



Acquisition of Oerlikon Drive Systems

July 30, 2018





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



» *Transaction Overview* **Craig Barber**

*Senior Director,
Investor Relations and
Strategic Planning*

» *Business Overview /
Strategic Rationale* **James Kamsickas**

*President and
Chief Executive Officer*

» *Acquisition Benefits* **Jonathan Collins**

*Executive Vice President
and Chief Financial Officer*





Business Overview / Strategic Rationale





Oerlikon Drive Systems Snapshot

\$ 2018T Revenue: ~\$800M

End Markets



Construction



Agriculture



Mining

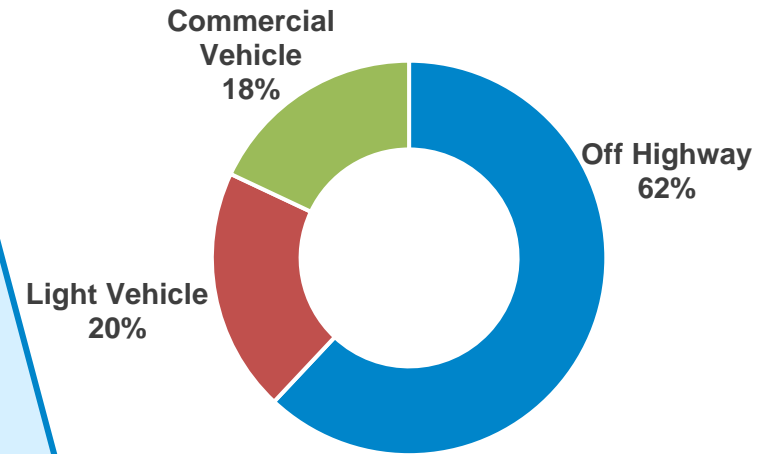


Light Vehicle

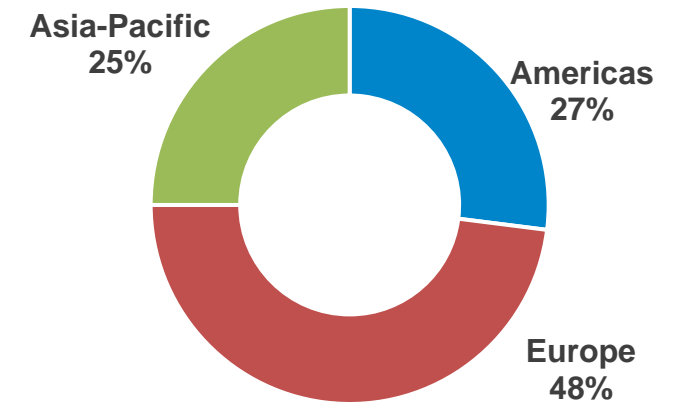


Commercial Vehicle

Sales by End Market



Sales by Region



Diverse Product Portfolio



Advanced Gears



Planetary drives



Shifting solutions

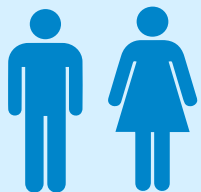


e-Drives & transmissions

Key Brands

oerlikon
graziano

oerlikon
fairfield



~6,000 people



5 R&D test centers

12 Manufacturing sites

Includes facilities currently under construction
















