



2024 Fourth-Quarter & Full-Year Earnings Conference Call

February 20, 2025

Value Others | Inspire Innovation | Grow Responsibly | Win Together



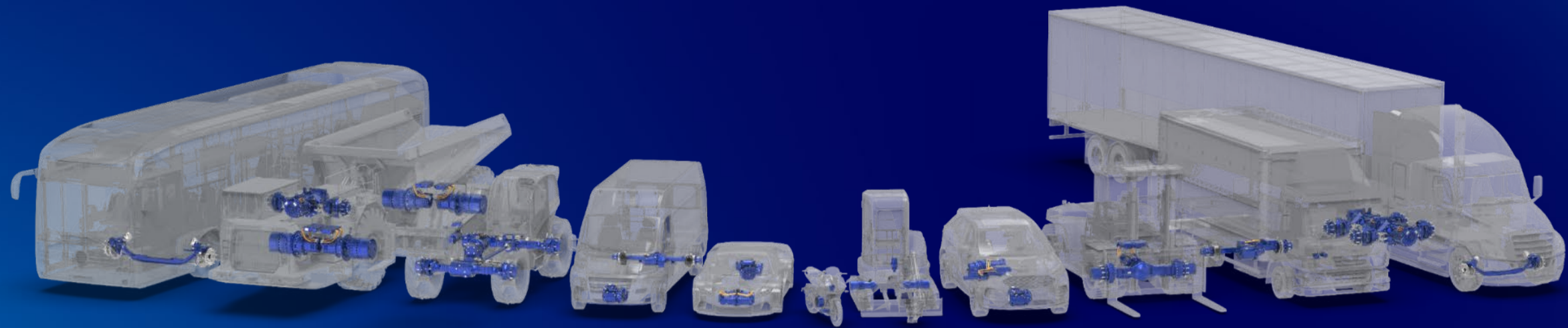
Safe Harbor Statement



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

Since  1904



Craig Barber

Senior Director, Investor
Relations and Corporate
Communications

Introduction

R. Bruce McDonald

Chairman and
Chief Executive Officer

Business Review

Timothy Kraus

Senior Vice President and
Chief Financial Officer

Financial Review

2024 Financial Results



Full-Year Financial Results

sales

\$10.3 billion



\$271 million
from prior year

adjusted EBITDA

\$885 million



\$40 million
from prior year

margin

8.6 percent



60 bps
from prior year

free cash flow

\$70 million



\$95 million
from prior year

Key Highlights

End-Market Demand

- Lower demand for EVs and ICE vehicle programs
- Weak off-highway equipment demand in 2nd half

Efficiency and Cost Savings

- Conversion on organic sales drove margin improvement
- Cost-savings actions underway

Focus on Free Cash Flow

- Higher profit and lower capex drove improved FCF
- Better working capital efficiency in 2025

Sales In-Line with Expectations, Profit Higher, Some FCF Delayed to 2025

Dana Strategy

Focus on efficiency and generate value

1 Focus on core on-highway end markets

- Divest Off-Highway business
- Expect signing in early Q2; closing by year end
- New Dana will be a more streamlined organization

2 Measured approach to EV market

- Lower volume and longer lead times allow for more efficient program management
- Disciplined investment philosophy

3 Streamlined cost structure

- Actions will yield ~\$300M in annual savings
- Moving to two business segments in new Dana
 - Power Technologies segment will be integrated

Financial Commitments

1 Total 2026 cost-reduction target of \$300M

- Revised EV commercial strategy
- Downsizing corporate overhead structure
- Complexity reduction

2 New Dana target adjusted EBITDA margins

- 8.1% - 8.6% in 2025
- 9.5% - 10.5% in 2026
 - Inclusive of \$300M of cost savings less \$40M of stranded cost from Off-Highway sale

3 Strong balance sheet, targeting net leverage of 1x through the cycle

- Free cash flow of ~4% of sales

Strategy Will Increase Profit, Reduce Leverage, and Add Significant Value

2025 Market Outlook and Backlog



2025 Market Outlook

Light Vehicle

Flat

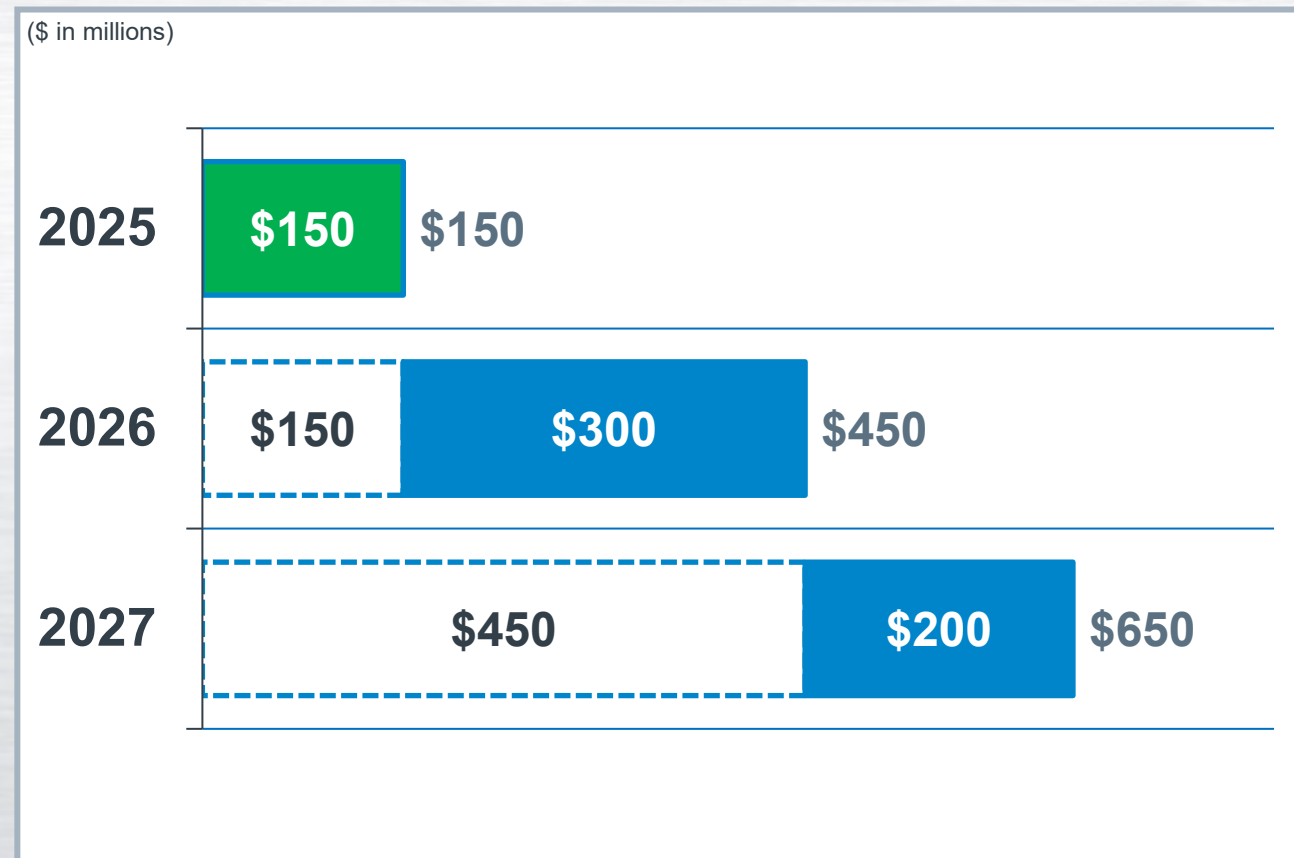
Commercial Vehicle

<(5%)

