



Dana Incorporated

2016 Third-Quarter Earnings Conference Call

October 20, 2016

Honesty & Integrity

Good Corporate Citizen

Open Communication

Continuous Improvement



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.



▶ Introduction

Craig Barber
*Director,
Investor Relations*

▶ Business Update

James Kamsickas
*President and
Chief Executive Officer*

▶ Financial Review

Jonathan Collins
*Senior Vice President
and Chief Financial Officer*

2016 Third-Quarter Highlights



Sales of \$1.38 billion

Net Income of \$57 million

Diluted Adjusted EPS of \$0.49

Adjusted EBITDA of \$168 million

▶ **12.1% Margin**

Market outlook remains stable

▶ **Continued strength in light trucks**

Recognition

▶ **Pace Award finalist for three technologies**

Acquisition of SIFCO S.A.





North America



Overall economy stable; end-market vehicle inventories remain low for key LVD programs

- ▶ **Light-truck market remains strong**
 - ▶ *Ford Super Duty ramp up continuing*
- ▶ **Production of Class 8 trucks slightly lower, now expected to be 220-230K units**
- ▶ **Off-highway vehicle demand is reflecting the expected weakness**



Europe



Markets remain mostly stable

- ▶ **Light-vehicle demand remains stable**
 - ▶ *Strength in EU offsetting weaker markets in Africa*
- ▶ **Some weakening in construction-vehicle market**
- ▶ **Commercial-vehicle market stable**



South America



Political stability emerging in Brazil

- ▶ **Brazil: Commercial-vehicle market remains weak**
 - ▶ *Demand has stabilized at a low level*
- ▶ **Argentina: Export markets remain challenged; currency headwinds continue**
 - ▶ *Key light-truck volumes higher due to new programs*



Asia Pacific



Economic conditions mostly stable in key markets of India, Thailand, and China

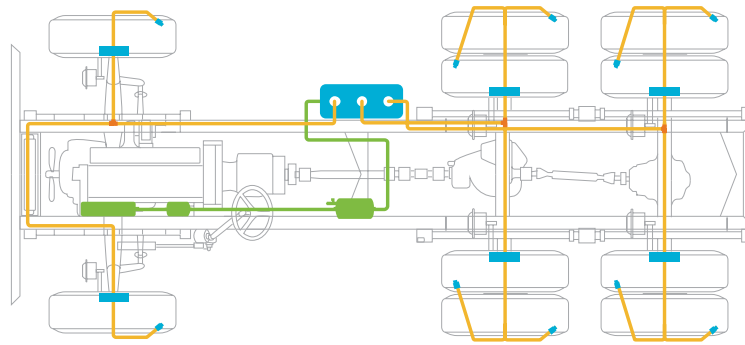
- ▶ **Dana organic sales grew 2% in Q3 vs. 2015**
 - ▶ *Currency remains a headwind*
- ▶ **China:**
 - ▶ *Demand improving for light and commercial vehicles*
 - ▶ *Market remains depressed for off-highway vehicles*
- ▶ **India: Light-vehicle demand is showing improvement**



- ▶ Dana named a Pace Award finalist for **three** technologies
 - ▶ Only supplier to be recognized for three separate technologies for 2017
- ▶ **Sixth consecutive year that Dana has been named a finalist**
 - ▶ Only six global automotive suppliers have achieved this distinction



Adaptive Air/Oil Separator



Optimized Tire-pressure Management System



Multi-layer Steel Transmission Pump Gasket

SIFCO Acquisition



Dana has reached a definitive agreement to purchase forging and machining assets of SIFCO S.A. in Brazil for \$85 million*



Improves
Cost Structure

Extensive
Product / Process
Knowledge

Eliminates Supply
Chain Risk

Strengthens
Customer Relations

Supports
Local Content
Requirements

Expands
Product Offering

Transaction is expected to close by the end of 2016 subject to legal and regulatory approvals.



