



2018 Fourth-quarter
Earnings Conference Call
February 15, 2019





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

*President and
Chief Executive Officer*

» *Financial Review*

Jonathan Collins

*Executive Vice President
and Chief Financial Officer*





2018 Year-End Review

sales

\$8.1
billion

\$934M
increase
from prior year

\$797M
organic
growth

\$122M
increase
from prior year

adjusted EBITDA

\$957
million

margin

11.8%

20 bps
increase
from prior year

adj. free cash flow

\$243
million

51%
increase
from prior year

diluted adjusted EPS

\$2.97

18%
increase
from prior year

recognition

> 30 customer
and industry
honors

new business backlog

\$700
million

\$200M
new
business

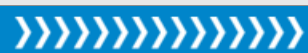
æerlikon
drive systems

Accelerate
Hybridization &
Electrification

tm4

capability expansion

2 acquisitions
of advanced
electrodynamic
technology





2015 to 2018 Performance Improvement

sales

~\$2.0

billion

↑ 34%

adj. EBITDA

~\$300

million

↑ 47%

adj. Free Cash Flow

~\$100

million

↑ 66%

diluted adj.
earnings per share

~\$1.20

↑ 71%

Outstanding performance, outstanding future...





Financial Review



2018 Financial Results



- » Sales growth largely organic as increased market demand and conversion of backlog delivered vast majority of growth
- » While Q4 margins expanded by 60 bps, FY margins pressured by commodity cost increases net of recoveries
- » 2017 income tax expense includes a \$186 million charge related to the enactment of U.S. tax reform
- » Full-year free cash flow growth attributable to adjusted EBITDA growth and lower capital expenditures partially offset by working capital investment required to deliver organic sales growth

Changes from Prior Year

(\$ in millions except EPS)

	<u>Q4 '18</u>	<u>Q4 '17</u>	<u>Change</u>	<u>FY '18</u>	<u>FY '17</u>	<u>Change</u>
Sales	\$ 1,973	\$ 1,837	\$ 136	\$ 8,143	\$ 7,209	\$ 934
Adjusted EBITDA	223	197	26	957	835	122
Margin	11.3%	10.7%	60 bps	11.8%	11.6%	20 bps
EBIT	120	92	28	579	490	89
Interest Expense, Net	22	20	2	85	91	(6)
Income Tax Expense	3	189	(186)	78	283	(205)
Net Income (attributable to Dana)	100	(104)	204	427	111	316
Diluted Adjusted EPS	\$ 0.71	\$ 0.62	\$ 0.09	\$ 2.97	\$ 2.52	\$ 0.45
Operating Cash Flow	331	193	138	568	554	14
Capital Spending	(90)	(142)	52	(325)	(393)	68
Free Cash Flow	241	51	190	243	161	82

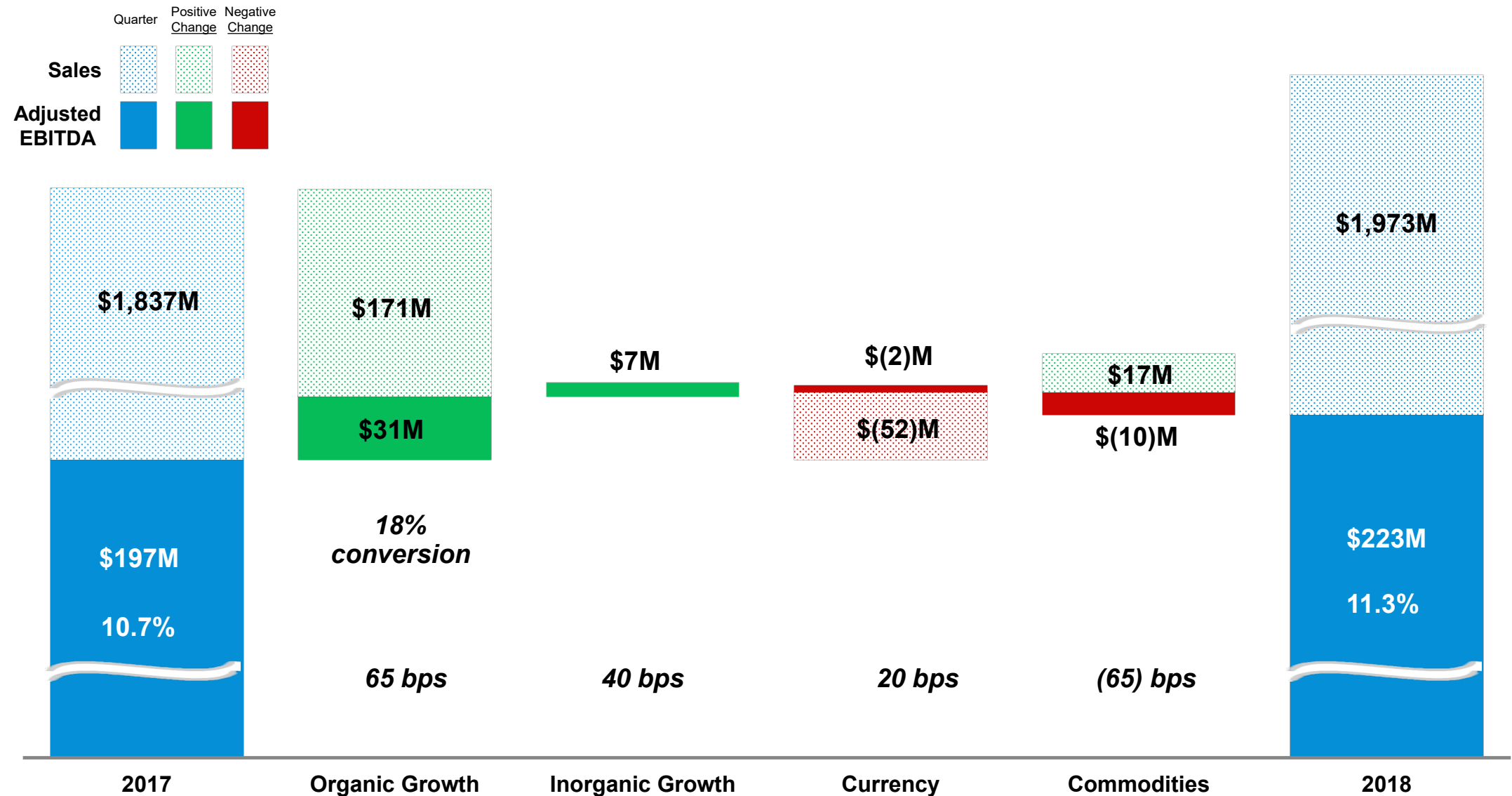
See appendix for comments regarding the presentation of non-GAAP measures





Q4 2018 Sales and Profit Changes

- 7% sales growth primarily from converting backlog into sales and improved end-market demand
- 9th consecutive quarter of year-over-year sales growth
- Margin expanded 60 bps in spite of 65 bp commodity headwind
- Currency translation was a headwind to sales primarily due to the weakening of euro, Brazilian real, and Indian rupee currencies to the U.S. dollar



Sales and profit growth driven largely by higher volumes

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



Q4 2018 Free Cash Flow



- Higher cash taxes largely driven by increased PBT, as well as timing of payments
- Working capital is typically a source of cash in Q4; however, significantly higher than prior year, due to production schedule increases earlier in the year
- Capital spending was elevated in 2017 as a result of Jeep Wrangler launch

Changes from Prior Year

(\$ in millions)

	<u>Q4 '18</u>	<u>Q4 '17</u>	<u>Change</u>
Adjusted EBITDA	\$ 223	\$ 197	\$ 26
One-Time Costs¹	(15)	(10)	(5)
Interest, net	(32)	(32)	—
Taxes	(47)	(30)	(17)
Working Capital / Other²	202	68	134
Operating Cash Flow	331	193	138
Capital Spending	(90)	(142)	52
Free Cash Flow	\$ 241	\$ 51	\$ 190