Off-Highway

<(5%)

3-Year Net New Sales Backlog: \$650M



<p>Sales Impact</p>		<p>Market</p> <p>~\$435M</p>		<p>'25 Backlog</p> <p>~\$150M</p>		<p>Total</p> <p>~\$285M</p>

Weaker End-Market Demand Partially Offset by New Business Wins



Financial Review

DAN
—
LISTED
—
NYSE

2024 Q4 and Full-Year Financial Results



Changes from Prior Year

(\$ in millions, except EPS)

	<u>Q4 '24</u>	<u>Q4 '23</u>	<u>Change</u>	<u>FY '24</u>	<u>FY '23</u>	<u>Change</u>
Sales	\$ 2,335	\$ 2,494	\$ (159)	\$ 10,284	\$ 10,555	\$ (271)
Adjusted EBITDA	186	156	(30)	885	845	40
Margin	8.0%	6.3%	170 bps	8.6%	8.0%	60 bps
Restructuring Charges, Net	35	4	31	76	25	51
Loss on Business Previously Held for Sale	-	-	-	(26)	-	(26)
EBIT	(36)	11	(47)	226	316	(90)
Interest Expense, Net	38	37	1	146	137	9
Income Tax Expense	5	3	2	139	121	18
Net Income (Loss) (attributable to Dana)	(80)	(39)	(41)	(57)	38	(95)
GAAP Diluted EPS	\$ (0.55)	\$ (0.27)	\$ (0.28)	\$ (0.39)	\$ 0.26	\$ (0.65)
Diluted Adjusted EPS	\$ 0.25	\$ (0.08)	\$ 0.33	\$ 0.94	\$ 0.84	\$ 0.10
Free Cash Flow	149	136	13	70	(25)	95

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

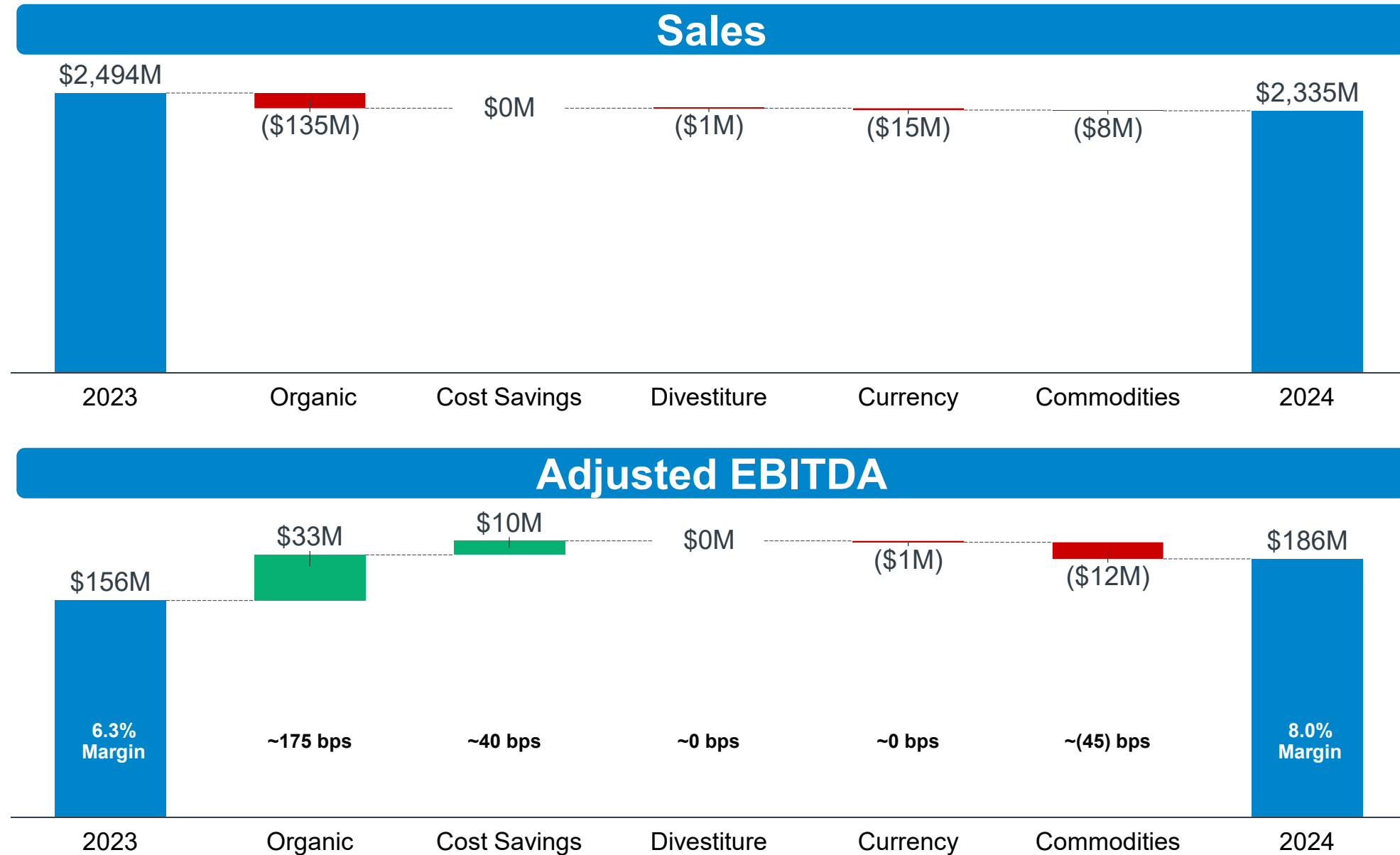
Margin Improvement in Challenging Demand Environment

