

SafetyFirst
All Day Every Day



2020 First-quarter

Earnings Conference Call

April 30, 2020

Separated Together

People Finding A Better Way[®]

Dana
Cares
People • Products • Planet



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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



- *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*

Pandemic Response Priorities

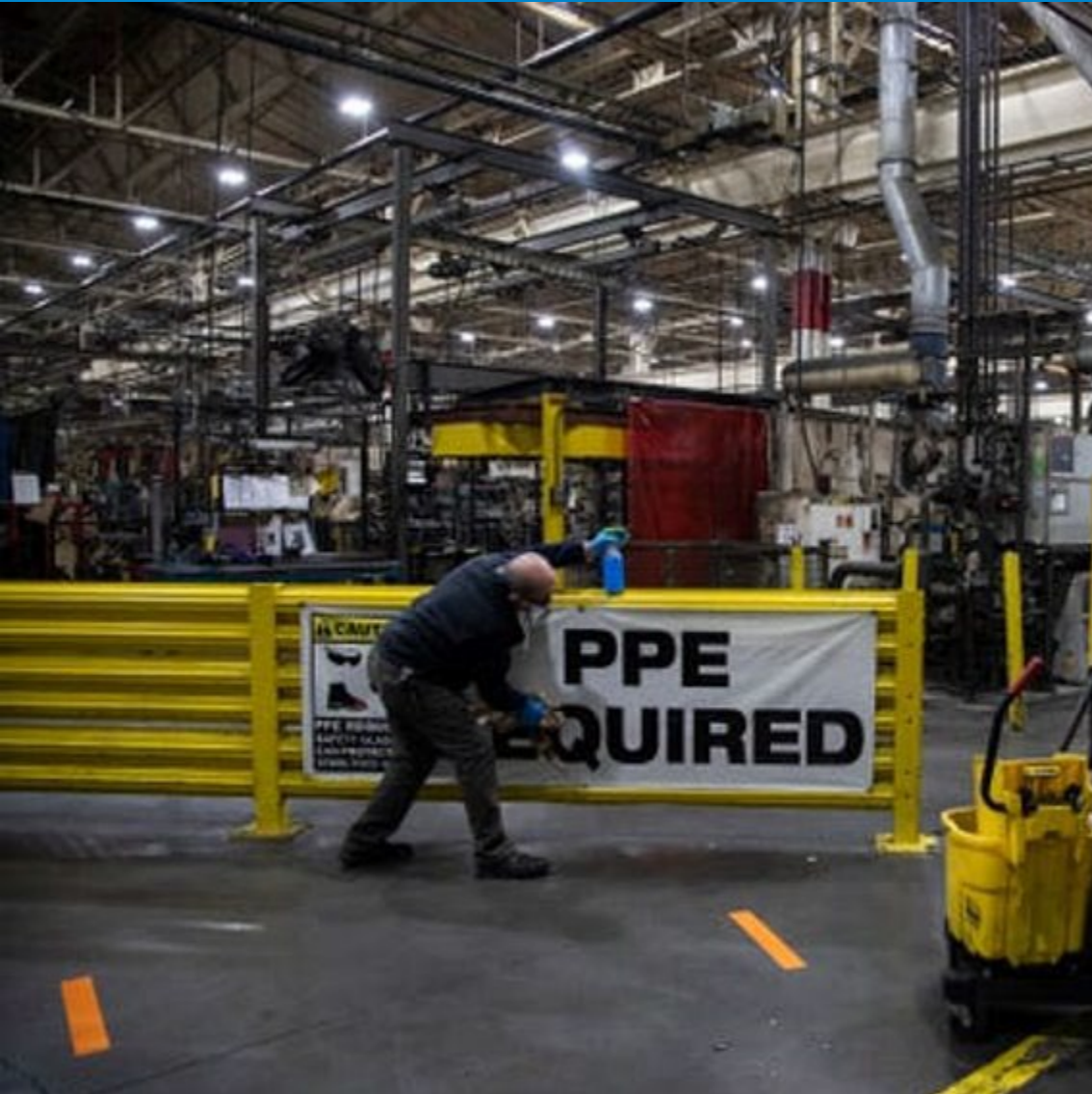




Protecting Our Employees



Ensuring Safe Workplaces





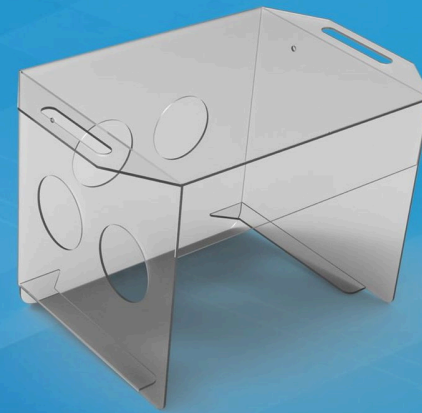
Protecting Our Communities



Dana People Making a Difference



Dana utilizes engineering expertise and 3D printing capability to develop needed protective equipment and provide it as open source