Seasonality of working capital driving free cash flow growth

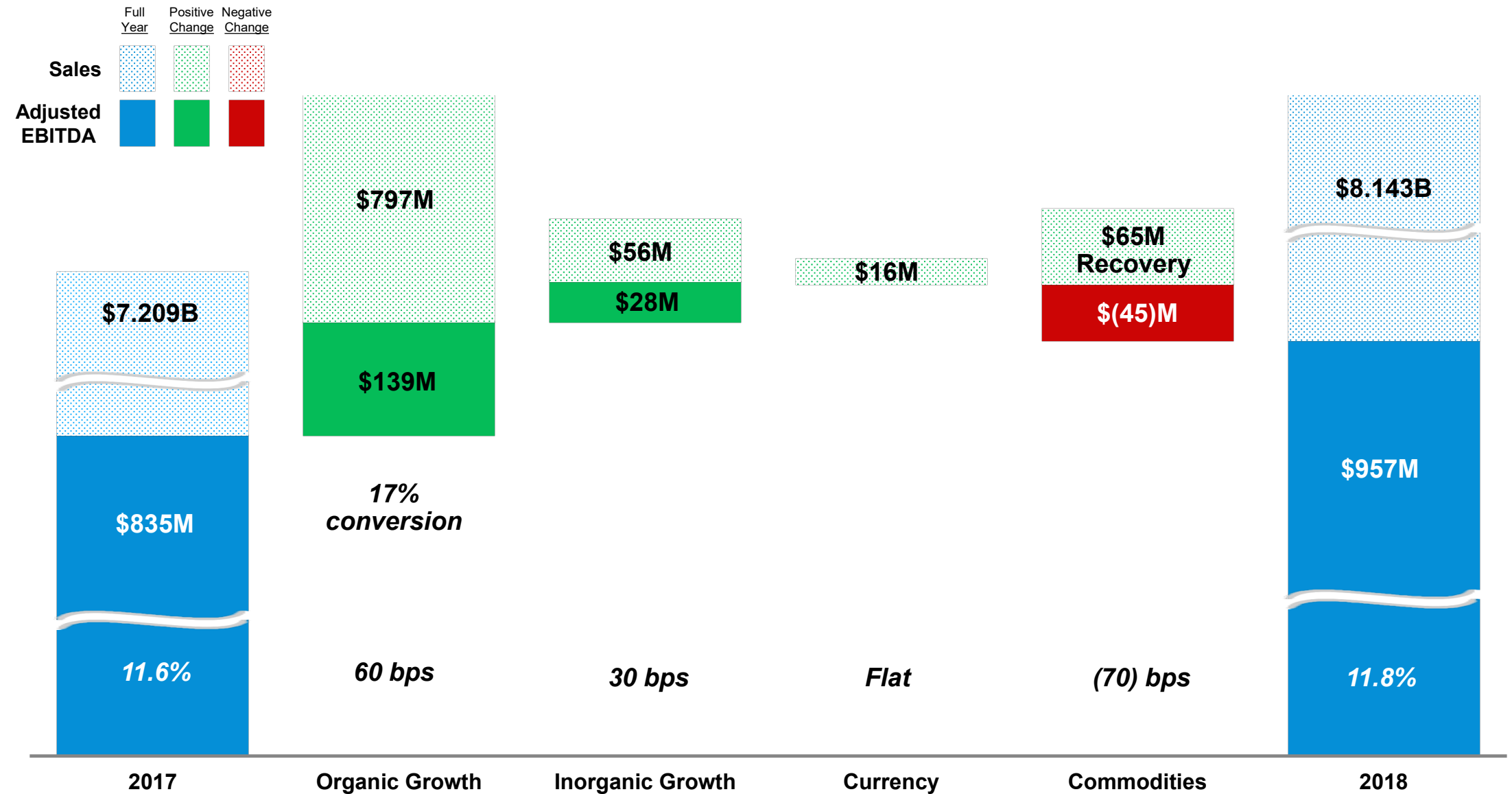
¹ Includes costs associated with business acquisitions, divestitures, and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transactions costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures





FY 2018 Sales and Profit Changes

- \$0.8B of organic growth delivered 60 bps of margin expansion and was a combination of higher volumes and backlog with a conversion <20% as a result of the significant amount of premium costs incurred to meet the elevated demand
- A full year of sales for Brevini and USM, as well as achievement of Brevini cost synergies delivered further margin expansion
- Commodity cost increases compressed margins by 70 bps in spite of a recovery of approximately 2/3 of the cost
- In addition to \$110M of commodity cost increases, Section 232 and 301 tariffs increased costs by \$10M with minimal commercial recovery



Delivered >\$900M of sales growth and added >\$120M of profit

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





FY 2018 Free Cash Flow

Changes from Prior Year

(\$ in millions)

	<u>FY '18</u>	<u>FY '17</u>	<u>Change</u>
Adjusted EBITDA	\$ 957	\$ 835	\$ 122
One-Time Costs¹	(38)	(57)	19
Interest, net	(81)	(94)	13
Taxes	(145)	(89)	(56)
Working Capital / Other²	(125)	(41)	(84)
Operating Cash Flow	568	554	14
Capital Spending	(325)	(393)	68
Free Cash Flow	\$ 243	\$ 161	\$ 82
	% of Sales	3.0%	2.2%
			+80 bps

Free cash flow growth driven primarily by earnings expansion

¹ Includes costs associated with business acquisitions, divestitures, and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transactions costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures

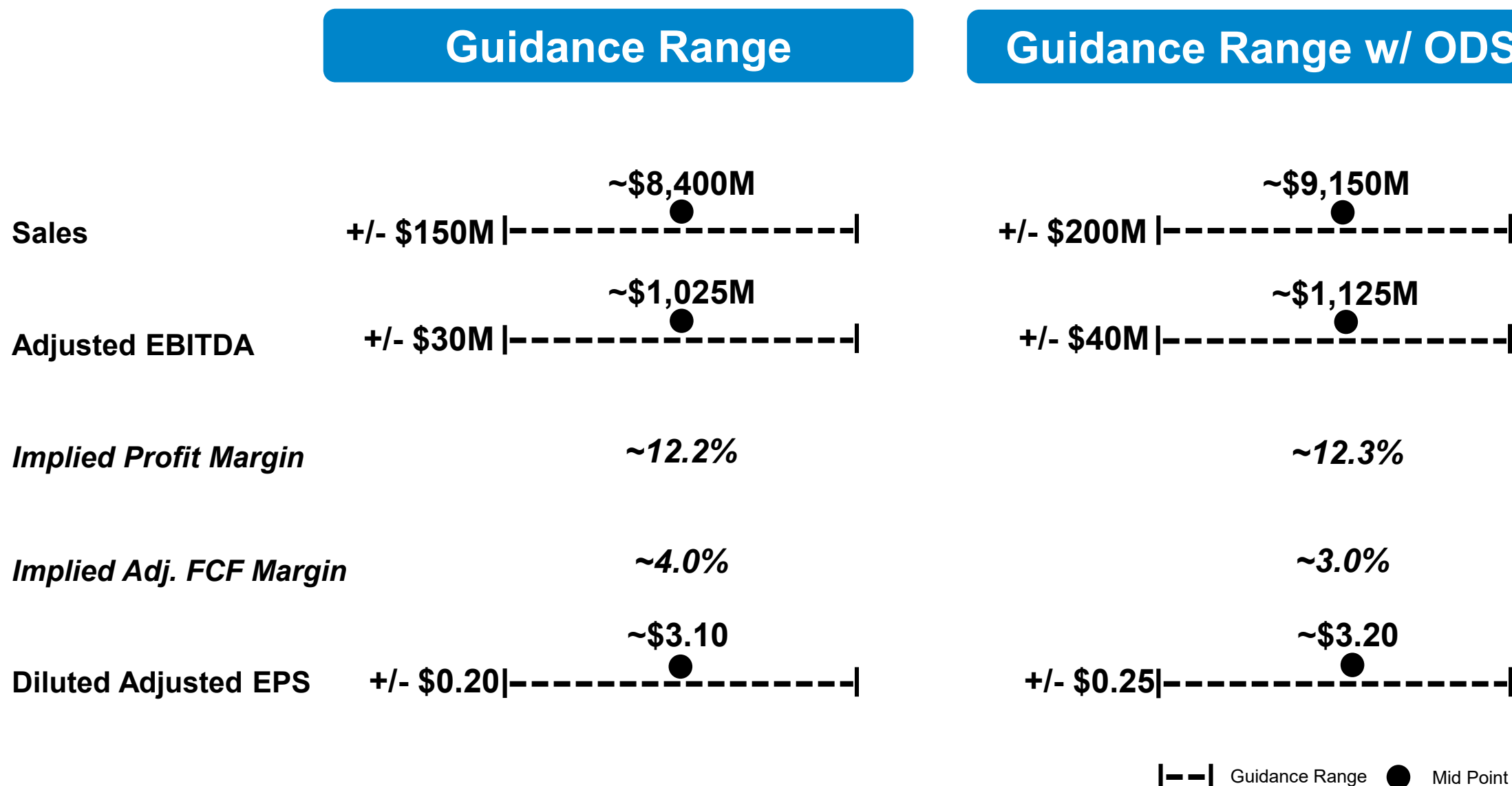
- » Lower one-time costs as 2017 acquisition integration actions are completed; GKN transaction costs were more than fully recovered
- » Cash tax increase includes the \$11M one-time impact of legal entity restructuring in Asia
- » Working capital was a significant use of cash to support organic sales growth
- » Capital spending levels subsided after the Jeep Wrangler launch