- Lower sales driven by weakening market demand for electric vehicles, commercial trucks, off-highway equipment, and certain light-truck programs, as well as currency impacts and lower commodity recoveries
- Increased production efficiency and company-wide cost improvement actions drove higher profitability
- Loss on European hydraulics business that was previously held for sale
- Net loss impacted primarily by higher restructuring charges

2024 Q4 Sales and Profit Changes



- Lower organic sales driven by reduced demand in heavy-vehicle markets
- Efficiency gains drove profit improvement despite organic sales headwinds
- Cost recoveries for delayed EV programs of ~\$15 million
- Cost savings program benefiting margin by 40 basis points
- Translation of foreign currency was a slight headwind to sales
- Lower commodity costs resulted in lower sales recoveries; profit benefit of lower input cost is more than offset by the cost true-ups with customers



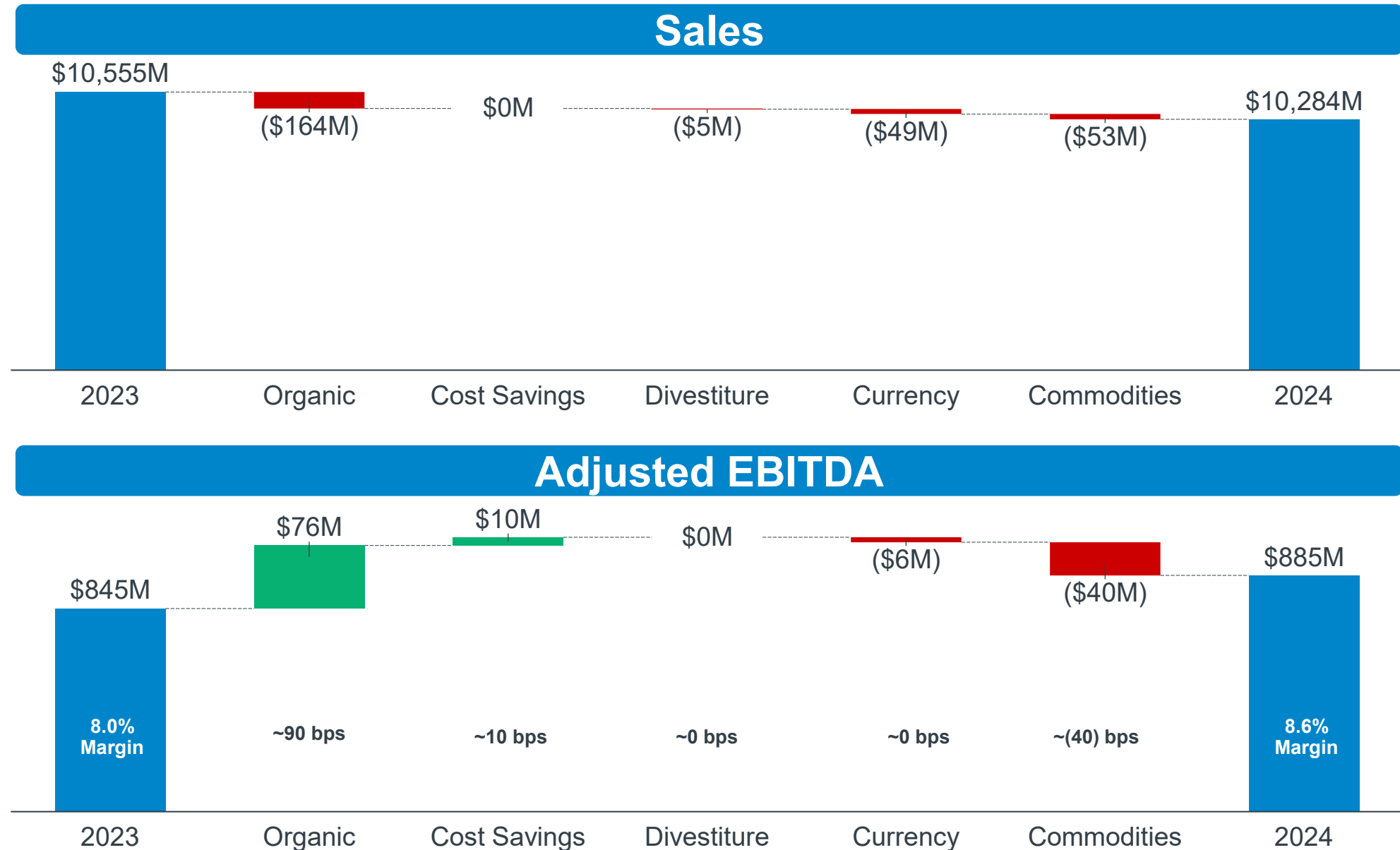
See appendix for comments regarding the presentation of non-GAAP measures

Improved Margin Performance Driven by Strong Execution, Cost Savings, and Recoveries

2024 Full-Year Sales and Profit Changes



- Organic growth impacted by lower end-market demand in 2nd half
- Margin benefiting from improved efficiencies and cost savings actions
- Translation of foreign currency was a slight headwind to sales
- Lower commodity costs resulting in lower sales recoveries; profit benefit of lower input cost is more than offset by the cost true-ups with customers



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

Profit Driven by Efficiency Improvements and Cost Savings Actions

2024 Full-Year Free Cash Flow



- One-time costs increase due to restructuring and strategic transaction
- Higher cash taxes due to timing of payments and jurisdictional mix
- Reduced capital spending required to support new business backlog and replacement business due to a more normal launch cadence and timing of investment for future EV programs

Changes from Prior Year

(\$ in millions)

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Adjusted EBITDA	\$ 885	\$ 845	\$ 40
One-Time Costs¹	(46)	(20)	(26)
Interest, Net	(149)	(116)	(33)
Taxes	(172)	(148)	(24)
Working Capital / Other²	(68)	(85)	17
Capital Spending	(380)	(501)	121
Free Cash Flow	\$ 70	\$ (25)	\$ 95

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.

