



2022 First-quarter Earnings Conference Call

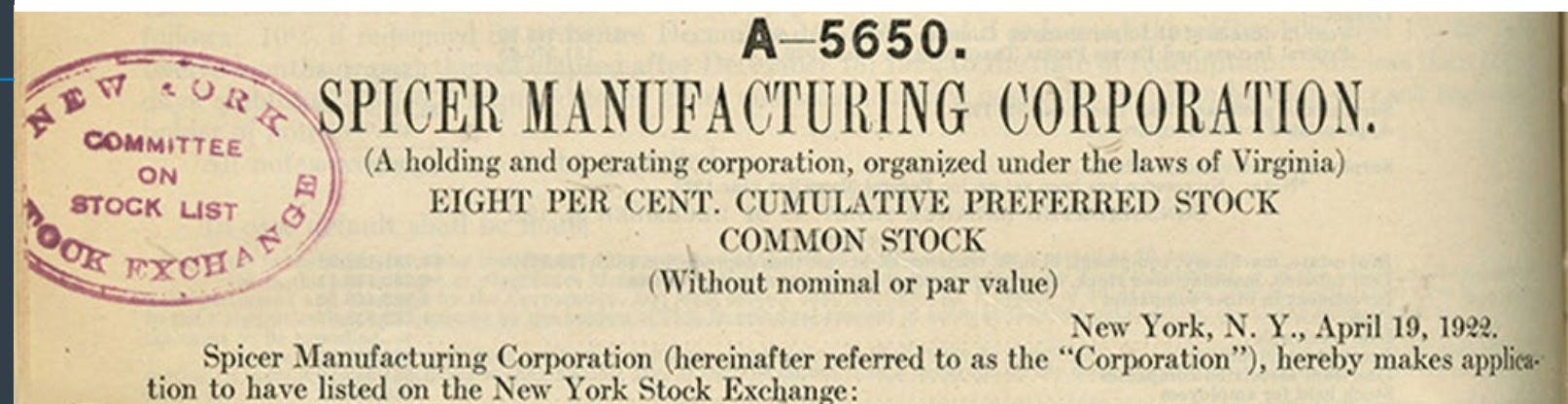
April 27, 2022



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Today

People Finding A Better Way[®]





Safe Harbor Statement

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**

Timothy Kraus

*Senior Vice President
and Chief Financial Officer*

Business Highlights: 2022 First Quarter

Financial Results

sales

\$2.5 billion

↑ \$217M from prior year

free cash flow

\$(237) million

↓ \$211M from prior year

adjusted EBITDA

\$170 million

↓ \$64M from prior year

diluted adjusted EPS

\$0.16

↓ 50¢ from prior year

Key Items

- Cost Inflation and Erratic Demand
- Industry Recognition
- Customer Highlights and Awards
- Leveraging EV Tech for Social Impact

Electrification.
Delivered.[™]



Market Conditions

Light-duty Market

1st Quarter Impact



Market Volume

Full Year Impact



Market Volume

Light Vehicle

- End-market demand remains strong; vehicle inventories low
- OEM production disruptions continue; driven by supply chain constraints
- Preparing for significant new program launches

Heavy-duty Markets

1st Quarter Impact



Market Volume

Full Year Impact



Market Volume

Commercial Vehicle

- Strong market demand driving sales growth
- Second-half NA class 8 volume expected to increase
- Substantial new EV product and launch readiness

1st Quarter Impact



Market Volume

Full Year Impact



Market Volume

Off-Highway

- Market demand outlook remains strong
- Minimal customer impact resulting from Ukraine conflict
- Off-highway electrification advancing in key initial markets

Inflation and commodity cost increases accelerating during this period of volatile demand

Industry Recognition



30th annual
supplier
of the **year**

2021 Overdrive Award



PACCAR

2021 North American Supplier
Performance Management
(SPM) Achiever Award

2021 10 Parts Per Million
(PPM) Quality Award



JOHN DEERE

Achieving Excellence Program
Partner Level Recognition

Innovation and Technological Leadership



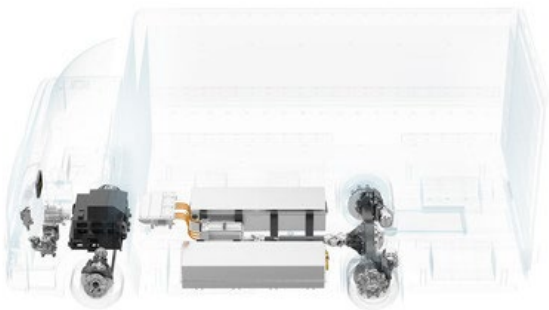
Dana Leads *Automotive News* PACE Award Nomination List with Five Electrification Innovations



PACE Award Finalists

PACEpilot Award Finalists

Complete vehicle integration for e-Propulsion and e-Power systems



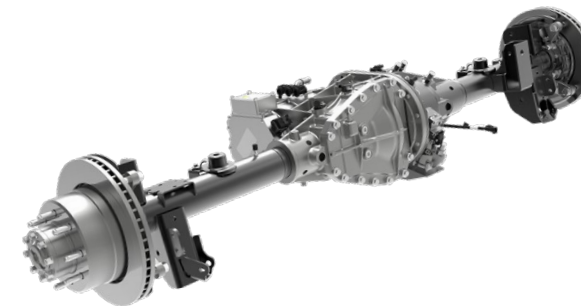
Dana TM4™ high-performance inverter



Metallic bipolar plates for fuel cell stacks



Electric rigid beam axle



Composite battery enclosure with integrated thermal management



Commercial Vehicle: Med-Duty Top Truck



2022 Ford® F-650/F-750



Spicer® driveline technologies:

- Spicer® S140 and Dana 060 Series drive axles
- D- and E-Series front steer axles
- SPL® 100 and SPL® 140 Series driveshafts