Reusable patient enclosures for hospitals



Improved light-weight face shields for frontline responders



CPAP mask adapter



Dana Cares
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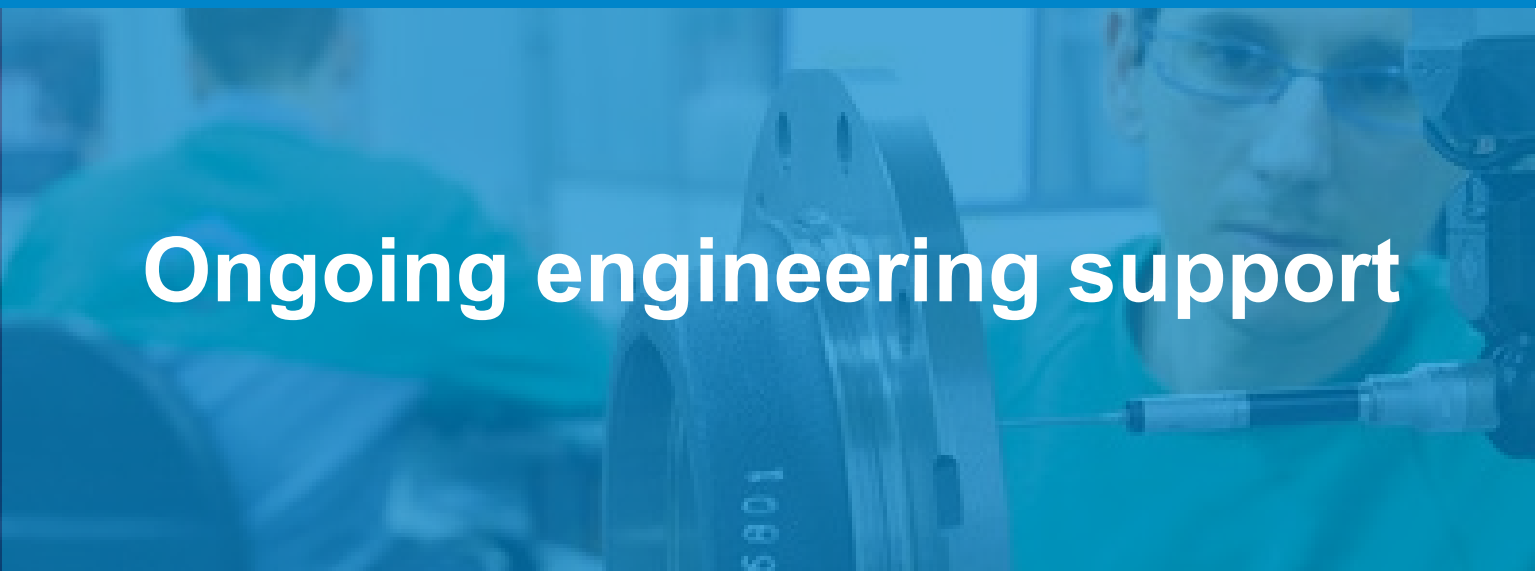
Protecting Our Customers



Customer Support in the Most Challenging of Times



Supporting continued production



Ongoing engineering support



Managing supply chain



Ramping for restart



Protecting Our Future

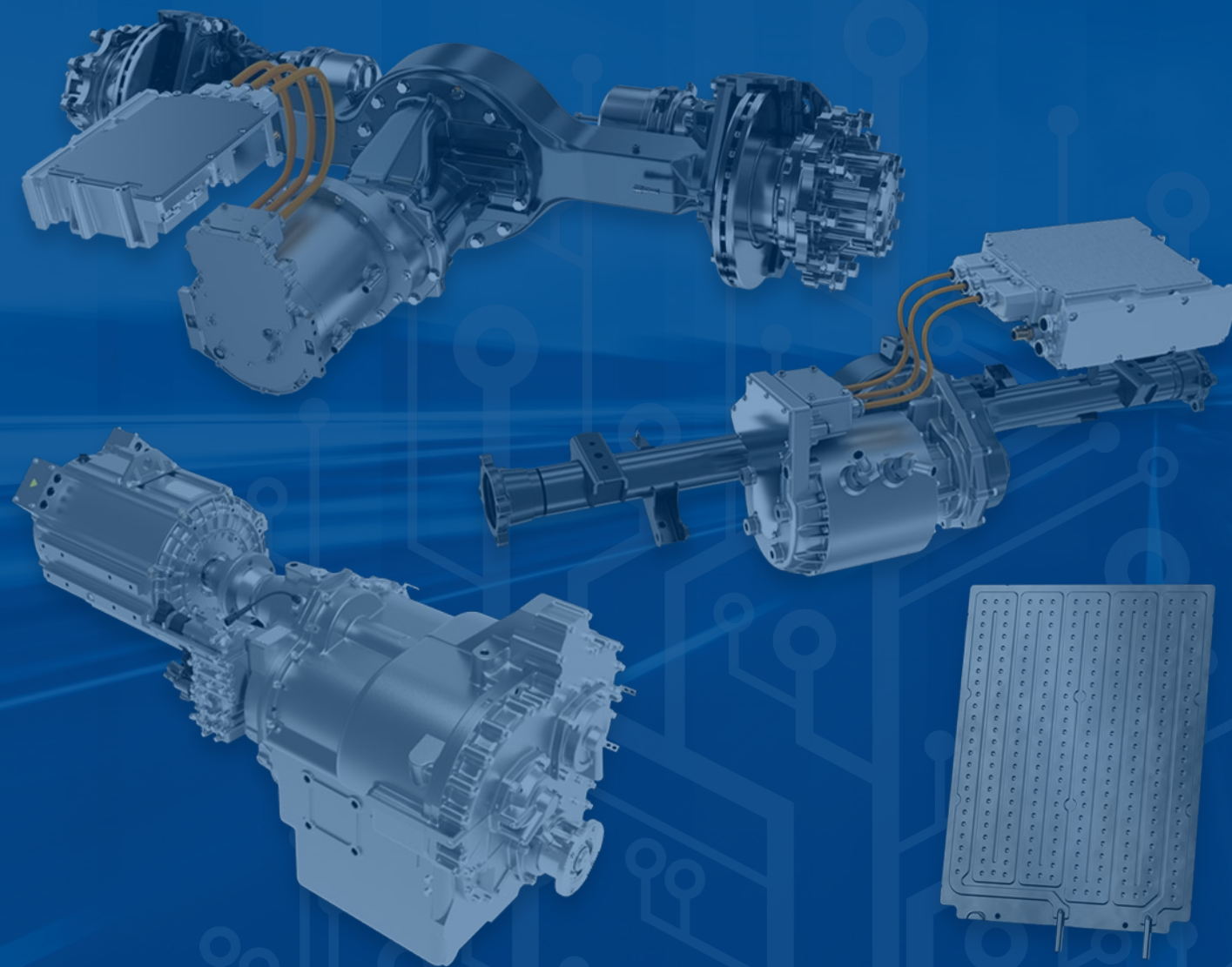


Financial Strength

Technology Development

Cash
Conservation

Access to
Liquidity



Current Customer Status¹

Light-Duty Market



- Idle through April
- Limited production
- Idle through April
- Idle through April
- Solid production

Heavy-Duty Markets



- Idle through April
- Limited production
- Idle through April
- Limited production
- Solid production



- Mixed by end market
- Limited production
- Idle through April
- Limited production
- Solid production

- Aftermarket, agriculture, and mining remained mostly operational as “essential businesses”
- Supply base assessment: stable but with focused monitoring
- Customer new program development delays remain minimal
- Most European customers are in restart mode
- Remaining customers expected to return to some level of production in May

¹ Statuses based on an aggregation of publicly available information regarding customer production and restart plans and are subject to change
 * 2019 Dana sales including 100% of DDAC Joint Venture



