



2023 ANNUAL REPORT

# World In Motion





# About Dana

Dana is a leader in the design and manufacture of highly efficient propulsion and energy-management solutions that power vehicles and machines in all mobility markets across the globe.

Delivering groundbreaking drive systems. Advancing revolutionary motion technologies. Championing leading-edge power management innovations across thermal technologies for e-Propulsion; controls and software; battery management systems; and fuel cell plates.

## ABOUT THE COVER

The 2023 Dana Annual Report focuses on our collective efforts to support a World in Motion. This theme reflects our commitment to providing innovative solutions that drive mobility and transportation forward — partnering with those who think without limits for 120 years and counting.



## Our Vision

Powering Innovation  
to Move Our World

## Mission

Driving stakeholder value by powering vehicles and machines around the world; shaping sustainable progress through invention and execution; and making the amazing happen wherever people live, work, and play.

This mission is embodied in our company theme:

*People Finding A Better Way®*

## Values

Value Others

Inspire Innovation

Grow Responsibly

Win Together

# About Dana

## Business Units

### COMMERCIAL VEHICLE DRIVE AND MOTION SYSTEMS

Dana is an industry leader in the supply of traditional and electrified systems for medium- and heavy-duty commercial vehicles. We help original-equipment manufacturers and end-market customers achieve the best weight, performance, and efficiency, as well as the lowest cost of ownership, no matter the powertrain configuration.

### LIGHT VEHICLE DRIVE SYSTEMS

Dana is a leading supplier of fully integrated drivetrain and electrified propulsion systems for all passenger vehicles. Working collaboratively with original-equipment manufacturers and the aftermarket, we focus on delivering best-in-class efficiency, maximum durability, and superior ride and handling across the globe.

### OFF-HIGHWAY DRIVE AND MOTION SYSTEMS

Dana delivers mobile drivetrain and motion solutions for construction, agriculture, material handling, and mining equipment, as well as motion systems for a wide variety of mobile and stationary industrial applications. These customized solutions support vehicles and machines with both conventional and electrified power sources and are designed to deliver innovative technologies that meet customer demands and goals worldwide.

### POWER TECHNOLOGIES

Dana provides advanced thermal-management and sealing solutions to all end markets in support of conventional, electrified, and fuel-cell platforms. Leveraging the most cutting-edge technology and manufacturing processes, we deliver custom-engineered solutions designed to optimize efficiency and performance.

1904

history dating back 120 years

88

major manufacturing facilities

42K

employees globally

13K

customers in 140 countries

31

countries with Dana presence



Dana received more than 55 individual awards and recognitions from our customers and the industry, including multiple supplier of the year awards.

16 countries were also named Top Employer 2024.



# Financial Highlights

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In 2023, Dana achieved record sales and made significant investments to support the growth of our business, including executing a record number of refreshed, conquest, and new program launches.

## SALES

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\$10.6 Billion ↑

## ADJUSTED EBITDA<sup>1</sup>

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\$845 Million ↑

## THREE-YEAR SALES BACKLOG

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\$950 Million ↑

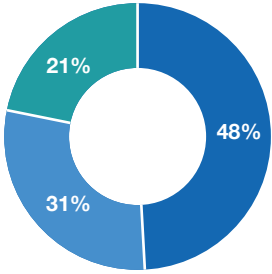
All figures as of year-end December 31, 2023.

<sup>1</sup> See pages 23-24 of Dana's 2023 Form 10-K, included herein, for explanation and reconciliation of non-GAAP financial measures.



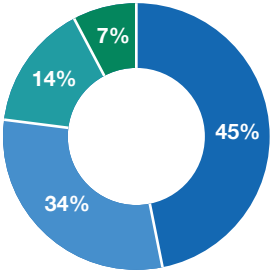


# Sales Snapshot 2023



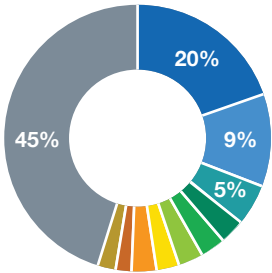
### SALES BY MARKET

Light Vehicle	48%
Off-Highway	31%
Commercial Vehicle	21%



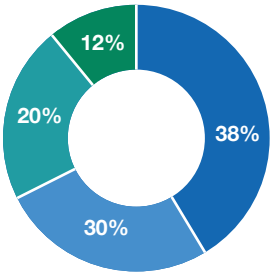
### SALES BY REGION

North America	45%
Europe	34%
Asia Pacific	14%
South America	7%



### SALES BY CUSTOMERS

Ford	20%
Stellantis*	9%
Volkswagen	5%
PACCAR	4%
Toyota	4%
Deere & Company	3%
Renault / Nissan	3%
Tata	3%
Volvo	2%
CNH Industrial	2%
All Other Customers	45%



### SALES BY BUSINESS UNIT

Light Vehicle	38%
Off-Highway	30%
Commercial Vehicle	20%
Power Technologies	12%

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





# Shareholder Letter



## Dear fellow shareholders,

We live in a world of perpetual motion. At Dana, we believe that innovation and progress are rooted in action and energy. This illustrates our commitment to drive mobility and transportation forward – wherever the road, or off-road, takes our customers and communities.

Dana's success is directly attributed to our people who have a passion for driving responsible and sustainable transformation across the globe. As a leading mobility supplier supporting nearly every vehicle manufacturer with technologies critical to vehicle performance and efficiency, Dana is at the forefront of global power conveyance and energy-management solutions for the vehicles of today and tomorrow.

In 2023, the company achieved record sales of \$10.6 billion and improved profit by \$145 million, or more than 110 basis points of profit margin. We made significant investments to support the growth of our business, including executing a record number of program launches spanning both internal combustion engine (ICE) and electric vehicles (EV) within the commercial-vehicle, light-vehicle, and off-highway markets.

Over the past several years, Dana has been transformed across all businesses and functions.

This has included implementing company-wide synergies that have enabled us to further strengthen our proficiencies across the organization to improve our process technology and manufacturing capabilities.

We also established a balanced product portfolio, including our complete in-house electrification capabilities, which has positioned Dana as an energy-source agnostic supplier providing class-leading products and systems to support internal combustion, hybrid, and electric vehicle manufacturers.

Our transformation has also enabled us to further drive profit expansion through enhanced company-wide efficiencies, robust supply-chain management and product engineering, and stronger margins on new and replacement programs.

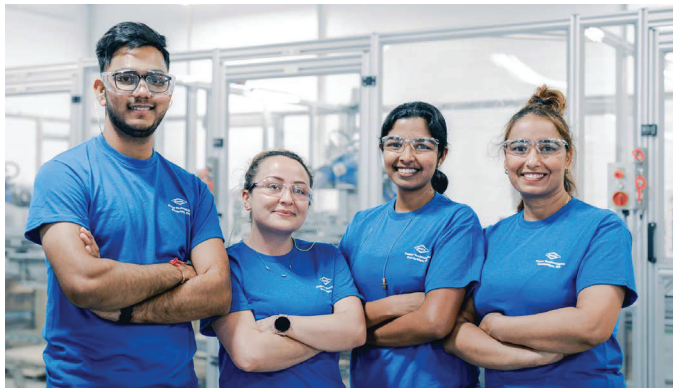
As we look to 2024, we are well-positioned to build on this strong momentum. Dana has amassed \$950 million of new sales backlog through 2026, a record seventh consecutive year of new sales growth for the company. It includes \$50 million more than our prior three-year metric and \$350 million of incremental new sales this year.





# Shareholder Letter

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## **Our Transformation Is Driven by Our Pursuit of Excellence**

As a high-performing engineering and manufacturing organization, Dana requires world-class program management that leans heavily on the core tenant of our enterprise strategy, which we refer to as “Leverage the Core.” This has required a commitment to be agile and to relentlessly pursue standardization across the entire organization.

Over the past several years, our “One Dana” mindset has allowed us to drive efficiencies in every aspect of the business, including fixed-cost savings and asset utilization, and better leverage our resources and capabilities to lower overall costs.

This transformation was achieved while simultaneously and successfully launching more than 100 programs. Dana’s extremely aggressive launch cadence in 2023 included significant and complex programs spanning both traditional and electric vehicles across all global markets, with four of our largest programs accounting for approximately \$2.5 billion in annualized sales.

To successfully launch this number of programs in one year requires extensive internal collaboration. Our customers have choices, and they continue to entrust Dana with many of their most important, iconic, and technologically advanced vehicles. This is a great honor and responsibility, and it is something we do not take lightly.

## **120 Years of Innovation Driving Balanced Growth**

For 120 years, Dana has been transforming the mobility industry since its founding in 1904. Our success is built on a foundation of vision and execution. From the invention of the encased universal joint to the development of fully integrated propulsion systems for today’s most complex electrified powertrains, Dana remains a leader in revolutionizing power conveyance.

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Thank you to our Dana associates around the world for their collaboration, commitment, and teamwork to ensure our customers were successfully supported. The tremendous effort, dedication, and sacrifice of the Dana team personifies our motto of *People Finding A Better Way*.

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We collaborate with our customers on their quest for electrified vehicles, while also ensuring that we remain balanced in providing the traditional internal combustion engine, diesel, and hybrid technology capabilities that are fundamental to our industry during these times of transition.

Today, Dana delivers leading-edge, clean energy power management innovations across all mobility markets. Most importantly, we do it with people in mind. Our strong commitment to sustainability and social responsibility directly impacts our customers, our people, and the communities where we work and live.

## **Customer Focused, Consumer Driven**

Dana has a strong culture of innovation and customer-centricity that is known across our industry. Because we support many different types of powertrain configurations, we have a wide range of expertise and experience that is leveraged across the entire organization.

With nearly 42,000 people in 31 countries across six continents, our unique market and regional balance is a true differentiator. It enables us to have the infrastructure and supply chain in place to meet our customers’ ever-changing needs quickly and efficiently. Dana’s network of technology centers is home to some of the world’s most innovative minds who are dedicated to the pursuit of new ideas and capabilities that shape our distinctive and innovative technology portfolio.

We also understand our role in helping to ensure a better future for ourselves and generations to come. It is why we are committed to being net zero with regard to greenhouse gas emissions by 2040, and why we benchmark our supplier base and operate near our customers around the world to improve sustainability performance throughout the value chain.



# Shareholder Letter

Dana technologies have won the *Automotive News* PACE Award eight times, and we've been named as a finalist on 25 occasions — recognizing our pipeline of innovation

Dana earned more than 55 industry and customer awards in 2023



## A Culture Built on Our Pursuit of Excellence

What I am most proud of is that we are a high-performing organization that is driven solely by our shared commitment to doing business the right way.

Through hard work, integrity, and determination, the collective “One Dana” team has done an outstanding job keeping safety and quality at the forefront of all we do while also ensuring that everyone is valued and treated with respect, and business is conducted responsibly and ethically.

These efforts have been recognized time and again, as illustrated by the numerous industry and customer recognitions that Dana received in 2023. This includes being named a “World’s Most Ethical Company 2024” by Ethisphere and one of “America’s Most Responsible Companies 2024” by Newsweek, as well as countless customer awards from around the world from Caterpillar, Daimler Truck, GM, Ford, Jaguar-Land Rover, John Deere, PACCAR, Tata, Toyota, Volkswagen, Volvo, and more.

It truly is a privilege to work alongside such talented and dedicated people who value integrity and excellence above all else.

**Photo:** Dana employees at the Sustainable Mobility Center in Maumee, Ohio, United States

Looking to the future, Dana is well positioned to build on our strong momentum as we expect to further drive profitable above-market growth. As we have done for more than 120 years, Dana will continue to win with a balanced approach that adapts to our dynamic environment, remaining an innovative leader for a world in motion.

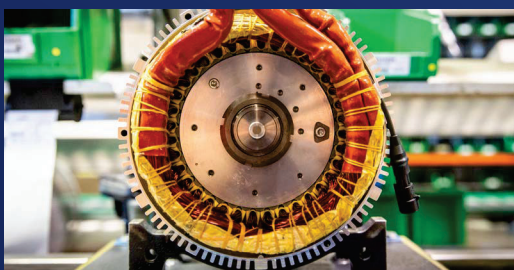
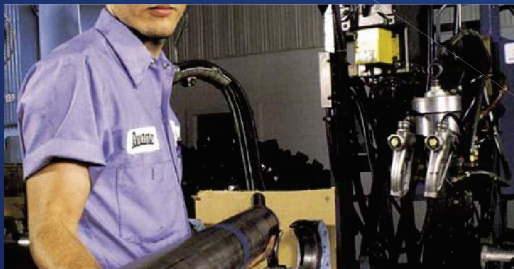
My personal best,

**James K. Kamsickas**  
*Chairman and Chief Executive Officer*



# A Dozen Decades of Dana

Since  1904  
**120 YEARS**



From the invention of the encased universal joint, which literally unchained the industry by eliminating sprockets and chains, to the development of fully integrated propulsion systems for today's most complex electrified powertrains, Dana has been, and continues to be, a leader in revolutionizing power conveyance.

## 1904

Clarence Spicer starts his company on April 1, based on his patented invention of the encased universal joint, in Plainfield, New Jersey, United States.

## 1922

Spicer Manufacturing Corporation is listed on the New York Stock Exchange.

## 1946

Spicer is renamed Dana Corporation after the company's namesake and then president, Charles Dana.

## 1967

Dana advances driveline concepts for electrical vehicles, decades before the production of hybrid and electric cars.

## 1982

Spicer Driveshaft Division develops the industry's first all-aluminum driveshaft.

## 2018-2023

Dana's in-house advantage in electrification powers complete, fully integrated electrified systems for all mobility markets with gearbox, low- to high-voltage motor, inverter, controls, and thermal management expertise.

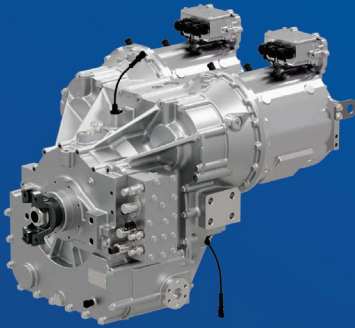


# Innovation

At the heart of a world in motion



# Innovation



## Powering the Construction Industry with the Launch of the Spicer Electrified™ eSP502 e-Transmission

Dana unveiled new initiatives reinforcing its commitment to the North American construction and off-highway markets, including the introduction of electrified drivetrain offerings and expansion of production capabilities. The Spicer Electrified™ eSP502 e-Transmission features a dual-motor, two-speed design built on a flexible platform for optimized performance in compact off-highway vehicles. Additionally, we introduced a modular Spicer® drivetrain solution for telehandlers and expanded production of Spicer Torque-Hub™ track drives.



### Metallic Bipolar Plates for Hydrogen Electrolyzers

We introduced metallic bipolar plates engineered to optimize performance and hasten the commercialization of proton exchange membrane (PEM) electrolyzers for hydrogen fuel production. Leveraging more than two decades of expertise in similar components for fuel cell stacks in mobile applications, Dana's integrated bipolar plates feature steel or titanium construction with various coatings, enhancing stack efficiency and sealing integrity at pressures up to 50 bar. This initiative affirms Dana's commitment to driving the energy transition with innovative solutions.



### Improving Turf Management, Sustainably, with Electric Zero-Turn Mowers

We unveiled an electric zero-turn mower solution featuring compact Spicer Torque-Hub™ drives and Dana TM4™ motors — enhancing zero-emissions operation through powerful torque, extended work times, reduced maintenance, and lower noise.



### Increasing Strength and Capability for Off-Road Enthusiasts with Dana Bracketless Crate Axles

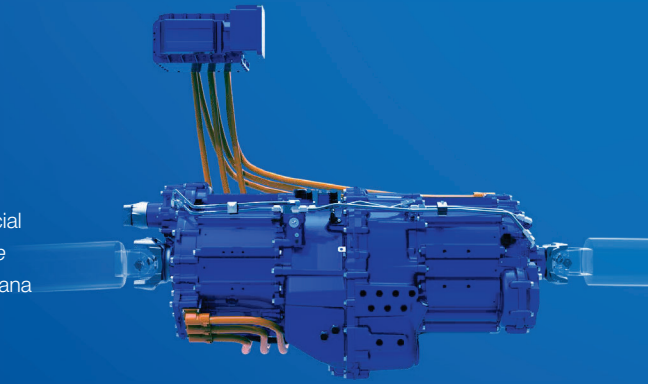
Engineered for easy installation on a wide range of applications, the Ultimate Dana 80™ bracketless crate axle boasts unrivaled durability for custom builds. Featuring robust construction with ultra-strong four-inch tubes and Spicer® 40 spline nickel chromoly steel shafts, these axles ensure peak performance even in extreme off-road conditions.

# Innovation



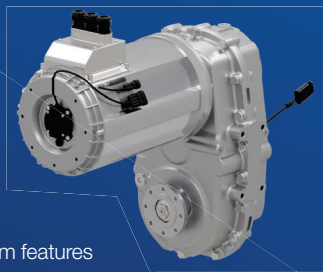
## Continued Innovation Recognized by the Automotive News PACE Awards

The Electro-Mechanical Infinitely Variable Transmission for commercial vehicles was most recently named a finalist for the 2023 Automotive News PACE Award, with winners being announced in April 2024. Dana has won eight Automotive News PACE Awards and been named a finalist on 25 occasions.



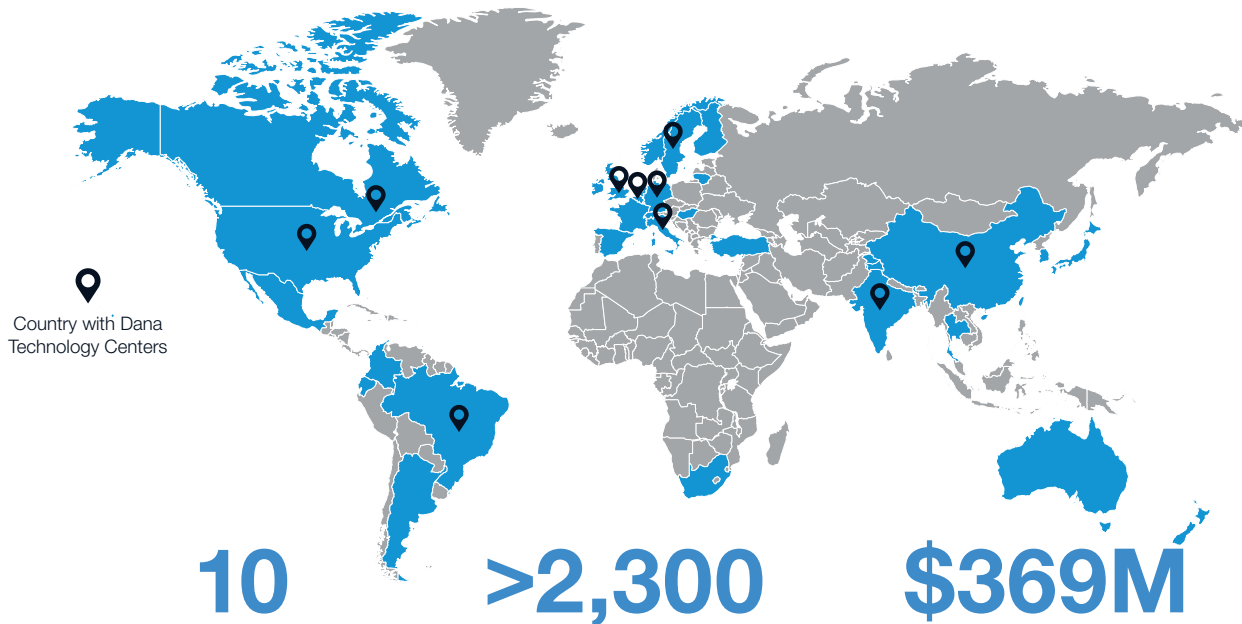
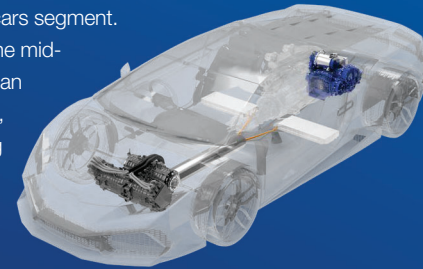
### Wacker Neuson e-Mobility Program

Dana was selected by the Wacker Neuson Group to supply the e-Propulsion system for its compact, construction vehicle range in Europe. The multi-year program features a comprehensive electrodynamic system from Dana, encompassing the Spicer Electrified™ eSG101 e-Transmission, Dana TM4™ SRI 200 motors, AC-X1 inverters, an APC 300 series controller, and accompanying software for managing vehicle traction and operations.



### Supporting Lamborghini with 8-Speed Hybrid Dual Clutch Transmission

We were chosen by Automobili Lamborghini S.p.A. to develop and build an 8-speed, dual-clutch hybrid transmission for its powerful V12 engines, establishing a new input torque and speed capacity benchmark for the super sports cars segment. Depending on its configuration, the mid-engine, transverse transmission can be leveraged for battery recharge, torque boost, or EV drive, offering flexibility without sacrificing performance.



Country with Dana Technology Centers

**10**

country network of technology centers

**>2,300**

of the world's leading engineers, technicians, and scientists

**\$369M**

engineering and R&D spend in 2023





**Better World™**





Climate Action

75%+

Reduction of Scope 1 and Scope 2 GHG emissions by 2030

25%+

Reduction in Scope 3 GHG emissions by 2030

2040

Net zero



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Managing with Science Based Targets

Dana Accelerates Climate Commitments, Plans to Achieve Net Zero by 2040

Dana announced an acceleration of its climate commitments, aiming to achieve net zero by 2040, with a more than 75 percent reduction in Scope 1 and 2 greenhouse gas emissions by 2030. This commitment involves implementing renewable energy projects and purchase agreements, including an agreement with Enel Green Power for a solar project in Spain, supporting Dana’s goal of offsetting emissions across its global operations. Aligned with a science-based approach and the United Nations Global Compact, Dana’s initiatives underscore its dedication to responsible sustainability practices and a zero-emission future.

“These projects, coupled with ongoing initiatives across our global operations, help to advance our vision of a zero-emission future.”

Douglas H. Liedberg, Senior Vice President, General Counsel, Secretary, and Chief Compliance & Sustainability Officer for Dana



# Leadership

## Board of Directors

### **Ernesto M. Hernández** <sup>1,3</sup>

Retired President and Managing Director of General Motors de México

*Director since 2022*

### **Gary Hu** <sup>2,3</sup>

Portfolio Manager for Icahn Capital L.P.

*Director since 2022*

### **James K. Kamsickas**

Chairman and Chief Executive Officer of Dana Incorporated

*Director since 2015*

### **Virginia A. Kamsky** <sup>1,2</sup>

Chair and Chief Executive Officer of Kamsky Associates, Inc.

*Director since 2011*

### **Bridget E. Karlin** <sup>1\*,4</sup>

Senior Vice President of Information Technology for Kaiser Permanente

*Director since 2019*

### **Michael J. Mack, Jr.** <sup>1,2\*,5</sup>

Retired Group President of John Deere Financial Services, Global Human Resources, and Public Affairs at Deere & Co.

*Director since 2018*

### **R. Bruce McDonald** <sup>2,3\*,5</sup>

Retired Chairman and Chief Executive Officer of Adient plc

*Director since 2014*

### **Steven D. Miller** <sup>1,4</sup>

Portfolio Manager at Icahn Capital L.P.

*Director since 2023*

### **Diarmuid B. O'Connell** <sup>2,4\*</sup>

Former Vice President of Tesla, Inc.

*Director since 2018*

### **Keith E. Wandell** <sup>3,4,†</sup>

Retired President, Chief Executive Officer and Chairman of Harley-Davidson, Inc.

*Director since 2008*

\* Committee Chair

† Lead Independent Director

<sup>1</sup> Member, Compensation Committee

<sup>2</sup> Member, Audit Committee

<sup>3</sup> Member, Nominating and Corporate Governance Committee

<sup>4</sup> Member, Technology and Sustainability Committee

<sup>5</sup> Financial Expert

**Photo:** Dana's dedicated wind facility in Texas, United States

# Leadership

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## Corporate Officers

### **James K. Kamsickas**

Chairman and Chief Executive Officer

### **Aziz S. Aghili**

Executive Vice President and President,  
Commercial Vehicle Drive and Motion  
Systems

### **Chris J. Clark**

Senior Vice President, Global Operations

### **Jeroen B. Decler**

Senior Vice President and President,  
Off-Highway Drive and Motion Systems

### **Christophe J. Dominiak**

Senior Vice President and Chief  
Technology Officer

### **Byron S. Foster**

Senior Vice President and President,  
Light Vehicle Drive Systems

### **Timothy R. Kraus**

Senior Vice President and Chief  
Financial Officer

### **Douglas H. Liedberg**

Senior Vice President, General Counsel,  
Secretary, and Chief Compliance &  
Sustainability Officer

### **Maureen S. Pittenger**

Senior Vice President and Chief  
Human Resources Officer

### **M. Craig Price**

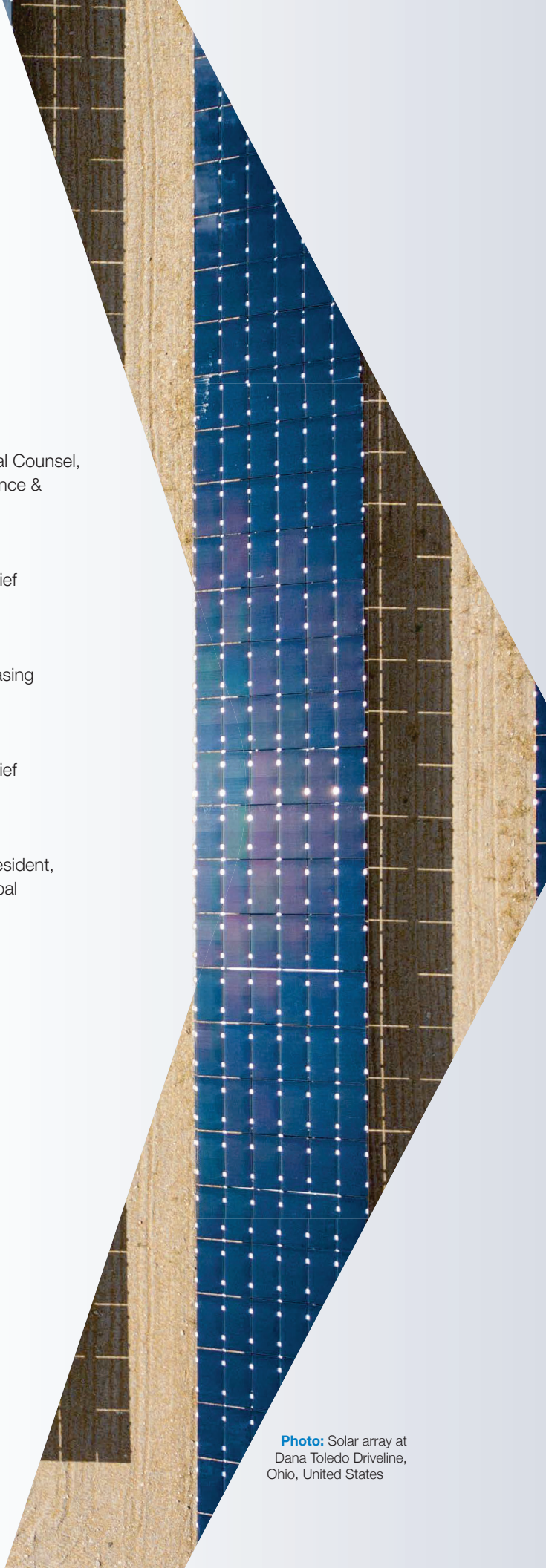
Senior Vice President, Purchasing  
and Supplier Development

### **Andrea C. Siudara**

Senior Vice President and Chief  
Information Officer

### **Antonio Valencia**

Senior Vice President and President,  
Power Technologies and Global  
Electrification



**Photo:** Solar array at  
Dana Toledo Driveline,  
Ohio, United States





**DAN**  

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**LISTED**  

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**NYSE**

*Form 10-K*



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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**Form 10-K**

**Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Fiscal Year Ended: December 31, 2023**

**OR**

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Transition Period From to  
Commission File Number: 1-1063**

**Dana Incorporated**

(Exact name of registrant as specified in its charter)

**Delaware**

(State of incorporation)

**3939 Technology Drive, Maumee, OH**

(Address of principal executive offices)

Registrant's telephone number, including area code: (419) 887-3000

**26-1531856**

(IRS Employer Identification Number)

**43537**

(Zip Code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Common stock, par value \$0.01 per share	DAN	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).



Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the common stock held by non-affiliates of the registrant computed by reference to the closing price of the common stock on June 30, 2023 was \$2,436,129,903.

There were 144,386,484 shares of the registrant's common stock outstanding at February 2, 2024.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive Proxy Statement to be delivered to stockholders in connection with the Annual Meeting of Shareholders to be held on April 24, 2024 are incorporated by reference into Part III.

**DANA INCORPORATED**  
**FORM 10-K**  
**YEAR ENDED DECEMBER 31, 2023**

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## Forward-Looking Information

Statements in this report (or otherwise made by us or on our behalf) that are not entirely historical constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often be identified by words such as “anticipates,” “expects,” “believes,” “intends,” “plans,” “predicts,” “seeks,” “estimates,” “projects,” “outlook,” “may,” “will,” “should,” “would,” “could,” “potential,” “continue,” “ongoing” and similar expressions, variations or negatives of these words. These statements represent the present expectations of Dana Incorporated and its consolidated subsidiaries based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Our plans, actions and actual results could differ materially from our present expectations due to a number of factors, including those discussed below and elsewhere in this report and in our other filings with the Securities and Exchange Commission (SEC). All forward-looking statements speak only as of the date made and we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances that may arise after the date of this report.

## PART I

(Dollars in millions, except per share amounts)

### Item 1. Business

#### General

Dana Incorporated (Dana), with history dating back to 1904, is headquartered in Maumee, Ohio. We are a world leader in providing power-conveyance and energy-management solutions for vehicles and machinery. The company's portfolio improves the efficiency, performance, and sustainability of light vehicles, commercial vehicles, and off-highway equipment. From axles, driveshafts, transmissions, sealing and thermal products to electrification products including motors, inverters, controllers, e-sealing, e-thermal and digital solutions, we enable the propulsion of internal combustion engine (ICE), hybrid and electric powered vehicles by supplying nearly every major vehicle manufacturer in the world. We also serve the stationary industrial market. As of December 31, 2023 we employed approximately 41,800 people and operated in 31 countries.

The terms “Dana,” “we,” “our” and “us” are references to Dana. These references include the subsidiaries of Dana unless otherwise indicated or the context requires otherwise.

#### Overview of our Business

We have aligned our organization around four operating segments: Light Vehicle Drive Systems (Light Vehicle), Commercial Vehicle Drive and Motion Systems (Commercial Vehicle), Off-Highway Drive and Motion Systems (Off-Highway) and Power Technologies. These operating segments have global responsibility and accountability for business commercial activities and financial performance.

External sales by operating segment for the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023		2022		2021	
	Dollars	% of Total	Dollars	% of Total	Dollars	% of Total
Light Vehicle	\$ 4,035	38.2%	\$ 4,090	40.3%	\$ 3,773	42.2%
Off-Highway	3,185	30.2%	2,946	29.0%	2,593	29.0%
Commercial Vehicle	2,092	19.8%	1,979	19.5%	1,532	17.1%
Power Technologies	1,243	11.8%	1,141	11.2%	1,047	11.7%
Total	<u>\$ 10,555</u>		<u>\$ 10,156</u>		<u>\$ 8,945</u>	

Refer to Segment Results of Operations in Item 7 and Note 20 to our consolidated financial statements in Item 8 for further financial information about our operating segments.

Our business is diversified across end-markets, products and customers. The following table summarizes the markets, products and largest customers of each of our operating segments as of December 31, 2023:

Segment	Markets	Products	Largest Customers
Light Vehicle	Light vehicle market: Light trucks (full frame) Sport utility vehicles Crossover utility vehicles Utility vans Sports cars Super sports cars	Axles Driveshafts ICE, hybrid and e-transmissions e-Axle systems e-Transmission systems Inverters Electric motors Controllers	Ford Motor Company Stellantis N.V.* Toyota Motor Corporation Renault-Nissan-Mitsubishi Alliance Tata Motors Ltd (including Jaguar Land Rover) Volkswagen AG
Commercial Vehicle	Commercial vehicle market: Medium duty trucks Heavy duty trucks Buses Specialty vehicles	Axles Driveshafts Hybrid and e-transmissions e-Axle systems e-Transmission systems Inverters Electric motors Controllers	PACCAR Inc Traton SE AB Volvo Daimler Truck AB Ford Motor Company CNH Industrial N.V.
Off-Highway	Off-Highway market: Construction Agricultural Mining Forestry Material handling Industrial stationary Lawn care and recreational	Axles, hub drives and driveshafts ICE, hybrid and e-transmissions e-Axle systems e-Transmission systems e-Hub drive systems Inverters Electric motors Controllers	Deere & Company CNH Industrial N.V. AGCO Corporation Oshkosh Corporation Manitou Group JCB Inc.
Power Technologies	Light vehicle market Commercial vehicle market Off-Highway market Industrial stationary market	ICE sealing and thermal e-Sealing e-Thermal cooling systems Battery cooling Electronics cooling Hydrogen fuel cell cooling New power industrial cooling	Ford Motor Company General Motors Company Stellantis N.V. Volkswagen AG (including Traton SE) Cummins Inc. Mercedes-Benz Group

\* Via a directed supply relationship



## Geographic Operations

We maintain administrative and operational organizations in North America, Europe, South America and Asia Pacific to support our operating segments, assist with the management of affiliate relations and facilitate financial and statutory reporting and tax compliance on a worldwide basis. Our operations are located in the following countries:

North America	Europe		South America	Asia Pacific
Canada	Belgium	Netherlands	Argentina	Australia
México	Finland	Norway	Brazil	China
United States	France	South Africa	Colombia	India
	Germany	Spain	Ecuador	Japan
	Hungary	Sweden		New Zealand
	Ireland	Switzerland		Singapore
	Italy	Turkey		South Korea
	Lithuania	United Kingdom		Thailand

Our non-U.S. subsidiaries and affiliates manufacture and sell products similar to those we produce in the United States. Operations outside the U.S. may be subject to a greater risk of changing political, economic and social environments, changing governmental laws and regulations, currency revaluations and market fluctuations than our domestic operations. See the discussion of risk factors in Item 1A.