2019 Guidance Ranges

- » Guidance reflects existing Dana business and represents ~\$250M or 3% organic growth, ~\$65M of profit growth, 40 bps of profit margin expansion, 100 bps of adj. free cash flow margin expansion, and ~\$0.13 or 4% EPS growth
- » Guidance range with Oerlikon Drive Systems (ODS) reflects 10 months of activity and assumes a March 1st close
- » Guidance with ODS represents ~\$1B or 12% sales growth, ~\$165M of profit growth, 50 bps of profit margin expansion, and ~\$0.23 or 8% EPS growth
- » ODS is expected to be a use of cash in 2019 as transaction costs and integration expenses are included in adj. FCF



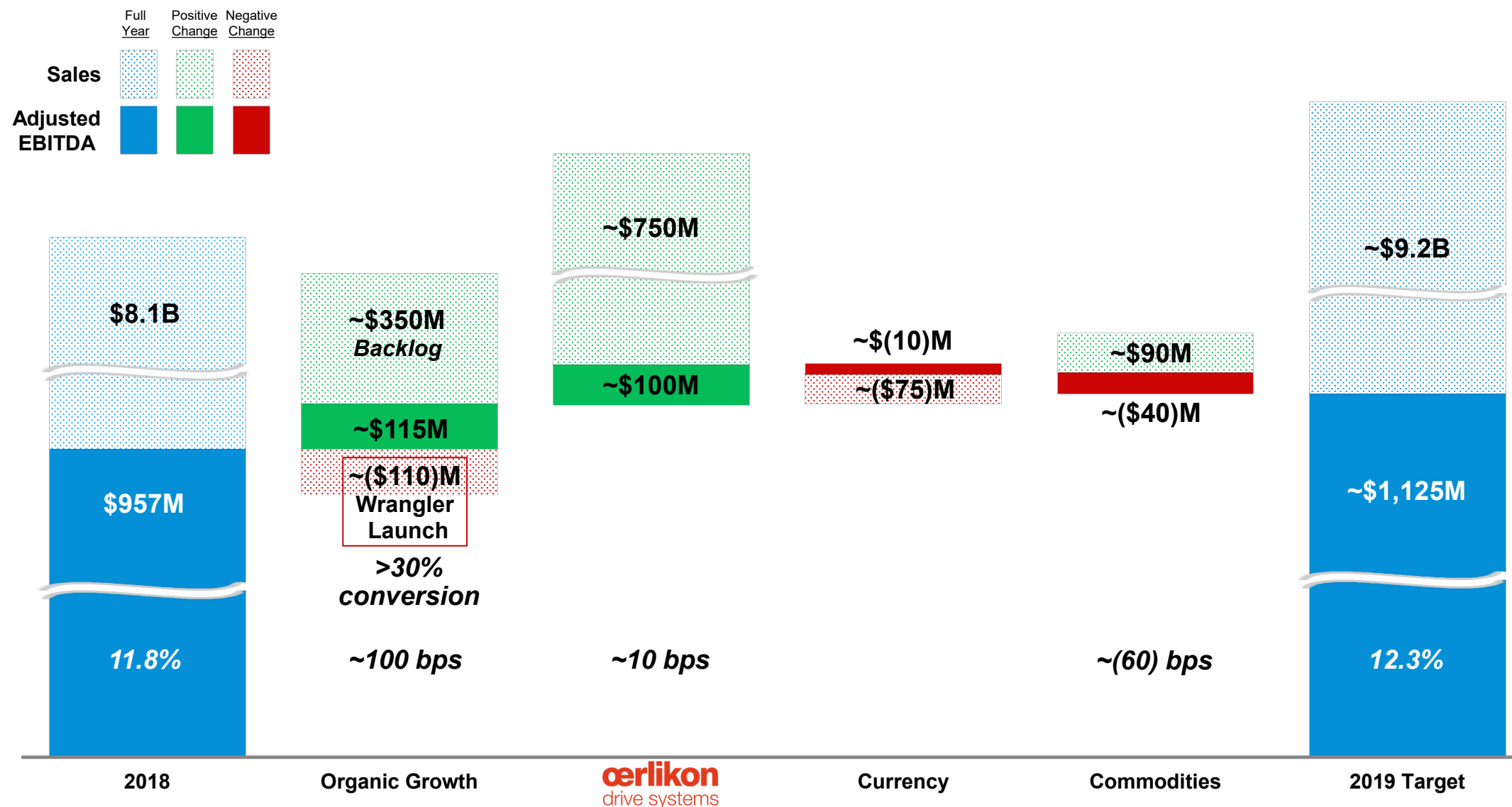
Expecting 3rd year of double digit sales, profit, and FCF growth

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



2019 Sales and Profit Changes

- Higher conversion on organic growth due to efficiency improvements, as well as the benefit of structural costs actions taken in H2 of 2018
- Overlap of Jeep Wrangler program during H1 2018 resulting in ~\$110M of non-recurring sales; contribution margin loss offset by the elimination of launch costs incurred in 2018
- ODS is expected to accrete ~\$100M of profit (10 mo.) including ~\$10M of cost synergies
- Foreign currency expected to provide modest headwind, primarily due to EUR/USD
- Commodities costs expected to remain higher than prior year average, albeit with higher recovery ratio than prior year as costs plateau



