
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 31, 2019

Dana Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-1063
(Commission
File Number)

26-1531856
(IRS Employer
Identification Number)

3939 Technology Drive, Maumee, Ohio 43537
(Address of principal executive offices) (Zip Code)

(419) 887-3000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

| Title of Each Class | Trading Symbol | Name of Each Exchange on which Registered |
|-------------------------------|-------------------|--|
| Common Stock, \$.01 par value | DAN | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Items 2.02 and 7.01 Results of Operations and Financial Condition and Regulation FD Disclosure

Dana Incorporated today issued a news release announcing its results for the quarter ended June 30, 2019. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this report is being “furnished” and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits. The following item is furnished with this report.

| <u>Exhibit</u> <u>No.</u> | <u>Description</u> |
|------------------------------|---|
| 99.1 | Dana Incorporated Press Release dated July 31, 2019 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DANA INCORPORATED

Date: July 31, 2019

By: /s/ Douglas H. Liedberg
Name: Douglas H. Liedberg
Title: Senior Vice President, General Counsel
and Secretary

News Release



IMMEDIATE

Dana Incorporated Announces Strong Second-quarter Results; Affirms Full-year Guidance Ranges

11th Consecutive Quarter of Year-Over-Year Sales Growth

Second-quarter Highlights

- *Strong sales of \$2.3 billion, an increase of \$252 million compared with second-quarter 2018; represents 11th consecutive quarter of year-over-year sales growth*
- *Net loss attributable to Dana of \$68 million; diluted EPS a loss of \$0.47 inclusive of a one-time \$258 million charge for the transfer of a terminated pension plan*
- *Adjusted EBITDA of \$286 million, an increase of \$40 million*
- *Margin of 12.4 percent of sales, an expansion of 40 basis points*
- *Diluted adjusted EPS of \$0.87, an improvement of 18 percent over second-quarter 2018*
- *Earned Supplier of the Year awards from General Motors and FCA*
- *Eliminated \$165 million in unfunded pension liabilities, further enhancing balance sheet metrics*
- *Secured remaining stake in electrodynamics products manufacturer, strengthening TM4 joint venture*

MAUMEE, Ohio, USA, July 31, 2019 – Dana Incorporated (NYSE: DAN) today announced strong financial results for the second quarter of 2019.

“Dana delivered another strong performance this quarter, keeping us on track to achieve a third consecutive year of double-digit sales and profit growth,” said James Kamsickas, Dana president and chief executive officer. “Due to stable end markets, our strong sales backlog, and accretive acquisitions, we increased sales by 12 percent over last year and achieved improved margin performance. Our intense focus on customer satisfaction and cost discipline, combined with steady organic and inorganic growth is positioning us to finish the year strong.”

Second-quarter 2019 Financial Results

Sales for the second quarter of 2019 totaled \$2.3 billion, compared with \$2.1 billion in the same period of 2018, representing a \$252 million improvement. The increase was attributable to conversion of sales backlog, additional sales from recent acquisitions, higher end-market demand, and commodity recoveries, which were partially offset by unfavorable currency translation.

Dana reported a net loss of \$68 million for the second quarter of 2019, compared with net income of \$124 million in the same period of 2018. The difference was primarily due to \$258 million in one-time pension settlement charges related to the transfer of future pension liabilities from a U.S. pension plan to third-party insurers in the second quarter of 2019. Partially offsetting this one-time charge was a net tax benefit of \$87 million in this year’s second quarter driven by the pension termination and foreign tax credits. The second quarter of 2018 also included a \$39 million tax benefit related to tax credits and

valuation allowance releases. Excluding these one-time income tax and pension charges, second-quarter net income was \$103 million in 2019, compared with \$85 million in 2018, reflecting the increased operating earnings this year associated with higher sales.

Reported diluted earnings per share were a loss of \$0.47, compared with earnings per share of \$0.85 in the second quarter of 2018.

Adjusted EBITDA for the second quarter of 2019 was \$286 million, compared with \$246 million for the same period last year. Profit in the second quarter of 2019 benefited from both organic and inorganic growth, partially offset by higher commodity costs and the impact of unfavorable currency translation related to the strengthening of the U.S. dollar.

Diluted adjusted earnings per share were \$0.87 in the second quarter of 2019, compared with \$0.74 in the same period last year.