Nearly 100 year history

Key Customers



Product Portfolio Overview

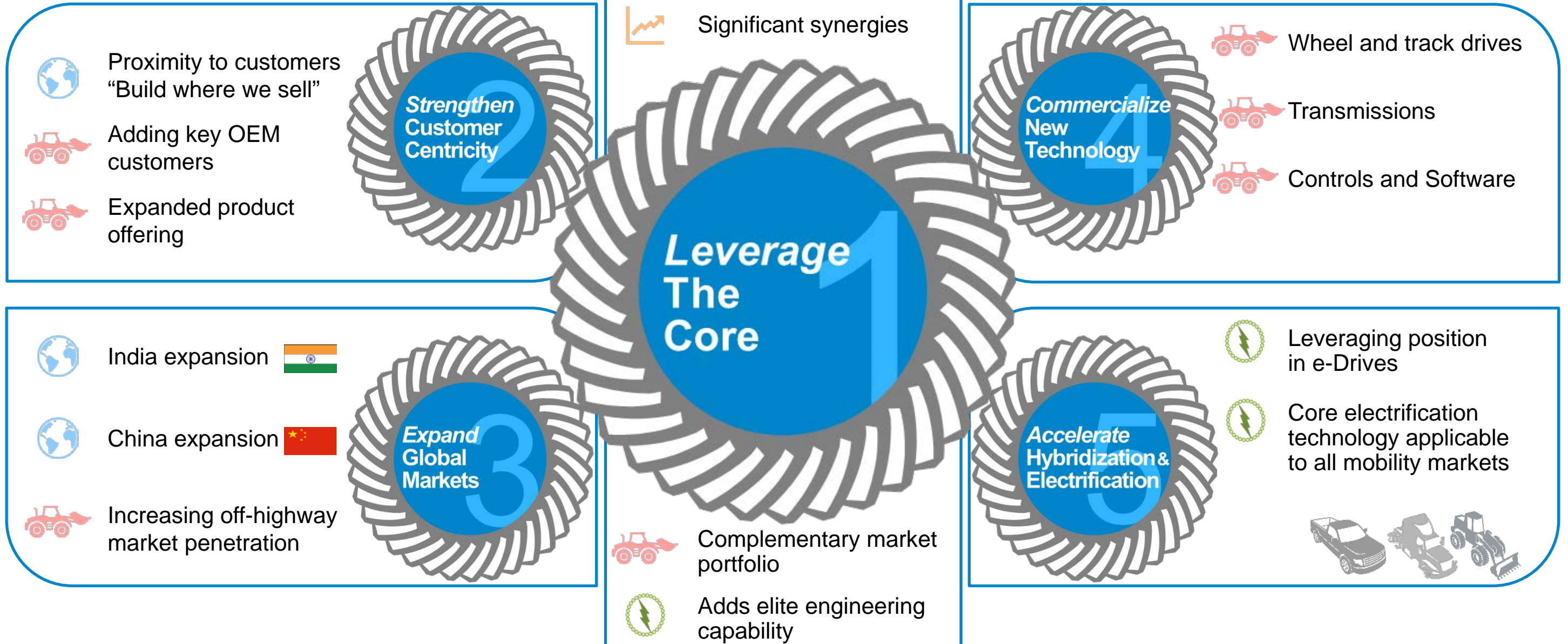


Markets	Products	Description and Applications
LV CV OH 	Advanced Gearing 	Broad range of high-precision helical gear solutions 
	Shifting solutions 	Wide range of synchronisers, clutches and clutch packs
	Planetary drives 	Electric and hydraulic planetary drives for off-highway applications 
	Drive Systems 	Complete drive axle systems
  	High Performance Drivelines 	Power transfer units, front and rear differentials, AWD systems High performance transmissions: manual, automated manual, dual-clutch transmission e-drives for hybrid and electric light vehicles 



Strategic Fit

SHIFTING INTO OVERDRIVE



Strategic Inorganic Growth

Q1 2016

Q4 2016

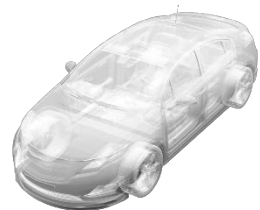
Q1 2017

Q1 2017

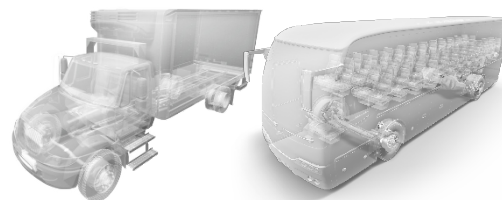
Q2 2018

Q4 2018

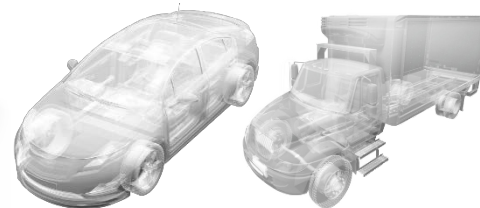
MAGNUM
GASKETS



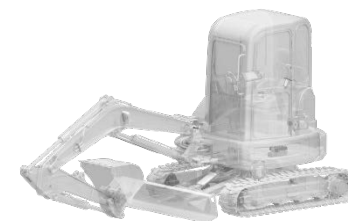
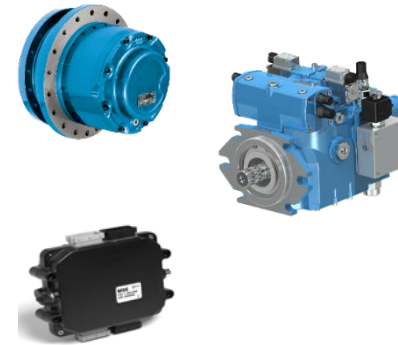
SIFCO S/A



