



# 2024 First-Quarter Earnings Conference Call

APRIL 30, 2024

Since  1904

**120 YEARS**

# Safe Harbor Statement

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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

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## 120 YEARS



**Craig Barber**

Senior Director, Investor Relations and Corporate Communications

**James Kamsickas**

Chairman and Chief Executive Officer

**Timothy Kraus**

Senior Vice President and Chief Financial Officer

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**Introduction**

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**Business Review**

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**Financial Review**

# Highlights

## Q1 Financial Results

sales

**\$2.7 billion**

**↑ \$91 million**  
from prior year

adjusted EBITDA

**\$223 million**

**↑ \$19 million**  
from prior year

free cash flow

**\$(172) million**

**↑ \$118 million**  
from prior year

## Key Highlights

**Company-Wide efficiency improvements**

**39%**

- Conversion on traditional organic sales in Q1
- Supports full-year conversion target

**End market demand stable**

**~\$100M**

- Organic Sales growth in Q1
- Full-Year market forecast unchanged

**Financial outlook remains strong; higher free cash flow**

**\$75M**

- Revised full-year FCF outlook
- 50% increase

**Company-Wide Efficiency Improvements and Improving Customer Order Patterns Driving Profit and Cash Flow Growth**

# Business Environment

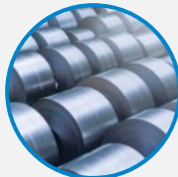
## 2024 Outlook

### Company-wide Efficiencies



- Improved customer production stability increasing productivity
- Continued lowering production costs
- Efficiency improvements in all areas of the enterprise

### Supply Chain









- Net commodities expected to be sales and profit headwind
- Steel prices expected to be mostly flat in 2024
- Commodity recoveries reversing as input costs decline

### New Programs & Refreshed Base Business



- Refreshed, conquest, and new business growth
- Share gains partially offsetting market in Commercial Vehicle
- Normalized annual launch cadence driving higher efficiency

## End-Market Outlook

Market	From last year	Update
 Agriculture		Softening
 Construction		No Change
 Mining		No Change
 Light Truck		No Change
 Medium-Duty Truck		Slight Improvement
 Heavy-Duty Truck		Slight Improvement

## Industry Trends

Cost Inflation Moderating



OEM Production Stable



EV Demand Fluctuating



# PACE Award: Electro-Mechanical, Infinitely Variable Transmission



Dana's Patented **Electro-Mechanical, Infinitely Variable Transmission (EMIVT)** operates in engine-only, hybrid, or full-battery electric modes

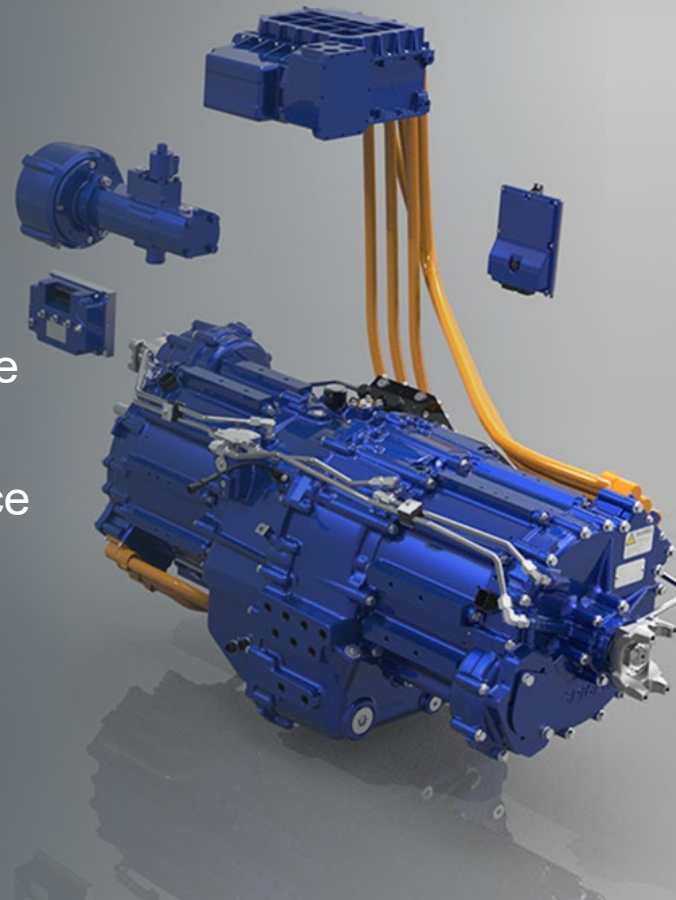
Improved Sustainability

Enhanced Performance and Functionality

Safer Working Environment

Reduce Total Cost of Ownership

- Up to 40% better fuel economy
- 28% faster acceleration
- Reduction of brake wear
- Zero-Emission and low-noise
- Functional-Safety compliance
- Pump and roll operation
- Regenerative braking



