



2021 Second-quarter Earnings Conference Call

July 30, 2021

People Finding A Better Way[®]

Empowering
People

employee development
health and wellness workplace safety
inclusion and diversity

Innovating
Products

product safety and quality
advanced technology

Protecting the
Planet

environment
supply chain community



Safe Harbor Statement

Certain statements and projections contained in this presentation are, by their nature, forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this presentation speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

Agenda



- **Introduction**

Craig Barber

*Senior Director, Investor Relations
and Strategic Planning*

- **Business Review**

James Kamsickas

*Chairman and
Chief Executive Officer*

- **Financial Review**

Jonathan Collins

*Executive Vice President
and Chief Financial Officer*



Business Highlights: Second-quarter 2021

FINANCIAL RESULTS

sales
\$2.2 billion

↑ \$1.1B from prior year

adjusted EBITDA
\$233 million

↑ \$238M from prior year

adjusted free cash flow
\$(13) million

↑ \$120M from prior year

diluted adjusted EPS
\$0.59

↑ \$1.28 from prior year

KEY HIGHLIGHTS









- 1 Supply constraint dynamics
- 2 New vehicle model launch
- 3 Continued EV new business wins
- 4 ESG & Science Based Targets (SBTi)

POWERING INTO
e-DRIVE



Market Dynamics



Factor	Industry Issue	Primary Market	Impact	
	<ul style="list-style-type: none"> Commodity price inflation 		<ul style="list-style-type: none"> Continued strong demand Low vehicle inventories OEM pricing power 	
	<ul style="list-style-type: none"> Shortages leading to lower production volumes Reduced model availability 			
	<ul style="list-style-type: none"> Shipping delays Higher input costs 		<p>AgriPulse <i>“Farm equipment dealers struggle to keep lots stocked amid supply chain troubles”</i> 7 July 2021</p>	<p>Wall Street Journal <i>“Chip Shortage Hits Work-Vehicle Supply --- Service companies forced to pay more or wait longer”</i> 13 July 2021</p>
	<ul style="list-style-type: none"> Limited workforce availability Higher labor costs 			

OEM constraints combined with high demand leading to historically low vehicle inventories





Compact Pick-up Truck Program



NEW PROGRAM

Major Global OEM

2022 North American
Compact Pick-up Truck
Program

Dana Spicer® All-wheel-
drive System



SPICER®

SmartConnect™





Switch Mobility



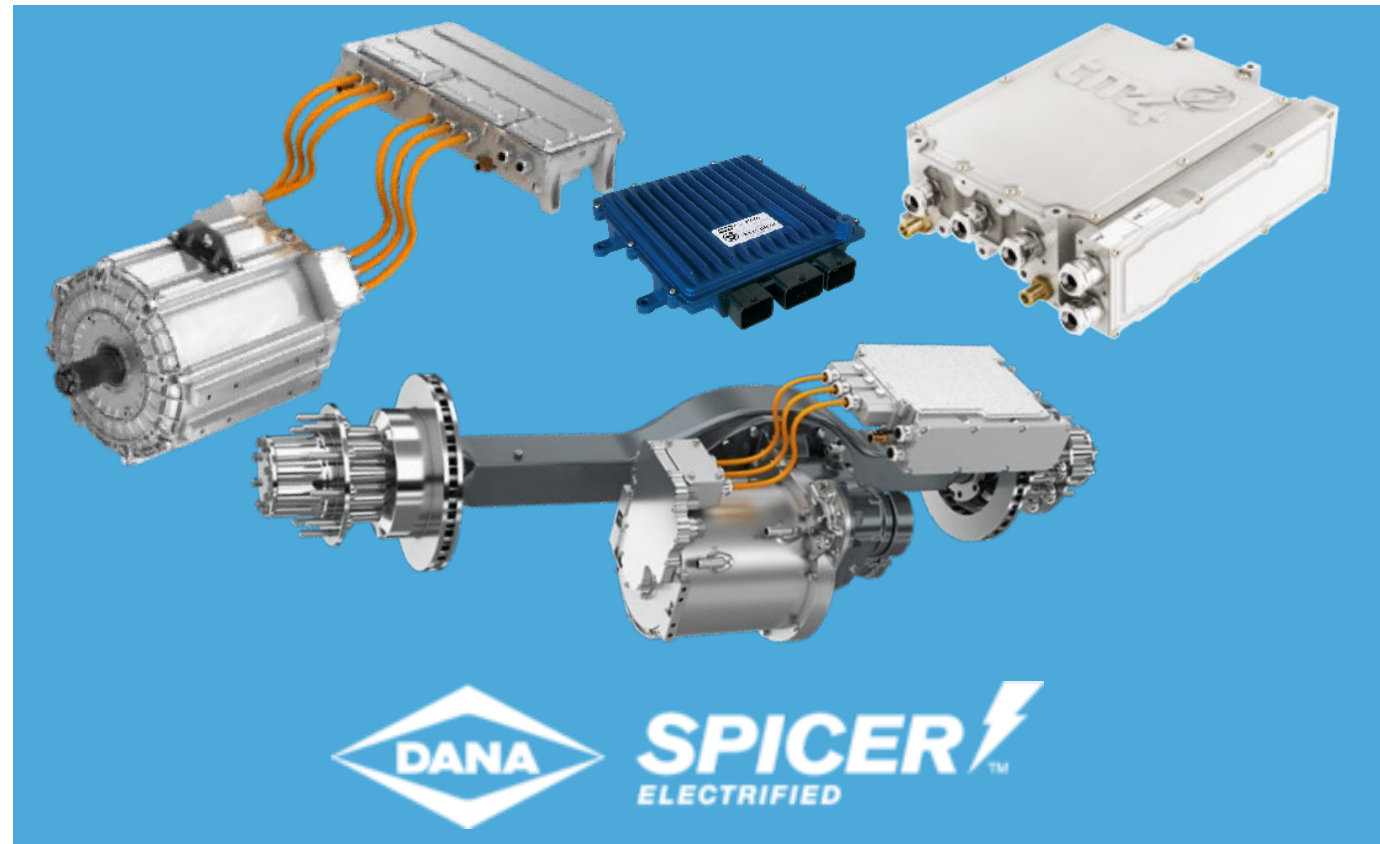
SWITCH



Partnership with

 **ASHOK LEYLAND**

Production in



 **SPICER**
ELECTRIFIED

Dana will supply Switch with e-axles, electric motors, & power electronics globally