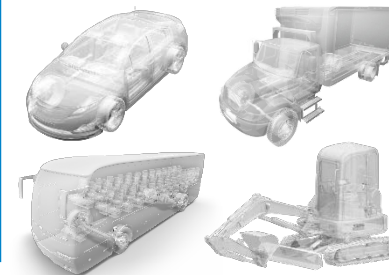
USM MANUFACTURING CORPORATION
Innovation through Teamwork



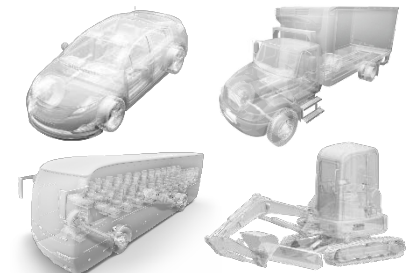
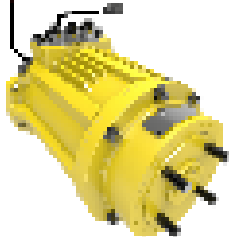
brevini



tm4



oerlikon
drive systems





Acquisition Benefits



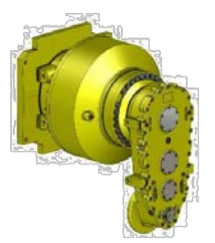


Core Planetary Hub Drive Technology



FAIRFIELD Torque-Hub®

- » Wheel Drives
- » Track Drives
- » Slew Drives
- » Mobile Gearboxes
- » Electric Drives



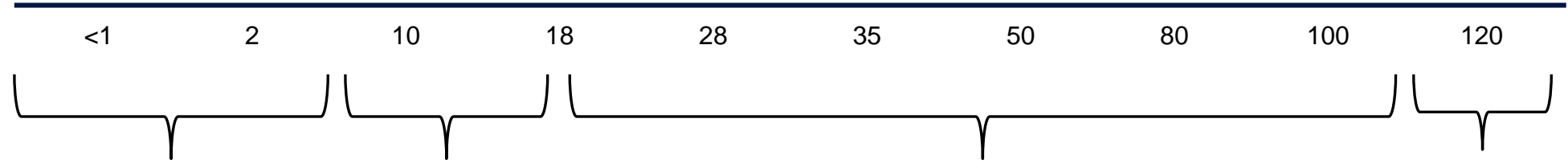
Product Expansion

oerlikon
drive systems

oerlikon
drive systems



Vehicle Weight (tons)





e-Drive Expansion

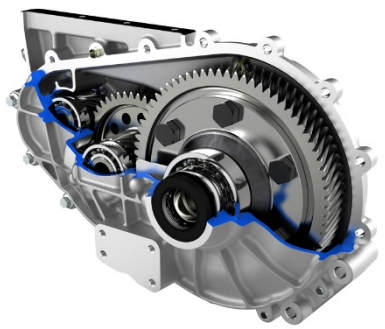


Oerlikon Electric Drive Capabilities

Single-speed e-Axles

Multi-speed e-Axles

e-Drive



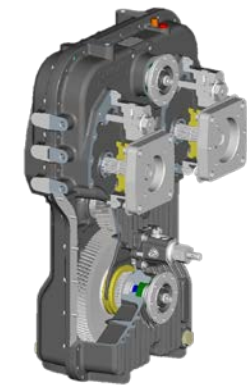
Dana Electric Drive Capabilities

Integrated e-Axles

e-Drive

Motors & Inverters

Cooling Systems



Select Vehicles

Recreational

Utility

Passenger Car

City Delivery

Light Trucks

Freight Truck

Transit Bus

Mining Truck



Club Car



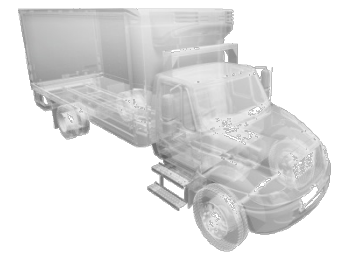
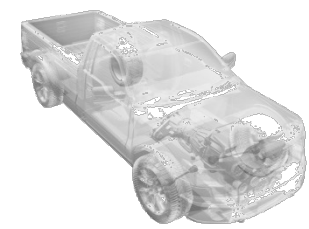
Taylor Dunn