2016 Investor Day

SHIFTING INTO
VERDRIVE 

November 9, 2016
New York, NY





Financial Review

2016 Third Quarter

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(\$ in millions, except EPS)

Third Quarter

	2016	2015	Change
Sales	\$ 1,384	\$ 1,468	\$ (84)
Adjusted EBITDA	168	167	1
Margin	12.1%	11.4%	+70bps
Income before Interest Expense / Income Taxes	99	76	23
Net Income <i>(attributable to Dana)</i>	57	119	(62)
Diluted Adjusted EPS	\$ 0.49	\$ 0.41	\$ 0.08
Operating Cash Flow	42	138	(96)
Capital Spend	68	70	(2)
Free Cash Flow	(26)	68	(94)

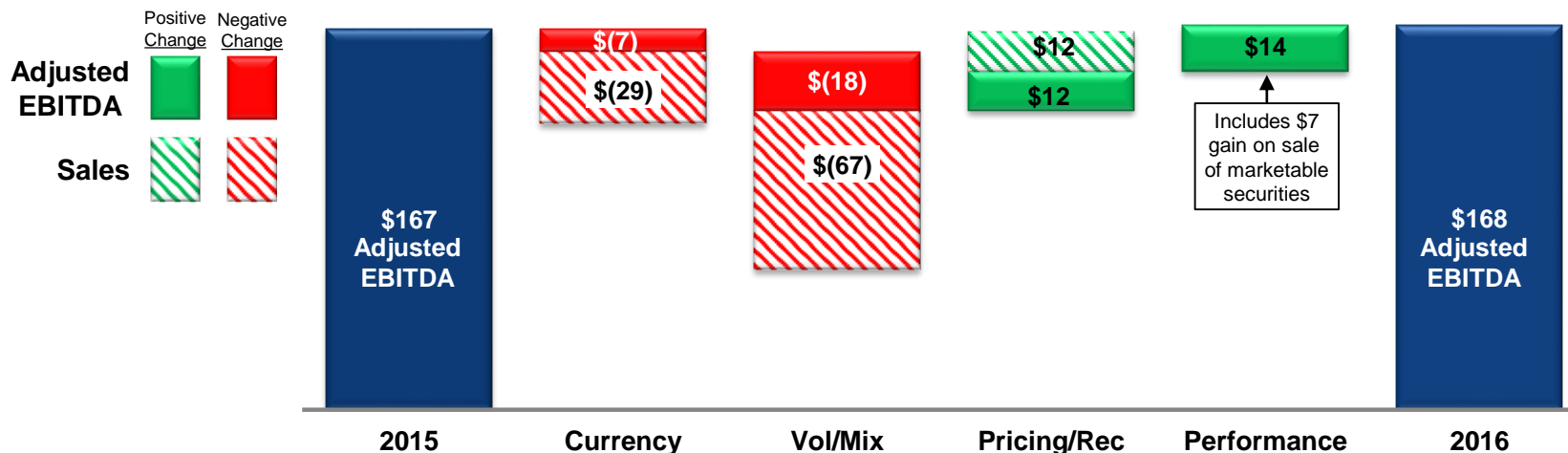
Consolidated Sales and Adjusted EBITDA Change



(\$ in millions)

Margins continue to improve as operating performance overcomes currency and market headwinds

	2015	Third Quarter	2016	Change
Sales	\$1,468		\$1,384	\$(84)
Adj. EBITDA	\$167		\$168	\$1
Margin	11.4%		12.1%	+70 bps

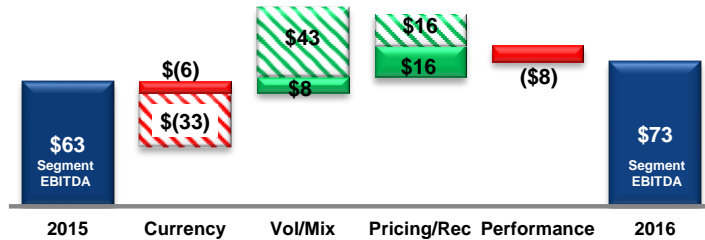


Segment Sales and EBITDA Change



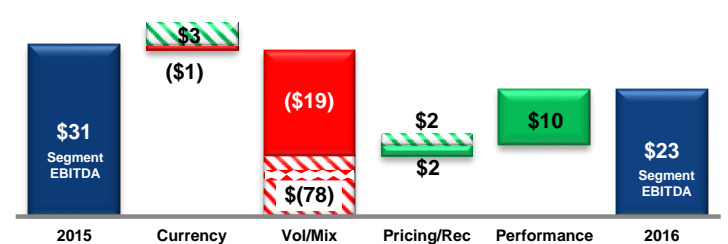
Light Vehicle Driveline

	2015		2016	Change
Sales	\$605		\$631	\$26
Segment EBITDA	\$63		\$73	\$10
Margin	10.4%	Strong conversion on volume	11.6%	+120 bps