Oshkosh Electric Fire Truck



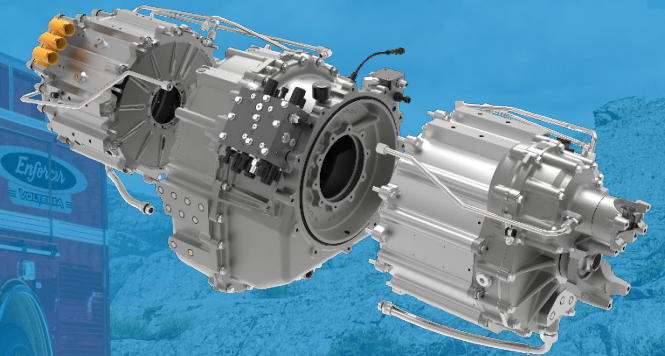
NEW PROGRAM

STRIKER[®] VOLTERRA



AIRPORT
PRODUCTS

EMIVT
Electro-Mechanical Infinitely
Variable Transmission



SPICER[™]
ELECTRIFIED



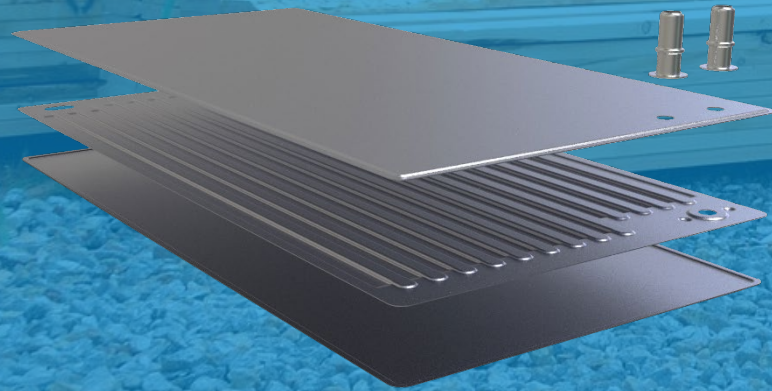
Full Frame Truck Battery Cooling



Major Global OEM

2022 North American
EV Pick-up Truck
Program

Dana Long®
Battery Cooling Plates



LONG®

ThermaTEK™



NEW PROGRAM

ESG & Science Based Targets (SBTi)

Dana to reduce annual GHG emissions by more than 50% by ~~2025~~ **2030**.



Scope 1
GHG emissions from operations



Scope 2
GHG emissions from purchased energy



Scope 3
Other GHG emissions

Partnering with SBTi for GHG reduction





Financial Review

People Finding A Better Way[®]

A blue-tinted background image of a financial bar chart with various data points and numbers like +8.76, 65.32, 12.11, 55.01, and 11.08.

DAN
LISTED
NYSE



2021 Q2 Financial Results

- Sales growth primarily due to demand recovery in light- and heavy-vehicle markets
- Profit conversion on higher sales held back by commodity cost increases and supply chain constraints
- Lower income taxes, as prior year included discreate valuation allowance adjustments
- Adj. FCF growth due to higher profits partially offset by higher working capital requirements, and capital expenditures to support strong customer demand and backlog

Changes from Prior Year

(\$ in millions except EPS)

	<u>Q2 '21</u>	<u>Q2 '20</u>	<u>Change</u>
Sales	\$ 2,205	\$ 1,078	\$ 1,127
Adjusted EBITDA	233	(5)	238
Margin	10.6%	(0.5)%	1,110 bps
EBIT	113	(112)	225
Interest Expense, Net	32	30	2
Income Tax Expense	14	34	(20)
Net Income (attributable to Dana)	53	(174)	227
Adjusted Net Income (attributable to Dana)	86	(99)	185
Diluted Adjusted EPS	\$ 0.59	\$ (0.69)	\$ 1.28
Operating Cash Flow	67	(75)	142
Capital Spending	80	58	22
Adjusted Free Cash Flow	(13)	(133)	120