Poised to deliver \$1B of sales growth and add \$165M of profit

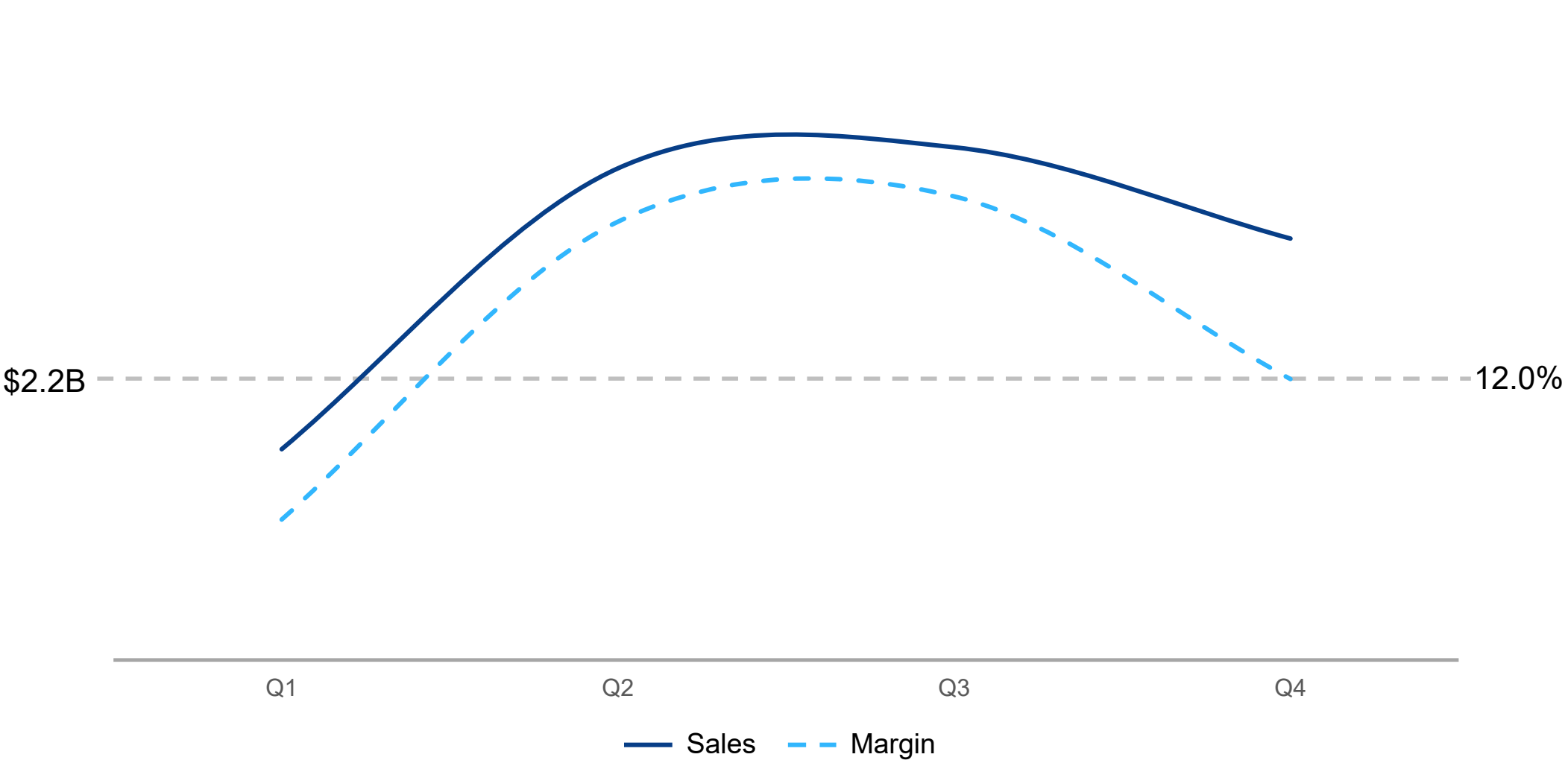
See appendix for comments regarding the presentation of non-GAAP measures



2019 Quarterly Progression



Sales and Profitability Phasing



Normal seasonality of sales and profits effected by ODS closing

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





2019 Adjusted Free Cash Flow

Changes from Prior Year Including ODS Acquisition

(\$ in millions)

	<u>2018A</u>	<u>2019T</u>	<u>'19T B/(W) than '18A</u>	<u>2019T w/ ODS</u>	<u>'19 ODS Impact</u>
Adjusted EBITDA	\$ 957	\$ ~1,025	~65	\$ ~1,125	~100
One Time Costs¹	(38)	~(50)	~(10)	~(95)	~(45)
Interest, net	(81)	~(80)	—	~(105)	~(25)
Taxes	(145)	~(170)	~(25)	~(185)	~(15)
Working Capital / Other²	(125)	~(40)	~85	~(50)	~(10)
Capital Spending	(325)	~(350)	~(25)	~(415)	~(65)
Adj. Free Cash Flow	\$ 243	\$ ~335	~90	\$ ~275	~(60)
% of Sales	3%	~4%	+100 bps	~3%	(100) bps

Adj. FCF margins flat as a result of ODS acquisition

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.

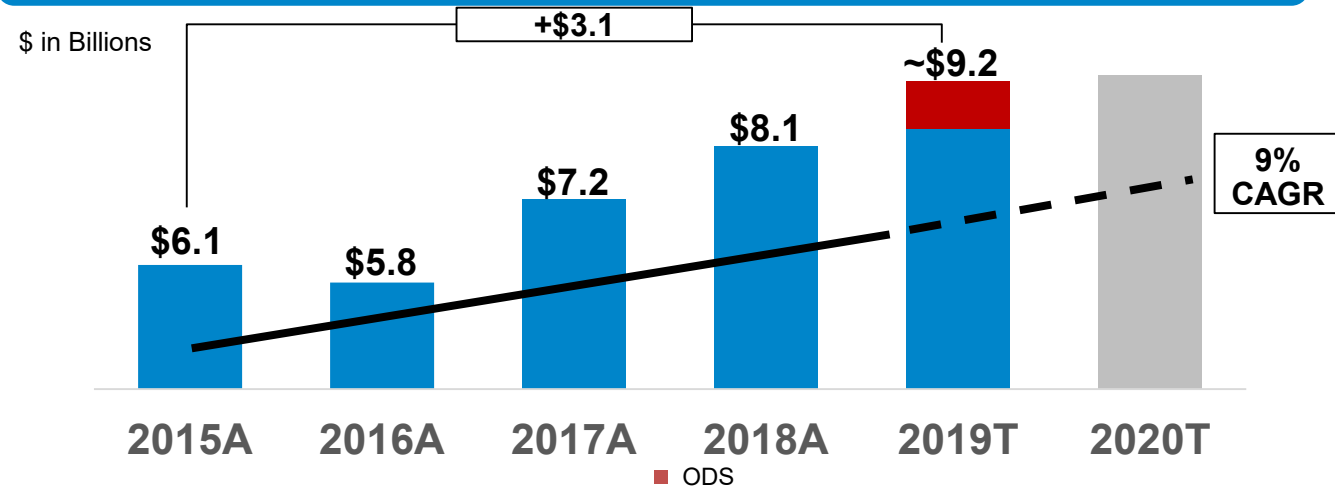


- Expecting 100 bps of adj. FCF margin expansion from profit growth and reduction in working capital investment versus prior year
- ODS acquisition will compress adj. FCF margin by 100 bps primarily due to transaction expenses, integration costs, and ram-up of cost synergies
- New adj. free cash flow measure excludes discretionary pension contribution in 2019