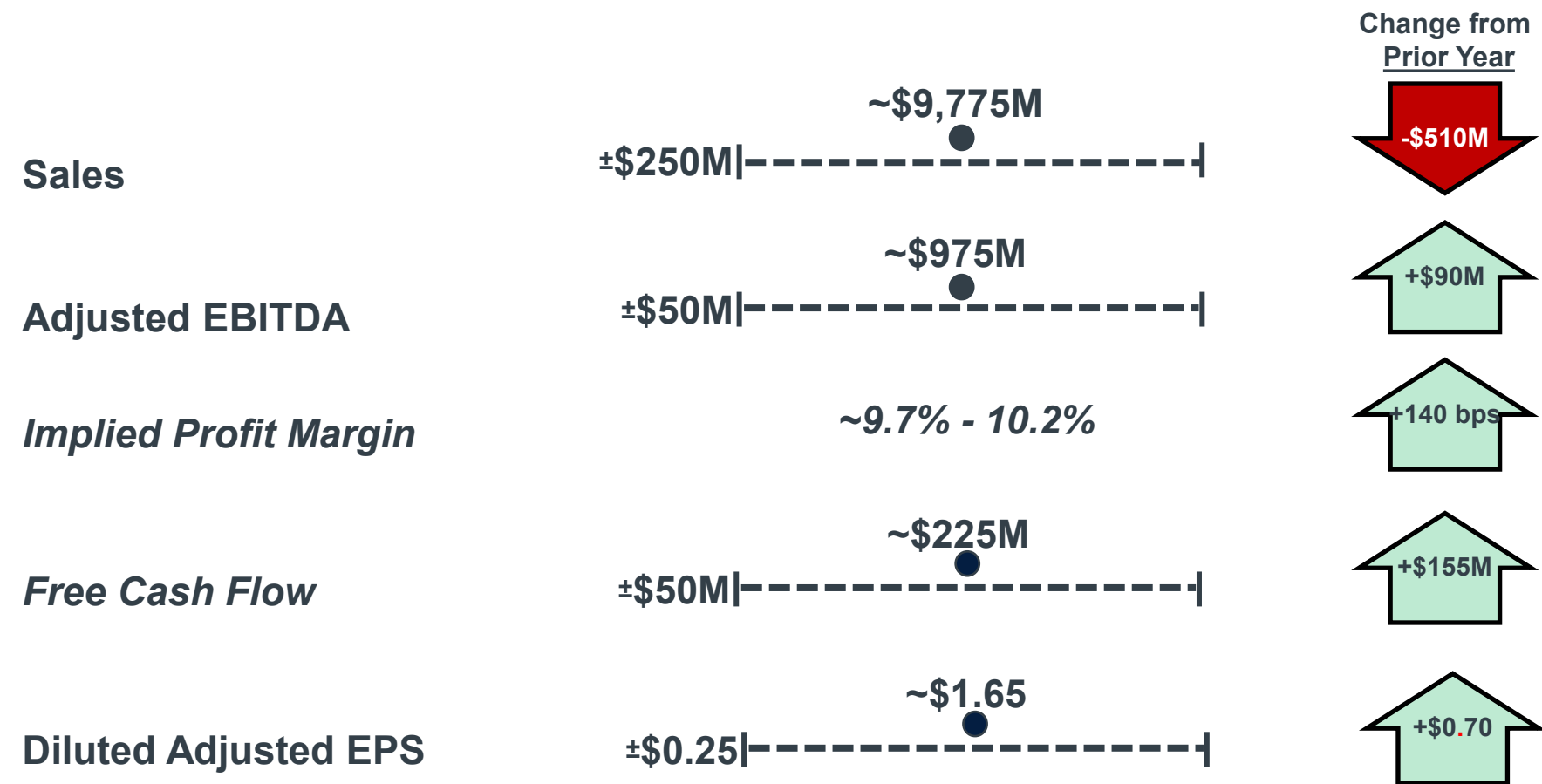
Lower Capital Spending and Continued Focus on Working Capital

2025 Full-Year Financial Guide



Guidance Ranges

- Guidance includes Off-Highway business for the full year and does not include new tariffs
- Lower sales driven by lower end-market demand and currency translation
- Efficiency improvements and cost-savings actions driving higher profit and margins compared to last year
- Expecting Q1 sales and adjusted EBITDA to be below last year; primarily due to lower end-market demand
- YOY free cash flow improvement driven by higher profit, improved working capital efficiency, and lower capital spending
- 2025 net capital spend expected to be approximately \$325 million



2025 Currency Assumptions

- EUR: 1.04/USD
- INR: 86.50/USD
- BRL: 6.03/USD

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

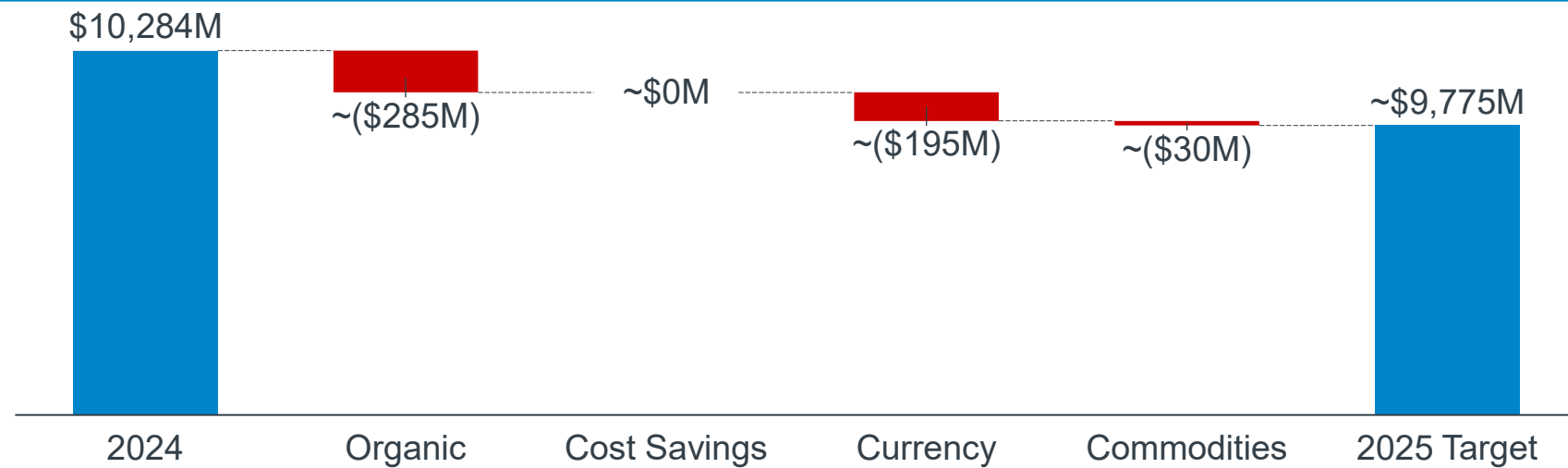
Improving Profit and FCF Driven by Cost Savings and Operational Focus