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

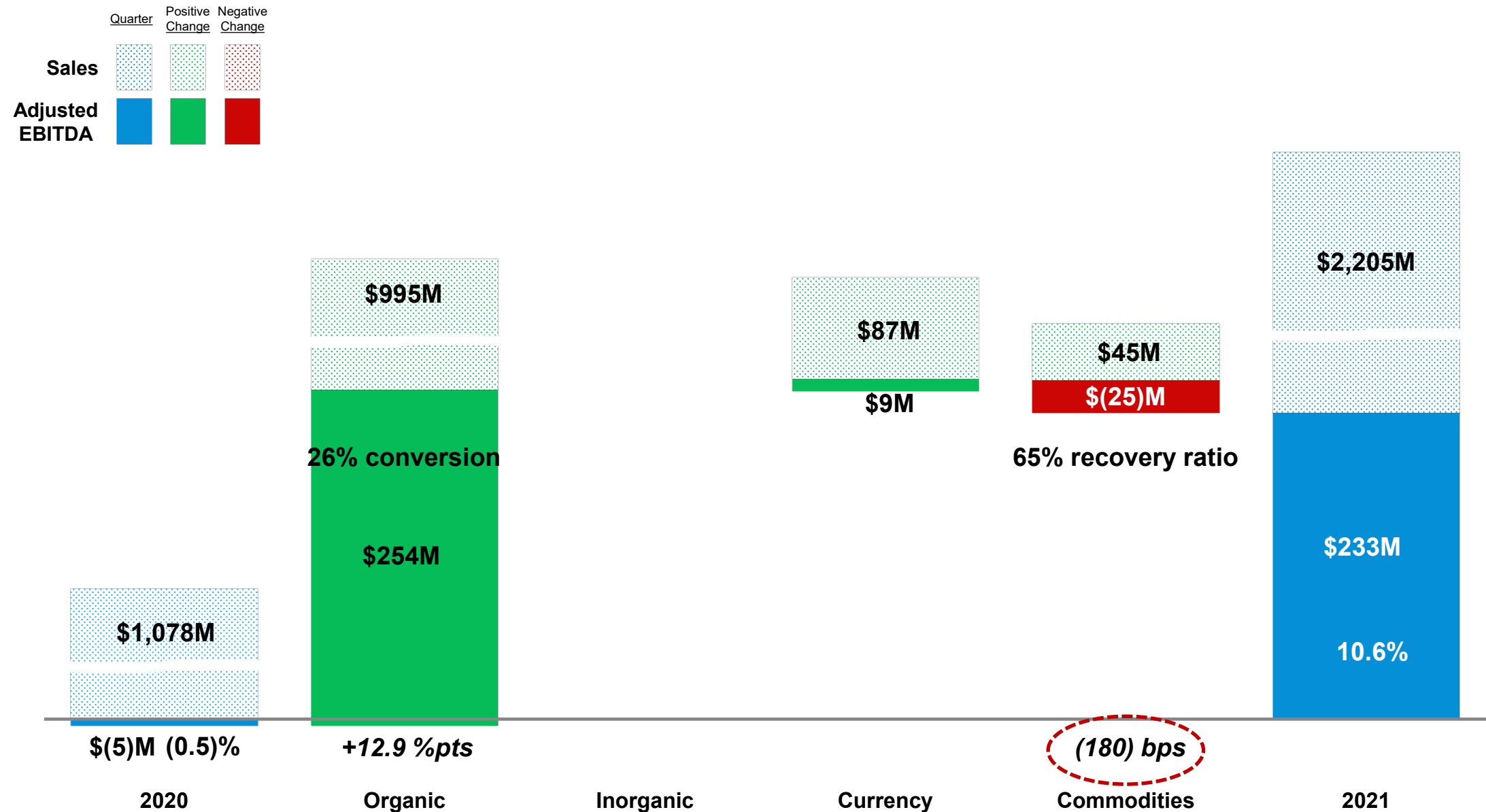
Continued market recovery driving sales, profit, and cash flow growth





2021 Q2 Sales and Profit Changes

- Continued strong market recovery driving sales growth
- Organic incrementals constrained by supply chain, leading to logistics and manufacturing inefficiencies
- Rising commodity costs, primarily steel, drove 180 bps of margin compression as sales price recoveries typically lag cost increases



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

Continued strong demand but margins constrained by commodities and supply chain





2021 Q2 Adjusted Free Cash Flow

- Adjusted free cashflow improvement driven by higher profit
- Remaining cash flow items at normal seasonal levels

Changes from Prior Year

(\$ in millions)

	<u>Q2 '21</u>	<u>Q2 '20</u>	<u>Change</u>
Adjusted EBITDA	\$ 233	\$ (5)	\$ 238
One-Time Costs¹	(10)	(10)	-
Interest, net	(53)	(47)	(6)
Taxes	(28)	(5)	(23)
Working Capital / Other²	(75)	(8)	(67)
Capital Spending	(80)	(58)	(22)
Adj. Free Cash Flow	\$ (13)	\$ (133)	\$ 120

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 profit drove significant adj. FCF growth

