



2024 Second-Quarter Earnings Conference Call

July 31, 2024

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



Craig Barber

Senior Director, Investor Relations and Corporate Communications

Introduction

James Kamsickas

Chairman and Chief Executive Officer

Business Review

Timothy Kraus

Senior Vice President and Chief Financial Officer

Financial Review

Q2 Financial Results

sales

\$2.7 billion

 **In Line**
with prior year

adjusted EBITDA

\$244 million

 **\$1 million**
from prior year

free cash flow

\$104 million

 **\$30 million**
from prior year

Key Highlights

Company-wide efficiency improvements

73%

- Conversion on traditional organic sales through H1
- Supports full-year conversion target

End-market demand

~\$130M

- Organic Sales growth through H1
- Weakening demand for EVs, & some ICE programs

Financial outlook remains strong; higher free cash flow

~\$100M

- Revised full-year FCF outlook
- 33% increase from prior guide

Company-Wide Efficiency and Capital Investment Improvements Driving Cash Flow Growth

Business Environment



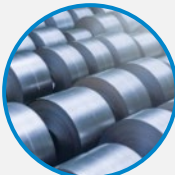
2024 Outlook

Company-Wide Efficiencies



- Improved customer production stability increasing productivity
- Continued production costs reductions
- Efficiency improvements in all areas of the enterprise

Supply Chain



- Net commodities expected to be sales and profit headwind
- Steel prices expected to be mostly flat through 2024
- Commodity recoveries reversing as input costs decline

End-Market Demand



- Refreshed, conquest, and new business growth
- Share gains partially offsetting market in Commercial Vehicle
- Some softening demand across markets and EVs

End-Market Outlook

Market	From last year	Update
Agriculture		Slight Softening
Construction		No Change
Mining		No Change
Light Truck		Slight Softening
Medium-Duty Truck		No Change
Heavy-Duty Truck		Slight Softening

Industry Trends

Cost Inflation Moderating



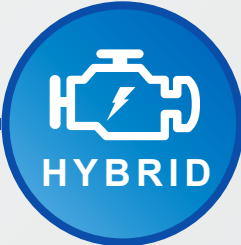
OEM Production Stable



EV Demand Lower



Dana Innovations Power Everything that Moves



DAF

Medium-Duty Truck

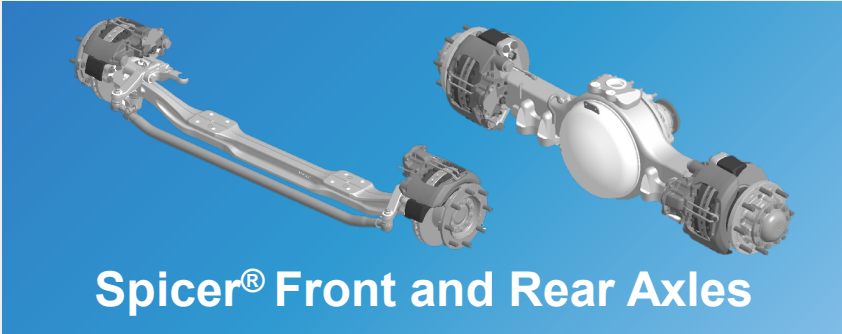


Construction

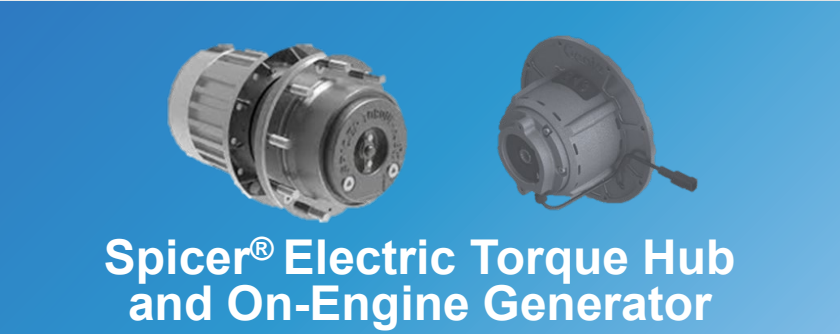


BOLLINGER MOTORS

Light-Duty Truck



Spicer® Front and Rear Axles



Spicer® Electric Torque Hub and On-Engine Generator



Spicer® eS9000r e-Axle

Strong Balance of ICE, Hybrid, and Electric Vehicle Development Across Mobility Markets