Commercial Vehicle Driveline

	2015		2016	Change
Sales	\$367	NA Class 8 market down over 30%	\$294	\$(73)
Segment EBITDA	\$31		\$23	\$(8)
Margin	8.4%		7.8%	-60 bps



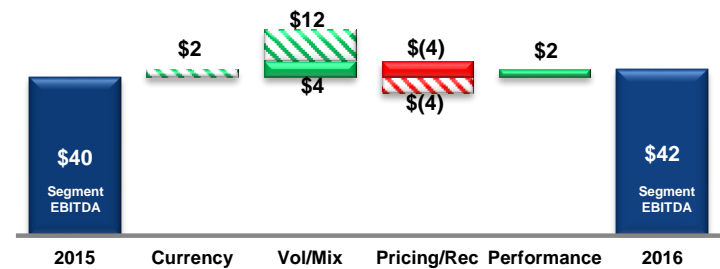
Off-Highway Driveline

	2015		2016	Change
Sales	\$246	Lower global market demand	\$199	\$(47)
Segment EBITDA	\$35		\$28	\$(7)
Margin	14.2%	Continued cost savings	14.1%	-10 bps



Power Technologies

	2015		2016	Change
Sales	\$250	3% growth on constant currency basis	\$260	\$10
Segment EBITDA	\$40		\$42	\$2
Margin	16.0%		16.2%	+20 bps



Segment EBITDA

Positive Change: Green box

Negative Change: Red box

Sales: Green box with diagonal lines

Red box with diagonal lines: Negative Change

(\$ in millions)

Cash Flow



Cash Flow (\$ in millions)	Third Quarter			Year to Date		
	2016	2015	Change	2016	2015	Change
Adjusted EBITDA	\$ 168	\$ 167	\$ 1	\$ 494	\$ 523	\$ (29)
Working Capital¹	(58)	40	(98)	(145)	(108)	(37)
Restructuring	(3)	(3)	0	(10)	(11)	1
Pension, Net	(3)	(5)	2	(12)	(14)	2
Interest, Net	(22)	(27)	5	(78)	(73)	(5)
Cash Taxes	(30)	(36)	6	(63)	(62)	(1)
Other	(10)	2	(12)	(4)	11	(15)
Cash Flow from Operations	\$ 42	\$ 138	\$ (96)	\$ 182	\$ 266	\$ (84)
Capital Spending	(68)	(70)	2	(198)	(192)	(6)
Free Cash Flow	\$ (26)	\$ 68	\$ (94)	\$ (16)	\$ 74	\$ (90)

¹ Changes in working capital relating to interest, taxes, and restructuring are included in those respective categories

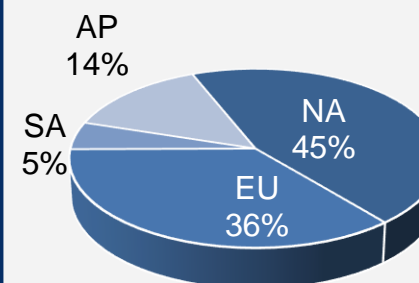


Balance Sheet September 2016

\$ in Millions

Total Debt	\$ 1,688
Cash ¹	845
Net Debt	\$ 843
LTM EBITDA	\$ 623
Net Leverage	1.4x
LTM Interest Exp.	\$ 111
Interest Coverage	5.6x
Revolver Capacity	\$ 478
Total Liquidity	\$ 1,323
Less: Cash ¹ in Subsidiary	\$ 143
Operating Liquidity	\$ 1,180

Cash* by Region



*Includes marketable securities of \$126M and deposits to support obligations of \$8M