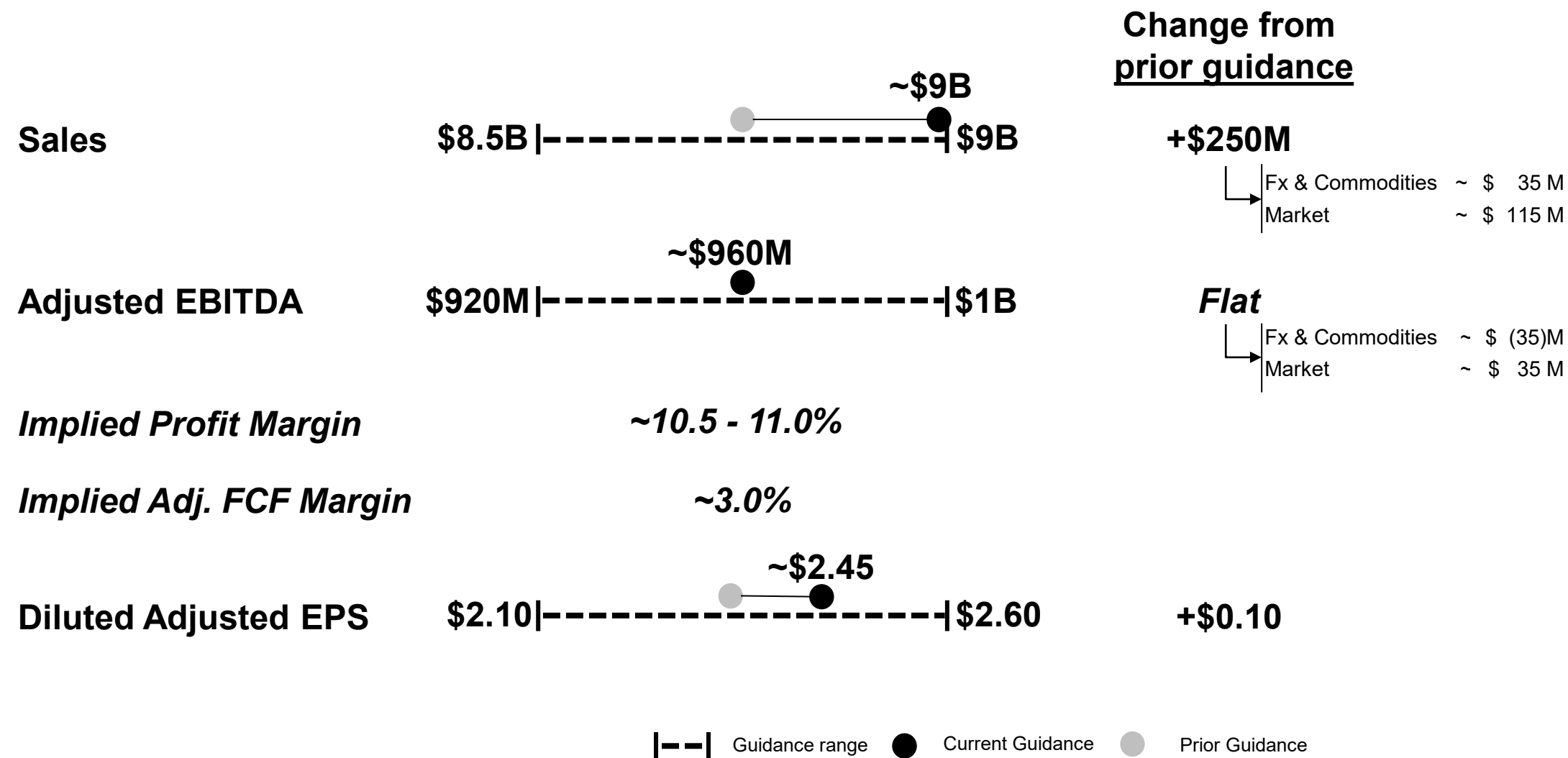




2021 FY Financial Guidance

Guidance Ranges

- Affirming full-year guidance ranges
- Current outlook implies high end of range for sales due to continued strong market demand, currency tailwinds, and higher recovery of increasing commodity costs
- Diluted adjusted EPS improvement driven by lower interest and income tax



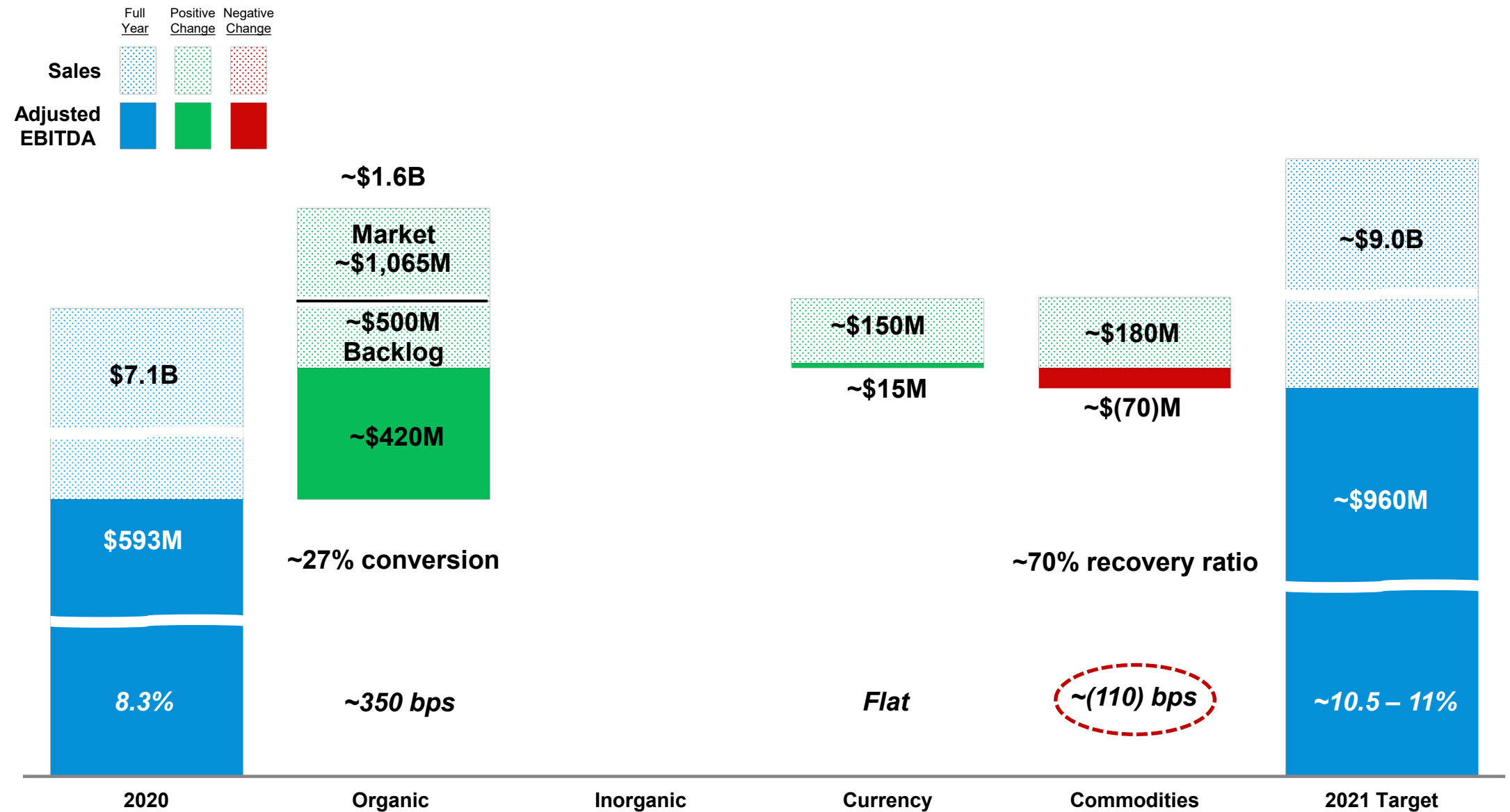
See appendix for comments regarding the presentation of non-GAAP measures

Now expecting sales and diluted adjusted EPS toward the high end of guidance range



2021 FY Sales and Profit Changes

- Sales growth driven primarily by market recovery and conversion of sales backlog
- Currency expected to be tailwind to sales and profit as USD has weakened against basket of currencies
- Commodity costs expected to be significant margin headwind despite higher recovery ratio as steel prices continue to rise



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

Market recovery and backlog driving sales and profit growth





2021 Adjusted Free Cash Flow

- Adj. FCF expected to increase compared with prior year as higher profit will be partially offset by higher working capital requirements and capital spending

Changes from Prior Year

(\$ in millions)

	<u>2021T</u>	<u>2020A</u>	<u>Change</u>
Adjusted EBITDA	\$ ~960	\$ 593	\$ ~365
One-time Costs¹	~(30)	(39)	~10
Interest, net	~(100)	(120)	~20
Taxes	~(120)	(98)	~(20)
Working Capital / Other²	~(60)	50	~(110)
Capital Spending	~(375)	(326)	~(50)
Adj. Free Cash Flow	\$ ~275	\$ 60	\$ ~215
Margin	~3%	1%	+2% pts

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.