Drivers of Continued Profit Expansion: H1 Comparison



End-to-End Execution

1 Winning Team:
Organization and Talent

2 Business
Priorities

Sustained Financial Improvement

Commercial Effectiveness and Growth

Common / Core Processes and Systems

3 Operating
Priorities

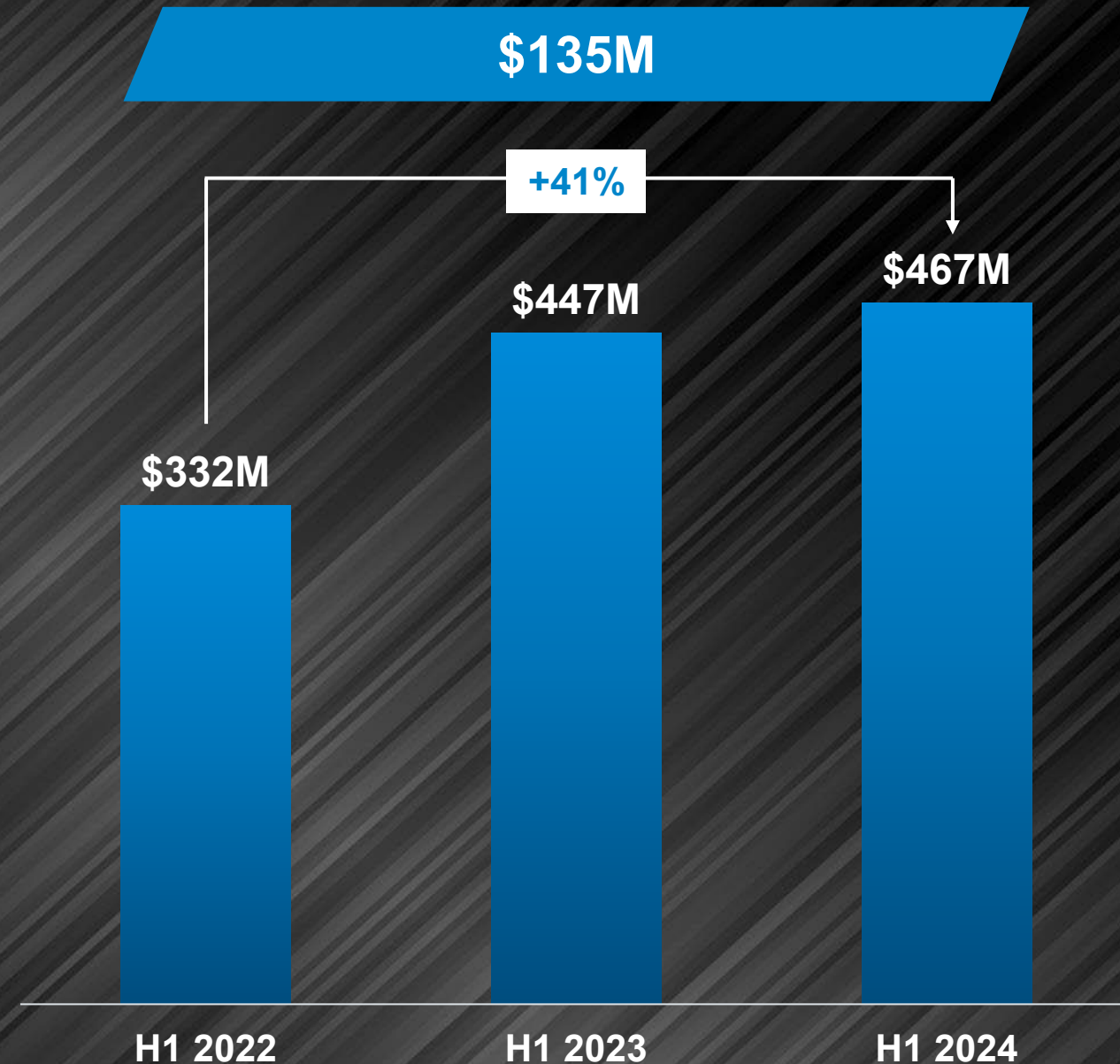
Operational Excellence and Execution

Cost Reduction and Asset Management

Leverage Company Synergies
and Centers of Excellence

4 Balanced Portfolio:
Energy-Source Agnostic

Adjusted EBITDA Impact



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

End-to-End Business Execution Continues Drive Toward Long-Term Profit Targets



Financial Review

DAN
—
LISTED
—
NYSE

2024 Q2 and YTD Financial Results



Changes from Prior Year

(\$ in millions, except EPS)

	<u>Q2 '24</u>	<u>Q2 '23</u>	<u>Change</u>	<u>YTD '24</u>	<u>YTD '23</u>	<u>Change</u>
Sales	\$ 2,738	\$ 2,748	\$ (10)	\$ 5,473	\$ 5,392	\$ 81
Adjusted EBITDA	244	243	1	467	447	20
Margin	8.9%	8.8%	10 bps	8.5%	8.3%	20 bps
Loss on Business Held for Sale	(1)		(1)	(30)		(30)
EBIT	104	124	(20)	174	214	(40)
Interest Expense, Net	37	34	3	72	64	8
Income Tax Expense	54	55	(1)	91	85	6
Net Income (attributable to Dana)	16	30	(14)	19	58	(39)
GAAP Diluted EPS	\$ 0.11	\$ 0.21	\$ (0.10)	\$ 0.13	\$ 0.40	\$ (0.27)
Diluted Adjusted EPS	\$ 0.31	\$ 0.37	\$ (0.06)	\$ 0.57	\$ 0.62	\$ (0.05)
Operating Cash Flow	215	256	(41)	113	86	27