Bolloré Blue Car



Zenith Electric Van



DongFeng Alpha Bus



Sandvik DD422iE



Gross Vehicle Weight Continuum



Gross Vehicle Weight Continuum



Dana and Oerlikon's electric-vehicle capabilities and end markets are highly complementary

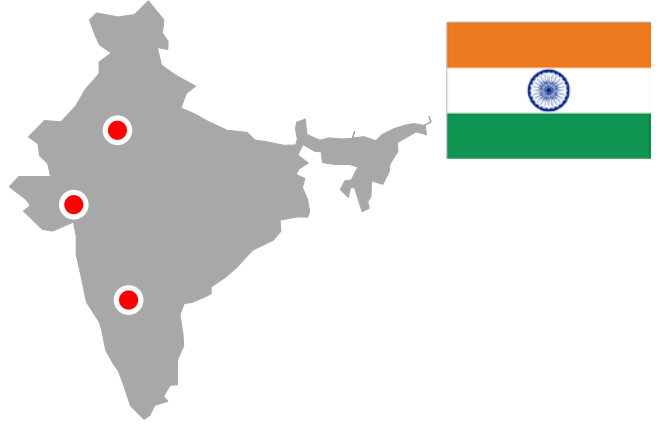




Manufacturing Footprint Focus



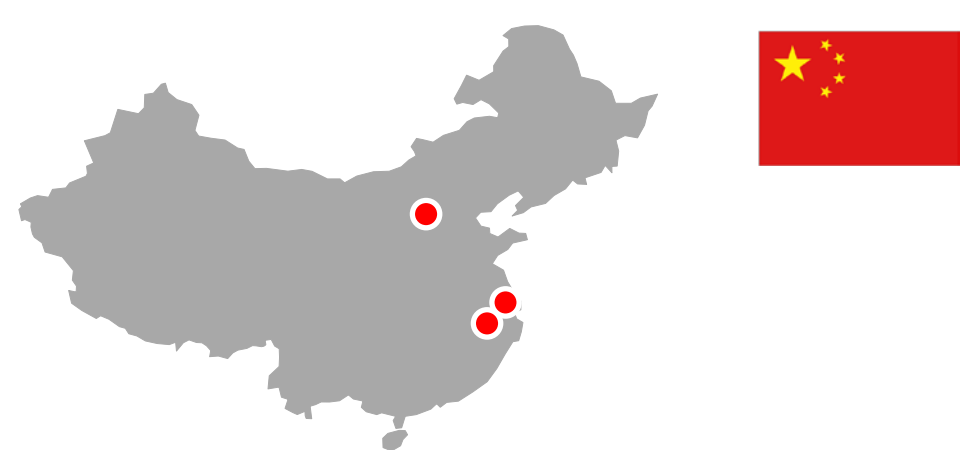
India



Selected Customers



China



Selected Customers



Includes facilities currently under construction



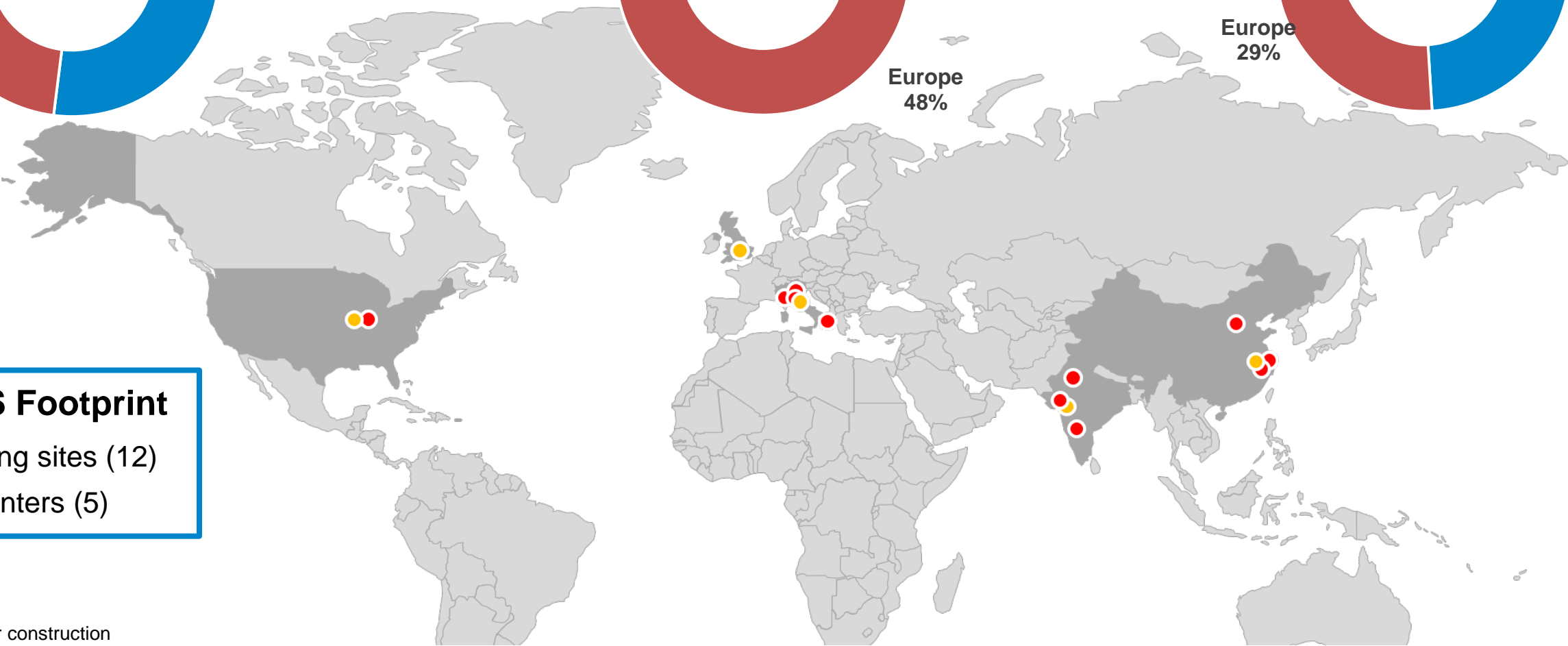
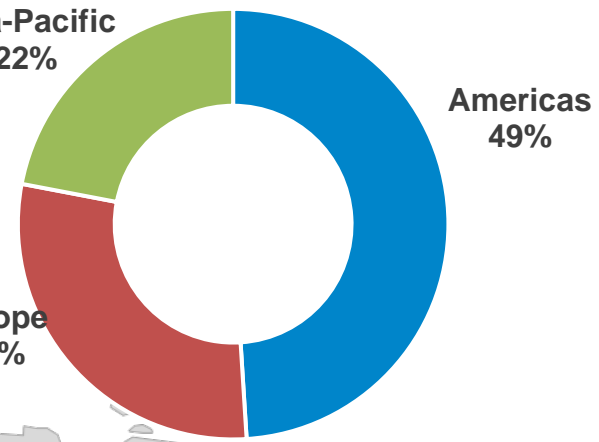
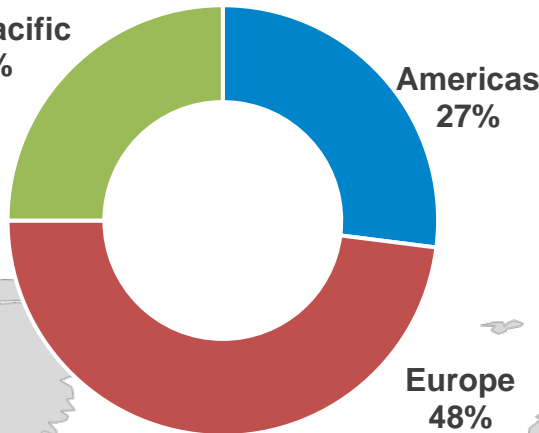
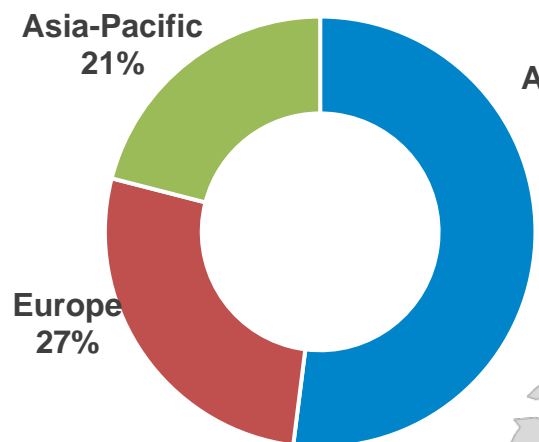