Anticipate delivering more than \$200M of adj. FCF YoY growth; in-line with 2019

Q2 Debt Refinancing Actions

Green Bond

Dana Incorporated successfully places \$400 million in senior unsecured notes to finance eligible green projects



Clean
Transportation



Renewable
Energy



Sustainable Water and
Waste Management



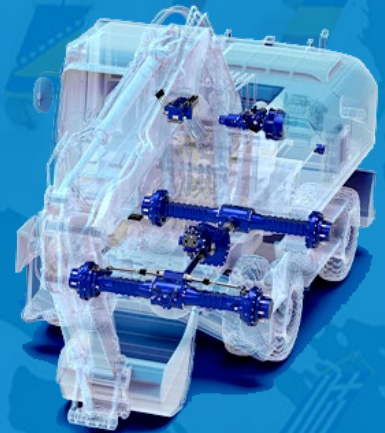
Green
Buildings

Euro Bond

Dana Incorporated successfully places its first European bond offering of €325 million in senior unsecured notes. Proceeds used to redeem existing notes due in 2026

Offering benefits all stakeholders

- Lowers borrowing costs
- Extends debt maturity
- Balances regional structure



2021 Capital Markets EV Technology Day



SAVE THE DATE



Electrification.
Delivered.TM

Technology Experience at Dana World Headquarters
with Virtual Event Viewing*

Tuesday, September 28



*Limited in-person attendance by invitation only



People Finding A Better Way[®]



Global Scale &
Financial Strength



Technologies for
Tomorrow



Balanced End-
Market Presence



Complete Electric
Product Portfolio

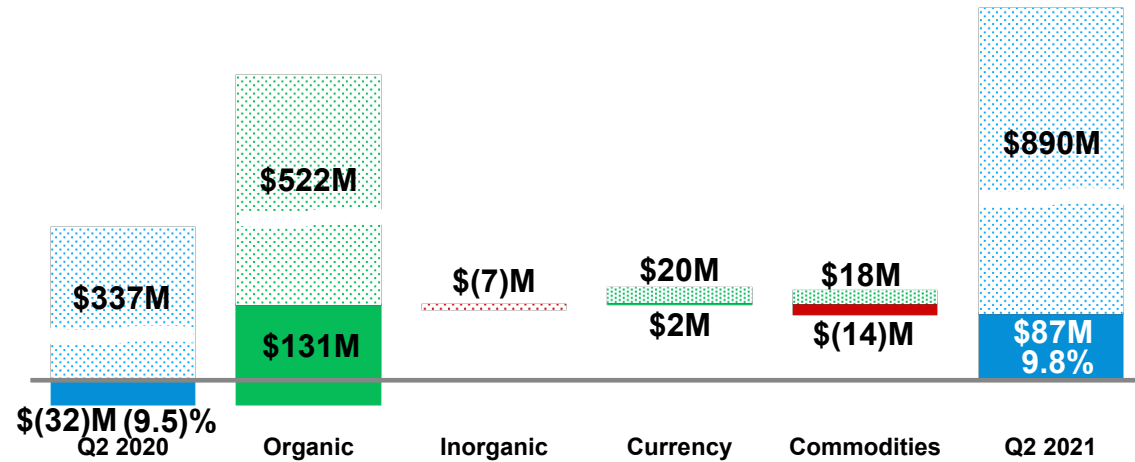




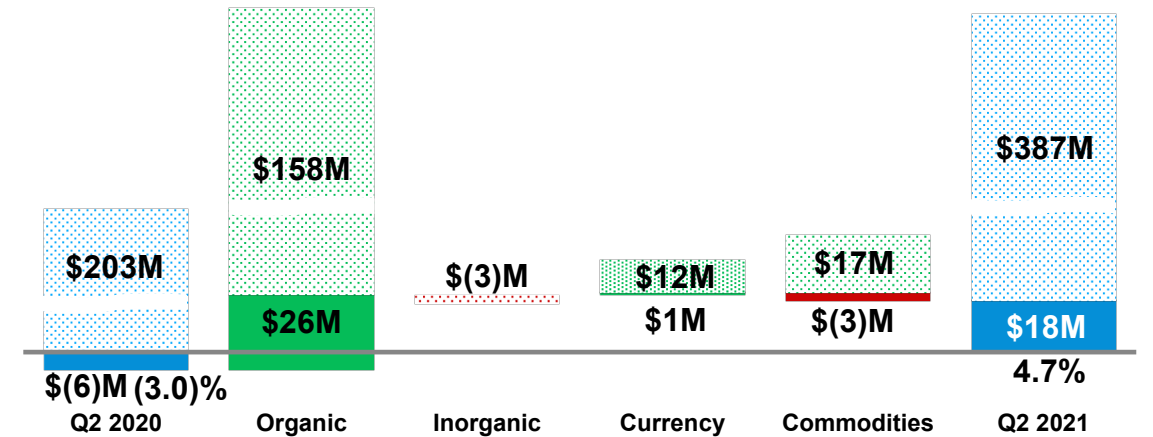
2021 Q2 Sales and Profit Change by Segment