Operating cash flow in the second quarter of 2019 was \$73 million, compared with \$141 million in the same period of 2018. The second quarter of 2019 included a voluntary pension contribution of \$62 million related to the transfer of the pension plan liabilities.

Adjusted free cash flow was \$43 million, compared with \$61 million in the second quarter of 2018. Higher earnings and lower year-over-year working capital requirements were more than offset by increased one-time costs due to acquisitions, elevated cash taxes related to foreign entity restructuring, and the timing of investment to support new program launches.

Company Affirms 2019 Full-year Financial Targets

The company affirmed previously announced guidance ranges of:

- Sales of \$8.950 to \$9.350 billion;
- Adjusted EBITDA of \$1.085 billion to \$1.165 billion, an implied adjusted EBITDA margin of approximately 12.3 percent at the midpoint of the range;
- Diluted adjusted EPS¹ of \$2.95 to \$3.45;
- Operating cash flow of approximately 7.0 percent; and
- Adjusted free cash flow of approximately 3.0 percent.

¹ Net income and diluted EPS guidance are not provided, as discussed below in Non-GAAP Financial Information.

“Organic growth and cost synergies related to our acquisition of the Fairfield and Graziano businesses more than offset higher commodity costs and currency headwinds this quarter,” said Jonathan Collins, executive vice president and chief financial officer of Dana. “We also took steps to further strengthen our balance sheet by eliminating \$165 million of unfunded pension obligations. As we move into the second half of the year, we have maintained our full-year outlook ranges despite a stronger U.S. dollar.”

Dana Secures Remaining Stake in Electrodynamic Components Manufacturer, Strengthens Partnership with Hydro-Québec

As a continuation of its long-term electrification strategy, Dana has purchased the remaining equity in electrodynamic products manufacturer Prestolite E-Propulsion Systems (PEPS). Dana had acquired the initial stake as part of its 2018 acquisition of the TM4 joint venture between Dana and Hydro-Québec, North America’s leading provider of clean energy.

This investment, which includes an engineering and commercial center in Beijing and manufacturing facility in Weifang, China, enables Dana to expand in-house motor and inverter manufacturing capabilities in the world's largest electric-mobility market for all types of vehicles. This operation includes high-volume, flexible, and automated production lines, as well as testing capabilities for conducting full validation and certification of electric and hybrid drivetrains.

In addition, Hydro-Québec is broadening its partnership with Dana by co-investing in Dana's latest electrification acquisitions. Hydro-Québec has purchased 45 percent of SME, which Dana acquired in January, and has increased its interest in PEPS to 45 percentage for a total investment of approximately \$65 million, including \$53 million in cash paid at closing and a \$12 million note due in 2024. Dana continues to maintain a controlling financial interest in TM4 and SME for financial reporting purposes and will now consolidate the former PEPS operations.

Based in Arzignano, Italy, SME designs, engineers, and manufactures low-voltage AC induction and synchronous reluctance motors, inverters, and controls for a wide range of off-highway electric-vehicle applications, including material handling, agriculture, construction, and automated-guided vehicles.

The expanding partnership with Hydro-Québec demonstrates Dana's commitment to continue investing and growing in the electric-mobility sector.

Dana to Host Conference Call at 9 a.m. Today

Dana will discuss its 2019 second-quarter results in a conference call at 9 a.m. EDT today. Participants may listen to the audio portion of the conference call either through audio streaming online or by telephone. Slide viewing is available online via a link provided on the Dana investor website: www.dana.com/investors. U.S. and Canadian locations should dial 1-888-311-4590 and international locations should call 1-706-758-0054. Please enter conference I.D. 2597188 and ask for the "Dana Incorporated's Financial Webcast and Conference Call." Phone registration will be available starting at 8:30 a.m. EDT.

An audio recording of the webcast will be available after 5 p.m. EDT on July 31 by dialing 1-855-859-2056 (U.S. or Canada) or 1-404-537-3406 (international) and entering conference I.D. 2597188. A webcast replay will also be available after 5 p.m. EDT and may be accessed via Dana's investor website.

Non-GAAP Financial Information

This release refers to adjusted EBITDA, a non-GAAP financial measure which we have defined as net income 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 income before income taxes, net income 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 any nonrecurring 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. 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.