5/5 Finalists

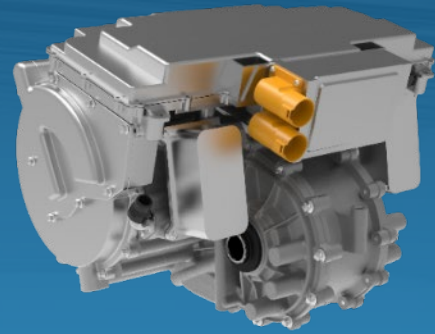
2022 Med-Duty Top Trucks



Dana has supplied the driveline for 9 of the last 10 winners



Light Vehicle: Electrification New Business Win



Dana vertically integrated complete e-Propulsion system

>3x content per vehicle vs. traditional ICE program

Electrification. **Delivered.**TM

Dana selected as electrification partner with major light-vehicle OEM

Off-Highway: EV Growth Transformation



e-Mini Excavator



Low-voltage Material Handling



High-voltage Drive System – Port Equipment



Low-voltage Inverter for Electric UTV



Access Equipment



Motorsport / Recreational



Lawn and Turf Care



Low-voltage Inverter for Pump



Transformational EV growth in new markets and increased content per vehicle

Sustainable Social Impact



e-Drive System

DANA **SPICER**
ELECTRIFIED



Financial Review

People Finding A Better Way[®]

DAN

LISTED

NYSE

55.01

11.08

+8.76

65.32

12.11

2022 Q1 Financial Results



- Sales growth primarily due to demand recovery in the heavy-vehicle markets and recovery of commodity cost inflation
- Profit conversion on higher sales limited by inflation and commodity cost increases, as well as inefficiencies driven by customer supply chain constraints
- Lower FCF attributed to lower profits, higher working capital requirements, and higher capital expenditures

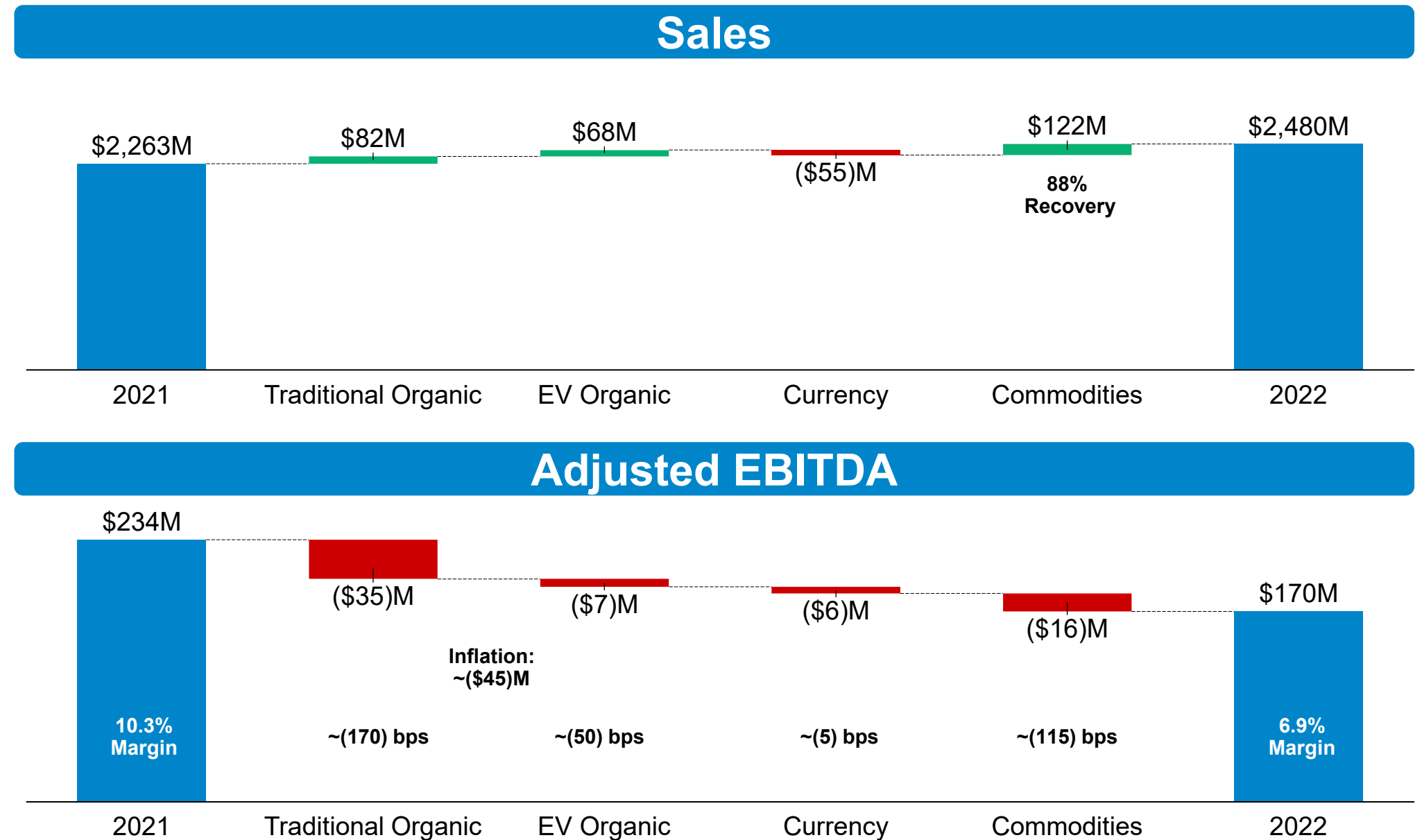
Changes from Prior Year			
	Q1 '22	Q1 '21	Change
(\$ in millions except EPS)			
Sales	\$ 2,480	\$ 2,263	\$ 217
Adjusted EBITDA	170	234	(64)
Margin	6.9%	10.3%	(340) bps
EBIT	66	108	(42)
Interest Expense, Net	29	32	(3)
Income Tax Expense	18	22	(4)
Net Income (attributable to Dana)	17	71	(54)
Adjusted Net Income (attributable to Dana)	23	97	(74)
Diluted Adjusted EPS	\$ 0.16	\$ 0.66	\$ (0.50)
Operating Cash Flow	(121)	27	(148)
Capital Spending	116	53	63
Free Cash Flow	(237)	(26)	(211)