Automotive News  
**PACE**  
AWARD



# Industry and Customer Recognition



Recognition Demonstrates Dana's Ethical Foundation, Customer Focus, and Technological Expertise



# Financial Review

APRIL 30, 2024

**DAN**  
LISTED  
**NYSE**



# 2024 Q1 Financial Results

- Higher sales driven by renewed vehicle programs, new business, and market share gains in commercial vehicle market
- Increased production efficiency, company-wide cost improvement actions, and more stable customer order patterns drove higher profitability
- Announced divestiture of European hydraulics business within the Off-Highway segment resulted in a \$29M impairment charge and \$7M of additional income tax expense due to valuation allowance adjustments, negatively impacting EPS by \$0.25/share; transaction is expected close in Q2
- Improved cash flow driven by higher profit and lower working capital requirements

## Changes from Prior Year

(\$ in millions, except EPS)

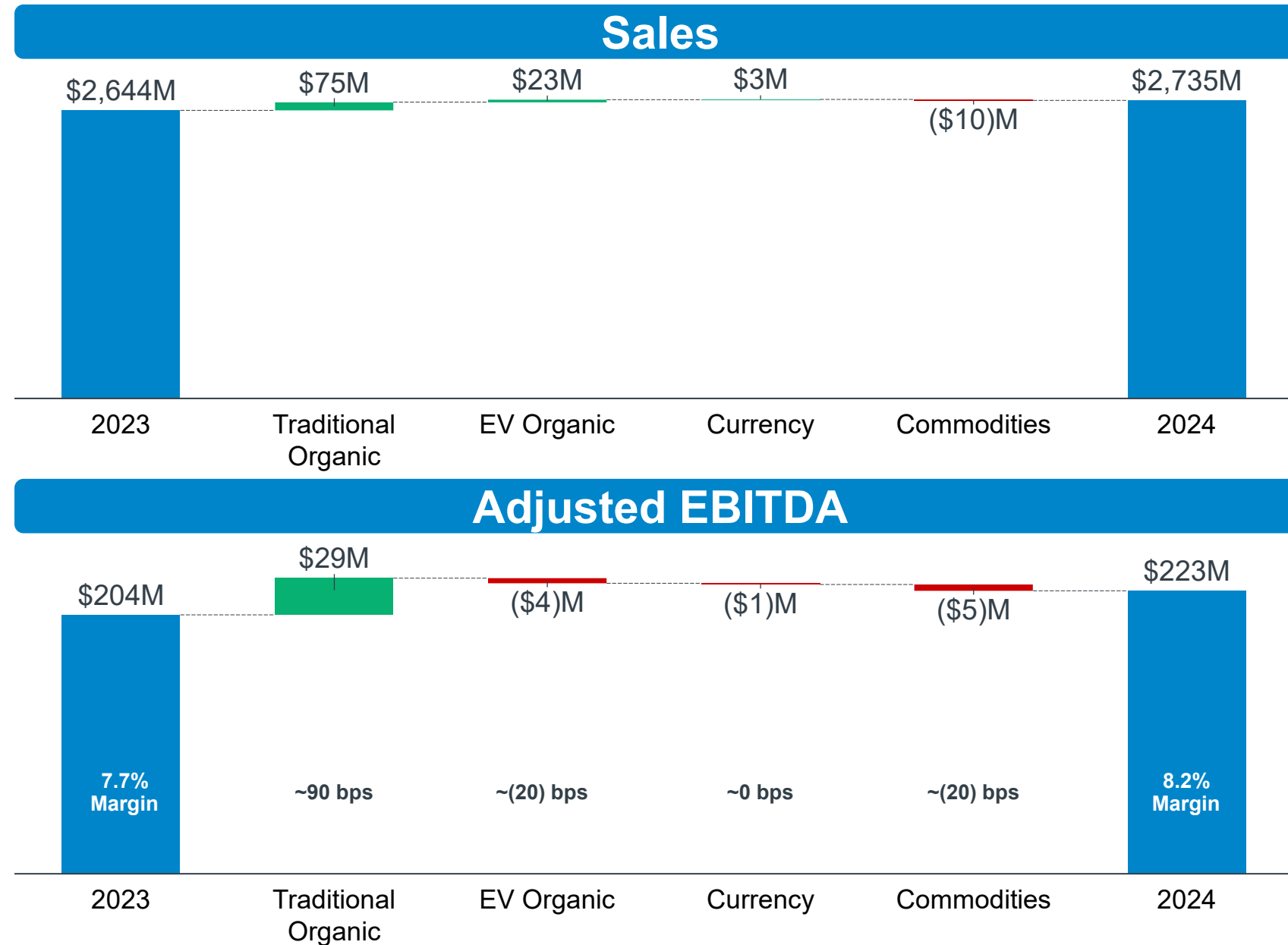
	<u>Q1 '24</u>	<u>Q1 '23</u>	<u>Change</u>
<b>Sales</b>	\$ 2,735	\$ 2,644	\$ 91
<b>Adjusted EBITDA</b>	223	204	19
<b>Margin</b>	8.2%	7.7%	50 bps
<b>Loss on Business Held for Sale</b>	(29)	0	(29)
<b>EBIT</b>	70	90	(20)
<b>Interest Expense, Net</b>	35	30	5
<b>Income Tax Expense</b>	37	30	7
<b>Net Income</b> (attributable to Dana)	3	28	(25)
<b>GAAP Diluted EPS</b>	\$ 0.02	\$ 0.19	\$ (0.17)
<b>Operating Cash Flow</b>	(102)	(170)	68