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

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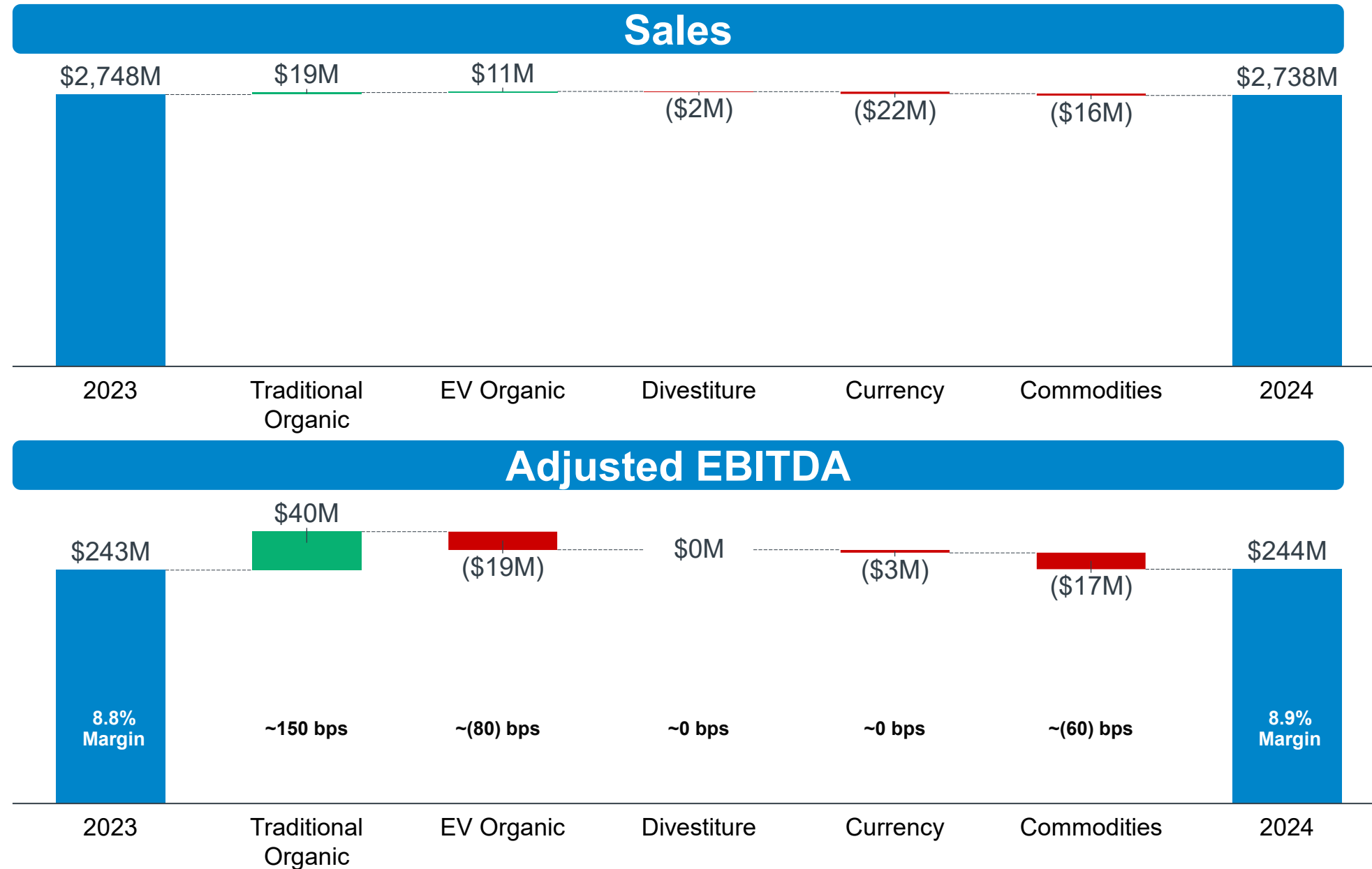
Sales and Profit Improvement while Continuing to Build for Future Growth

- Lower sales driven by currency impacts and lower commodity recoveries
- Increased production efficiency, company-wide cost improvement actions, and more stable customer order patterns drove higher profitability
- Net income impacted by higher restructuring and the previously announced divestiture of the European hydraulics business within the Off-Highway segment that is expected close in H2

2024 Q2 Sales and Profit Changes



- Higher organic sales driven by renewed vehicle programs, new business, and market share gains, offset by lower demand in off-highway end markets
- End-to-end business execution and production efficiency more than offset inflation
- Higher demand for battery cooling products driving increased EV sales
- Positive contribution of current EV programs offset by engineering and development spending for future programs
- Minimal margin impact from currency translation
- 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

Strong Performance Driven by End-to-End Business Execution

2024 Q2 Free Cash Flow



- Higher cash taxes due to timing of payments and jurisdictional mix
- Working capital requirements increased primarily due to the timing of payments
- 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>Q2 '24</u>	<u>Q2 '23</u>	<u>Change</u>
Adjusted EBITDA	\$ 244	\$ 243	\$ 1
One-Time Costs¹	(7)	(4)	(3)
Interest, Net	(26)	(38)	12
Taxes	(40)	(27)	(13)
Working Capital / Other²	44	82	(38)
Capital Spending	(111)	(122)	11
Free Cash Flow	\$ 104	\$ 134	\$ (30)