Sales reported by our non-U.S. subsidiaries comprised \$6,063, or 57%, of our 2023 consolidated sales of \$10,555. A summary of sales and long-lived assets by geographic region can be found in Note 20 to our consolidated financial statements in Item 8.

## Customer Dependence

We are largely dependent on light vehicle, medium- and heavy-duty vehicle and off-highway original equipment manufacturer (OEM) customers. Ford Motor Company (Ford) and Stellantis N.V. (Stellantis) were the only individual customers accounting for 10% or more of our consolidated sales in one or more of the past three years. As a percentage of total sales from operations, our sales to Ford were approximately 20% in 2023, 19% in 2022 and 19% in 2021. Our sales to Stellantis (via a directed supply relationship) were approximately 9% in 2023, 11% in 2022 and 12% in 2021. Volkswagen AG (including Traton SE), PACCAR, Inc and Toyota Motor Corporation were our third, fourth and fifth largest customers in 2023. Our 10 largest customers collectively accounted for approximately 55% of our sales in 2023.

Loss of all or a substantial portion of our sales to Ford, Stellantis or other large volume customers would have a significant adverse effect on our financial results until such lost sales volume could be replaced and there is no assurance that any such lost volume would be replaced.

## Sources and Availability of Raw Materials

We use a variety of raw materials in the production of our products, including steel and products containing steel, stainless steel, forgings, castings, bearings, semiconductors, and magnets and related rare earth materials. Other commodity purchases include aluminum, brass, copper and plastics. These materials are typically available from multiple qualified sources in quantities sufficient for our needs. However, some of our operations remain dependent on single sources for certain raw materials.

While our suppliers have generally been able to support our needs, our operations may experience shortages and delays in the supply of raw material from time to time due to strong market demand, capacity limitations, supply chain disruptions, short lead times, production schedule increases from our customers and other problems experienced by the suppliers. A significant or prolonged shortage of critical components from any of our suppliers could adversely impact our ability to meet our production schedules and to deliver our products to our customers in a timely manner.

## Seasonality

Our businesses are generally not seasonal. However, in the light vehicle market, our sales are closely related to the production schedules of our OEM customers and those schedules have historically been weakest in the third quarter of the year due to a large number of model year changeovers that occur during this period. Additionally, third-quarter production schedules in Europe are typically impacted by summer vacation schedules and fourth-quarter production is affected globally by year-end holidays.

## Backlog

A substantial amount of the new business we are awarded by OEMs is granted well in advance of a program launch. These awards typically extend through the life of the given program. This backlog of new business does not represent firm orders. We estimate future sales from new business using the projected volume under these programs.

## Competition

Within each of our markets, we compete with a variety of independent suppliers and distributors, as well as with the in-house operations of certain OEMs. With a focus on product innovation, we differentiate ourselves through efficiency and performance, reliability, materials and processes, sustainability and product extension.

The following table summarizes our principal competitors by operating segment as of December 31, 2023:

Segment	Principal Competitors	
Light Vehicle	American Axle & Manufacturing Holdings, Inc. BorgWarner Inc. Hofer Powertrain GmbH Jing-Jin Electric Technologies Co. Ltd. Linamar Corporation	Magna International Inc. Schaeffler AG Valeo SE ZF Friedrichshafen AG Vertically integrated OEM operations
Commercial Vehicle	Allison Transmission Holdings, Inc. BorgWarner Inc. Cummins Inc. Danfoss A/S Eaton Corporation plc	Eugen Klein GmbH Hendrickson Holdings, LLC Tirsan Kardan A.Ş. ZF Friedrichshafen AG Vertically integrated OEM operations
Off-Highway	Bonfiglioli Riduttori S.p.A. Carraro S.p.A. Comer Industries S.p.A. Danfoss A/S Kessler+Co	Kohler Co. SEW-Eurodrive GmbH Zapi S.p.A. ZF Friedrichshafen AG Vertically integrated OEM operations
Power Technologies	Denso Corporation ElringKlinger AG Freudenberg Group Hanon Systems	Mahle GmbH Tenneco Inc. Valeo SE YinLun Co., LTD

## Intellectual Property

Our proprietary driveline and power technologies product lines have strong identities in the markets we serve. Throughout these product lines, we manufacture and sell our products under a number of patents that have been obtained over a period of years and expire at various times. We consider each of these patents to be of value and aggressively protect our rights in key markets. We are involved with many product lines and the loss or expiration of any particular patent would not materially affect our sales and profits.

We own or have licensed numerous trademarks that are registered or subject to pending applications in many jurisdictions. For example, our Spicer®, Spicer Electrified™, Victor Reinz®, Long®, Graziano™ and Dana TM4™ trademarks are widely recognized in their market segments. We regard our trademarks as valuable assets and strategically pursue available protection of these rights.



## Engineering and Research and Development

Since our introduction of the automotive universal joint in 1904, we have been focused on technological innovation. Our objective is to be an essential partner to our customers and we remain highly focused on offering superior product quality, technologically advanced products, world-class service and competitive prices. To enhance quality and reduce costs, we use statistical process control, cellular manufacturing, flexible regional production and assembly, global sourcing and extensive employee training.

We engage in ongoing engineering and research and development activities to improve the reliability, performance and cost-effectiveness of our existing products and to design and develop innovative products that meet customer requirements for new applications. We integrate related operations to create a more innovative environment, speed product development, maximize efficiency and improve communication and information sharing among our research and development operations. At December 31, 2023, we had eleven stand-alone technical and engineering centers and fourteen additional sites at which we conduct research and development activities. Our research and development costs were \$237 in 2023, \$201 in 2022 and \$178 in 2021. Total engineering expenses including research and development were \$369 in 2023, \$321 in 2022 and \$297 in 2021. Over the past several years our engineering spend has been more heavily focused on research and development activities, progressing key electrification initiatives.

Our research and development is targeted to create unique value for our customers. Our technologies are enabling the electrification of vehicles and accessories to improve efficiency and reduce the impact of carbon emissions. Our advanced drivelines are more efficient than ever before and include mechatronic systems to enhance performance. Our power technologies group is also developing new ways to keep batteries and power electronics at optimum temperatures to improve their efficiency and operation. Together the collaborative teamwork between our four business units enable Dana to differentiate by developing complete in-house 4-in-1 electrified propulsion systems, including motors, inverters, axles/transmissions and thermal management solutions. We have developed innovative fuel cell products to support the new-energy hydrogen vehicles and industrial stationary markets.

## Human Capital

Our talented people power a customer-centric organization that is continuously improving the performance and efficiency of vehicles and machines around the globe. The following table summarizes our employees by operating segment and geographical region as of December 31, 2023:

Segment	Employees	Region	Employees
Light Vehicle	13,900	North America	15,900
Off-Highway	11,800	Europe	11,500
Commercial Vehicle	7,800	Asia Pacific	10,100
Power Technologies	6,100	South America	4,300
Technical and administrative	2,200	Total	41,800
Total	41,800		

*Safety* – The health and safety of employees remain our highest priority and we believe our company has an essential responsibility to safeguard life, health, property, and the environment for the well-being of all involved. Through a commitment to proactive processes, we actively promote and pursue safety in all that we do. This is achieved through a consistent commitment to excellence in, health, safety, security management, and risk elimination. Dana’s health, safety and security programs ensure that all employees receive training, guidance, and assistance in safety awareness and risk prevention. An implemented, verified, audited, and communicated occupational health and safety management system reflects Dana’s internal and external commitment to all our stakeholders in identifying and reducing the health and safety risk of our employees around the world. Dana has developed robust safety systems, including detailed work instructions and processes for standard and non-standard work, as well as regular layer process audits to ensure that we carefully consider safety in each of our work functions.

*Diversity, Equity and Inclusion* – Our vision is to maintain a diverse and inclusive, global organization that develops, fosters, and attracts great people whose perspectives are encouraged, heard, valued, and supported. We are committed to advancing and reflecting the communities we serve. At Dana, we are proud to have an employee-centric organization that challenges the status quo by ensuring our business policies, processes and culture allow us to continuously build upon our diverse strengths to further grow a strong, inclusive work environment. Dana remains focused on cultivating an inclusive culture that embraces diversity and equity to enable Dana people to contribute to their full potential and have a sense of belonging. To achieve this, our diversity, equity, and inclusion strategy is guided by five pillars: leadership commitment; diversity representation; awareness, education and development; employee and community growth; and cross-functional collaboration.

*Retention and Employee Development* – Dana believes the development of its people is critical to the company’s success. The company empowers individuals to lead their development by articulating their professional, personal, and career growth aspirations to their manager. Development of all Dana people is strongly encouraged and should be considered each year as a part of their goals. Fair access to development opportunities to maintain a sustainable, diverse, and high-performance pipeline of talent is supported by Dana

leaders at all levels of the organization. The company also provides regular training for our associates across the globe, providing the opportunity to enhance their skills and keep pace with technological change and offers a mentorship program to help guide and coach employees to ensure the company is developing a diverse leadership talent pool. This development is supported and measured with robust performance management and development plans that encourages employees to continuously improve upon their past performance and build on critical skills the company requires to remain competitive.

*Business Resource Groups* – Dana has a network of Business Resource Groups (BRGs) to empower employees and enhance Dana’s ability to develop, retain, and attract top talent. These BRGs are executive leadership-supported, employee-led initiatives with the mission to inspire growth and innovation and foster belonging for all employees. BRGs provide employees opportunities for development, mentoring, networking, and utilizing their talents in ways that positively impact the business. Our BRGs currently include:

- African American Resource Group (AARG) – Dana’s AARG group is committed to supporting the career development of African American talent through thought-leadership workshops and community events. The group provides Dana insight to the best practices for sourcing and retaining top talent.
- Connected Cultures – Dana’s Connected Cultures group aims to recognize and celebrate the cultural fluency and diversity of Dana people. The group focuses on increasing cultural awareness by promoting understanding and respects of different beliefs, values and customs across diverse groups.
- Dana Alumni – With more than a century of rich history, Dana leverages its vast network of Alumni, including retirees and former long-time employees to help them remain informed about the company’s latest initiatives and to gather ideas on how to best continue to engage our workforce.
- Dana Women’s Network (DAWN) – The company’s DAWN group is focused on providing professional networking and career development for women at Dana. They also promote activities that engage Dana’s senior leaders to better understand how the company can support women at work.
- Green Team – Dana’s Green Team resource group helps to advance Dana’s mission to be sustainably responsible in our business practices. The group helps to inform and drive grassroots employee initiatives on reducing our impact on the environment.
- LGBTQ+A – The LGBTQ+A group focuses on maintaining an inclusive working environment that enables the company to leverage a diverse leadership pipeline. It has assisted in providing educational resources and community activities to engage the Dana team on best ways to support our LGBTQ+A colleagues.
- Military and Veterans – The military and veterans group supports active-duty and veteran military personnel by understanding their unique needs and finding the best ways to support them. This group’s understanding of the needs of those who have served also allows the company to consider the best way to engage candidates and recruit them to Dana.
- New to Dana (NTD) – The NTD group is open to all new Dana employees to help acclimate them to the Dana business culture and understand the company’s rich history. It provides resources, support, and professional development opportunities to new employees as they transition into their job responsibilities at Dana.

*Recruiting* – As a company, we collaborate with internationally recognized organizations to reach out to diverse talent and implement best practices for recruiting individuals who work within our core business functions. Dana’s talent acquisition group focuses on recruitment of talented people to the company while continuing to maintain best-in-class processes to address the unique market conditions we face across our global facilities.

*Health and Wellness* – Dana understands the importance of advocating for the health and well-being of our employees. Health initiatives can have a long-lasting, sustainable impact on employee well-being, but healthy habits do not develop overnight. The company is continuously evaluating new opportunities for programs that help address factors that influence health-related behaviors, which can have a long-lasting impact on an employee’s well-being. We support vaccination programs to encourage employees to maintain their health and the health of their coworkers and communities. Dana understands the needs of individuals are unique and continues to offer initiatives spanning the spectrum of health and wellness to help provide a supportive work environment where employees strive for balance in their lives. We have enhanced our employee assistance programs around the world to support the emotional, physical and financial needs of our employees. Our program includes the traditional employee assistance services, but also gives employees access to legal services, dependent care support, financial advice, and mindfulness programs, such as meditation, positivity training tools, and inspirational videos to help manage anxiety, depression, stress, sleep and more.

We encourage you to review the “Empowering People” section of our annual Sustainability and Social Responsibility Report (located on our website) for more detailed information regarding our Human Capital programs and initiatives. Nothing on our website, including our annual Sustainability and Social Responsibility Report or sections thereof, shall be deemed incorporated by reference into this Annual Report.



## Environmental Compliance

We make capital expenditures in the normal course of business as necessary to ensure that our facilities are in compliance with applicable environmental laws and regulations. The cost of environmental compliance has not been a material part of capital expenditures and did not have a material adverse effect on our earnings or competitive position in 2023.

## Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 as amended (Exchange Act) are available, free of charge, on or through our Internet website at <http://www.dana.com/investors> as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. Copies of any materials we file with the SEC can also be obtained free of charge through the SEC's website at <http://www.sec.gov>. We also post our *Corporate Governance Guidelines, Standards of Business Conduct for Members of the Board of Directors*, Board Committee membership lists and charters, *Standards of Business Conduct* and other corporate governance materials on our Internet website. Copies of these posted materials are also available in print, free of charge, to any stockholder upon request from: Dana Incorporated, Investor Relations, P.O. Box 1000, Maumee, Ohio 43537, or via telephone in the U.S. at 800-537-8823 or e-mail at [InvestorRelations@dana.com](mailto:InvestorRelations@dana.com). The inclusion of our website address in this report is an inactive textual reference only and is not intended to include or incorporate by reference the information on our website into this report.

## Item 1A. Risk Factors

We are impacted by events and conditions that affect the light vehicle, commercial vehicle and off-highway markets that we serve, as well as by factors specific to Dana. Among the risks that could materially adversely affect our business, financial condition or results of operations are the following, many of which are interrelated.

### Risk Factors Related to the Markets We Serve

*A downturn in the global economy could have a substantial adverse effect on our business.*

Our business is tied to general economic and industry conditions as demand for vehicles depends largely on the strength of the economy, employment levels, consumer confidence levels, the availability and cost of credit and the cost of fuel. These factors have had and could continue to have a substantial impact on our business. Adverse global economic conditions could also cause our customers and suppliers to experience severe economic constraints in the future, including bankruptcy, which could have a material adverse impact on our financial position and results of operations.

*Our results of operations could be adversely affected by climate change, natural catastrophes or public health crises, in the locations in which we, our customers or our suppliers operate.*

There is global scientific consensus that emissions of greenhouse gases (GHG) continue to alter the composition of Earth's atmosphere in ways that are affecting and are expected to continue to affect the global climate. These considerations may lead to new international, national, regional, or local legislative or regulatory responses. Various stakeholders, including legislators and regulators, shareholders, and non-governmental organizations, as well as companies in many business sectors, including Dana, are continuing to look for ways to reduce GHG emissions. The regulation of GHG emissions from certain stationary or mobile sources or the imposition of carbon pricing mechanisms could result in additional costs to Dana in the form of taxes or emission allowances, facilities improvements, and energy costs, which would increase Dana's operating costs through higher utility, transportation, and materials costs. Because the impact of any future climate change-related legislative, regulatory, or product standard requirements on Dana's global businesses and products is dependent on the timing and design of mandates or standards, Dana is unable to predict their potential impact at this time. The potential physical impacts of climate change on Dana's facilities, suppliers, and customers and therefore on Dana's operations are highly uncertain and will be particular to the circumstances developing in various geographic regions. These may include extreme weather events and long-term changes in temperature levels and water availability. These potential physical effects may adversely affect the demand for Dana's products and the cost, production, sales, and financial performance of Dana's operations.

A natural disaster could disrupt our operations, or our customers' or suppliers' operations and could adversely affect our results of operations and financial condition. Although we have continuity plans designed to mitigate the impact of natural disasters on our operations, those plans may be insufficient, and any catastrophe may disrupt our ability to manufacture and deliver products to our customers, resulting in an adverse impact on our business and results of operations.

In addition, our global operations expose us to risks associated with public health crises, such as epidemics and pandemics, which could harm our business and cause our operating results to suffer. Pandemics, such as the novel coronavirus disease (COVID) pandemic, may have an adverse effect on our business, results of operations, cash flows and financial condition. Efforts to combat a pandemic can be complicated by viral variants and uneven access to, and acceptance and effectiveness of, vaccines globally.

Pandemics may negatively impact the global economy, disrupt our operations as well as those of our customers, suppliers, and the global supply chains in which we participate, and create significant volatility and disruption of financial markets. The extent of the impact of a pandemic on our business and financial performance, including our ability to execute our near-term and long-term operational, strategic, and capital structure initiatives, will depend on the duration and severity of the pandemic, which are uncertain and cannot be predicted.

We may face facility closure requirements and other operational restrictions with respect to some or all of our locations for prolonged periods of time due to, among other factors, evolving and increasingly stringent governmental restrictions including public health directives, quarantine policies or social distancing measures. We operate as part of the complex integrated global supply chains of our largest customers. As a pandemic dissipates at varying times and rates in different regions around the world, there could be a prolonged negative impact on these global supply chains. Our ability to continue operations at specific facilities will be impacted by the interdependencies of the various participants of these global supply chains, which are largely beyond our direct control. A prolonged shut down of these global supply chains would have a material adverse effect on our business, results of operations, cash flows and financial condition.

*Rising interest rates could have a substantial adverse effect on our business*

Rising interest rates could have a dampening effect on overall economic activity, the financial condition of our customers and the financial condition of the end customers who ultimately create demand for the products we supply, all of which could negatively affect demand for our products. An increase in interest rates could make it difficult for us to obtain financing at attractive rates, impacting our ability to execute on our growth strategies or future acquisitions.

*We could be adversely impacted by the loss of any of our significant customers, changes in their requirements for our products or changes in their financial condition.*

We are reliant upon sales to several significant customers. Sales to our ten largest customers accounted for 55% of our overall sales in 2023. Changes in our business relationships with any of our large customers or in the timing, size and continuation of their various programs could have a material adverse impact on us.

The loss of any of these customers, the loss of business with respect to one or more of their vehicle models on which we have high component content, or a significant decline in the production levels of such vehicles would negatively impact our business, results of operations and financial condition. Pricing pressure from our customers also poses certain risks. Inability on our part to offset pricing concessions with cost reductions would adversely affect our profitability. We are continually bidding on new business with these customers, as well as seeking to diversify our customer base, but there is no assurance that our efforts will be successful. Further, to the extent that the financial condition of our largest customers deteriorates, including possible bankruptcies, mergers or liquidations, or their sales otherwise decline, our financial position and results of operations could be adversely affected.

*We may be adversely impacted by changes in international legislative and political conditions.*

We operate in 31 countries around the world and we depend on significant foreign suppliers and customers. Further, we have several growth initiatives that are targeting emerging markets like China and India. Legislative and political activities within the countries where we conduct business, particularly in emerging markets and less developed countries, could adversely impact our ability to operate in those countries. The political situation in a number of countries in which we operate could create instability in our contractual relationships with no effective legal safeguards for resolution of these issues, or potentially result in the seizure of our assets. We operate in Argentina, where trade-related initiatives and other government restrictions limit our ability to optimize operating effectiveness. At December 31, 2023, our net asset exposure related to Argentina was approximately \$50, including \$20 of net fixed assets.

*We may be adversely impacted by changes in trade policies and proposed or imposed tariffs, including but not limited to, the imposition of new tariffs by the U.S. government on imports to the U.S. and/or the imposition of retaliatory tariffs by foreign countries.*

Section 232 of the Trade Expansion Act of 1962, as amended (the Trade Act), gives the executive branch of the U.S. government broad authority to restrict imports in the interest of national security by imposing tariffs. Tariffs imposed on imported steel and aluminum could raise the costs associated with manufacturing our products. We work with our customers to recover a portion of any increased costs, and with our suppliers to defray costs, associated with tariffs. While we have been successful in the past recovering a significant portion of costs increases, there is no assurance that cost increases resulting from trade policies and tariffs will not adversely impact our profitability. Our sales may also be adversely impacted if tariffs are assessed directly on the products we produce or on our customers' products containing content sourced from us.



*We may be adversely impacted by the strength of the U.S. dollar relative to the currencies in the other countries in which we do business.*

Approximately 57% of our sales in 2023 were from operations located in countries other than the U.S. Currency variations can have an impact on our results (expressed in U.S. dollars). Currency variations can also adversely affect margins on sales of our products in countries outside of the U.S. and margins on sales of products that include components obtained from affiliates or other suppliers located outside of the U.S. Strengthening of the U.S. dollar against the euro and currencies of other countries in which we have operations could have an adverse effect on our results reported in U.S. dollars. We use a combination of natural hedging techniques and financial derivatives to mitigate foreign currency exchange rate risks. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from currency variations.

*We may be adversely impacted by new laws, regulations or policies of governmental organizations related to increased fuel economy standards and reduced greenhouse gas emissions, or changes in existing ones.*

The markets and customers we serve are subject to substantial government regulation, which often differs by state, region and country. These regulations, and proposals for additional regulation, are advanced primarily out of concern for the environment (including concerns about global climate change and its impact) and energy independence. We anticipate that the number and extent of these regulations, and the costs to comply with them, will increase significantly in the future.

In the U.S., vehicle fuel economy and greenhouse gas emissions are regulated under a harmonized national program administered by the National Highway Traffic Safety Administration and the Environmental Protection Agency (EPA). Other governments in the markets we serve are also creating new policies to address these same issues, including the European Union, Brazil, China and India. These government regulatory requirements could significantly affect our customers by altering their global product development plans and substantially increasing their costs, which could result in limitations on the types of vehicles they sell and the geographical markets they serve. Any of these outcomes could adversely affect our financial position and results of operations.

### **Company-Specific Risk Factors**

*We have taken, and continue to take, cost-reduction actions. Although our process includes planning for potential negative consequences, the cost-reduction actions may expose us to additional production risk and could adversely affect our sales, profitability and ability to retain and attract employees.*

We have been reducing costs in all of our businesses and have discontinued product lines, exited businesses, consolidated manufacturing operations and positioned operations in lower cost locations. The impact of these cost-reduction actions on our sales and profitability may be influenced by many factors including our ability to successfully complete these ongoing efforts, our ability to generate the level of cost savings we expect or that are necessary to enable us to effectively compete, delays in implementation of anticipated workforce reductions, decline in employee morale and the potential inability to meet operational targets due to our inability to retain or recruit key employees.

*We depend on our subsidiaries for cash to satisfy the obligations of the company.*

Our subsidiaries conduct all of our operations and own substantially all of our assets. Our cash flow and our ability to meet our obligations depend on the cash flow of our subsidiaries. In addition, the payment of funds in the form of dividends, intercompany payments, tax sharing payments and otherwise may be subject to restrictions under the laws of the countries of incorporation of our subsidiaries or the by-laws of the subsidiary.

*Labor stoppages or work slowdowns at Dana, key suppliers or our customers could result in a disruption in our operations and have a material adverse effect on our businesses.*

We and our customers rely on our respective suppliers to provide parts needed to maintain production levels. We all rely on workforces represented by labor unions. Workforce disputes that result in work stoppages or slowdowns could disrupt operations of all of these businesses, which in turn could have a material adverse effect on the supply of, or demand for, the products we supply our customers.

*We could be adversely affected if we are unable to recover portions of commodity (including costs of steel and other raw materials), labor, transportation and energy costs from our customers.*

Commodity, labor, transportation and energy costs have been volatile over the past several of years creating pressure on our profit margins. We continue to work with our customers to recover a portion of our material cost increases. While we have been successful in the past recovering a significant portion of such cost increases, there is no assurance that increases in commodity costs, which can be impacted by a variety of factors, including changes in trade laws and tariffs, will not adversely impact our profitability in the future. We may also experience labor shortages in certain geographies and increased competition for qualified candidates. These shortages

could adversely affect our ability to meet customer demand and increase labor costs, which would reduce our profitability. Standard freight may increase due to shipping container and truck driver shortages and port congestion attributable to global supply chain disruptions resulting from regional and global pandemics and conflicts. We may also incur significant premium freight, resulting from frequent changes in customer order patterns. If we are unable to pass labor, transportation and energy cost increases on to our customer base or otherwise mitigate the costs, our profit margin could be adversely affected.

*We could be adversely affected if we experience shortages of components from our suppliers or if disruptions in the supply chain lead to parts shortages for our customers.*

A substantial portion of our annual cost of sales is driven by the purchase of goods and services. To manage and minimize these costs, we have been consolidating our supplier base. As a result, we are dependent on single sources of supply for some components of our products. We select our suppliers based on total value (including price, delivery and quality), taking into consideration their production capacities and financial condition, and we expect that they will be able to support our needs. However, there is no assurance that adverse financial conditions, including bankruptcies of our suppliers, reduced levels of production, natural disasters or other problems experienced by our suppliers will not result in shortages or delays in their supply of components to us or even in the financial collapse of one or more such suppliers. If we were to experience a significant or prolonged shortage of critical components from any of our suppliers, particularly those who are sole sources, and were unable to procure the components from other sources, we would be unable to meet our production schedules for some of our key products and to ship such products to our customers in a timely fashion, which would adversely affect our sales, profitability and customer relations.

Adverse economic conditions, natural disasters and other factors can similarly lead to financial distress or production problems for other suppliers to our customers which can create disruptions to our production levels. Any such supply-chain induced disruptions to our production are likely to create operating inefficiencies that will adversely affect our sales, profitability and customer relations.

*Our profitability and results of operations may be adversely affected by program launch difficulties.*

The launch of new business is a complex process, the success of which depends on a wide range of factors, including the production readiness of our manufacturing facilities and manufacturing processes and those of our suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Our failure to successfully launch material new or takeover business could have an adverse effect on our profitability and results of operations.

*We use important intellectual property in our business. If we are unable to protect our intellectual property or if a third party makes assertions against us or our customers relating to intellectual property rights, our business could be adversely affected.*

We own important intellectual property, including patents, trademarks, copyrights and trade secrets, and are involved in numerous licensing arrangements. Our intellectual property plays an important role in maintaining our competitive position in a number of the markets that we serve. Our competitors may develop technologies that are similar or superior to our proprietary technologies or design around the patents we own or license. Further, as we expand our operations in jurisdictions where the protection of intellectual property rights is less robust, the risk of others duplicating our proprietary technologies increases, despite efforts we undertake to protect them. Developments or assertions by or against us relating to intellectual property rights, and any inability to protect these rights, could have a material adverse impact on our business and our competitive position.

*We could encounter unexpected difficulties integrating acquisitions and operating joint ventures.*

We acquired businesses in recent years, and we may complete additional acquisitions and investments in the future that complement or expand our businesses. The success of this strategy will depend on our ability to successfully complete these transactions or arrangements, to integrate the businesses acquired in these transactions and to develop satisfactory working arrangements with our strategic partners in the joint ventures. We could encounter unexpected difficulties in completing these transactions and integrating the acquisitions with our existing operations. We also may not realize the degree or timing of benefits anticipated when we entered into a transaction.

Several of our joint ventures operate pursuant to established agreements and, as such, we do not unilaterally control the joint venture. There is a risk that the partners' objectives for the joint venture may not be aligned with ours, leading to potential differences over management of the joint venture that could adversely impact its financial performance and consequent contribution to our earnings. Additionally, inability on the part of our partners to satisfy their contractual obligations under the agreements could adversely impact our results of operations and financial position. Certain of our joint venture partners have the ability to put their ownership interests to Dana at fair value. If a joint venture partner were to put its ownership interest to Dana, it could cause Dana to outlay significant amounts of cash to purchase the joint venture partner's ownership interest in addition to increased future cash outlays required to fund 100% of the operations on a go-forward basis, reducing available funds for other strategic initiatives and capital investments.



*We could be adversely impacted by the costs of environmental, health, safety and product liability compliance.*

Our operations are subject to environmental laws and regulations in the U.S. and other countries that govern emissions to the air; discharges to water; the generation, handling, storage, transportation, treatment and disposal of waste materials; and the cleanup of contaminated properties. Historically, environmental costs related to our former and existing operations have not been material. However, there is no assurance that the costs of complying with current environmental laws and regulations, or those that may be adopted in the future, will not increase and adversely impact us.

There is also no assurance that the costs of complying with current laws and regulations, or those that may be adopted in the future, that relate to health, safety and product liability matters will not adversely impact us. There is also a risk of warranty and product liability claims, as well as product recalls, if our products fail to perform to specifications or cause property damage, injury or death. (See Notes 15 and 16 to our consolidated financial statements in Item 8 for additional information on product liabilities and warranties.)

*A failure of our information technology infrastructure could adversely impact our business and operations.*

We recognize the increasing volume of cyber attacks and employ commercially practical efforts to provide reasonable assurance that the risks of such attacks are appropriately mitigated. Each year, we evaluate the threat profile of our industry to stay abreast of trends and to provide reasonable assurance our existing countermeasures will address any new threats identified. Despite our implementation of security measures, our IT systems and those of our service providers are vulnerable to circumstances beyond our reasonable control including acts of terror, acts of government, natural disasters, civil unrest and denial of service attacks which may lead to the theft of our intellectual property, trade secrets or business disruption. To the extent that any disruption or security breach results in a loss or damage to our data or an inappropriate disclosure of confidential information, it could cause significant damage to our reputation, affect our relationships with our customers, suppliers and employees, lead to claims against the company and ultimately harm our business. Additionally, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

*We participate in certain multi-employer pension plans which are not fully funded.*

We contribute to certain multi-employer defined benefit pension plans for certain of our union-represented employees in the U.S. in accordance with our collective bargaining agreements. Contributions are based on hours worked except in cases of layoff or leave where we generally contribute based on 40 hours per week for a maximum of one year. The plans are not fully funded as of December 31, 2023. We could be held liable to the plans for our obligation, as well as those of other employers, due to our participation in the plans. Contribution rates could increase if the plans are required to adopt a funding improvement plan, if the performance of plan assets does not meet expectations or as a result of future collectively bargained wage and benefit agreements. (See Note 12 to our consolidated financial statements in Item 8 for additional information on multi-employer pension plans.)

*Changes in interest rates and asset returns could increase our pension funding obligations and reduce our profitability.*

We have unfunded obligations under certain of our defined benefit pension and other postretirement benefit plans. The valuation of our future payment obligations under the plans and the related plan assets are subject to significant adverse changes if the credit and capital markets cause interest rates and projected rates of return to decline. Such declines could also require us to make significant additional contributions to our pension plans in the future. A material increase in the unfunded obligations of these plans could also result in a significant increase in our pension expense in the future.

*We may incur additional tax expense or become subject to additional tax exposure.*

Our provision for income taxes and the cash outlays required to satisfy our income tax obligations in the future could be adversely affected by numerous factors. These factors include changes in the level of earnings in the tax jurisdictions in which we operate, changes in the valuation of deferred tax assets and liabilities, changes in our plans to repatriate the earnings of our non-U.S. operations to the U.S. and changes in tax laws and regulations.

Our income tax returns are subject to examination by federal, state and local tax authorities in the U.S. and tax authorities outside the U.S. The results of these examinations and the ongoing assessments of our tax exposures could also have an adverse effect on our provision for income taxes and the cash outlays required to satisfy our income tax obligations.

*An inability to provide products with the technology required to satisfy customer requirements would adversely impact our ability to successfully compete in our markets.*

The vehicular markets in which we operate are undergoing significant technological change, with increasing focus on electrified and autonomous vehicles. These and other technological advances could render certain of our products obsolete. Maintaining our

competitive position is dependent on our ability to develop commercially-viable products and services that support the future technologies embraced by our customers.

*We could be adversely impacted by increased competition in the markets we serve.*

The mobility industry is beginning to shift away from petroleum fuel vehicles ("ICE" vehicles) and migrate to alternate fuel vehicles (as a group "EV-based vehicles"). As the market transitions from ICE vehicles to EV-based vehicles, the Company anticipates its content per vehicle opportunity will increase up to three-fold on a dollar basis. The Company's primary driveline content on ICE vehicles includes axles and driveshafts. As the market transitions to EV-based vehicles we anticipate losing driveshaft content but adding additional driveline content in the form of gearboxes, e-motors, e-axles, power electronics, and software controls. We anticipate a similar three-fold opportunity in thermal and sealing products, as current ICE-vehicle content is replaced with EV-based vehicle content including metallic bipolar plates, battery cold plates and power electronic cooling modules. With the increased content opportunity presented by EV-based vehicles, we are beginning to see increased competition when it comes to bidding on new customer programs. The number of competitors bidding on EV-based vehicle programs is higher than what we historically experienced on ICE vehicle programs. In addition, our OEM customers continue to assess which EV-based components they will vertically integrate and for which programs. A significant increase in competition for EV-based vehicle programs from existing and new market entrants could negatively impact our sales and profitability. A significant increase in vertical integration of EV-based vehicle components by our OEM customers could negatively impact our sales and profitability.

*We could be adversely impacted by an extended transition period away from petroleum fuel vehicles to alternate fuel vehicles.*

As the market transitions from ICE vehicles to EV-based vehicles, we will continue to experience elevated levels of research and development costs, capital investment and inventory levels. During the transition period, we will need to maintain production capacity to meet both ICE and EV-related customer demand, requiring incremental capital investment and reducing our ability to operate at scale. In addition, we will need to maintain incremental levels of inventory to satisfy ICE and EV-related customer demand, as raw materials and components used in the production of ICE and EV-related products are largely unique. An extended transition period could negatively impact our profitability, cash flows and financial position.

*Failure to appropriately anticipate and react to the cyclical and volatile nature of production rates and customer demands in our business can adversely impact our results of operations.*

Our financial performance is directly related to production levels of our customers. In several of our markets, customer production levels are prone to significant cyclicity, influenced by general economic conditions, changing consumer preferences, regulatory changes, and other factors. Oftentimes the rapidity of the downcycles and upcycles can be severe. Successfully executing operationally during periods of extreme downward and upward demand pressures can be challenging. Our inability to recognize and react appropriately to the production cycles inherent in our markets can adversely impact our operating results.

