# 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): April 30, 2020

# **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))

Securities registered pursuant to Section 12(b) of the Act:

	Trading	Name of Each Exchange
Title of Each Class	Symbol	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  $\Box$ 

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 March 31, 2020. 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.

Exhibit No.	Description
99.1	Dana Incorporated Press Release dated April 30, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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

By: /s/ Douglas H. Liedberg

Name: Douglas H. Liedberg

Title: Senior Vice President, General Counsel and Secretary

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Date: April 30, 2020



#### IMMEDIATE

#### Dana Incorporated Reports First-quarter 2020 Financial Results

#### **<u>First-quarter Highlights</u>**

- Sales of \$1.93 billion
- Net income attributable to Dana of \$38 million; diluted EPS of \$0.26
- Adjusted EBITDA of \$205 million, margin of 10.6 percent of sales
- Diluted adjusted EPS of \$0.47

MAUMEE, Ohio, April 30, 2020 - Dana Incorporated (NYSE: DAN) today announced financial results for the first quarter of 2020.

"The response to the global pandemic is presenting unprecedented challenges for Dana as well as our people, customers, suppliers, and communities," said James Kamsickas, Dana chairman and CEO. "The rapid onset of containment measures and disruption to production schedules has challenged our organization like never before. However, I am very proud of how our people have responded and the decisive actions we have taken to protect our employees, communities, customers, and future. As we work toward bringing our operations back online, we will continue to take appropriate measures to ensure the safety of our people while also serving the needs of our customers."

#### First-quarter 2020 Financial Results

Sales for the first quarter of 2020 totaled \$1.93 billion, compared with \$2.16 billion in the same period of 2019. The decrease is primarily attributable to weaker demand in the heavy- vehicle markets in January and February of this year and the rapid reduction in production across all mobility markets in March as a result of the global response to the COVID-19 pandemic. These declines were partially offset by the conversion of sales backlog and the benefit of recent acquisitions.

Dana reported net income of \$38 million for the first quarter of 2020, compared with net income of \$98 million in the same period of 2019. The difference was primarily due to lower market demand and a goodwill impairment charge of \$51 million arising from the negative effect of the COVID-19 pandemic. It was partially offset by discrete income tax benefits of \$32 million, primarily resulting from recording additional U.S. deferred tax assets related to foreign tax credits.

Reported diluted earnings per share were \$0.26, compared with diluted earnings per share of \$0.68 in the first quarter of 2019.

Adjusted EBITDA for the first quarter of 2020 was \$205 million, compared with \$257 million for the same period last year. Profit decline in the first quarter of 2020 compared with the same period in 2019 was driven by lower end-market demand for heavy vehicles early in the quarter and the reduced production environment in March. Partially offsetting the market

impacts were the profitable conversion of new business backlog and inorganic growth. Effective cost management actions in the first quarter were successful in mitigating the margin impact of the rapid sales decline.

Diluted adjusted earnings per share were \$0.47 in the first quarter of 2020, compared with \$0.78 in the same period last year. The lower yearover-year comparison was primarily due to lower earnings and higher depreciation expense.

Operating cash flow in the first quarter of 2020 was a use of \$51 million, compared with a use of \$16 million in the same period of 2019.

Adjusted free cash flow was a use of \$114 million in both the first quarters of 2020 and 2019. Lower profit in this year's first quarter was offset by lower one-time costs and lower capital expenditures, compared with the same period last year.

Due to this unprecedented disruption in mobility markets as a result of the COVID-19 pandemic, and associated economic uncertainty, the company believes it is prudent to refrain from issuing full-year financial guidance until end-market demand stabilizes.

The company has reported it has total liquidity of more than \$1.8 billion, including available cash and marketable securities of \$646 million as of March 31, 2020. It also has \$679 million available on its committed revolving credit facility and \$500 million available under its recently announced bridge facility.

"The strength of our balance sheet and capital structure has given us the flexibility to manage through this period of significantly lower production volumes," said Jonathan Collins, Dana executive vice president and chief financial officer. "We are confident that we have ample liquidity and further cost-management actions available as we navigate these uncertain times."

#### Dana to Host Conference Call at 10 a.m. Thursday, April 30

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. 7277164 ask for the "Dana Incorporated's Financial Webcast and Conference Call." Phone registration will be available beginning at 9:30 a.m. EDT.