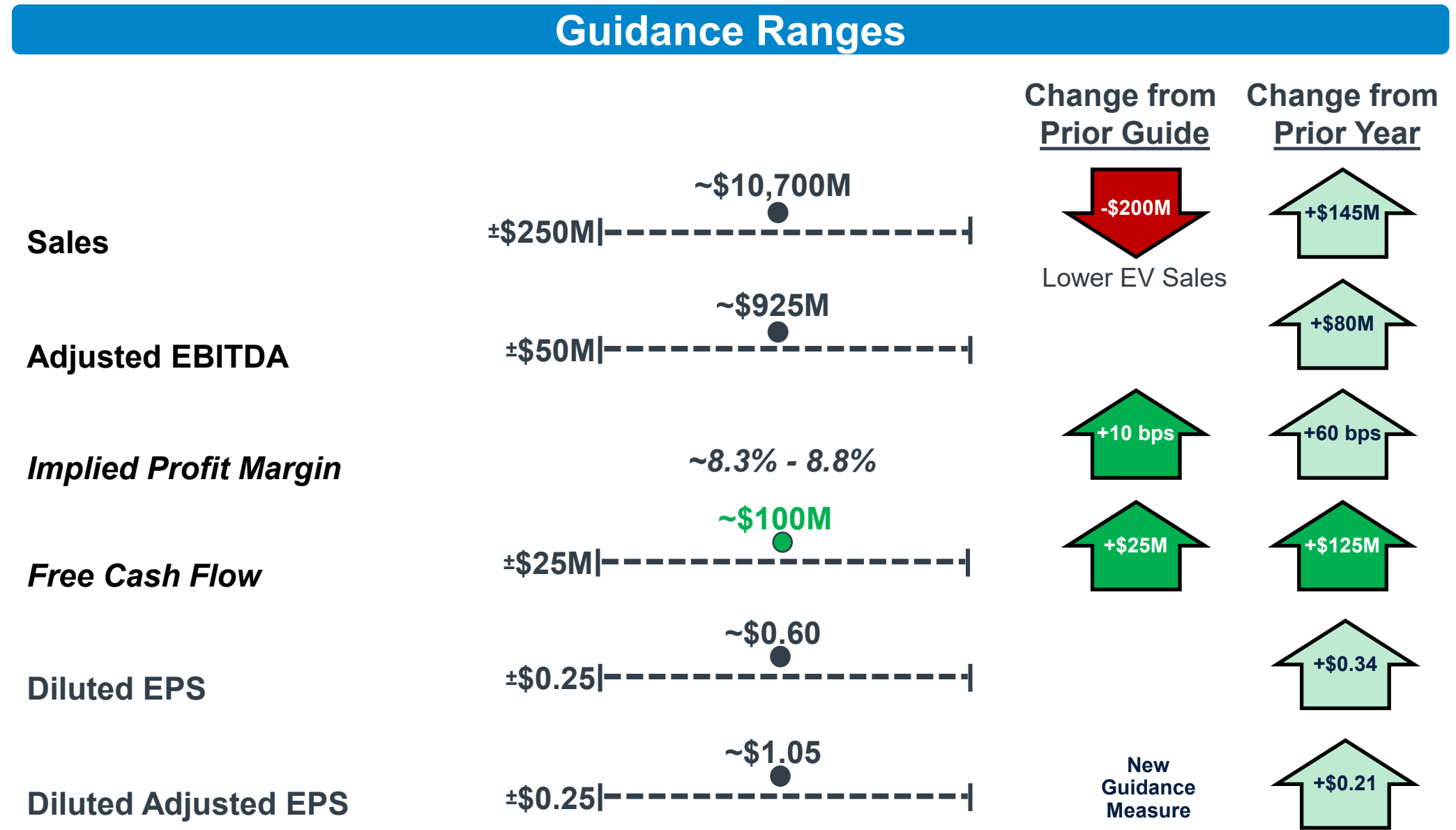
¹ Includes costs associated with business acquisitions and divestitures and restructuring. ² Changes in working capital relating to interest, taxes, restructuring, and transaction costs are included in those respective categories. See appendix for comments regarding the presentation of non-GAAP measures.

Strong FCF Driven by Lower Capital Spending and Continued Focus on Working Capital

2024 FY Financial Guide



- Sales growth driven by new business backlog, improved end-market demand, new / refreshed programs, and market share gains
- Weakening demand for electric vehicles driving lower sales compared to prior outlook
- Company-wide efficiency improvements drive higher margins
- YOY free cash flow improvement driven by higher profit, improved working capital efficiency, and lower capital spending
- Free cash flow improvement from prior guidance driven by lower capital expenditures
- Reintroducing adjusted EPS guidance to provide comparable measure with prior periods due to significant one-time items related to strategic actions and restructuring



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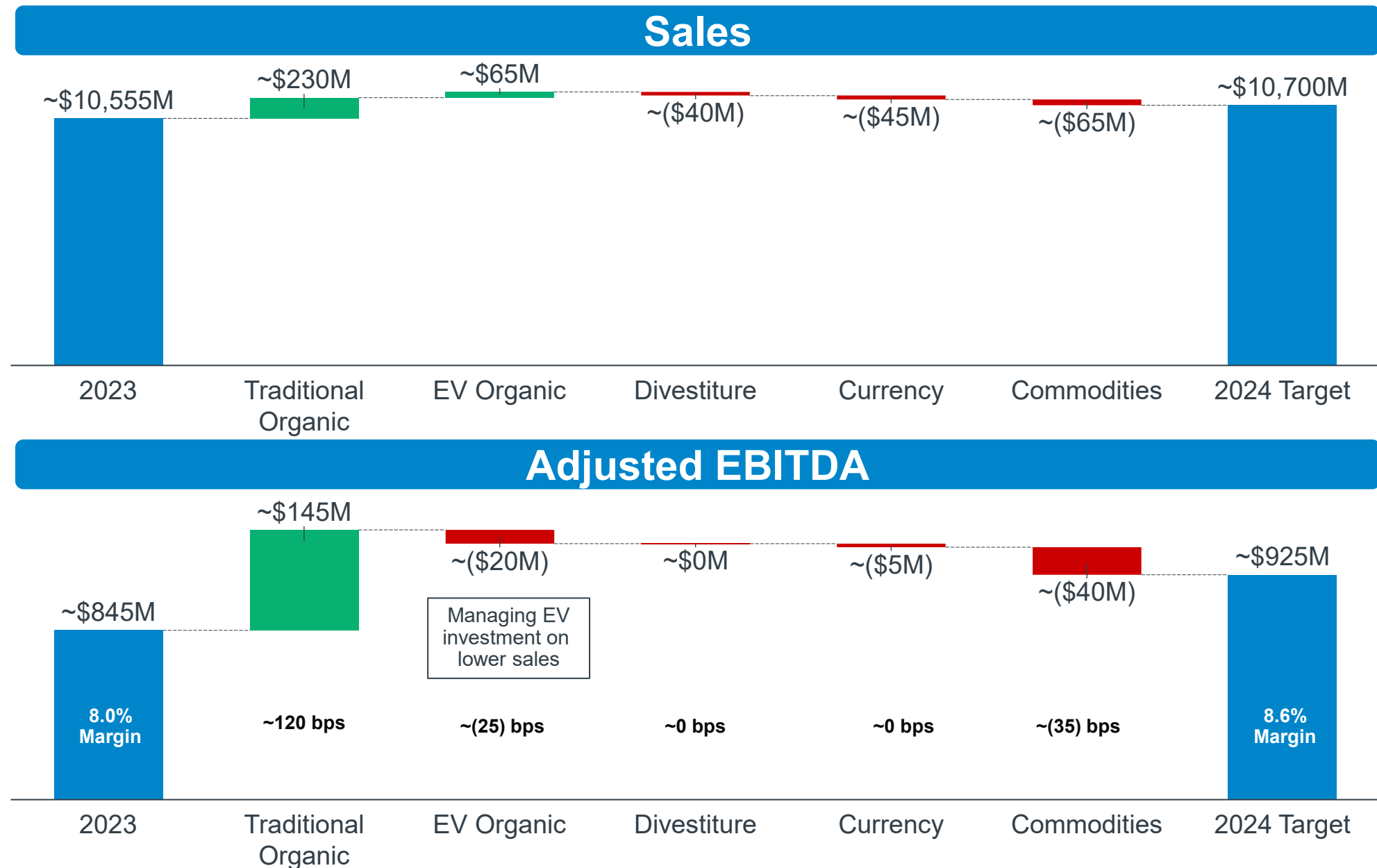
See appendix for comments regarding the presentation of non-GAAP measures