Inflationary environment compressing margin



2022 Q1 Sales and Profit Changes

- Organic growth driven by continued rebound in heavy-vehicle markets and cost recoveries, including commodities and inflationary costs
- Net cost inflation of ~\$45 million and operational inefficiencies driving negative organic conversion
- Investment in growing EV business offsetting profit contribution from early low-volume programs
- Translation of foreign currency to U.S. dollars, primarily the euro, reduced sales and was a minor headwind to margin
- While substantial commodity recoveries increased sales, higher raw material cost lowered profit



Improving demand and recoveries increased sales while cost inflation and currency hindered profit



2022 Q1 Free Cash Flow

- Cash flow use driven by lower earnings, higher working capital requirements, and higher capital investment
- Higher cash interest in this year's Q1 due to revised timing of payments
- Timing of payments and jurisdictional mix driving higher cash taxes this year
- Increased working capital largely due to increased receivables driven by higher sales
- Higher capital spending to support new business backlog, replacement business, and electrification programs

Changes from Prior Year

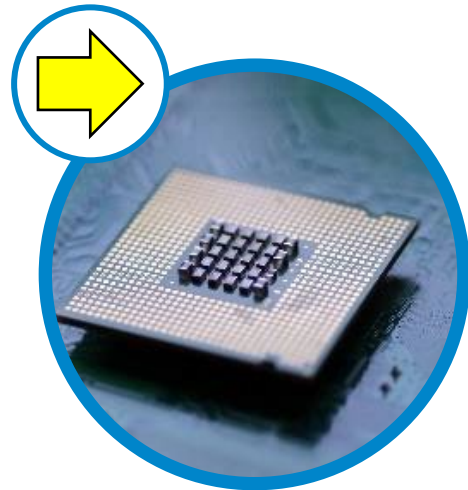
(\$ in millions)

	<u>Q1 '22</u>	<u>Q1 '21</u>	<u>Change</u>
Adjusted EBITDA	\$ 170	\$ 234	\$ (64)
One-time Costs¹	(5)	(8)	3
Interest, net	(15)	(5)	(10)
Taxes	(25)	(13)	(12)
Working Capital / Other²	(246)	(181)	(65)
Capital Spending	(116)	(53)	(63)
Free Cash Flow	<u>\$ (237)</u>	<u>\$ (26)</u>	<u>\$ (211)</u>

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.

Lower earnings, higher working capital requirements and capital investment drove FCF use

2022 Market Dynamics Impact



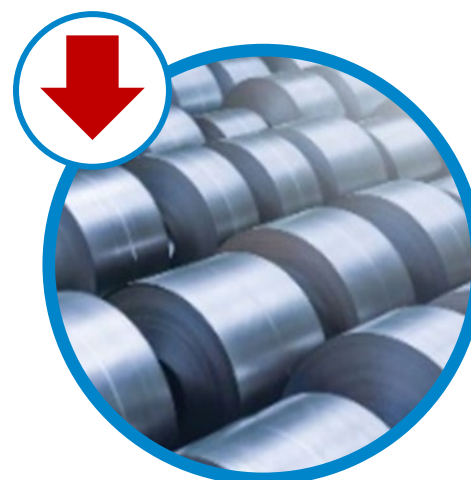
Semiconductor shortage



Transportation costs



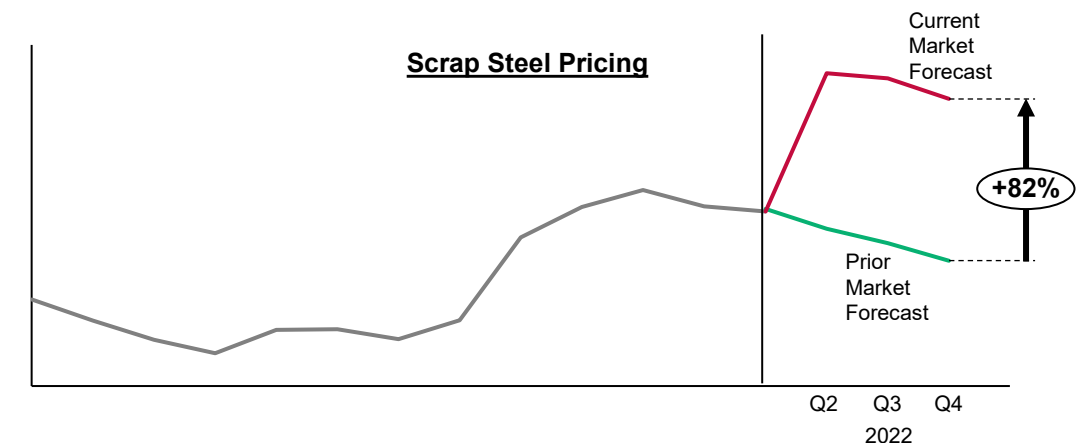
Economics



Commodity costs

Legend: = 2022 Market Impact to Dana

- OEM production disruptions caused by shortage of semiconductors and other key components likely to continue through the first half of the year
- Transportation costs have continued to increase and are expected to remain at a premium this year
 - Rapid cost inflation for energy, services, and labor experienced in Q1 expected to remain elevated throughout the year
- Commodity costs no longer expected to moderate this year