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

**Higher Sales, Profit and Operating Cash Flow Driven by Strong Execution**

# 2024 Q1 Sales and Profit Changes

- Higher organic sales driven by renewed vehicle programs, new business, and market share gains in commercial vehicle market partially offset by lower sales in off-highway agriculture markets
- Higher demand for battery cooling products driving increased EV sales
- Company-Wide cost management and production efficiency more than offset inflation
- Positive contribution of current EV programs offset by engineering and development spending for future programs
- Minimal impact from currency translation
- Lower commodity costs resulting in lower sales recoveries; profit benefit of lower input costs offset by the cost true-ups with customers



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

**Strong Performance Driven by Company-Wide Efficiencies**

# 2024 Q1 Free Cash Flow

- Increase in net interest payments due to higher rates and payment timing from refinancing
- Lower working capital requirements due to focused management of inventory and receivables
- Reduced capital spending required to support new business backlog and replacement business due to a more normal launch cadence

## Changes from Prior Year

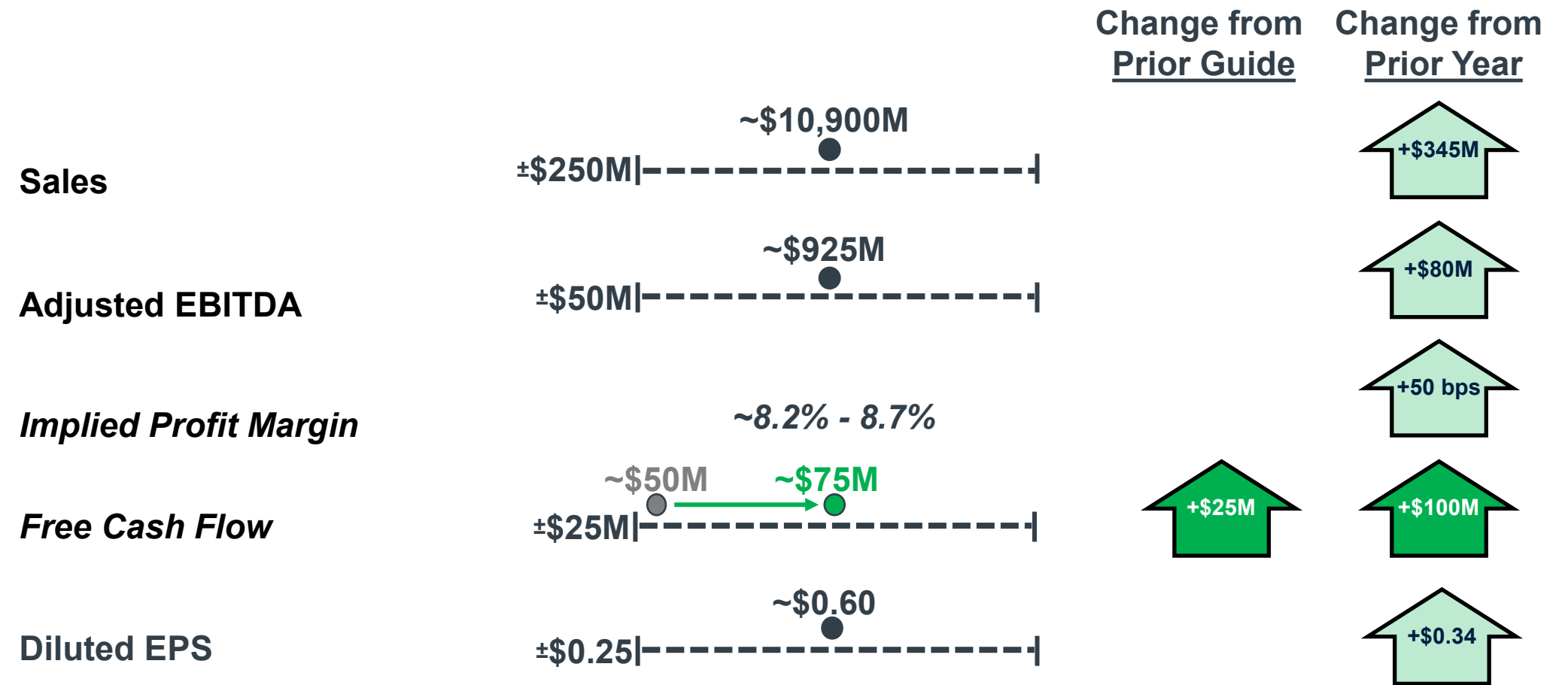
(\$ in millions)