*Our continued success is dependent on being able to retain and attract requisite talent.*

Sustaining and growing our business requires that we continue to retain, develop and attract people with the requisite skills. With the vehicles of the future expected to undergo significant technological change, having qualified people savvy in the right technologies will be a key factor in our ability to develop the products necessary to successfully compete in the future. As a global organization, we are also dependent on our ability to attract and maintain a diverse work force that is fully engaged supporting our company's objectives and initiatives.

*Failure to maintain effective internal controls could adversely impact our business, financial condition and results of operations.*

Regulatory provisions governing the financial reporting of U.S. public companies require that we maintain effective disclosure controls and internal controls over financial reporting across our operations in 31 countries. Effective internal controls are designed to provide reasonable assurance of compliance, and, as such, they can be susceptible to human error, circumvention or override, and fraud. Failure to maintain adequate, effective internal controls could result in potential financial misstatements or other forms of noncompliance that have an adverse impact on our results of operations, financial condition or organizational reputation.

*Our working capital requirements may negatively affect our liquidity.*

Our working capital requirements can vary significantly, depending in part on the level, variability and timing of our customers' orders and production schedules and availability of raw materials and components from our suppliers. As production volumes increase, our working capital requirements to support the higher volumes generally increase. If our working capital needs exceed our cash flows from operations, we look to our cash and cash equivalents balances and unused capacity of our Revolving Facility to satisfy those needs, as well as other potential sources of additional capital, which may not be available on satisfactory terms or in adequate amounts.

*Developments in the financial markets or downgrades to Dana's credit rating could restrict our access to capital and increase financing costs.*

At December 31, 2023, Dana had consolidated debt obligations of \$2,679, with cash and cash equivalents of \$529 and unused revolving credit capacity of \$1,141. Our ability to grow the business and satisfy debt service obligations is dependent, in part, on our ability to gain access to capital at competitive costs. External factors beyond our control can adversely affect capital markets – either tightening availability of capital or increasing the cost of available capital. Failure on our part to maintain adequate financial performance and appropriate credit metrics can also affect our ability to access capital at competitive prices.

*Increased scrutiny from the public, investors, and others regarding our environmental, social, and governance ("ESG") practices could impact our reputation.*

We have a board committee and an executive officer position with responsibility for sustainability, additional dedicated employee resources, a cross-functional/business sustainability leadership team to further develop and implement an enterprise-wide sustainability strategy, and we have published a sustainability report. Our sustainability report includes our policies and practices on a variety of ESG matters, including the value creation opportunities provided by our products; diversity, equity, and inclusion; employee health and safety; community giving; and human capital management. These efforts may result in increased investor, media, employee, and other stakeholder attention to such initiatives, and such stakeholders may not be satisfied with our ESG practices or initiatives. Additionally, organizations that inform investors on ESG matters have developed rating systems for evaluating companies on their approach to ESG. Unfavorable ratings may lead to negative investor sentiment, which could negatively impact our stock price and our ability to access capital at competitive prices. Any failure, or perceived failure, to respond to ESG concerns could harm our business and reputation.

### **Risk Factors Related to our Securities**

*Provisions in our Restated Certificate of Incorporation and Bylaws may discourage a takeover attempt.*

Certain provisions of our Restated Certificate of Incorporation and Bylaws, as well as the General Corporation Law of the State of Delaware, may have the effect of delaying, deferring or preventing a change in control of Dana. Such provisions, including those governing the nomination of directors, limiting who may call special stockholders' meetings and eliminating stockholder action by written consent, may make it more difficult for other persons, without the approval of our board of directors, to make a tender offer or otherwise acquire substantial amounts of common stock or to launch other takeover attempts that a stockholder might consider to be in such stockholder's best interest.

### **Item 1B. Unresolved Staff Comments**

None.

### **Item 1C. Cybersecurity**

Dana maintains a risk management program overseen by our Executive Leadership Team. Our Senior Vice President and Chief Financial Officer and Senior Vice President, General Counsel and Secretary / Chief Compliance and Sustainability Officer (General Counsel) have responsibility for our risk management program. In addition, our Business Unit Presidents and functional leads oversee strategic and operational risks, including cybersecurity risks. Cybersecurity is a top priority, and our cybersecurity program is driven by our commitment to maintaining a strong security architecture, active governance, and robust controls. Our cybersecurity program is led by our Director of Cybersecurity and GRC (DOC) and overseen by Dana's Enterprise Cybersecurity Steering Committee (ECSC). The ECSC is sponsored by senior leaders from disciplines such as Information Technology, Legal, Human Resources, Engineering, Product Development, and Operations, and includes the Senior Vice President and Chief Information Officer (CIO); General Counsel; Senior Vice President and Chief Human Resources Officer; Senior Vice President and Chief Technology Officer; and Senior Vice President Global Operations. The ECSC is responsible for developing and overseeing strategies related to Dana's cybersecurity program. As set forth in its charter, our Technology & Sustainability Committee, comprised of independent directors, has oversight responsibilities for cybersecurity risk and includes members with significant cybersecurity experience. The DOC and CIO regularly provide updates on Dana's cybersecurity program to the Board and the Technology & Sustainability Committee.

Dana's global cybersecurity team is charged with executing enterprise, product, and manufacturing cybersecurity programs and policies with a focus on security architecture, penetration testing, cyber risk management, incident response, vulnerability management, intelligence, awareness and training, and governance. Dana's cybersecurity programs utilize the National Institute of Standards and Technology (NIST) Cybersecurity Framework and leverage the International Organization for Standardization (ISO) 27001 standard for information security. Dana periodically contracts with external auditing firms to assess the maturity of Dana's cybersecurity program against the NIST Cybersecurity Framework. The results of these audits are shared with the Technology & Sustainability Committee. Dana leverages independent security ratings services assessments to aid in measuring our progress along



the cybersecurity continuum as well as for measurement against peer companies. Dana's supplier risk management process incorporates cybersecurity review and assessment procedures over third-party vendors and service providers.

Dana has an established cybersecurity awareness training program. Formal training on topics relating to cybersecurity is mandatory at least annually for all employees with access to the Company's network. Training is administered and tracked through online learning modules. Training topics include how to escalate suspicious activities including phishing, viruses, spams, insider threats, suspect human behaviors or safety issues. Training is supplemented by phishing awareness campaigns.

In the event a high-risk cybersecurity incident is identified, our Incident Response Team will coordinate the response in accordance with our Information Security Incident Response Plan and make necessary communications to the ECSC and executive leadership. The DOC and CIO will make any required communications to the Chief Executive Officer (CEO), with the CEO making any required communications to the Board and Technology & Sustainability Committee. Our CEO, Chief Financial Officer, General Counsel and CIO are responsible for assessing such incidents for materiality, ensuring that any required notification or communication occurs and determining, among other things, whether any prohibition on the trading of our common stock by insiders should be imposed prior to the disclosure of information about a material cybersecurity event.

In the last three years we have not experienced any cybersecurity incident that has been material to the results of our operations or that has caused us to incur any material expenses.

## Item 2. Properties

	Light Vehicle	Commercial Vehicle	Off-Highway	Power Technologies	Total
Manufacturing and assembly plants	31	19	19	19	88

As of December 31, 2023, we had eighty-eight major manufacturing and assembly plants. In addition, we had nine aftermarket sales and services facilities supporting our mobility customers and twenty-two service and assembly facilities supporting our stationary equipment customers. We maintain eleven stand-alone technical and engineering centers in addition to fourteen technical and engineering centers housed within our manufacturing and assembly plants.

Our world headquarters is located in Maumee, Ohio. This facility and other facilities in the greater Detroit, Michigan and Maumee, Ohio areas house functions that have global or North American regional responsibility for finance and accounting, tax, treasury, risk management, legal, human resources, procurement and supply chain management, communications and information technology. We operate numerous other management, marketing and administrative facilities globally.

## Item 3. Legal Proceedings

We are a party to various pending judicial and administrative proceedings that arose in the ordinary course of business. After reviewing the currently pending lawsuits and proceedings (including the probable outcomes, reasonably anticipated costs and expenses and our established reserves for uninsured liabilities), we do not believe that any liabilities that may result from these proceedings are reasonably likely to have a material adverse effect on our liquidity, financial condition or results of operations. Legal proceedings are also discussed in Note 15 to our consolidated financial statements in Item 8.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

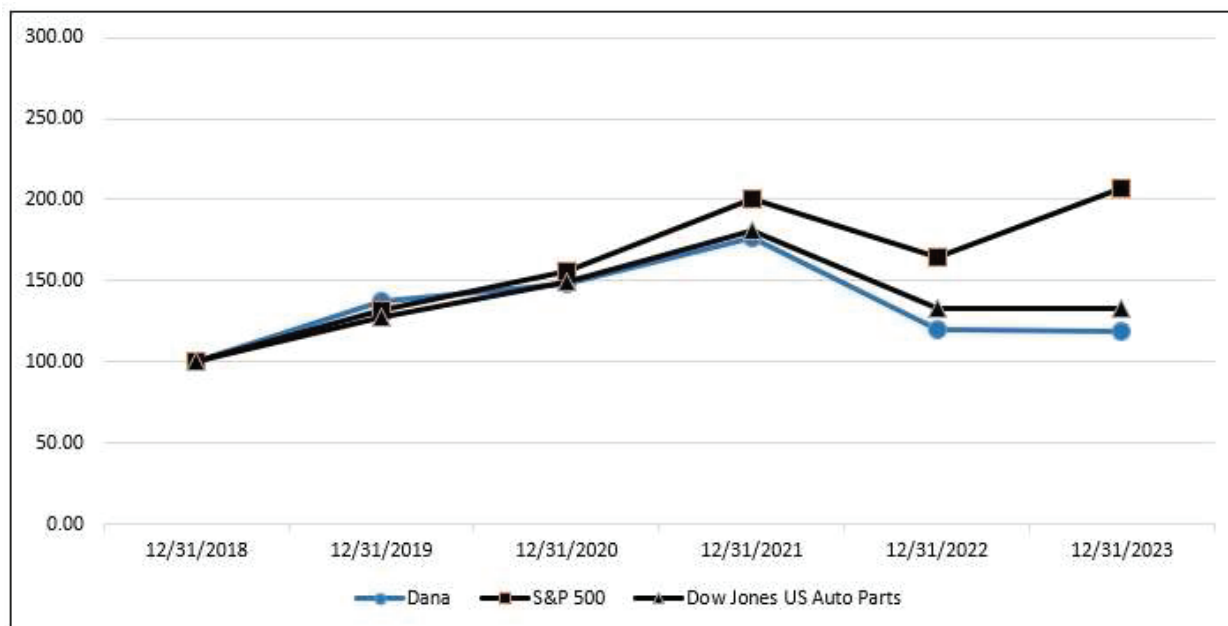
*Market information* — Our common stock trades on the New York Stock Exchange (NYSE) under the symbol "DAN."

*Holders of common stock* — Based on reports by our transfer agent, there were approximately 2,370 registered holders of our common stock on February 2, 2024.

Reference is made to the Equity Compensation Plan Information section of Item 12 for certain information regarding our equity compensation plans.

*Stockholder return* — The following graph shows the cumulative total shareholder return for our common stock since December 31, 2018. The graph compares our performance to that of the Standard & Poor's 500 Stock Index (S&P 500) and the Dow Jones US Auto Parts Index. The comparison assumes \$100 was invested at the closing price on December 31, 2018. Each of the returns shown assumes that all dividends paid were reinvested.

Performance chart



Index

	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Dana Incorporated	\$ 100.00	\$ 136.92	\$ 148.28	\$ 176.24	\$ 119.72	\$ 118.86
S&P 500	100.00	131.49	155.68	200.37	164.08	207.21
Dow Jones US Auto Parts Index	100.00	127.43	149.74	181.18	133.28	133.22

*Issuer's purchases of equity securities* — Our common stock share repurchase program expired on December 31, 2023. No shares of our common stock were repurchased under the program during the fourth quarter of 2023.

*Trading arrangements* — During the three months ended December 31, 2023, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading agreement.

*Annual meeting* — We will hold an annual meeting of shareholders on April 24, 2024.

**Item 6.** [Reserved]

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (Dollars in millions)**

Discussion and analysis of our results of operations pertaining to 2022 compared to 2021 not included in this Form 10-K can be found in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2022. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and accompanying notes in Item 8.

**Management Overview**

We are a global provider of high-technology products to virtually every major vehicle manufacturer in the world. We also serve the stationary industrial market. Our technologies include drive systems (axles, driveshafts, transmissions, and wheel and track drives); motion systems (winches, slew drives, and hub drives); electrodynamic technologies (motors, inverters, software and control systems, battery-management systems, and fuel cell plates); sealing solutions (gaskets, seals, cam covers, and oil pan modules); thermal-management technologies (transmission and engine oil cooling, battery and electronics cooling, charge air cooling, and thermal-acoustical protective shielding); and digital solutions (active and passive system controls and descriptive and predictive analytics). We serve our global light vehicle, medium/heavy vehicle and off-highway markets through four business units – Light Vehicle Drive Systems (Light Vehicle), Commercial Vehicle Drive and Motion Systems (Commercial Vehicle), Off-Highway Drive and Motion Systems (Off-Highway) and Power Technologies, which is the center of excellence for sealing and thermal-management technologies that span all customers in our on-highway and off-highway markets. We have a diverse customer base and geographic

footprint which minimizes our exposure to individual market and segment declines. In 2023, 45% of our sales came from North American operations and 55% from operations throughout the rest of the world. Our sales by operating segment were Light Vehicle – 38%, Commercial Vehicle – 20%, Off-Highway – 30% and Power Technologies – 12%.

## Operational and Strategic Initiatives

Our enterprise strategy builds on our strong technology foundation and leverages our resources across the organization while driving a customer-centric focus, expanding our global markets, and delivering innovative solutions as we evolve into the era of vehicle electrification.

Central to our strategy is *leveraging our core operations*. This foundational element enables us to infuse strong operational disciplines throughout the strategy, making it practical, actionable, and effective. It enables us to capitalize on being a major drive systems supplier across all three end mobility markets. We are achieving improved profitability by actively seeking synergies across our engineering, purchasing, and manufacturing base. We have strengthened the portfolio by acquiring critical assets, and we are utilizing our physical and intellectual capital to amplify innovation across the enterprise. Leveraging these core elements can further expand the cost efficiencies of our common technologies and deliver a sustainable competitive advantage for Dana.

*Driving customer centricity* continues to be at the heart of who we are. Putting our customers at the center of our value system is firmly embedded in our culture and is driving growth by focusing on customer relationships and providing value to our customers. These relationships are strengthened as we are physically located where we need to be in order to provide unparalleled service, and we are prioritizing our customers' needs as we engineer solutions that differentiate their products, while making it easier to do business with Dana by digitizing their experience. Our customer-centric focus has uniquely positioned us to win more than our fair share of new business and capitalize on future customer outsourcing initiatives.

*Expanding global markets* means utilizing our global capabilities and presence to further penetrate growth markets, focusing on Asia due to its position as the largest mobility market in the world with the highest market growth rate as well as its lead in the adoption of new energy vehicles. We are investing across various avenues to increase our presence in Asia Pacific by forging new partnerships, expanding inorganically, and growing organically. We continue to operate in this region through wholly owned and joint ventures with local market partners. We have recently made acquisitions that have augmented our footprint in the region, specifically in India and China. All the while, we have been making meaningful organic investments to grow with existing and new customers, primarily in Thailand, India, and China. These added capabilities have enabled us to target the domestic Asia Pacific markets and utilize the capacity for export to other global markets. We continue to enhance and expand our global footprint, optimizing it to capture growth across all of our end markets.

*Delivering innovative solutions* enables us to capitalize on market growth trends as we evolve our core technology capabilities. We are also focused on enhancing our physical products with digital content to provide smart systems, and we see an opportunity to become a digital systems provider by delivering software as a service to our traditional end customers. This focus on delivering solutions based on our core technology is leading to new business wins and increasing our content per vehicle. We have made significant investments - both organically and inorganically - allowing us to move to the next phase, which is to *Lead electric propulsion*.

We continue to deliver on our goal to accelerate vehicle electrification through both core Dana technologies and targeted strategic acquisitions and are positioned today to lead the market. Our investments in electrodynamic expertise and technologies combined with Dana's longstanding mechatronics capabilities has allowed us to develop and deliver fully integrated e-Propulsion systems that are power-dense and achieve optimal efficiency through the integration of the components that we offer due to our mechatronics capabilities. With recent electric vehicle program awards, we are well on our way to achieving our growth objectives in this emerging market.

The development and implementation of our enterprise strategy is positioning Dana to grow profitably due to increased customer focus as we leverage our core capabilities, expand into new markets, develop and commercialize new technologies, including for electric vehicles.

## Capital Structure Initiatives

In addition to investing in our business, we plan to prioritize a balanced allocation of capital while maintaining a strong balance sheet.

*Shareholder return initiatives* — When evaluating capital structure initiatives, we balance our growth opportunities with maintaining a strong balance sheet and returning capital to shareholders via dividends and share repurchases. Except for three quarters in 2020, when we temporarily suspended dividends to common shareholders in response to the global COVID pandemic, we have paid quarterly dividends to our common shareholders since the first quarter of 2012. We also utilize share repurchases to provide returns to our shareholders. We repurchased \$25 and \$23 of common shares in 2022 and 2021, respectively.



*Financing initiatives* — Our current portfolio of unsecured senior notes is structured such that no more than \$469 of senior notes comes due in any calendar year, with no maturities until the second quarter of 2025. In addition, during 2023 we extended the maturity of our \$1,150 revolving credit facility to March 2028. See Note 13 to our consolidated financial statements in Item 8 for additional information.

## **Other Initiatives**

*Aftermarket opportunities* — We have a global group dedicated to identifying and developing aftermarket growth opportunities that leverage the capabilities within our existing businesses – targeting increased future aftermarket sales. Powered by recognized brands such as Dana®, Spicer®, Spicer Electrified™, Victor Reinz®, Glaser®, GWB®, Thompson®, Tru-Cool®, SVL®, and Transejes™, Dana delivers a broad range of aftermarket solutions – including genuine, all makes, and value lines – servicing passenger, commercial and off-highway vehicles across the globe.

*Selective acquisitions* — Although transformational opportunities will be considered when strategically and economically attractive, our acquisition focus is principally directed at “bolt-on” or adjacent acquisition opportunities that have a strategic fit with our existing core businesses, particularly opportunities that support our enterprise strategy and enhance the value proposition of our product offerings. Any potential acquisition will be evaluated in the same manner we currently consider customer program opportunities and other uses of capital – with a disciplined financial approach designed to ensure profitable growth and increased shareholder value.

## **Acquisitions**

We have actively grown our electric vehicle capabilities through multiple acquisitions, positioning us to deliver complete e-Propulsion systems with in-house electrodynamics. Our acquisitions of TM4 Inc. (TM4), S.M.E. S.p.A. (SME), Prestolite E-Propulsion Systems (Beijing) Limited (PEPS), Ashwoods Innovations Limited (Ashwoods), Oerlikon Drive Systems, Nordresa Motors, Inc., Rational Motion GmbH and Pi Innovo Holding Limited have enhanced our portfolio of core technologies including e-motors, power inverters, software and controls, and advance mechatronics. Our strategic partner, Hydro-Québec, owns 45% redeemable noncontrolling interests in the Dana TM4 joint venture entities. See Note 9 to our consolidated financial statements in Item 8 for additional information.

## **Segments**

We manage our operations globally through four operating segments. Our Light Vehicle and Power Technologies segments primarily support light vehicle original equipment manufacturers (OEMs) with products for light trucks, SUVs, CUVs, vans and passenger cars. The Commercial Vehicle segment supports the OEMs of on-highway commercial vehicles (primarily trucks and buses), while our Off-Highway segment supports OEMs of off-highway vehicles (primarily wheeled vehicles used in construction, mining and agricultural applications).

## **Trends in Our Markets**

We serve our customers in three core global end markets: light vehicle, primarily full frame trucks and SUVs; commercial vehicle, including medium-and heavy-duty trucks and busses; and off-highway, including construction, mining, and agriculture equipment.

Each of our end-markets has unique cyclical dynamics and market drivers. These cycles are impacted by periods of investment where end-user vehicle fleets are refreshed or expanded in reaction to demand usage patterns, regulatory changes, or when the age of vehicles in service reach their useful life. Key market drivers include regional economic growth rates; cost and availability of end customer financing; industrial output; commodity production and pricing; and residential and nonresidential construction rates. Our multi-market coverage and broad customer base help provide stability across the cycles while mitigating secular variability. In 2020, all of our end-markets were impacted to varying degrees by the COVID pandemic, which initially resulted in lower demand driven by production shutdowns related to virus mitigation efforts in the regions we serve. During 2021, we generally saw improvement across all of our end markets despite production levels being muted by global supply chain disruptions driven in part by transportation inefficiencies and labor, commodity and semiconductor chip shortages. During 2022 and 2023, we continued to see incremental improvement across our end markets despite continuing, but lessening, global supply chain disruptions.

*Light vehicle markets* — Our driveline business is weighted more heavily to the truck and SUV segments of the light-vehicle market versus the passenger-car segment. Our vehicle content is greater on rear-wheel drive, four-wheel drive, and all-wheel drive vehicles, as well as hybrid and electric vehicles. During 2023, light-truck markets improved across all regions except North America, which was negatively impacted by labor strikes during the fourth quarter of 2024 at the U.S. operations of several original equipment manufacturers. The outlook for the full year of 2024 reflects global light-truck production being relatively stable across all regions in comparison with the prior year.

*Commercial vehicle markets* — Our primary business is driveline systems for medium and heavy-duty trucks and busses, including the emerging market for hybrid and electric vehicles. Key regional markets are North America, South America (primarily Brazil) and Asia Pacific. During 2023, production of Class-8 trucks in North America increased 8% over 2022 reflecting increased demand driven by higher freight volumes and rates during the first half of 2023, with demand tapering during the second half of 2023 as freight volumes and rates trended downward. The outlook for 2024 is for weakening demand with production down moderately from 2023 levels driven by lower year-over-year freight volumes and rates. Medium-duty truck production in North America experienced a modest 9% year-over-year increase from 2022. The outlook for 2024 is for a modest decrease in production over the prior year. Outside of North America, production of medium- and heavy-duty trucks in South America declined 32% in 2023 reflecting weak economic conditions in the region. The 2024 outlook for South America is for a modest increase in production from 2023 as local economic conditions are expected to somewhat improve. Production of medium- and heavy-duty trucks in Asia Pacific, driven by China and India, increased 18% in 2023. The 2024 outlook for Asia Pacific is for a modest increase in production from the prior year.

*Off-highway markets* — Our off-highway business has a large presence outside of North America, with 68% of its 2023 sales coming from products manufactured in Europe; however, a large portion of these products are utilized in vehicle production outside the region. The construction equipment segment of the off-highway market is closely related to global economic growth and infrastructure investment. The global construction equipment market continued to rebound in 2023 with production up 5% over the prior year. The outlook for 2024 is for modest growth in North America, South America and Asia Pacific, partially offset by moderately lower production levels in Europe. End-user investment in the mining equipment segment is driven by prices for commodity products produced by underground mining. The global mining equipment market has been mostly stable over the past several years as industry participants have maintained vehicle inventory levels to match commodity output, and this trend is expected to continue in 2024. The agriculture equipment market is the third of our key off-highway segments. Like the underground mining segment, investment in agriculture equipment is primarily driven by prices for farm commodities. Farm commodity price decreases in 2023 spurred a 2% decrease in agriculture equipment production. The outlook for 2024 is for global end-market demand to remain relatively flat with the prior year.

*Foreign currency* — With 57% of our 2023 sales coming from outside the U.S., international currency movements can have a significant effect on our sales and results of operations. The euro zone countries and India accounted for 50% and 10% of our 2023 non-U.S. sales, respectively, while Brazil and China both accounted for 8%. Although sales in South Africa are less than 5% of our non-U.S. sales, the rand has been volatile and significantly impacted sales from time to time. International currencies weakened against the U.S. dollar in 2023, decreasing 2023 sales by \$9. A weaker Indian rupee, South African rand and Chinese renminbi were partially offset by a stronger euro and Brazilian real.

Argentina has experienced significant inflationary pressures the past several years, contributing to significant devaluation of its currency among other economic challenges. Our Argentine operation supports our Light Vehicle operating segment. Our sales in Argentina for 2023 of approximately \$215 are 2% of our consolidated sales and our net asset exposure related to Argentina was approximately \$50, including \$20 of net fixed assets, at December 31, 2023. During the second quarter of 2018, we determined that Argentina's economy met the GAAP definition of a highly inflationary economy. In assessing Argentina's economy as highly inflationary we considered its three-year cumulative inflation rate along with other factors. As a result, effective July 1, 2018, the U.S. dollar is the functional currency for our Argentine operations, rather than the Argentine peso. Beginning July 1, 2018, peso-denominated monetary assets and liabilities are remeasured into U.S. dollars using current Argentine peso exchange rates with resulting translation gains or losses included in results of operations. Nonmonetary assets and liabilities are remeasured into U.S. dollar using historic Argentine peso exchange rates. Reference is made to Note 1 of our consolidated financial statements in Item 8 for additional information.

*Commodity costs* — The cost of our products may be significantly impacted by changes in raw material commodity prices, the most important to us being those of various grades of steel, aluminum, copper, brass and rare earth materials. The effects of changes in commodity prices are reflected directly in our purchases of commodities and indirectly through our purchases of products such as castings, forgings, bearings, batteries and component parts that include commodities. Most of our major customer agreements provide for the sharing of significant commodity price changes with those customers based on the movement in various published commodity indexes. Where such formal agreements are not present, we have historically been successful implementing price adjustments that largely compensate for the inflationary impact of material costs. Material cost changes will customarily have some impact on our financial results as customer pricing adjustments typically lag commodity price changes. Lower commodity prices increased year-over-year earnings by \$51 in 2023. Material recovery pricing actions decreased year-over-year earnings by \$2 in 2023.

## Sales, Earnings and Cash Flow Outlook

	2024 Outlook	2023	2022	2021
Sales	\$10,650 - \$11,150	\$ 10,555	\$ 10,156	\$ 8,945
Adjusted EBITDA	\$875 - \$975	\$ 845	\$ 700	\$ 795
Net cash provided by operating activities	\$475 - \$525	\$ 476	\$ 649	\$ 158
Purchases of property, plant and equipment	~4% of sales	\$ 501	\$ 440	\$ 369
Free Cash Flow	\$25 - \$75	\$ (25)	\$ 209	\$ (211)

Adjusted EBITDA and free cash flow are non-GAAP financial measures. See the Non-GAAP Financial Measures discussion below for definitions of our non-GAAP financial measures and reconciliations to the most directly comparable U.S. generally accepted accounting principles (GAAP) measures. We have not provided a reconciliation of our adjusted EBITDA outlook to the most comparable GAAP measure of net income. Providing net income 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, 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.

Our 2024 sales outlook is \$10,650 to \$11,150, reflecting a modest improvement in global market demand and \$350 of net new business backlog. Based on our current sales and exchange rate outlook for 2023, we expect overall stability in international currencies with a modest headwind to sales primarily due to a weaker euro, Chinese renminbi and Thai baht. At sales levels in our current outlook for 2024, a 5% movement on the euro would impact our annual sales by approximately \$140. A 5% change on the Chinese renminbi, Indian rupee or Brazilian real rates would impact our annual sales in each of those countries by approximately \$30. At our current sales outlook for 2024, we expect full year 2024 adjusted EBITDA to approximate \$875 to \$975. Adjusted EBITDA Margin is expected to be 8.5% at the midpoint of our guidance range, a 50 basis-point improvement over 2023, reflecting higher margin net new business and improving operational performance being partially offset by the benefit of the material cost recovery tailwind experienced in 2023 dissipating in 2024, as commodity prices stabilize, and increased investment to support our electrification strategy. We expect to generate free cash flow of approximately \$50 at the midpoint of our guidance range reflecting the benefit of higher year-over-year adjusted EBITDA and lower capital spending being largely offset by higher year-over-year cash paid for interest and income taxes and increased working capital to support higher sales levels.

Among our operational and strategic initiatives are increased focus on and investment in product technology – delivering products and technology that are key to bringing solutions to issues of paramount importance to our customers. Our success on this front is measured, in part, by our sales backlog – net new business awarded that will be launching over the next three years, adding to our base annual sales. This backlog excludes replacement business and represents incremental sales associated with new programs for which we have received formal customer awards. At December 31, 2023, our sales backlog of net new business for the 2024 through 2026 period was \$950. We expect to realize \$350 of our sales backlog in 2024, with incremental sales backlog of \$300 being realized in both 2025 and 2026. Our sales backlog is approximately 75% attributable to electric-vehicle content with the balance attributable to traditional ICE-vehicle content. Our sales backlog is balanced across all of our end markets.



## Consolidated Results of Operations

### Summary Consolidated Results of Operations (2023 versus 2022)

	2023		2022		Increase/ (Decrease)
	Dollars	% of Net Sales	Dollars	% of Net Sales	
Net sales	\$ 10,555		\$ 10,156		\$ 399
Cost of sales	9,655	91.5%	9,393	92.5%	262
Gross margin	900	8.5%	763	7.5%	137
Selling, general and administrative expenses	549	5.2%	495	4.9%	54
Amortization of intangibles	13		14		(1)
Restructuring charges, net	25		(1)		26
Impairment of goodwill	—		(191)		191
Other income (expense), net	3		22		(19)
Earnings before interest and income taxes	316		86		230
Loss on extinguishment of debt	(1)		—		(1)
Interest income	17		11		6
Interest expense	154		128		26
Earnings (loss) before income taxes	178		(31)		209
Income tax expense	121		284		(163)
Equity in earnings (loss) of affiliates	(9)		4		(13)
Net income (loss)	48		(311)		359
Less: Noncontrolling interests net income	22		15		7
Less: Redeemable noncontrolling interests net loss	(12)		(84)		72
Net income (loss) attributable to the parent company	\$ 38		\$ (242)		\$ 280

*Sales* — The following table shows changes in our sales by geographic region.

			Increase/ (Decrease)	Amount of Change Due To		
	2023	2022		Currency Effects	Acquisitions (Divestitures)	Organic Change
North America	\$ 4,752	\$ 4,923	\$ (171)	\$ (1)	\$ —	\$ (170)
Europe	3,550	3,059	491	31		460
South America	731	788	(57)	11		(68)
Asia Pacific	1,522	1,386	136	(50)		186
Total	\$ 10,555	\$ 10,156	\$ 399	\$ (9)	\$ —	\$ 408

Sales in 2023 were \$399 higher than in 2022. Weaker international currencies reduced sales by \$9, principally due to a weaker Indian rupee, South African rand and Chinese renminbi, partially offset by a stronger euro and Brazilian real. The organic sales increase of \$408, or 4%, resulted from improved overall market demand and the conversion of sales backlog. Pricing actions, including material commodity price and inflationary cost adjustments, increased sales by \$409.

The North America organic sales decrease of 3% was driven principally by a full-frame light-truck customer program that ended in 2022, labor strikes during the fourth quarter of 2023 by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) at the U.S. operations of certain of our customers, and lower light-truck production levels, partially offset by stronger medium/heavy-truck production volumes, higher light-vehicle engine production levels and the conversion of sales backlog. Year-over-year full-frame light-truck production was down 2% while light vehicle engine production was up 12% compared with 2022. Year-over-year Class 8 truck production was up 8% while Classes 5-7 truck production was up 9%. Excluding currency effects, sales in Europe were up 15% compared with 2022. With our significant Off-Highway presence in the region, a stronger construction/mining equipment market was a major factor. The year-over-year organic sales increase in Europe for this operating segment was 10% compared with 2022. Sales in Europe also benefited from higher year-over-year light-truck and medium/heavy-truck production of 16% and 17%, respectively. Excluding currency effects, sales in South America were 9% lower than 2022 reflecting lower medium/heavy-truck production. Year-over-year South America medium/heavy-truck production was 32% lower than 2022. Excluding currency effects, sales in Asia Pacific increased 13% compared to 2022 due to stronger light-truck and medium/heavy-truck production levels compared with 2022. Year-over-year light-truck production was up 13% while medium/heavy-truck production was up 18%.

*Cost of sales and gross margin* — Cost of sales for 2023 increased \$262, or 3%, when compared to 2022. Cost of sales as a percent of sales was 100 basis points lower than in the previous year. Incremental margins provided by increased sales volumes, material cost savings of \$114, lower commodity costs of \$51 and lower premium freight of \$48 were partially offset by non-material inflationary cost impacts of \$296, higher warranty expense of \$14, higher program launch costs of \$21 and operational inefficiencies primarily attributed to continued global supply chain disruptions and frequent customer order changes made with little to no advance notification. Commodity cost are primarily driven by certain grades of steel and aluminum. Non-material inflation includes higher labor, energy and transportation rates.

Gross margin of \$900 for 2023 increased \$137 from 2022. Gross margin as a percent of sales was 8.5% in 2023, 100 basis points higher than in 2022. The improvement in gross margin as a percent of sales was driven principally by the cost of sales factors referenced above. Material cost recovery mechanisms with our customers lag material cost changes by our suppliers by approximately 90 days. With commodity costs abating slightly during 2023, gross margin was positively impacted by net material cost recoveries on both a dollar and percentage basis. The recovery of non-material inflation is not specifically provided for in our current contracts with customers resulting in prolonged negotiations and indeterminate recoveries.

*Selling, general and administrative expenses (SG&A)* — SG&A expenses in 2023 were \$549 (5.2% of sales) as compared to \$495 (4.9% of sales) in 2021. SG&A expenses were \$54 higher in 2023 primarily due to higher salaried employee wages and incentive compensation, increased software technology investments and travel expenses.

*Amortization of intangibles* — Amortization expense was \$13 in 2023 and \$14 in 2022.

*Restructuring charges, net* — Net restructuring charges were \$25 in 2023 and (\$1) in 2022. See Note 4 of our consolidated financial statements in Item 8 for additional information.