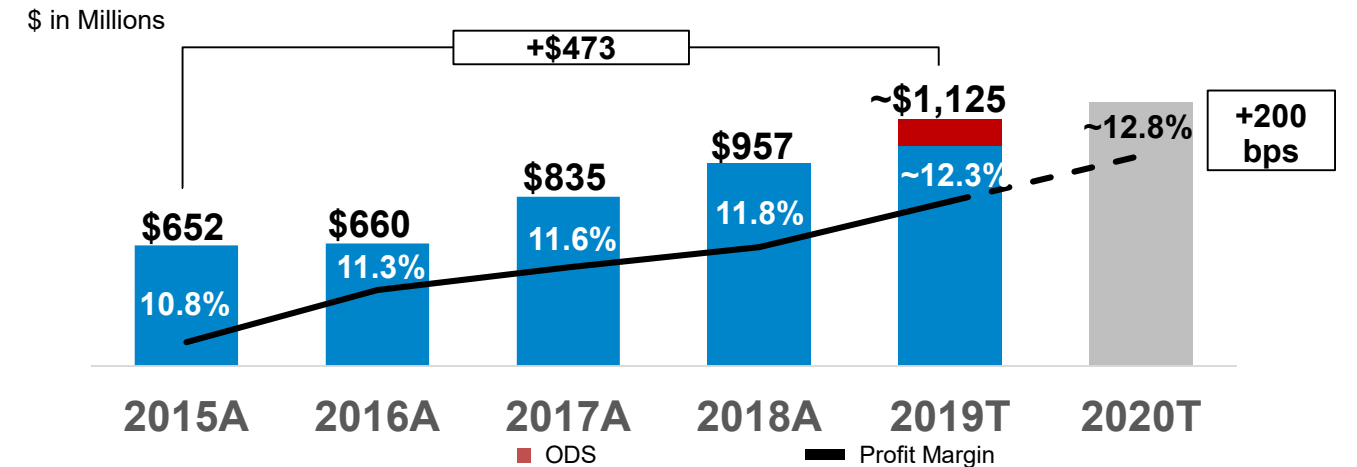


Key Financial Metrics Trends

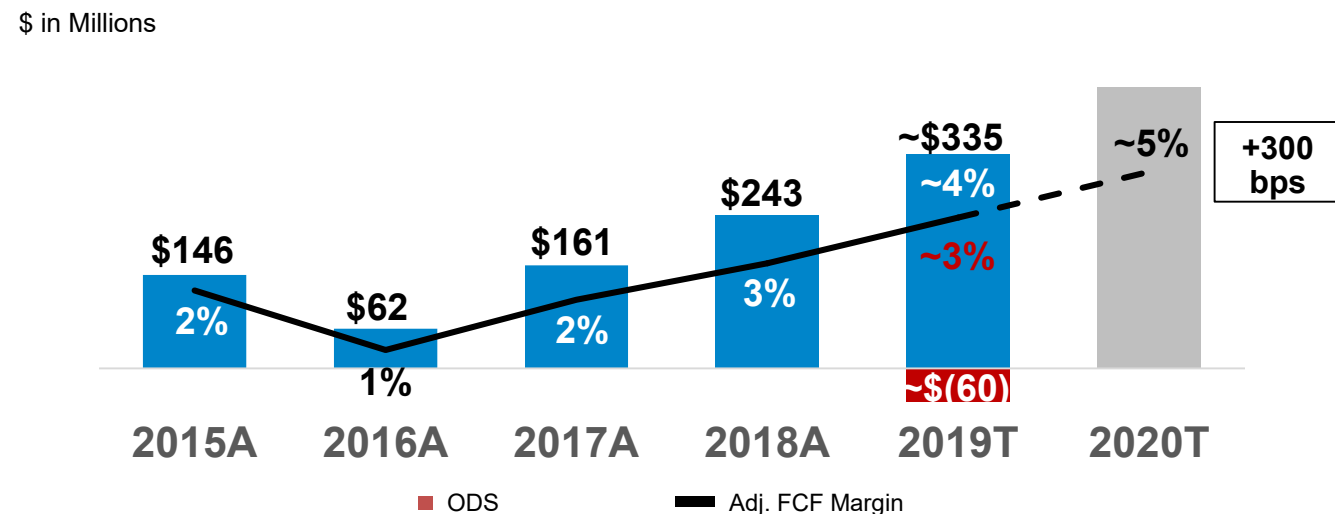
Sales



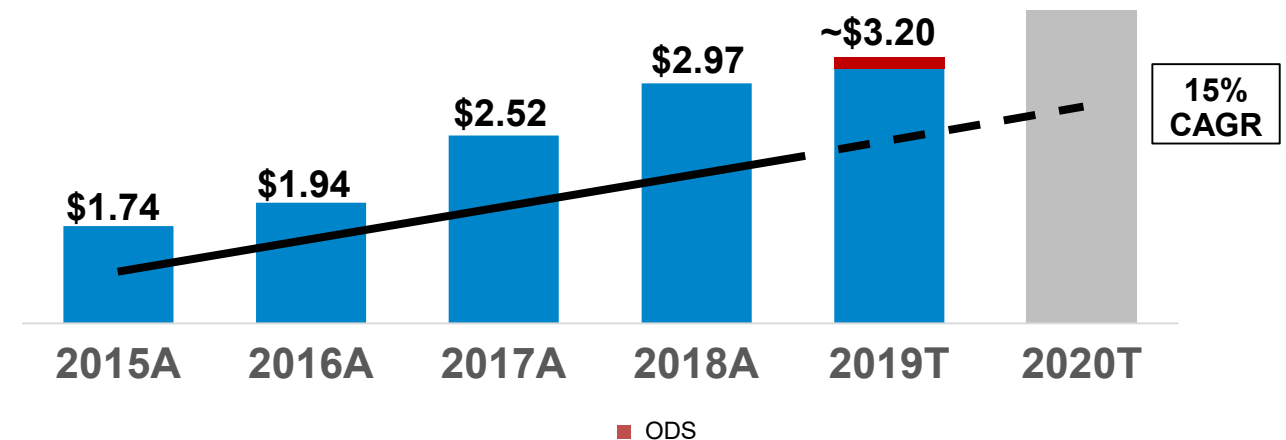
Adjusted EBITDA



Adjusted Free Cash Flow



Diluted Adjusted EPS



2019 adjusted FCF excludes pension termination impact

A=Actual; T=Target



2019 Investor Day

Dana will host an investor day on:
March 11, 2019 | New York

Pre-registration is required.
Invitations will be sent shortly.

For questions or to request an invitation please contact:
investorrelations@dana.com

POWERING INTO
 **e-DRIVE** 

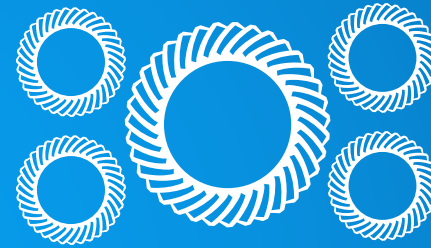




**Continued Strong
Financial Results**



**Growing New
Business Backlog**



**Advancing Enterprise
Strategy**



**Increasing
Shareholder Value**

People Finding A Better Way[®]



Appendix





2019 Forecast Assumptions

Key Production Assumptions

Units (000)	2018 Actuals	2019 Outlook
North America		
Light Trucks (Full Frame)	4,493	4,275 – 4,575
Light Vehicle Engines	15,332	14,700 – 15,000
Medium Truck (Class 5-7)	270	255 – 265
Heavy Truck (Class 8)	320	325 – 345
Agricultural Equipment	56	50 – 60
Construction/Mining Equipment	176	175 – 185
Europe (Incl. Eastern Europe)		
Light Trucks	10,727	11,200 – 11,500
Light Vehicle Engines	23,098	23,700 – 24,200
Medium/Heavy Truck	506	505 – 520
Agricultural Equipment	204	200 – 215
Construction/Mining Equipment	351	350 – 370
South America		
Light Trucks	1,320	1,300 – 1,500
Light Vehicle Engines	2,797	3,000 – 3,100
Medium/Heavy Truck	113	105 – 115
Agricultural Equipment	34	30 – 35
Construction/Mining Equipment	9	8 – 12
Asia Pacific		
Light Trucks	29,783	30,800 – 32,000
Light Vehicle Engines	52,293	54,700 – 55,700
Medium/Heavy Truck	2,004	1,700 – 1,900
Agricultural Equipment	653	650 – 680
Construction/Mining Equipment	495	490 – 510