	<u>Q1 '24</u>	<u>Q1 '23</u>	<u>Change</u>
<b>Adjusted EBITDA</b>	\$ 223	\$ 204	\$ 19
<b>One-time Costs<sup>1</sup></b>	(5)	(2)	(3)
<b>Interest, Net</b>	(49)	(23)	(26)
<b>Taxes</b>	(27)	(23)	(4)
<b>Working Capital / Other<sup>2</sup></b>	(244)	(326)	82
<b>Capital Spending</b>	(70)	(120)	50
<b>Free Cash Flow</b>	\$ (172)	\$ (290)	\$ 118

<sup>1</sup> Includes costs associated with business acquisitions and divestitures and restructuring. <sup>2</sup> 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.

# 2024 FY Financial Guide

## Guidance Ranges



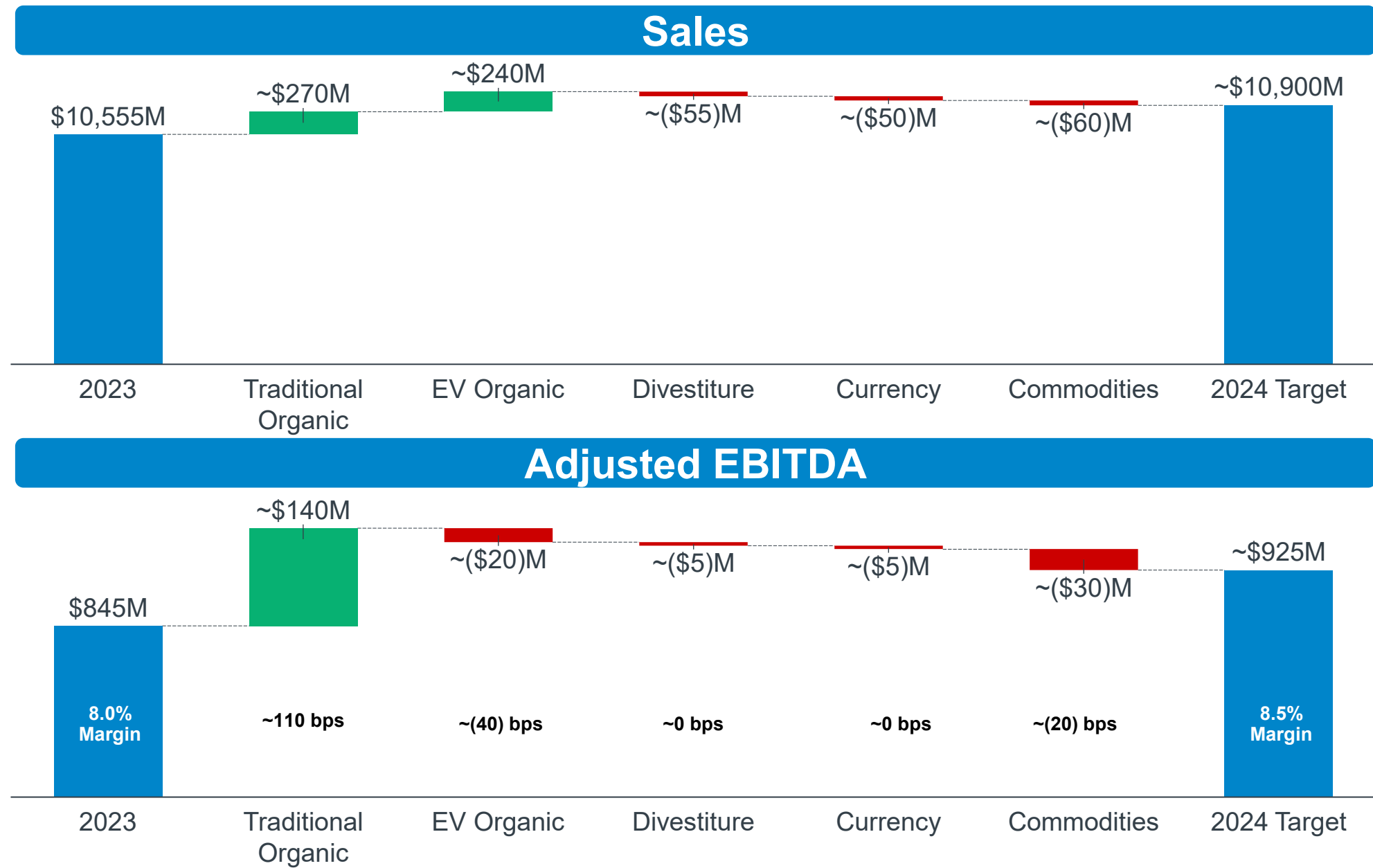
- Sales growth driven by new business backlog, improved end-market demand, new/refreshed programs, and market share gains
- Company-wide efficiency improvements drive higher margins
- YOY free cash flow improvement driven by higher profit, improved working capital efficiency, and lower capital spending
- Free cash flow improvement from prior guidance driven by lower working capital requirements
- Free cash flow includes significant capital investment to support market growth and new business in ICE and EV
- Impact of divestiture was previously included in full-year EPS guidance

