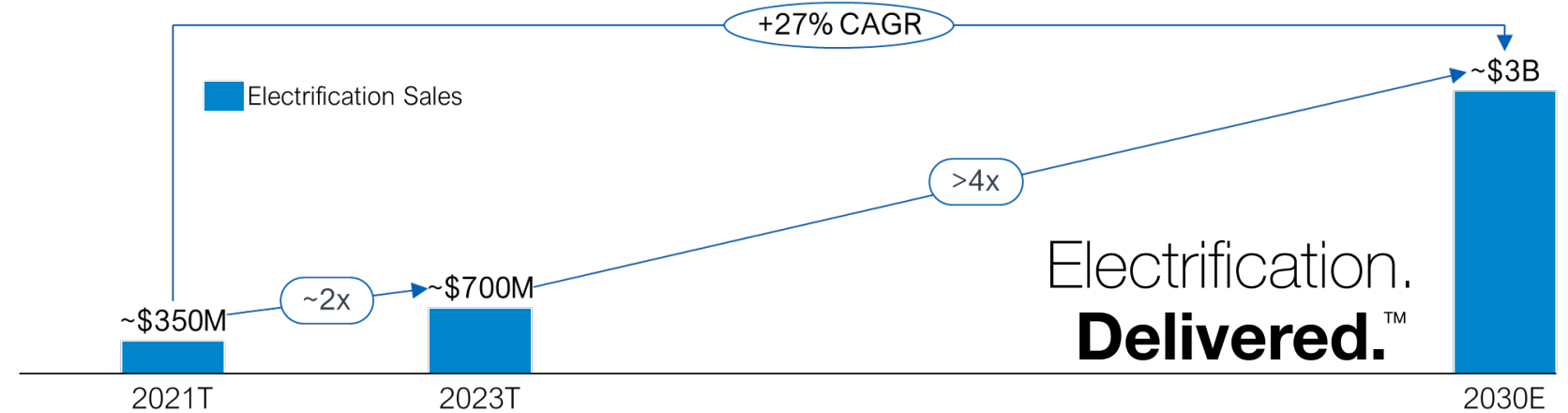
Constrained Supply



Robust Cyclical Growth



Above-market Secular Growth



Positioned for long-term cyclical and secular growth



People Finding A Better Way[®]