An audio recording of the webcast will be available after 5 p.m. EDT on April 30 by dialing 1-855-859-2056 (U.S. or Canada) or 1-404-537-3406 (international) and entering conference I.D. 7277164. 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.

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 voluntary 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 under GAAP. Free cash flow and 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, were 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. Forwardlooking 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," and 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 that are engineered to improve the efficiency, performance, and sustainability of light vehicles, commercial vehicles, and off-highway equipment. Enabling the propulsion of conventional, hybrid, and electric-powered vehicles, Dana equips its customers with critical drive and motion systems; electrodynamic technologies; and thermal, sealing, and digital solutions.

Founded in 1904, Dana employs more than 36,000 people who are committed to delivering long-term value to their customers, which include nearly every vehicle manufacturer in the world. Based in Maumee, Ohio, USA, and with locations in 34 countries across six continents, the company reported sales of \$8.6 billion in 2019. Having established a high-performance culture that focuses on its people, the company has earned recognition around the world as a top employer. Learn more at dana.com.

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# 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 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.

# DANA INCORPORATED Consolidated Statement of Operations (Unaudited) For the Three Months Ended March 31, 2020 and 2019

(In millions, except per share amounts)	Three M Enc Marc 2020	ded
Net sales	\$1,926	\$2,163
Costs and expenses		
Cost of sales	1,720	1,863
Selling, general and administrative expenses	106	136
Amortization of intangibles	3	2
Restructuring charges, net	3	9
Impairment of goodwill	(51)	
Other income (expense), net	4	(13)
Earnings before interest and income taxes	47	140
Interest income	2	2
Interest expense	29	27
Earnings before income taxes	20	115
Income tax expense (benefit)	(16)	20
Equity in earnings of affiliates	2	6
Net income	38	101
Less: Noncontrolling interests net income	2	4
Less: Redeemable noncontrolling interests net loss	(2)	(1)
Net income attributable to the parent company	\$ 38	\$ 98
Net income per share available to common stockholders		
Basic	\$ 0.26	\$ 0.68
Diluted	\$ 0.26	\$ 0.68
Weighted-average shares outstanding—Basic	144.2	143.9
Weighted-average shares outstanding—Diluted	144.8	144.8

# DANA INCORPORATED Consolidated Statement of Comprehensive Income (Unaudited) For the Three Months Ended March 31, 2020 and 2019

(In millions)	Three M End March 2020	ed
Net income	\$ 38	\$101
Other comprehensive income (loss), net of tax:		
Currency translation adjustments	(154)	27
Hedging gains and losses	29	5
Defined benefit plans	3	5
Other comprehensive income (loss)	(122)	37
Total comprehensive income (loss)	(84)	138
Less: Comprehensive (income) loss attributable to noncontrolling interests	17	(2)
Less: Comprehensive income attributable to redeemable noncontrolling interests	(6)	(4)
Comprehensive income (loss) attributable to the parent company	\$ (73)	\$132