*Impairment of goodwill* — During the third quarter of 2022, we recorded a \$191 goodwill impairment charge. See Note 3 of our consolidated financial statements in Item 8 for additional information.

*Other income (expense), net* — The following table shows the major components of other income (expense), net.

	2023	2022
Non-service cost components of pension and OPEB costs	\$ (13)	\$ (7)
Government assistance	16	8
Foreign exchange gain (loss)	(13)	4
Strategic transaction expenses	(5)	(8)
Other, net	18	25
Other income (expense), net	<u>\$ 3</u>	<u>\$ 22</u>

We continue to account for Argentina as a highly inflationary economy and remeasure the financial statements of our Argentine subsidiaries as if their functional currency was the U.S. dollar. The foreign exchange loss in 2023 was primarily due to the Argentine government significantly devaluing the Argentine peso during the fourth quarter of 2023. Strategic transaction expenses relate primarily to costs incurred in connection with acquisition and divestiture related activities, including costs to complete the transaction and post-closing integration costs. Strategic transaction expenses in 2023 and 2022 were primarily attributable to investigating potential acquisitions and business ventures and other strategic initiatives.

*Loss on extinguishment of debt* — On June 9, 2023 we redeemed \$200 of our April 2025 Notes. The \$1 loss on extinguishment of debt is comprised of the write-off of previously deferred financing costs associated with the April 2025 Notes. See Note 13 of our consolidated financial statements in Item 8 for additional information.

*Interest income and interest expense* — Interest income increased from \$11 in 2022 to \$17 in 2023, due to higher average cash balances and higher interest rates being paid on cash deposits. Interest expense increased from \$128 in 2022 to \$154 in 2023, due to higher average debt levels and higher interest rates on outstanding borrowings. Average effective interest rates, inclusive of amortization of debt issuance costs, approximated 5.6% in 2023 and 4.7% in 2022.

*Income tax expense* — Income tax expense was \$121 in 2023 and \$284 in 2022. During 2023, we recorded tax expense of \$19 for income tax reserves associated with prior tax years in foreign jurisdictions. In addition, we recorded net benefit of \$55 on the intercompany sale of intangible assets to the U.S. During 2022, we recognized tax expense of \$240 to record valuation allowance in the U.S., which includes \$189 on U.S. federal credits and attributes and \$51 related to U.S. state attributes. In addition, we recorded a tax benefit of \$32 for U.S. tax credits generated. During 2022, we recorded a pre-tax goodwill impairment charge of \$191 with an associated income tax benefit of \$2. See Note 17 to our consolidated financial statements in Item 8 for additional information.

*Equity in earnings of affiliates* — Net earnings (loss) from equity investments was a loss of \$9 in 2023 and earnings of \$4 in 2022. Equity in loss of Dongfeng Dana Axle Co., Ltd. (DDAC) was \$16 in 2023 and \$1 in 2022. The year-over-year decrease in DDAC's earnings was primarily due to valuation allowances being recorded against certain deferred tax assets.

## Segment Results of Operations (2023 versus 2022)

### Light Vehicle

	Sales	Segment EBITDA	Segment EBITDA Margin
2022	\$ 4,090	\$ 158	3.9%
Volume and mix	(209)	(16)	
Performance	184	75	
Currency effects	(30)	(5)	
2023	<u>\$ 4,035</u>	<u>\$ 212</u>	5.3%

Light Vehicle sales in 2023, exclusive of currency effects, were 1% lower than 2022 reflecting generally stronger global markets, the conversion of sales backlog and the benefit of net customer pricing and cost recovery actions being offset by a customer program ending in 2022 and labor strikes during the fourth quarter of 2023 by the UAW at the U.S. operations of certain of our customers. Year-over-year North America full-frame light-truck production decreased 2% while light-truck production in Europe, South America and Asia Pacific increased 16%, 7% and 13%, respectively. Net customer pricing and cost recovery actions increased year-over-year sales by \$184.

Light Vehicle segment EBITDA increased by \$54 in 2023. Lower sales volumes decreased year-over-year earnings by \$16 (8% decremental margin). The year-over-year performance-related earnings increase was driven by net customer pricing and cost recovery actions of \$184, commodity cost decreases of \$40, material costs savings of \$35, lower premium freight costs of \$21, lower warranty expense of \$3 and operational efficiencies of \$13. Partially offsetting these performance-related earnings increases were inflationary cost increases of \$187, higher incentive compensation of \$12, higher program launch costs of \$6 and higher spending on electrification initiatives of \$16.

### Commercial Vehicle

	Sales	Segment EBITDA	Segment EBITDA Margin
2022	\$ 1,979	\$ 43	2.2%
Volume and mix	32	18	
Performance	76	29	
Currency effects	5	(3)	
2023	<u>\$ 2,092</u>	<u>\$ 87</u>	4.2%

Commercial Vehicles sales in 2023, exclusive of currency effects, were 5% higher than 2022 reflecting improved North America and Europe markets, the conversion of sales backlog and the benefit of net customer pricing and cost recovery actions, partially offset by a weaker South America market. Year-over-year North America Class 8 production was up 8% while Classes 5-7 was up 9%. Year-over-year medium/heavy-truck production in Europe was up 17% while medium/heavy-truck production in South America was down 32%. Net customer pricing and cost recovery actions increased year-over-year sales by \$76.

Commercial Vehicle segment EBITDA increased by \$44 in 2023. Higher sales volumes and improved product mix provided a year-over-year earnings increase of \$18 (56% incremental margin). The year-over-year performance-related earnings increase was driven by net customer pricing and cost recovery actions of \$76, material cost savings of \$33, lower spending on electrification initiatives of \$17 and lower premium freight costs of \$12. Partially offsetting these performance-related earnings increases were operational inefficiencies of \$60, inflationary cost increases of \$22, higher program launch costs of \$9, higher incentive compensation of \$9, higher warranty costs of \$8 and commodity cost increases of \$1.



## Off-Highway

	Sales	Segment EBITDA	Segment EBITDA Margin
2022	\$ 2,946	\$ 404	13.7%
Volume and mix	131	37	
Performance	95	24	
Currency effects	13		
2023	\$ 3,185	\$ 465	14.6%

Off-Highway sales in 2023, exclusive of currency effects, were 8% higher than 2022 reflecting strong global markets, the conversion of sales backlog and the benefit of net customer pricing and cost recovery actions. Year-over-year global construction/mining equipment markets increased 5% while global agricultural equipment markets were relatively stable with production decreasing 2%. Net customer pricing and cost recovery actions increased year-over-year sales by \$95.

Off-Highway segment EBITDA increased by \$61 in 2023. Higher sales volumes provided a year-over-year earnings increase of \$37 (28% incremental margin). The year-over-year performance-related earnings increase was driven by net customer pricing and cost recovery actions of \$95, material cost savings of \$33, lower premium freight costs of \$14 and commodity cost decreases of \$14. Partially offsetting these performance-related earnings increases were inflationary cost increases of \$82, operational inefficiencies of \$31, higher warranty expenses of \$9, higher incentive compensation of \$9 and higher spending on electrification initiatives of \$1.

## Power Technologies

	Sales	Segment EBITDA	Segment EBITDA Margin
2022	\$ 1,141	\$ 94	8.2%
Volume and mix	45	(12)	
Performance	54	6	
Currency effects	3	1	
2023	\$ 1,243	\$ 89	7.2%

Power Technologies primarily serves the light-vehicle market but also sells product to the medium/heavy-truck and off-highway markets. Power Technologies sales in 2023, exclusive of currency effects, were 9% higher than 2022 reflecting improved North America and Europe markets, the conversion of sales backlog and the benefit of net customer pricing and cost recovery actions. Year-over-year North America light-vehicle engine production was up 12% while Europe light-vehicle engine production was up 10%. Net customer pricing and cost recovery actions increased year-over-year sales by \$54.

Power Technologies segment EBITDA decreased by \$5 in 2023. Unfavorable product mix resulted in decremental margins on higher year-over-year sales volumes in 2023. The year-over-year performance-related earnings increase was driven by net customer pricing and cost recovery actions of \$54, material cost savings of \$13 and lower premium freight costs of \$1. Partially offsetting these performance-related earnings increases were inflationary cost increases of \$34, higher program launch costs of \$6, higher incentive compensation of \$6, increased spending on electrification initiatives of \$7, operational inefficiencies of \$7 and commodity cost increases of \$2.

## Non-GAAP Financial Measures

### Adjusted EBITDA

We have defined adjusted EBITDA as net income (loss) before interest, income taxes, depreciation, amortization, equity grant expense, restructuring expense, non-service cost components of pension and other postretirement benefits (OPEB) 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 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.

The following table provides a reconciliation of net income (loss) to adjusted EBITDA.

	2023	2022
Net income (loss)	\$ 48	\$ (311)
Equity in earnings (loss) of affiliates	(9)	4
Income tax expense	121	284
Earnings (loss) before income taxes	178	(31)
Depreciation and amortization	416	388
Restructuring charges, net	25	(1)
Interest expense, net	137	117
Loss on extinguishment of debt	1	
Distressed supplier costs	44	
Impairment of goodwill		191
Other*	44	36
Adjusted EBITDA	<u>\$ 845</u>	<u>\$ 700</u>

\* Other includes stock compensation expense, non-service cost components of pension and OPEB costs, strategic transaction expenses and other items. See Note 20 of our consolidated financial statements in Item 8 for additional details.

### Free Cash Flow

We have defined free cash flow as cash provided by 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 operating activities reported in accordance with GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

The following table reconciles net cash flows provided by operating activities to free cash flow.

	2023	2022
Net cash provided by operating activities	\$ 476	\$ 649
Purchases of property, plant and equipment	(501)	(440)
Free cash flow	<u>\$ (25)</u>	<u>\$ 209</u>

### Liquidity

The following table provides a reconciliation of cash and cash equivalents to liquidity, a non-GAAP measure, at December 31, 2023:

Cash and cash equivalents	\$ 529
Additional cash availability from Revolving Facility	1,141
Total liquidity	<u>\$ 1,670</u>

We had availability of \$1,141 at December 31, 2023 under our Revolving Facility after deducting \$9 of outstanding letters of credit.

The components of our December 31, 2023 consolidated cash balance were as follows:

	U.S.	Non-U.S.	Total
Cash and cash equivalents	\$ —	\$ 399	\$ 399
Cash and cash equivalents held at less than wholly-owned subsidiaries	3	127	130
Consolidated cash balance	<u>\$ 3</u>	<u>\$ 526</u>	<u>\$ 529</u>

A portion of the non-U.S. cash and cash equivalents is utilized for working capital and other operating purposes. Several countries have local regulatory requirements that restrict the ability of our operations to repatriate this cash. Beyond these restrictions, there are practical limitations on repatriation of cash from certain subsidiaries because of the resulting tax withholdings and subsidiary by-law restrictions which could limit our ability to access cash and other assets.

At December 31, 2023, we were in compliance with the covenants of our financing agreements. Under the Revolving Facility and our senior notes, we are required to comply with certain incurrence-based covenants customary for facilities of these types. The incurrence-based covenants in the Revolving Facility permit us to, among other things, (i) issue foreign subsidiary indebtedness, (ii) incur general secured indebtedness subject to a pro forma first lien net leverage ratio not to exceed 1.50:1.00 in the case of first lien debt and a pro forma secured net leverage ratio of 2.50:1.00 in the case of other secured debt and (iii) incur additional unsecured debt subject to a pro forma total net leverage ratio not to exceed 3.50:1.00, tested at the time of incurrence. We may also make dividend payments in respect of our common stock as well as certain investments and acquisitions subject to a pro forma total net leverage ratio of 2.75:1.00. In addition, the Revolving Facility is subject to a financial covenant requiring us to maintain a first lien net leverage ratio not to exceed 2.00:1.00. The indentures governing the senior notes include other incurrence-based covenants that may subject us to additional specified limitations.

From time to time, depending upon market, pricing and other conditions, as well as our cash balances and liquidity, we may seek to acquire our senior notes or other indebtedness or our common stock through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as we may determine (or as may be provided for in the indentures governing the notes), for cash, securities or other consideration. In addition, we may enter into sale-leaseback transactions related to certain of our real estate holdings and factor receivables. There can be no assurance that we will pursue any such transactions in the future, as the pursuit of any alternative will depend upon numerous factors such as market conditions, our financial performance and the limitations applicable to such transactions under our financing and governance documents.

The principal sources of liquidity available for our future cash requirements are expected to be (i) cash flows from operations, (ii) cash and cash equivalents on hand and (iii) borrowings from our Revolving Facility. We believe that our overall liquidity and operating cash flow will be sufficient to meet our anticipated cash requirements for capital expenditures, working capital, debt obligations and other commitments during the next twelve months. While uncertainty surrounding the current economic environment could adversely impact our business, based on our current financial position, we believe it is unlikely that any such effects would preclude us from maintaining sufficient liquidity.

## Cash Flow

	2023	2022
Cash provided by changes in working capital	\$ 70	\$ 199
Other cash provided by operations	406	450
Net cash provided by operating activities	476	649
Net cash used in investing activities	(528)	(426)
Net cash provided by (used in) financing activities	160	(42)
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>\$ 108</b>	<b>\$ 181</b>

The table above summarizes our consolidated statement of cash flows.

*Operating activities* — Exclusive of working capital, other cash provided by operations was \$406 in 2023 and \$450 in 2022. The year-over-year decrease is primarily attributable to the impact of higher year-over-year operating earnings being offset by lower year-over-year dividends received from equity-method investments, higher year-over-year cash paid for interest and income taxes and higher year-over-year cash payments made to distressed supplier.

Working capital provided cash of \$70 and \$199 in 2023 and 2022, respectively. Cash of \$12 was provided by receivables in 2023 while cash of \$81 was used to finance receivables in 2022. Cash of \$42 and \$99 was used to fund higher inventory levels during 2023 and 2022, respectively. Increases in accounts payable and other net liabilities provided cash of \$100 and \$379 in 2023 and 2022, respectively.

*Investing activities* — Expenditures for property plant and equipment were \$501 and \$440 in 2023 and 2022. The increase in capital spend during 2023 is in support of awarded next generation programs and new business. During 2022, purchases of marketable securities were largely funded by proceeds from sales of marketable securities.

*Financing activities* — During 2023 and 2022, we had net repayments of \$25 and net borrowings of \$25 on our Revolving Facility. During 2023, we completed the issuance of €425 of our July 2031 Notes, paying financings costs of \$7. Also during 2023, we redeemed \$200 of our April 2025 Notes. During 2023, we paid financing costs of \$2 to amend our credit and guaranty agreement, extending the Revolving Facility maturity to March 14, 2028. We used cash of \$58 in both 2023 and 2022 for dividend payments to common stockholders. We used cash of \$25 to repurchase common shares under our share repurchase program during 2022. Distributions to noncontrolling interests totaled \$10 in 2023 and \$9 in 2022. Hydro-Québec made cash contributions to Dana TM4 of \$22 in 2023 and \$51 in 2022.



## Off-Balance Sheet Arrangements

In connection with the divestiture of our Structural Products business in 2010, leases covering three U.S. facilities were assigned to a U.S. affiliate of the new owner, Metalsa S.A. de C.V. (Metalsa). Under the terms of the sale agreement, we guarantee the affiliate's performance under the leases, which run through June 2025, including approximately \$6 of annual payments. In the event of a required payment by Dana as guarantor, we are entitled to pursue full recovery from Metalsa of the amounts paid under the guarantee and to take possession of the leased property.

## Contractual Obligations

We are obligated to make future cash payments in fixed amounts under various agreements. The following table summarizes our significant contractual obligations as of December 31, 2023.

Contractual Cash Obligations	Total	Payments Due by Period			
		2024	2025 - 2026	2027 - 2028	After 2028
Long-term debt <sup>(1)</sup>	\$ 2,606	\$ 27	\$ 201	\$ 800	\$ 1,578
Interest payments <sup>(2)</sup>	856	145	264	225	222
Operating leases <sup>(3)</sup>	465	62	109	82	212
Financing leases <sup>(4)</sup>	68	9	16	11	32
Unconditional purchase obligations <sup>(5)</sup>	542	348	89	63	42
Pension contribution <sup>(6)</sup>	24	24			
Retiree health care benefits <sup>(7)</sup>	40	4	8	8	20
Uncertain income tax positions <sup>(8)</sup>	—				
Total contractual cash obligations	\$ 4,601	\$ 619	\$ 687	\$ 1,189	\$ 2,106

### Notes:

- (1) Principal payments on long-term debt.
- (2) Interest payments are based on long-term debt in place at December 31, 2023 and the interest rates applicable to such obligations.
- (3) Operating lease obligations, including interest, related to real estate, manufacturing and material handling equipment, vehicles and other assets.
- (4) Finance lease obligations, including interest, related to real estate and manufacturing and material handling equipment. Excluded from this table are \$112 of undiscounted minimum lease payments for leases that have not yet commenced. See Note 7 of our consolidated financial statements in Item 8 for additional discussion.
- (5) Unconditional purchase obligations are comprised of commitments for the procurement of fixed assets, the purchase of raw materials and the fulfillment of other contractual obligations.
- (6) This amount represents estimated 2024 minimum required contributions to our global defined benefit pension plans. We have not estimated pension contributions beyond 2024 due to the significant impact that return on plan assets and changes in discount rates might have on such amounts.
- (7) This amount represents estimated payments under our retiree health care programs. Obligations under the retiree health care programs are not fixed commitments and will vary depending on various factors, including the level of participant utilization and inflation. Our estimates of the payments to be made in the future consider recent payment trends and certain of our actuarial assumptions.
- (8) We are not able to reasonably estimate the timing of payments related to uncertain tax positions because the timing of settlement is uncertain. The above table does not reflect unrecognized tax benefits at December 31, 2023 of \$125. See Note 17 of our consolidated financial statements in Item 8 for additional discussion.

## Contingencies

For a summary of litigation and other contingencies, see Note 15 of our consolidated financial statements in Item 8. Based on information available to us at the present time, we do not believe that any liabilities beyond the amounts already accrued that may result from these contingencies will have a material adverse effect on our liquidity, financial condition or results of operations.

## Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with GAAP requires us to use estimates and make judgments and assumptions about future events that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. Considerable judgment is often involved in making these determinations. Critical estimates are those that require the most difficult, subjective or complex judgments in the preparation of the financial statements and the accompanying notes. We evaluate these estimates and judgments on a regular basis. We believe our assumptions and estimates are reasonable and appropriate. However, the use of different assumptions could result in significantly different results and actual results could differ from those estimates. The

following discussion of accounting estimates is intended to supplement the Summary of Significant Accounting Policies presented as Note 1 of our consolidated financial statements in Item 8.

*Income taxes* — Accounting for income taxes is complex, in part because we conduct business globally and therefore file income tax returns in numerous tax jurisdictions. Significant judgment is required in determining the income tax provision, uncertain tax positions, deferred tax assets and liabilities and the valuation allowances recorded against our net deferred tax assets. A valuation allowance is provided when, in our judgment based upon available information, it is more likely than not that a portion of such deferred tax assets will not be realized. To make this assessment, we consider the historical and projected future taxable income or loss by tax jurisdiction. We consider all components of comprehensive income and weigh the positive and negative evidence, putting greater reliance on objectively verifiable historical evidence than on projections of future profitability that are dependent on actions that have not taken place as of the assessment date. We also consider changes to historical profitability of actions that occurred through the date of assessment and objectively verifiable effects of material forecasted events that would have a sustained effect on future profitability, as well as the effect on historical profits of nonrecurring events. We also incorporate the changes to historical and prospective income from tax planning strategies that are prudent and feasible.

In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is less than certain. We are regularly under audit by the various applicable tax authorities. Although the outcome of tax audits is always uncertain, we believe that we have appropriate support for the positions taken on our tax returns and that our annual tax provisions include amounts sufficient to pay assessments, if any, upon final determination by the taxing authorities. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. See additional discussion of our deferred tax assets and liabilities in Note 17 of our consolidated financial statements in Item 8.

*Retiree benefits* — Accounting for pension benefits and other postretirement benefits (OPEB) involves estimating the cost of benefits to be provided well into the future and generally attributing that cost to the time period each employee works. These plan expenses and obligations are dependent on assumptions developed by us in consultation with our outside advisers such as actuaries and other consultants and are generally calculated independently of funding requirements. The assumptions used, including inflation, discount rates, investment returns, mortality rates, turnover rates, retirement rates, future compensation levels and health care cost trend rates, have a significant impact on plan expenses and obligations. These assumptions are regularly reviewed and modified when appropriate based on historical experience, current trends and future outlook. Changes in one or more of the underlying assumptions could result in a material impact to our consolidated financial statements in any given period. If actual experience differs from expectations, our financial position and results of operations in future periods could be affected.

Mortality rates are based in part on the company's plan experience and actuarial estimates. The inflation assumption is based on an evaluation of external market indicators, while retirement and turnover rates are based primarily on actual plan experience. Health care cost trend rates are developed based on our actual historical claims experience, the near-term outlook and an assessment of likely long-term trends. For our largest plans, discount rates are based upon the construction of a yield curve which is developed based on a subset of high-quality fixed-income investments (those with yields between the 40th and 90th percentiles). The projected cash flows are matched to this yield curve and a present value developed which is then calibrated to develop a single equivalent discount rate. Pension benefits are funded through deposits with trustees that satisfy, at a minimum, the applicable funding regulations. For our largest defined benefit pension plans, expected investment rates of return are based on input from the plans' investment advisers regarding our expected investment portfolio mix, historical rates of return on those assets, projected future asset class returns, the impact of active management and long-term market conditions and inflation expectations. We believe that the long-term asset allocation on average will approximate the targeted allocation and we regularly review the actual asset allocation to periodically re-balance the investments to the targeted allocation when appropriate. OPEB and the majority of our non-U.S. pension benefits are funded as they become due.

Actuarial gains or losses may result from changes in assumptions or when actual experience is different from that which was expected. Under the applicable standards, those gains and losses are not required to be immediately recognized in our results of operations as income or expense, but instead are deferred as part of AOCI and amortized into our results of operations over future periods.

*U.S. retirement plans* — Our U.S. defined benefit pension plans comprise 62% of our consolidated defined benefit pension obligations at December 31, 2023. These plans are frozen and no service-related costs are being incurred. Changes in our net obligations are principally attributable to changing discount rates and the performance of plan assets.

Rising discount rates decrease the present value of future pension obligations – a 25 basis point increase in the discount rate would decrease our U.S. pension liability by about \$11. As indicated above, when establishing the expected long-term rate of return on our U.S. pension plan assets, we consider historical performance and forward looking return estimates reflective of our portfolio mix and investment strategy. Based on the most recent analysis of projected portfolio returns, we concluded that the use of a 5.75% expected return in 2024 is appropriate for our U.S. pension plans. See Note 12 to our consolidated financial statements in Item 8 for information about the investing and allocation objectives related to our U.S. pension plan assets.

We use a full yield curve approach to estimate the service (where applicable) and interest components of the annual cost of our pension and other postretirement benefit plans. This method estimates interest and service expense using the specific spot rates, from the yield curve, that relate to projected cash flows. We believe this method is a more precise measurement of interest and service costs by improving the correlation between the projected cash flows and the corresponding interest rates. The determination of the projected benefit obligation at year end is unchanged.

At December 31, 2023, we have \$136 of unrecognized losses relating to our U.S. pension plans. Actuarial gains and losses, which are primarily the result of changes in the discount rate and other assumptions and differences between actual and expected asset returns, are deferred in AOCI and amortized to expense following the corridor approach. We use the average remaining service period of active participants unless almost all of the plan's participants are inactive, in which case we use the average remaining life expectancy of inactive participants.

Based on the current funded status of our U.S. plans, we expect to make contributions of \$7 during 2024.

See Note 12 of our consolidated financial statements in Item 8 for additional discussion of our pension and OPEB obligations.

*Acquisitions* — From time to time, we make strategic acquisitions that have a material impact on our consolidated results of operations or financial position. We allocate the purchase price of acquired businesses to the identifiable tangible and intangible assets acquired, liabilities assumed and any redeemable noncontrolling interests or noncontrolling interests based upon their estimated fair values as of the acquisition date. We determine the estimated fair values using information available to us and engage independent third-party valuation specialists when necessary. Estimating fair values can be complex and subject to significant business judgment. We believe the assumptions and estimates we have made in the past have been reasonable and appropriate, they were based, in part, on historical experience and information obtained from management of the acquired companies and were inherently uncertain. Critical estimates in valuing certain of the intangible assets we have acquired included, but were not limited to, future expected cash flows from product sales, customer contracts and acquired technologies, and discount rates. The discount rates used to discount expected future cash flows to present value were typically derived from a weighted-average cost of capital analysis and adjusted to reflect inherent risks. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of such assumptions, estimates or actual results. Generally, we have, if necessary, up to one year from the acquisition date to finalize our estimates of acquisition date fair values.

*Redeemable noncontrolling interests* — Redeemable noncontrolling interests reflected as of the balance sheet date are the greater of the redeemable noncontrolling interest balances adjusted for comprehensive income items and distributions or the redemption values. Redeemable noncontrolling interest adjustments of redemption value are recorded in retained earnings. We estimate the fair value of the redemption value using an income based approach based on discounted cash flow projections. In determining fair value using discounted cash flow projections, we make significant assumptions and estimates about the extent and timing of future cash flows, including revenue growth rates, projected EBITDA, discount rate, capital expenditures and terminal growth rate. See additional discussion of redeemable noncontrolling interests in Note 9 of our consolidated financial statements in Item 8.

*Goodwill and other indefinite-lived intangible assets* — Our goodwill and other indefinite-lived intangible assets are tested for impairment annually as of October 31 for all of our reporting units, and more frequently if events or circumstances warrant such a review. We make significant assumptions and estimates about the extent and timing of future cash flows, including revenue growth rates, projected gross margins, discount rates, and exit earnings multiples. The cash flows are estimated over a significant future period of time, which makes those estimates and assumptions subject to a high degree of uncertainty. Our utilization of market valuation models requires us to make certain assumptions and estimates regarding the applicability of those models to our assets and businesses. We use our internal forecasts, which we update quarterly, to make our cash flow projections. These forecasts are based on our knowledge of our customers' production forecasts, our assessment of market growth rates, net new business, material and labor cost estimates, cost recovery agreements with customers and our estimate of savings expected from our restructuring activities.

The most likely factors that would significantly impact our forecasts are changes in customer production levels and loss of significant portions of our business. We believe that the assumptions and estimates used in the assessment of the goodwill and other indefinite-lived intangible assets as of October 31, 2021 were reasonable.

*Long-lived assets with definite lives* — We perform impairment assessments on our property, plant and equipment and our definite-lived intangible assets whenever events and circumstances indicate that the carrying amounts of the assets may not be recoverable. When indications are present, we compare the estimated future undiscounted net cash flows of the operations to which the assets relate to the carrying amounts of such assets. We utilize the cash flow projections discussed above for property, plant and equipment and amortizable intangibles. We group the assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and evaluate the asset group against the undiscounted future cash flows using the life of the primary assets. If the carrying amounts of the long-lived assets are not recoverable from future cash flows and exceed their fair value, an impairment loss is recognized to reduce the carrying amounts of the long-lived assets to their fair value. Fair value is determined based on discounted cash flows, third-party appraisals or other methods that provide appropriate estimates of



value. Determining whether a triggering event has occurred, performing the impairment analysis and estimating the fair value of the assets require numerous assumptions and a considerable amount of management judgment.

*Investments in affiliates* — We had aggregate investments in affiliates of \$123 at December 31, 2023 and \$136 at December 31, 2022. We monitor our investments in affiliates for indicators of other-than-temporary declines in value on an ongoing basis in accordance with GAAP. If we determine that an other-than-temporary decline in value has occurred, we recognize an impairment loss, which is measured as the difference between the recorded carrying value and the fair value of the investment. Fair value is generally determined using the discounted cash flows (an income approach) or guideline public company (a market approach) methods.

*Warranty* — Costs related to product warranty obligations are estimated and accrued at the time of sale with a charge against cost of sales. Warranty accruals are evaluated and adjusted as appropriate based on occurrences giving rise to potential warranty exposure and associated experience. Warranty accruals and adjustments require significant judgment, including a determination of our involvement in the matter giving rise to the potential warranty issue or claim, our contractual requirements, estimates of units requiring repair and estimates of repair costs. If actual experience differs from expectations, our financial position and results of operations in future periods could be affected.

*Contingency reserves* — We have numerous other loss exposures, such as product liability, environmental liability and matters involving litigation. Establishing loss reserves for these matters requires the use of estimates and judgment regarding risk of exposure and ultimate liability. Product liability claims are generally estimated based on historical experience and the estimated costs associated with specific events giving rise to potential field campaigns or recalls. We consider the most probable method of remediation, current laws and regulations and existing technology in estimating our environmental liabilities. In the case of legal contingencies, estimates are made of the likely outcome of legal proceedings and potential exposure where reasonably determinable based on the information presently known to us. New information and other developments in these matters could materially affect our recorded liabilities.

## Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to fluctuations in foreign currency exchange rates, commodity prices for products we use in our manufacturing and interest rates. To reduce our exposure to these risks, we maintain risk management controls to monitor these risks and take appropriate actions to attempt to mitigate such forms of market risks.

*Foreign currency exchange rate risk* — Our foreign currency exposures are primarily associated with intercompany and third party sales and purchase transactions, cross-currency intercompany loans and external debt. We use forward contracts to manage our foreign currency exchange rate risk associated with a portion of our forecasted foreign currency-denominated sales and purchase transactions and with certain foreign currency-denominated assets and liabilities. We also use currency swaps, including fixed-to-fixed cross-currency interest rate swaps, to manage foreign currency exchange rate risk associated with our intercompany loans and external debt. Foreign currency exposures are reviewed quarterly, at a minimum, and natural offsets are considered prior to entering into derivative instruments.

Changes in the fair value of derivative instruments treated as cash flow hedges are reported in other comprehensive income (loss) (OCI). Deferred gains and losses are reclassified to earnings in the same period in which the underlying transactions affect earnings. Specifically, with respect to the cross-currency interest rate swap, to the extent we recognize an exchange gain or loss on the underlying external debt, we reclassify an offsetting portion from OCI to earnings in the same period.

Changes in the fair value of derivative instruments not treated as cash flow hedges are recognized in earnings in the period in which those changes occur. Changes in the fair value of derivative instruments associated with product-related transactions are recorded in cost of sales, while those associated with non-product transactions are recorded in other income (expense), net. See Note 14 of our consolidated financial statements in Item 8.

The following table summarizes the sensitivity of the fair value of our derivative instruments, including forward contracts and currency swaps, at December 31, 2023 to a 10% change in foreign exchange rates.

	10% Increase in Rates Gain (Loss)	10% Decrease in Rates Gain (Loss)
<i>Foreign currency rate sensitivity:</i>		
Currency swaps	\$ (65)	\$ 65
Forward contracts	\$ (67)	\$ 78

At December 31, 2023, of the \$1,757 total notional amount of foreign currency derivatives, approximately 56% represents the aggregate of fixed-to-fixed cross-currency interest rate swaps while the remaining 44% primarily represents forward contracts associated with our forecasted foreign currency-denominated sales and purchase transactions.

To manage our global liquidity objectives, we periodically execute intercompany loans, some of which are foreign currency-denominated. With respect to such intercompany loans, the total notional amount outstanding at December 31, 2023 is approximately \$975. Depending on the specific objective of each intercompany loan arrangement, certain intercompany loans may be hedged while others remain unhedged for strategic reasons. The decision to hedge the loan, to designate the loan itself as a hedge or not to hedge the loan is dependent on management's underlying strategy. Of the approximately \$975 of foreign currency-denominated intercompany loans outstanding at December 31, 2023, \$307, or 32%, has been hedged by one of our fixed-to-fixed cross-currency swaps whereby we have protected the income statement from exchange rate risk. Of the remaining 68% of such outstanding intercompany loans, \$243 million has been hedged by foreign currency forwards and the remaining balances have not been hedged.

To align our cash requirements with availability by currency, we also periodically issue external debt that is denominated in a currency other than the functional currency of the issuing entity. As of December 31, 2023, we had \$200 of external U.S. dollar debt, issued by a euro-functional entity, all of which has been hedged by our fixed-to-fixed cross-currency interest rate swaps. Such swaps are treated as cash flow hedges whereby the changes in fair value are recorded in OCI to the extent the hedges remain effective.

*Commodity price risk* — We do not utilize derivative contracts to manage commodity price risk. Our overall strategy is to pass through commodity risk to our customers in our pricing agreements. A substantial portion of our customer agreements include contractual provisions for the pass-through of commodity price movements. In instances where the risk is not covered contractually, we have generally been able to adjust customer pricing to recover commodity cost increases.

## **Item 8. Financial Statements and Supplementary Data**

### **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of Dana Incorporated

#### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheet of Dana Incorporated and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, of comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes and schedule of valuation and qualifying accounts and reserves for each of the three years in the period ended December 31, 2023 appearing under Item 8 (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the COSO.

#### ***Basis for Opinions***

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### ***Definition and Limitations of Internal Control over Financial Reporting***

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## *Critical Audit Matters*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Fair Value of Redeemable Noncontrolling Interests*

As described in Note 9 to the consolidated financial statements, Hydro-Québec owns a 45% redeemable noncontrolling interest in Dana TM4 Inc., Dana TM4 Electric Holdings BV, and Dana TM4 USA, LLC. The terms of the joint venture agreement provide Hydro-Québec with the right to put all, and not less than all, of its ownership interests in Dana TM4 Inc., Dana TM4 Electric Holdings BV, and Dana TM4 USA, LLC to the Company at fair value. Redeemable noncontrolling interests reflected as of the balance sheet date are the greater of the redeemable noncontrolling interest balances adjusted for comprehensive income (loss) items and distributions or the redemption values. Management estimates the fair value of the redemption value using an income based approach based on discounted cash flow projections. In determining the fair value using discounted cash flow projections, management makes significant assumptions and estimates about the extent and timing of future cash flows, including revenue growth rates, projected EBITDA, discount rate, capital expenditures and terminal growth rate. The fair value of the redeemable noncontrolling interests was \$191 million as of December 31, 2023.