Global Scale &
Financial Strength



Technologies for
Tomorrow



Balanced End-
market Presence



Complete Electric
Product Portfolio





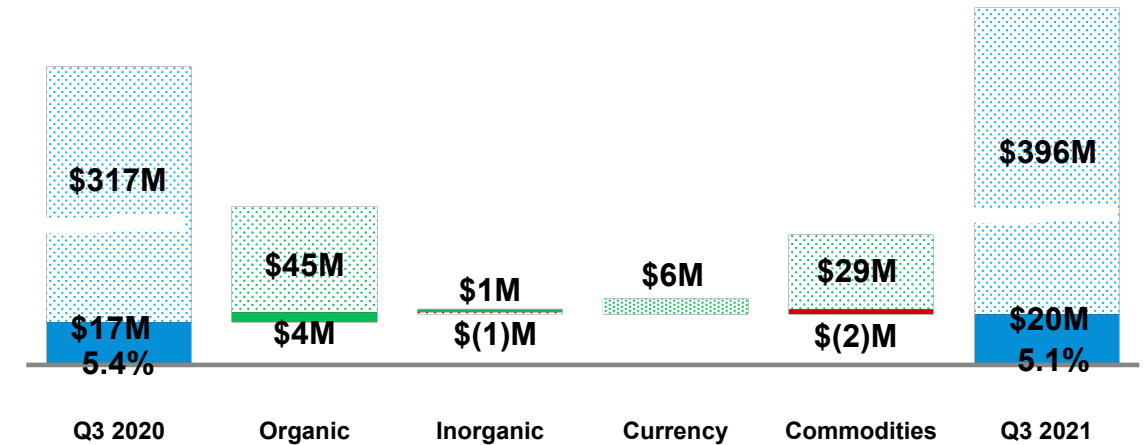
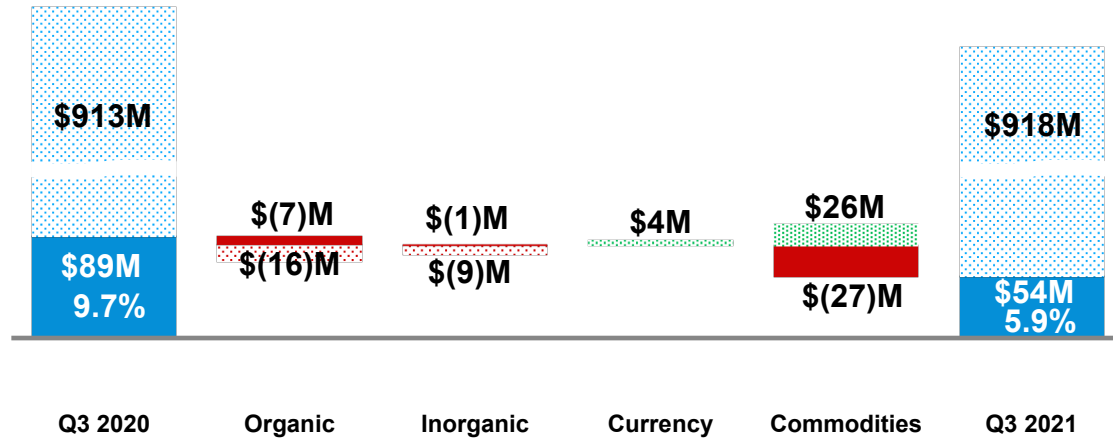
2021 Q3 Sales and Profit Change by Segment



Light Vehicle Drive Systems



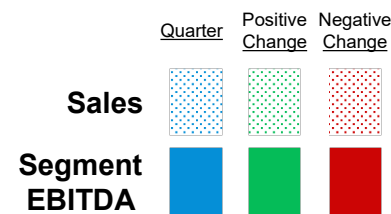
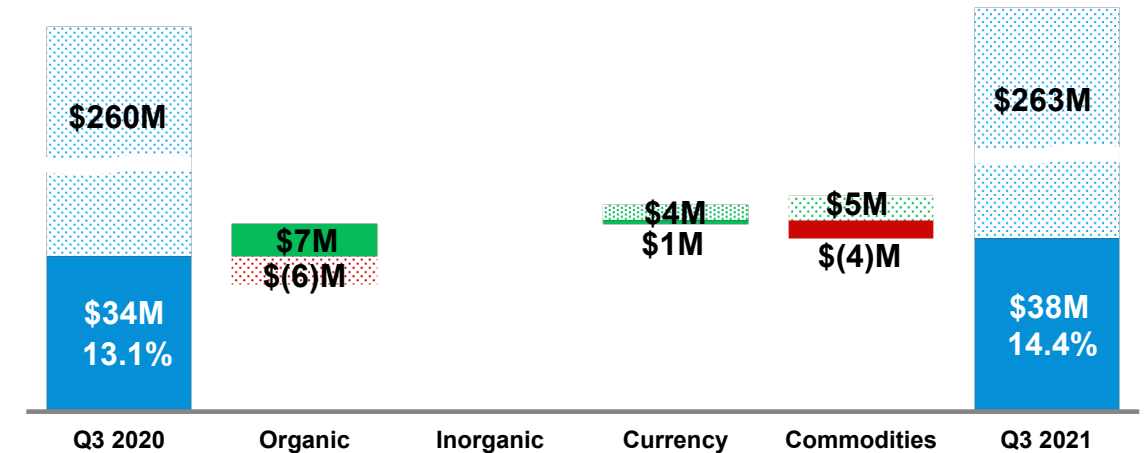
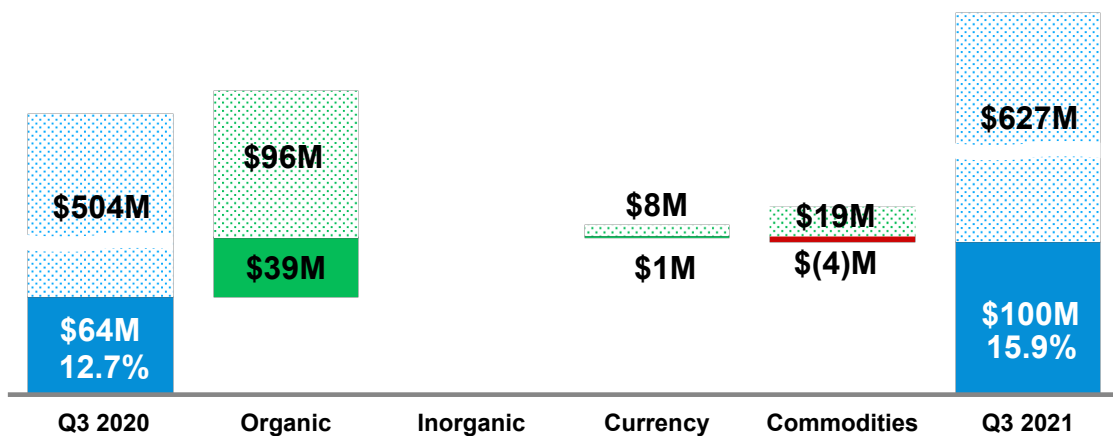
Commercial Vehicle Drive and Motion Systems