# DANA INCORPORATED Consolidated Balance Sheet (Unaudited) As of March 31, 2020 and December 31, 2019

Assets     S     628     \$     500       Cash and cash equivalents     \$     628     \$     500       Anarteable scurithes     23     19       Accounts receivable     1109     1,103       Other     192     202       Inventories     1,213     1,1139       Other current assets	(In millions, except share and per share amounts)	March 31, 2020	December 31, 2019
Cash and cash equivalents\$6.28\$5.088Marketable scenarities2319Accounts receivable1,1091,103Other12,22020Inventories1,2131,133Other current assets1,421,33Total current assets1,421,33Inangibles2,302,400Deferred tax assets6,0335,000Other noncurrent assets1,331,200Other uncrent assets1,331,200Other noncurrent assets1,781,820Other noncurrent assets1,781,820Other noncurrent assets1,711,78Other noncurrent assets1,711,78Total asset7,7232,265Total assets7,7232,265Total assets7,7232,265Current labilities2,7232,265Total assets1,711,78Current portion of long-term debt2,82,02Accounts payable1,1811,255Accounts payable1,1811,255Accounts payable1,1811,255Current labilities2,942,622Total current labilities	Assets		
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Accounts receivable     1.09     1.109     1.003       Trade, less allowance for doubtful accounts of \$7 in 2020 and \$9 in 2019     1.019     1.213     1.202       Inventories     1.213     1.133     1.203     1.137       Total current assets     3.307     3.162     3.307     3.162       Codwill     441     4933     1.434     1.444     1.433     1.434 </td <td></td> <td></td> <td>•</td>			•
Trade, less allowance for doubtful accounts of \$7 in 2020 and \$9 in 2019     1,109     1,103       Other     192     202       Inventories     1,213     1,133       Other current assets     1,42     1,33       Goadvill     441     493       Intangibles     230     240       Deferred tax assets     603     5800       Other noncurrent assets     133     1202       Investinents in affiliates     133     1202       Operating lease assets     171     178       Property, Jean and equipment, net     2,172     2,265       Total assets     \$ 7,235     \$ 7,220       Liabilities and equip     2     2       Current labilities     2     142       Current of ol long-term debt     2     3       Current pathel and equipment, net     2     2       Current labilities     2     4       Current labilities     2     2       Current labilities     2     4       Current labilities     2     4       Current labili		23	19
Other     192     202       Inventories     1,213     1,193       Other current assets     142     137       Total current assets     3,307     3,162       Goodwill     441     4493       Intangibles     230     240       Deferred tax assets     603     5800       Other noncurrent assets     133     120       Investments in affiliates     178     182       Operating lease assets     171     178       Property, planst and equipment, net     2,172     2,265       Total assets     5     7,235     \$       Current liabilities     312     \$     141       Current portion of long-term debt     \$     312     \$       Accounts payable     1     166     206       Carrent portion of operating lease liabilities     42     42       Current portion of operating lease liabilities     204     742       Current portion of operating lease liabilities     206     714       Current portion of operating lease liabilities     204     242			
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Other current assets     142     137       Total current assets     3,307     3,162       Godwill     441     493       Intangibles     230     240       Deferred tax assets     603     5800       Ohr noncurrent assets     133     120       Investments in affiliates     178     182       Operating lease assets     171     178       Property, plant and equipment, net     2,172     2,265       Total sects     \$ 7,235     \$ 7,230       Stort-term debt     \$ 312     \$ 142       Current liabilities     320     \$ 28       Accounts payable     1,181     1,255       Accound payable     1,181     1,255       Accound payable     1,181     1,255       Accound payable     1,816     206       Taxes on income     44     46       Current liabilities     204     224       Total current liabilities     2,067     1,845       Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019     2,335     2,336 <tr< td=""><td></td><td></td><td></td></tr<>			
Total current assets     3,307     3,162       Goodwill     441     443       Intangibles     230     240       Deferred tax assets     603     580       Other noncurrent assets     133     120       Investments in affiliates     178     182       Operating lease assets     171     178       Property, plant and equipment, net     2,172     2,265       Total assets     \$ 7,235     \$ 7,220       Liabilities and equip     2     2     2       Current liabilities     \$ 112     \$ 14       Current of long-term debt     \$ 312     \$ 14       Current portion of long-term debt     28     20       Accounts payable     1,181     1,255       Accounts payable     1,181     1,255       Accounts payable     1,66     206       Current portion of operating lease liabilities     2     24       Other accured liabilities     2,067     1,845       Long-term debt, less debt issuace costs of \$26 in 2020 and \$28 in 2019     2,335     2,336       Other accure	Inventories	1,213	1,193
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Intangibles230240Deferred tax assets603580Other noncurrent assets133120Investments in affiliates171178Operating lease assets171178Property, plant and equipment, net2,1722,265Total assets\$7,235\$7,220Current liabilities\$7,235\$7,220Current for of long-term debt\$312\$14Current protion of long-term debt\$312\$14Current portion of long-term debt28202Accounts payable1,1811,255Accounts payable1,1811,255Accounts payable244446Current portion of operating lease liabilities244442Other accound liabilities244442Current portion of operating lease liabilities244446Current portion of operating lease liabilities2142262Total current liabilities244446Current portion of operating lease liabilities244446Current portion of operating lease liabilities2142026Total current liabilities21420262036Noncurrent operating lease liabilities214305Comment liabilities5,2005,000Common stock, 45,000,000 shares authorized, 50,01 par value, oshares outstanding22Catal liabilities5,2005,005Comment liabilities2,3913,236Comment liabilities2,3912,396	Total current assets	3,307	3,162