Financial Review

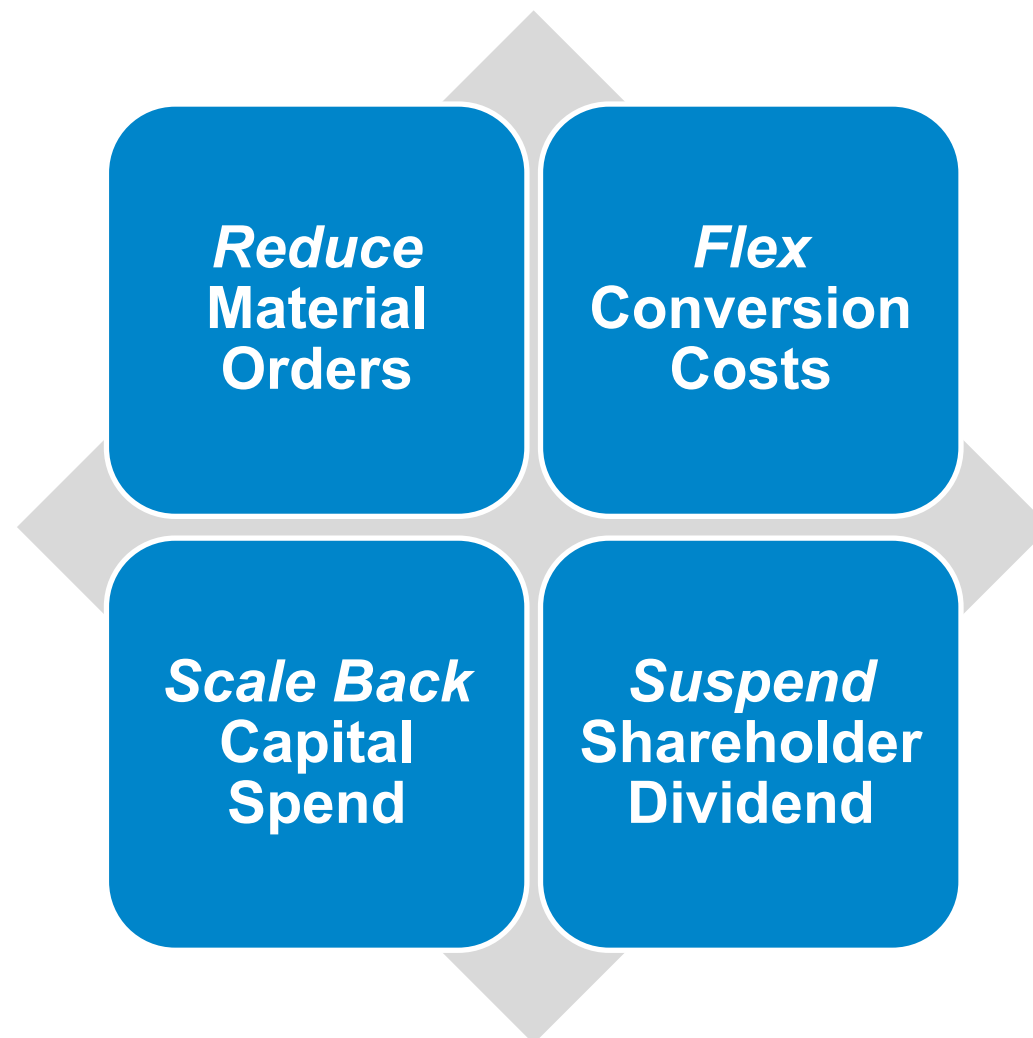
People Finding A Better Way[®]



Near-Term Financial Priorities

- Significant opportunity to generate cash by reducing inventory as production demand declines
- Pulling all levers to flex hourly and salary labor costs including temporary lay-offs and pay reductions (50% CEO, 20% board and management, 4-day work week in US, intermittent TLO in EU, etc.)
- Capital spending reductions initiated in first quarter (35%)
- Temporary dividend suspension preserves additional flexibility
- Carrying more of liquidity in the form cash
- Secured \$0.5B of additional liquidity in form of bridge facility

Conserve Cash



Maximize Liquidity

	Cash Balance¹	\$646 M
	Revolver Capacity	\$679 M
	Bridge Facility	\$500 M
	Q1 PF Liquidity²	>\$1.8 B

¹ Available cash and marketable securities as of 3/31/2020
² 3/31 liquidity pro forma for subsequent event bridge facility

Laser focus on conserving cash and maximizing liquidity



2020 Q1 Financial Results



- Sales and profit declines primarily attributed to production shutdowns associated with the global COVID-19 pandemic
- Lower diluted adjusted EPS primarily due to lower earnings
- Adj. FCF use comparable with prior year as first quarter is typically a use of cash due to seasonal working capital requirements
- Capital expenditures rapidly flexed down to lower rate in expectation of lower full-year production demand

Changes from Prior Year

(\$ in millions except EPS)