U.S. D.B. Pension Obligations

	2015 12/31	2016 9/30
PBO	1,692	1,773
FV of Assets	1,493	1,568
(Unfunded)	(199)	(205)
Funded %	88%	88%

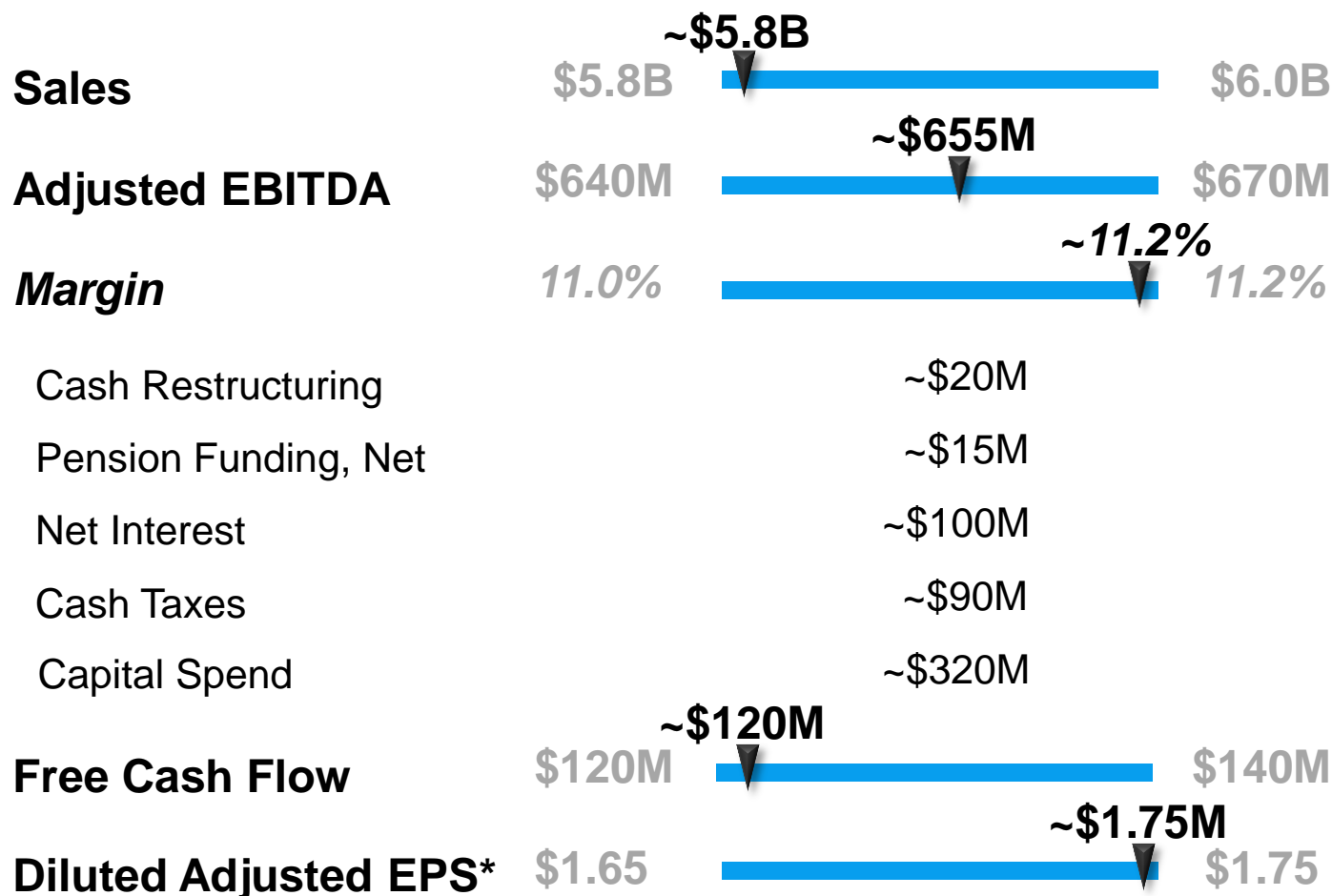
¹Includes marketable securities and excludes deposits to support obligations