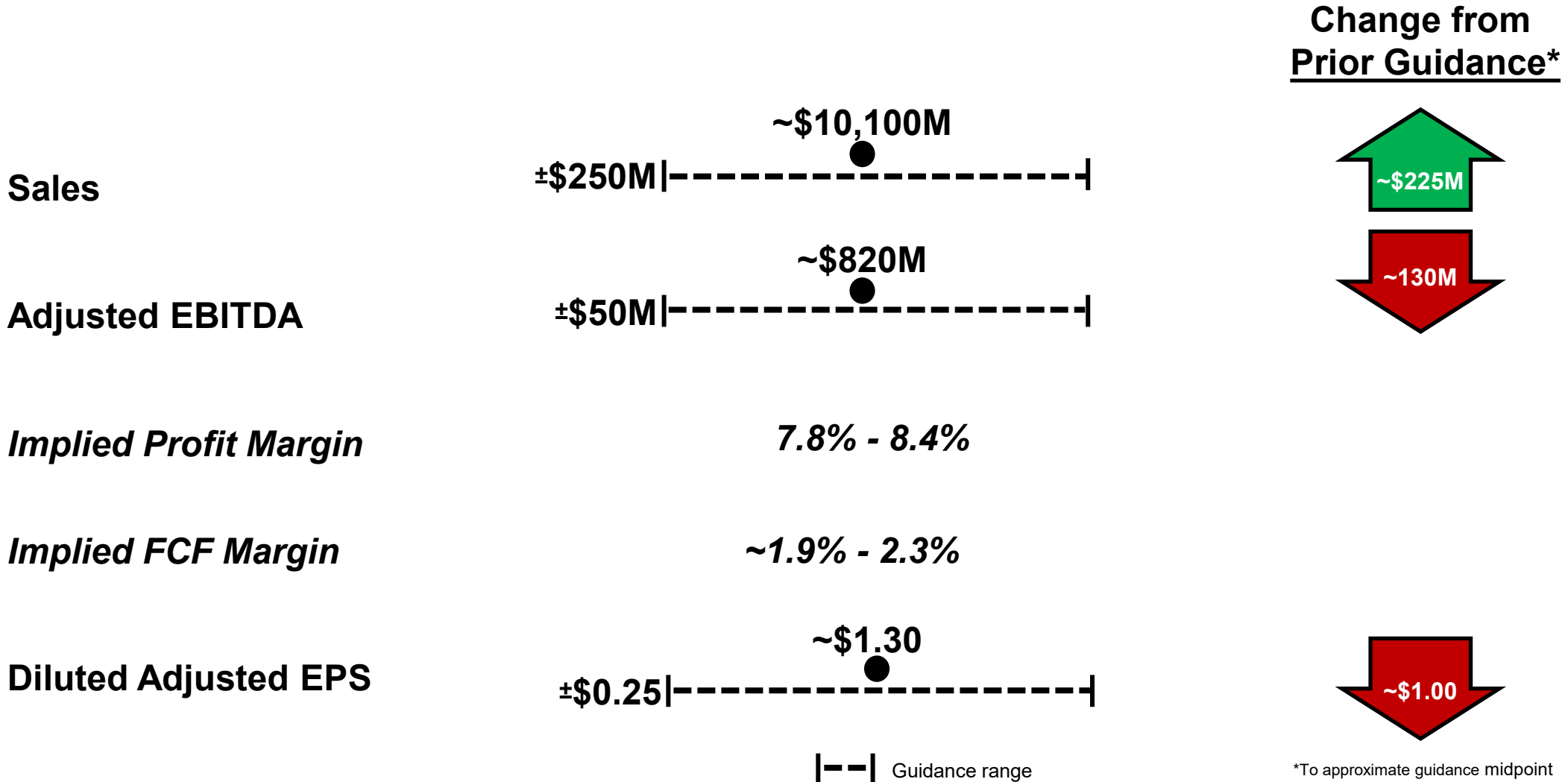
Volume rebound continues but margin pressures expected to remain through rest of this year



2022 FY Financial Guide

- Expecting sales growth supported by strong end-market demand and cost recovery actions
- Profit margin headwinds from elevated commodity and other input costs now expected to continue for the remainder of this year
- Free cash flow improvement over last year driven by lower inventory requirements as pandemic-era logistics and demand pattern disruptions stabilize late in the year
- Diluted adjusted EPS decline due to lower earnings, higher expected income taxes, and lower equity income