2025 Full-Year Sales and Profit Changes

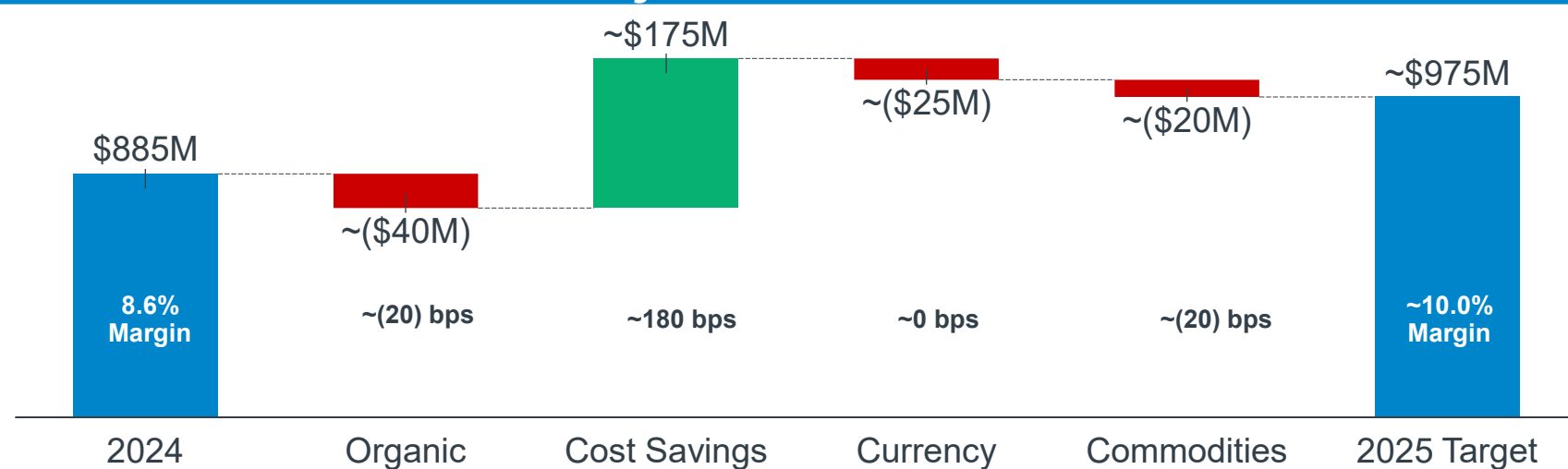


- Lower end-market demand in all end markets
- Decremental margin benefiting from improved efficiencies
- Significant cost savings actions driving margin improvement
- Translation of foreign currency expected to be a headwind to sales and profit
- Lower commodity costs resulting in lower sales recoveries; profit benefit of lower input cost is more than offset by the cost true-ups with customers

Sales



Adjusted EBITDA



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

Profit Driven by Efficiency Improvements and Cost Savings Actions

2025 Full-Year Free Cash Flow



- Higher profit, improved working capital efficiency, and lower capital investment requirements driving improvement over last year
- Increase in net interest payments due to higher rates

Changes from Prior Year

(\$ in millions)

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Adjusted EBITDA	\$ ~975	\$ 885	\$ ~90
One-Time Costs¹	(65)	(46)	(20)
Interest, Net	(160)	(149)	(10)
Taxes	(170)	(172)	-
Working Capital / Other²	(30)	(68)	40
Capital Spending	(325)	(380)	55
Free Cash Flow	\$ ~225	\$ 70	\$ ~155

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.

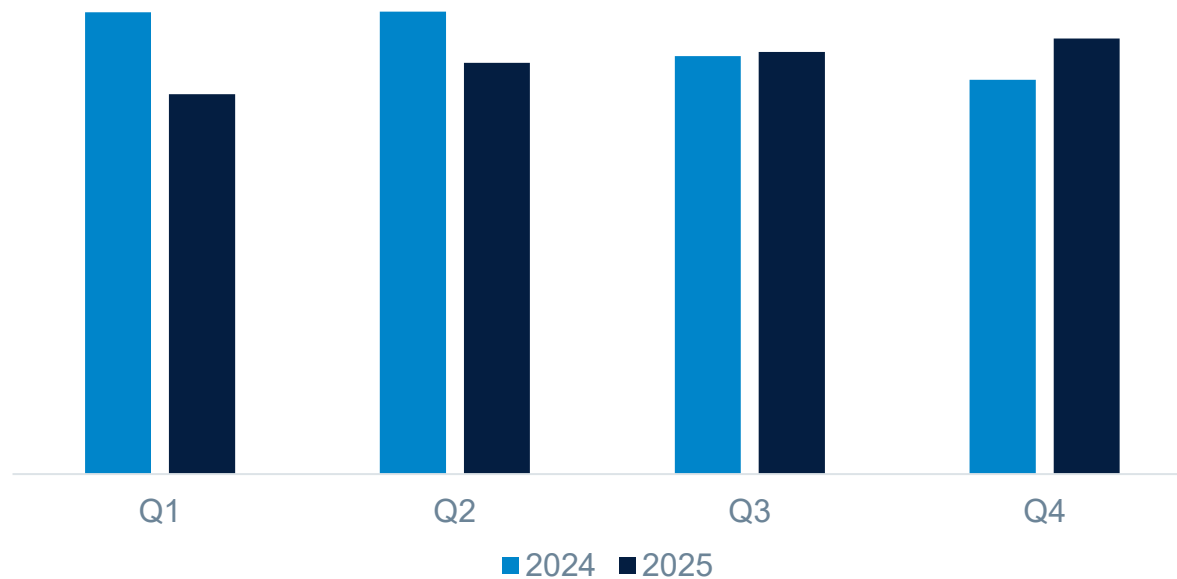
Higher Free Cash Flow Driven by Increased Profit and Lower Capex

2025 Quarterly Phasing



2025 Sales

(\$ in millions)



- **Q1 2024:** Light Vehicle UAW strike recovery
- **Q3-4 2024:** Impact of heavy-vehicle market softness
- **Q4 2024:** Lower OEM production due to higher vehicle inventories
- **Q3 2025:** Off-highway market demand stabilizing

Q1 Impact on Dana

- Sales down ~\$500M
- Cost reductions benefit of \$35-\$40M
- Adjusted EBITDA margin: ~8.0%

Full-Year Guidance

- Sales: ~\$9,775M (\pm \$250M)
- EBITDA: ~\$975M (\pm \$50M)
 - Margin: ~9.7% - 10.2%
- Capital Spending: ~\$325M
- Free cash flow: ~\$225M (\pm \$50M)