**Balanced End-Market Demand Growth and Improved Operating Environment**

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

# 2024 FY Sales and Profit Changes

- Organic growth driven by strong sales, pricing, and market share gains
- Strong conversion on organic growth due to improved efficiencies and cost savings actions
- Cost recovery actions expected to mostly offset inflation
- Positive profit contribution on EV sales offset by investment in new program development
- Announced divestiture of non-core hydraulics business. Anticipated closing in Q2
- Translation of foreign currency expected to be slightly less of a headwind to sales than previously forecasted
- Lower commodity costs driving reduced sales recoveries; profit impacted by commodity cost true-ups with customers as input commodities decline



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

**Sales Growth with Improved Profit Driven by Company-Wide Efficiencies and Cost Savings**

# 2024 FY Free Cash Flow

- Raising full-year guidance due to improved working capital efficiency
- Higher profit and lower capital investment requirements
- Increase in net interest payments due to higher rates and payment timing from refinancing

## Changes from Prior Year

(\$ in millions)

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Adjusted EBITDA</b>	\$ ~925	\$ 845	\$ ~80
<b>One-time Costs<sup>1</sup></b>	(40)	(20)	(20)
<b>Interest, Net</b>	(150)	(116)	(35)
<b>Taxes</b>	(160)	(148)	(10)
<b>Working Capital / Other<sup>2</sup></b>	(50)	(85)	35
<b>Capital Spending</b>	(450)	(501)	50
<b>Free Cash Flow</b>	\$ ~75	\$ (25)	\$ ~100

<sup>1</sup> Includes costs associated with business acquisitions and divestitures and restructuring. <sup>2</sup> 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.