Adjusted free cash flow is a non-GAAP financial measure, which we have defined as cash provided by (used in) operating activities excluding voluntary pension contributions, 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. Adjusted 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. Adjusted free cash flow may not be comparable to similarly titled measures reported by other companies.

We have not provided reconciliations of preliminary and projected adjusted EBITDA and diluted adjusted EPS 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. 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.

Forward-Looking Statements

Certain statements and projections contained in this news release 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 news release speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

About Dana Incorporated

Dana is a world leader in providing power-conveyance and energy-management solutions for vehicles and machinery. The company’s portfolio improves the efficiency, performance, and sustainability of light vehicles, commercial vehicles, and off-highway equipment. From axles, driveshafts, and transmissions to electrodynamic, thermal, sealing, and digital solutions, the company enables the propulsion of conventional, hybrid, and electric-powered vehicles by supplying nearly every vehicle and engine manufacturer in the world. Founded in 1904, Dana employs more than 36,000 people who are committed to delivering long-term value to customers. Based in Maumee, Ohio, USA, and with locations in 33 countries across six continents, the company reported sales of \$8.1 billion in 2018. Having established a dynamic, high-performance culture, the company has been recognized globally as a top employer, with significant honors in Asia, India, Italy, Mexico, and the United States. Learn more at dana.com.

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Media Contact: Jeff Cole
+1-419-887-3535
jeff.cole@dana.com

Investor Contact: Craig Barber
+1-419-887-5166
craig.barber@dana.com

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Three Months Ended June 30, 2019 and 2018

| | Three Months Ended June 30, | |
|---|--------------------------------|---------------|
| | 2019 | 2018 |
| (In millions, except per share amounts) | | |
| Net sales | \$2,306 | \$ 2,054 |
| Costs and expenses | | |
| Cost of sales | 1,980 | 1,746 |
| Selling, general and administrative expenses | 140 | 134 |
| Amortization of intangibles | 4 | 2 |
| Restructuring charges, net | 9 | 7 |
| Impairment of indefinite-lived intangible asset | | (20) |
| Adjustment in fair value of disposal group held for sale | | 3 |
| Pension settlement charge | (258) | |
| Other expense, net | (10) | (10) |
| Earnings (loss) before interest and income taxes | (95) | 138 |
| Interest income | 3 | 2 |
| Interest expense | 34 | 23 |
| Earnings (loss) before income taxes | (126) | 117 |
| Income tax benefit | (52) | (4) |
| Equity in earnings of affiliates | 8 | 6 |
| Net income (loss) | (66) | 127 |
| Less: Noncontrolling interests net income | 2 | 3 |
| Net income (loss) attributable to the parent company | <u>\$ (68)</u> | <u>\$ 124</u> |
| Net income (loss) per share available to common stockholders | | |
| Basic | \$ (0.47) | \$ 0.85 |
| Diluted | \$ (0.47) | \$ 0.85 |
| Weighted-average common shares outstanding - Basic | 144.0 | 145.1 |
| Weighted-average common shares outstanding - Diluted | 144.0 | 146.5 |

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Six Months Ended June 30, 2019 and 2018

| | Six Months Ended June 30, | |
|--|------------------------------|----------------|
| | 2019 | 2018 |
| (In millions, except per share amounts) | | |
| Net sales | \$4,469 | \$4,192 |
| Costs and expenses | | |
| Cost of sales | 3,843 | 3,577 |
| Selling, general and administrative expenses | 276 | 264 |
| Amortization of intangibles | 6 | 4 |
| Restructuring charges, net | 18 | 8 |
| Impairment of indefinite-lived intangible asset | | (20) |
| Adjustment in fair value of disposal group held for sale | | 3 |
| Pension settlement charge | (258) | |
| Other expense, net | (23) | (10) |
| Earnings before interest and income taxes | 45 | 312 |
| Interest income | 5 | 5 |
| Interest expense | 61 | 47 |
| Earnings (loss) before income taxes | (11) | 270 |
| Income tax expense (benefit) | (32) | 44 |
| Equity in earnings of affiliates | 14 | 12 |
| Net income | 35 | 238 |
| Less: Noncontrolling interests net income | 6 | 5 |
| Less: Redeemable noncontrolling interests net income (loss) | (1) | 1 |
| Net income attributable to the parent company | \$ 30 | \$ 232 |
| Net income per share available to common stockholders | | |
| Basic | \$ 0.21 | \$ 1.60 |
| Diluted | \$ 0.21 | \$ 1.58 |
| Weighted-average common shares outstanding - Basic | 143.9 | 145.3 |
| Weighted-average common shares outstanding - Diluted | 144.8 | 147.0 |