Optimizes Geographic Footprint

Dana¹

Oerlikon DS

Pro Forma¹



Oerlikon DS Footprint

- Manufacturing sites (12)
- R&D test centers (5)

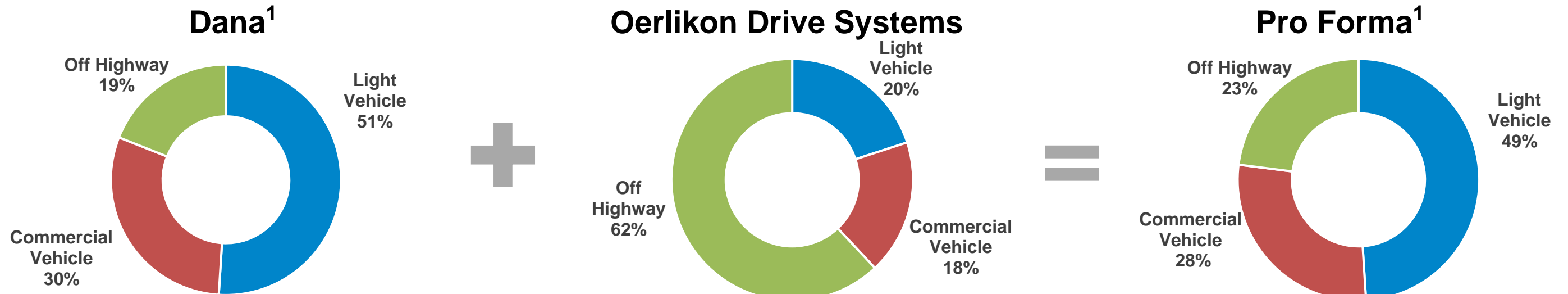
¹ Includes 100% of DDAC JV
Includes facilities currently under construction