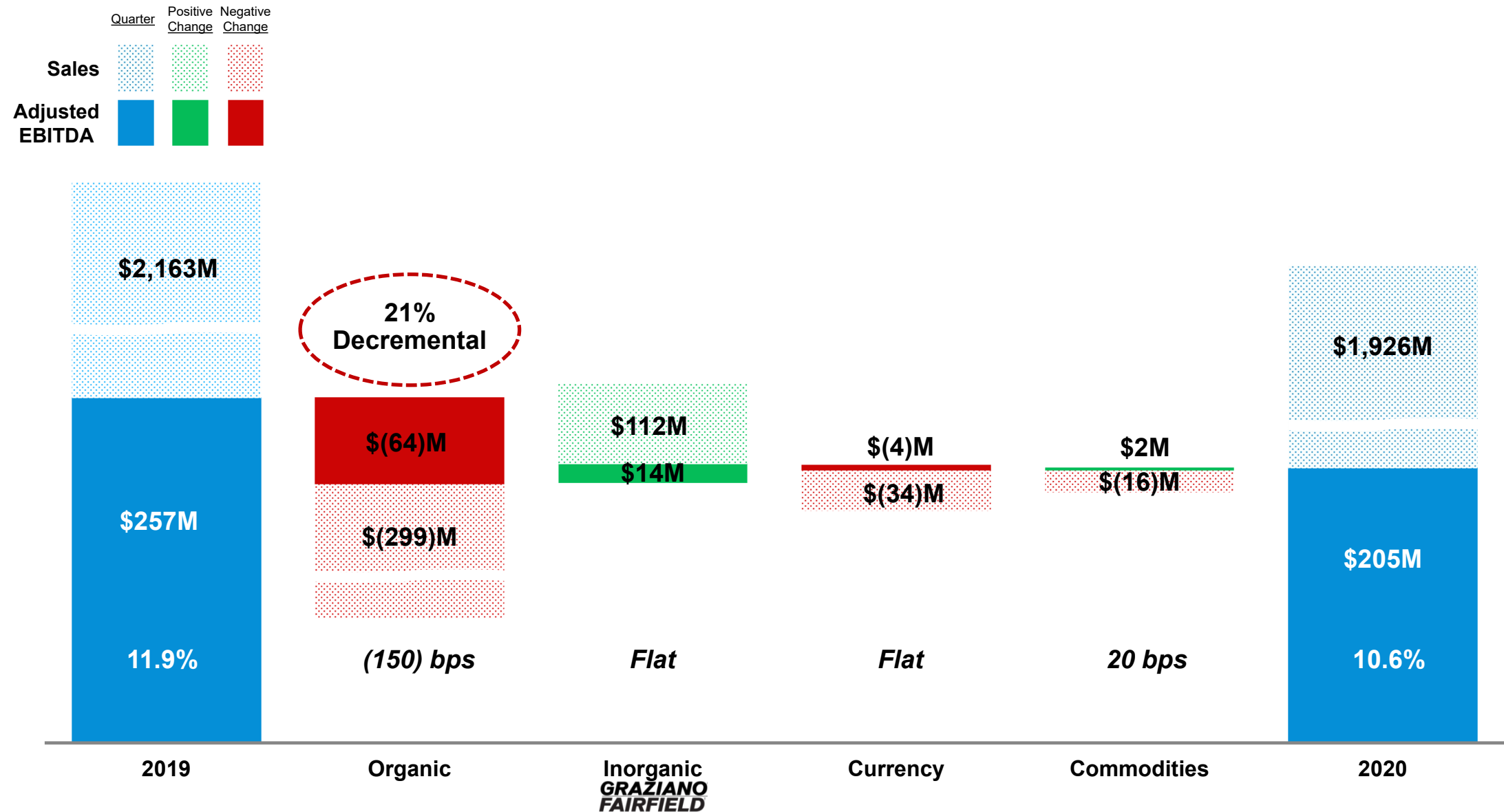
	<u>Q1 '20</u>	<u>Q1 '19</u>	<u>Change</u>
Sales	\$ 1,926	\$ 2,163	\$ (237)
Adjusted EBITDA	205	257	(52)
Margin	10.6%	11.9%	(130) bps
EBIT	47	140	(93)
Interest Expense, Net	27	25	2
Income Tax Expense (Benefit)	(16)	20	(36)
Net Income (attributable to Dana)	38	98	(60)
Diluted Adjusted EPS	\$ 0.47	\$ 0.78	\$ (0.31)
Operating Cash Flow	(51)	(16)	(35)
Capital Spending	63	98	(35)
Adjusted Free Cash Flow	(114)	(114)	flat

Financial impact of COVID-19 pandemic experienced in last couple weeks of March



2020 Q1 Sales and Profit Changes

- Organic decline primarily driven by production shutdowns across the globe due to the COVID-19 pandemic
- January and February sales associated with the Graziano and Fairfield businesses acquired on Feb 28th of 2019 drove inorganic sales increase
- Currency translation was a headwind to sales primarily due to the weakening of the euro and Brazilian real to the U.S. dollar
- Lower commodity costs modestly increased profit margins



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

Decremental margin of 21% on lower production due to COVID-19 global pandemic



2020 Q1 Cash Flow



- Adj. FCF flat v. prior year as lower profit was offset by lower one-time costs and capital expenditures
- Adj. FCF is typically a use of cash in Q1 due to seasonal working capital requirements
- No stock repurchased in Q1 2020
- Cash flow increase due to revolver draw of \$300M shifting liquidity mix to ~ 50 / 50 between cash and committed financing
- Strengthening of the USD against foreign currencies decreased the value of foreign denominated cash balances

Changes from Prior Year

(\$ in millions)

	<u>Q1 '20</u>	<u>Q1 '19</u>	<u>Change</u>
Adjusted EBITDA	\$ 205	\$ 257	\$ (52)
One-time Costs¹	(11)	(25)	14
Interest, net	(6)	(11)	5
Taxes	(17)	(19)	2
Working Capital / Other²	(222)	(218)	(4)
Capital Spending	(63)	(98)	35
Adj. Free Cash Flow	\$ (114)	\$ (114)	\$ -
Dividends	(15)	(14)	(1)
Share Repurchases	-	(25)	25
Revolver Draw	300	-	300
Currency Effect on Cash	(29)	5	(34)
All Other³	(24)	23	(47)
Total Cash Flow	\$ 118	\$ (125)	\$ 243

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. ³ Includes other financing and investing activities. See appendix for comments regarding the presentation of non-GAAP measures.

Q1 Adj. FCF flat from prior year as lower capital spending offset earnings decline

Flexible Cost Structure

Cost of Goods Sold¹

Material Cost 2/3

- Limited vertical integration
- Best-of-best supply base
- Centralized global commodity purchasing
- Rapid response to customer demand changes
- Inbound freight and logistics optimization

Conversion Cost 1/3

- Hourly labor flexibility / subsidy programs
- Eliminate high-volume premium costs
- Maintenance and repair efficiencies
- Salary cost actions and austerity measures
- Manufacturing footprint optimization

Sales Composition²

Engineering ~3%

COGS <80%

SG&A ~6%

Profit
~12%

2019A

Engineering Spend

- Acceleration and scope of commercial recoveries
- Research and development prioritization
- Rate of investment in electrified technology
- De-prioritize investments in legacy products

SG&A / Other¹

- Complete cost synergies from recent acquisitions
- Leverage synergies across all mobility markets
- Lean principles and process consolidation
- Global shared services and automation

Other Free Cash Flow Impacts

- Capital expenditure delay or deferrals
- Working capital source of cash

¹ Adjusted to remove engineering expense

² Based on 2019 full year results, adjusted for depreciation, amortization, restructuring, and non-recurring items as defined in Adjusted EBITDA
See appendix for comments regarding the presentation of non-GAAP measures

