

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 (loss) 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. 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, diluted adjusted EPS 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 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 September 30, 2023 and 2022

(In millions, except per share amounts)	Three Months Ended	
	September 30,	
	2023	2022
Net sales	\$ 2,669	\$ 2,535
Costs and expenses		
Cost of sales	2,433	2,332
Selling, general and administrative expenses	126	114
Amortization of intangibles	3	3
Restructuring charges, net	17	(1)
Impairment of goodwill		(191)
Other income (expense), net	1	3
Earnings (loss) before interest and income taxes	91	(101)
Interest income	5	2
Interest expense	41	32
Earnings (loss) before income taxes	55	(131)
Income tax expense	33	31
Equity in earnings (loss) of affiliates	3	(1)
Net income (loss)	25	(163)
Less: Noncontrolling interests net income	8	4
Less: Redeemable noncontrolling interests net loss	(2)	(79)
Net income (loss) attributable to the parent company	<u>\$ 19</u>	<u>\$ (88)</u>
Net income (loss) per share available to common stockholders		
Basic	\$ 0.13	\$ (0.61)
Diluted	\$ 0.13	\$ (0.61)
Weighted-average shares outstanding - Basic	144.3	143.4
Weighted-average shares outstanding - Diluted	144.7	143.4

DANA INCORPORATED
Consolidated Statement of Operations (Unaudited)
For the Nine Months Ended September 30, 2023 and 2022

	Nine Months Ended	
	September 30,	
	2023	2022
(In millions, except per share amounts)		
Net sales	\$ 8,061	\$ 7,601
Costs and expenses		
Cost of sales	7,325	7,018
Selling, general and administrative expenses	410	374
Amortization of intangibles	10	10
Restructuring charges, net	21	(1)
Impairment of goodwill		(191)
Other income (expense), net	10	15
Earnings before interest and income taxes	305	24
Loss on extinguishment of debt	(1)	
Interest income	14	6
Interest expense	114	95
Earnings (loss) before income taxes	204	(65)
Income tax expense	118	67
Equity in earnings (loss) of affiliates	6	(1)
Net income (loss)	92	(133)
Less: Noncontrolling interests net income	17	11
Less: Redeemable noncontrolling interests net loss	(2)	(81)
Net income (loss) attributable to the parent company	<u>\$ 77</u>	<u>\$ (63)</u>
Net income (loss) per share available to common stockholders		
Basic	\$ 0.53	\$ (0.44)
Diluted	\$ 0.53	\$ (0.44)
Weighted-average shares outstanding - Basic	144.2	143.6
Weighted-average shares outstanding - Diluted	144.5	143.6

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended September 30, 2023 and 2022

(In millions)

	Three Months Ended September 30,	
	2023	2022
Net income (loss)	\$ 25	\$ (163)
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	(24)	(82)
Hedging gains and losses	(21)	1
Defined benefit plans	(1)	1
Other comprehensive loss	(46)	(80)
Total comprehensive loss	(21)	(243)
Less: Comprehensive income attributable to noncontrolling interests	(7)	(1)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	4	89
Comprehensive loss attributable to the parent company	<u>\$ (24)</u>	<u>\$ (155)</u>

DANA INCORPORATED
Consolidated Statement of Comprehensive Income (Unaudited)
For the Nine Months Ended September 30, 2023 and 2022

(In millions)

	Nine Months Ended	
	September 30,	
	2023	2022
Net income (loss)	\$ 92	\$ (133)
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	(6)	(134)
Hedging gains and losses	(3)	(2)
Defined benefit plans		5
Other comprehensive income (loss)	(9)	(131)
Total comprehensive income (loss)	83	(264)
Less: Comprehensive income attributable to noncontrolling interests	(16)	(6)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	4	97
Comprehensive income (loss) attributable to the parent company	<u>\$ 71</u>	<u>\$ (173)</u>

DANA INCORPORATED
Consolidated Balance Sheet (Unaudited)
As of September 30, 2023 and December 31, 2022

(In millions, except share and per share amounts)

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 421	\$ 425
Accounts receivable		
Trade, less allowance for doubtful accounts of \$11 in 2023 and \$11 in 2022	1,562	1,374
Other	292	202
Inventories	1,713	1,609
Other current assets	232	219
Total current assets	4,220	3,829
Goodwill	256	259
Intangibles	184	201
Deferred tax assets	437	397
Other noncurrent assets	128	123
Investments in affiliates	135	136
Operating lease assets	327	311
Property, plant and equipment, net	2,250	2,193
Total assets	\$ 7,937	\$ 7,449
Liabilities, redeemable noncontrolling interests and equity		
Current liabilities		
Short-term debt	\$ 37	\$ 52
Current portion of long-term debt	31	8
Accounts payable	1,883	1,838
Accrued payroll and employee benefits	273	214
Taxes on income	85	54
Current portion of operating lease liabilities	38	36
Other accrued liabilities	323	277
Total current liabilities	2,670	2,479
Long-term debt, less debt issuance costs of \$25 in 2023 and \$22 in 2022	2,563	2,348
Noncurrent operating lease liabilities	287	277
Pension and postretirement obligations	297	298
Other noncurrent liabilities	263	249
Total liabilities	6,080	5,651
Commitments and contingencies		
Redeemable noncontrolling interests	210	195
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, 144,337,917 and 143,366,482 shares outstanding	2	2
Additional paid-in capital	2,249	2,229
Retained earnings	353	321
Treasury stock, at cost (450,729 and zero shares)	(8)	-
Accumulated other comprehensive loss	(1,007)	(1,001)
Total parent company stockholders' equity	1,589	1,551
Noncontrolling interests	58	52
Total equity	1,647	1,603
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,937	\$ 7,449