End-to-End Execution and Improved Operating Environment Driving Margin Growth

2024 FY Sales and Profit Changes



- Organic growth driven by strong sales, pricing, and market share gains
- Strong conversion on organic growth due to improved efficiencies and cost savings actions
- Cost recovery actions expected to mostly offset inflation
- Positive profit contribution on EV sales offset by investment in new program development
- Announced divestiture of non-core hydraulics business. Anticipated closing in H2
- Translation of foreign currency expected to be slightly less of a headwind to sales than previously forecasted
- 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

Sales Growth with Improved Profit Driven by Company-Wide Efficiencies and Cost Savings

2024 FY Free Cash Flow



- Raising full-year guidance due to lower capital spending
- Higher profit and lower capital investment requirements driving improvement over last year
- Increase in net interest payments due to higher rates and payment timing from refinancing

Changes from Prior Year

(\$ in millions)

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Adjusted EBITDA	\$ ~925	\$ 845	\$ ~80
One-Time Costs¹	(30)	(20)	(10)
Interest, Net	(150)	(116)	(35)
Taxes	(170)	(148)	(20)
Working Capital / Other²	(50)	(85)	35
Capital Spending	(425)	(501)	75
Free Cash Flow	\$ ~100	\$ (25)	\$ ~125

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.

Positive Free Cash Flow Driven by Higher Profit, Lower Capex, and Improved Working Capital