2016 Financial Targets



Key Financial Metrics

2016 Targets



Currency Assumptions Euro/USD 1.05 - 1.10; GBP/USD 1.20 - 1.30; USD/CAD 0.75 - 0.80; USD/BRL 3.20 - 3.50; USD/ARS 15.00 - 16.50; USD/THB 36.00 - 38.00

*Targets calculated based on fully diluted outstanding shares of 147 million - excludes future impact of the share repurchase program

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



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Appendix

Global Vehicle Production Dana Forecasts (Units in 000s)



	2015 Actuals	2016 Outlook
North America		
Lights Truck (Full Frame)	4,136	4,400 – 4,500
Light Vehicle Engines	15,474	16,000 – 16,500
Medium Truck (Class 5-7)	237	230 – 240
Heavy Truck (Class 8)	323	220 – 230
Agricultural Equipment	58	50 – 55
Construction/Mining Equipment	158	145 – 155
Europe (Incl. Eastern Europe)		
Light Trucks	8,546	9,200 – 9,300
Light Vehicle Engines	22,570	22,500 – 23,000
Medium/Heavy Truck	434	440 – 445
Agricultural Equipment	202	190 – 195
Construction/Mining Equipment	299	290 – 295
South America		
Light Trucks	940	900 – 950
Light Vehicle Engines	2,439	2,100 – 2,150
Medium/Heavy Truck	88	70 – 80
Agricultural Equipment	32	25 – 30
Construction/Mining Equipment	13	10 – 15
Asia Pacific		
Light Trucks	24,160	26,000 – 27,000
Light Vehicle Engines	47,209	48,500 – 49,500
Medium/Heavy Truck	1,383	1,450 – 1,500
Agricultural Equipment	676	645 – 665
Construction/Mining Equipment	405	390 – 400

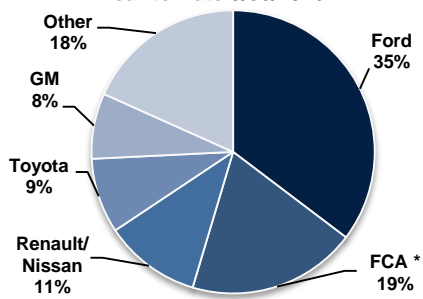
Segment Profiles



Customer Sales

Light Vehicle Driveline

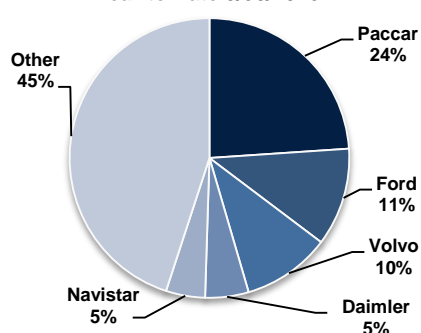
Year to Date 9/30/2016



* Includes sales to Hyundai Mobis for driveline products that support FCA vehicles