Off-Highway Drive and Motion Systems



Power Technologies



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

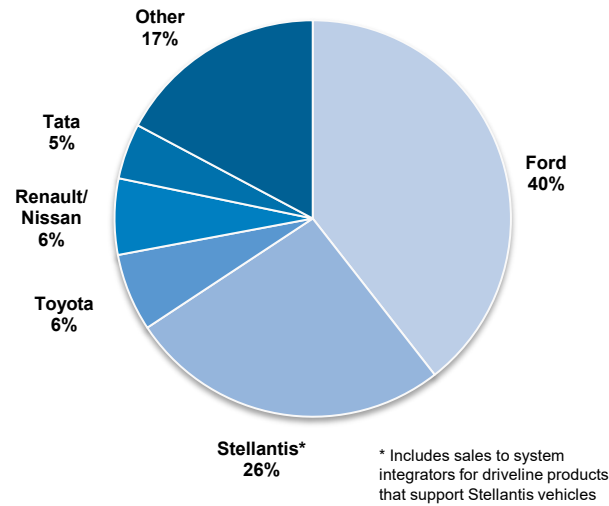
Segment Profiles



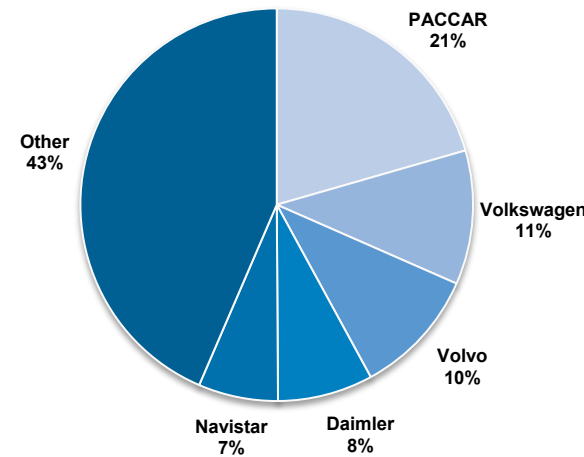
Customer Sales

Regional Sales

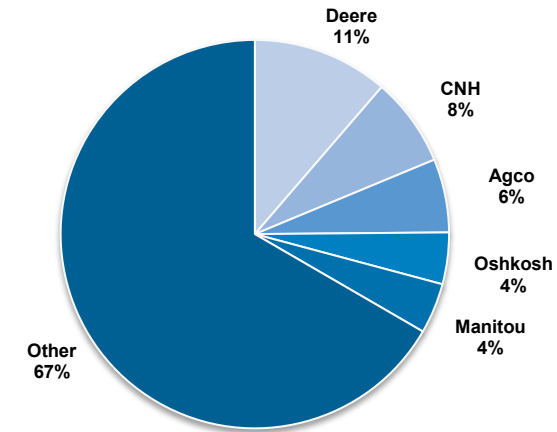
Light Vehicle Drive Systems