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended June 30, 2019 and 2018

| (In millions) | Three Months Ended | |
|---|--------------------|--------------|
| | June 30, | |
| | 2019 | 2018 |
| Net income (loss) | \$ (66) | \$ 127 |
| Other comprehensive income (loss), net of tax: | | |
| Currency translation adjustments | 3 | (56) |
| Hedging gains and losses | 2 | (6) |
| Defined benefit plans | 355 | 6 |
| Other comprehensive income (loss) | 360 | (56) |
| Total comprehensive income | 294 | 71 |
| Less: Comprehensive (income) loss attributable to noncontrolling interests | (3) | 2 |
| Less: Comprehensive loss attributable to redeemable noncontrolling interest | 1 | 2 |
| Comprehensive income attributable to the parent company | <u>\$ 292</u> | <u>\$ 75</u> |

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Six Months Ended June 30, 2019 and 2018

| (In millions) | Six Months Ended June 30, | |
|---|------------------------------|---------------|
| | 2019 | 2018 |
| Net income | \$ 35 | \$ 238 |
| Other comprehensive income (loss), net of tax: | | |
| Currency translation adjustments | 30 | (46) |
| Hedging gains and losses | 7 | (14) |
| Defined benefit plans | 360 | 13 |
| Other comprehensive income (loss) | 397 | (47) |
| Total comprehensive income | 432 | 191 |
| Less: Comprehensive income attributable to noncontrolling interests | (5) | |
| Less: Comprehensive income attributable to redeemable noncontrolling interest | (3) | |
| Comprehensive income attributable to the parent company | \$ 424 | \$ 191 |

DANA INCORPORATED
Consolidated Balance Sheet (Unaudited)
As of June 30, 2019 and December 31, 2018

(In millions, except share and per share amounts)

| | June 30, 2019 | December 31, 2018 |
|---|------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 289 | \$ 510 |
| Marketable securities | 15 | 21 |
| Accounts receivable | | |
| Trade, less allowance for doubtful accounts of \$7 in 2019 and \$9 in 2018 | 1,423 | 1,065 |
| Other | 214 | 178 |
| Inventories | 1,286 | 1,031 |
| Other current assets | 143 | 102 |
| Total current assets | 3,370 | 2,907 |
| Goodwill | 533 | 264 |
| Intangibles | 240 | 164 |
| Deferred tax assets | 534 | 445 |
| Other noncurrent assets | 88 | 80 |
| Investments in affiliates | 170 | 208 |
| Operating lease assets | 179 | |
| Property, plant and equipment, net | 2,232 | 1,850 |
| Total assets | \$ 7,346 | \$ 5,918 |
| Liabilities and equity | | |
| Current liabilities | | |
| Short-term debt | \$ 14 | \$ 8 |
| Current portion of long-term debt | 42 | 20 |
| Accounts payable | 1,405 | 1,217 |
| Accrued payroll and employee benefits | 216 | 186 |
| Taxes on income | 64 | 47 |
| Current portion of operating lease liabilities | 41 | |
| Other accrued liabilities | 282 | 269 |
| Total current liabilities | 2,064 | 1,747 |
| Long-term debt, less debt issuance costs of \$28 in 2019 and \$18 in 2018 | 2,418 | 1,755 |
| Noncurrent operating lease liabilities | 142 | |
| Pension and postretirement obligations | 438 | 561 |
| Other noncurrent liabilities | 365 | 313 |
| Total liabilities | 5,427 | 4,376 |
| Commitments and contingencies | | |
| Redeemable noncontrolling interests | 105 | 100 |
| 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, 143,913,832 and 144,663,403 shares outstanding | 2 | 2 |
| Additional paid-in capital | 2,376 | 2,368 |
| Retained earnings | 456 | 456 |
| Treasury stock, at cost (10,099,912 and 8,342,185 shares) | (150) | (119) |
| Accumulated other comprehensive loss | (968) | (1,362) |
| Total parent company stockholders' equity | 1,716 | 1,345 |
| Noncontrolling interests | 98 | 97 |
| Total equity | 1,814 | 1,442 |
| Total liabilities and equity | \$ 7,346 | \$ 5,918 |