Continued focus on cost reduction required to manage through market downturn



Cash Flow Sensitivity Analysis

- Original full-year financial guidance has been withdrawn due to abnormally high level of uncertainty regarding end-market demand
- April sales expected to be down ~75% from prior year with widespread production shutdowns; however, aftermarket and some OEM demand remained
- Most OEM customers communicating resumption of production in May leading to a Q2 sales decline of ~50% from prior year, nearly breakeven adj. EBITDA, and modest use of adj. FCF
- Estimated breakeven point for FY adj. FCF is ~\$6B, a YoY sales decline of ~30%
- Strong YE liquidity under illustrative scenario

2020 Full Year Illustrative Scenario

(\$ in millions)

	2019 <u>Actuals</u>	2020 <u>Withdrawn Guidance</u>	2020 <u>Breakeven Scenario</u>
Sales	\$ 8,620	\$ ~8,500	\$ ~6,000
Adjusted EBITDA	1,019	~1,000	~400
One-time Costs¹	(81)	~(30)	~(50)
Interest, net	(107)	~(95)	~(110)
Taxes	(125)	~(135)	~(90)
Working Capital / Other²	(8)	~20	~125
Capital Spending	(426)	~(385)	~(275)
Adj. Free Cash Flow	\$ 272	\$ ~375	~Breakeven
YE Liquidity	\$ 1,501	\$ ~1,500	\$ ~1,950

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.

Full-year guidance withdrawn; sensitivity analysis demonstrates ample liquidity



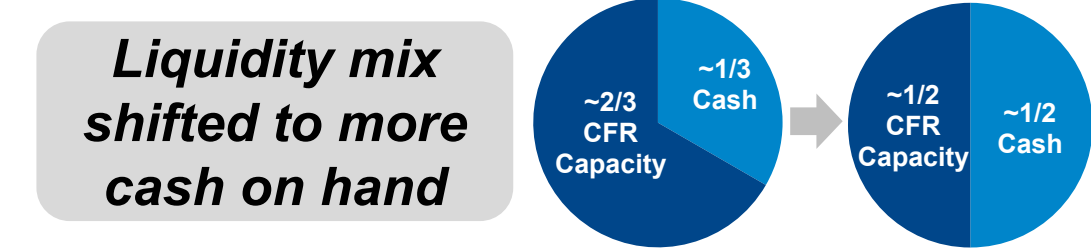
Continued Financial Strength

- Key credit metrics remain relatively unchanged in the first quarter with net leverage at ~2x and coverage at >9x
- Revolver draw of \$300M delivers new liquidity mix of ~1/2 : ~1/2 compared to previous mix of ~1/3 : ~2/3
- No significant debt maturities for the next few years

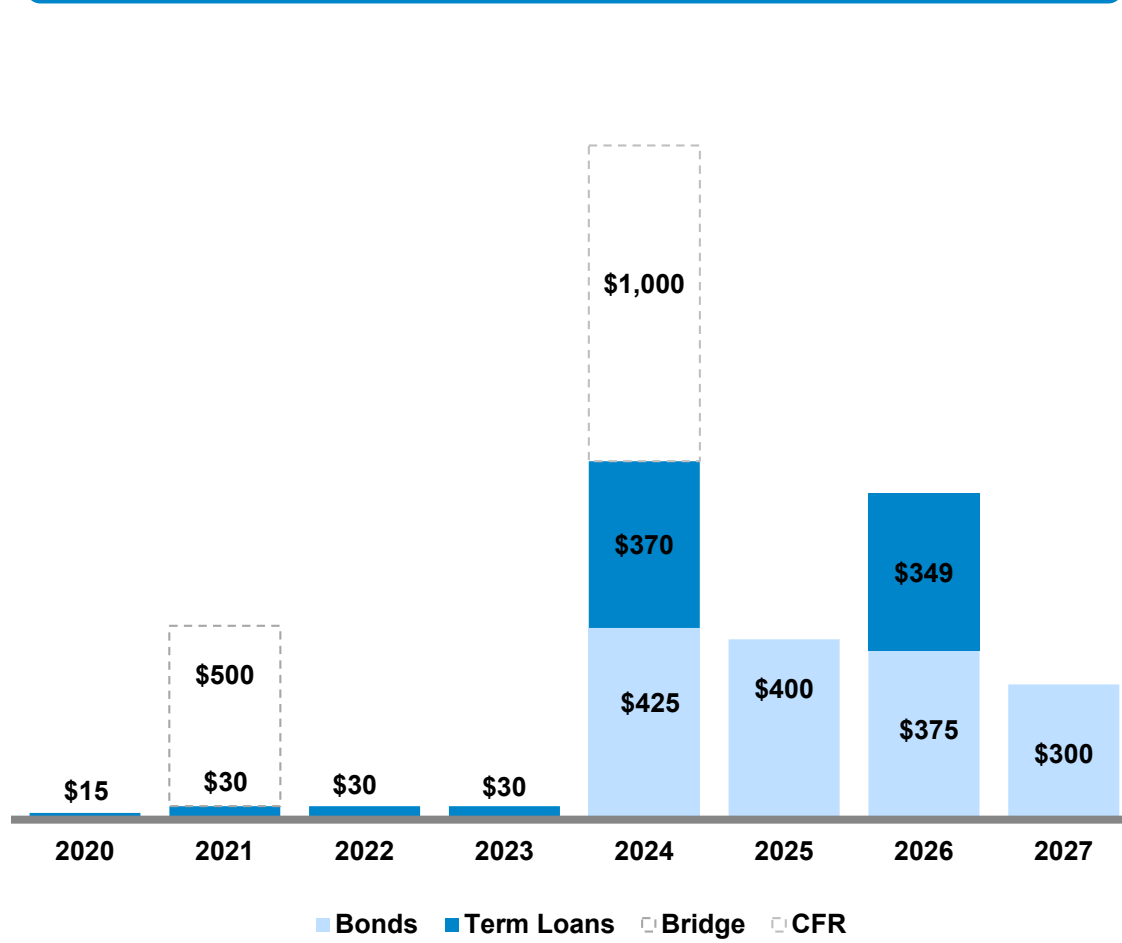
Credit Metrics

(\$ in millions)

	12/31/2019	3/31/2020
Available cash & MS	\$522	\$646
Cash flow revolver	979	679
Total Liquidity	\$1,501	\$1,325
Bonds	1,500	1,500
Term loans	823	823
Cash flow revolver draw		300
Other	75	78
Total Debt	2,398	2,701
Net Debt	\$1,876	\$2,055
Q1 2020 LTM Adj EBITDA	1,019	967
Net Leverage	1.8x	2.1x
LTM Net Interest	\$107	\$102
Coverage	9.5x	9.5x