The principal considerations for our determination that performing procedures relating to the fair value of redeemable noncontrolling interests is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the redeemable noncontrolling interests; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue growth rates, projected EBITDA, discount rate, capital expenditures, and terminal growth rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's fair value estimate of redeemable noncontrolling interests, including controls over management's development of significant assumptions. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the redeemable noncontrolling interests; (ii) evaluating the appropriateness of the discounted cash flow model used by management; (iii) testing the completeness and accuracy of underlying data used in the discounted cash flow model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, projected EBITDA, discount rate, capital expenditures, and terminal growth rate. Evaluating management's assumptions related to revenue growth rates, projected EBITDA, and capital expenditures involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the underlying operating entity; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the discounted cash flow model and (ii) the reasonableness of the discount rate and terminal growth rate assumptions.

/s/ PricewaterhouseCoopers LLP

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Toledo, Ohio

February 20, 2024

We have served as the Company's auditor since 1916.

**Dana Incorporated**  
**Consolidated Statement of Operations**  
(In millions, except per share amounts)

	2023	2022	2021
<b>Net sales</b>	\$ 10,555	\$ 10,156	\$ 8,945
Costs and expenses			
Cost of sales	9,655	9,393	8,108
Selling, general and administrative expenses	549	495	460
Amortization of intangibles	13	14	14
Restructuring charges, net	25	(1)	
Impairment of goodwill		(191)	
Other income (expense), net	3	22	32
Earnings before interest and income taxes	316	86	395
Loss on extinguishment of debt	(1)		(29)
Interest income	17	11	9
Interest expense	154	128	131
Earnings (loss) before income taxes	178	(31)	244
Income tax expense	121	284	72
Equity in earnings (loss) of affiliates	(9)	4	28
<b>Net income (loss)</b>	48	(311)	200
Less: Noncontrolling interests net income	22	15	14
Less: Redeemable noncontrolling interests net loss	(12)	(84)	(11)
<b>Net income (loss) attributable to the parent company</b>	<u>\$ 38</u>	<u>\$ (242)</u>	<u>\$ 197</u>
<b>Net income (loss) per share available to common stockholders</b>			
Basic	\$ 0.26	\$ (1.69)	\$ 1.36
Diluted	\$ 0.26	\$ (1.69)	\$ 1.35
Weighted-average common shares outstanding			
Basic	144.4	143.6	144.8
Diluted	144.6	143.6	146.2

The accompanying notes are an integral part of the consolidated financial statements.

**Dana Incorporated**  
**Consolidated Statement of Comprehensive Income**  
(In millions)

	2023	2022	2021
<b>Net income (loss)</b>	\$ 48	\$ (311)	\$ 200
Other comprehensive income (loss), net of tax:			
Currency translation adjustments	30	(102)	(9)
Hedging gains and losses	(1)	17	(5)
Defined benefit plans	(16)	53	53
Other comprehensive income (loss)	13	(32)	39
<b>Total comprehensive income (loss)</b>	61	(343)	239
Less: Comprehensive income attributable to noncontrolling interests	(22)	(10)	(2)
Less: Comprehensive loss attributable to redeemable noncontrolling interests	10	95	1
<b>Comprehensive income (loss) attributable to the parent company</b>	<u>\$ 49</u>	<u>\$ (258)</u>	<u>\$ 238</u>

The accompanying notes are an integral part of the consolidated financial statements.



**Dana Incorporated**  
**Consolidated Balance Sheet**  
(In millions, except share and per share amounts)

	2023	2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 529	\$ 425
Accounts receivable		
Trade, less allowance for doubtful accounts of \$16 in 2023 and \$11 in 2022	1,371	1,374
Other	280	202
Inventories	1,676	1,609
Other current assets	247	219
<b>Total current assets</b>	4,103	3,829
Goodwill	263	259
Intangibles	182	201
Deferred tax assets	516	397
Other noncurrent assets	140	123
Investments in affiliates	123	136
Operating lease assets	327	311
Property, plant and equipment, net	2,311	2,193
<b>Total assets</b>	\$ 7,965	\$ 7,449
 <b>Liabilities, redeemable noncontrolling interests and equity</b>		
Current liabilities		
Short-term debt	\$ 22	\$ 52
Current portion of long-term debt	35	8
Accounts payable	1,756	1,838
Accrued payroll and employee benefits	288	214
Taxes on income	86	54
Current portion of operating lease liabilities	42	36
Other accrued liabilities	373	277
<b>Total current liabilities</b>	2,602	2,479
Long-term debt, less debt issuance costs of \$24 in 2023 and \$22 in 2022	2,598	2,348
Noncurrent operating lease liabilities	284	277
Pension and postretirement obligations	334	298
Other noncurrent liabilities	319	249
<b>Total liabilities</b>	6,137	5,651
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	191	195
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding	—	—
Common stock, 450,000,000 shares authorized, \$0.01 par value, 144,386,484 and 143,366,482 shares outstanding	2	2
Additional paid-in capital	2,255	2,229
Retained earnings	317	321
Treasury stock, at cost (474,981 and zero shares)	(9)	—
Accumulated other comprehensive loss	(990)	(1,001)
Total parent company stockholders' equity	1,575	1,551
Noncontrolling interests	62	52
<b>Total equity</b>	1,637	1,603
<b>Total liabilities, redeemable noncontrolling interests and equity</b>	\$ 7,965	\$ 7,449

The accompanying notes are an integral part of the consolidated financial statements.

**Dana Incorporated**  
**Consolidated Statement of Cash Flows**  
(In millions)

	2023	2022	2021
<b>Operating activities</b>			
Net income (loss)	\$ 48	\$ (311)	\$ 200
Depreciation	393	365	365
Amortization	23	23	24
Amortization of deferred financing charges	5	5	6
Redemption premium on debt			21
Write-off of deferred financing costs	1		8
Earnings of affiliates, net of dividends received	11	23	(10)
Stock compensation expense	26	19	17
Deferred income taxes	(104)	153	(1)
Pension expense, net	3	(1)	(1)
Gain on sale leaseback			(66)
Impairment of goodwill		191	
Change in working capital	70	199	(455)
Change in other noncurrent assets and liabilities	11	9	(3)
Other, net	(11)	(26)	53
<b>Net cash provided by operating activities</b>	<b>476</b>	<b>649</b>	<b>158</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment	(501)	(440)	(369)
Proceeds from sale of property, plant and equipment	2	3	85
Acquisition of businesses, net of cash acquired		(1)	(18)
Investments in affiliates			(23)
Purchases of marketable securities		(15)	(32)
Proceeds from sales of marketable securities			30
Proceeds from maturities of marketable securities		30	35
Proceeds from sale of equity affiliate			29
Proceeds from sale of subsidiaries, net of cash disposed			(4)
Settlement of terminated fixed-to-fixed cross currency swap			(22)
Settlements of undesignated derivatives	(13)	(8)	(4)
Other, net	(16)	5	
<b>Net cash used in investing activities</b>	<b>(528)</b>	<b>(426)</b>	<b>(293)</b>
<b>Financing activities</b>			
Net change in short-term debt	(30)	33	(3)
Proceeds from long-term debt	458	2	1,157
Repayment of long-term debt	(209)	(24)	(1,156)
Redemption premium on debt			(21)
Deferred financing payments	(9)		(18)
Dividends paid to common stockholders	(58)	(58)	(58)
Repurchases of common stock		(25)	(23)
Distributions to noncontrolling interests	(10)	(9)	(15)
Contributions from redeemable noncontrolling interests	22	51	14
Deconsolidation of non-wholly owned subsidiary			(6)
Payments to acquire noncontrolling interests		(4)	
Other, net	(4)	(8)	2
<b>Net cash provided by (used in) financing activities</b>	<b>160</b>	<b>(42)</b>	<b>(127)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>108</b>	<b>181</b>	<b>(262)</b>
Cash, cash equivalents and restricted cash - beginning of period	442	287	567
Effect of exchange rate changes on cash balances	13	(26)	(18)
<b>Cash, cash equivalents and restricted cash - end of period</b>	<b>\$ 563</b>	<b>\$ 442</b>	<b>\$ 287</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Dana Incorporated**  
**Consolidated Statement of Stockholders' Equity**  
(In millions)

	Parent Company Stockholders'					Accumulated Other Comprehensive Loss	Parent Company Stockholders' Equity	Non- controlling Interests	Total Equity
	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock				
<b>Balance, December 31, 2020</b>	\$ —	\$ 2	\$ 2,408	\$ 530	\$ (156)	\$ (1,026)	\$ 1,758	\$ 76	\$ 1,834
Net income				197			197	14	211
Other comprehensive income (loss)						41	41	(12)	29
Common stock dividends and dividend equivalents (\$0.40 per share)			1	(59)			(58)		(58)
Common stock share repurchases					(23)		(23)		(23)
Distributions to noncontrolling interests							—	(15)	(15)
Purchase of noncontrolling interests							—	(2)	(2)
Sale of noncontrolling interests							—	(1)	(1)
Redeemable noncontrolling interests adjustment to redemption value				(6)			(6)		(6)
Deconsolidation of non-wholly owned subsidiary							—	(8)	(8)
Other							—	1	1
Stock compensation			18				18		18
Stock withheld for employees taxes					(5)		(5)		(5)
<b>Balance, December 31, 2021</b>	—	2	2,427	662	(184)	(985)	1,922	53	1,975
Net income (loss)				(242)			(242)	15	(227)
Other comprehensive loss						(16)	(16)	(5)	(21)
Common stock dividends and dividend equivalents (\$0.40 per share)			1	(58)			(57)		(57)
Common stock share repurchases					(25)		(25)		(25)
Retirement of treasury shares			(216)		216		—		—
Distributions to noncontrolling interests							—	(9)	(9)
Purchase of noncontrolling interests							—	(2)	(2)
Redeemable noncontrolling interests adjustment to redemption value				(41)			(41)		(41)
Stock compensation			17				17		17
Stock withheld for employees taxes					(7)		(7)		(7)
<b>Balance, December 31, 2022</b>	—	2	2,229	321	—	(1,001)	1,551	52	1,603
Net income				38			38	22	60
Other comprehensive income						11	11		11
Common stock dividends and dividend equivalents (\$0.40 per share)				(58)			(58)		(58)
Distributions to noncontrolling interests							—	(12)	(12)
Redeemable noncontrolling interests adjustment to redemption value				16			16		16
Stock compensation			26				26		26
Stock withheld for employees taxes					(9)		(9)		(9)
<b>Balance, December 31, 2023</b>	\$ —	\$ 2	\$ 2,255	\$ 317	\$ (9)	\$ (990)	\$ 1,575	\$ 62	\$ 1,637

The accompanying notes are an integral part of the consolidated financial statements.



**Dana Incorporated**  
**Index to Notes to the Consolidated**  
**Financial Statements**

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**Notes to the Consolidated Financial Statements**  
**(In millions, except share and per share amounts)**

**Note 1. Organization and Summary of Significant Accounting Policies**

*General*

Dana Incorporated (Dana) is headquartered in Maumee, Ohio, and was incorporated in Delaware in 2007. As a global provider of high technology driveline (axles, driveshafts and transmissions); sealing and thermal-management products; and motors, power inverters, and control systems for electric vehicles, our customer base includes virtually every major vehicle manufacturer in the global light vehicle, medium/heavy vehicle, and off-highway markets.

The terms "Dana," "we," "our" and "us," when used in this report are references to Dana. These references include the subsidiaries of Dana unless otherwise indicated or the context requires otherwise.

*Summary of significant accounting policies*

*Basis of presentation* — Our consolidated financial statements include the accounts of all subsidiaries where we hold a controlling financial interest. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in 20 to 50%-owned affiliates, which are not required to be consolidated, are generally accounted for under the equity method. Equity in earnings of these investments is presented separately in the consolidated statement of operations, net of tax. Investments in less-than-20%-owned companies are generally included in the financial statements at the cost of our investment. Dividends, royalties and fees from these cost basis affiliates are recorded in income when received. Certain items previously reported in specific financial statement captions have been reclassified to conform to the current presentation.

*Held for sale* — We classify long-lived assets or disposal groups as held for sale in the period: management commits to a plan to sell; the long-lived asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such long-lived assets or disposal groups; an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; the sale is probable within one year; the asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets and disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

*Discontinued operations* — The results of operations of a component or a group of components that either has been disposed of or is classified as held for sale is reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on operations and financial results.

*Estimates* — Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (GAAP), which require the use of estimates, judgments and assumptions that affect the amounts reported in our consolidated financial statements and accompanying disclosures. We believe our assumptions and estimates are reasonable and appropriate. However, due to the inherent uncertainties in making estimates, actual results could differ from those estimates.

*Fair value measurements* — A three-tier fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows: Level 1 inputs (highest priority) include unadjusted quoted prices in active markets for identical instruments. Level 2 inputs include quoted prices for similar instruments that are observable either directly or indirectly. Level 3 inputs (lowest priority) include unobservable inputs in which there is little or no market data, which require management to develop its own assumptions. Classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The inputs we use in our valuation techniques include market data or assumptions that we believe market participants would use in pricing an asset or liability, including assumptions about risk when appropriate. Our valuation techniques include a combination of observable and unobservable inputs. When available, we use quoted market prices to determine the fair value (market approach). In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, we consider the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of credit risk that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date (income approach). Fair values may not represent actual values of the financial instruments that could be realized as of the balance sheet date or that will be realized in the future.

*Cash and cash equivalents* — Cash and cash equivalents includes cash on hand, demand deposits and short-term cash investments that are highly liquid in nature and have maturities of three months or less when purchased.

*Inventories* — Inventories are valued at the lower of cost or net realizable value. Cost is determined using the average or first-in, first-out (FIFO) cost method.

*Property, plant and equipment* — Property, plant and equipment are recorded at cost. Depreciation is recognized over the estimated useful lives using primarily the straight-line method for financial reporting purposes and accelerated depreciation methods for federal income tax purposes. Useful lives of newly acquired assets are generally twenty to thirty years for buildings and building improvements, five to ten years for machinery and equipment, three to five years for tooling and office equipment and three to ten years for furniture and fixtures. If assets are impaired, their value is reduced via an increase in accumulated depreciation.

*Leases* — Our global lease portfolio represents leases of real estate, including manufacturing, assembly and office facilities, while the remainder represents leases of personal property, including manufacturing, material handling and IT equipment. We have lease agreements with lease and non-lease components, which are accounted for separately. Leases with an initial term of twelve months or less are not recorded on the balance sheet, and we recognize lease expense for these leases on a straight-line basis over the lease term. Generally, we use our incremental borrowing rate in determining the present value of lease payments, unless there is a rate stated in the lease agreement.

*Pre-production costs related to long-term supply arrangements* — The costs of tooling used to make products sold under long-term supply arrangements are capitalized as part of property, plant and equipment and depreciated over their useful lives if we own the tooling or if we fund the purchase but our customer owns the tooling and grants us the irrevocable right to use the tooling over the contract period. If we have a contractual right to bill our customers, costs incurred in connection with the design and development of tooling are carried as a component of other accounts receivable until invoiced. Design and development costs related to customer products are deferred if we have an agreement to collect such costs from the customer; otherwise, they are expensed when incurred. At December 31, 2023, the machinery and equipment component of property, plant and equipment includes \$26 of our tooling related to long-term supply arrangements. Also at December 31, 2023, other accounts receivable includes \$38 and other noncurrent assets includes \$24 of costs related to tooling that we have a contractual right to collect from our customers.

*Goodwill* — We test goodwill for impairment annually as of October 31 and more frequently if events occur or circumstances change that would warrant an interim review. Goodwill impairment testing is performed at the reporting unit level, which is the operating segment in the case of our Off-Highway and Commercial Vehicle goodwill. A multi-step impairment test is performed on goodwill. In Step 0, we have the option to evaluate various qualitative factors to determine the likelihood of impairment. This qualitative assessment may include, but is not limited to, reviewing factors such as macroeconomic conditions, industry and market considerations, cost factors, entity-specific financial performance and other events, such as changes in the Company's management, strategy and primary customer base. If we determine that the fair value is more likely than not less than the carrying value, then we are required to perform Step 1. If we do not elect to perform Step 0, we can voluntarily proceed directly to Step 1. In Step 1, we estimate the fair value of the reporting units using a model that incorporates various valuation methodologies, including discounted cash flow projections and multiples of current earnings. In determining fair value using discounted cash flow projections, we make significant assumptions and estimates about the extent and timing of future cash flows, including revenue growth rates, projected segment EBITDA, discount rates, and terminal growth rates. If the estimated fair value of the reporting unit exceeds its carrying value, the goodwill is considered not impaired. If the carrying value of the reporting unit exceeds its estimated fair value, a goodwill impairment charge is recorded for the difference. See Note 3 for more information about goodwill.

*Intangible assets* — Intangible assets include the value of core technology, trademarks and trade names and customer relationships. Core technology and customer relationships have definite lives while the majority of our trademarks and trade names have indefinite lives. Definite-lived intangible assets are amortized over their useful life using the straight-line method of amortization and are periodically reviewed for impairment indicators. Amortization of core technology is charged to cost of sales. Amortization of trademarks and trade names and customer relationships is charged to amortization of intangibles. Indefinite-lived intangible assets are tested for impairment annually and more frequently if impairment indicators exist. See Note 3 for more information about intangible assets.

*Investments in affiliates* — Investments in affiliates include investments accounted for under the equity and cost methods. We monitor our investments in affiliates for indicators of other-than-temporary declines in value on an ongoing basis in accordance with GAAP. Indicators include, but are not limited to, current economic and market conditions, operating performance of the affiliate, including current earnings trends and undiscounted cash flows, and other affiliate-specific information. If we determine that an other-than-temporary decline in value has occurred, we recognize an impairment loss, which is measured as the excess of the investment's recorded carrying value over its fair value. The fair value determination, particularly for investments in privately-held companies, requires significant judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investments and determination of whether any identified impairment is other than temporary. See Note 21 for further information about our investment in affiliates.

*Tangible asset impairments* — We review the carrying value of depreciable long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability of assets to be

held and used is measured by a comparison of the carrying amount of the assets to the undiscounted future net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell and are no longer depreciated.

*Other long-lived assets and liabilities* — We discount our workers' compensation obligations by applying blended risk-free rates that are appropriate for the duration of the projected cash flows. The use of risk-free rates is considered appropriate given that other risks affecting the volume and timing of payments have been considered in developing the probability-weighted projected cash flows. The blended risk-free rates are revised annually to consider incremental cash flow projections.

*Financial instruments* — The carrying values of cash and cash equivalents, trade receivables, notes receivable and short-term borrowings approximate fair value. Borrowings under our credit facilities are carried at historical cost and adjusted for principal payments and foreign currency fluctuations.

*Derivatives* — Foreign currency forward contracts and currency swaps are carried at fair value. We enter into these contracts to manage our exposure to the impact of currency fluctuations on certain foreign currency-denominated assets and liabilities and on a portion of our forecasted purchase and sale transactions. On occasion, we also enter into net investment hedges to protect the translated U.S. dollar value of our investment in certain foreign subsidiaries. We also periodically enter into fixed-to-fixed cross-currency swaps on foreign currency-denominated external or intercompany debt instruments to reduce our exposure to foreign currency exchange rate risk. We do not use derivatives for trading or speculative purposes and we do not hedge all of our exposures.

For derivative instruments designated as cash flow hedges, at the cash flow hedge's inception and on an ongoing basis, the company formally assesses whether the cash flow hedging instruments have been highly effective in offsetting changes in the cash flows of the hedged transactions and whether those cash flow hedging instruments may be expected to remain highly effective in future periods. Changes in the fair value of currency-related contracts treated as cash flow hedges are deferred and included as a component of other comprehensive income (loss) (OCI). For our fixed-to-fixed cross-currency swaps, a review of critical terms is performed each period to establish that an assumption of effectiveness remains appropriate. Deferred gains and losses are reclassified to earnings in the same periods in which the underlying transactions affect earnings.

Changes in the fair value of contracts treated as net investment hedges are recorded in the cumulative translation adjustment (CTA) component of OCI. Amounts recorded in CTA are deferred until such time as the investment in the associated subsidiary is substantially liquidated. Changes in the fair value of contracts not treated as cash flow hedges or as net investment hedges are recognized in other income (expense), net in the period in which those changes occur.

We may also use fixed-to-floating or floating-to-fixed interest rate swaps or other similar derivatives to manage exposure to fluctuations in interest rates and to adjust the mix of our fixed-rate and variable-rate debt. As a fair value hedge of the underlying debt, changes in the fair values of the swap and the underlying debt are recorded in interest expense. No such fixed-to-floating or floating-to-fixed swaps were outstanding at December 31, 2023. See Note 14 for additional information.

Cash flows associated with designated derivatives are classified within the same category as the item being hedged on the consolidated statement of cash flows. Cash flows associated with undesignated derivatives are included in the investing category on the consolidated statement of cash flows.

*Warranty* — Costs related to product warranty obligations are estimated and accrued at the time of sale with a charge against cost of sales. Warranty accruals are evaluated and adjusted as appropriate based on occurrences giving rise to potential warranty exposure and associated experience. Warranty accruals and adjustments require significant judgment, including a determination of our involvement in the matter giving rise to the potential warranty issue or claim, our contractual requirements, estimates of units requiring repair and estimates of repair costs.

*Environmental compliance and remediation* — Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to existing conditions caused by past operations that do not contribute to our current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. We consider the most probable method of remediation, current laws and regulations and existing technology in determining our environmental liabilities.

*Pension and other postretirement defined benefits* — Net pension and postretirement benefits expenses and the related liabilities are determined on an actuarial basis. These plan expenses and obligations are dependent on management's assumptions developed in consultation with our actuaries. We review these actuarial assumptions at least annually and make modifications when appropriate. With the input of independent actuaries and other relevant sources, we believe that the assumptions used are reasonable; however, changes in these assumptions, or experience different from that assumed, could impact our financial position, results of operations or cash flows.



*Postemployment benefits* — Costs to provide postemployment benefits to employees are accounted for on an accrual basis. Obligations that do not accumulate or vest are recorded when payment is probable and the amount can be reasonably estimated. For those obligations that accumulate or vest and the amount can be reasonably estimated, expense and the related liability are recorded as service is rendered.

*Equity-based compensation* — We measure compensation cost arising from the grant of share-based awards to employees at fair value. We recognize such costs in income over the period during which the requisite service is provided, usually the vesting period. The grant date fair value is estimated using valuation techniques that require the input of management estimates and assumptions.

*Government assistance* — We account for separate legally enforceable agreements with governments and government agencies where the agreement provides for the government to determine whether Dana will receive assistance and the amount of assistance by applying a contribution accounting model by analogy. The primary forms of government assistance received includes cash grants based on making qualifying capital investments over a specified period of time; cash grants based on creating new jobs, increasing and maintaining qualifying employee headcount over a specified period of time; and cash grants based on investing in specified research and development activities. The agreements include imposed conditions that must be satisfied for us to retain grant proceeds received. Imposed conditions include providing documentation supporting qualified expenditures have been made and may include providing documentation that specified employment levels have been achieved. Imposed conditions related to employment levels typically range from one to five years. Amounts received or receivable from these cash grants are deferred as a liability until such time as we have satisfied all imposed conditions documented in the agreement with the government. Deferred amounts are recorded in other accrued liabilities and other noncurrent liabilities as appropriate. Government assistance received for making qualifying capital investments is realized by reducing the associated fixed assets so long as we have satisfied all imposed conditions by the time the associated fixed assets are placed into service. All other government assistance is realized in other income (expense), net once all imposed conditions have been satisfied. Notes 6 and 18 for additional information.

*Revenue recognition* — Sales are recognized when products are shipped and risk of loss has transferred to the customer. We accrue for warranty costs, sales returns and other allowances based on experience and other relevant factors when sales are recognized. Adjustments are made as new information becomes available. Shipping and handling fees billed to customers are included in sales, while costs of shipping and handling are included in cost of sales. Taxes collected from customers are excluded from revenues and credited directly to obligations to the appropriate governmental agencies. See Note 19 for additional information.

*Foreign currency translation* — The financial statements of subsidiaries and equity affiliates outside the U.S. located in non-highly inflationary economies are measured using the currency of the primary economic environment in which they operate as the functional currency, which typically is the local currency. Transaction gains and losses resulting from translating assets and liabilities of these entities into the functional currency are included in other income (expense), net or in equity in earnings of affiliates. When translating into U.S. dollars, income and expense items are translated at average monthly rates of exchange, while assets and liabilities are translated at the rates of exchange at the balance sheet date. Translation adjustments resulting from translating the functional currency into U.S. dollars are deferred and included as a component of accumulated other comprehensive income (loss) (AOCI) in stockholders' equity. For operations whose functional currency is the U.S. dollar, nonmonetary assets are translated into U.S. dollars at historical exchange rates and monetary assets are translated at current exchange rates with translation gains and losses included in other income (expense), net.

We continue to account for Argentina as a highly inflationary economy and remeasure the financial statements of our Argentine subsidiaries as if their functional currency was the U.S. dollar.

*Income taxes* — In the ordinary course of business there is inherent uncertainty in quantifying our income tax positions. We assess our income tax positions and record tax assets or liabilities for all years subject to examination based upon management's evaluation of the facts and circumstances and information available at the reporting dates. For those tax positions where it is more likely than not that a tax benefit will be sustained, we have recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit has been recognized in the financial statements. Where applicable, the related interest cost has also been recognized as a component of the income tax provision.

A valuation allowance is provided when, in our judgment based upon available information, it is more likely than not that a portion of such deferred tax assets will not be realized. To make this assessment, we consider the historical and projected future taxable income or loss by tax jurisdiction. We consider all components of comprehensive income and weigh the positive and negative evidence, putting greater reliance on objectively verifiable historical evidence than on projections of future profitability that are dependent on actions that have not taken place as of the assessment date. We also consider changes to historical profitability of actions that occurred through the date of assessment and objectively verifiable effects of material forecasted events that would have a sustained effect on future profitability, as well as the effect on historical profits of nonrecurring events. We also incorporate the changes to historical and prospective income from tax planning strategies that are prudent and feasible.

*Research and development* — Research and development costs include expenditures for research activities relating to product development and improvement. Salaries, fringes and occupancy costs, including building, utility and overhead costs, comprise the vast majority of these expenses and are expensed as incurred. Research and development expenses were \$237, \$201 and \$178 in 2023, 2022 and 2021. Over the past several years we significantly increased our research and development activities in support of our electrification initiatives.

#### *Recently adopted accounting pronouncements*

On January 1, 2023 we adopted Accounting Standards Update (ASU) 2022-04, Supplier Finance Programs which requires annual and interim disclosures for entities that use supplier finance programs in connection with the purchase of goods and services. Adoption of this new standard did not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. Certain of our subsidiaries have entered into paying agency agreements with third-party administrators. These voluntary supply chain finance programs generally give participating suppliers the ability to sell, or otherwise pledge as collateral, their receivables from Dana to the participating financial institutions, at the sole discretion of both the suppliers and financial institutions. Dana is not a party to the arrangements between the suppliers and the financial institutions. Dana's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by the suppliers' decisions to sell, or otherwise pledge as collateral, amounts under these arrangements. Dana's payment terms to the financial institutions, including the timing and amount of payments, are based on the original supplier invoices. As of December 31, 2023 and 2022, we had \$69 and \$81, respectively, of confirmed obligations presented as accounts payable within total current liabilities on the consolidated balance sheet.

On January 1, 2023 we adopted ASU 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which did not have a material impact on our financial statements or financial statement disclosures.

#### *Recently issued accounting pronouncements*

We do not expect any recently issued accounting pronouncements to have a material effect on our financial statements.

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-07, *Segment Reporting (Topic 280)*. The guidance enhances reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance becomes effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of the guidance on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*. This guidance requires disaggregated income tax disclosures on the rate reconciliation and income taxes paid. The guidance becomes effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of the guidance on our financial statement disclosures.

#### *Subsequent Event*

On February 19, 2024, Dana entered into a definitive agreement to sell its European hydraulics business to HPIH S.à r.l. for approximately \$42. The sale price is subject to adjustment based on net working capital and net financial position balances as of the closing date. Dana expects to recognize a pre-tax loss of approximately \$23 on the transaction. The transaction is expected to close during the second quarter of 2024. Dana will account for its European hydraulics business as held for sale until the transaction closes. Dana's European hydraulics business is part of our Off-Highway operating segment and had revenues of approximately \$90 during 2023.

## **Note 2. Acquisitions**

*Pi Innovo Holdings Limited* — On October 20, 2020, we acquired an initial 49% ownership interest in Pi Innovo Holdings Limited (Pi Innovo). Pi Innovo designs, develops and manufactures electronic control units spanning a range of applications and industries. Our initial investment in Pi Innovo was accounted for following the equity method. On March 1, 2021, we acquired the remaining 51% ownership interest in Pi Innovo. The acquisition of the remaining ownership interest provides us with a 100% ownership interest in Pi Innovo. The total purchase consideration of \$35 is comprised of \$18 of cash paid at closing and the \$17 fair value of our previously held equity method investment in Pi Innovo. The results of operations of the business are reported within our Commercial Vehicle operating segment. The pro forma effects of this acquisition would not materially impact our reported results for any period presented, and as a result no pro forma financial information is presented.

### Note 3. Goodwill and Other Intangible Assets

*Goodwill* — Our goodwill is tested for impairment annually as of October 31 for all of our reporting units, and more frequent if events or circumstances warrant such a review. For our 2023 annual impairment test, we performed a Step 0 qualitative approach for the Off-Highway reporting unit. Based on the results of the qualitative assessment, we determined that it is more likely than not that the fair value of our Off-Highway reporting unit exceeded its carrying value and as such, our goodwill was not considered impaired as of October 31, 2023.

We evaluated macro-economic conditions during the third quarter of 2022, including the impact of the Federal Reserve further increasing the risk-free interest rate, as well as the negative impact of sustained higher commodity costs, non-material cost increases and operational inefficiencies attributable to continued global supply chain disruptions. We believe that these conditions were factors in our market capitalization falling below the book value of net assets as of September 30, 2022. Accordingly, we concluded a triggering event had occurred and performed an interim goodwill impairment analyses for our Commercial Vehicle and Off-Highway reporting units.

Based on the results of our interim impairment analyses, we concluded that the carrying value exceeded fair value of our Commercial Vehicle reporting unit and we recorded a goodwill impairment charge of \$191, representing a full impairment of goodwill assigned to the Commercial Vehicle reporting unit. Our analysis for the Off-Highway reporting unit indicated that the fair value exceeded the carrying value by a substantial amount and, accordingly, no impairment charge was required.

*Changes in the carrying amount of goodwill by segment* —

	Light Vehicle	Commercial Vehicle	Off- Highway	Power Technologies	Total
Balance, December 31, 2021	\$ —	\$ 201	\$ 281	\$ —	\$ 482
Impairment		(191)			(191)
Currency impact		(10)	(22)		(32)
Balance, December 31, 2022	—	—	259	—	259
Currency impact			4		4
Balance, December 31, 2023	\$ —	\$ —	\$ 263	\$ —	\$ 263

*Non-amortizable intangible assets* — Our non-amortizable intangible assets include a portion of our trademarks and trade names. Non-amortizable trademarks and trade names consist of the Dana®, Spicer® and TM4® trademarks and trade names utilized in our Commercial Vehicle and Off-Highway segments. We value trademarks and trade names using a relief from royalty method which is based on revenue streams. No impairment was recorded during the two years ended December 31, 2023 in connection with the required annual assessment for trademarks and trade names.

*Amortizable intangible assets* — Our amortizable intangible assets include core technology, customer relationships and a portion of our trademarks and trade names. Core technology includes the proprietary know-how and expertise that is inherent in our products and manufacturing processes. Customer relationships include the established relationships with our customers and the related ability of these customers to continue to generate future recurring revenue and income. Amortizable trademarks and trade names includes the Graziano™, Fairfield® and Brevini® trademarks and trade names utilized in our Off-Highway segment.

These assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. We group the assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and evaluate the asset group against the undiscounted future cash flows. We use our internal forecasts, which we update quarterly, to develop our cash flow projections. These forecasts are based on our knowledge of our customers' production forecasts, our assessment of market growth rates, net new business, material and labor cost estimates, cost recovery agreements with customers and our estimate of savings expected from our restructuring activities. The most likely factors that would significantly impact our forecasts are changes in customer production levels and loss of significant portions of our business. Our valuation is applied over the life of the primary assets within the asset groups. If the undiscounted cash flows do not indicate that the carrying amount of the asset group is recoverable, an impairment charge is recorded if the carrying amount of the asset group exceeds its fair value based on discounted cash flow analyses or appraisals. There were no impairments recorded during the two years ended December 31, 2023.

Components of other intangible assets —

	Weighted Average Useful Life (years)	December 31, 2023			December 31, 2022		
		Gross Carrying Amount	Accumulated Impairment and Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Impairment and Amortization	Net Carrying Amount
Amortizable intangible assets							
Core technology	8	\$ 159	\$ (126)	\$ 33	\$ 156	\$ (116)	\$ 40
Trademarks and trade names	13	29	(15)	14	29	(13)	16
Customer relationships	8	503	(441)	62	498	(425)	73
Non-amortizable intangible assets							
Trademarks and trade names		73		73	72		72
		<u>\$ 764</u>	<u>\$ (582)</u>	<u>\$ 182</u>	<u>\$ 755</u>	<u>\$ (554)</u>	<u>\$ 201</u>

The net carrying amounts of intangible assets, other than goodwill, attributable to each of our operating segments at December 31, 2023 were as follows: Light Vehicle – \$14, Commercial Vehicle – \$59, Off-Highway – \$105 and Power Technologies – \$4.

Amortization expense related to amortizable intangible assets —

	2023	2022	2021
Charged to cost of sales	\$ 10	\$ 9	\$ 10
Charged to amortization of intangibles	13	14	14
Total amortization	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 24</u>

The following table provides the estimated aggregate pre-tax amortization expense related to intangible assets for each of the next five years based on December 31, 2023 exchange rates. Actual amounts may differ from these estimates due to such factors as currency translation, customer turnover, impairments, additional intangible asset acquisitions and other events.