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

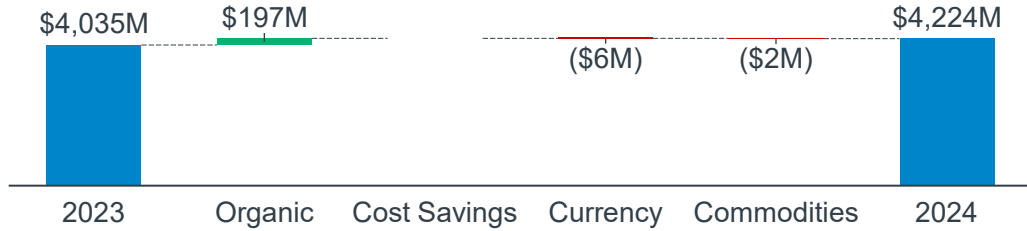
Appendix

2024 FY Sales and Profit Change by Segment

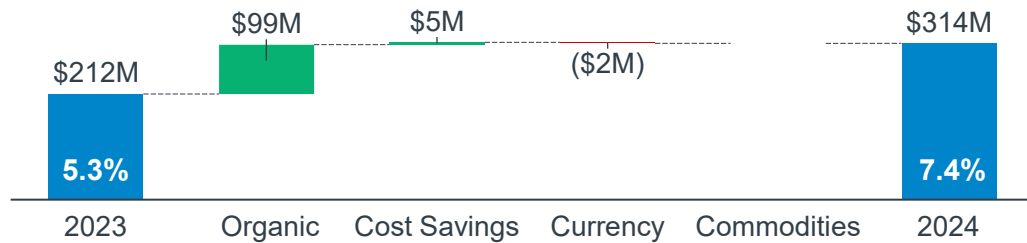


Light Vehicle Systems

Sales

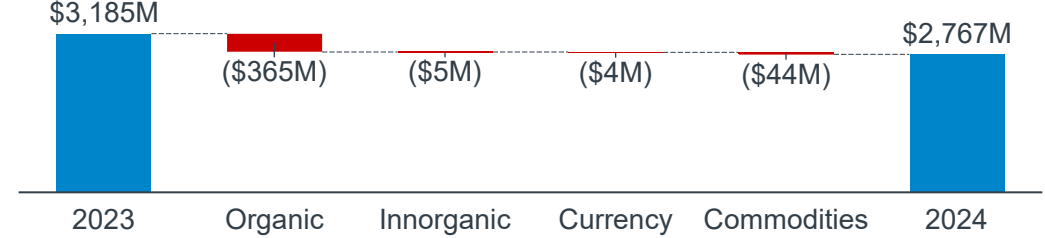


Adjusted EBITDA

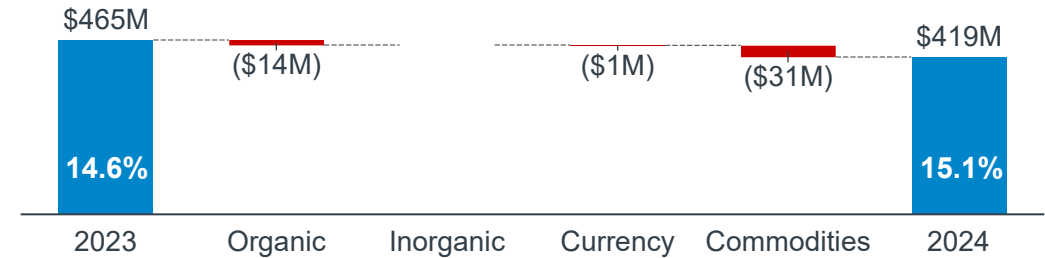


Off-Highway Drive and Motion Systems

Sales

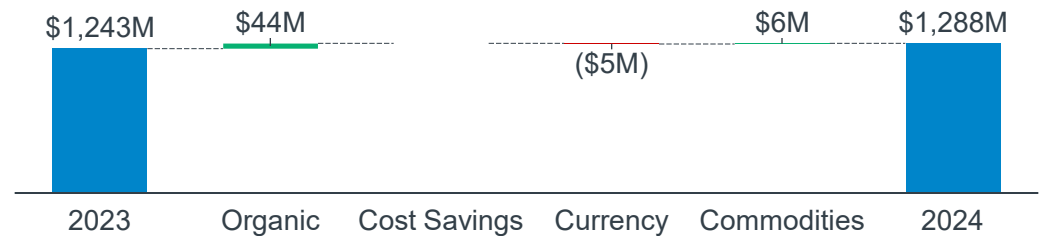


Adjusted EBITDA

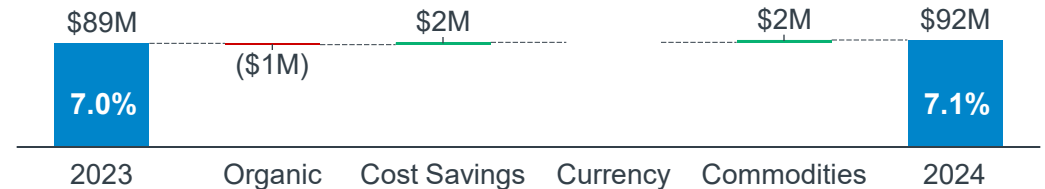


Power Technologies

Sales

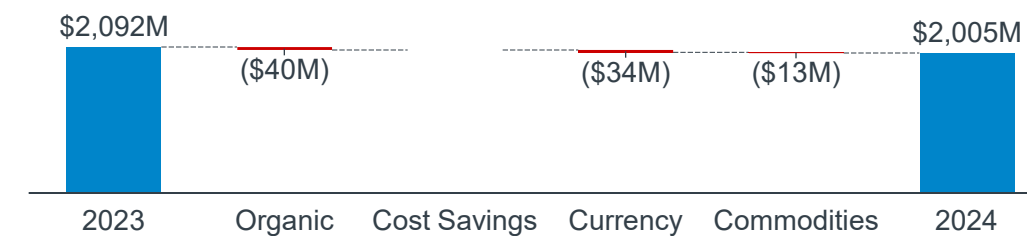


Adjusted EBITDA

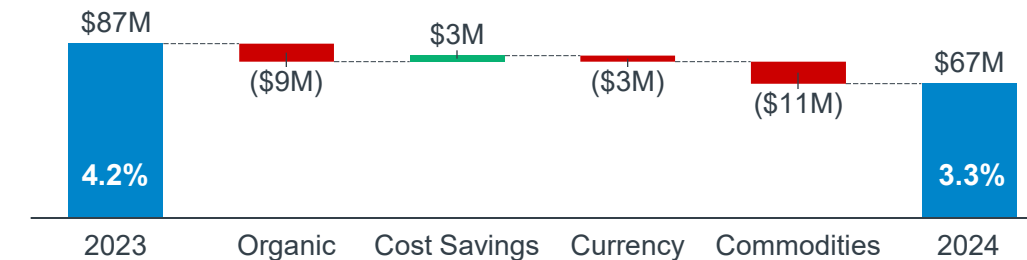


Commercial Vehicle Systems

Sales



Adjusted EBITDA