Debt Maturity Profile



Credit metrics remain strong, liquidity mix shifts to 50/50, and no debt maturities for years



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Appendix



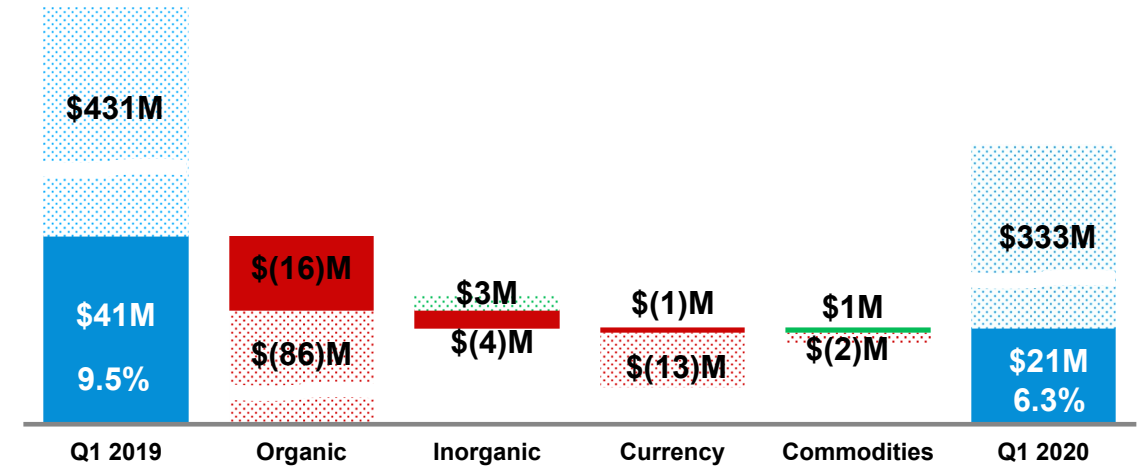
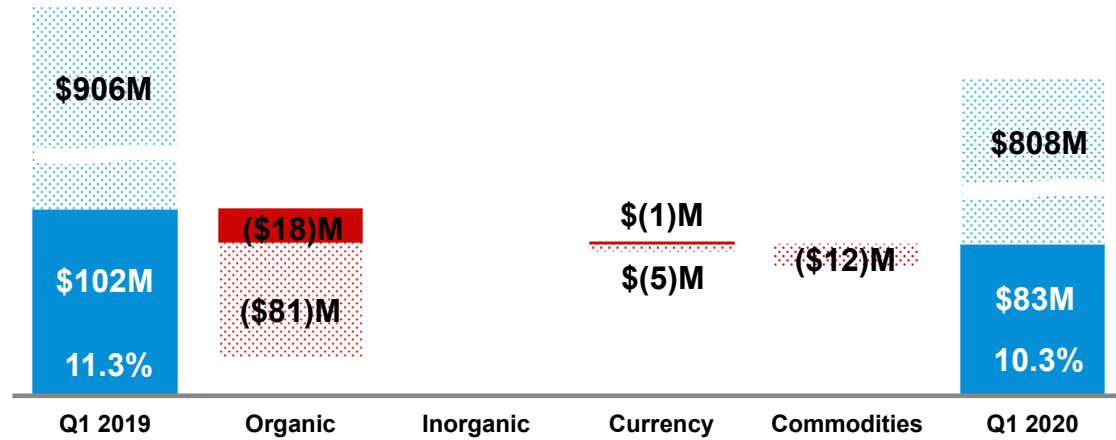
2020 Q1 Sales and Profit Change by Segment



Light Vehicle Drive Systems



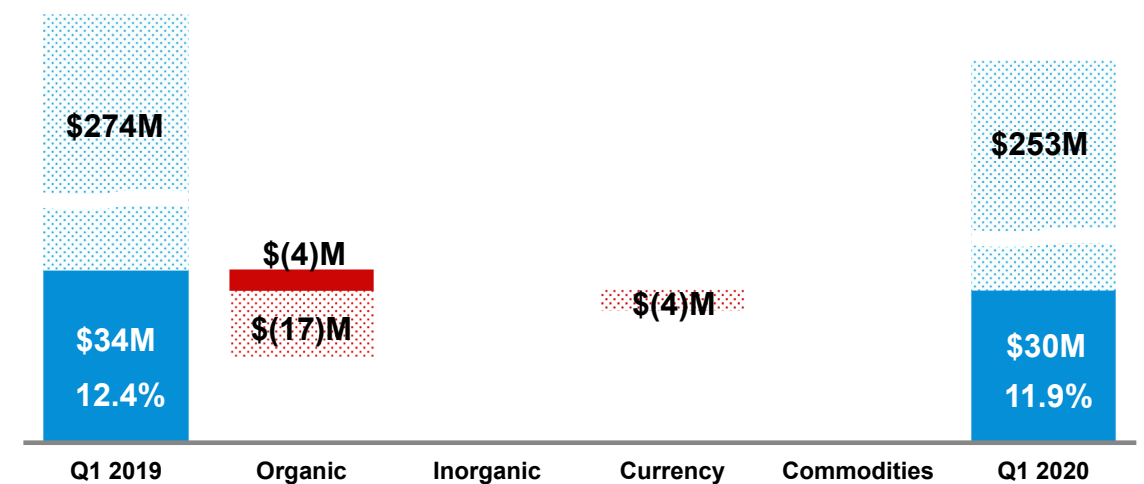
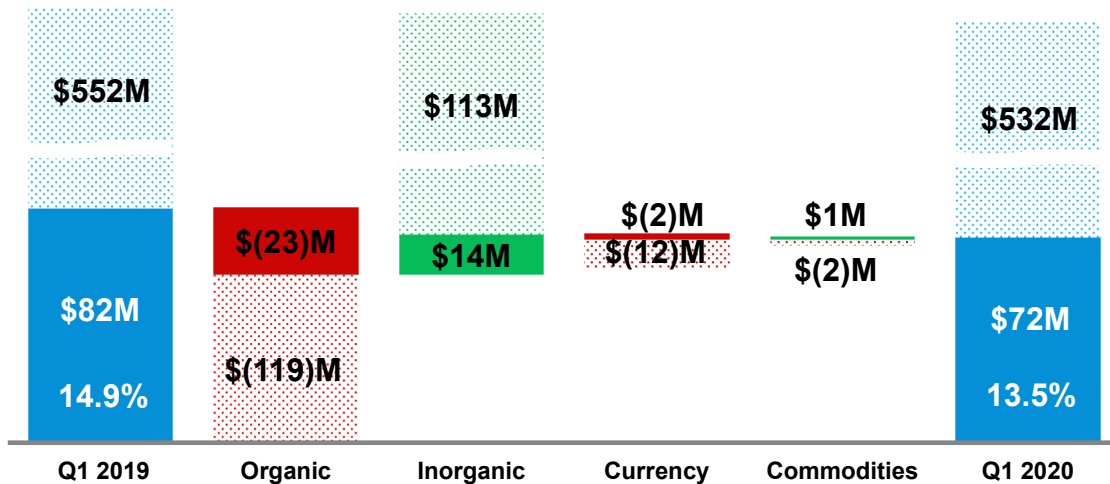
Commercial Vehicle Drive and Motion Systems