Key Financial Assumptions

Currency

Euro / USD	1.10 - 1.20
USD / CAD	0.75 - 0.80
USD / BRL	3.50 - 4.00
USD / ARS	35.00 - 45.00
USD / MXN	18.50 - 20.00
GBP / USD	1.25 - 1.45

Taxes

Effective Tax Rate (Dil. Adj. EPS)	~28%
Cash Tax Rate	~30%

SOURCE: IHS Global Insight, ACT, PSR, Dana Estimates

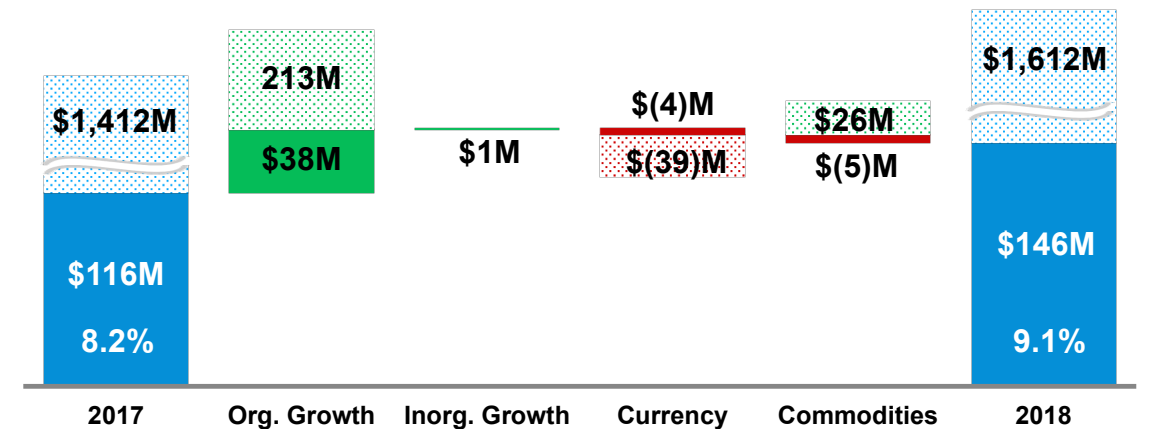
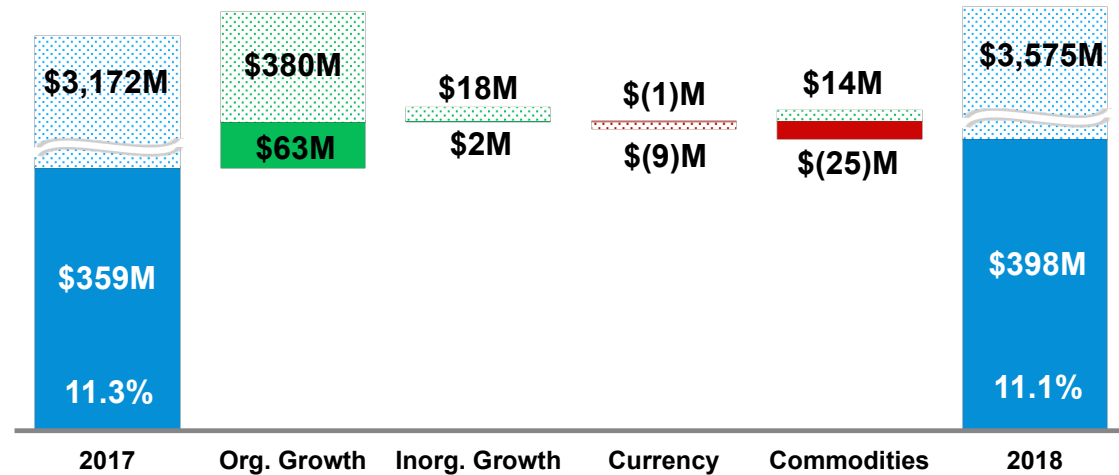




2018 Sales and Profit Change by Segment

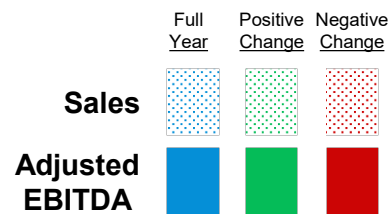
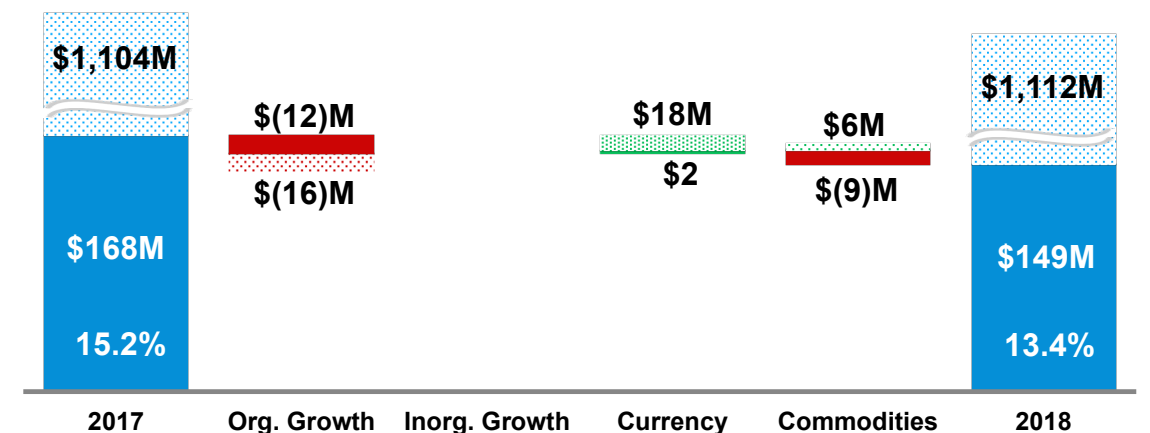
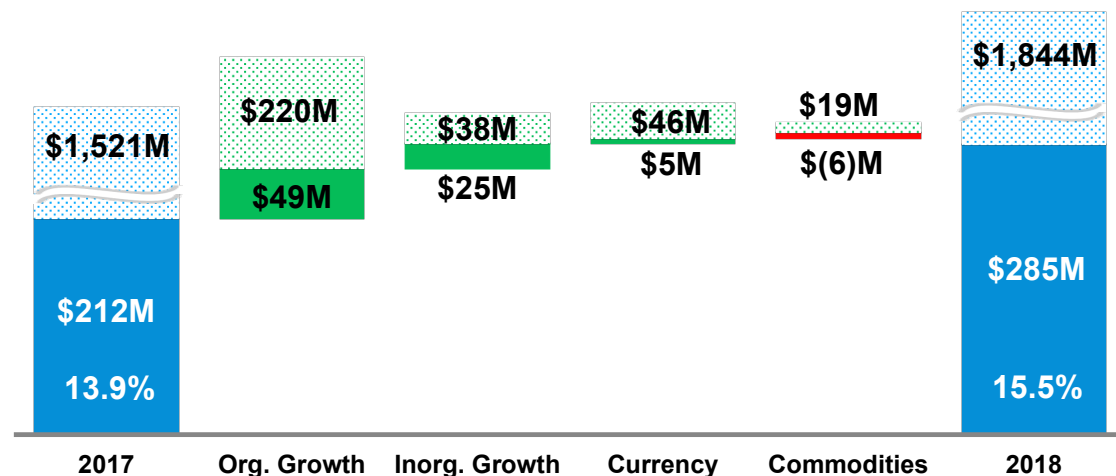
Light Vehicle Driveline