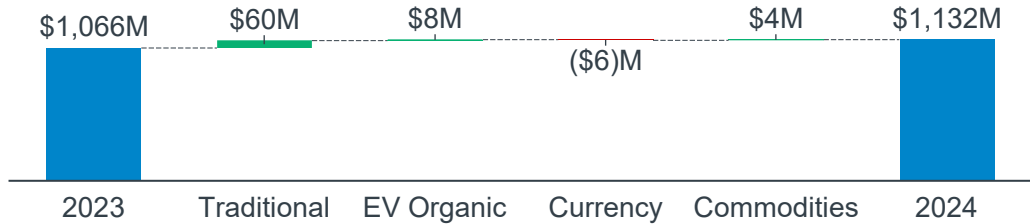
Appendix

2024 Q2 Sales and Profit Change by Segment

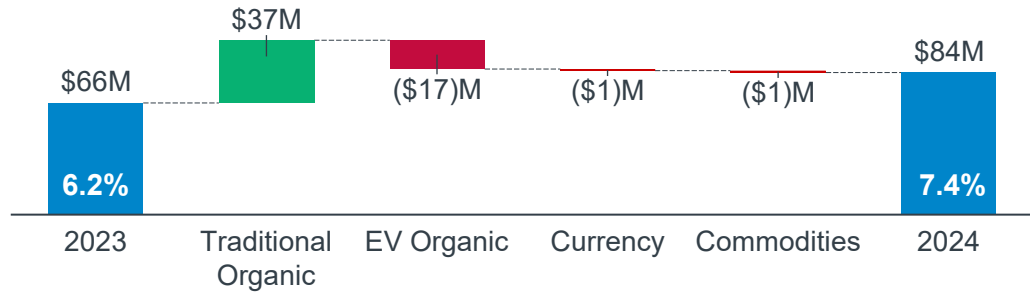


Light Vehicle Drive Systems

Sales

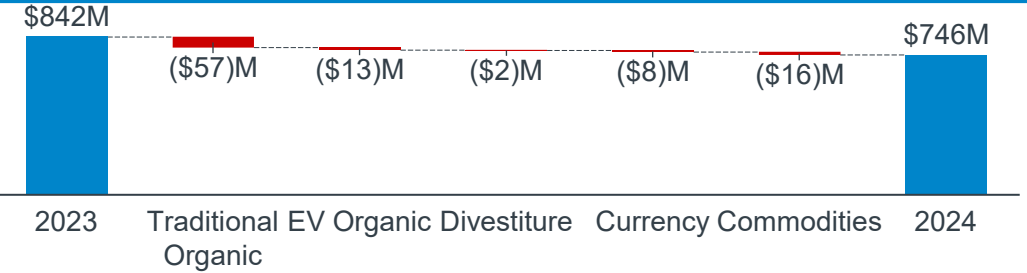


Adjusted EBITDA

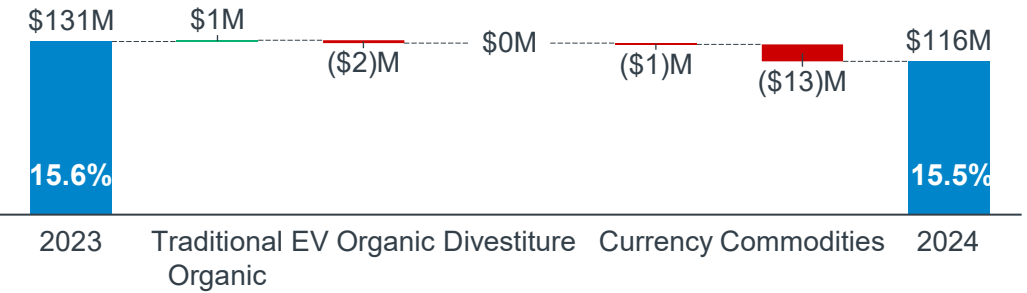


Off-Highway Drive and Motion Systems

Sales

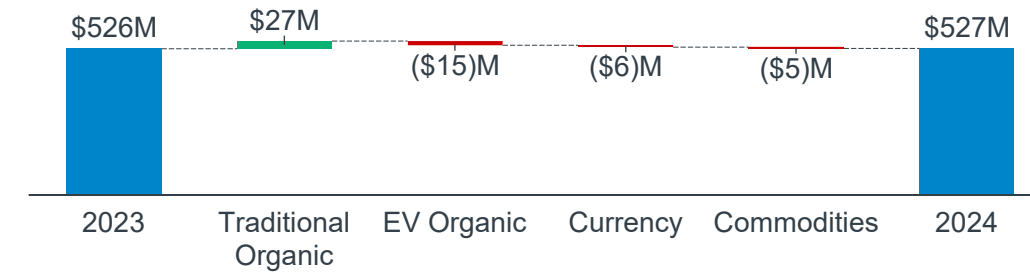


Adjusted EBITDA

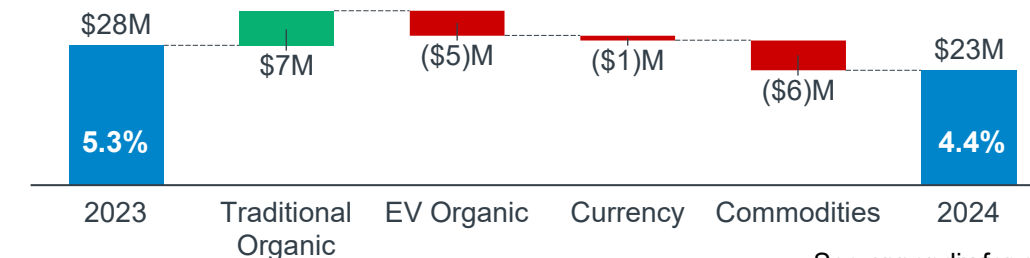


Commercial Vehicle Drive and Motion Systems

Sales

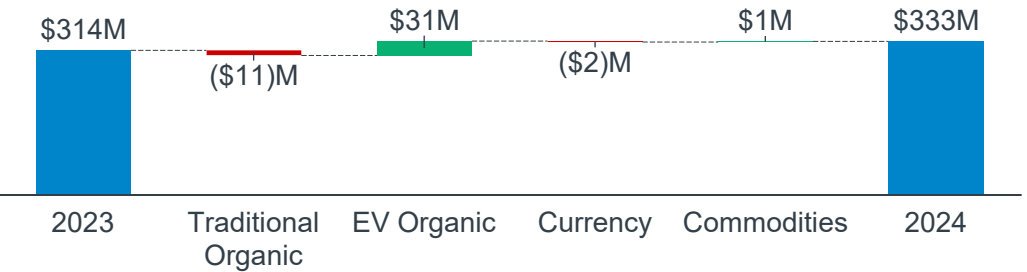


Adjusted EBITDA

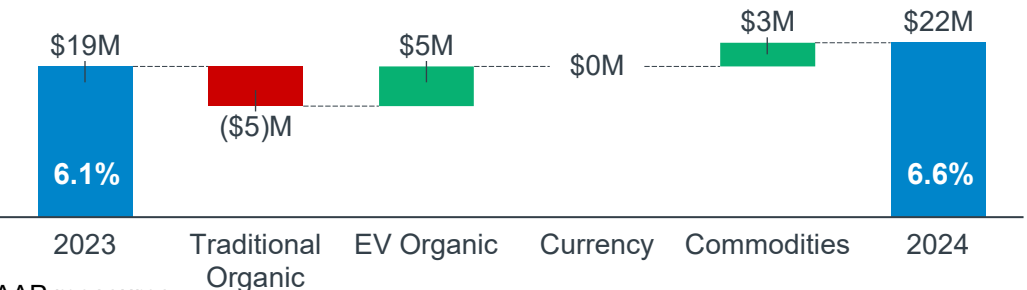


Power Technologies

Sales



Adjusted EBITDA



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

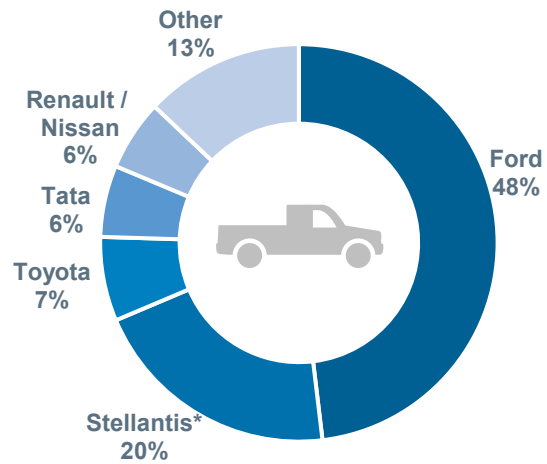
Segment Profiles



CUSTOMER SALES

Light Vehicle Drive Systems

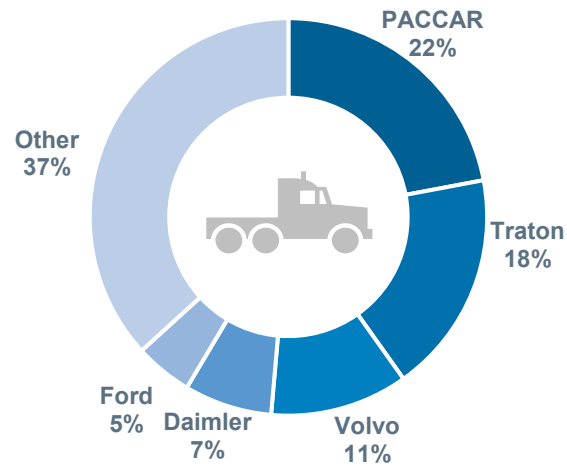
Year to Date 6/30/2024



* Includes sales to systems *integrations* for driveline products that support Stellantis vehicles