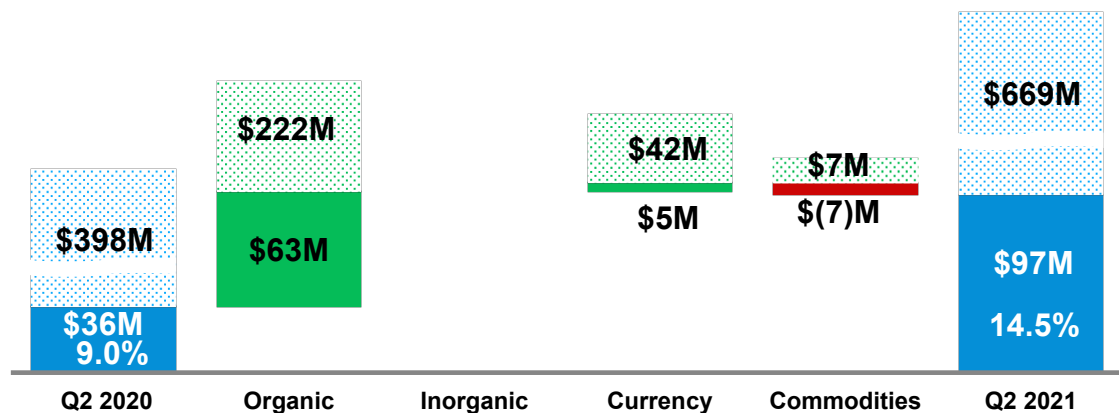
Light Vehicle Drive Systems



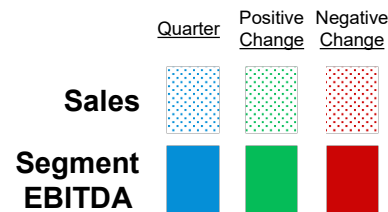
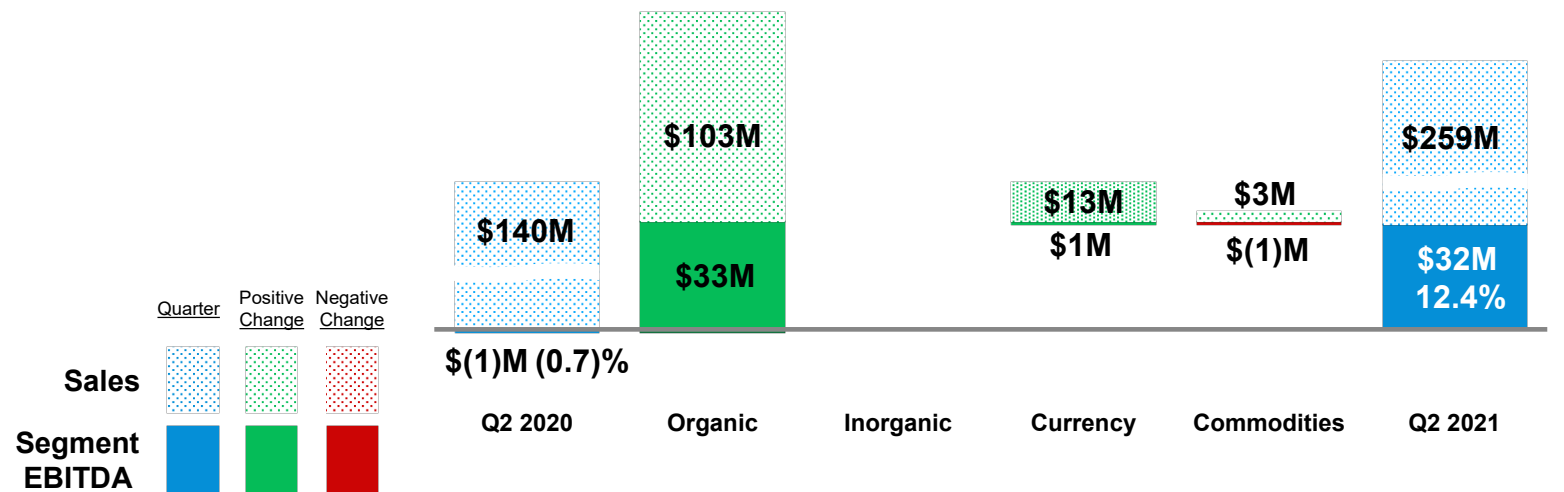
Commercial Vehicle Drive and Motion Systems



Off-Highway Drive and Motion Systems



Power Technologies



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

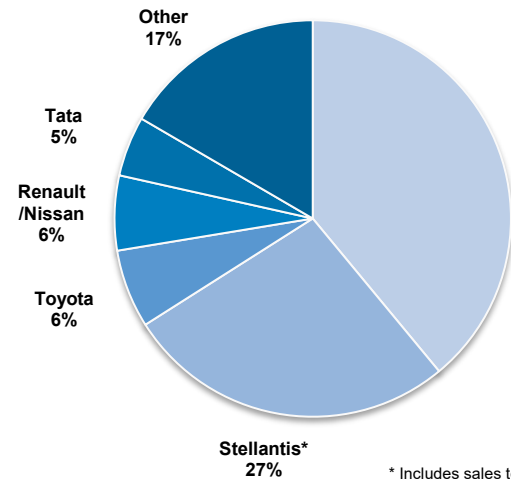
Segment Profiles



Customer Sales

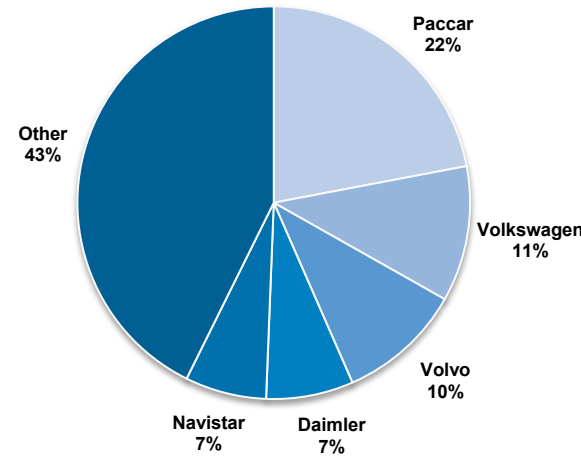
Regional Sales

Light Vehicle Drive Systems
Year to Date 6/30/2021

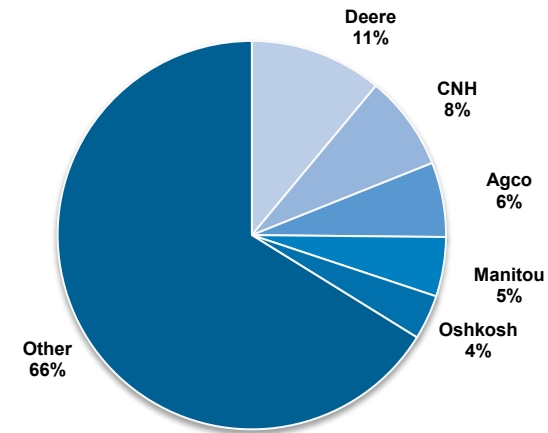


* Includes sales to system integrators for driveline products that support Stellantis vehicles