Commercial Vehicle Driveline



Off-Highway Drive and Motion

Power Technologies



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

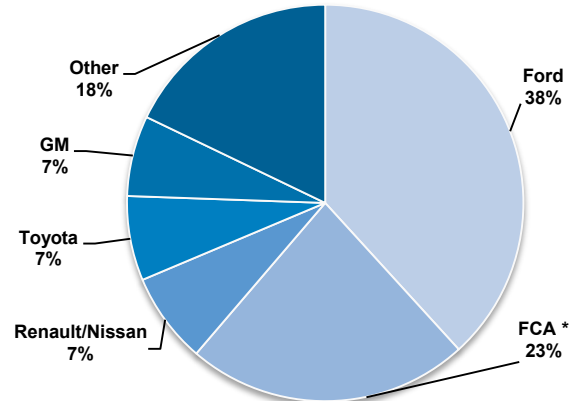


Segment Profiles



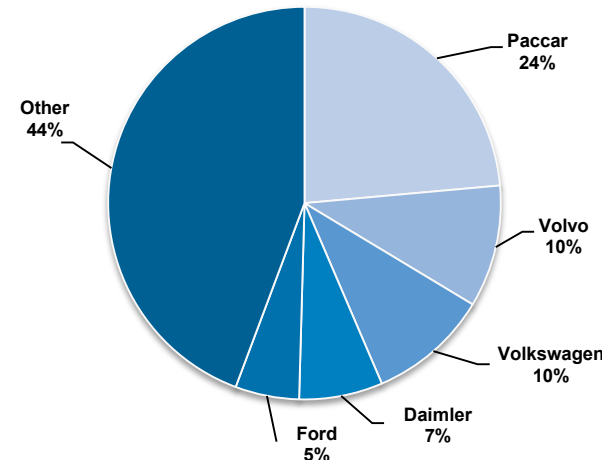
Customer Sales

Light Vehicle Driveline
Year to Date 12/31/2018

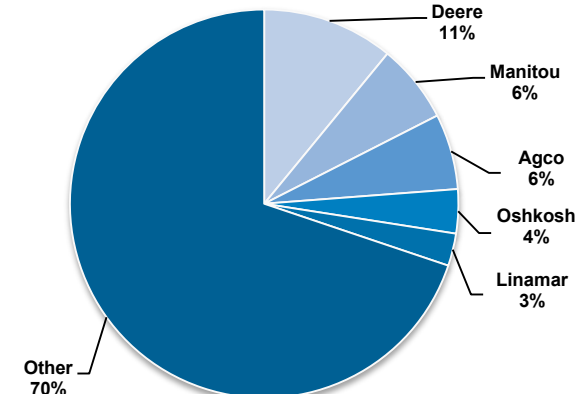


* Includes sales to system integrators for driveline products that support FCA vehicles

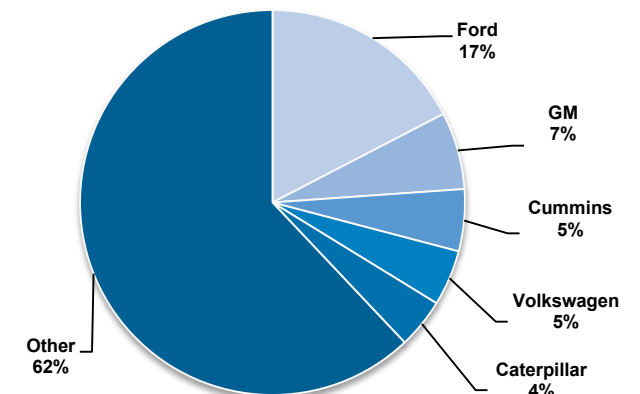
Commercial Vehicle Driveline
Year to Date 12/31/2018



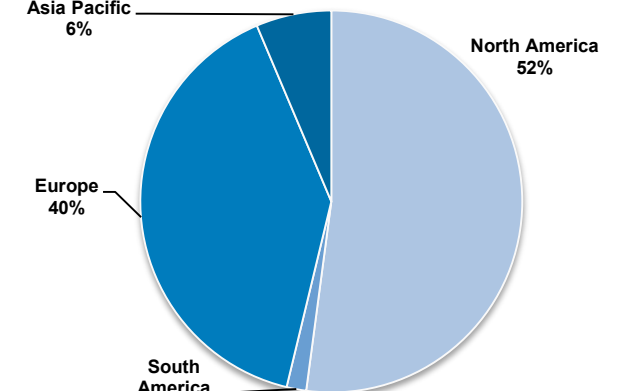
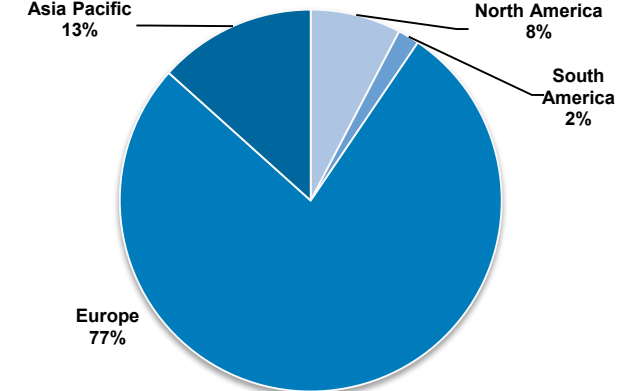
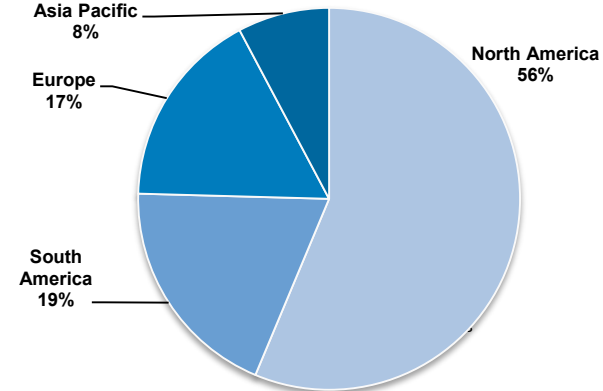
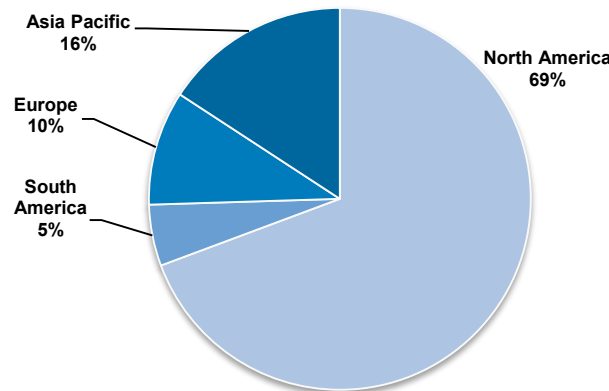
Off-Highway Driveline
Year to Date 12/31/2018



Power Technologies
Year to Date 12/31/2018



Regional Sales



Performance

\$ Millions

	Q4		Year to Date	
	2018	2017	2018	2017
Sales	\$873	\$803	\$3,575	\$3,172
Segment EBITDA	\$101	\$86	\$398	\$359
EBITDA Margin	11.6%	10.7%	11.1%	11.3%

	Q4		Year to Date	
	2018	2017	2018	2017
Sales	\$395	\$355	\$1,612	\$1,412
Segment EBITDA	\$32	\$25	\$146	\$116
EBITDA Margin	8.1%	7.0%	9.1%	8.2%

	Q4		Year to Date	
	2018	2017	2018	2017
Sales	\$442	\$414	\$1,844	\$1,521
Segment EBITDA	\$65	\$55	\$285	\$212
EBITDA Margin	14.7%	13.3%	15.5%	13.9%

	Q4		Year to Date	
	2018	2017	2018	2017
Sales	\$263	\$265	\$1,112	\$1,104
Segment EBITDA	\$32	\$36	\$149	\$168
EBITDA Margin	12.2%	13.6%	13.4%	15.2%