Penetration in Off-Highway

Pro Forma Segment Revenue Mix



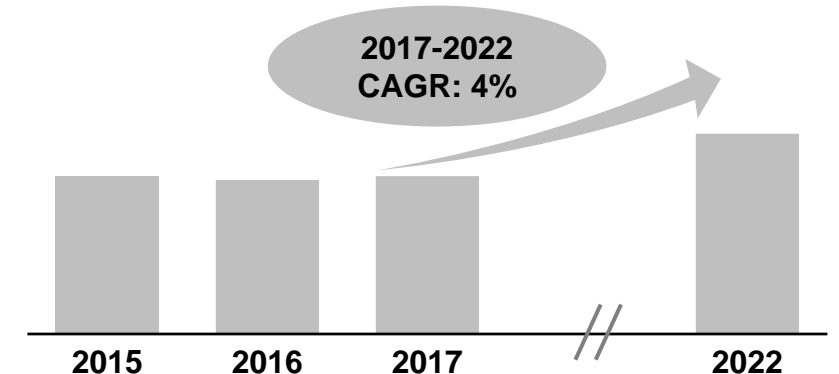
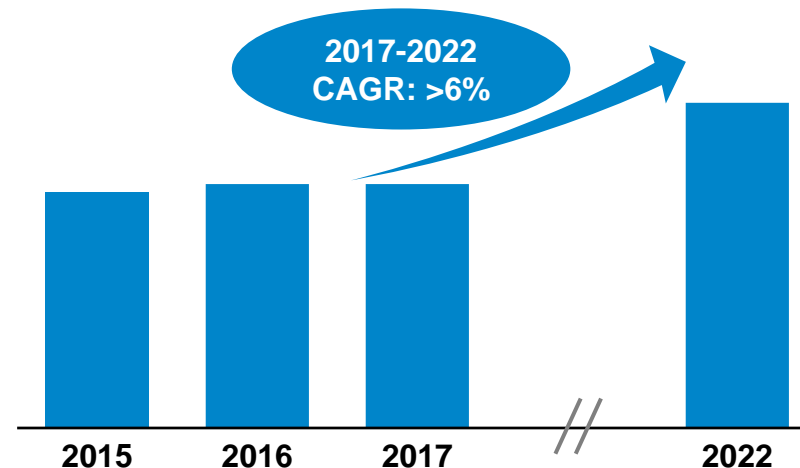
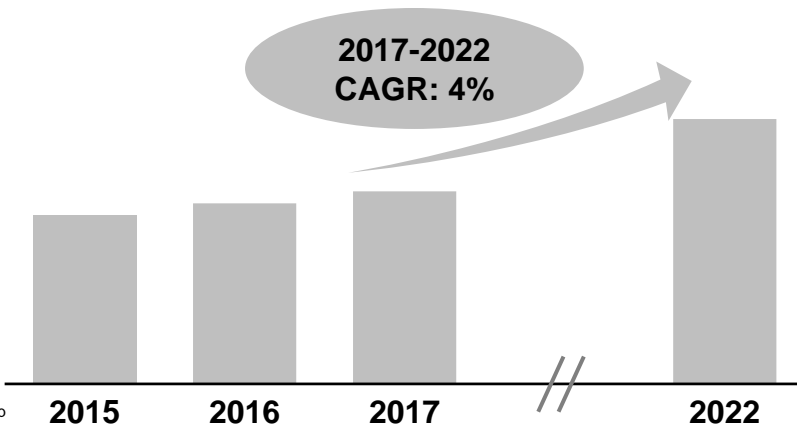
¹ Includes 100% of DDAC JV

Drive System Market Growth

Light Vehicle

Off-Highway

Commercial Vehicle



Source: Oerlikon Group





Synergies and Value Creation



**Near Term (Cost)
\$40 Million
Over 24 Months**

- » Purchasing efficiencies
- » Lean implementation and increased productivity
- » Fixed cost rationalization
- » Manufacturing footprint optimization

**Medium to Long
Term Opportunity
(Commercial)**

- » Cross-selling of products across both companies customer bases
- » Expands addressable market into tracked vehicle driveline

Immediate EPS accretion and creation of ~\$240M in equity value





Strong Balance Sheet



Pro Forma Capitalization

(\$ in millions)	Dana 12/31/2018	Transaction Adjustments	Pro forma Dana
Cash and Marketable Securities	\$600	\$100	\$700
Revolver	\$575	\$(40)	\$535
Liquidity	\$1,175	\$60	\$1,235
New Financing		\$600	\$600
Term Loan A	\$265		\$265
Senior Notes	1,500		\$1,500
Other Debt	\$35		\$35
Total Debt	\$1,800	\$640	\$2,440
Net Debt	\$1,200	\$540	\$1,740
Adjusted EBITDA (pre-synergies)	\$980	\$90	\$1,070
Net Leverage	1.2x		1.6x

- » Attractive acquisition multiple
- » Committed financing in place
- » No note maturities until 2023
- » Maintain robust liquidity
- » Flexible financing and strong cash flow generation enables rapid deleveraging

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

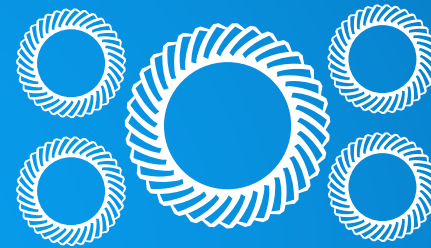




**Accelerating
Electrified
Mobility**



**Growing Through
Transformation**



**Executing Enterprise
Strategy**



**Increasing
Shareholder Value**

People Finding A Better Way[®]



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, 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 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 (loss) attributable to the parent company, excluding any nonrecurring income tax items, restructuring charges, amortization expense, and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. We define adjusted diluted shares as diluted shares as determined in accordance with GAAP based on adjusted net income. This measure is considered useful for purposes of providing investors, analysts, and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported under GAAP.

Free cash flow is a non-GAAP financial measure, which we have defined as cash provided by (used in) operating activities, less purchases of property, plant, and equipment. We believe this measure is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported under GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

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

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