Year to Date 9/30/2021



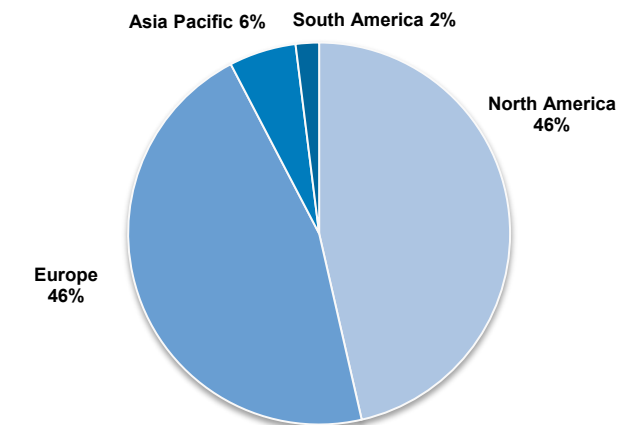
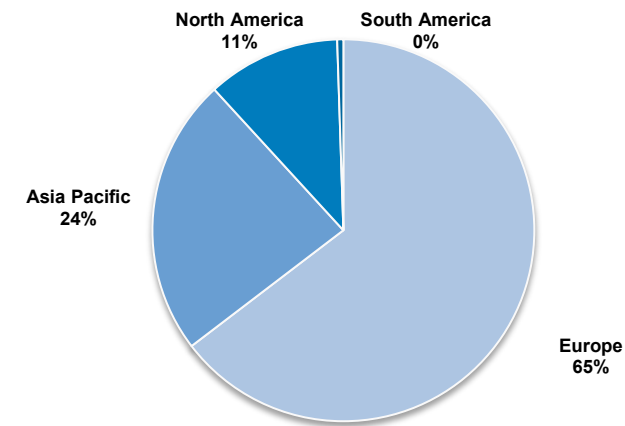
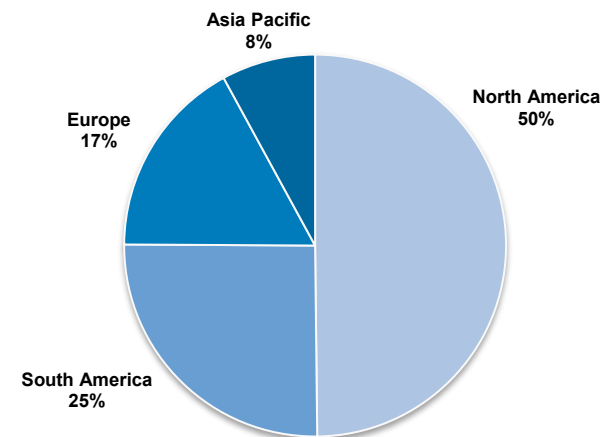
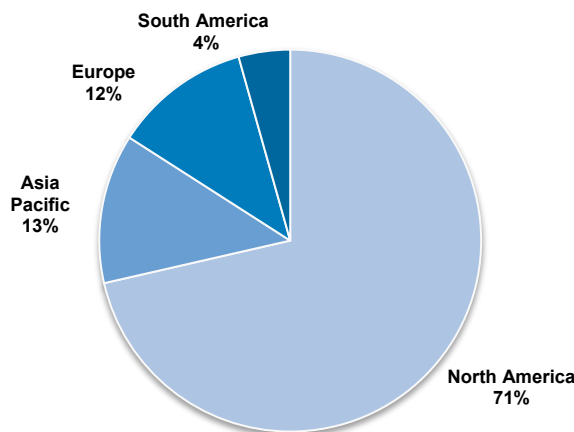
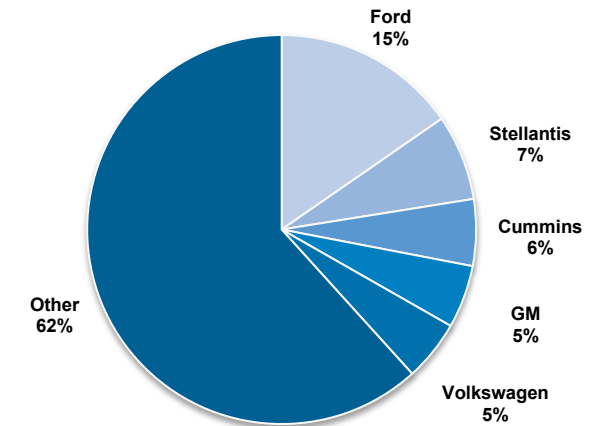
Commercial Vehicle Drive and Motion Systems
Year to Date 9/30/2021