Guidance Ranges

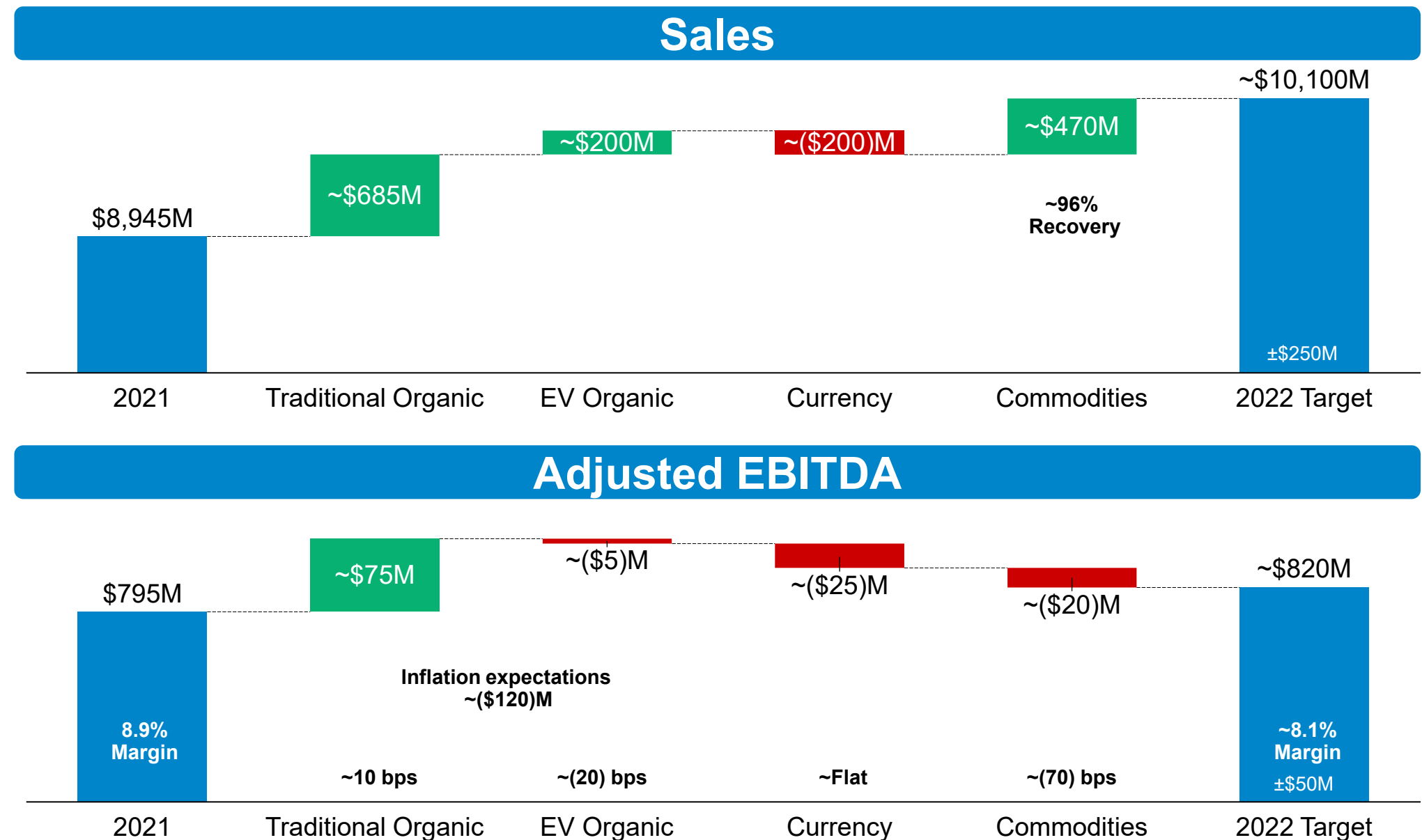


Demand remains strong; higher commodities and cost inflation pressuring margins



2022 FY Sales and Profit Changes

- End-market growth driven by increased production in light vehicles and continued recovery in heavy-vehicle markets
- Net cost inflation of ~\$120 million in 2022, along with operational inefficiencies driving reduced organic conversion
- Continued inefficiencies driven by customer production disruptions, pressuring conversion
- EV growth driving higher investment, offsetting profit contribution from early low-volume programs
- Increasing commodity costs resulting in higher recoveries adding to sales while creating an additional \$50 million headwind to profit from prior outlook



Margin headwinds accelerating due to higher raw material cost and inflation



2022 FY Free Cash Flow Outlook

- Free cash flow to improve as temporarily elevated inventory levels normalize
- Managing inventory requirements for uneven customer demand patterns
- Working with customers and suppliers to better align terms with market conditions

Changes from Prior Year

(\$ in millions)

	<u>2022T</u>	<u>2021A</u>	<u>Change</u>
Adjusted EBITDA	\$ ~820	\$ 795	\$ ~25
One-time Costs¹	~(15)	(31)	~15
Interest, net	~(100)	(101)	-
Taxes	~(155)	(99)	~(55)
Working Capital / Other²	~40	(406)	~445
Capital Spending	~(375)	(369)	~(5)
Free Cash Flow	\$ ~215	\$ (211)	\$ ~425

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.

Lower working capital driving improved free cash flow

Outlook

2022 Guidance

sales
~\$10.1
 billion

~13%
 increase
 from prior year

Range: ±\$250M

Improving OEM production cadence and continued strong end-market demand, new business backlog, and cost recoveries driving sales increase