Diluted Adjusted EPS



DANA INCORPORATED
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended December 31, 2018 and 2017

(In millions, except per share amounts)

	Three Months Ended	
	December 31,	
	2018	2017
Net income attributable to parent company	\$ 100	\$ (104)
Items impacting income before income taxes:		
Restructuring charges	8	
Amortization of intangibles	2	3
Strategic transaction expenses	5	5
Loss on disposal group held for sale		27
Income on sale of subsidiary		(3)
Other items	3	5
Items impacting income taxes:		
Net income tax expense on items above	(3)	(1)
U.S. tax reform legislation		186
Tax benefit attributable to utilization of federal tax credits, state tax law changes and valuation allowance adjustments	(5)	(27)
Tax benefit attributable to international legal entity reorganization, retroactive application of new tax authority administrative policy and permanent reinvestment assertions	(7)	8
Items impacting noncontrolling interests		(7)
Adjusted net income	<u>\$ 103</u>	<u>\$ 92</u>
Diluted shares - as reported	145.8	145.4
Adjustment - common stock equivalents	-	2.2
Adjusted diluted shares	<u>145.8</u>	<u>147.6</u>
Diluted adjusted EPS	\$ 0.71	\$ 0.62

DANA INCORPORATED
Diluted Adjusted EPS (Unaudited)
For the Year Ended December 31, 2018 and 2017

(In millions, except per share amounts)

	Year Ended	
	December 31,	
	2018	2017
Net income attributable to parent company	\$ 427	\$ 111
Items impacting income before income taxes:		
Restructuring charges	25	14
Amortization of intangibles	10	13
Strategic transaction expenses	18	25
Impairment of indefinite-lived intangible asset	20	
Loss on extinguishment of debt		19
Loss on disposal group held for sale		27
Income on sale of subsidiary		(3)
Acquisition related inventory adjustments		14
Other items	6	8
Items impacting income taxes:		
Net income tax expense on items above	(18)	(18)
U.S. tax reform legislation		186
Tax benefit attributable to utilization of federal tax credits, state tax law changes and valuation allowance adjustments	(51)	(27)
Tax benefit attributable to international legal entity reorganization, retroactive application of new tax authority administrative policy and permanent reinvestment assertions	(2)	8
Items impacting noncontrolling interests		(7)
Adjusted net income	<u>\$ 435</u>	<u>\$ 370</u>
Diluted shares - as reported	146.5	146.9
Adjusted diluted shares	<u>146.5</u>	<u>146.9</u>
Diluted adjusted EPS	\$ 2.97	\$ 2.52



Segment Data



DANA INCORPORATED
Segment Sales and Segment EBITDA (Unaudited)
For the Three Months Ended December 31, 2018 and 2017

(In millions)	Three Months Ended	
	December 31,	
	2018	2017
Sales		
Light Vehicle	\$ 873	\$ 803
Commercial Vehicle	395	355
Off-Highway	442	414
Power Technologies	263	265
Total Sales	<u>\$ 1,973</u>	<u>\$ 1,837</u>
Segment EBITDA		
Light Vehicle	\$ 101	\$ 86
Commercial Vehicle	32	25
Off-Highway	65	55
Power Technologies	32	36
Total Segment EBITDA	<u>230</u>	<u>202</u>
Corporate expense and other items, net	(7)	(5)
Adjusted EBITDA	<u>\$ 223</u>	<u>\$ 197</u>

DANA INCORPORATED
Segment Sales and Segment EBITDA
For the Year Ended December 31, 2018 and 2017

(In millions)	Year Ended	
	December 31,	
	2018	2017
Sales		
Light Vehicle	\$ 3,575	\$ 3,172
Commercial Vehicle	1,612	1,412
Off-Highway	1,844	1,521
Power Technologies	1,112	1,104
Total Sales	<u>\$ 8,143</u>	<u>\$ 7,209</u>
Segment EBITDA		
Light Vehicle	\$ 398	\$ 359
Commercial Vehicle	146	116
Off-Highway	285	212
Power Technologies	149	168
Total Segment EBITDA	<u>978</u>	<u>855</u>
Corporate expense and other items, net	(21)	(20)
Adjusted EBITDA	<u>\$ 957</u>	<u>\$ 835</u>



Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended December 31, 2018 and 2017

(In millions)	Three Months Ended	
	December 31,	
	2018	2017
Segment EBITDA	\$ 230	\$ 202
Corporate expense and other items, net	(7)	(5)
Adjusted EBITDA	223	197
Depreciation	(73)	(58)
Amortization of intangibles	(2)	(3)
Non-service cost components of pension and OPEB costs	(5)	
Restructuring charges, net	(8)	
Stock compensation expense	(3)	(6)
Strategic transaction expenses	(5)	(5)
Other items	(7)	(6)
Loss on disposal group held for sale		(27)
Earnings before interest and income taxes	120	92
Interest expense	25	23
Interest income	3	3
Earnings before income taxes	98	72
Income tax expense	3	189
Equity in earnings of affiliates	11	7
Net income (loss)	\$ 106	\$ (110)

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income For the Year Ended December 31, 2018 and 2017

(In millions)	Year Ended	
	December 31,	
	2018	2017
Segment EBITDA	\$ 978	\$ 855
Corporate expense and other items, net	(21)	(20)
Adjusted EBITDA	957	835
Depreciation	(260)	(220)
Amortization of intangibles	(10)	(13)
Non-service cost components of pension and OPEB costs	(15)	
Restructuring charges, net	(25)	(14)
Stock compensation expense	(16)	(23)
Strategic transaction expenses, net of transaction breakup fee income	(18)	(25)
Acquisition related inventory adjustments		(14)
Other items	(17)	(11)
Gain (loss) on disposal group held for sale	3	(27)
Impairment of indefinite-lived intangible asset	(20)	
Amounts attributable to previously divested/closed operations		2
Earnings before interest and income taxes	579	490
Loss on extinguishment of debt		(19)
Interest expense	96	102
Interest income	11	11
Earnings before income taxes	494	380
Income tax expense	78	283
Equity in earnings of affiliates	24	19
Net income	\$ 440	\$ 116



Cash Flow



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	
	December 31,	
	2018	2017
Net cash provided by operating activities	\$ 331	\$ 193
Purchase of property, plant and equipment	(90)	(142)
Free cash flow	241	51
Discretionary pension contributions	-	-
Adjusted free cash flow	<u>\$ 241</u>	<u>\$ 51</u>
	Year Ended	
	December 31,	
	2018	2017
Net cash provided by operating activities	\$ 568	\$ 554
Purchase of property, plant and equipment	(325)	(393)
Free cash flow	243	161
Discretionary pension contributions	-	-
Adjusted free cash flow	<u>\$ 243</u>	<u>\$ 161</u>
	2019 Guidance	
	Without	With
	ODS	ODS*
Net cash provided by operating activities	~ \$ 520	~ \$ 525
Purchase of property, plant and equipment	~ (350)	~ (415)
Free cash flow	170	110
Discretionary pension contributions	~ 165	~ 165
Adjusted free cash flow	<u>~ \$ 335</u>	<u>~ \$ 275</u>

* Guidance range with Oerlikon Drive Systems (ODS) assumes a March 1, 2019 transaction closing date.





Non-GAAP Financial Information

The preceding slides refer to adjusted EBITDA, a non-GAAP financial measure which we have defined as net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense and, non-service cost components of pension and other postretirement benefits (OPEB) cost 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.

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 this measure is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Adjusted 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. Adjusted Free cash flow may not be comparable to similarly titled measures reported by other companies.

Please reference the “Non-GAAP Financial Information” accompanying our quarterly earnings conference call presentations on our website at www.dana.com/investors for 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 reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented on our website are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