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended June 30, 2019 and 2018

| (In millions) | Three Months Ended | |
|---|--------------------|---------------|
| | June 30, | |
| | 2019 | 2018 |
| Operating activities | | |
| Net income | \$ (66) | \$ 127 |
| Depreciation | 80 | 60 |
| Amortization | 4 | 2 |
| Amortization of deferred financing charges | 2 | 1 |
| Earnings of affiliates, net of dividends received | 8 | 10 |
| Stock compensation expense | 5 | 5 |
| Deferred income taxes | (91) | (57) |
| Pension expense, net | 203 | 1 |
| Impairment of indefinite-lived intangible asset | | 20 |
| Adjustment in fair value of disposal group held for sale | | (2) |
| Change in working capital | (72) | (16) |
| Other, net | | (10) |
| Net cash provided by operating activities | 73 | 141 |
| Investing activities | | |
| Purchases of property, plant and equipment | (92) | (80) |
| Acquisition of businesses, net of cash acquired | (48) | (151) |
| Proceeds from previous acquisition | | 9 |
| Purchases of marketable securities | (7) | (12) |
| Proceeds from sales of marketable securities | 6 | 2 |
| Proceeds from maturities of marketable securities | 6 | 12 |
| Settlements of undesignated derivatives | 1 | |
| Other, net | (5) | |
| Net cash used in investing activities | (139) | (220) |
| Financing activities | | |
| Net change in short-term debt | (1) | 2 |
| Repayment of long-term debt | (10) | (1) |
| Dividends paid to common stockholders | (15) | (14) |
| Distributions to noncontrolling interests | (11) | (3) |
| Contributions from noncontrolling interests | 1 | |
| Repurchases of common stock | | (25) |
| Other, net | 3 | (1) |
| Net cash used in financing activities | (33) | (42) |
| Net decrease in cash, cash equivalents and restricted cash | (99) | (121) |
| Cash, cash equivalents and restricted cash - beginning of period | 395 | 491 |
| Effect of exchange rate changes on cash balances | 2 | (27) |
| Cash, cash equivalents and restricted cash - end of period | \$ 298 | \$ 343 |

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Six Months Ended June 30, 2019 and 2018

| | Six Months Ended June 30, | |
|---|------------------------------|---------------|
| | 2019 | 2018 |
| Operating activities | | |
| Net income | \$ 35 | \$ 238 |
| Depreciation | 153 | 124 |
| Amortization | 8 | 5 |
| Amortization of deferred financing charges | 3 | 2 |
| Earnings of affiliates, net of dividends received | 3 | 5 |
| Stock compensation expense | 10 | 9 |
| Deferred income taxes | (105) | (45) |
| Pension expense, net | 207 | 1 |
| Impairment of indefinite-lived intangible asset | | 20 |
| Adjustment in fair value of disposal group held for sale | | (2) |
| Change in working capital | (247) | (232) |
| Other, net | (10) | (12) |
| Net cash provided by operating activities | 57 | 113 |
| Investing activities | | |
| Purchases of property, plant and equipment | (190) | (145) |
| Acquisition of businesses, net of cash acquired | (654) | (151) |
| Proceeds from previous acquisition | | 9 |
| Purchases of marketable securities | (12) | (29) |
| Proceeds from sales of marketable securities | 6 | 6 |
| Proceeds from maturities of marketable securities | 12 | 23 |
| Settlements of undesignated derivatives | (19) | |
| Other, net | (6) | |
| Net cash used in investing activities | (863) | (287) |
| Financing activities | | |
| Net change in short-term debt | (3) | (5) |
| Proceeds from long-term debt | 675 | |
| Repayment of long-term debt | (19) | (2) |
| Deferred financing payments | (12) | |
| Dividends paid to common stockholders | (29) | (29) |
| Distributions to noncontrolling interests | (12) | (4) |
| Contributions from noncontrolling interests | 2 | |
| Repurchases of common stock | (25) | (25) |
| Other, net | | (5) |
| Net cash provided by (used in) financing activities | 577 | (70) |
| Net decrease in cash, cash equivalents and restricted cash | (229) | (244) |
| Cash, cash equivalents and restricted cash - beginning of period | 520 | 610 |
| Effect of exchange rate changes on cash balances | 7 | (13) |
| Less: Cash contributed to disposal group | | (10) |
| Cash, cash equivalents and restricted cash - end of period | \$ 298 | \$ 343 |