Off-Highway Drive and Motion Systems
Year to Date 9/30/2021



Power Technologies
Year to Date 9/30/2021



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 September 30, 2021 and 2020

(In millions, except per share amounts)

	Three Months Ended September 30,	
	2021	2020
Net income attributable to parent company	\$ 48	\$ 45
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	1	3
Strategic transaction expenses		4
Gain on investment in Hylion	6	
Other items	3	
Items impacting income taxes:		
Net income tax expense on items above	(4)	(3)
Income tax expense (benefit) attributable to various discrete tax matters	1	(1)
Adjusted net income attributable to the parent	<u>\$ 60</u>	<u>\$ 53</u>
Diluted shares - as reported	146.2	145.2
Adjusted diluted shares	146.2	145.2
Diluted adjusted EPS	\$ 0.41	\$ 0.37

DANA INCORPORATED

Reconciliation of Net Income (Loss) Attributable to the Parent Company to Adjusted Net Income Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited) For the Nine Months Ended September 30, 2021 and 2020

(In millions, except per share amounts)

	Nine Months Ended September 30,	
	2021	2020
Net income (loss) attributable to parent company	\$ 172	\$ (71)
Items impacting income before income taxes:		
Amortization	15	13
Restructuring charges, net	2	21
Strategic transaction expenses	8	15
Loss on investment in Hylion	20	
Loss on disposal group held for sale	7	
Loss on extinguishment of debt	24	5
Loss on de-designation of fixed-to-fixed cross currency swaps	9	
Other items	5	
Impairment of goodwill		31
Items impacting income taxes:		
Net income tax expense on items above	(14)	(14)
Income tax expense (benefit) attributable to various discrete tax matters	(5)	22
Adjusted net income attributable to the parent	<u>\$ 243</u>	<u>\$ 22</u>
Diluted shares - as reported	146.4	144.9
Adjusted diluted shares	146.4	144.9
Diluted adjusted EPS	\$ 1.66	\$ 0.15

Segment Data



DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended September 30, 2021 and 2020

(In millions)	Three Months Ended	
	September 30,	
	2021	2020
Sales		
Light Vehicle	\$ 918	\$ 913
Commercial Vehicle	396	317
Off-Highway	627	504
Power Technologies	263	260
Total Sales	<u>\$ 2,204</u>	<u>\$ 1,994</u>
Segment EBITDA		
Light Vehicle	\$ 54	\$ 89
Commercial Vehicle	20	17
Off-Highway	100	64
Power Technologies	38	34
Total Segment EBITDA	212	204
Corporate expense and other items, net	(2)	(3)
Adjusted EBITDA	<u>\$ 210</u>	<u>\$ 201</u>

DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Nine Months Ended September 30, 2021 and 2020

(In millions)	Nine Months Ended	
	September 30,	
	2021	2020
Sales		
Light Vehicle	\$ 2,799	\$ 2,058
Commercial Vehicle	1,132	852
Off-Highway	1,931	1,435
Power Technologies	810	653
Total Sales	<u>\$ 6,672</u>	<u>\$ 4,998</u>
Segment EBITDA		
Light Vehicle	\$ 241	\$ 140
Commercial Vehicle	53	32
Off-Highway	276	172
Power Technologies	111	63
Total Segment EBITDA	681	407
Corporate expense and other items, net	(4)	(6)
Adjusted EBITDA	<u>\$ 677</u>	<u>\$ 401</u>

Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended September 30, 2021 and 2020

(In millions)	Three Months Ended	
	September 30,	
	2021	2020
Segment EBITDA	\$ 212	\$ 204
Corporate expense and other items, net	(2)	(3)
Adjusted EBITDA	210	201
Depreciation	(92)	(88)
Amortization	(6)	(6)
Non-service cost components of pension and OPEB costs	(2)	(3)
Restructuring charges, net	(1)	(2)
Stock compensation expense	(6)	(2)
Strategic transaction expenses	(3)	(4)
Amounts attributable to previously divested/closed operations	(1)	
Gain on investment in Hylion	(6)	
Other items	1	(7)
Earnings before interest and income taxes	94	89
Interest income	2	3
Interest expense	31	38
Earnings before income taxes	65	54
Income tax expense	20	16
Equity in earnings of affiliates	5	7
Net income	\$ 50	\$ 45

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Nine Months Ended September 30, 2021 and 2020

(In millions)	Nine Months Ended	
	September 30,	
	2021	2020
Segment EBITDA	\$ 681	\$ 407
Corporate expense and other items, net	(4)	(6)
Adjusted EBITDA	677	401
Depreciation	(272)	(257)
Amortization	(18)	(15)
Non-service cost components of pension and OPEB costs	(7)	(8)
Restructuring charges, net	(2)	(21)
Stock compensation expense	(15)	(5)
Strategic transaction expenses	(11)	(15)
Amounts attributable to previously divested/closed operations	(1)	
Loss on investment in Hylion	(20)	
Loss on disposal group held for sale	(7)	
Loss on de-designation of fixed-to-fixed cross currency swaps	(9)	
Impairment of goodwill		(51)
Other items		(5)
Earnings before interest and income taxes	315	24
Loss on extinguishment of debt	(24)	(5)
Interest income	6	7
Interest expense	99	99
Earnings (loss) before income taxes	198	(73)
Income tax expense	56	34
Equity in earnings of affiliates	29	17
Net income (loss)	\$ 171	\$ (90)

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	
	September 30,	
	2021	2020
Net cash provided by (used in) operating activities	\$ (75)	\$ 321
Purchase of property, plant and equipment	(95)	(60)
Free cash flow	(170)	261
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ (170)</u>	<u>\$ 261</u>

(In millions)	Nine Months Ended	
	September 30,	
	2021	2020
Net cash provided by operating activities	\$ 19	\$ 195
Purchase of property, plant and equipment	(228)	(181)
Free cash flow	(209)	14
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ (209)</u>	<u>\$ 14</u>



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. 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 reconciliations of our adjusted EBITDA and diluted adjusted EPS outlook to the most comparable GAAP measures of net income and diluted EPS. Providing net income 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 and diluted EPS, including restructuring actions, asset impairments, and income tax valuation adjustments. Reconciliations of these non-GAAP measures with the most comparable GAAP measures for historical periods are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.