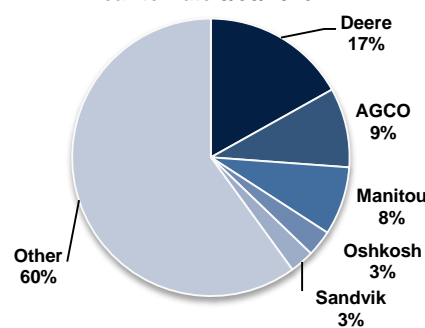
Commercial Vehicle Driveline

Year to Date 9/30/2016



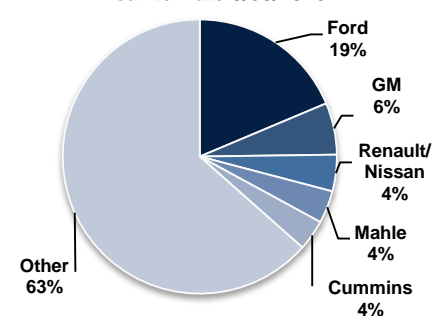
Off-Highway Driveline

Year to Date 9/30/2016

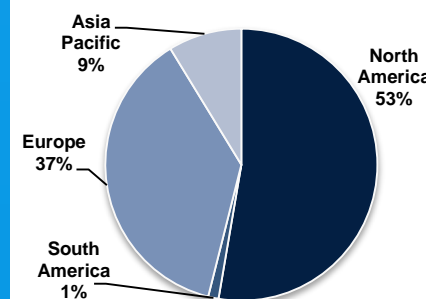
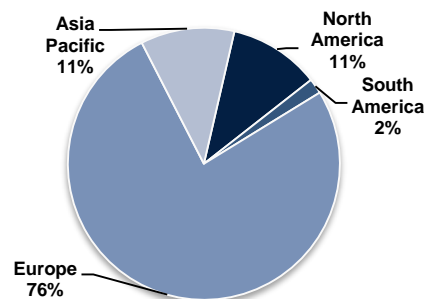
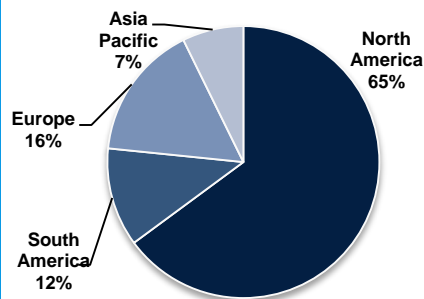
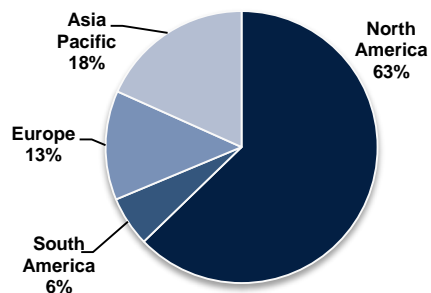


Power Technologies

Year to Date 9/30/2016



Regional Sales



Performance

\$ Millions

	Q3		Year to Date	
	2016	2015	2016	2015
Sales	\$631	\$605	\$1,913	\$1,883
Segment EBITDA	\$73	\$63	\$202	\$193
EBITDA Margin	11.6%	10.4%	10.6%	10.2%

\$ Millions

	Q3		Year to Date	
	2016	2015	2016	2015
Sales	\$294	\$367	\$976	\$1,231
Segment EBITDA	\$23	\$31	\$81	\$102
EBITDA Margin	7.8%	8.4%	8.3%	8.3%

\$ Millions

	Q3		Year to Date	
	2016	2015	2016	2015
Sales	\$199	\$246	\$692	\$809
Segment EBITDA	\$28	\$35	\$97	\$115
EBITDA Margin	14.1%	14.2%	14.0%	14.2%

\$ Millions

	Q3		Year to Date	
	2016	2015	2016	2015
Sales	\$260	\$250	\$798	\$762
Segment EBITDA	\$42	\$40	\$120	\$117
EBITDA Margin	16.2%	16.0%	15.0%	15.4%

Diluted Adjusted EPS



DANA INCORPORATED Diluted Adjusted EPS (Unaudited) For the Three Months Ended September 30, 2016 and 2015

(In millions except per share amounts)

	Three Months Ended	
	September 30,	
	2016	2015
Net income attributable to parent company	\$ 57	\$ 119
Items impacting income before income taxes:		
Restructuring charges	17	1
Amortization of intangibles	3	4
Impairment of long-lived assets		36
Other items	2	13
Items impacting income taxes:		
Net Income tax expense (benefit) on items above	(10)	(16)
Nonrecurring income tax expense	2	(92)
Adjusted net income	<u>\$ 71</u>	<u>\$ 65</u>
Diluted shares - as reported	145	159
Adjusted diluted shares	<u>145</u>	<u>159</u>
Diluted adjusted EPS	\$ 0.49	\$ 0.41

DANA INCORPORATED Diluted Adjusted EPS (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

(In millions except per share amounts)