Defermed tax sasets603580Other noncurrent assets133120Investments in affiliates178182Operating lease assets171178Property, plant and equipment, net2,1722,265Total assets7,232\$7,220Liabilities and equipment, net\$7,220\$Current liabilities\$7,220\$14Current portion of long-term debt\$312\$14Current portion of long-term debt28200200200Accounts payable11811,255222Accounts payable166206206206206Taxes on income444620422Current portion of operating lease liabilities204202202204202Total current liabilities2042032,3362,3362,3362,3362,3362,3362,3362,3362,3362,3352,3362,3362,3352,3362,3352,3363,3552,3363,3552,3363,3552,3363,3552,3363,3552,3363,3552,3363,3553,3563,3553,3563,3	Goodwill	441	493
Other noncurrent assets133120Investments in affiliates178182Operating lease assets171178Property, plant and equipment, net2,1722,265Total assets\$ 7,235\$ 7,220Current liabilities\$ 7,235\$ 7,220Current liabilities28200Accounts payable1,1811,255Accounts payable1,1811,255Accounts payable1,1811,255Accounts payable28200Accounts payable1,1811,255Account port on of operating lease liabilities2442Other accrued liabilities206206Total current liabilities206206Other accrued set biabilities2,0671,845Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 20192,3352,336Noncurrent opting lease liabilities24305Total liabilities5,2005,0085Total liabilities5,2005,0085Committent and contingencies116167Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstandingPreferred stock, 50,000,000 shares authorized, \$0.01 par value,2,3912,386Retained earnings64462222,305Total aparit company stockholders' equity2,3912,386Retained earnings6446222,5085Total aparet company stockholders' equity1,6851,6150Accurnet liabilit	Intangibles	230	240
Investments in affiliates     178     182       Operating lease assets     171     178       Property, plant and equipment, net     2,172     2,2255       Total assets     \$ 7,235     \$ 7,235       Urment liabilities     \$ 7,235     \$ 7,235       Short-term debt     \$ 312     \$ 14       Current portion of long-term debt     28     20       Accounts payable     1,181     1,255       Accounts payable     1,181     1,255       Accounts payable     1,181     1,255       Accounts payable     1,181     1,255       Accounts payable     44     46       Current toriton of operating lease liabilities     42     42       Othe accrued liabilities     2,94     262       Total current liabilities     2,04     262       Noncurrent operating lease liabilities     1,34     1,40       Pension and postretirement obligations     440     459       Other noncurrent liabilities     5,200     5,005       Total liabilities     5,200     5,005       Commitenest adorchige	Deferred tax assets	603	580
Operating lease assets     171     178       Property, plant and equipment, net     2,172     2,265       Total assets     5     7,235     \$     7,220       Liabilities and equity        7,235     \$     7,220       Current liabilities       312     \$     14       Current portion of long-term debt     28     20      Accounts payable     1,181     1.255       Accenced payroll and employee benefits     166     206      24     42     42     42     42     42      42	Other noncurrent assets	133	120
Property, plant and equipment, net     2,172     2,265       Total assets     §     7,233     §     7,230       Liabilities and equip           Current liabilities     S     312     \$     14       Current nortion of long-term debt     \$     312     \$     14       Current portion of long-term debt     1,181     1,255     206       Accounts payable     1,181     1,255     206       Accounts payable     166     206     2067     1,446     2062     206     2062     2064     2622     2064     2622     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,445     2067     1,455     2,050     5,085     1,500     1,500     1,500     1,500     1,500	Investments in affiliates	178	182
Property, plant and equipment, net     2,172     2,265       Total assets     §     7,233     §     7,230       Liabilities and equip            Current liabilities     S     312     \$     14       Current portion of long-term debt     \$     312     \$     14       Current portion of long-term debt     1,181     1,255     206       Accounts payable     1,181     1,255     206	Operating lease assets	171	178
Total assets     §     7,235     §     7,230       Liabilities and equity		2,172	2,265
Liabilities and equity     Image: state of the		\$ 7.235	
Current liabilities   \$ 312   \$ 312   \$ 312     Short-term debt   28   20     Accounts payable   1,181   1,255     Account payroll and employee benefits   166   206     Current portion of long-term debt   44   466     Current portion of operating lease liabilities   42   422     Other accrued liabilities   2067   1,845     Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019   2,035   2,236     Noncurrent liabilities   2047   440   459     Other noncurrent liabilities   214   205   36 </td <td>Liabilities and equity</td> <td><u>, , , , , , , , , , , , , , , , , , , </u></td> <td><u>, , , , , , , , , , , , , , , , , , , </u></td>	Liabilities and equity	<u>, , , , , , , , , , , , , , , , , , , </u>	<u>, , , , , , , , , , , , , , , , , , , </u>