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

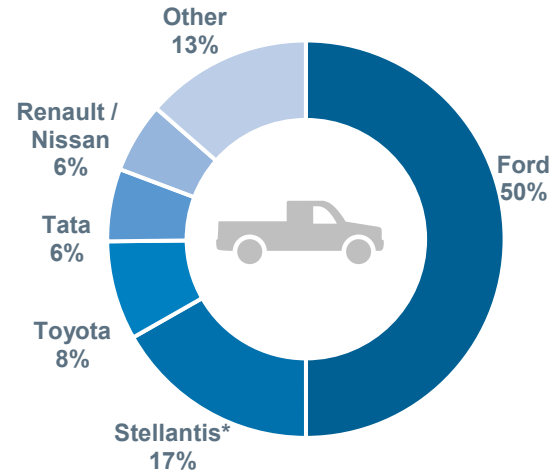
Segment Profiles



CUSTOMER SALES

Light Vehicle Systems

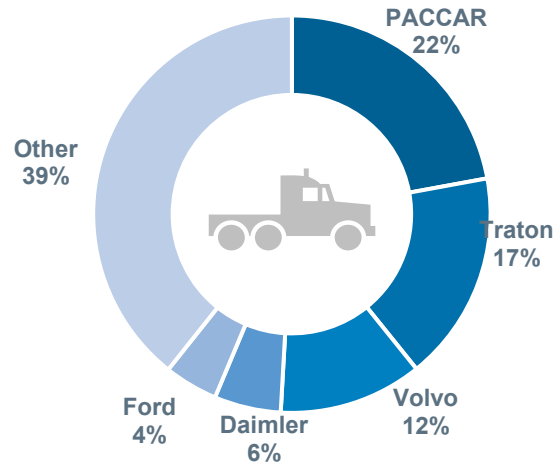
Year to Date 12/31/2024



* Includes sales to systems *integrators* for driveline products in Stellantis vehicles

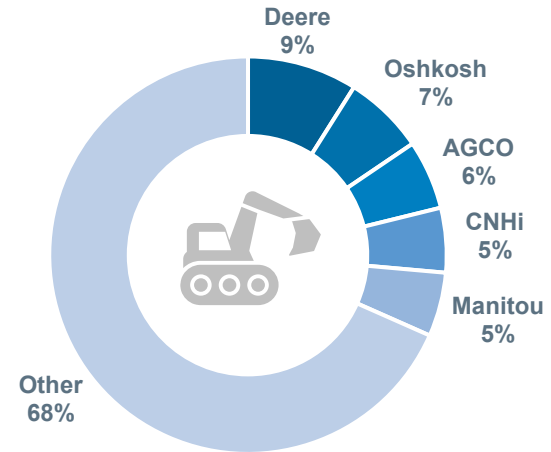
Commercial Vehicle Systems

Year to Date 12/31/2024



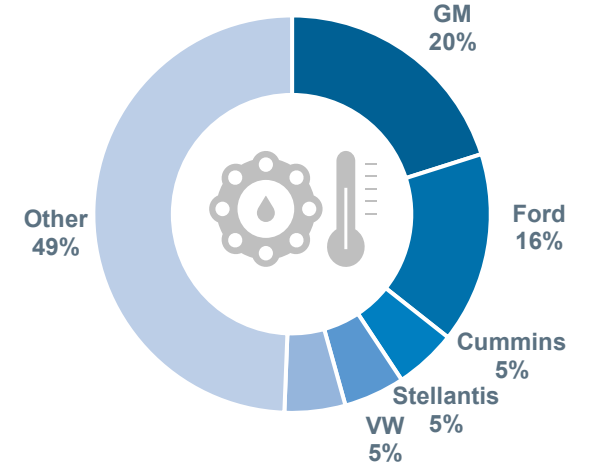
Off Highway Drive and Motion Systems

Year to Date 12/31/2024

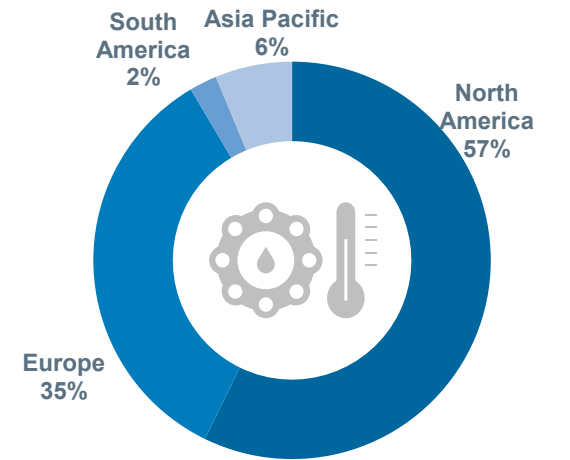
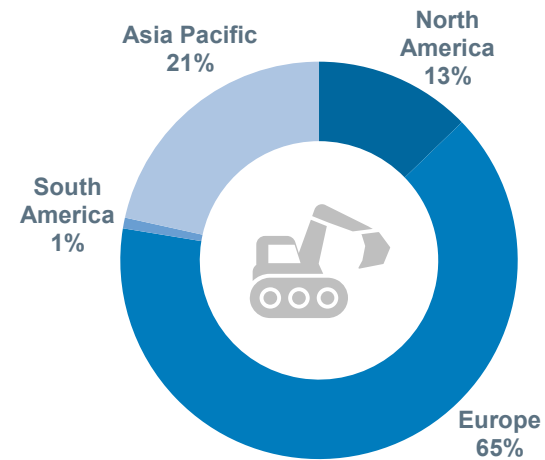
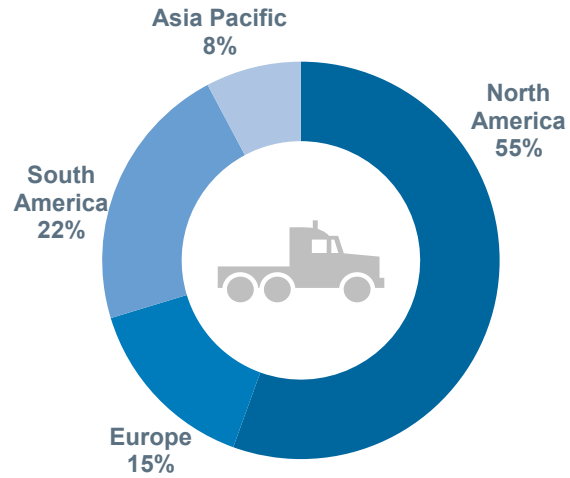
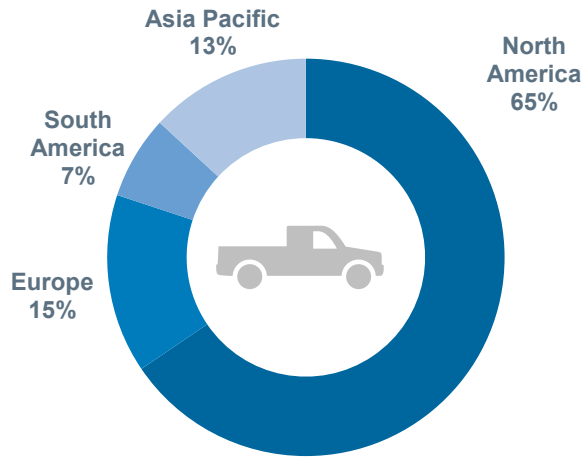