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended September 30, 2023 and 2022

(In millions)	Three Months Ended	
	September 30,	
	2023	2022
Operating activities		
Net income (loss)	\$ 25	\$ (163)
Depreciation	101	88
Amortization	6	6
Amortization of deferred financing charges	1	1
Earnings of affiliates, net of dividends received	(1)	
Stock compensation expense	5	5
Deferred income taxes	(16)	(14)
Pension expense, net	2	
Impairment of goodwill		191
Change in working capital	3	63
Other, net	(14)	(6)
Net cash provided by operating activities	<u>112</u>	<u>171</u>
Investing activities		
Purchases of property, plant and equipment	(117)	(94)
Purchases of marketable securities		(2)
Proceeds from sales of marketable securities		8
Settlements of undesignated derivatives	(6)	1
Other, net	(15)	5
Net cash used in investing activities	<u>(138)</u>	<u>(82)</u>
Financing activities		
Net change in short-term debt	2	(2)
Repayment of long-term debt	(3)	(14)
Dividends paid to common stockholders	(14)	(14)
Distributions to noncontrolling interests	(7)	(6)
Contributions from redeemable noncontrolling interests	1	23
Other, net	1	(1)
Net cash used in financing activities	<u>(20)</u>	<u>(14)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(46)	75
Cash, cash equivalents and restricted cash – beginning of period	503	340
Effect of exchange rate changes on cash balances	(17)	(25)
Cash, cash equivalents and restricted cash – end of period	<u>\$ 440</u>	<u>\$ 390</u>

DANA INCORPORATED
Consolidated Statement of Cash Flows (Unaudited)
For the Nine Months Ended September 30, 2023 and 2022

(In millions)	Nine Months Ended	
	September 30,	
	2023	2022
Operating activities		
Net income (loss)	\$ 92	\$ (133)
Depreciation	287	270
Amortization	17	17
Amortization of deferred financing charges	4	4
Write-off of deferred financing costs	1	
Earnings of affiliates, net of dividends received	(4)	29
Stock compensation expense	19	13
Deferred income taxes	(46)	(56)
Pension expense, net	4	
Impairment of goodwill		191
Change in working capital	(169)	(21)
Other, net	(7)	(7)
Net cash provided by operating activities	198	307
Investing activities		
Purchases of property, plant and equipment	(359)	(300)
Acquisition of business, net of cash acquired		(1)
Purchases of marketable securities		(15)
Proceeds from sales of marketable securities		18
Settlements of undesignated derivatives	(10)	(6)
Other, net	(14)	7
Net cash used in investing activities	(383)	(297)
Financing activities		
Net change in short-term debt	(15)	212
Proceeds from long-term debt	458	2
Repayment of long-term debt	(207)	(19)
Deferred financing payments	(9)	
Dividends paid to common stockholders	(43)	(43)
Repurchases of common stock		(25)
Distributions to noncontrolling interests	(10)	(8)
Contributions from redeemable noncontrolling interests	18	30
Payments to acquire noncontrolling interests		(4)
Other, net	(3)	(7)
Net cash provided by financing activities	189	138
Net increase in cash, cash equivalents and restricted cash	4	148
Cash, cash equivalents and restricted cash – beginning of period	442	287
Effect of exchange rate changes on cash balances	(6)	(45)
Cash, cash equivalents and restricted cash – end of period	\$ 440	\$ 390

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

(In millions)	Three Months Ended	
	September 30,	
	2023	2022
Net cash provided by operating activities	\$ 112	\$ 171
Purchases of property, plant and equipment	(117)	(94)
Free cash flow	<u>\$ (5)</u>	<u>\$ 77</u>

(In millions)	Nine Months Ended	
	September 30,	
	2023	2022
Net cash provided by operating activities	\$ 198	\$ 307
Purchases of property, plant and equipment	(359)	(300)
Free cash flow	<u>\$ (161)</u>	<u>\$ 7</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended September 30, 2023 and 2022