Short-term debt   \$ 312   \$ 312   \$ 312   \$ 312     Current portion of long-term debt   28   20     Accounts payable   1,181   1,255     Accrued payroll and employee benefits   166   206     Taxes on income   44   46     Current portion of operating lease liabilities   294   202     Total current liabilities   294   262     Noncurrent operating lease liabilities   2,067   1,845     Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019   2,335   2,335     Oncurrent operating lease liabilities   244   469     Other accruter liabilities   244   459     Other ancurrent liabilities   2244   305     Total liabilities   2,200   5,085     Commitments and contingencies   175   167     Parent company stockholders' equity   175   167     Parent company stockholders' equity   2   2			
Accounts payable   1,181   1,255     Accounts payroll and employee benefits   166   206     Taxes on income   44   46     Current portion of operating lease liabilities   294   262     Total current liabilities   294   262     Total current liabilities   2,067   1,845     Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019   2,335   2,336     Noncurrent operating lease liabilities   134   140     Pension and postretirement obligations   440   459     Other noncurrent liabilities   5,200   5,085     Commitments and contingencies   5,200   5,085     Redeemable noncontrolling interests   9,01 par value, no shares outstanding   -   -     Preferred stock, 5,000,000 shares authorized, \$0.01 par value, no shares outstanding   -   -   -     Common stock, 450,000,000 shares authorized, \$0.01 par value, no shares outstanding   2   2   2     Additional paid-in capital   2,391   2,386   2,391   2,386     Retained earnings   (156)   (150)   (150)   (150)     Accumulated other comprehensive loss		\$ 312	\$ 14
Accounts payable   1,181   1,255     Accrued payroll and employee benefits   166   206     Taxes on income   44   46     Current portion of operating lease liabilities   294   262     Total current liabilities   294   262     Total current liabilities   2,067   1,845     Long-term debt issuance costs of \$26 in 2020 and \$28 in 2019   2,335   2,336     Noncurrent operating lease liabilities   134   140     Pension and postretirement obligations   440   459     Other noncurrent liabilities   2,200   5,0065     Commitments and contingencies   224   305     Redeemable noncontrolling interests   175   167     Parent company stockholders' equity	Current portion of long-term debt	28	20
Accrued paroll and employee benefits   166   206     Taxes on income   44   46     Current portion of operating lease liabilities   294   262     Total current liabilities   294   262     Total current liabilities   294   263     Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019   2,335   2,335     Noncurrent operating lease liabilities   134   140     Pension and postretirement obligations   244   305     Other accruent liabilities   5,200   5,085     Commitments and contingencies   5,200   5,085     Common stock, 450,000,000 shares authorized, \$0.01 par value, no shares outstanding   —   —     Preferred stock, 50,000,000 shares authorized, \$0.01 par value,   2,391   2,386     Retained earnings   2   2   2     Treasury stock, At cost (10,432,777 and 10,111,91 shares)   (1,56)   (1,50)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total parent company stockholders' equity   1,783		1,181	1,255
Taxes on income4446Current portion of operating lease liabilities4242Other accrued liabilities294262Total current liabilities2,0671,845Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 20192,3352,335Noncurrent operating lease liabilities1341400Pension and postretirement obligations440459Other noncurrent liabilities224305Total libilities5,2005,085Commitments and contingencies75167Parent company stockholders' equity7-Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstandingPreferred stock, 50,000,000 shares authorized, \$0.01 par value,2,3912,386Retained earnings222Additional paid-in capital2,3912,386Retained earnings644622Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968			
Current portion of operating lease liabilities4242Other accrued liabilities294262Total current liabilities2,0671,845Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 20192,3352,336Noncurrent operating lease liabilities1341400Pension and postretirement obligations440459Other noncurrent liabilities224305Total liabilities5,2005,085Commitments and contingencies175167Parent company stockholders' equity175167Parent company stockholders' equity144,480,975 and 143,942,539 shares outstanding144,480,975 and 143,942,539 shares outstanding22Additional paid-in capital2,3912,386Retained earnings644622Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)Accumulated other comprehensive loss(1,098)(1987)Total equity1,7831,873Noncontrolling interests7795Total equity1,8601,986		44	46
Other acrued liabilities     294     262       Total current liabilities     2,067     1,845       Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019     2,335     2,336       Noncurrent operating lease liabilities     134     140       Pension and postretirement obligations     440     459       Other noncurrent liabilities     224     305       Total liabilities     5,200     5,085       Commitments and contingencies     175     167       Parent company stockholders' equity     -     -       Preferred stock, 450,000,000 shares authorized, \$0.01 par value, no shares outstanding     -     -       Common stock, 450,000,000 shares authorized, \$0.01 par value,     2,391     2,386       Retained earnings     644     622       Treasury stock, at cost (10,432,777 and 10,111,191 shares)     (156)     (150)       Accumulated other comprehensive loss     (1,98)     (987)       Total aparent company stockholders' equity     1,783     1,873       Accumulated other comprehensive loss     (1,98)     (987)       Total parent company stockholders' equity     1,783     1,873		42	42