Power Technologies

Year to Date 12/31/2024



REGIONAL SALES



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Diluted Adjusted EPS



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Reconciliation of Net 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 December 31, 2024 and 2023

(In millions, except per share amounts)

	Three Months Ended	
	December 31,	
	2024	2023
Net loss attributable to the parent company	\$ (80)	\$ (39)
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	35	3
Strategic transaction expenses	4	1
Distressed supplier costs		18
Supplier capacity commitment charge	46	
Amount attributable to previously divested/closed operations	9	
Other items	9	(1)
Items impacting income taxes:		
Net income tax (expense) benefit on items above	(3)	6
Income tax expense (benefit) attributable to various discrete tax matters	11	(4)
Adjusted net income (loss) attributable to the parent company	\$ 36	\$ (11)
Diluted shares - as reported	145.3	144.5
Adjusted diluted shares	145.9	144.5
Diluted adjusted EPS	\$ 0.25	\$ (0.08)

DANA INCORPORATED

Reconciliation of Net Income (Loss) Attributable to the Parent Company to Adjusted Net Income Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited) For the Year Ended December 31, 2024 and 2023

(In millions, except per share amounts)

	Year Ended	
	December 31,	
	2024	2023
Net income (loss) attributable to the parent company	\$ (57)	\$ 38
Items impacting income before income taxes:		
Amortization	20	20
Restructuring charges, net	76	24
Strategic transaction expenses	9	5
Distressed supplier costs		44
Supplier capacity commitment charge	46	
Amount attributable to previously divested/closed operations	9	
Loss on disposal group previously held for sale	26	
Other items	9	1
Items impacting income taxes:		
Net income tax expense on items above	(37)	(20)
Income tax expense attributable to various discrete tax matters	35	10
Adjusted net income attributable to the parent company	\$ 136	\$ 122
Diluted shares - as reported	145.2	144.6
Adjusted diluted shares	145.4	144.6
Diluted adjusted EPS	\$ 0.94	\$ 0.84

Segment Data



DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited)

For the Three Months Ended December 31, 2024 and 2023

(In millions)	Three Months Ended	
	December 31,	
	2024	2023
Sales		
Light Vehicle	\$ 961	\$ 923
Commercial Vehicle	460	509
Off-Highway	613	762
Power Technologies	301	300
Total Sales	<u>\$ 2,335</u>	<u>\$ 2,494</u>
Segment EBITDA		
Light Vehicle	\$ 85	\$ 22
Commercial Vehicle	1	13
Off-Highway	85	106
Power Technologies	17	19
Total Segment EBITDA	<u>188</u>	<u>160</u>
Corporate expense and other items, net	(2)	(4)
Adjusted EBITDA	<u>\$ 186</u>	<u>\$ 156</u>

DANA INCORPORATED

Segment Sales and Segment EBITDA

For the Year Ended December 31, 2024 and 2023

(In millions)	Year Ended	
	December 31,	
	2024	2023
Sales		
Light Vehicle	\$ 4,224	\$ 4,035
Commercial Vehicle	2,005	2,092
Off-Highway	2,767	3,185
Power Technologies	1,288	1,243
Total Sales	<u>\$ 10,284</u>	<u>\$ 10,555</u>
Segment EBITDA		
Light Vehicle	\$ 314	\$ 212
Commercial Vehicle	67	87
Off-Highway	419	465
Power Technologies	92	89
Total Segment EBITDA	<u>892</u>	<u>853</u>
Corporate expense and other items, net	(7)	(8)
Adjusted EBITDA	<u>\$ 885</u>	<u>\$ 845</u>

Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Earnings (Loss) Before Income Taxes (Unaudited) For the Three Months Ended December 31, 2024 and 2023

(In millions)	Three Months Ended December 31,	
	2024	2023
Segment EBITDA	\$ 188	\$ 160
Corporate expense and other items, net	(2)	(4)
Adjusted EBITDA	186	156
Depreciation	(97)	(106)
Amortization	(5)	(6)
Non-service cost components of pension and OPEB costs	(4)	(3)
Restructuring charges, net	(35)	(4)
Stock compensation expense	(9)	(7)
Strategic transaction expenses	(4)	(1)
Loss on sale of property, plant and equipment	(1)	
Distressed supplier costs		(18)
Supplier capacity commitment charge	(46)	
Amount attributable to previously divested/closed operations	(9)	
Other items	(12)	
Earnings (loss) before interest and income taxes	(36)	11
Interest income	5	3
Interest expense	43	40
Loss before income taxes	\$ (74)	\$ (26)

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Earnings Before Income Taxes For the Year Ended December 31, 2024 and 2023

(In millions)	Year Ended December 31,	
	2024	2023
Segment EBITDA	\$ 892	\$ 853
Corporate expense and other items, net	(7)	(8)
Adjusted EBITDA	885	845
Depreciation	(401)	(393)
Amortization	(21)	(23)
Non-service cost components of pension and OPEB costs	(18)	(13)
Restructuring charges, net	(76)	(25)
Stock compensation expense	(30)	(26)
Strategic transaction expenses	(9)	(5)
Loss on sale of property, plant and equipment	(6)	(1)
Distressed supplier costs		(44)
Supplier capacity commitment charge	(46)	
Loss on disposal group previously held for sale	(26)	
Amount attributable to previously divested/closed operations	(9)	
Other items	(17)	1
Earnings before interest and income taxes	226	316
Loss on extinguishment of debt		(1)
Interest income	15	17
Interest expense	161	154
Earnings before income taxes	\$ 80	\$ 178

DANA INCORPORATED

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

(In millions)

	Three Months Ended	
	December 31,	
	2024	2023
Net cash provided by operating activities	\$ 302	\$ 278
Purchases of property, plant and equipment	(153)	(142)
Free cash flow	<u>\$ 149</u>	<u>\$ 136</u>

(In millions)

	Year Ended	
	December 31,	
	2024	2023
Net cash provided by operating activities	\$ 450	\$ 476
Purchases of property, plant and equipment	(380)	(501)
Free cash flow	<u>\$ 70</u>	<u>\$ (25)</u>

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 (loss) attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

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

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

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



People Finding A Better Way[®]