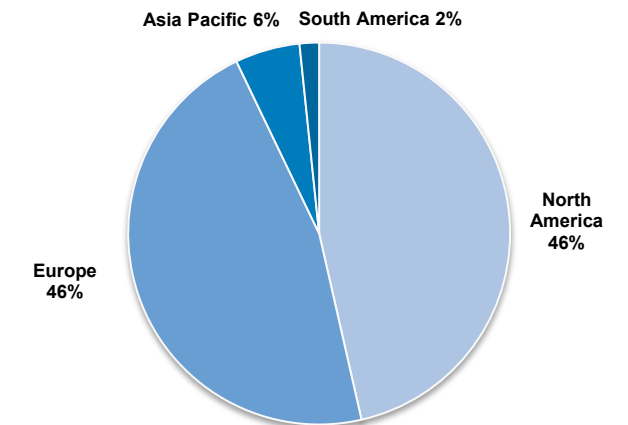
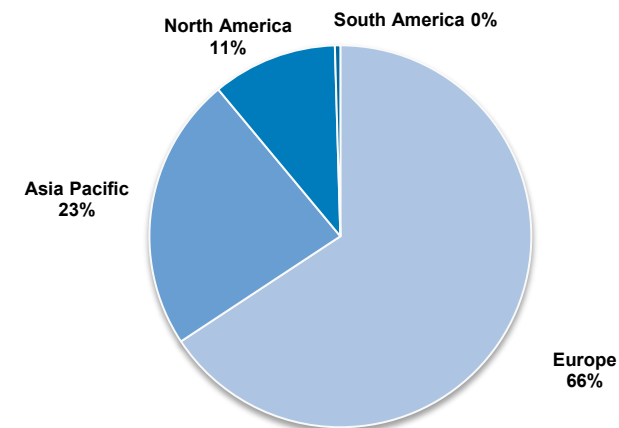
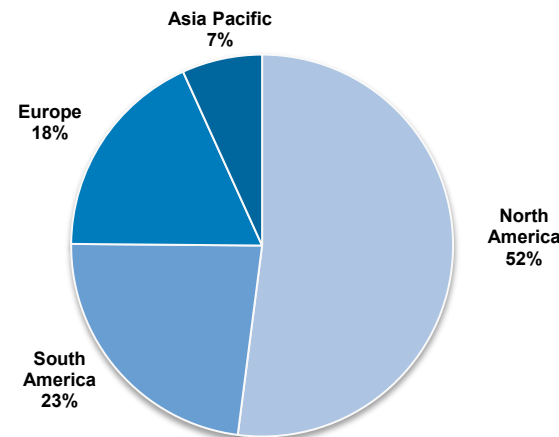
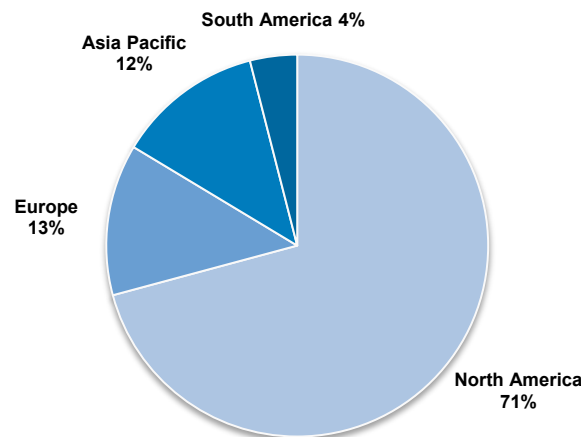
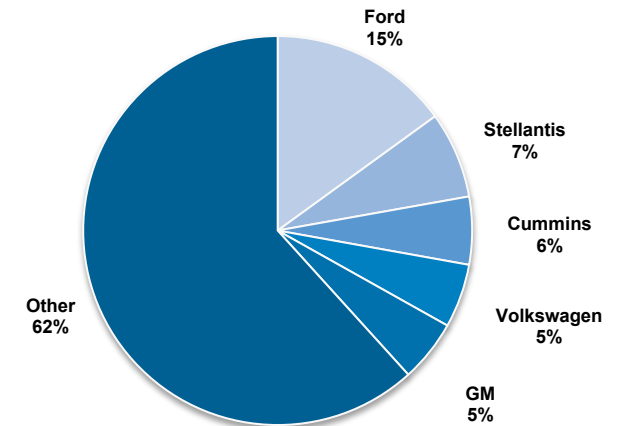
Commercial Vehicle Drive and Motion Systems
Year to Date 6/30/2021



Off-Highway Drive and Motion Systems
Year to Date 6/30/2021



Power Technologies
Year to Date 6/30/2021



Diluted Adjusted EPS



DANA INCORPORATED

Reconciliation of Net Income (Loss) Attributable to the Parent Company to Adjusted Net Income (Loss) Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited) For the Three Months Ended June 30, 2021 and 2020

(In millions, except per share amounts)

	Three Months Ended	
	June 30,	
	2021	2020
Net income (loss) attributable to parent company	\$ 53	\$ (174)
Items impacting income before income taxes:		
Amortization	5	4
Restructuring charges, net		15
Strategic transaction expenses	5	5
Gain on investment in Hylion	(3)	
Loss on disposal group held for sale	2	
Loss on extinguishment of debt	24	5
Loss on de-designation of fixed-to-fixed cross currency swaps	9	
Other items	2	
Items impacting income taxes:		
Net income tax expense on items above	(4)	(8)
Income tax expense (benefit) attributable to various discrete tax matters	(7)	54
Adjusted net income (loss) attributable to the parent	\$ 86	\$ (99)
Diluted shares - as reported	146.7	144.5
Adjusted diluted shares	146.7	144.5
Diluted adjusted EPS	\$ 0.59	\$ (0.69)