Drivers of growth

Market Demand

EV Business

New Backlog

adjusted EBITDA
~\$820
 million

~3%
 increase
 from prior year

Range: ±\$50M

margin
~8.1%

Range: ~7.8%-8.4% of sales

free cash flow
~\$215
 million

~\$425M
 increase
 from prior year

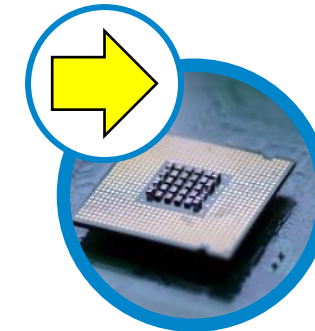
Range: ~1.9%-2.3% of sales

diluted adj. EPS
~\$1.30

~\$0.36
 decrease
 from prior year

±\$0.25

2022 Market Variables



Semiconductor shortage improving

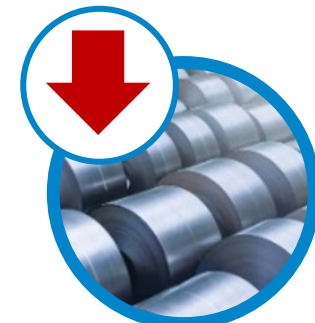


Infrastructure investment continuing

2022 Profit and FCF Drivers



Cost Inflation



Commodity Costs



Inventory Reduction



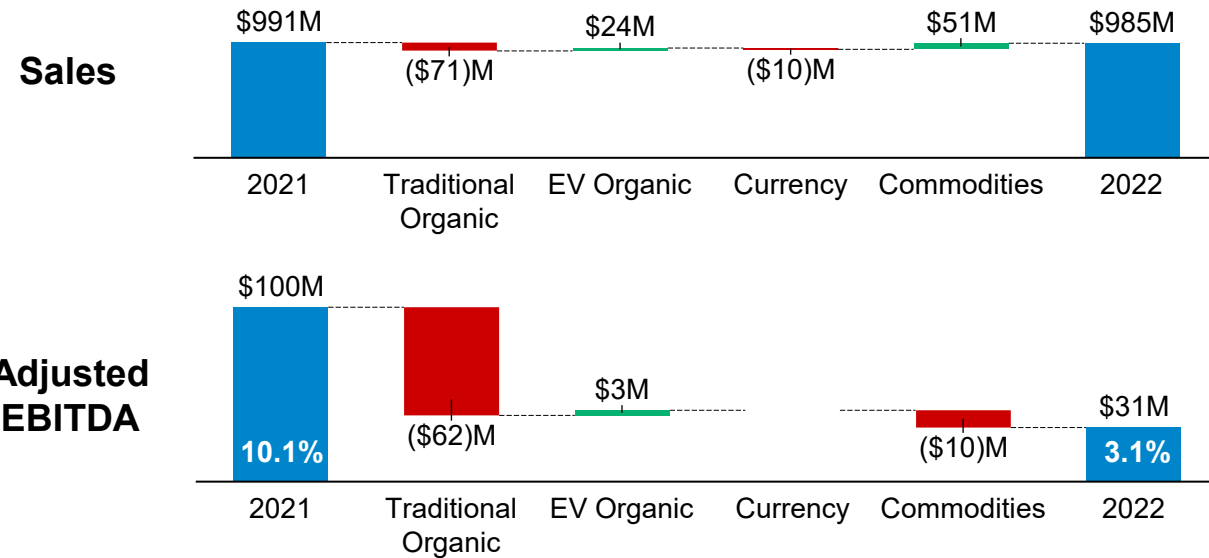
Appendix



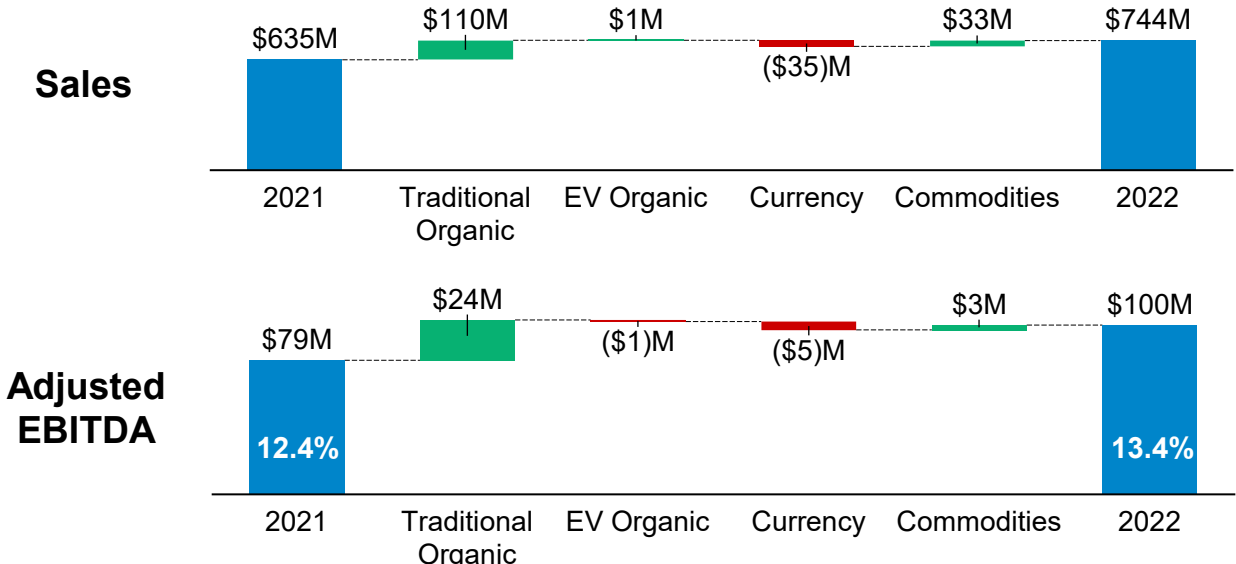
2022 Q1 Sales and Profit Change by Segment