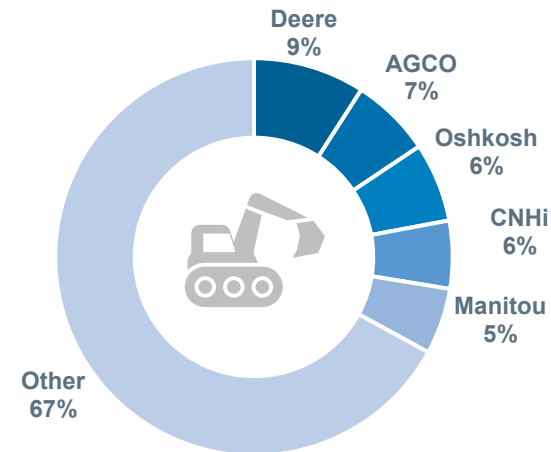
Commercial Vehicle Drive and Motion Systems

Year to Date 6/30/2024



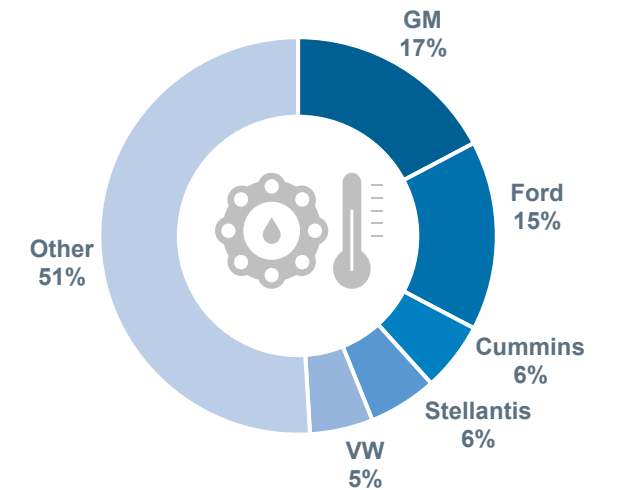
Off-Highway Drive and Motion Systems

Year to Date 6/30/2024

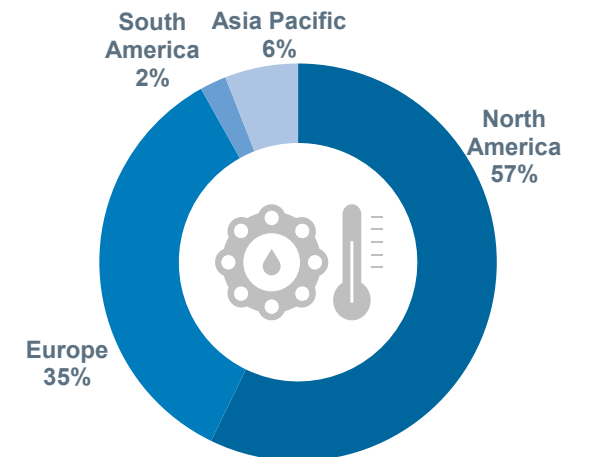
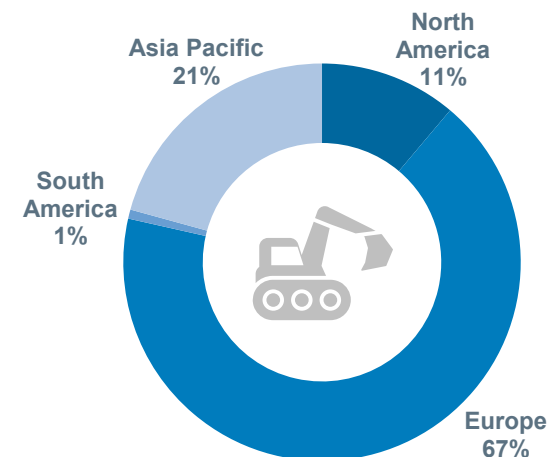
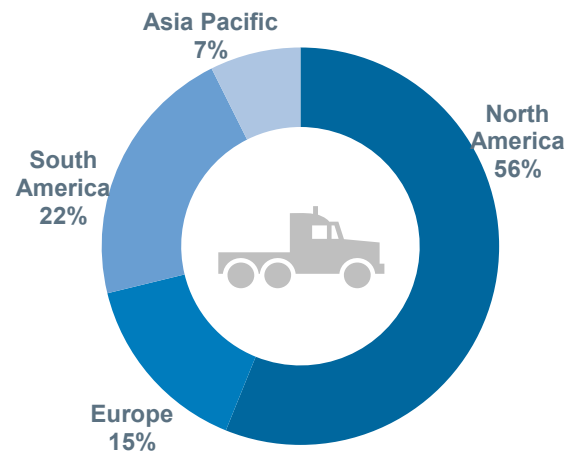
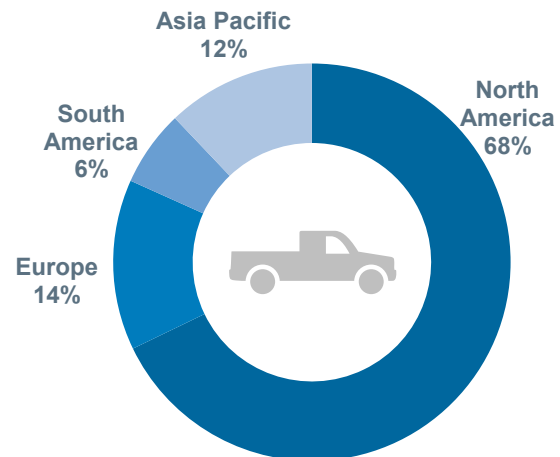