Total current liabilities     2,067     1,845       Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 2019     2,335     2,336       Noncurrent operating lease liabilities     134     140       Pension and postretirement obligations     440     459       Other noncurrent liabilities     224     305       Total liabilities     5,200     5,085       Commitments and contingencies     175     167       Redeemable noncontrolling interests     75     167       Parent company stockholders' equity     -     -       Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding     -     -       144,480,975 and 143,942,539 shares outstanding     2     2     2       Additional paid-in capital     2,391     2,386     2,386       Retained earnings     644     622     2     2       Total parent company stockholders' equity     (156)     (150)     1(50)       Additional paid-in capital     2,377 and 10,111,191 shares)     (156)     (150)       Accumulated other comprehensive loss     (1,098)     (987)     (166)		294	262
Long-term debt, less debt issuance costs of \$26 in 2020 and \$28 in 20192,3352,336Noncurrent operating lease liabilities134140Pension and postretirement obligations440459Other noncurrent liabilities224305Total liabilities5,2005,085Commitments and contingencies175167Parent company stockholders' equity175167Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding——Common stock, 450,000,000 shares authorized, \$0.01 par value, no shares outstanding22144,480,975 and 143,942,539 shares outstanding22Additional paid-in capital2,3912,386Retained earnings64462150Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968	Total current liabilities	2.067	1.845
Noncurrent operating lease liabilities134140Pension and postretirement obligations440459Other noncurrent liabilities224305Total liabilities5,2005,085Commitments and contingencies5,2005,085Redeemable noncontrolling interests175167Parent company stockholders' equity75167Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding Common stock, 450,000,000 shares authorized, \$0.01 par value, no shares outstanding144,480,975 and 143,942,539 shares outstanding Retained earnings222Additional paid-in capital2,3912,3862,3912,386Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)(150)Accumulated other comprehensive loss(1,098)(987)1,7831,873Noncontrolling interests7795951,8601,968			
Pension and postretirement obligations440459Other noncurrent liabilities224305Total liabilities5,2005,085Commitments and contingencies5,2005,085Redeemable noncontrolling interests175167Parent company stockholders' equityPreferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstandingCommon stock, 450,000,000 shares authorized, \$0.01 par value, no shares outstanding22Additional paid-in capital2,3912,386Retained earnings644622Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968			
Other noncurrent liabilities224305Total liabilities5,2005,085Commitments and contingencies175167Redeemable noncontrolling interests175167Parent company stockholders' equityPreferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstandingCommon stock, 450,000,000 shares authorized, \$0.01 par value,144,480,975 and 143,942,539 shares outstanding22Additional paid-in capital2,3912,386Retained earnings644622Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968			
Total liabilities5,2005,085Commitments and contingencies75167Redeemable noncontrolling interests175167Parent company stockholders' equity77Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstandingCommon stock, 450,000,000 shares authorized, \$0.01 par value,144,480,975 and 143,942,539 shares outstanding22Additional paid-in capital2,3912,386Retained earnings644622Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968			
Commitments and contingenciesRedeemable noncontrolling interests175167Parent company stockholders' equityPreferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding——Common stock, 450,000,000 shares authorized, \$0.01 par value,22144,480,975 and 143,942,539 shares outstanding22Additional paid-in capital2,3912,386Retained earnings644622Treasury stock, at cost (10,432,777 and 10,111,191 shares)(156)(150)Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968			
Redeemable noncontrolling interests   175   167     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,   -   -     144,480,975 and 143,942,539 shares outstanding   2   2     Additional paid-in capital   2,391   2,386     Retained earnings   644   622     Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968		5,200	5,005
Parent company stockholders' equity   —   #		175	167
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,   144,480,975 and 143,942,539 shares outstanding   2   2     144,480,975 and 143,942,539 shares outstanding   2   2   2     Additional paid-in capital   2,391   2,386     Retained earnings   644   622     Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968		1/5	107
Common stock, 450,000,000 shares authorized, \$0.01 par value,   2   2     144,480,975 and 143,942,539 shares outstanding   2   2     Additional paid-in capital   2,391   2,386     Retained earnings   644   622     Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968			
144,480,975 and 143,942,539 shares outstanding   2   2     Additional paid-in capital   2,391   2,386     Retained earnings   644   622     Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968		—	
Additional paid-in capital   2,391   2,386     Retained earnings   644   622     Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968		2	2
Retained earnings   644   622     Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968			2
Treasury stock, at cost (10,432,777 and 10,111,191 shares)   (156)   (150)     Accumulated other comprehensive loss   (1,098)   (987)     Total parent company stockholders' equity   1,783   1,873     Noncontrolling interests   77   95     Total equity   1,860   1,968			
Accumulated other comprehensive loss(1,098)(987)Total parent company stockholders' equity1,7831,873Noncontrolling interests7795Total equity1,8601,968			
Total parent company stockholders' equity     1,783     1,873       Noncontrolling interests     77     95       Total equity     1,860     1,968			
Noncontrolling interests     77     95       Total equity     1,860     1,968			
<b>Total equity</b> 1,860 1,968			
	-		
Total liabilities and equity     \$ 7,235     \$ 7,220		1,860	1,968
	Total liabilities and equity	\$ 7,235	\$ 7,220