	2024	2025	2026	2027	2028
Amortization expense	\$ 21	\$ 19	\$ 17	\$ 16	\$ 11

**Note 4. Restructuring of Operations**

Our restructuring activities include rationalizing our operating footprint by consolidating facilities, positioning operations in lower cost locations and reducing overhead costs as well as headcount reduction initiatives to reduce operating costs. Restructuring expense includes costs associated with current and previously announced actions and is comprised of contractual and noncontractual separation costs and exit costs, including certain operating costs of facilities that we are in the process of closing.



Accrued restructuring costs and activity, including noncurrent portion —

	Employee Termination Benefits	Exit Costs	Total
Balance, December 31, 2020	\$ 30	\$ —	\$ 30
Charges to restructuring	2	5	7
Adjustments of accruals	(7)		(7)
Cash payments	(13)	(5)	(18)
Currency impact	(1)		(1)
Balance, December 31, 2021	11	—	11
Charges to restructuring	2	2	4
Adjustments of accruals	(5)		(5)
Cash payments	(6)	(2)	(8)
Balance, December 31, 2022	2	—	2
Charges to restructuring	17	8	25
Cash payments	(9)	(8)	(17)
Balance, December 31, 2023	\$ 10	\$ —	\$ 10

At December 31, 2023, accrued employee termination benefits include costs to reduce approximately 300 employees to be completed over the next year.

#### Note 5. Inventories

Inventory components at December 31 —

	2023	2022
Raw materials	\$ 681	\$ 679
Work in process and finished goods	995	930
Total	\$ 1,676	\$ 1,609

#### Note 6. Supplemental Balance Sheet and Cash Flow Information

Supplemental balance sheet information at December 31 —

	2023	2022
Other current assets:		
Prepaid expenses	\$ 155	\$ 167
Restricted cash	23	7
Other	69	45
Total	\$ 247	\$ 219
Other noncurrent assets:		
Deferred customer incentives	\$ 34	\$ 28
Pre-production costs receivable	24	25
Pension assets, net of related obligations	12	9
Restricted cash	11	10
Deferred financing costs	5	4
Other	54	47
Total	\$ 140	\$ 123

	2023	2022
Property, plant and equipment, net:		
Land and improvements to land	\$ 198	\$ 187
Buildings and building fixtures	576	539
Machinery and equipment	3,815	3,369
Software and hardware	366	310
Construction in progress	450	495
Finance lease right-of-use assets	55	57
Total cost	<u>5,460</u>	<u>4,957</u>
Less: accumulated depreciation	<u>(3,149)</u>	<u>(2,764)</u>
Net	<u>\$ 2,311</u>	<u>\$ 2,193</u>

Other accrued liabilities (current):		
Non-income taxes payable	\$ 57	\$ 54
Warranty reserves	53	35
Contract liabilities	50	48
Accrued interest	50	29
Accrued customer rebates	27	20
Payable under forward contracts	12	11
Restructuring costs	10	2
Environmental	3	3
Deferred government assistance		3
Other expense accruals	111	72
Total	<u>\$ 373</u>	<u>\$ 277</u>

Other noncurrent liabilities:		
Income tax liability	\$ 81	\$ 58
Interest rate swap market valuation	20	11
Deferred income tax liability	34	30
Workplace injury costs	13	14
Warranty reserves	63	73
Deferred government assistance	16	16
Other noncurrent liabilities	92	47
Total	<u>\$ 319</u>	<u>\$ 249</u>

*Cash, cash equivalents and restricted cash at —*

	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 529	\$ 425	\$ 268	\$ 559
Restricted cash included in other current assets	23	7	9	5
Restricted cash included in other noncurrent assets	11	10	10	3
Total cash, cash equivalents and restricted cash	<u>\$ 563</u>	<u>\$ 442</u>	<u>\$ 287</u>	<u>\$ 567</u>

*Supplemental cash flow information —*

	2023	2022	2021
Change in working capital:			
Change in accounts receivable	\$ 12	\$ (81)	\$ (189)
Change in inventories	(42)	(99)	(471)
Change in accounts payable	(88)	343	254
Change in accrued payroll and employee benefits	73	36	3
Change in accrued income taxes	54	10	(44)
Change in other current assets and liabilities	61	(10)	(8)
Net	<u>\$ 70</u>	<u>\$ 199</u>	<u>\$ (455)</u>

Cash paid during the period for:		2023		2022		2021
Interest	\$	128	\$	117	\$	109
Income taxes		148		132		99
Noncash investing and financing activities:						
Purchases of property, plant and equipment held in accounts payable	\$	48	\$	74	\$	91
Stock compensation plans		26		17		18
Noncash dividends declared		1		1		1

#### Note 7. Leases

Our leases generally have remaining lease terms of one year to twenty years, some of which include options to extend the leases for up to forty years. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table provides a summary of the location and amounts related to finance leases recognized in the consolidated balance sheet. Short-term lease costs were insignificant as of December 31, 2023 and 2022.

	Classification	2023	2022
Finance lease right-of-use assets	Property, plant and equipment, net	\$ 55	\$ 57
Finance lease liabilities	Current portion of long-term debt	7	8
Finance lease liabilities	Long-term debt	42	43

#### Components of lease expense —

	2023	2022	2021
Operating lease cost	\$ 65	\$ 58	\$ 53
Finance lease cost:			
Amortization of right-of-use assets	\$ 8	\$ 9	\$ 8
Interest on lease liabilities	2	2	2
Total finance lease cost	\$ 10	\$ 11	\$ 10

#### Supplemental cash flow information related to leases —

	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 62	\$ 60	\$ 53
Operating cash flows from finance leases	2	2	2
Financing cash flows from finance leases	8	9	7
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 61	\$ 111	\$ 105
Finance leases	5	6	3

#### Supplemental balance sheet information related to leases —

	2023	2022
Weighted-average remaining lease term (years):		
Operating leases	10	10
Finance leases	12	12
Weighted-average discount rate:		
Operating leases	7.2%	6.9%
Finance leases	5.1%	4.5%

*Maturities —*

	<u>Operating Leases</u>	<u>Finance Leases</u>
2024	\$ 62	\$ 9
2025	57	8
2026	52	8
2027	45	7
2028	37	4
Thereafter	212	32
Total lease payments	<u>465</u>	<u>68</u>
Less: interest	139	19
Present value of lease liabilities	<u>\$ 326</u>	<u>\$ 49</u>

Finance lease payments presented in the table above exclude approximately \$112 of undiscounted minimum lease payments for non-cancellable equipment leases with various banks signed in 2023 but commencing in 2024. These leases generally have lease terms of six years.

**Note 8. Stockholders' Equity**

*Preferred Stock*

We are authorized to issue 50,000,000 shares of Dana preferred stock, par value \$0.01 per share. There were no preferred shares outstanding at December 31, 2023 or 2022.

*Common Stock*

We are authorized to issue 450,000,000 shares of Dana common stock, par value \$0.01 per share. At December 31, 2023, there were 144,861,465 shares of our common stock issued and 144,386,484 shares outstanding, net of 474,981 in treasury shares. Treasury shares include those shares withheld at cost to satisfy tax obligations from stock awards issued under our stock compensation plan in addition to shares repurchased through share repurchase programs.

Our Board of Directors declared a cash dividend of ten cents per share of common stock in all four quarters of 2023. Aggregate 2023 cash dividends paid totaled \$58. Dividends accrue on restricted stock units (RSUs) granted under our stock compensation program and will be paid in cash or additional units when the underlying units vest.

*Treasury stock* — On December 17, 2022, we retired 13,477,933 shares of treasury stock. The \$216 excess of the cost of the treasury stock over the common stock par value, based on the weighted-average pool price of our treasury shares at the date of retirement, was charged to additional paid-in capital.



Changes in each component of AOCI of the parent —

	Parent Company Stockholders			
	Foreign Currency Translation	Hedging	Defined Benefit Plans	Accumulated Other Comprehensive Loss
<b>Balance, December 31, 2020</b>	\$ (802)	\$ 9	\$ (233)	\$ (1,026)
Other comprehensive income (loss):				
Currency translation adjustments	(7)			(7)
Holding gains and losses		55		55
Reclassification of amount to net income (a)		(59)		(59)
Net actuarial gains			52	52
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)			18	18
Tax expense		(1)	(17)	(18)
Other comprehensive income (loss)	(7)	(5)	53	41
<b>Balance, December 31, 2021</b>	(809)	4	(180)	(985)
Other comprehensive income (loss):				
Currency translation adjustments	(88)			(88)
Holding gains and losses		76		76
Reclassification of amount to net income (a)		(56)		(56)
Net actuarial gains			62	62
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)			11	11
Tax expense (benefit)	2	(3)	(20)	(21)
Other comprehensive income (loss)	(86)	17	53	(16)
<b>Balance, December 31, 2022</b>	(895)	21	(127)	(1,001)
Other comprehensive income (loss):				
Currency translation adjustments	27			27
Holding gains and losses		22		22
Reclassification of amount to net income (a)		(23)		(23)
Net actuarial losses			(25)	(25)
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)			3	3
Tax benefit			7	7
Other comprehensive income (loss)	27	(1)	(15)	11
<b>Balance, December 31, 2023</b>	\$ (868)	\$ 20	\$ (142)	\$ (990)

- Notes:
- (a) Realized gains and losses from currency-related forward contracts associated with forecasted transactions or from other derivative instruments treated as cash flow hedges are reclassified from AOCI into the same line item in the consolidated statement of operations in which the underlying forecasted transaction or other hedged item is recorded. See Note 14 for additional details.
- (b) See Note 12 for additional details.

**Note 9. Redeemable Noncontrolling Interests**

Hydro-Québec owns a 45% redeemable noncontrolling interest in Dana TM4 Inc., Dana TM4 Electric Holdings BV and Dana TM4 USA, LLC. The terms of the joint venture agreement provide Hydro-Québec with the right to put all, and not less than all, of its ownership interests in Dana TM4 Inc., Dana TM4 Electric Holdings BV and Dana TM4 USA, LLC to Dana at fair value.

Redeemable noncontrolling interests reflected as of the balance sheet date are the greater of the redeemable noncontrolling interest balances adjusted for comprehensive income (loss) items and distributions or the redemption values. Redeemable noncontrolling interest adjustments of redemption value are recorded in retained earnings. We estimate the fair value of the redemption value using an income based approach based on discounted cash flow projections. In determining fair value using discounted cash flow projections, we make significant assumptions and estimates about the extent and timing of future cash flows, including revenue growth rates, projected EBITDA, discount rate, capital expenditures and terminal growth rate.

Reconciliation of changes in redeemable noncontrolling interests —

	2023	2022
Balance, beginning of period	\$ 195	\$ 198
Capital contribution from redeemable noncontrolling interest	22	51
Adjustment to redemption value	(16)	41
Other		
Comprehensive income (loss) adjustments:		
Net loss attributable to redeemable noncontrolling interests	(12)	(84)
Other comprehensive income (loss) attributable to redeemable noncontrolling interests	2	(11)
Balance, end of period	<u>\$ 191</u>	<u>\$ 195</u>

**Note 10. Earnings per Share**

Reconciliation of the numerators and denominators of the earnings per share calculations —

	2023	2022	2021
Net income (loss) available to common stockholders - Numerator basic and diluted	<u>\$ 38</u>	<u>\$ (242)</u>	<u>\$ 197</u>
Denominator:			
Weighted-average common shares outstanding - Basic	144.4	143.6	144.8
Employee compensation-related shares, including stock options	0.2	—	1.4
Weighted-average common shares outstanding - Diluted	<u>144.6</u>	<u>143.6</u>	<u>146.2</u>

The share count for diluted earnings per share is computed on the basis of the weighted-average number of common shares outstanding plus the effects of dilutive common stock equivalents (CSEs) outstanding during the period. We excluded 0.1 million, 0.1 million and 0.6 million CSEs from the calculations of diluted earnings per share for the years 2023, 2022 and 2021 as the effect of including them would have been anti-dilutive. In addition, we excluded CSEs that satisfied the definition of potentially dilutive shares of 0.7 million for 2022 because the net loss position made these anti-dilutive.

**Note 11. Stock Compensation**

2021 Omnibus Incentive Plan

The 2021 Omnibus Incentive Plan (the Plan) authorizes the grant of stock options, stock appreciation rights (SARs), RSUs and performance share units (PSUs) through April 2031. Cash-settled awards do not count against the number of shares available for award under the Plan. At December 31, 2023, there were 4.1 million shares available for future grants. Shares of common stock to be issued under the Plan are made available from authorized and unissued Dana common stock.

Award activity — (shares in millions)

	Options		RSUs		PSUs	
	Shares	Exercise Price*	Shares	Grant-Date Fair Value*	Shares	Grant-Date Fair Value*
December 31, 2022	0.2	\$ 16.19	2.3	\$ 18.95	0.4	\$ 25.52
Granted			1.2	18.37	0.6	19.56
Exercised or vested	(0.2)	16.19	(1.5)	18.46	(0.3)	23.12
Forfeited or expired			(0.1)	19.61		
December 31, 2023	<u>—</u>		<u>1.9</u>	<u>20.05</u>	<u>0.7</u>	<u>21.70</u>

\* Weighted-average per share

	2023	2022	2021
Total stock compensation expense	\$ 26	\$ 19	\$ 17
Total grant-date fair value of awards vested	33	19	15
Cash received from exercise of stock options	3		5
Cash paid to settle SARs and RSUs	5	4	2
Intrinsic value of stock options and SARs exercised	1		2
Intrinsic value of RSUs and PSUs vested	30	21	14

Compensation expense is generally measured based on the fair value at the date of grant and is recognized on a straight-line basis over the vesting period. For options and SARs, we use an option-pricing model to estimate fair value. For RSUs and PSUs, the fair value is based on the closing market price of our common stock at the date of grant. Awards that are settled in cash are subject to liability accounting. Accordingly, the fair value of such awards is remeasured at the end of each reporting period until settled or expired. We had accrued \$2 and \$4 for cash-settled awards at December 31, 2023 and 2022. During 2023 we issued 1.3 million and de minimis shares of common stock based on vesting of RSUs and PSUs, respectively. At December 31, 2023, the total unrecognized compensation cost related to the nonvested awards granted and expected to vest was \$26. This cost is expected to be recognized over a weighted-average period of 1.8 years.

*Stock options and stock appreciation rights* — The exercise price of each option or SAR equals the closing market price of our common stock on the date of grant. Options and SARs generally vest over three years and their maximum term is ten years. Shares issued upon the exercise of options are recorded as common stock and additional paid-in capital at the option price. SARs are settled in cash for the difference between the market price on the date of exercise and the exercise price. We have not granted stock options or SARs since 2013. All outstanding awards are fully vested and exercisable. At December 31, 2023, there were no outstanding awards as they have all been exercised or expired.

*Restricted stock units and performance shares units* — Each RSU or PSU granted represents the right to receive one share of Dana common stock or, at the election of Dana (for units awarded to board members) or for employees located outside the U.S. (for employee awarded units), cash equal to the market value per share. All RSUs contain dividend equivalent rights. RSUs granted to non-employee directors vest on the first anniversary date of the grant and those granted to employees generally cliff vest fully after three years for older awards and pro-rata vest for newer awards over three years. PSUs granted to employees vest if specified performance goals are achieved during the respective performance period, generally three years.

Under the 2023, 2022, and 2021 stock compensation award programs, the number of PSUs that ultimately vest is contingent on achieving specified financial targets and specified total shareholder return targets relative to peer companies. For the portions of the awards based on financial metrics, we estimated the fair value at grant date based on the closing market price of our common stock at the date of grant adjusted for the value of assumed dividends over the period because the awards are not dividend protected. The estimated grant date value is accrued over the performance period and adjusted as appropriate based on performance relative to the target. For the portion of the PSU award based on shareholder returns, we estimated the fair value at grant date using various assumptions as part of a Monte Carlo simulation. The expected term represents the period from the grant date to the end of the performance period. The risk-free interest rate was based on U.S. Treasury constant maturity rates at the grant date. The dividend yield for the 2023 and 2022 award was calculated using our historical approach calculated by dividing the expected annual dividend by the average stock price over the prior year. The estimated volatility was based on observed historical volatility of daily stock returns for the 3-year period preceding the grant date.

	PSUs	
	2023	2022
Expect term (in years)	3.0	3.0
Risk-free interest rate	4.28%	1.78%
Dividend yield	2.50%	1.67%
Expected volatility	67.0%	63.9%

*Cash incentive awards* — Our 2021 Omnibus Incentive Plan provides for cash incentive awards. We make awards annually to certain eligible employees designated by Dana, including certain executive officers. Awards under the plan are primarily based on achieving certain financial performance goals. The financial performance goals of the plan are established annually by the Board of Directors.

Under the 2023 and 2022 annual incentive programs, participants were eligible to receive cash awards based on achieving earnings, cash flow and electrification sales performance goals. Under the 2021 annual incentive program, participants were eligible to receive cash awards based on achieving earnings and cash flow performance goals. We accrued \$98, \$37 and \$8 of expense in 2023, 2022 and 2021 for the expected cash payments under these programs.

## Note 12. Pension and Postretirement Benefit Plans

We sponsor various defined benefit, qualified and nonqualified, pension plans covering eligible employees. Other postretirement benefits (OPEB), including medical and life insurance, are provided for certain employees upon retirement.

We also sponsor various defined contribution plans that cover the majority of our employees. Under the terms of the qualified defined contribution retirement plans, employee and employer contributions may be directed into a number of diverse investments. None of these qualified defined contribution plans allow direct investment in our stock.

*Components of net periodic benefit cost (credit) and other amounts recognized in OCI —*

	Pension Benefits					
	2023		2022		2021	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Interest cost	\$ 28	\$ 14	\$ 16	\$ 8	\$ 13	\$ 5
Expected return on plan assets	(31)	(3)	(28)	(2)	(26)	(2)
Service cost		6		7		9
Amortization of net actuarial loss	7		8	5	9	9
Curtailment		(1)				
Net periodic benefit cost (credit)	<u>4</u>	<u>16</u>	<u>(4)</u>	<u>18</u>	<u>(4)</u>	<u>21</u>
Recognized in OCI:						
Amount due to net actuarial (gains) losses	2	15	20	(66)	(4)	(23)
Reclassification adjustment for net actuarial losses in net periodic benefit cost	(7)		(8)	(5)	(9)	(9)
Total recognized in OCI	<u>(5)</u>	<u>15</u>	<u>12</u>	<u>(71)</u>	<u>(13)</u>	<u>(32)</u>
Net recognized in benefit cost (credit) and OCI	<u>\$ (1)</u>	<u>\$ 31</u>	<u>\$ 8</u>	<u>\$ (53)</u>	<u>\$ (17)</u>	<u>\$ (11)</u>
	OPEB					
	2023		2022		2021	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Interest cost	\$ 1	\$ 2	\$ —	\$ 2	\$ —	\$ 2
Service cost						1
Amortization of net actuarial gain		(4)		(2)		
Net periodic benefit cost (credit)	<u>1</u>	<u>(2)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3</u>
Recognized in OCI:						
Amount due to net actuarial (gains) losses		8	(1)	(15)	(1)	(24)
Reclassification adjustment for net actuarial gain in net periodic benefit cost		4		2		
Total recognized in OCI	<u>—</u>	<u>12</u>	<u>(1)</u>	<u>(13)</u>	<u>(1)</u>	<u>(24)</u>
Net recognized in benefit cost (credit) and OCI	<u>\$ 1</u>	<u>\$ 10</u>	<u>\$ (1)</u>	<u>\$ (13)</u>	<u>\$ (1)</u>	<u>\$ (21)</u>

Our U.S. defined benefit pension plans are frozen and no additional service cost is being accrued. The service cost component for international plans is included in cost of sales and selling, general and administrative expenses. Other components of net periodic benefit cost (credit) are included in other income (expense), net in our consolidated income statement. Actuarial gains and losses resulting from plan remeasurement are recognized in AOCI in the period of remeasurement. We use the corridor approach for purposes of systematically amortizing deferred gains or losses as a component of net periodic benefit cost into the income statement in future reporting periods. The amortization period used is generally the average remaining service period of active participants in the plan unless almost all of the plan's participants are inactive, in which case we use the average remaining life expectancy of the inactive participants.



*Funded status* — The following tables provide reconciliations of the changes in benefit obligations, plan assets and funded status.

	Pension Benefits				OPEB			
	2023		2022		2023		2022	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Reconciliation of benefit obligation:								
Obligation at beginning of period	\$ 557	\$ 296	\$ 745	\$ 384	\$ 2	\$ 48	\$ 3	\$ 69
Interest cost	28	14	16	8	1	2		2
Service cost		6		7				
Actuarial (gain) loss	12	17	(155)	(73)		8	(1)	(15)
Benefit payments	(48)	(16)	(49)	(14)		(4)		(4)
Settlements		(1)						
Translation adjustments		14		(16)		1		(4)
Obligation at end of period	<u>\$ 549</u>	<u>\$ 330</u>	<u>\$ 557</u>	<u>\$ 296</u>	<u>\$ 3</u>	<u>\$ 55</u>	<u>\$ 2</u>	<u>\$ 48</u>

	Pension Benefits				OPEB			
	2023		2022		2023		2022	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Reconciliation of fair value of plan assets:								
Fair value at beginning of period	\$ 537	\$ 59	\$ 733	\$ 65	\$ —	\$ 1	\$ —	\$ 1
Actual return on plan assets	41	5	(147)	(5)				
Employer contributions		18		16		4		4
Benefit payments	(48)	(16)	(49)	(14)		(4)		(4)
Settlements		(1)						
Translation adjustments		4		(3)		(1)		
Fair value at end of period	<u>\$ 530</u>	<u>\$ 69</u>	<u>\$ 537</u>	<u>\$ 59</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1</u>
Funded status at end of period	<u>\$ (19)</u>	<u>\$ (261)</u>	<u>\$ (20)</u>	<u>\$ (237)</u>	<u>\$ (3)</u>	<u>\$ (55)</u>	<u>\$ (2)</u>	<u>\$ (47)</u>

*Amounts recognized in the balance sheet* —

	Pension Benefits				OPEB			
	2023		2022		2023		2022	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Amounts recognized in the consolidated balance sheet:								
Noncurrent assets	\$ 11	\$ 1	\$ 7	\$ 2	\$ —	\$ —	\$ —	\$ —
Current liabilities		(12)		(13)		(4)		(4)
Noncurrent liabilities	(30)	(250)	(27)	(226)	(3)	(51)	(2)	(43)
Net amount recognized	<u>\$ (19)</u>	<u>\$ (261)</u>	<u>\$ (20)</u>	<u>\$ (237)</u>	<u>\$ (3)</u>	<u>\$ (55)</u>	<u>\$ (2)</u>	<u>\$ (47)</u>

*Amounts recognized in AOCI* —

	Pension Benefits				OPEB			
	2023		2022		2023		2022	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Amounts recognized in AOCI:								
Net actuarial loss (gain)	\$ 136	\$ 20	\$ 141	\$ 5	\$ —	\$ (33)	\$ —	\$ (45)
AOCI before tax	136	20	141	5	—	(33)	—	(45)
Deferred taxes	18	(7)	17	(2)		8		11
Net	<u>\$ 154</u>	<u>\$ 13</u>	<u>\$ 158</u>	<u>\$ 3</u>	<u>\$ —</u>	<u>\$ (25)</u>	<u>\$ —</u>	<u>\$ (34)</u>

The net actuarial loss for pension for 2023 was primarily due to a decrease in discount rates, partially offset due to the actual return on assets exceeding the expected asset return. The actuarial loss for OPEB for 2023 was primarily due to a decrease in the discount rates.

The net actuarial loss for U.S. pension plans for 2022 was primarily due to the actual return on assets underperforming the expected asset return, partially offset by an increase in discount rates. The actuarial gain for non-U.S. plans was due to an increase in discount rates. The actuarial gain for OPEB for 2022 was primarily due to an increase in the discount rates.

*Aggregate funding levels* — The following table presents information regarding the aggregate funding levels of our defined benefit pension plans at December 31:

	2023		2022	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Plans with fair value of plan assets in excess of obligations:				
Accumulated benefit obligation	\$ 416	\$ 31	\$ 425	\$ 14
Projected benefit obligation	416	32	425	14
Fair value of plan assets	427	33	431	16
Plans with obligations in excess of fair value of plan assets:				
Accumulated benefit obligation	\$ 133	\$ 270	\$ 132	\$ 259
Projected benefit obligation	133	298	132	282
Fair value of plan assets	103	36	106	43

*Fair value of pension plan assets* —

Asset Category	Total	Fair Value Measurements at December 31, 2023						
		U.S.				Non-U.S.		
		Level 1	Level 2	Level 3	NAV (a)	Level 1	Level 2	Level 3
Equity securities:								
U.S. all cap (b)	\$ 25	\$ 25	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. large cap	26				26			
EAFE composite	14				14			
Emerging markets	10				10			
Fixed income securities:								
Corporate bonds	379		190		189			
U.S. Treasury strips	7		7					
Non-U.S. government securities	19		2				17	
Emerging market debt	8				8			
Alternative investments:								
Insurance contracts (c)	54			6				48
Real estate	11				11			
Other	4						4	
Cash and cash equivalents	42		42					
Total	\$ 599	\$ 25	\$ 241	\$ 6	\$ 258	\$ —	\$ 21	\$ 48

Asset Category	Fair Value Measurements at December 31, 2022							
	Total	U.S.				Non-U.S.		
		Level 1	Level 2	Level 3	NAV (a)	Level 1	Level 2	Level 3
Equity securities:								
U.S. all cap (b)	\$ 20	\$ 20	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. large cap	19				19			
EAFE composite	11				11			
Emerging markets	9				9			
Fixed income securities:								
Corporate bonds	414		165		249			
U.S. Treasury strips	8		8					
Non-U.S. government securities	16		2				14	
Emerging market debt	7				7			
Alternative investments:								
Insurance contracts (c)	49			6				43
Real estate	14				14			
Other	2						2	
Cash and cash equivalents	27		27					
<b>Total</b>	<b>\$ 596</b>	<b>\$ 20</b>	<b>\$ 202</b>	<b>\$ 6</b>	<b>\$ 309</b>	<b>\$ —</b>	<b>\$ 16</b>	<b>\$ 43</b>

Notes:

- (a) Certain assets are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy.
- (b) This category comprises a combination of small-, mid- and large-cap equity stocks that are allocated at the investment manager's discretion. Investments include common and preferred securities as well as equity funds that invest in these instruments.
- (c) This category comprises contracts placed with insurance companies where the underlying assets are invested in fixed interest securities.

Reconciliation of Level 3 Assets	2023		2022	
	U.S.	Non-U.S.	U.S.	Non-U.S.
	Insurance Contracts	Insurance Contracts	Insurance Contracts	Insurance Contracts
Fair value at beginning of period	\$ 6	\$ 43	\$ 6	\$ 51
Actual gains (losses) relating to assets still held at the reporting date		5		(5)
Purchases, sales and settlements		(1)		
Currency impact		1		(3)
<b>Fair value at end of period</b>	<b>\$ 6</b>	<b>\$ 48</b>	<b>\$ 6</b>	<b>\$ 43</b>

*Valuation Methods*

*Equity securities* — The fair value of equity securities held directly by the trust is based on quoted market prices. When the equity securities are held in commingled funds that are not publicly traded, the fair value of our interest in the fund is its NAV as determined by quoted market prices for the underlying holdings.

*Fixed income securities* — The fair value of fixed income securities held directly by the trust is based on a bid evaluation process with input from independent pricing sources. When the fixed income securities are held in commingled funds that are not publicly traded, the fair value of our interest in the fund is its NAV as determined by a similar valuation of the underlying holdings.

*Insurance contracts* — The values shown for insurance contracts are the amounts reported by the insurance company and approximate the fair values of the underlying investments.

*Real estate* — The investments in real estate represent ownership interests in commingled funds and partnerships that invest in real estate. The investment managers determine the NAV of these ownership interests using the fair value of the underlying real estate which is obtained via independent third party appraisals prepared on a periodic basis. Assumptions used to value the properties are updated quarterly. For the component of the real estate portfolio under development, the investments are carried at cost until they are completed and valued by a third party appraiser.

*Cash and cash equivalents* — The fair value of cash and cash equivalents is set equal to its amortized cost.

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while we believe the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

*Investment policy* — Target asset allocations of U.S. pension plans are established through an investment policy, which is updated periodically and reviewed by an Investment Committee, comprised of certain company officers. The investment policy allows for a flexible asset allocation mix which is intended to provide appropriate diversification to lessen market volatility while assuming a reasonable level of economic risk.

Our policy recognizes that properly managing the relationship between pension assets and pension liabilities serves to mitigate the impact of market volatility on our funding levels. The investment policy permits plan assets to be invested in a number of diverse categories, including a Growth Portfolio, an Immunizing Portfolio and a Liquidity Portfolio. These sub-portfolios are intended to balance the generation of incremental returns with the management of overall risk.

The Growth Portfolio is invested in a diversified pool of assets in order to generate an incremental return with an acceptable level of risk. The Immunizing Portfolio is a hedging portfolio that may be comprised of fixed income securities and overlay positions. This portfolio is designed to offset changes in the value of the pension liability due to changes in interest rates. The Liquidity Portfolio is a cash portfolio designed to meet short-term liquidity needs and reduce the plans' overall risk. As a result of our diversification strategies, there are no significant concentrations of risk within the portfolio of investments.

The allocations among portfolios are adjusted as needed to meet changing objectives and constraints and to manage the risk of adverse changes in the unfunded positions of our plans. At December 31, 2023, the U.S. plans had targets of 21% for the Growth Portfolio (U.S. and non-U.S. equities, high-yield fixed income, real estate, emerging market debt and cash), 77% for the Immunizing Portfolio (long duration U.S. Treasury strips, corporate bonds and cash) and 2% for the Liquidity Portfolio (cash and short-term securities). The assets held at December 31, 2023 by the U.S. plans were invested 20% in the Growth Portfolio, 78% in the Immunizing Portfolio and 2% in the Liquidity Portfolio.

*Significant assumptions* — The significant weighted-average assumptions used in the measurement of pension benefit obligations at December 31 of each year and the net periodic benefit cost for each year are as follows:

	2023		2022		2021	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Pension benefit obligations:						
Discount rate	5.12%	4.33%	5.47%	4.74%	2.83%	1.97%
Net periodic benefit cost:						
Discount rate	5.36%	4.98%	2.29%	2.20%	1.72%	1.79%
Rate of compensation increase	N/A	3.68%	N/A	3.11%	N/A	2.97%
Expected return on plan assets	6.00%	5.13%	4.00%	3.64%	3.50%	3.57%

The pension plan discount rate assumptions are evaluated annually in consultation with our outside actuarial advisers. Long-term interest rates on high quality corporate debt instruments are used to determine the discount rate. For our largest plans, discount rates are developed using a discounted bond portfolio analysis, with appropriate consideration given to defined benefit payment terms and duration of the liabilities.

For pension and other postretirement benefit plans that utilize a full yield curve approach to estimate the interest and service components of net periodic benefit cost, we apply the specific spot rates along the yield curve used in the most recent remeasurement of the benefit obligation to the relevant projected cash flows. We believe this method improves the correlation between the projected cash flows and the corresponding interest rates and provides a more precise measurement of interest and service costs. Since the remeasurement of total benefit obligations is not affected, the resulting reduction in periodic benefit cost is offset by an increase in the actuarial loss.

The expected rate of return on plan assets was selected on the basis of our long-term view of return and risk assumptions for major asset classes. We define long-term as forecasts that span at least the next ten years. Our long-term outlook is influenced by a combination of return expectations by individual asset class, actual historical experience and our diversified investment strategy. We consult with and consider the opinions of financial professionals in developing appropriate capital market assumptions. Return projections are also validated using a simulation model that incorporates yield curves, credit spreads and risk premiums to project long-term prospective returns. The appropriateness of the expected rate of return is assessed on an annual basis and revised if



necessary. We have a high percentage of total assets in fixed income securities since the benefit accruals are frozen for all of our U.S. pension plans. Based on this assessment, we have selected a 5.75% expected return on asset assumption for 2024 for our U.S. plans.

The significant weighted-average assumptions used in the measurement of OPEB obligations at December 31 of each year and the net periodic benefit cost for each year are as follows:

	2023		2022		2021	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
OPEB benefit obligations:						
Discount rate	5.19%	5.01%	5.54%	5.44%	2.99%	3.08%
Net periodic benefit cost:						
Discount rate	5.48%	5.64%	2.84%	3.34%	2.57%	2.62%
Initial health care cost trend rate	N/A	2.76%	N/A	2.48%	N/A	2.27%
Ultimate health care cost trend rate	N/A	4.19%	N/A	4.09%	N/A	4.20%
Year ultimate reached	N/A	2032	N/A	2032	N/A	2032

The discount rate selection process was similar to the process used for the pension plans. Assumed health care cost trend rates have a significant effect on the health care obligation. To determine the trend rates, consideration is given to the plan design, recent experience and health care economics.

*Estimated future benefit payments and contributions* — Expected benefit payments by our pension and OPEB plans for each of the next five years and for the following five-year period are as follows:

Year	Pension Benefits		OPEB	
	U.S.	Non-U.S.	U.S.	Non-U.S.
2024	\$ 49	\$ 17	\$ —	\$ 4
2025	48	17		4
2026	47	20		4
2027	46	19		4
2028	45	21		4
2029 to 2033	207	124	1	19
Total	\$ 442	\$ 218	\$ 1	\$ 39

Pension benefits are funded through deposits with trustees that satisfy, at a minimum, the applicable funding regulations. OPEB benefits are funded as they become due. There are projected contributions of \$7 and \$17 to be made during 2024 for our U.S. plans and non-U.S. plans, respectively.

*Multi-employer pension plans* — We participate in the Steelworkers Pension Trust (SPT) multi-employer pension plan which provides pension benefits to certain of our U.S. employees represented by the United Steelworkers and United Automobile Workers unions. Contributions are made in accordance with our collective bargaining agreements and rates are generally based on hours worked. The collective bargaining agreements expire May 22, 2026. The trustees of the SPT have provided us with the latest data available for the plan year ended December 31, 2023. As of that date, the plan is not fully funded. We could be held liable to the plan for our obligations as well as those of other employers as a result of our participation in the plan.