(In millions)	Three Months Ended	
	September 30,	
	2023	2022
Sales		
Light Vehicle	\$ 1,084	\$ 1,047
Commercial Vehicle	535	505
Off-Highway	739	694
Power Technologies	311	289
Total Sales	<u>\$ 2,669</u>	<u>\$ 2,535</u>
Segment EBITDA		
Light Vehicle	\$ 75	\$ 60
Commercial Vehicle	29	18
Off-Highway	110	91
Power Technologies	28	21
Total Segment EBITDA	<u>242</u>	<u>190</u>
Corporate expense and other items, net		2
Adjusted EBITDA	<u>\$ 242</u>	<u>\$ 192</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Nine Months Ended September 30, 2023 and 2022

(In millions)	Nine Months Ended	
	September 30,	
	2023	2022
Sales		
Light Vehicle	\$ 3,112	\$ 3,060
Commercial Vehicle	1,583	1,475
Off-Highway	2,423	2,206
Power Technologies	943	860
Total Sales	<u>\$ 8,061</u>	<u>\$ 7,601</u>
Segment EBITDA		
Light Vehicle	\$ 190	\$ 124
Commercial Vehicle	74	38
Off-Highway	359	291
Power Technologies	70	71
Total Segment EBITDA	<u>693</u>	<u>524</u>
Corporate expense and other items, net	(4)	
Adjusted EBITDA	<u>\$ 689</u>	<u>\$ 524</u>

DANA INCORPORATED**Reconciliation of Segment and Adjusted EBITDA to Net Income (Loss) (Unaudited)
For the Three Months Ended September 30, 2023 and 2022**

(In millions)	Three Months Ended	
	September 30,	
	2023	2022
Segment EBITDA	\$ 242	\$ 190
Corporate expense and other items, net		2
Adjusted EBITDA	242	192
Depreciation	(101)	(88)
Amortization	(6)	(6)
Non-service cost components of pension and OPEB costs	(4)	
Restructuring charges, net	(17)	1
Stock compensation expense	(5)	(5)
Strategic transaction expenses	(2)	(1)
Distressed supplier costs	(14)	
Impairment of goodwill		(191)
Other items	(2)	(3)
Earnings (loss) before interest and income taxes	91	(101)
Interest income	5	2
Interest expense	41	32
Earnings (loss) before income taxes	55	(131)
Income tax expense	33	31
Equity in earnings (loss) of affiliates	3	(1)
Net income (loss)	\$ 25	\$ (163)

DANA INCORPORATED**Reconciliation of Segment and Adjusted EBITDA to Net Income (Loss) (Unaudited)****For the Nine Months Ended September 30, 2023 and 2022**

	Nine Months Ended	
	September 30,	
	2023	2022
(In millions)		
Segment EBITDA	\$ 693	\$ 524
Corporate expense and other items, net	(4)	
Adjusted EBITDA	689	524
Depreciation	(287)	(270)
Amortization	(17)	(17)
Non-service cost components of pension and OPEB costs	(10)	(3)
Restructuring charges, net	(21)	1
Stock compensation expense	(19)	(13)
Strategic transaction expenses	(4)	(6)
Distressed supplier costs	(26)	
Impairment of goodwill		(191)
Other items		(1)
Earnings before interest and income taxes	305	24
Loss on extinguishment of debt	(1)	
Interest income	14	6
Interest expense	114	95
Earnings (loss) before income taxes	204	(65)
Income tax expense	118	67
Equity in earnings (loss) of affiliates	6	(1)
Net income (loss)	\$ 92	\$ (133)

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 Three Months Ended September 30, 2023 and 2022

(In millions, except per share amounts)

	Three Months Ended	
	September 30,	
	2023	2022
Net income (loss) attributable to the parent company	\$ 19	\$ (88)
Items impacting income (loss) before income taxes:		
Amortization	5	5
Restructuring charges, net	17	(1)
Strategic transaction expenses	2	3
Distressed supplier costs	14	
Impairment of goodwill		118
Other items	2	
Items impacting income taxes:		
Net income tax expense on items above	(16)	(5)
Income tax expense attributable to various discrete tax matters		2
Adjusted net income attributable to the parent company	<u>\$ 43</u>	<u>\$ 34</u>
Diluted shares - as reported	144.7	143.4
Adjusted diluted shares	144.7	143.8
Diluted adjusted EPS	\$ 0.30	\$ 0.24

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, 2023 and 2022

(In millions, except per share amounts)

	Nine Months Ended	
	September 30,	
	2023	2022
Net income (loss) attributable to the parent company	\$ 77	\$ (63)
Items impacting income (loss) before income taxes:		
Amortization	15	15
Restructuring charges, net	21	(1)
Strategic transaction expenses	4	8
Distressed supplier costs	26	
Impairment of goodwill		118
Other items	2	
Items impacting income taxes:		
Net income tax expense on items above	(26)	(10)
Income tax expense attributable to various discrete tax matters	14	2
Adjusted net income attributable to the parent company	\$ 133	\$ 69
Diluted shares - as reported	144.5	143.6
Adjusted diluted shares	144.5	144.4
Diluted adjusted EPS	\$ 0.92	\$ 0.48