DANA INCORPORATED
Reconciliation of Net Cash Provided by Operating Activities to
Free Cash Flow and Adjusted Free Cash Flow (Unaudited)

| (In millions) | Three Months Ended | |
|--|--------------------|--------------|
| | June 30, | |
| | 2019 | 2018 |
| Net cash provided by operating activities | \$ 73 | \$ 141 |
| Purchase of property, plant and equipment | (92) | (80) |
| Free cash flow | (19) | 61 |
| Discretionary pension contributions | 62 | — |
| Adjusted free cash flow | <u>\$ 43</u> | <u>\$ 61</u> |

| (In millions) | Six Months Ended | |
|--|------------------|----------------|
| | June 30, | |
| | 2019 | 2018 |
| Net cash provided by operating activities | \$ 57 | \$ 113 |
| Purchase of property, plant and equipment | (190) | (145) |
| Free cash flow | (133) | (32) |
| Discretionary pension contributions | 62 | — |
| Adjusted free cash flow | <u>\$ (71)</u> | <u>\$ (32)</u> |

| (In millions) | 2019 |
|--|-----------------|
| | Guidance |
| Net cash provided by operating activities | ~ \$ 640 |
| Purchase of property, plant and equipment | ~ (425) |
| Free cash flow | 215 |
| Discretionary pension contributions | ~ 60 |
| Adjusted free cash flow | <u>~ \$ 275</u> |

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended June 30, 2019 and 2018

| (In millions) | Three Months Ended | |
|--|--------------------|-----------------|
| | June 30, | |
| | 2019 | 2018 |
| Sales | | |
| Light Vehicle | \$ 927 | \$ 873 |
| Commercial Vehicle | 437 | 411 |
| Off-Highway | 674 | 485 |
| Power Technologies | 268 | 285 |
| Total Sales | <u>\$2,306</u> | <u>\$ 2,054</u> |
| Segment EBITDA | | |
| Light Vehicle | \$ 118 | \$ 92 |
| Commercial Vehicle | 41 | 41 |
| Off-Highway | 103 | 79 |
| Power Technologies | 28 | 39 |
| Total Segment EBITDA | 290 | 251 |
| Corporate expense and other items, net | (4) | (5) |
| Adjusted EBITDA | <u>\$ 286</u> | <u>\$ 246</u> |

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Six Months Ended June 30, 2019 and 2018

| (In millions) | Six Months Ended | |
|--|------------------|----------------|
| | June 30, | |
| | 2019 | 2018 |
| Sales | | |
| Light Vehicle | \$1,833 | \$1,823 |
| Commercial Vehicle | 868 | 811 |
| Off-Highway | 1,226 | 977 |
| Power Technologies | 542 | 581 |
| Total Sales | <u>\$4,469</u> | <u>\$4,192</u> |
| Segment EBITDA | | |
| Light Vehicle | \$ 220 | \$ 195 |
| Commercial Vehicle | 82 | 75 |
| Off-Highway | 185 | 151 |
| Power Technologies | 62 | 84 |
| Total Segment EBITDA | 549 | 505 |
| Corporate expense and other items, net | (6) | (11) |
| Adjusted EBITDA | <u>\$ 543</u> | <u>\$ 494</u> |

DANA INCORPORATED
Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)
For the Three Months Ended June 30, 2019 and 2018

| (In millions) | Three Months Ended | |
|---|--------------------|--------|
| | June 30, | |
| | 2019 | 2018 |
| Segment EBITDA | \$ 290 | \$ 251 |
| Corporate expense and other items, net | (4) | (5) |
| Adjusted EBITDA | 286 | 246 |
| Depreciation | (80) | (60) |
| Amortization | (5) | (2) |
| Non-service cost components of pension and OPEB costs | (9) | (4) |
| Pension settlement charge | (258) | |
| Restructuring charges, net | (9) | (7) |
| Stock compensation expense | (5) | (5) |
| Strategic transaction expenses, net of transaction breakup fee income | (11) | (8) |
| Acquisition related inventory adjustments | (5) | |
| Other items | 1 | (5) |
| Impairment of indefinite-lived intangible asset | | (20) |
| Adjustment in fair value of disposal group held for sale | | 3 |
| Earnings (loss) before interest and income taxes | (95) | 138 |
| Interest expense | 34 | 23 |
| Interest income | 3 | 2 |
| Earnings (loss) before income taxes | (126) | 117 |
| Income tax benefit | (52) | (4) |
| Equity in earnings of affiliates | 8 | 6 |
| Net income (loss) | \$ (66) | \$ 127 |