**Positive Free Cash Flow Driven by Higher Profit, Lower Capex, and Improved Working Capital**



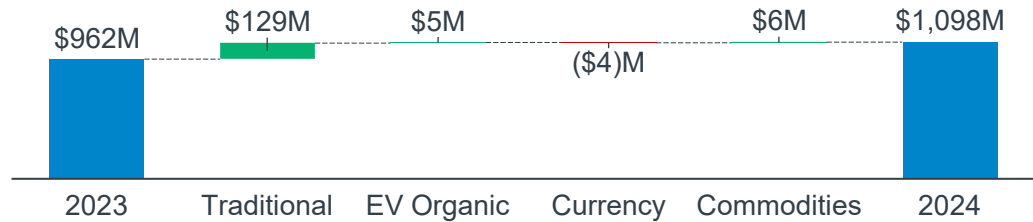
# Appendix

# 2024 Q1 Sales and Profit Change by Segment

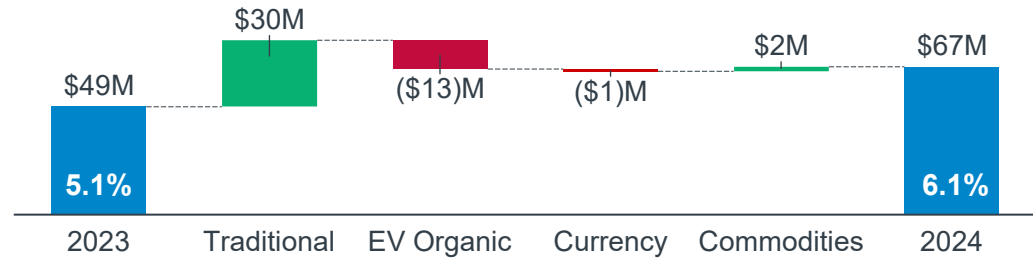


## Light Vehicle Drive Systems

Sales

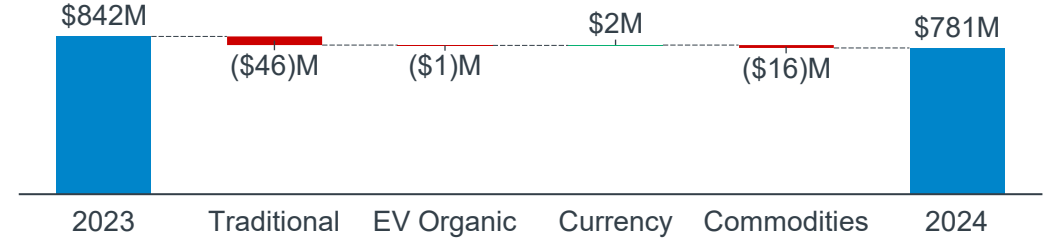


Adjusted EBITDA



## Off-Highway Drive and Motion Systems

Sales

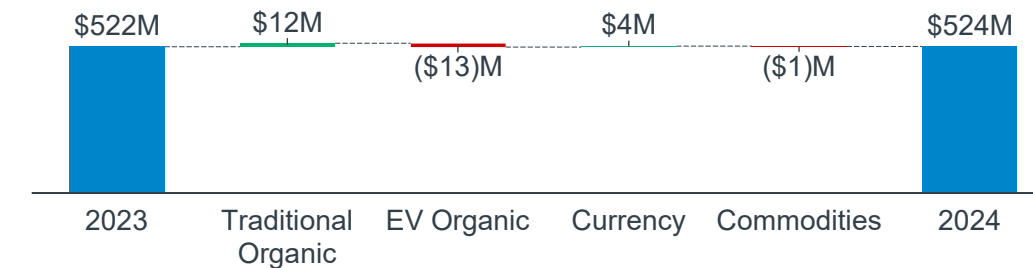


Adjusted EBITDA

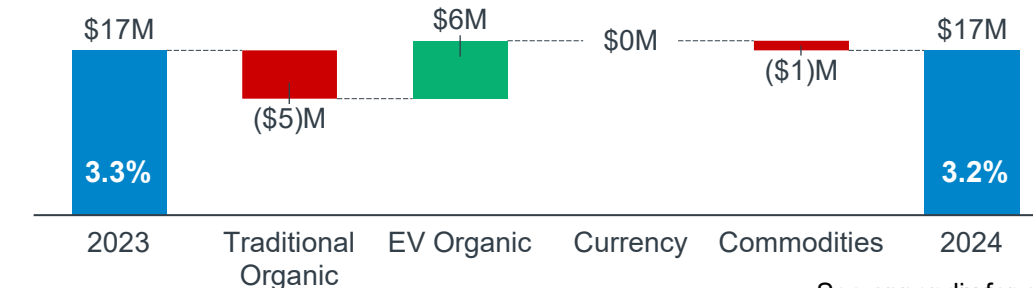


## Commercial Vehicle Drive and Motion Systems

Sales