Off-Highway Drive and Motion Systems



Power Technologies



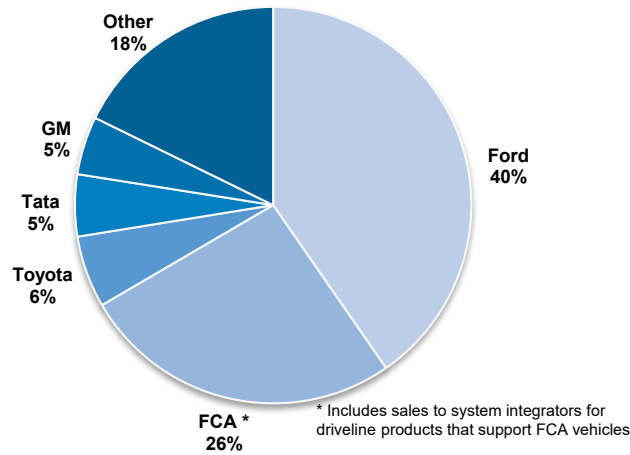
See appendix for comments regarding the presentation of non-GAAP measures

Segment Profiles

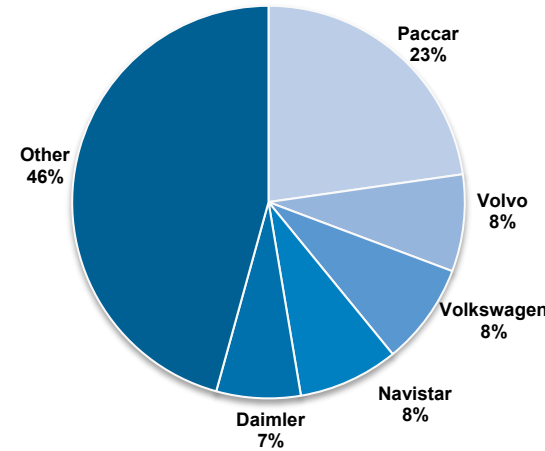


Customer Sales

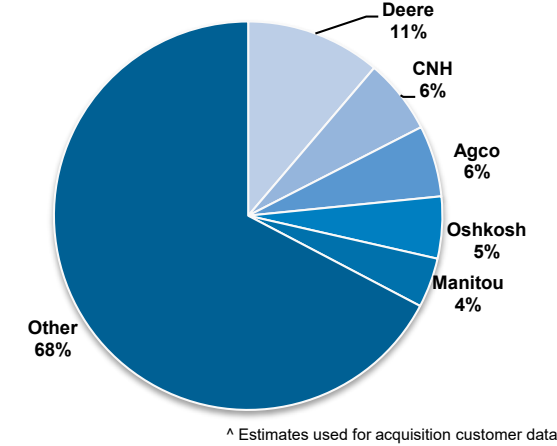
Light Vehicle Drive Systems
Year to Date 3/31/2020



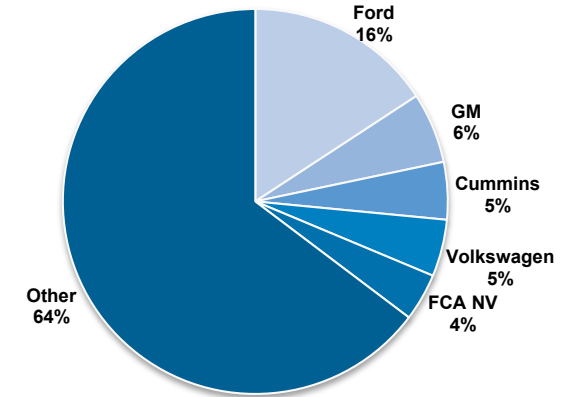
Commercial Vehicle Drive and Motion Systems
Year to Date 3/31/2020