Contribution rates could increase if the plan is required to adopt a funding improvement plan or a rehabilitation plan, if the performance of plan assets does not meet expectations or as a result of future collectively bargained wage and benefit agreements. If we choose to stop participating in the plan, we may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Pension Protection Act (PPA) defines a zone status for each plan. Plans in the green zone are at least 80% funded, plans in the yellow zone are at least 65% funded and plans in the red zone are generally less than 65% funded. The SPT plan has utilized extended amortization provisions to amortize its losses from 2008. The plan recertified its zone status after using the extended amortization provisions as allowed by law. The SPT plan has not implemented a funding improvement or rehabilitation plan, nor are such plans pending. Our contributions to the SPT exceeded 5% of the total contributions to the plan.

Pension Fund	Employer	PPA		Funding Plan Pending/ Implemented	Contributions by Dana			Surcharge Imposed
	Identification Number/ Plan Number	Zone	Status		2023	2022	2021	
SPT	23-6648508 / 499	Green	Green	No	\$ 17	\$ 18	\$ 16	No

### Note 13. Financing Agreements

Long-term debt at December 31 —

	Interest Rate	2023	2022
Senior Notes due April 15, 2025	5.750% *	\$ 200	\$ 400
Senior Notes due November 15, 2027	5.375%	400	400
Senior Notes due June 15, 2028	5.625%	400	400
Senior Euro Notes due July 15, 2029	3.000%	359	348
Senior Notes due September 1, 2030	4.250%	400	400
Senior Euro Notes due July 15, 2031	8.500%	469	
Senior Notes due February 15, 2032	4.500%	350	350
Other indebtedness		79	80
Debt issuance costs		(24)	(22)
		<u>2,633</u>	<u>2,356</u>
Less: Current portion of long-term debt		35	8
Long-term debt, less debt issuance costs		<u>\$ 2,598</u>	<u>\$ 2,348</u>

\* In conjunction with the issuance of the April 2025 Notes we entered into 8-year fixed-to-fixed cross-currency swaps which have the effect of economically converting the April 2025 Notes to euro-denominated debt at a fixed rate of 3.850%. See Note 14 for additional information.

Interest on the senior notes is payable semi-annually. Other indebtedness includes a \$25 note payable to the former shareholders of SME, borrowings from various financial institutions and finance lease obligations.

Scheduled principal payments on long-term debt, excluding finance leases at December 31, 2023 —

	2024	2025	2026	2027	2028
Maturities	\$ 27	\$ 201	\$ —	\$ 400	\$ 400

*Senior notes activity* — On May 24, 2023, Dana Financing Luxembourg S.à.r.l. (Dana Financing), a wholly-owned subsidiary of Dana, completed the sale of €425 (\$458 as of May 24, 2023) in senior unsecured notes (July 2031 Notes) at 8.500%. The July 2031 Notes are fully and unconditionally guaranteed by Dana. The July 2031 Notes were issued through a private placement and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act). The July 2031 Notes were offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and, outside the United States, only to non-U.S. investors in reliance on Regulation S under the Securities Act. The July 2031 Notes rank equally with Dana's other unsecured senior notes. Interest on the notes is payable on January 15 and July 15 of each year, beginning on January 15, 2024. The July 2031 Notes will mature on July 15, 2031. Net proceeds of the offering totaled €419 (\$451 as of May 24, 2023). Financing costs of €6 (\$7 as of May 24, 2023) were recorded as deferred costs and are being amortized to interest expense over the life of the notes. The proceeds from the offering were used to redeem \$200 of our April 2025 Notes and to make payments against borrowings on our Revolving Facility. On June 9, 2023 we redeemed \$200 of our April 2025 Notes at a price equal to 100.00% plus accrued and unpaid interest. The \$1 loss on extinguishment of debt is comprised of the write-off of previously deferred financing costs associated with the April 2025 Notes.

On May 13, 2021, we redeemed \$254 of our December 2024 Notes pursuant to a tender offer at a weighted average price equal to 102.000% plus accrued and unpaid interest. On May 17, 2021, we called the remaining \$171 of our December 2024 Notes at a price equal to 101.833% plus accrued and unpaid interest. The \$8 loss on extinguishment of debt recorded in May 2021 includes the redemption premium of \$8 and the write-off of \$3 of previously deferred financing costs associated with the December 2024 Notes. These charges were partially offset by the recognition of \$3 related to an unamortized fair value adjustment associated with a fixed-to-floating interest rate swap that was terminated in 2015.

On May 13, 2021, we completed the sale of \$400 in senior unsecured notes (the September 2030 Notes) at 4.25%. The September 2030 Notes rank equally with Dana's other unsecured senior notes. Interest on the notes is payable on March 1 and September 1 of

each year, beginning on September 1, 2021. The September 2030 Notes will mature on September 1, 2030. Net proceeds of the offering totaled \$395. Financing costs of \$5 were recorded as deferred costs and are being amortized to interest expense over the life of the notes. Proceeds from the offering were used to finance and refinance eligible green projects related to clean transportation, renewable energy, sustainable water and wastewater management, and green buildings.

On May 28, 2021, Dana Financing Luxembourg S.à r.l. (Dana Financing), a wholly-owned subsidiary of Dana, completed the sale of €325 (\$396 as of May 28, 2021) in senior unsecured notes (July 2029 Notes) at 3.000%. The July 2029 Notes are fully and unconditionally guaranteed by Dana. The July 2029 Notes rank equally with Dana's other unsecured senior notes. Interest on the notes is payable on January 15 and July 15 of each year, beginning on January 15, 2022. The July 2029 Notes will mature on July 15, 2029. Net proceeds of the offering totaled €320 (\$391 as of May 28, 2021). Financing costs of €5 (\$6 as of May 28, 2021) were recorded as deferred costs and are being amortized to interest expense over the life of the notes. The proceeds from the offering were used to redeem all of our June 2026 Notes. On June 10, 2021 we redeemed all of our June 2026 Notes at a price equal to 103.25% plus accrued and unpaid interest. The \$16 loss on extinguishment of debt includes the \$12 redemption premium and the \$4 write-off of previously deferred financing costs associated with the June 2026 Notes.

On November 24, 2021, we completed the sale of \$350 in senior unsecured notes (the February 2032 Notes) at 4.5%. The February 2032 Notes rank equally with Dana's other unsecured senior notes. Interest on the notes is payable on February 15 and August 15 of each year, beginning on August 15, 2022. The February 2032 Notes will mature on February 15, 2032. Net proceeds of the offering totaled \$345. Financing costs of \$5 were recorded as deferred costs and are being amortized to interest expense over the life of the notes. Proceeds from the offering, along with cash on hand, were used to fully pay down the Term B Facility. See credit agreement discussion below.

*Senior notes redemption provisions* — We may redeem some or all of the senior notes at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest to the redemption date, if redeemed during the 12-month period commencing on the anniversary date of the senior notes in the year set forth below:

Year	Redemption Price						
	April 2025 Notes	November 2027 Notes	June 2028 Notes	July 2029 Notes	September 2030 Notes	July 2031 Notes	February 2032 Notes
2023	100.000%	101.344%	102.813%				
2024	100.000%	100.000%	101.406%	101.500%			
2025		100.000%	100.000%	100.750%			
2026		100.000%	100.000%	100.000%	102.125%	104.250%	
2027			100.000%	100.000%	101.417%	102.125%	102.250%
2028				100.000%	100.708%	100.000%	101.500%
2029					100.000%	100.000%	100.750%
2030						100.000%	100.000%
2031							100.000%

At any time prior to July 15, 2024, we may redeem up to 40% of the aggregate principal amount of the July 2029 Notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 103.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, provided that at least 50% of the aggregate principal amount of the July 2029 Notes remain outstanding after the redemption. Prior to July 15, 2024, we may also redeem some or all of the July 2029 Notes at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. We have not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and the risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

At any time prior to May 1, 2024, we may redeem up to 40% of the aggregate principal amount of the September 2030 Notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 104.250% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, provided that at least 50% of the aggregate principal amount of the September 2030 Notes remains outstanding after the redemption. Prior to May 1, 2026, we may redeem some or all of the September 2030 Notes at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. We have not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and the risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

At any time prior to July 15, 2026, we may redeem up to 40% of the aggregate principal amount of the July 2031 Notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 108.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, provided that at least 50% of the aggregate principal amount

of the July 2031 Notes remain outstanding after the redemption. Prior to July 15, 2026, we may also redeem some or all of the July 2031 Notes at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. We have not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and the risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

At any time prior to February 15, 2025, we may redeem up to 40% of the aggregate principal amount of the February 2032 Notes in an amount not to exceed the amount of proceeds of one or more equity offerings, at a price equal to 104.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, provided that at least 50% of the aggregate principal amount of the February 2032 Notes remains outstanding after the redemption. Prior to February 15, 2027, we may redeem some or all of the February 2032 Notes at a redemption price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. We have not separated the make-whole premium from the underlying debt instrument to account for it as a derivative instrument as the economic characteristics and the risks of this embedded derivative are clearly and closely related to the economic characteristics and risks of the underlying debt.

*Credit agreement* — During 2021, we fully paid down the \$349 outstanding balance on our Term B Facility. We wrote off \$5 of previously deferred financing costs associated with the Term B Facility. On March 25, 2021, we amended our credit and guaranty agreement, increasing the Revolving Facility to \$1,150 and extending the maturity to March 25, 2026. We recorded deferred fees of \$2 related to the amendment. On March 14, 2023, we amended our credit and guaranty agreement, extending its maturity to March 14, 2028. We recorded deferred fees of \$2 related to the amendment. The deferred fees are being amortized over the life of the Revolving Facility. Deferred financing costs on our Revolving Facility are included in other noncurrent assets.

The Revolving Facility is guaranteed by all of our wholly-owned domestic subsidiaries subject to certain exceptions (the guarantors) and are secured by a first-priority lien on substantially all of the assets of Dana and the guarantors, subject to certain exceptions.

Advances under the Revolving Facility bear interest at a floating rate based on, at our option, the base rate or Term Secured Overnight Financing Rate (SOFR) (each as described in the credit and guaranty agreement) plus a margin as set forth below:

Total Net Leverage Ratio	Margin	
	Base Rate	SOFR Rate
Less than or equal to 1.00:1.00	0.25%	1.25%
Greater than 1.00:1.00 but less than or equal to 2.00:1.00	0.50%	1.50%
Greater than 2.00:1.00	0.75%	1.75%

Commitment fees are applied based on the average daily unused portion of the available amounts under the Revolving Facility as set forth below:

Total Net Leverage Ratio	Commitment Fee
Less than or equal to 1.00:1.00	0.250%
Greater than 1.00:1.00 but less than or equal to 2.00:1.00	0.375%
Greater than 2.00:1.00	0.500%

Up to \$275 of the Revolving Facility may be applied to letters of credit, which reduces availability. We pay a fee for issued and undrawn letters of credit in an amount per annum equal to the applicable margin for SOFR rate advances based on a quarterly average availability under issued and undrawn letters of credit under the Revolving Facility and a per annum fronting fee of 0.125%, payable quarterly.

At December 31, 2023, we had no outstanding borrowings under the Revolving Facility and had utilized \$9 for letters of credit. We had availability at December 31, 2023 under the Revolving Facility of \$1,141 after deducting the letters of credit.

*Debt covenants* — At December 31, 2023, we were in compliance with the covenants of our financing agreements. Under the Revolving Facility and the senior notes, we are required to comply with certain incurrence-based covenants customary for facilities of these types and, in the case of the Revolving Facility, a maintenance covenant tested on the last day of each fiscal quarter requiring us to maintain a first lien net leverage ratio not to exceed 2.00 to 1.00.



## Note 14. Fair Value Measurements and Derivatives

In measuring the fair value of our assets and liabilities, we use market data or assumptions that we believe market participants would use in pricing an asset or liability including assumptions about risk when appropriate. Our valuation techniques include a combination of observable and unobservable inputs.

*Fair value measurements on a recurring basis* — Assets and liabilities that are carried in our balance sheet at fair value are as follows:

Category	Balance Sheet Location	Fair Value Level	Fair Value	
			December 31, 2023	December 31, 2022
Currency forward contracts				
Cash flow hedges	Accounts receivable - Other	2	43	26
Cash flow hedges	Other accrued liabilities	2	7	4
Undesignated	Accounts receivable - Other	2	3	2
Undesignated	Other accrued liabilities	2	5	7
Currency swaps				
Cash flow hedges	Other noncurrent assets	2		17
Cash flow hedges	Other noncurrent liabilities	2	11	
Undesignated	Other noncurrent liabilities	2	9	11

Fair Value Level 1 assets and liabilities reflect quoted prices in active markets. Fair Value Level 2 assets and liabilities reflect the use of significant other observable inputs.

*Fair value of financial instruments* — The financial instruments that are not carried in our balance sheet at fair value are as follows:

	Fair Value Level	2023		2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Long term debt	2	\$ 2,582	\$ 2,495	\$ 2,304	\$ 2,010

*Foreign currency derivatives* — Our foreign currency derivatives include forward contracts associated with forecasted transactions, primarily involving the purchases and sales of inventory through the next fifteen months, as well as currency swaps associated with certain recorded external notes payable and intercompany loans receivable and payable. Periodically, our foreign currency derivatives also include net investment hedges of certain of our investments in foreign operations.

We have executed fixed-to-fixed cross-currency swaps in conjunction with the issuance of certain notes to eliminate the variability in the functional-currency-equivalent cash flows due to changes in exchange rates associated with the forecasted principal and interest payments. All of the underlying designated financial instruments, and any subsequent replacement debt, have been designated as the hedged items in each respective cash flow hedge relationship, as shown in the table below. Designated as cash flow hedges of the forecasted principal and interest payments of the underlying designated financial instruments, or subsequent replacement debt, all of the swaps economically convert the underlying designated financial instruments into the functional currency of each respective holder. The impact of the interest rate differential between the inflow and outflow rates on all fixed-to-fixed cross-currency swaps is recognized during each period as a component of interest expense.

The following fixed-to-fixed cross-currency swaps were outstanding at December 31, 2023:

Description	Underlying Financial Instrument			Derivative Financial Instrument			
	Type	Face Amount	Rate	Notional Amount	Traded Amount	Inflow Rate	Outflow Rate
April 2025 Notes	Payable	\$ 200	5.75%	\$ 200	€ 185	5.75%	3.85%
Luxembourg Intercompany Notes	Receivable	€ 93	3.85%	\$ 100	€ 93	5.75%	3.85%
Luxembourg Intercompany Notes	Receivable	€ 278	3.70%	€ 278	\$ 300	5.38%	3.70%
Undesignated 2026 Swap				\$ 188	€ 169	6.50%	5.14%
Undesignated Offset 2026 Swap				€ 169	\$ 188	3.13%	6.50%

The designated swaps are expected to be highly effective in offsetting the corresponding currency-based changes in cash outflows related to the underlying designated financial instruments. Based on our qualitative assessment that the critical terms of all of the underlying designated financial instruments and all of the associated swaps match and that all other required criteria have been met, we do not expect to incur any ineffectiveness. As effective cash flow hedges, changes in the fair value of the swaps will be recorded in OCI during each period. Additionally, to the extent the swaps remain effective, the appropriate portion of AOCI will be reclassified to earnings each period as an offset to the foreign exchange gain or loss resulting from the remeasurement of the underlying designated financial instruments. See Note 13 for additional information about the April 2025 Notes. To the extent the swaps are no longer effective, changes in their fair values will be recorded in earnings.

We had previously entered into fixed-to-fixed cross currency swaps as a hedge against our June 2026 Notes. In June 2021, we elected to redeem all of the June 2026 Notes and de-designated the fixed-to-fixed cross currency swaps. As the forecasted payments subject to the hedge will no longer occur in the forecasted periods, we reclassified \$9 of previously deferred losses from AOCI into other income (expense), net. We settled \$187 of the \$375 notional value resulting in a net cash outflow of \$22. The remaining \$188 continues to remain outstanding and we have entered into an offsetting swap to hedge against future fair value adjustments which will be included in earnings. The fair value of the remaining \$188 will be settled with the counterparty over the life of the swap through the difference in the euro denominated inflow and outflow rates which are settled on June 15 and December 15 each year through June 2026.

The total notional amount of outstanding foreign currency forward contracts, involving the exchange of various currencies, was \$776 at December 31, 2023 and \$608 at December 31, 2022. The total notional amount of outstanding foreign currency swaps, including the fixed-to-fixed cross-currency swaps, was \$981 at December 31, 2023 and \$967 at December 31, 2022.

The following currency derivatives were outstanding at December 31, 2023:

Functional Currency	Traded Currency	Notional Amount (U.S. Dollar Equivalent)			Maturity
		Designated	Undesignated	Total	
U.S. dollar	Indian rupee, Mexican peso, Thai baht	\$ 269	\$ 20	\$ 289	Dec-2024
Euro	U.S. dollar, Australian dollar, Swiss franc, Chinese renminbi, British pound, Hungarian forint, Indian rupee, Japanese yen, Mexican peso, Norwegian krone, New Zealand dollar, Swedish krona, South African rand	240	49	289	Sep-2027
British pound	U.S. dollar, euro		1	1	Jan-2024
South African rand	U.S. dollar, euro, Thai baht	1	16	17	Feb-2024
Canadian dollar	U.S. dollar	5	14	19	Oct-2024
Brazilian real	U.S. dollar, euro	65	8	73	Dec-2024
Indian rupee	U.S. dollar, euro, British pound		80	80	Dec-2024
Chinese renminbi	U.S. dollar, Canadian dollar, euro	3	4	7	Jan-2024
Mexican peso	U.S. dollar		1	1	Jan-2024
Total forward contracts		<u>583</u>	<u>193</u>	<u>776</u>	
U.S. dollar	euro	307	186	493	Nov-2027
Euro	U.S. dollar	300	188	488	Jun-2026
Total currency swaps		<u>607</u>	<u>374</u>	<u>981</u>	
Total currency derivatives		<u>\$ 1,190</u>	<u>\$ 567</u>	<u>\$ 1,757</u>	

*Designated cash flow hedges* — With respect to contracts designated as cash flow hedges, changes in fair value during the period in which the contracts remain outstanding are reported in OCI to the extent such contracts remain effective. Effectiveness is measured by using regression analysis to determine the degree of correlation between the change in the fair value of the derivative instrument and the change in the associated foreign currency exchange rates. Changes in fair value of contracts not designated as cash flow hedges or as net investment hedges are recognized in other income (expense), net in the period in which the changes occur. Realized gains and losses from currency-related forward contracts associated with forecasted transactions or from other derivative instruments, including those that have been designated as cash flow hedges and those that have not been designated, are recognized in the same line item in the consolidated statement of operations in which the underlying forecasted transaction or other hedged item is recorded. Accordingly, amounts are potentially recorded in sales, cost of sales or, in certain circumstances, other income (expense), net.

The following table provides a summary of deferred gains (losses) reported in AOCI as well as the amount expected to be reclassified to income in one year or less:

	Deferred Gain (Loss) in AOCI		
	December 31, 2023	December 31, 2022	Gain (loss) expected to be reclassified into income in one year or less
Forward Contracts	\$ 20	\$ 11	\$ 20
Cross-Currency Swaps	1	11	
Total	\$ 21	\$ 22	\$ 20

The following table provides a summary of the location and amount of gains or losses recognized in the consolidated statement of operations associated with cash flow hedging relationships:

	2023	2022	2021
<u>Derivatives Designated as Cash Flow Hedges</u>			
Total amounts of income and expense line items presented in the consolidated statement of operations in which the effects of cash flow hedges are recorded			
Net sales	\$ 10,555	\$ 10,156	\$ 8,945
Cost of sales	9,655	9,393	8,108
Other income (expense), net	3	22	32
(Gain) or loss on cash flow hedging relationships			
Foreign currency forwards			
Amount of (gain) loss reclassified from AOCI into income			
Cost of sales	(34)	(7)	(9)
Other income (expense), net	(8)	(6)	(5)
Cross-currency swaps			
Amount of (gain) loss reclassified from AOCI into income			
Other income (expense), net	19	(43)	(45)

The amounts reclassified from AOCI into income for the cross-currency swaps represent an offset to a foreign exchange loss on our foreign currency-denominated intercompany and external debt instruments.

Certain of our hedges of forecasted transactions have not formally been designated as cash flow hedges. As undesignated forward contracts, the changes in the fair value of such contracts are included in earnings for the duration of the outstanding forward contract. Any realized gain or loss on the settlement of such contracts is recognized in the same period and in the same line item in the consolidated statement of operations as the underlying transaction. The following table provides a summary of the location and amount of gains or losses recognized in the consolidated statement of operations associated with undesignated hedging relationships.

	2023	2022	2021
<u>Derivatives Not Designated as Hedging Instruments</u>			
Gain or (loss) recognized in income			
Foreign currency forward contracts			
Cost of sales	\$ —	\$ —	\$ 1
Other income (expense), net	(10)	(13)	-

*Net investment hedges* — We periodically designate derivative contracts or underlying non-derivative financial instruments as net investment hedges. With respect to contracts designated as net investment hedges, we apply the forward method, but for non-derivative financial instruments designated as net investment hedges, we apply the spot method. Under both methods, we report changes in fair value in the CTA component of OCI during the period in which the contracts remain outstanding to the extent such contracts and non-derivative financial instruments remain effective.

## Note 15. Commitments and Contingencies

*Product liabilities* — Accrued product liability costs were de minimis at December 31, 2023 and 2022. We estimate these liabilities based on current information and assumptions about the value and likelihood of the claims against us.

*Environmental liabilities* — Accrued environmental liabilities were \$6 and \$8 at December 31, 2023 and 2022. We consider the most probable method of remediation, current laws and regulations and existing technology in estimating our environmental liabilities.

*Guarantee of lease obligations* — In connection with the divestiture of our Structural Products business in 2010, leases covering three U.S. facilities were assigned to a U.S. affiliate of Metalsa. Under the terms of the sale agreement, we will guarantee the affiliate's performance under the leases, which run through June 2025, including approximately \$6 of annual payments. In the event of a required payment by Dana as guarantor, we are entitled to pursue full recovery from Metalsa of the amounts paid under the guarantee and to take possession of the leased property.

*Other legal matters* — We are subject to various pending or threatened legal proceedings arising out of the normal course of business or operations. In view of the inherent difficulty of predicting the outcome of such matters, we cannot state what the eventual outcome of these matters will be. However, based on current knowledge and after consultation with legal counsel, we believe that any liabilities that may result from these proceedings will not have a material adverse effect on our liquidity, financial condition or results of operations.

## Note 16. Warranty Obligations

We record a liability for estimated warranty obligations at the dates our products are sold. We record the liability based on our estimate of costs to settle future claims. Adjustments to our estimated costs at time of sale are made as claim experience and other new information becomes available. Obligations for service campaigns and other occurrences are recognized as adjustments to prior estimates when the obligation is probable and can be reasonably estimated.

*Changes in warranty liabilities* —

	2023	2022	2021
Balance, beginning of period	\$ 108	\$ 107	\$ 98
Amounts accrued for current period sales	51	44	38
Adjustments of prior estimates	14	6	11
Settlements of warranty claims	(56)	(46)	(28)
Divestitures			(10)
Currency impact	(1)	(3)	(2)
Balance, end of period	<u>\$ 116</u>	<u>\$ 108</u>	<u>\$ 107</u>

## Note 17. Income Taxes

*Income tax expense* —

	2023	2022	2021
Current			
U.S. federal and state	\$ 38	\$ 19	\$ (31)
Non-U.S.	187	112	104
Total current	<u>225</u>	<u>131</u>	<u>73</u>
Deferred			
U.S. federal and state	(94)	160	54
Non-U.S.	(10)	(7)	(55)
Total deferred	<u>(104)</u>	<u>153</u>	<u>(1)</u>
Total expense	<u>\$ 121</u>	<u>\$ 284</u>	<u>\$ 72</u>

We record interest and penalties related to uncertain tax positions as a component of income tax expense or benefit. Net interest expense for the periods presented herein is not significant.

*Income before income taxes* —

	2023	2022	2021
U.S. operations	\$ (246)	\$ (343)	\$ (170)
Non-U.S. operations	424	312	414
Earnings (loss) before income taxes	<u>\$ 178</u>	<u>\$ (31)</u>	<u>\$ 244</u>



*Income tax audits* — We conduct business globally and, as a result, file income tax returns in multiple jurisdictions that are subject to examination by taxing authorities throughout the world. With few exceptions, we are no longer subject to U.S. federal, state and local or foreign income tax examinations for years before 2008.

We are currently under audit by U.S. and foreign authorities for certain taxation years. When the issues related to these periods are settled, the total amounts of unrecognized tax benefits for all open tax years may be modified. Audit outcomes and the timing of the audit settlements are subject to uncertainty and we cannot make an estimate of the impact on our financial position at this time.

*GILTI Policy Elections* — The SEC staff has indicated that a company should make and disclose certain policy elections related to accounting for global intangible low-taxed income (GILTI). As to whether we will recognize deferred taxes for basis differences expected to reverse as GILTI or account for the effect of GILTI as a period cost when incurred, we intend to account for the tax effect of GILTI as a period cost. As to the realizability of the tax benefit provided by net operating losses, we are electing to utilize the tax law ordering approach. Recent macroeconomic factors have resulted in losses in the United States. A valuation allowance has been provided for deferred tax assets where GILTI is not a source of income; however, the GILTI tax law ordering approach provides positive evidence for certain other deferred tax assets without a valuation allowance.

*Foreign income repatriation* — We continue to analyze and adjust the estimated impact of the non-U.S. income and withholding tax liabilities based on the amount and source of these earnings, as well as the expected means through which those earnings may be taxed. We recognized net expense of \$7 in 2023, net benefit of \$1 in 2022 and de minimis net expense in 2021, related to future income taxes and non-U.S. withholding taxes on repatriations from operations that are not permanently reinvested. We also paid withholding taxes of \$12, \$6 and \$8 during 2023, 2022 and 2021 related to the actual transfer of funds to the U.S. The unrecognized tax liability associated with the operations in which we are permanently reinvested is \$6 at December 31, 2023.

*Effective tax rate reconciliation* —

	2023		2022		2021	
	\$	%	\$	%	\$	%
U.S. federal income tax rate	37	21	(7)	21	51	21
Adjustments resulting from:						
State and local income taxes, net of federal benefit	(5)	(3)	(6)	19		
Non-U.S. income / expense	35	20	(2)	7	15	6
Credits and tax incentives	9	5	(27)	87	1	
U.S. foreign derived intangible income					(1)	
U.S. tax and withholding tax on non-US earnings	41	23	42	(135)	14	6
Intercompany sale of certain operating assets	(54)	(30)	(1)	3	(1)	
Settlement and return adjustments	23	13	(7)	23	5	2
Enacted change in tax rates			(4)	13	(5)	(2)
Goodwill impairment			47	(151)		
Miscellaneous items	7	4	(6)	19	(7)	(3)
Valuation allowance adjustments	28	15	255	(822)		
Effective income tax rate	121	68	284	(916)	72	30

During 2023, we recorded tax expense of \$19 for income tax reserves associated with prior tax years in foreign jurisdictions. In addition, we recorded net benefit of \$55 on the intercompany sale of intangible assets to the U.S.

During 2022, we recognized tax expense of \$240 to record valuation allowance in the U.S., which includes \$189 on U.S. federal credits and attributes and \$51 related to U.S. state attributes. In addition, we recorded a tax benefit of \$32 to adjust U.S. tax credits. A pre-tax goodwill impairment charge of \$191 with an associated income tax benefit of \$2 was also recorded.

During 2021, we recognized tax expense of \$46 to record valuation allowance in the U.S. due to reduced income projections. We also recognized tax benefit of \$46 for the release of valuation allowances in several foreign jurisdictions based on recent history of profitability and increased income projections. The contrast of these two positions is representative of the jurisdictional mix of results and relative attributes. We also recognized tax expense of \$18 related to the expiration of federal tax credits.

*Deferred tax assets and liabilities* — Temporary differences and carryforwards give rise to the following deferred tax assets and liabilities.

	2023	2022
Net operating loss carryforwards	\$ 218	\$ 181
Postretirement benefits, including pensions	65	49
Research and development costs	238	208
Expense accruals	65	49
Other tax credits recoverable	217	241
Capital loss carryforwards	53	51
Inventory reserves	37	32
Postemployment and other benefits	5	4
Intangibles	56	
Leasing activities	77	69
Other	75	71
Total	<u>1,106</u>	<u>955</u>
Valuation allowances	<u>(550)</u>	<u>(512)</u>
Deferred tax assets	<u>556</u>	<u>443</u>
Unremitted earnings	(16)	(9)
Intangibles		(1)
Depreciation	<u>(58)</u>	<u>(66)</u>
Deferred tax liabilities	<u>(74)</u>	<u>(76)</u>
Net deferred tax assets	<u>\$ 482</u>	<u>\$ 367</u>

*Carryforwards* — Our deferred tax assets include benefits expected from the utilization of net operating loss (NOL), capital loss and credit carryforwards in the future. The following table identifies the net operating loss deferred tax asset components and the related allowances that existed at December 31, 2023. Due to time limitations on the ability to realize the benefit of the carryforwards, additional portions of these deferred tax assets may become unrealizable in the future.

	Deferred Tax Asset	Valuation Allowance	Carryforward Period	Earliest Year of Expiration
Net operating losses				
U.S. state	\$ 55	\$ (55)	Various	2023
Brazil	17	(5)	Unlimited	
France	6		Unlimited	
Australia	18		Unlimited	
Italy	18	(18)	Unlimited	
Germany	5	(5)	Unlimited	
Sweden	3	(3)	Unlimited	
South Africa	8	(8)	Unlimited	
U.K.	16	(10)	Unlimited	
Canada	67	(57)	20	2026
India	3		5	2028
China	2	(1)	5	2025
Total	<u>\$ 218</u>	<u>\$ (162)</u>		

In addition to the NOL carryforwards listed in the table above, we have deferred tax assets related to capital loss carryforwards of \$53 which are fully offset with valuation allowances at December 31, 2023. We also have deferred tax assets of \$229 related to other credit carryforwards which are largely offset with valuation allowances of \$218 at December 31, 2023. The capital losses can generally be carried forward indefinitely while the other credits are generally available for 10 to 20 years.

*Unrecognized tax benefits* — Unrecognized tax benefits are the difference between a tax position taken, or expected to be taken, in a tax return and the benefit recognized for accounting purposes. Interest income or expense, as well as penalties relating to income tax audit adjustments and settlements, are recognized as components of income tax expense or benefit. Interest of \$21 and \$7 was accrued on the uncertain tax positions at December 31, 2023 and 2022.

Reconciliation of gross unrecognized tax benefits —

	2023	2022	2021
Balance, beginning of period	\$ 102	\$ 126	\$ 104
Decrease related to expiration of statute of limitations	(8)	(6)	(5)
Decrease related to prior years tax positions	(5)	(43)	(2)
Increase related to prior years tax positions	5	7	16
Increase related to current year tax positions	18	18	13
Balance, end of period	<u>\$ 112</u>	<u>\$ 102</u>	<u>\$ 126</u>

We anticipate that the change in our gross unrecognized tax benefits will not be significant in the next twelve months as a result of examinations in various jurisdictions. The settlement of these matters will not impact the effective tax rate. Gross unrecognized tax benefits of \$86 would impact the effective tax rate if recognized. If other open matters are settled with the IRS or other taxing jurisdictions, the total amounts of unrecognized tax benefits for open tax years may be modified.

**Note 18. Other Income (Expense), Net**

	2023	2022	2021
Non-service cost components of pension and OPEB costs	\$ (13)	\$ (7)	\$ (10)
Government assistance	16	8	
Foreign exchange gain (loss)	(13)	4	2
Strategic transaction expenses	(5)	(8)	(13)
Loss on investment in Hyliion			(20)
Loss on disposal group held for sale			(7)
Loss on de-designation of fixed-to-fixed cross currency swaps			(9)
Gain on sale leaseback			66
Other, net	18	25	23
Other income (expense), net	<u>\$ 3</u>	<u>\$ 22</u>	<u>\$ 32</u>

Foreign exchange gains and losses on cross-currency intercompany loan balances that are not of a long-term investment nature are included above. Foreign exchange gains and losses on intercompany loans that are permanently invested are reported in OCI. We continue to account for Argentina as a highly inflationary economy and remeasure the financial statements of our Argentine subsidiaries as if their functional currency was the U.S. dollar. The foreign exchange loss in 2023 was primarily due to the Argentine government significantly devaluing the Argentine peso during the fourth quarter of 2023.

Strategic transaction expenses relate primarily to costs incurred in connection with acquisition and divestiture related activities, including costs to complete the transaction and post-closing integration costs. Strategic transaction expenses in 2023 and 2022 were primarily attributable to investigating potential acquisitions and business ventures and other strategic initiatives. Strategic transaction expenses in 2021 were primarily attributable to our pursuit of the acquisition of a portion of the thermal-management business of Modine Manufacturing Company and certain other strategic initiatives.

We held convertible notes receivable from our investment in Hyliion Inc. On October 1, 2020, Hyliion Inc. completed its merger with Tortoise Acquisition Corp. The business combination resulted in the combined company being renamed Hyliion Holdings Corp. (Hyliion), with its common stock being listed on the New York Stock Exchange under the ticker symbol HYLN. Effective with the completed merger, our notes receivable were converted into 2,988,229 common shares of HYLN. Our investment in Hyliion was included in noncurrent marketable securities and carried at fair value with changes in fair value included in net income. During the third quarter of 2021, we sold all of our Hyliion shares.

In conjunction with our acquisition of Oerlikon Drive Systems, we acquired a controlling financial interest in a joint venture in China. We were required to divest our interest in this joint venture as it violates competitive restrictions of another of our China joint venture shareholder agreements. During the first quarter of 2021, we recorded an impairment charge of \$7, as we determined the carrying value of the disposal group exceeded its fair value less costs to sell. We completed the disposal of this business in April 2021.

We had previously entered into fixed-to-fixed cross currency swaps as a hedge against our June 2026 Notes. In June 2021, we redeemed all of the June 2026 Notes and de-designated the fixed-to-fixed cross currency swaps. See Note 14 for additional information.