	Nine Months Ended	
	September 30,	
	2016	2015
Net income attributable to parent company	\$ 155	\$ 241
Items impacting income before income taxes:		
Restructuring charges	23	13
Amortization of intangibles	7	14
Loss on extinguishment of debt	17	2
Impairment of long-lived assets		36
Other items	2	14
Items impacting income taxes:		
Net Income tax expense on items above	(12)	(23)
Nonrecurring income tax expense (benefit)	8	(74)
Items impacting noncontrolling interests net income:		
Gain on derecognition of noncontrolling interest		(5)
Correction of prior period understatement of noncontrolling interest		9
Adjusted net income	<u>\$ 200</u>	<u>\$ 227</u>
Diluted shares - as reported	147	163
Adjusted diluted shares	<u>147</u>	<u>163</u>
Diluted adjusted EPS	\$ 1.36	\$ 1.39

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

Segment Data



DANA INCORPORATED

Segment Sales & Segment EBITDA (Unaudited)

For the Three Months Ended September 30, 2016 and 2015

(In millions)	Three Months Ended	
	September 30,	
	2016	2015
Sales		
Light Vehicle	\$ 631	\$ 605
Commercial Vehicle	294	367
Off-Highway	199	246
Power Technologies	260	250
Total Sales	\$ 1,384	\$ 1,468
Segment EBITDA		
Light Vehicle	\$ 73	\$ 63
Commercial Vehicle	23	31
Off-Highway	28	35
Power Technologies	42	40
Total Segment EBITDA	166	169
Corporate expense and other items, net	2	(2)
Adjusted EBITDA	\$ 168	\$ 167

DANA INCORPORATED

Segment Sales & Segment EBITDA (Unaudited)

For the Nine Months Ended September 30, 2016 and 2015

(In millions)	Nine Months Ended	
	September 30,	
	2016	2015
Sales		
Light Vehicle	\$ 1,913	\$ 1,883
Commercial Vehicle	976	1,231
Off-Highway	692	809
Power Technologies	798	762
Total Sales	\$ 4,379	\$ 4,685
Segment EBITDA		
Light Vehicle	\$ 202	\$ 193
Commercial Vehicle	81	102
Off-Highway	97	115
Power Technologies	120	117
Total Segment EBITDA	500	527
Corporate expense and other items, net	(6)	(4)
Adjusted EBITDA	\$ 494	\$ 523

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

Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended September 30, 2016 and 2015

(In millions)	Three Months Ended September 30,	
	2016	2015
Segment EBITDA	\$ 166	\$ 169
Corporate expense and other items, net	2	(2)
Adjusted EBITDA	168	167
Depreciation	(45)	(39)
Amortization of intangibles	(3)	(4)
Restructuring	(17)	(1)
Stock compensation expense	(4)	(6)
Strategic transaction expenses	(3)	(1)
Other items		(4)
Impairment of long-lived assets		(36)
Amounts attributable to previously divested/closed operations		(4)
Interest expense, net	(24)	(27)
Income before income taxes	72	45
Income tax expense (benefit)	13	(77)
Equity in earnings of affiliates	2	
Net income	<u>\$ 61</u>	<u>\$ 122</u>

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

(In millions)	Nine Months Ended September 30,	
	2016	2015
Segment EBITDA	\$ 500	\$ 527
Corporate expense and other items, net	(6)	(4)
Adjusted EBITDA	494	523
Depreciation	(129)	(117)
Amortization of intangibles	(7)	(14)
Restructuring	(23)	(13)
Stock compensation expense	(11)	(14)
Strategic transaction expenses	(6)	(3)
Other items	(3)	(4)
Impairment of long-lived assets		(36)
Distressed supplier costs	(1)	
Amounts attributable to previously divested/closed operations	3	(4)
Gain on derecognition of noncontrolling interest		5
Loss on extinguishment of debt	(17)	(2)
Interest expense, net	(76)	(75)
Income before income taxes	224	246
Income tax expense (benefit)	66	(10)
Equity in earnings of affiliates	6	3
Net income	<u>\$ 164</u>	<u>\$ 259</u>

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

Non-GAAP Financial Information



The preceding slides refer to Adjusted EBITDA is a non-GAAP financial measure which we have defined net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense 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 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. We believe this measure is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported under GAAP. 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 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. 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.

Please reference the “Non-GAAP financial information” accompanying our quarterly earnings conference call presentations on our website at www.dana.com/investors for our GAAP results and the reconciliations of these measures, where used, to the comparable GAAP measures.