Power Technologies

Year to Date 6/30/2024



REGIONAL SALES



Diluted Adjusted EPS



DANA INCORPORATED

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

For the Three Months Ended June 30, 2024 and 2023

(In millions, except per share amounts)

	Three Months Ended June 30,	
	2024	2023
Net income attributable to the parent company	\$ 16	\$ 30
Items impacting income before income taxes:		
Amortization	5	5
Restructuring charges, net	12	3
Strategic transaction expenses	2	1
Distressed supplier costs		4
Loss on disposal group held for sale	1	
Other items		1
Items impacting income taxes:		
Net income tax expense on items above	(6)	(4)
Income tax expense attributable to various discrete tax matters	15	14
Adjusted net income attributable to the parent company	<u>\$ 45</u>	<u>\$ 54</u>
Diluted shares - as reported	145.1	144.4
Adjusted diluted shares	145.1	144.4
Diluted adjusted EPS	\$ 0.31	\$ 0.37

DANA INCORPORATED

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

For the Six Months Ended June 30, 2024 and 2023

(In millions, except per share amounts)

	Six Months Ended June 30,	
	2024	2023
Net income attributable to the parent company	\$ 19	\$ 58
Items impacting income before income taxes:		
Amortization	10	10
Restructuring charges, net	17	4
Strategic transaction expenses	4	2
Distressed supplier costs		12
Loss on disposal group held for sale	30	
Other items	(3)	
Items impacting income taxes:		
Net income tax expense on items above	(19)	(10)
Income tax expense attributable to various discrete tax matters	24	14
Adjusted net income attributable to the parent company	<u>\$ 82</u>	<u>\$ 90</u>
Diluted shares - as reported	144.9	144.3
Adjusted diluted shares	144.9	144.3
Diluted adjusted EPS	\$ 0.57	\$ 0.62

Segment Data



DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended June 30, 2024 and 2023

(In millions)	Three Months Ended	
	June 30,	
	2024	2023
Sales		
Light Vehicle	\$ 1,132	\$ 1,066
Commercial Vehicle	527	526
Off-Highway	746	842
Power Technologies	333	314
Total Sales	\$ 2,738	\$ 2,748
Segment EBITDA		
Light Vehicle	\$ 84	\$ 66
Commercial Vehicle	23	28
Off-Highway	116	131
Power Technologies	22	19
Total Segment EBITDA	245	244
Corporate expense and other items, net	(1)	(1)
Adjusted EBITDA	\$ 244	\$ 243

DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Six Months Ended June 30, 2024 and 2023

(In millions)	Six Months Ended	
	June 30,	
	2024	2023
Sales		
Light Vehicle	\$ 2,230	\$ 2,028
Commercial Vehicle	1,051	1,048
Off-Highway	1,527	1,684
Power Technologies	665	632
Total Sales	\$ 5,473	\$ 5,392
Segment EBITDA		
Light Vehicle	\$ 151	\$ 115
Commercial Vehicle	40	45
Off-Highway	231	249
Power Technologies	49	42
Total Segment EBITDA	471	451
Corporate expense and other items, net	(4)	(4)
Adjusted EBITDA	\$ 467	\$ 447

Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended June 30, 2024 and 2023

(In millions)	Three Months Ended	
	June 30,	
	2024	2023
Segment EBITDA	\$ 245	\$ 244
Corporate expense and other items, net	(1)	(1)
Adjusted EBITDA	244	243
Depreciation	(106)	(94)
Amortization	(6)	(6)
Non-service cost components of pension and OPEB costs	(2)	(3)
Restructuring charges, net	(12)	(3)
Stock compensation expense	(8)	(8)
Strategic transaction expenses	(2)	(1)
Distressed supplier costs		(4)
Loss on disposal group held for sale	(1)	
Other items	(3)	
Earnings before interest and income taxes	104	124
Loss on extinguishment of debt		(1)
Interest income	2	5
Interest expense	39	39
Earnings before income taxes	67	89
Income tax expense	54	55
Equity in earnings of affiliates	3	2
Net income	\$ 16	\$ 36

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Six Months Ended June 30, 2024 and 2023

(In millions)	Six Months Ended	
	June 30,	
	2024	2023
Segment EBITDA	\$ 471	\$ 451
Corporate expense and other items, net	(4)	(4)
Adjusted EBITDA	467	447
Depreciation	(207)	(186)
Amortization	(11)	(11)
Non-service cost components of pension and OPEB costs	(6)	(6)
Restructuring charges, net	(17)	(4)
Stock compensation expense	(14)	(14)
Strategic transaction expenses	(4)	(2)
Distressed supplier costs		(12)
Loss on disposal group held for sale	(30)	
Other items	(4)	2
Earnings before interest and income taxes	174	214
Loss on extinguishment of debt		(1)
Interest income	6	9
Interest expense	78	73
Earnings before income taxes	102	149
Income tax expense	91	85
Equity in earnings of affiliates	5	3
Net income	\$ 16	\$ 67

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

(In millions)

	Three Months Ended	
	June 30,	
	2024	2023
Net cash provided by operating activities	\$ 215	\$ 256
Purchases of property, plant and equipment	(111)	(122)
Free cash flow	<u>\$ 104</u>	<u>\$ 134</u>

(In millions)

	Six Months Ended	
	June 30,	
	2024	2023
Net cash provided by operating activities	\$ 113	\$ 86
Purchases of property, plant and equipment	(181)	(242)
Free cash flow	<u>\$ (68)</u>	<u>\$ (156)</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[®]