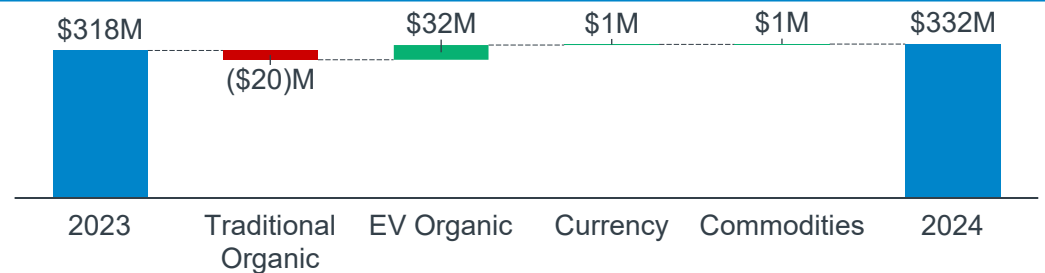


Adjusted EBITDA

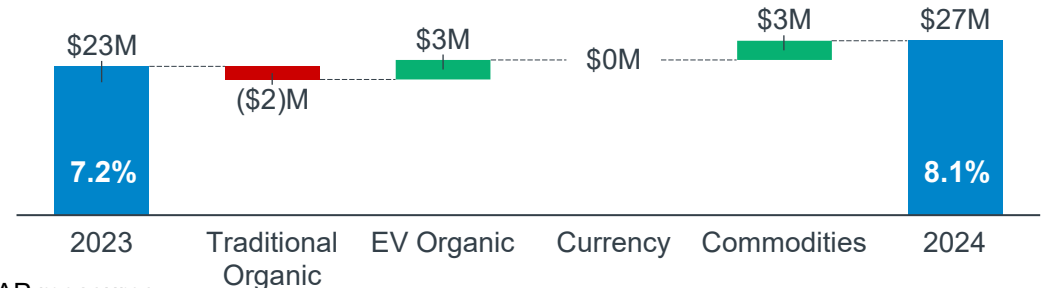


## Power Technologies

Sales



Adjusted EBITDA



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

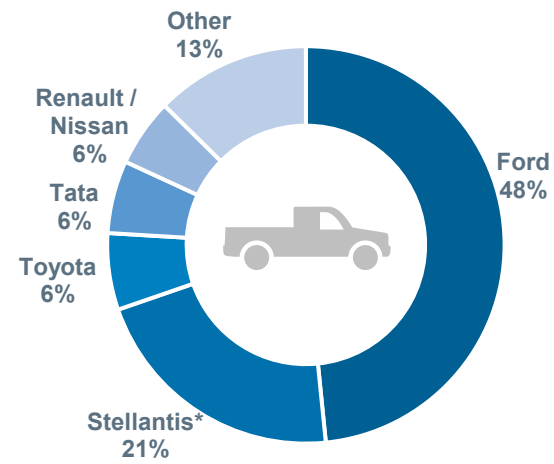


# Segment Profiles

CUSTOMER SALES

## Light Vehicle Drive Systems

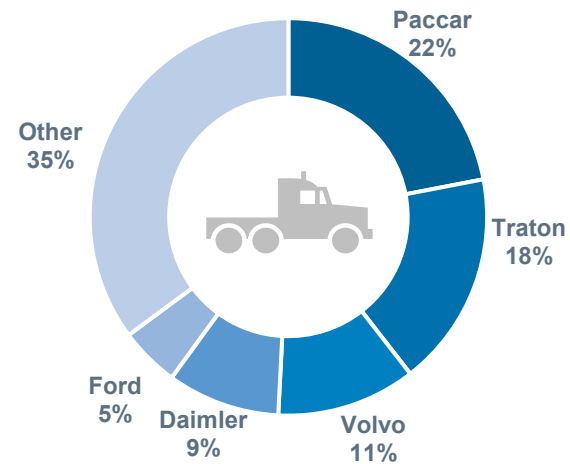
Year to Date 3/31/2024



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

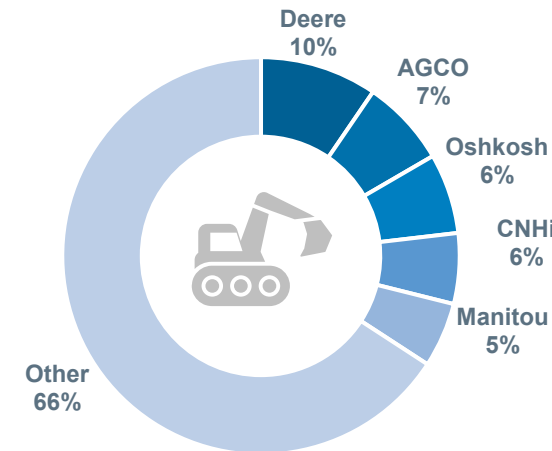
## Commercial Vehicle Drive and Motion Systems