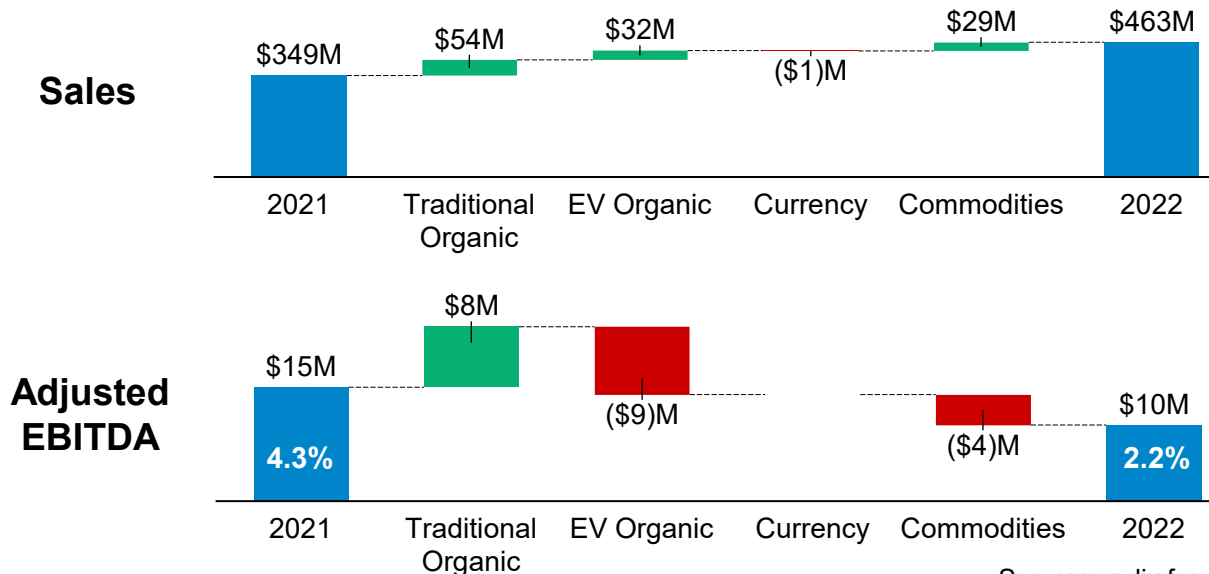
Light Vehicle Drive Systems



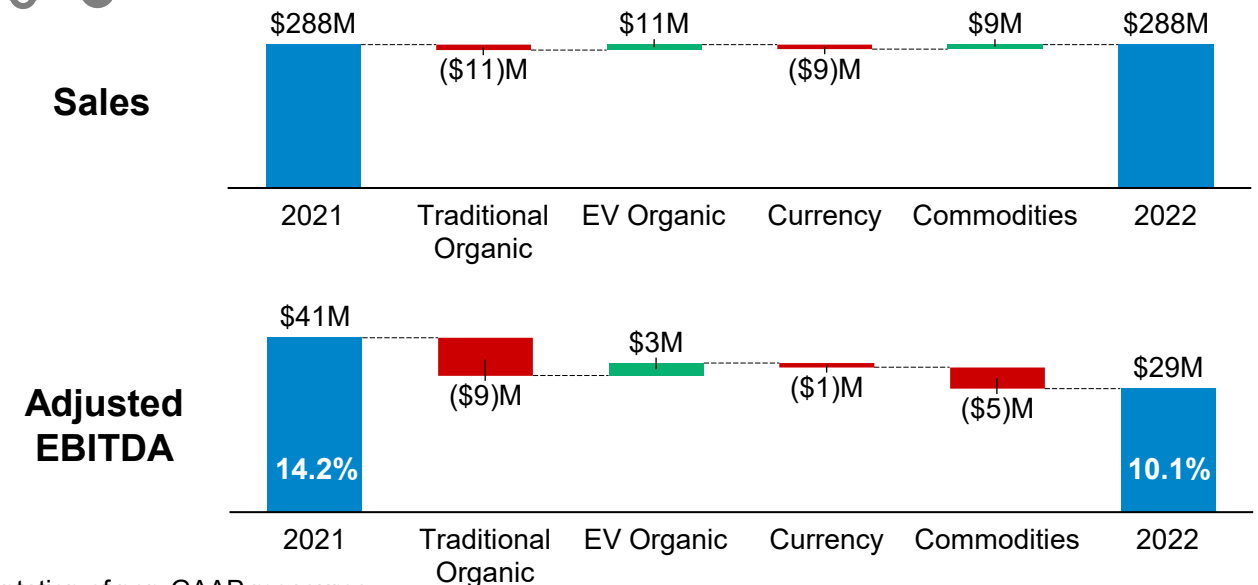
Off-Highway Drive and Motion Systems



Commercial Vehicle Drive and Motion Systems



Power Technologies



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

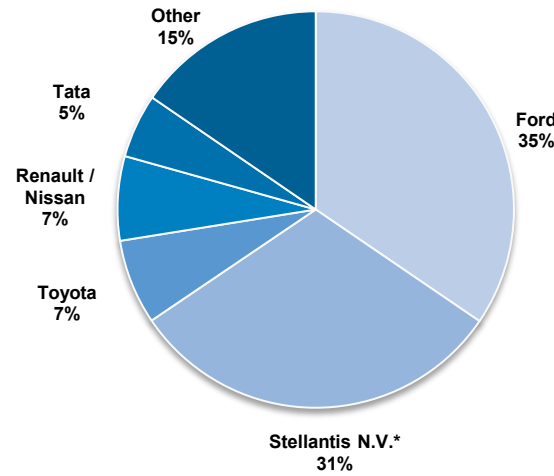
Segment Profiles



Customer Sales

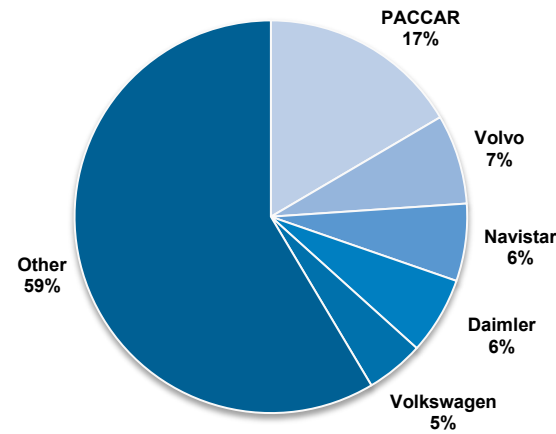
Regional Sales

Light Vehicle Drive Systems
Year to Date 3/31/2022

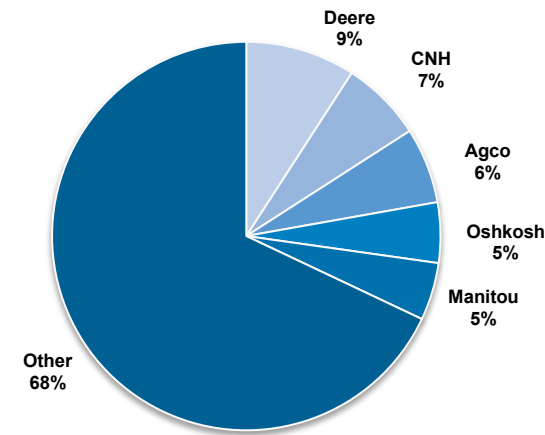


* Includes sales to system integrators for driveline products that support FCA vehicles