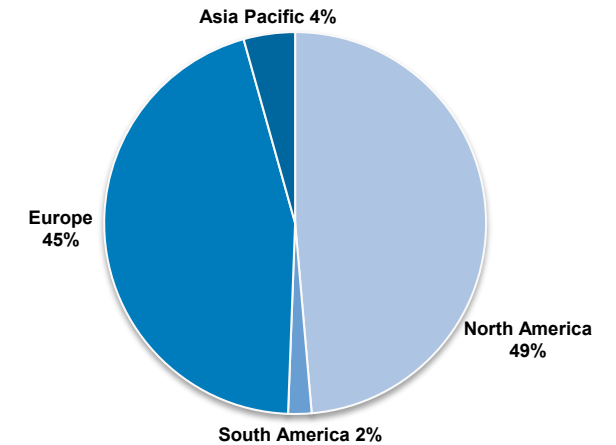
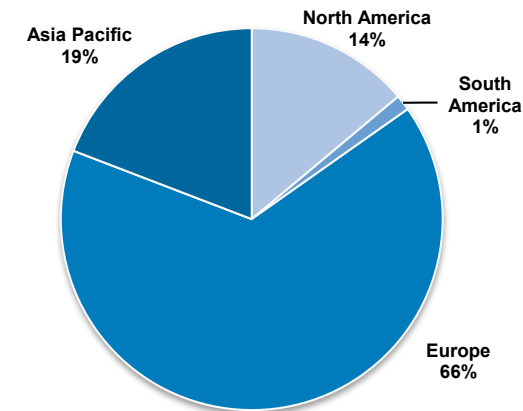
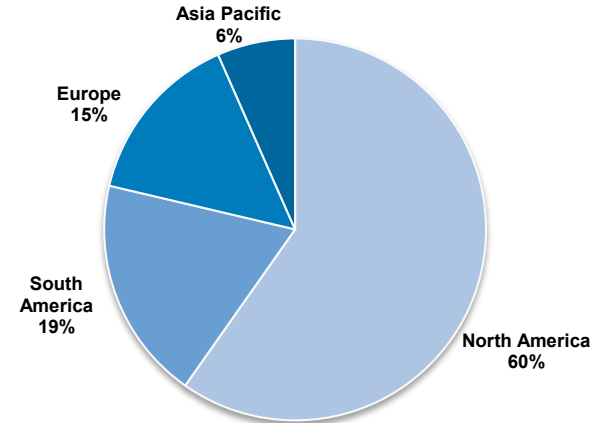
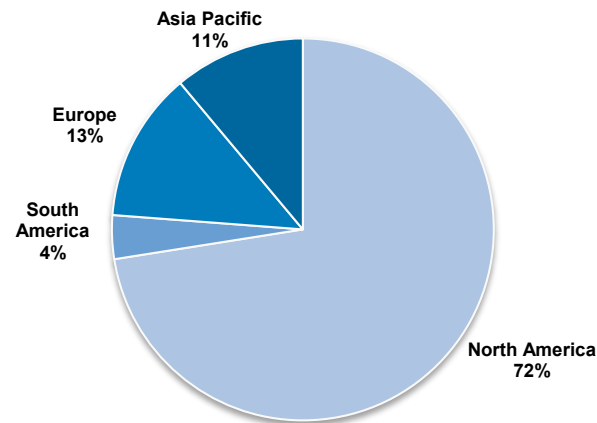
Off-Highway Drive and Motion Systems
Year to Date 3/31/2020



Power Technologies
Year to Date 3/31/2020



Regional Sales



Performance

\$ Millions

	Q1	
	2020	2019
Sales	\$808	\$906
Segment EBITDA	\$83	\$102
EBITDA Margin	10.3%	11.3%

	Q1	
	2020	2019
Sales	\$333	\$431
Segment EBITDA	\$21	\$41
EBITDA Margin	6.3%	9.5%

	Q1	
	2020	2019
Sales	\$532	\$552
Segment EBITDA	\$72	\$82
EBITDA Margin	13.5%	14.9%

	Q1	
	2020	2019
Sales	\$253	\$274
Segment EBITDA	\$30	\$34
EBITDA Margin	11.9%	12.4%

Diluted Adjusted EPS



DANA INCORPORATED
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended March 31, 2020 and 2019

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2020	2019
Net income attributable to parent company	\$ 38	\$ 98
Items impacting income before income taxes:		
Restructuring charges	3	9
Amortization	4	4
Strategic transaction expenses, net of transaction breakup fee income	6	13
Acquisition related inventory adjustments		4
Non-income tax legal judgment		(6)
Impairment of goodwill	51	
Loss on deal contingent forward		13
Other items		(1)
Items impacting income taxes:		
Net income tax expense on items above	(3)	(5)
Tax benefit attributable to utilization of federal tax credits, state tax law changes and valuation allowance adjustments	(31)	(16)
Adjusted net income	\$ 68	\$ 113
Diluted shares - as reported	144.8	144.8
Adjusted diluted shares	144.8	144.8
Diluted adjusted EPS	\$ 0.47	\$ 0.78

Segment Data



DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended March 31, 2020 and 2019

(In millions)	Three Months Ended	
	March 31,	
	2020	2019
Sales		
Light Vehicle	\$ 808	\$ 906
Commercial Vehicle	333	431
Off-Highway	532	552
Power Technologies	253	274
Total Sales	<u>\$ 1,926</u>	<u>\$ 2,163</u>
Segment EBITDA		
Light Vehicle	\$ 83	\$ 102
Commercial Vehicle	21	41
Off-Highway	72	82
Power Technologies	30	34
Total Segment EBITDA	<u>206</u>	<u>259</u>
Corporate expense and other items, net	<u>(1)</u>	<u>(2)</u>
Adjusted EBITDA	<u>\$ 205</u>	<u>\$ 257</u>

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended March 31, 2020 and 2019

(In millions)	Three Months Ended	
	March 31,	
	2020	2019
Segment EBITDA	\$ 206	\$ 259
Corporate expense and other items, net	(1)	(2)
Adjusted EBITDA	<u>205</u>	<u>257</u>
Depreciation	(85)	(74)
Amortization	(4)	(3)
Non-service cost components of pension and OPEB costs	(2)	(6)
Restructuring charges, net	(3)	(9)
Stock compensation expense	(4)	(5)
Strategic transaction expenses, net of transaction fee breakup income	(6)	(13)
Impairment of goodwill	(51)	
Acquisition related inventory adjustments		(4)
Non-income tax legal judgment		6
Other items	(3)	(9)
Earnings before interest and income taxes	<u>47</u>	<u>140</u>
Interest income	2	2
Interest expense	29	27
Earnings before income taxes	<u>20</u>	<u>115</u>
Income tax expense (benefit)	(16)	20
Equity in earnings of affiliates	2	6
Net income	<u>\$ 38</u>	<u>\$ 101</u>

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	
	March 31,	
	2020	2019
Net cash used in operating activities	\$ (51)	\$ (16)
Purchases of property, plant and equipment	(63)	(98)
Free cash flow	(114)	(114)
Discretionary pension contributions	-	-
Adjusted free cash flow	<u>\$ (114)</u>	<u>\$ (114)</u>



Non-GAAP Financial Information

Adjusted EBITDA is 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 earnings 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 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 in accordance with GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. Adjusted free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities excluding discretionary pension contributions less purchases of property, plant and equipment. We believe these measures are useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow and adjusted free cash flow are not intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported in accordance with GAAP. Free cash flow and adjusted free cash flow may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides reconciliations of adjusted EBITDA, diluted adjusted EPS, free cash flow and adjusted free cash flow to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have not provided a reconciliation of our adjusted EBITDA and diluted adjusted EPS outlook to the most comparable GAAP measures of net income (loss) and diluted EPS. Providing net income (loss) and diluted EPS guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income (loss) and diluted EPS, including restructuring actions, asset impairments and certain income tax adjustments. The accompanying reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.