DANA INCORPORATED

Reconciliation of Net Income (Loss) Attributable to the Parent Company to Adjusted Net Income (Loss) Attributable to the Parent Company and Diluted Adjusted EPS (Unaudited) For the Six Months Ended June 30, 2021 and 2020

(In millions, except per share amounts)

	Six Months Ended	
	June 30,	
	2021	2020
Net income (loss) attributable to parent company	\$ 124	\$ (116)
Items impacting income before income taxes:		
Amortization	10	8
Restructuring charges, net	1	18
Strategic transaction expenses	8	11
Loss on investment in Hylion	14	
Loss on disposal group held for sale	7	
Loss on extinguishment of debt	24	5
Loss on de-designation of fixed-to-fixed cross currency swaps	9	
Other items	2	
Impairment of goodwill		31
Items impacting income taxes:		
Net income tax expense on items above	(10)	(11)
Income tax expense (benefit) attributable to various discrete tax matters	(6)	23
Adjusted net income (loss) attributable to the parent	\$ 183	\$ (31)
Diluted shares - as reported	146.5	144.4
Adjusted diluted shares	146.5	144.4
Diluted adjusted EPS	\$ 1.25	\$ (0.21)

Segment Data



DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Three Months Ended June 30, 2021 and 2020

(In millions)	Three Months Ended	
	June 30,	
	2021	2020
Sales		
Light Vehicle	\$ 890	\$ 337
Commercial Vehicle	387	203
Off-Highway	669	398
Power Technologies	259	140
Total Sales	\$ 2,205	\$ 1,078
Segment EBITDA		
Light Vehicle	\$ 87	\$ (32)
Commercial Vehicle	18	(6)
Off-Highway	97	36
Power Technologies	32	(1)
Total Segment EBITDA	234	(3)
Corporate expense and other items, net	(1)	(2)
Adjusted EBITDA	\$ 233	\$ (5)

DANA INCORPORATED

Segment Sales and Segment EBITDA (Unaudited) For the Six Months Ended June 30, 2021 and 2020

(In millions)	Six Months Ended	
	June 30,	
	2021	2020
Sales		
Light Vehicle	\$ 1,881	\$ 1,145
Commercial Vehicle	736	535
Off-Highway	1,304	931
Power Technologies	547	393
Total Sales	\$ 4,468	\$ 3,004
Segment EBITDA		
Light Vehicle	\$ 187	\$ 51
Commercial Vehicle	33	15
Off-Highway	176	108
Power Technologies	73	29
Total Segment EBITDA	469	203
Corporate expense and other items, net	(2)	(3)
Adjusted EBITDA	\$ 467	\$ 200

Segment Data Continued



DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended June 30, 2021 and 2020

(In millions)	Three Months Ended	
	June 30,	
	2021	2020
Segment EBITDA	\$ 234	\$ (3)
Corporate expense and other items, net	(1)	(2)
Adjusted EBITDA	233	(5)
Depreciation	(92)	(84)
Amortization	(5)	(5)
Non-service cost components of pension and OPEB costs	(3)	(3)
Restructuring charges, net		(16)
Stock compensation expense	(4)	1
Strategic transaction expenses	(5)	(5)
Gain on investment in Hylion	3	
Loss on de-designation of fixed-to-fixed cross currency swaps	(9)	
Other items	(5)	5
Earnings (loss) before interest and income taxes	113	(112)
Loss on extinguishment of debt	(24)	(5)
Interest income	2	2
Interest expense	34	32
Earnings (loss) before income taxes	57	(147)
Income tax expense	14	34
Equity in earnings of affiliates	10	8
Net income (loss)	\$ 53	\$ (173)

DANA INCORPORATED

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Six Months Ended June 30, 2021 and 2020

(In millions)	Six Months Ended	
	June 30,	
	2021	2020
Segment EBITDA	\$ 469	\$ 203
Corporate expense and other items, net	(2)	(3)
Adjusted EBITDA	467	200
Depreciation	(180)	(169)
Amortization	(12)	(9)
Non-service cost components of pension and OPEB costs	(5)	(5)
Restructuring charges, net	(1)	(19)
Stock compensation expense	(9)	(3)
Strategic transaction expenses	(8)	(11)
Loss on investment in Hylion	(14)	
Loss on disposal group held for sale	(7)	
Loss on de-designation of fixed-to-fixed cross currency swaps	(9)	
Impairment of goodwill		(51)
Other items	(1)	2
Earnings (loss) before interest and income taxes	221	(65)
Loss on extinguishment of debt	(24)	(5)
Interest income	4	4
Interest expense	68	61
Earnings (loss) before income taxes	133	(127)
Income tax expense	36	18
Equity in earnings of affiliates	24	10
Net income (loss)	\$ 121	\$ (135)

DANA INCORPORATED

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

(In millions)	Three Months Ended	
	June 30,	
	2021	2020
Net cash provided by (used in) operating activities	\$ 67	\$ (75)
Purchase of property, plant and equipment	(80)	(58)
Free cash flow	(13)	(133)
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ (13)</u>	<u>\$ (133)</u>

(In millions)	Six Months Ended	
	June 30,	
	2021	2020
Net cash provided by (used in) operating activities	\$ 94	\$ (126)
Purchase of property, plant and equipment	(133)	(121)
Free cash flow	(39)	(247)
Discretionary pension contributions		
Adjusted free cash flow	<u>\$ (39)</u>	<u>\$ (247)</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 attributable to the parent company reported by other companies. Adjusted net income (loss) attributable to the parent company is neither intended to represent nor be an alternative measure to net income (loss) attributable to the parent company reported in accordance with GAAP.

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

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

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