# DANA INCORPORATED Consolidated Statement of Cash Flows (Unaudited) For the Three Months Ended March 31, 2020 and 2019

(In millions)	Three M Enc Marc 2020	ded
Operating activities	<b>* •</b> •	<b>.</b>
Net income	\$ 38	\$ 101
Depreciation	85	74
Amortization	4	3
Amortization of deferred financing charges	2	1
Earnings of affiliates, net of dividends received	(2)	(5)
Stock compensation expense	4	5
Deferred income taxes	(35)	(14)
Pension expense, net	1	4
Impairment of goodwill	51	
Change in working capital	(183)	(175)
Other, net	(16)	(10)
Net cash used in operating activities	(51)	(16)
Investing activities		
Purchases of property, plant and equipment	(63)	(98)
Acquisition of businesses, net of cash acquired	(8)	(606)
Purchases of marketable securities	(12)	(5)
Proceeds from sales and maturities of marketable securities	6	6
Settlements of undesignated derivatives	(3)	(20)
Other, net	(5)	(1)
Net cash used in investing activities	(85)	(724)
Financing activities		
Net change in short-term debt	298	(2)
Proceeds from long-term debt	4	675
Repayment of long-term debt	(1)	(9)
Deferred financing payments		(12)
Dividends paid to common stockholders	(15)	(14)
Distributions to noncontrolling interests	(1)	(1)
Contributions from noncontrolling interests	2	1
Repurchases of common stock		(25)
Other, net	(4)	(3)
Net cash provided by financing activities	283	610
Net increase (decrease) in cash, cash equivalents and restricted cash	147	(130)
Cash, cash equivalents and restricted cash - beginning of period	518	520
Effect of exchange rate changes on cash balances	(29)	5
Cash, cash equivalents and restricted cash - end of period	\$ 636	\$ 395

# 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	\$ (114)	\$ (114)

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

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

# 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 Mon Marc	h 31,
Segment EBITDA	<u>2020</u> \$ 206	2019 \$ 259
Corporate expense and other items, net	(1)	(2)
Adjusted EBITDA	205	257
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	47	140
Interest income	2	2
Interest expense	29	27
Earnings before income taxes	20	115
Income tax expense (benefit)	(16)	20
Equity in earnings of affiliates	2	6
Net income	\$ 38	\$ 101

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

(In millions, except per share amounts)

Net income attributable to parent company Items impacting income before income taxes: Restructuring charges Amortization	\$	38 38	\$	019 98
Restructuring charges Amortization		3	•	
Amortization		3		
		4		9
		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	1	44.8	1	44.8
Adjusted diluted shares	1	44.8	1	44.8
Diluted adjusted EPS	\$	0.47	\$	0.78