Year to Date 3/31/2024



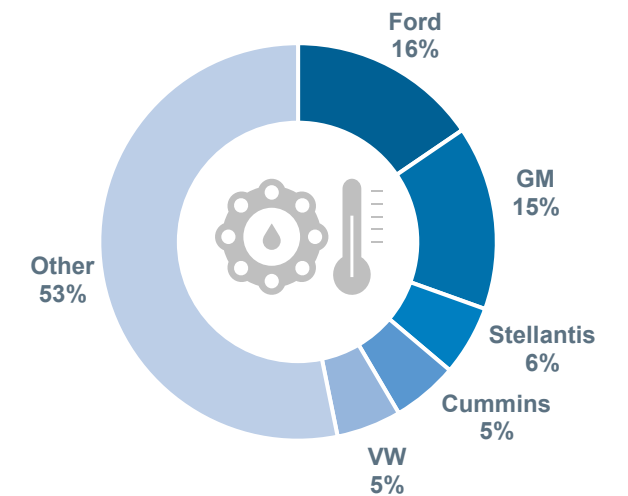
## Off-Highway Drive and Motion Systems

Year to Date 3/31/2024

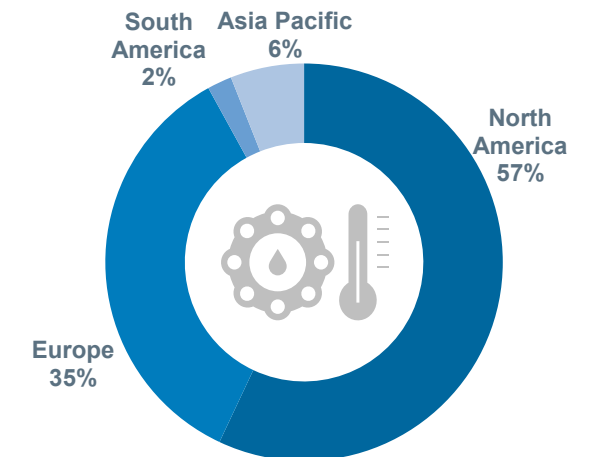
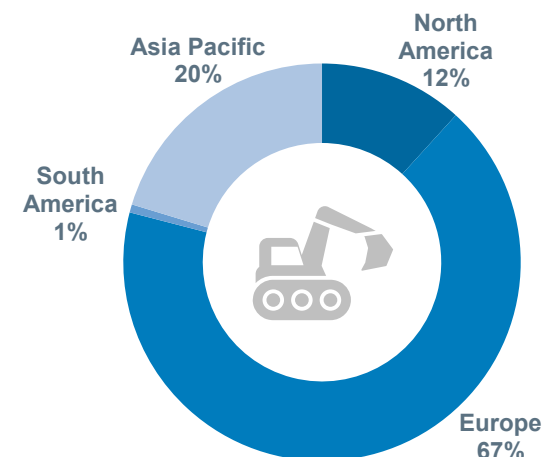
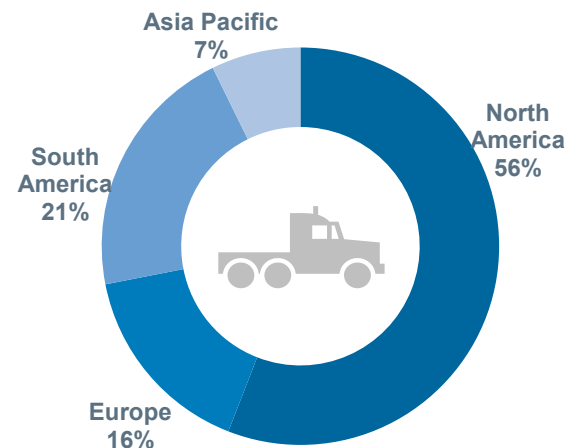
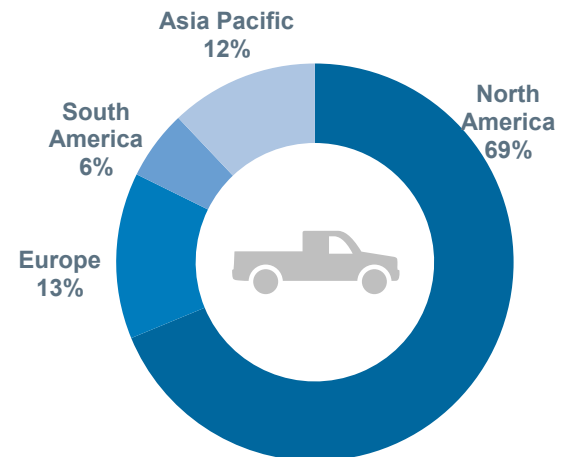


## Power Technologies

Year to Date 3/31/2024



REGIONAL SALES



# Segment Data

## DANA INCORPORATED

### Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended March 31, 2024 and 2023

(In millions)	Three Months Ended	
	March 31,	
	2024	2023
<b>Sales</b>		
Light Vehicle	\$ 1,098	\$ 962
Commercial Vehicle	524	522
Off-Highway	781	842
Power Technologies	332	318
<b>Total Sales</b>	<u>\$ 2,735</u>	<u>\$ 2,644</u>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 67	\$ 49
Commercial Vehicle	17	17
Off-Highway	115	118
Power Technologies	27	23
<b>Total Segment EBITDA</b>	<u>226</u>	<u>207</u>
Corporate expense and other items, net	(3)	(3)
<b>Adjusted EBITDA</b>	<u>\$ 223</u>	<u>\$ 204</u>

## DANA INCORPORATED

### Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended March 31, 2024 and 2023

(In millions)	Three Months Ended	
	March 31,	
	2024	2023
<b>Segment EBITDA</b>	\$ 226	\$ 207
Corporate expense and other items, net	(3)	(3)
<b>Adjusted EBITDA</b>	<u>223</u>	<u>204</u>
Depreciation	(101)	(92)
Amortization	(5)	(5)
Non-service cost components of pension and OPEB costs	(4)	(3)
Restructuring charges, net	(5)	(1)
Stock compensation expense	(6)	(6)
Strategic transaction expenses	(2)	(1)
Distressed supplier costs		(8)
Loss on disposal group held for sale	(29)	
Other items	(1)	2
Earnings before interest and income taxes	<u>70</u>	<u>90</u>
Interest income	4	4
Interest expense	39	34
Earnings before income taxes	<u>35</u>	<u>60</u>
Income tax expense	37	30
Equity in earnings of affiliates	2	1
<b>Net income</b>	<u>\$ -</u>	<u>\$ 31</u>

# Cash Flow



## DANA INCORPORATED

### Reconciliation of Net Cash Provided By (Used In) Operating Activities to Free Cash Flow (Unaudited)

(In millions)

	Three Months Ended	
	March 31,	
	2024	2023
<b>Net cash used in operating activities</b>	\$ (102)	\$ (170)
Purchase of property, plant and equipment	(70)	(120)
<b>Free cash flow</b>	<u>\$ (172)</u>	<u>\$ (290)</u>



*People Finding A Better Way<sup>®</sup>*



# Non-GAAP Financial Information

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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.

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 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 outlook to the most comparable GAAP measure of net income (loss). Providing net income (loss) 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), including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliation of adjusted EBITDA to net income (loss) for the historical periods presented are indicative of the reconciliation that will be prepared upon completion of the periods covered by the non-GAAP guidance.