DANA INCORPORATED
Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)
For the Six Months Ended June 30, 2019 and 2018

| (In millions) | Six Months Ended | |
|---|------------------|---------------|
| | June 30, | |
| | 2019 | 2018 |
| Segment EBITDA | \$ 549 | \$ 505 |
| Corporate expense and other items, net | (6) | (11) |
| Adjusted EBITDA | 543 | 494 |
| Depreciation | (153) | (124) |
| Amortization | (8) | (5) |
| Non-service cost components of pension and OPEB costs | (15) | (7) |
| Pension settlement charge | (258) | |
| Restructuring charges, net | (18) | (8) |
| Stock compensation expense | (10) | (9) |
| Strategic transaction expenses, net of transaction breakup fee income | (24) | (7) |
| Acquisition related inventory adjustments | (9) | |
| Non-income tax legal judgment | 6 | |
| Other items | (9) | (5) |
| Impairment of indefinite-lived intangible asset | | (20) |
| Adjustment in fair value of disposal group held for sale | | 3 |
| Earnings before interest and income taxes | 45 | 312 |
| Interest expense | 61 | 47 |
| Interest income | 5 | 5 |
| Earnings (loss) before income taxes | (11) | 270 |
| Income tax expense (benefit) | (32) | 44 |
| Equity in earnings of affiliates | 14 | 12 |
| Net income | \$ 35 | \$ 238 |

DANA INCORPORATED
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended June 30, 2019 and 2018

(In millions, except per share amounts)

| | Three Months Ended June 30, | |
|---|--------------------------------|----------------|
| | 2019 | 2018 |
| Net income attributable to parent company | \$ (68) | \$ 124 |
| Items impacting income before income taxes: | | |
| Restructuring charges | 9 | 7 |
| Amortization of intangibles | 4 | 2 |
| Strategic transaction expenses, net of transaction breakup fee income | 11 | 6 |
| Acquisition related inventory adjustments | 5 | |
| Pension settlement charge | 258 | |
| Impairment of indefinite-lived intangible asset | | 20 |
| Other items | (1) | |
| Items impacting income taxes: | | |
| Net income tax expense on items above | (14) | (9) |
| Net tax benefit attributable to valuation allowance adjustments, federal tax credit adjustments and state tax law changes | (78) | (41) |
| Adjusted net income | \$ 126 | \$ 109 |
| Diluted shares - as reported | 144.8 | 146.5 |
| Adjusted diluted shares | 144.8 | 146.5 |
| Diluted adjusted EPS | \$ 0.87 | \$ 0.74 |

DANA INCORPORATED
Diluted Adjusted EPS (Unaudited)
For the Six Months Ended June 30, 2019 and 2018

(In millions, except per share amounts)

| | Six Months Ended June 30, | |
|---|------------------------------|----------------|
| | 2019 | 2018 |
| Net income attributable to parent company | \$ 30 | \$ 232 |
| Items impacting income before income taxes: | | |
| Restructuring charges | 18 | 8 |
| Amortization of intangibles | 8 | 5 |
| Strategic transaction expenses, net of transaction breakup fee income | 24 | 7 |
| Loss on deal contingent forward | 13 | |
| Acquisition related inventory adjustments | 9 | |
| Non-income tax legal judgment | (6) | |
| Pension settlement charge | 258 | |
| Impairment of indefinite-lived intangible asset | | 20 |
| Other items | (2) | (2) |
| Items impacting income taxes: | | |
| Net income tax expense on items above | (19) | (10) |
| Net tax benefit attributable to valuation allowance adjustments, federal tax credit adjustments and state tax law changes | (94) | (41) |
| Adjusted net income | \$ 239 | \$ 219 |
| Diluted shares - as reported | 144.8 | 147.0 |
| Adjusted diluted shares | 144.8 | 147.0 |
| Diluted adjusted EPS | \$ 1.65 | \$ 1.49 |