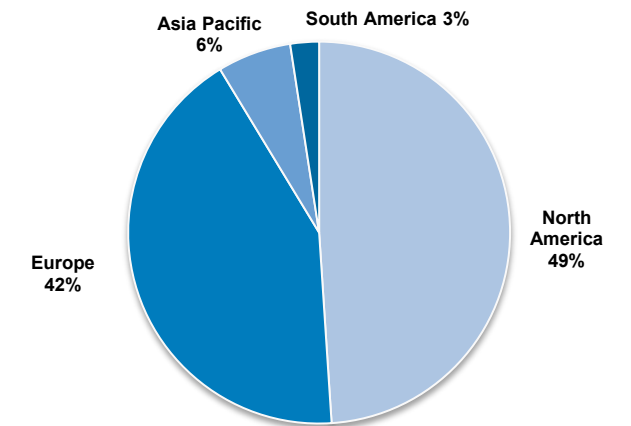
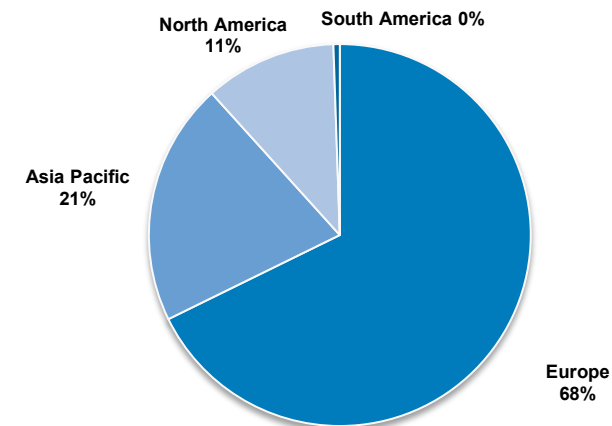
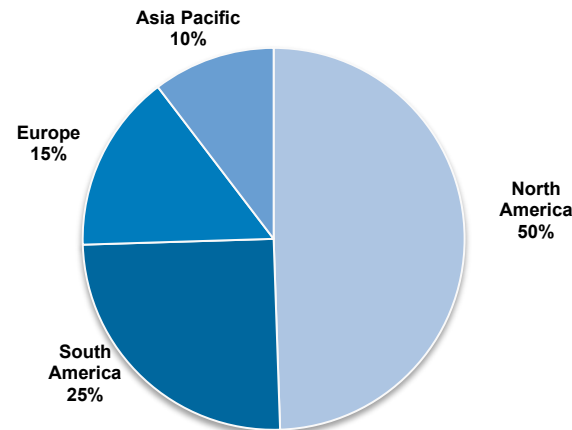
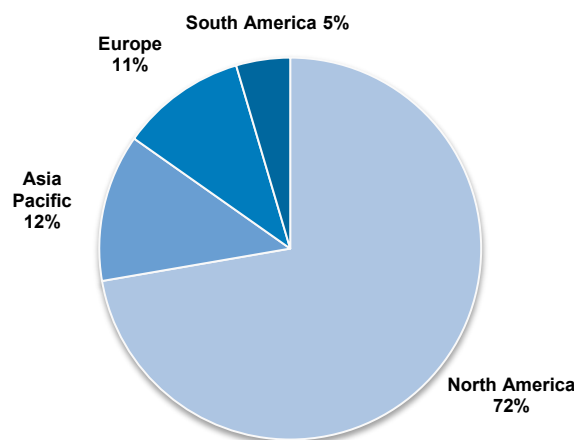
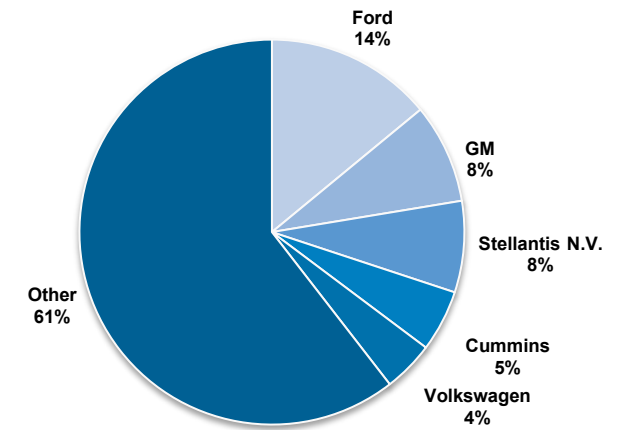
Commercial Vehicle Drive and Motion Systems
Year to Date 3/31/2022



Off-Highway Drive and Motion Systems
Year to Date 3/31/2022



Power Technologies
Year to Date 3/31/2022



Diluted Adjusted EPS



DANA INCORPORATED

Reconciliation of Net Income (Loss) Attributable to the Parent Company to Adjusted Net Income (Loss) Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited)

For the Three Months Ended March 31, 2022 and 2021

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	2022	2021
Net income attributable to parent company	\$ 17	\$ 71
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	(1)	1
Strategic transaction expenses	2	3
Loss on investment in Hylion		17
Loss on disposal group held for sale		5
Other items	2	
Items impacting income taxes:		
Net income tax expense on items above	(2)	(6)
Income tax expense attributable to various discrete tax matters		1
Adjusted net income attributable to the parent	\$ 23	\$ 97
Diluted shares - as reported	145.3	146.4
Adjusted diluted shares	145.3	146.4
Diluted adjusted EPS	\$ 0.16	\$ 0.66

Segment Data



DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended March 31, 2022 and 2021

(In millions)	Three Months Ended	
	March 31,	
	2022	2021
Sales		
Light Vehicle	\$ 985	\$ 991
Commercial Vehicle	463	349
Off-Highway	744	635
Power Technologies	288	288
Total Sales	\$ 2,480	\$ 2,263
Segment EBITDA		
Light Vehicle	\$ 31	\$ 100
Commercial Vehicle	10	15
Off-Highway	100	79
Power Technologies	29	41
Total Segment EBITDA	170	235
Corporate expense and other items, net		(1)
Adjusted EBITDA	\$ 170	\$ 234

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended March 31, 2022 and 2021

(In millions)	Three Months Ended	
	March 31,	
	2022	2021
Segment EBITDA	\$ 170	\$ 235
Corporate expense and other items, net		(1)
Adjusted EBITDA	170	234
Depreciation	(91)	(88)
Amortization	(6)	(7)
Non-service cost components of pension and OPEB costs		(2)
Restructuring charges, net	1	(1)
Stock compensation expense	(4)	(5)
Strategic transaction expenses	(4)	(3)
Loss on investment in Hylion		(17)
Loss on disposal group held for sale		(7)
Other items		4
Earnings before interest and income taxes	66	108
Interest income	2	2
Interest expense	31	34
Earnings before income taxes	37	76
Income tax expense	18	22
Equity in earnings of affiliates	1	14
Net income	\$ 20	\$ 68

DANA INCORPORATED

Reconciliation of Net Cash Provided By (Used In) Operating Activities to Free Cash Flow and Adjusted Free Cash Flow (Unaudited)

(In millions)	Three Months Ended	
	March 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ (121)	\$ 27
Purchase of property, plant and equipment	(116)	(53)
Free cash flow	(237)	(26)
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ (237)</u>	<u>\$ (26)</u>



People Finding A Better Way[®]



Global Scale &
Financial Strength



Technologies for
Tomorrow



Balanced End-
Market Presence



Complete Electric
Product Portfolio





Non-GAAP Financial Information

Adjusted EBITDA is a non-GAAP financial measure which we have defined as net income (loss) before interest, income taxes, depreciation, amortization, equity grant expense, restructuring expense, non-service cost components of pension and other postretirement benefit costs and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. We use adjusted EBITDA in assessing the effectiveness of our business strategies, evaluating and pricing potential acquisitions and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors and others to evaluate financial performance of our company relative to other Tier 1 automotive suppliers. Adjusted EBITDA should not be considered a substitute for earnings (loss) before income taxes, net income (loss) or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Adjusted net income (loss) attributable to the parent company is a non-GAAP financial measure which we have defined as net income (loss) attributable to the parent company, excluding any discrete income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to net income attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income (loss) attributable to the parent company divided by adjusted diluted shares. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income (loss) attributable to the parent company. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported in accordance with GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. 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 reconciliations 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. 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.