During December 2021, we completed a sale-leaseback transaction on three of our U.S. manufacturing facilities. We received proceeds of \$77 from the sale of the properties, which had carrying values totaling \$11, resulting in a \$66 gain on the sale transaction. The initial term of the leaseback is 20 years and has eight 5-year renewal options. The renewal options are not reasonably assured of

being executed and were not included in the initial measurement of the right-of-use asset and lease liability. The leases on these facilities are classified as operating leases with annual lease expense of \$6 and total committed lease payments of \$119 over the initial 20-year lease term.

#### **Note 19. Revenue from Contracts with Customers**

We generate revenue from selling production parts to original equipment manufacturers (OEMs) and service parts to OEMs and aftermarket customers. While we provide production and service parts to certain OEMs under awarded multi-year programs, these multi-year programs do not contain any commitment to volume by the customer. As such, individual customer releases or purchase orders represent the contract with the customer. Our customer contracts do not provide us with an enforceable right to payment for performance completed to date throughout the contract term. As such, we recognize part sales revenue at the point in time when the parts are shipped, and risk of loss has transferred to the customer. We have elected to continue to include shipping and handling fees billed to customers in revenue, while including costs of shipping and handling in costs of sales. Taxes collected from customers are excluded from revenues and credited directly to obligations to the appropriate government agencies. Payment terms with our customers are established based on industry and regional practices and generally do not exceed 180 days.

We continually seek new business opportunities and at times provide incentives to our customers for new program awards. We evaluate the underlying economics of each payment made to our customers to determine the proper accounting by understanding the nature of the payment, the rights and obligations in the contract, and other relevant facts and circumstances. Upfront payments to our customers are capitalized if we determine that the payments are incremental and incurred only if the new business is obtained and we expect to recover these amounts from the customer over the term of the new business program. We recognize a reduction to revenue as products that the upfront payments are related to are transferred to the customer, based on the total amount of products expected to be sold over the term of the program. We evaluate the amounts capitalized each period for recoverability and expense any amounts that are no longer expected to be recovered. We had \$5 and \$7 recorded in other current assets and \$34 and \$28 recorded in other noncurrent assets at December 31, 2023 and December 31, 2022.

Certain of our customer contracts include rebate incentives. We estimate expected rebates and accrue the corresponding refund liability, as a reduction of revenue, at the time covered product is sold to the customer based on anticipated customer purchases during the rebate period and contractual rebate percentages. Refund liabilities are included in other accrued liabilities on our consolidated balance sheet. We provide standard fitness for use warranties on the products we sell, accruing for estimated costs related to product warranty obligations at time of sale. See Note 16 for additional information.

Contract liabilities are primarily comprised of cash deposits made by customers with cash in advance payment terms. Generally, our contract liabilities turn over frequently given our relatively short production cycles. Contract liabilities were \$50 and \$48 at December 31, 2023 and December 31, 2022. Contract liabilities are included in other accrued liabilities on our consolidated balance sheet.



Disaggregation of revenue —

The following table disaggregates revenue for each of our operating segments by geographical market:

	2023	2022	2021
<b>Light Vehicle</b>			
North America	\$ 2,606	\$ 2,976	\$ 2,698
Europe	568	403	424
South America	272	217	167
Asia Pacific	589	494	484
Total	<u>\$ 4,035</u>	<u>\$ 4,090</u>	<u>\$ 3,773</u>
<b>Commercial Vehicle</b>			
North America	\$ 1,143	\$ 987	\$ 752
Europe	314	274	259
South America	404	524	389
Asia Pacific	231	194	132
Total	<u>\$ 2,092</u>	<u>\$ 1,979</u>	<u>\$ 1,532</u>
<b>Off-Highway</b>			
North America	\$ 361	\$ 361	\$ 290
Europe	2,174	1,939	1,680
South America	23	17	14
Asia Pacific	627	629	609
Total	<u>\$ 3,185</u>	<u>\$ 2,946</u>	<u>\$ 2,593</u>
<b>Power Technologies</b>			
North America	\$ 642	\$ 599	\$ 490
Europe	494	443	473
South America	32	30	20
Asia Pacific	75	69	64
Total	<u>\$ 1,243</u>	<u>\$ 1,141</u>	<u>\$ 1,047</u>
<b>Total</b>			
North America	\$ 4,752	\$ 4,923	\$ 4,230
Europe	3,550	3,059	2,836
South America	731	788	590
Asia Pacific	1,522	1,386	1,289
Total	<u>\$ 10,555</u>	<u>\$ 10,156</u>	<u>\$ 8,945</u>

**Note 20. Segments, Geographical Area and Major Customer Information**

We are a global provider of high-technology products to virtually every major vehicle manufacturer in the world. We also serve the stationary industrial market. Our technologies include drive systems (axles, driveshafts, transmissions, and wheel and track drives); motion systems (winches, slew drives, and hub drives); electrodynamic technologies (motors, inverters, software and control systems, battery-management systems, and fuel cell plates); sealing solutions (gaskets, seals, cam covers, and oil pan modules); thermal-management technologies (transmission and engine oil cooling, battery and electronics cooling, charge air cooling, and thermal-acoustical protective shielding); and digital solutions (active and passive system controls and descriptive and predictive analytics). We serve our global light vehicle, medium/heavy vehicle and off-highway markets through four operating segments – Light Vehicle Drive Systems (Light Vehicle), Commercial Vehicle Drive and Motion Systems (Commercial Vehicle), Off-Highway Drive and Motion Systems (Off-Highway) and Power Technologies, which is the center of excellence for sealing and thermal-management technologies that span all customers in our on-highway and off-highway markets. These operating segments have global responsibility and accountability for business commercial activities and financial performance.

Dana evaluates the performance of its operating segments based on external sales and segment EBITDA. Segment EBITDA is a primary driver of cash flows from operations and a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. Our segments are charged for corporate and other shared administrative costs. Segment EBITDA may not be comparable to similarly titled measures reported by other companies.

Segment information —

	External Sales	Inter- Segment Sales	Segment EBITDA	Capital Spend	Depreciation	Net Assets
<b>2023</b>						
Light Vehicle	\$ 4,035	\$ 190	\$ 212	\$ 184	\$ 187	\$ 1,354
Commercial Vehicle	2,092	124	87	106	38	836
Off-Highway	3,185	61	465	65	103	1,238
Power Technologies	1,243	25	89	120	39	485
Eliminations and other		(400)		26	26	75
Total	<u>\$ 10,555</u>	<u>\$ —</u>	<u>\$ 853</u>	<u>\$ 501</u>	<u>\$ 393</u>	<u>\$ 3,988</u>
<b>2022</b>						
Light Vehicle	\$ 4,090	\$ 166	\$ 158	\$ 201	\$ 175	\$ 1,331
Commercial Vehicle	1,979	110	43	67	32	708
Off-Highway	2,946	64	404	73	101	1,278
Power Technologies	1,141	28	94	64	32	389
Eliminations and other		(368)		35	25	104
Total	<u>\$ 10,156</u>	<u>\$ —</u>	<u>\$ 699</u>	<u>\$ 440</u>	<u>\$ 365</u>	<u>\$ 3,810</u>
<b>2021</b>						
Light Vehicle	\$ 3,773	\$ 166	\$ 274	\$ 154	\$ 175	\$ 1,492
Commercial Vehicle	1,532	100	48	53	31	941
Off-Highway	2,593	67	353	75	102	1,342
Power Technologies	1,047	23	123	39	36	389
Eliminations and other		(356)		48	21	161
Total	<u>\$ 8,945</u>	<u>\$ —</u>	<u>\$ 798</u>	<u>\$ 369</u>	<u>\$ 365</u>	<u>\$ 4,325</u>

Net assets include accounts receivable, inventories, other current assets, goodwill, intangibles, investments in affiliates, other noncurrent assets, net property, plant and equipment, accounts payable and current accrued liabilities.

Reconciliation of segment EBITDA to consolidated net income (loss) —

	2023	2022	2021
Segment EBITDA	\$ 853	\$ 699	\$ 798
Corporate expense and other items, net	(8)	1	(3)
Depreciation	(393)	(365)	(365)
Amortization	(23)	(23)	(24)
Non-service cost components of pension and OPEB costs	(13)	(7)	(10)
Restructuring charges, net	(25)	1	
Stock compensation expense	(26)	(19)	(17)
Strategic transaction expenses	(5)	(8)	(13)
Distressed supplier costs	(44)		
Amounts attributable to previously divested/closed operations		(2)	(2)
Loss on investment in Hyliion			(20)
Loss on disposal group held for sale			(7)
Loss on de-designation of fixed-to-fixed cross currency swaps			(9)
Gain on sale leaseback			66
Impairment of goodwill		(191)	
Other items			1
Earnings before interest and income taxes	<u>316</u>	<u>86</u>	<u>395</u>
Loss on extinguishment of debt	(1)		(29)
Interest income	17	11	9
Interest expense	<u>154</u>	<u>128</u>	<u>131</u>
Earnings (loss) before income taxes	<u>178</u>	<u>(31)</u>	<u>244</u>
Income tax expense	121	284	72
Equity in earnings of affiliates	(9)	4	28
Net income (loss)	<u>\$ 48</u>	<u>\$ (311)</u>	<u>\$ 200</u>

Reconciliation of segment net assets to consolidated total assets —

	2023	2022
Segment net assets	\$ 3,988	\$ 3,810
Accounts payable and other current liabilities	2,503	2,383
Other current and long-term assets	<u>1,474</u>	<u>1,256</u>
Consolidated total assets	<u>\$ 7,965</u>	<u>\$ 7,449</u>

*Geographic information* — Of our 2023 consolidated net sales, the U.S., Italy, India, Germany, China and Brazil account for 43%, 16%, 6%, 5%, 5% and 5%, respectively. No other country accounted for 5% or more of our consolidated net sales during 2023. Sales are attributed to the location of the product entity recording the sale. Long-lived assets represent property, plant and equipment.

	Net Sales			Long-Lived Assets		
	2023	2022	2021	2023	2022	2021
North America						
United States	\$ 4,492	\$ 4,668	\$ 4,035	\$ 1,019	\$ 994	\$ 981
Other North America	260	255	195	171	151	114
Total	4,752	4,923	4,230	1,190	1,145	1,095
Europe						
Italy	1,705	1,535	1,356	223	211	225
Germany	549	494	496	148	126	121
Other Europe	1,296	1,030	984	303	274	280
Total	3,550	3,059	2,836	674	611	626
South America						
Brazil	488	606	451	104	88	80
Other South America	243	182	139	24	21	16
Total	731	788	590	128	109	96
Asia Pacific						
India	634	554	458	163	174	200
China	503	484	493	92	88	104
Other Asia Pacific	385	348	338	64	66	78
Total	1,522	1,386	1,289	319	328	382
Total	\$ 10,555	\$ 10,156	\$ 8,945	\$ 2,311	\$ 2,193	\$ 2,199

*Sales to major customers* — Ford and Stellantis N.V. were the only individual customers to whom sales have exceeded 10% of our consolidated sales in one or more of the past three years. Sales to Ford were \$2,138 (20%) in 2023, \$1,978 (19%) in 2022 and \$1,729 (19%) in 2021. Sales to Stellantis N.V. (via a directed supply relationship) were \$918 (9%) in 2023, \$1,166 (11%) in 2022 and \$1,068 (12%) in 2021.

## Note 21. Equity Affiliates

We have a number of investments in entities that engage in the manufacture and supply of vehicular parts (primarily axles, axle housing and driveshafts).

Dividends received from equity affiliates were \$3, \$32 and \$18 in 2023, 2022 and 2021.

*Equity method investments exceeding \$5 at December 31, 2023* —

	Ownership Percentage	Investment
Dongfeng Dana Axle Co., Ltd. (DDAC)	50%	\$ 52
ROC-Spicer, Ltd. (ROC-Spicer)	50%	22
Axles India Limited (AIL)	48%	14
Tai Ya Investment (HK) Co., Limited (Tai Ya)	50%	5
All others as a group		6
Investments in equity affiliates		99
Investments in affiliates carried at cost		24
Investments in affiliates		\$ 123

Our equity method investment in ROC-Spicer and Tai Ya are included in the net assets of our Light Vehicle operating segment. Our equity method investments in DDAC and AIL are included in the net assets of our Commercial Vehicle operating segment.

The carrying value of our equity method investments at December 31, 2023 was \$5 more than our share of the affiliates' book values. The basis differences relate to our DDAC and ROC-Spicer investments and are primarily attributable to goodwill and property, plant and equipment.



**Dana Incorporated**  
**Schedule II**  
**Valuation and Qualifying Accounts and Reserves**  
(In millions)

*Amounts deducted from assets in the balance sheets —*

	Balance at beginning of period	Amounts charged (credited) to income	Allowance utilized	Adjustments arising from change in currency exchange rates and other items	Balance at end of period
<b>Accounts Receivable - Allowance for Doubtful Accounts</b>					
2023	\$ 11	\$ 7	\$ (2)	\$ —	\$ 16
2022	\$ 7	\$ 4	\$ —	\$ —	\$ 11
2021	\$ 7	\$ —	\$ —	\$ —	\$ 7
<b>Deferred Tax Assets - Valuation Allowance</b>					
2023	\$ 512	\$ 28	\$ —	\$ 10	\$ 550
2022	\$ 258	\$ 255	\$ —	\$ (1)	\$ 512
2021	\$ 259	\$ —	\$ —	\$ (1)	\$ 258

## **Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. Controls and Procedures**

*Disclosure controls and procedures* — Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluations, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

*Management's report on internal control over financial reporting* — Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that, as of December 31, 2023, our internal control over financial reporting was effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2023, as stated in its report which is included herein.

*Changes in internal control over financial reporting* — There has been no change in our internal control over financial reporting during the quarter ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Item 9B. Other Information**

None.

### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

Dana has adopted Standards of Business Conduct that apply to all of its officers and employees worldwide. Dana also has adopted Standards of Business Conduct for the Board of Directors. Both documents are available on Dana's Internet website at <http://www.dana.com/investors>.

The remainder of the response to this item will be included under the sections captioned "Corporate Governance," "Board Leadership Structure," "Succession Planning," "Information About the Nominees," "Risk Oversight," "Committees and Meetings of Directors," "Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance" of Dana's definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on April 24, 2024, which sections are hereby incorporated herein by reference.

### **Item 11. Executive Compensation**

The response to this item will be included under the sections captioned "Compensation Committee Interlocks and Insider Participation," "Compensation of Executive Officers," "Compensation Discussion and Analysis," "Compensation of Directors," "Officer Stock Ownership Guidelines," "Compensation Committee Report," "Summary Compensation Table," "Grants of Plan-Based Awards at Fiscal Year-End," "Outstanding Equity Awards at Fiscal Year-End," "Option Exercises and Stock Vested During Fiscal Year," "Nonqualified Deferred Compensation at Fiscal Year-End" and "Potential Payments and Benefits Upon Termination or Change in Control" of Dana's definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on April 24, 2024, which sections are hereby incorporated herein by reference.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The response to this item will be included under the section captioned “Security Ownership of Certain Beneficial Owners and Management” of Dana’s definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on April 24, 2024, which section is hereby incorporated herein by reference.

### Equity Compensation Plan Information

The following table contains information at December 31, 2023 about shares of stock which may be issued under our equity compensation plans, all of which have been approved by our shareholders.

<u>(Shares in millions) Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)</u>	<u>Weighted Average Exercise Price of Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(2)</u>	<u>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</u>
Equity compensation plans approved by security holders	2.5	\$ —	4.1
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>2.5</b>	<b>\$ —</b>	<b>4.1</b>

Notes:

- (1) In addition to stock options, restricted stock units and performance shares have been awarded under Dana's equity compensation plans and were outstanding at December 31, 2023.
- (2) Calculated without taking into account the 2.5 shares of common stock subject to outstanding restricted stock and performance share units that become issuable as those units vest since they have no exercise price and no cash consideration or other payment is required for such shares.

## Item 13. Certain Relationships and Related Transactions and Director Independence

The response to this item will be included under the sections captioned “Director Independence and Transactions of Directors with Dana,” “Transactions of Executive Officers with Dana” and “Information about the Nominees” of Dana’s definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on April 24, 2024, which sections are hereby incorporated herein by reference.

## Item 14. Principal Accountant Fees and Services

The response to this item will be included under the section captioned "Independent Registered Public Accounting Firm" of Dana's definitive Proxy Statement relating to the Annual Meeting of Shareholders to be held on April 24, 2024, which section is hereby incorporated herein by reference.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

	<b>10-K Pages</b>
(a) List of documents filed as a part of this report:	
1. Consolidated Financial Statements:	
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	<u>31</u>
Consolidated Statement of Operations	<u>33</u>
Consolidated Statement of Comprehensive Income	<u>34</u>
Consolidated Balance Sheet	<u>35</u>
Consolidated Statement of Cash Flows	<u>36</u>
Consolidated Statement of Stockholders' Equity	<u>37</u>
Notes to the Consolidated Financial Statements	<u>38</u>
2. Financial Statement Schedule:	
Valuation and Qualifying Accounts and Reserves (Schedule II)	<u>74</u>
All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.	
3. Exhibits	

No.	Description
3.1	<a href="#"><u>Third Amended and Restated Certification of Incorporation of Dana Incorporated. Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed May 2, 2018 and incorporated herein by reference.</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of Dana Incorporated, effective as of May 2, 2018. Filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed May 2, 2018 and incorporated herein by reference.</u></a>
4.1	<a href="#"><u>Specimen Common Stock Certificate. Filed as Exhibit 4.1 to Registrant's Registration Statement on Form 8-A dated January 31, 2008, and incorporated herein by reference.</u></a>
4.2	<a href="#"><u>Indenture, dated as of January 28, 2011 among Dana and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.6 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and incorporated herein by reference.</u></a>
4.3	<a href="#"><u>Fourth Supplemental Indenture, dated as November 20, 2019, with respect to the Indenture, dated as of January 28, 2011, between Dana Holding Corporation and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated November 20, 2019, and incorporated herein by reference.</u></a>
4.4	<a href="#"><u>Indenture, dated as of April 4, 2017, among Dana Luxembourg Financing S.à r.l., Dana Incorporated and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated April 4, 2017, and incorporated herein by reference.</u></a>
4.5	<a href="#"><u>Sixth Supplemental Indenture, dated as of June 19, 2020 with respect to the Indenture, dated January 28, 2011, between Dana Incorporated and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated June 20, 2020, and incorporated herein by reference.</u></a>
4.6	<a href="#"><u>Seventh Supplemental Indenture, dated as of May 13, 2021 with respect to the Indenture, dated January 28, 2011, between Dana Incorporated and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated May 13, 2021, and incorporated herein by reference.</u></a>
4.7	<a href="#"><u>Indenture, dated as of May 28, 2021, among Dana Luxembourg Financing S.à r.l., the Company, Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee and Elavon Financial Services DAC, as paying agent, registrar and transfer agent. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated May 28, 2021, and incorporated here in by reference.</u></a>
4.8	<a href="#"><u>Ninth Supplemental Indenture, dated as of November 24, 2021 with respect to the Indenture, dated January 28, 2011, between Dana Incorporated and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated November 24, 2021, and incorporated herein by reference.</u></a>
4.9	<a href="#"><u>Description of Dana Incorporated Common Stock. Filed as Exhibit 4.9 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, and incorporated herein by reference.</u></a>
4.10	<a href="#"><u>Indenture, dated as of May 24, 2023, among Dana Luxembourg Financing S.à r.l., Dana Incorporated, Computershare Trust Company, N.A., as trustee, and Elavon Financial Services DAC, as paying agent,</u></a>



- [registrar and transfer agent. Filed as Exhibit 4.1 to Registrant's Current Report on Form 8-K dated May 24, 2023, and incorporated herein by reference.](#)
- 10.1\* [Executive Employment Agreement dated August 11, 2015, by and between James K. Kamsickas and Dana Incorporated. Filed as Exhibit 10.1 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and incorporated herein by reference.](#)
- 10.2\* [Dana Incorporated Supplemental Executive Retirement Plan. Filed as Exhibit 10.4 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and incorporated herein by reference.](#)
- 10.3\* [Amendment to the Dana Limited Supplemental Executive Retirement Plan, effective as of May 1, 2018. Filed with this Report.](#)
- 10.4\* [Dana Incorporated 2021 Omnibus Incentive Plan. Filed as an annex to the Dana Incorporated Proxy Statement dated March 11, 2021, and incorporated herein by reference.](#)
- 10.5\* [Form of Indemnification Agreement. Filed as Exhibit 10.4 to Registrant's Current Report on Form 8-K dated February 6, 2008, and incorporated herein by reference.](#)
- 10.6\* [Form of Option Agreement. Filed as Exhibit 10.15 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and incorporated herein by reference.](#)
- 10.7\* [Amended and Restated Change in Control Severance Plan, effective as of April 30, 2018. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated April 30, 2018, and incorporated herein by reference.](#)
- 10.8\* [Dana Incorporated Executive Severance Plan, amended and restated effective January 1, 2018. Filed with this Report.](#)
- 10.9\* [Form of Restricted Stock Unit Agreement for Non-Employee Directors. Filed with this Report.](#)
- 10.10\* [Form of Restricted Stock Unit Agreement. Filed with this Report.](#)
- 10.11\* [Form of Performance Share Agreement. Filed with this Report.](#)
- 10.12\* [Dana Savings Restoration Plan. Filed with this Report.](#)
- 10.13\* [Dana Deferred Compensation Plan. Filed with this Report.](#)
- 10.14 [Revolving Credit and Guaranty Agreement, dated as of June 9, 2016, among Dana Incorporated, as borrower, the guarantors party thereto, Citibank, N.A., as administrative agent and collateral agent, and the other lenders party thereto. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated June 9, 2016, and incorporated herein by reference.](#)
- 10.15 [Revolving Facility Security Agreement, dated as of June 9, 2016, from Dana Incorporated and the other guarantors referred to therein, as guarantors, to Citibank, N.A., as collateral agent. Filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K dated June 9, 2016, and incorporated herein by reference.](#)
- 10.16 [Amendment No. 1 to Revolving Credit and Guaranty Agreement and Amendment No. 1 to the Revolving Facility Security Agreement, dated as of August 17, 2017, among Dana Incorporated, certain domestic subsidiaries of Dana Incorporated party thereto, Citibank, N.A., as administrative agent and collateral agent. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated August 18, 2017, and incorporated herein by reference.](#)
- 10.17 [Amendment No. 2 to Credit and Guaranty Agreement, dated as of February 28, 2019, among Dana Incorporated, as borrower, the guarantors party thereto, the lenders party thereto and Citibank, N.A., as administrative agent and collateral agent. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated March 1, 2019, and incorporated herein by reference.](#)
- 10.18 [Amendment No. 3 to Credit and Guaranty Agreement, dated as of August 30, 2019, among Dana Incorporated, as a borrower, Dana International Luxembourg S.à r.l., as a borrower, the guarantors party thereto, the lenders party thereto and Citibank, N.A., as administrative agent and collateral agent. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated September 4, 2019, and incorporated herein by reference.](#)
- 10.19 [Amendment No. 4 to Credit and Guaranty Agreement and Amendment No. 2 to Security Agreement, dated as of April 16, 2020, among Dana Incorporated, Dana International Luxembourg S.à.r.l., the guarantors party thereto, Citibank, N.A. as administrative agent, and the lenders party thereto. Filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and incorporated herein by reference.](#)
- 10.20 [Amendment No. 5 to Credit and Guaranty Agreement and Amendment No. 3 to Security Agreement, dated as of March 25, 2021, among Dana Incorporated, Dana International Luxembourg S.à. r.l., the guarantors party thereto, Citibank, N.A. as administrative agent, and the lenders party thereto. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed March 29, 2021, and incorporated herein by reference.](#)
- 10.21 [Director Nomination and Appointment Agreement, dated as of January 7, 2022, by and among the Icahn Group and Dana Incorporated. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed January 7, 2022, and incorporated herein by reference.](#)
- 10.22 [Amendment No. 6 to Credit and Guaranty Agreement, dated as of March 14, 2023, among Dana Incorporated, Dana International Luxembourg S.à r.l., the guarantors party thereto, Citibank, N.A. as administrative agent and collateral agent, and the lenders party thereto. Filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed March 16, 2023, and incorporated herein by reference.](#)
- 21 [List of Consolidated Subsidiaries of Dana Incorporated. Filed with this Report.](#)

- 23 [Consent of PricewaterhouseCoopers LLP. Filed with this Report.](#)
- 24 [Power of Attorney. Filed with this Report.](#)
- 31.1 [Rule 13a-14\(a\)/15d-14\(a\) Certification by Chief Executive Officer. Filed with this Report.](#)
- 31.2 [Rule 13a-14\(a\)/15d-14\(a\) Certification by Chief Financial Officer. Filed with this Report.](#)
- 32 [Section 1350 Certification of Periodic Report \(pursuant to Section 906 of the Sarbanes-Oxley Act of 2002\). Filed with this Report.](#)
- 97 [Dana Incorporated Clawback Policy. Filed with this Report.](#)
- 101 The following materials from Dana Incorporated's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Statement of Operations, (ii) the Consolidated Statement of Comprehensive Income, (iii) the Consolidated Balance Sheet, (iv) the Consolidated Statement of Cash Flows, (v) the Consolidated Statement of Shareholders' Equity and (vi) Notes to the Consolidated Financial Statements. Filed with this Report.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
- \* Management contract or compensatory plan or arrangement.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

### DANA INCORPORATED

Date: February 20, 2024

By: /s/ James K. Kamsickas

James K. Kamsickas

Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on this 20th day of February 2024 by the following persons on behalf of the registrant and in the capacities indicated, including a majority of the directors.

#### Signature

#### Title

/s/ James K. Kamsickas

James K. Kamsickas

Chairman, President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Timothy R. Kraus

Timothy R. Kraus

Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

/s/ James D. Kellett

James D. Kellett

Vice President and Chief Accounting Officer  
(Principal Accounting Officer)

/s/ Ernesto M. Hernández\*

Ernesto M. Hernandez

Director

/s/ Gary Hu\*

Gary Hu

Director

/s/ Virginia A. Kamsky\*

Virginia A. Kamsky

Director

/s/ Bridget E. Karlin\*

Bridget E. Karlin

Director

/s/ Michael J. Mack, Jr.\*

Michael J. Mack, Jr.

Director

/s/ R. Bruce McDonald\*

R. Bruce McDonald

Director

/s/ Steven D. Miller\*

Steven D. Miller

Director

/s/ Diarmuid B. O'Connell\*

Diarmuid B. O'Connell

Director

/s/ Keith E. Wandell\*

Keith E. Wandell

Director

\*By: /s/ Douglas H. Liedberg

Douglas H. Liedberg, Attorney-in-Fact

**DANA INCORPORATED**  
**Consolidated Subsidiaries as of December 31, 2023\***

<u>Name of Company</u>	<u>Jurisdiction of Incorporation or Organization</u>
Ashwoods Innovations Limited	United Kingdom
Dana Anand Private Limited	India
Dana Australia (Holdings) Pty. Ltd.	Australia
Dana Australia Pty. Ltd.	Australia
Dana Automocion, S.A.	Spain
Dana Automotive Manufacturing, Inc.	Delaware
Dana Automotive Systems Group, LLC	Ohio
Dana (Beijing) Electric Motor Co., Ltd.	China
Dana Belgium NV	Belgium
Dana Brazil Commercial Vehicle LLC	Delaware
Dana Brazil Holdings I LLC	Virginia
Dana Canada Corporation	Canada
Dana Canada Electric Holdings ULC	Canada
Dana Canada Holding Company	Canada
Dana Canada Investment ULC	Canada
Dana Canada LP	Canada
Dana Cayman Holdings Limited	Cayman Islands
Dana (Changshu) E-Propulsion Co., Ltd.	China
Dana (Chongqing) Driveline Technology Co. Ltd.	China
Dana Cologne Technology Center GmbH	Germany
Dana Comercializadora, S. de R.L. de C.V.	Mexico
Dana Commercial Vehicle Manufacturing, LLC	Ohio
Dana Commercial Vehicle Products, LLC	Ohio
Dana de México Corporacion, S. de R.L. de C.V.	Mexico
Dana de México Holdings S. de R.L. de C.V.	Mexico
Dana (Deutschland) Grundstuckverwaltungs GmbH	Germany
Dana Distribution Holdings, Inc.	Delaware
Dana Driveshaft Manufacturing, LLC	Ohio
Dana Driveshaft Products, LLC	Ohio
Dana Equipamentos Ltda.	Brazil
Dana Europe GmbH	Switzerland
Dana European Holdings Luxembourg S.à r.l.	Luxembourg
Dana Financing Luxembourg S.à r.l.	Luxembourg
Dana Fluid Power Distribution S.r.l.	Italy
Dana Fluid Power Veneto S.r.l.	Italy
Dana Global Luxembourg S.à r.l.	Luxembourg
Dana Global Manufacturing S.à r.l.	Switzerland
Dana Global Products, Inc.	Michigan
Dana GmbH	Germany
Dana Graziano S.r.l	Italy
Dana Graziano (Suzhou) Drive Systems Co., Ltd.	China
Dana Heavy Axle Mexico S.A. de C.V.	Mexico
Dana Heavy Vehicle Systems Group, LLC	Ohio
Dana Holding GmbH	Germany
Dana Holdings SRL	Argentina
Dana Hong Kong Holding Limited	Hong Kong
Dana Hungary kft	Hungary
Dana India Private Limited	India
Dana India Technical Centre Private Limited	India
Dana Industrias Ltda.	Brazil
Dana International Luxembourg S.à r.l.	Luxembourg
Dana Investment GmbH	Germany
Dana Italia, S.r.l.	Italy
Dana Japan, Ltd.	Japan
Dana Korea Co. Ltd.	Korea
Dana Laval Technology Center ULC	Canada



**Name of Company****Jurisdiction of Incorporation or Organization**

Dana Light Axle Manufacturing, LLC	Ohio
Dana Light Axle Products, LLC	Ohio
Dana Limited	Ohio
Dana Lindley Technology Centre Limited	United Kingdom
Dana Lithuania UAB	Lithuania
Dana Manufacturing Switzerland GmbH	Switzerland
Dana Motion Systems Deutschland GmbH	Germany
Dana Motion Systems Italia S.r.l.	Italy
Dana Off Highway Products, LLC	Ohio
Dana Off-Highway Components, LLC	Ohio
Dana Off-Highway (Yancheng) Drive Systems Co., Ltd.	China
Dana Power Transmission France	France
Dana SAC Australia Pty Ltd	Australia
Dana SAC Benelux B.V.	Netherlands
Dana SAC Canada Limited	Canada
Dana SAC Finland Oy	Finland
Dana SAC France	France
Dana SAC Germany GmbH	Germany
Dana SAC Holding B.V.	Netherlands
Dana SAC Ireland Limited	Ireland
Dana SAC Korea Co., Ltd.	Korea
Dana SAC New Zealand Limited	New Zealand
Dana SAC Norway AS	Norway
Dana SAC S.E. Asia Pte. Ltd.	Singapore
Dana SAC South Africa (PTY) Ltd	South Africa
Dana SAC South America Industria E Comercio De Transmissoes Ltda	Brazil
Dana SAC Spain S.A.	Spain
Dana SAC Turkey Reduktor Sanayi Ve Ticaret Limited Sirketi	Turkey
Dana SAC UK Limited	United Kingdom
Dana SAC USA Inc.	Ohio
Dana San Luis S.A.	Argentina
Dana SAS	France
Dana Sealing Manufacturing, LLC	Ohio
Dana Sealing Products, LLC	Ohio
Dana (Shandong) Electric Motor Co., Ltd.	China
Dana Spicer Axle South Africa (Pty) Ltd.	South Africa
Dana Spicer Europe Limited	United Kingdom
Dana Spicer (Shanghai) Trading Co., Ltd.	China
Dana Spicer (Thailand) Limited	Thailand
Dana System Integrator Holdings LLC	Delaware
Dana Thermal Products, LLC	Ohio
Dana TMB, LLC	Delaware
Dana TM4 Deutschland GmbH	Germany
Dana TM4 Electric Holdings BV	Belgium
Dana TM4 Hungary kft	Hungary
Dana TM4 Inc.	Canada
Dana TM4 India Private Limited	India
Dana TM4 Italia S.r.l.	Italy
Dana TM4 Sweden AB	Sweden
Dana TM4 UK	United Kingdom
Dana TM4 USA, LLC	Delaware
Dana UK Automotive Systems Limited	United Kingdom
Dana UK Axles Limited	United Kingdom
Dana UK Driveshaft Limited	United Kingdom
Dana World Trade Corporation	Delaware
Dana (Wuxi) Technology Co. Ltd.	China
Dana (Yancheng) Power Technology Co., Ltd.	China
Elveveien 38 AS (Norway)	Norway
Fairfield Manufacturing Company, Inc.	Delaware
Fujian Spicer Drivetrain System Co., Ltd.	China

**Name of Company   Jurisdiction of Incorporation or Organization**

Graziano Transmissioni India Pvt. Ltd.	India
Industria de Ejes y Transmisiones S.A.	Colombia
Kiinteisto Oy Espoon Luoteisrinne 7	Finland
Pi Innovo LLC	Delaware
Reinz-Dichtungs-GmbH	Germany
SF Dana Mexico, S. de R.L. de C.V.	Mexico
Shanghai Brevini Gearboxes Co. Ltd.	China
Spicer Axle Australia Pty Ltd.	Australia
Spicer Ayra Cardan, S.A.	Spain
Spicer Ejes Pesados S.A.	Argentina
Spicer France S.A.S.	France
Spicer Gelenkwellenbau GmbH	Germany
Spicer Heavy Axle & Brake, Inc.	Michigan
Spicer Nordiska Kardan AB	Sweden
Tecnologia de Mocion Controlada S. de R.L. de C.V.	Mexico
T-H Licensing, Inc.	Delaware
Thermal Products France SAS	France
Transejes Ecuador CIA. Ltda.	Ecuador
Transejes Transmisiones Homocineticas de Colombia S.A.	Colombia
Victor Reinz India Private Limited	India
Victor Reinz Valve Seals, L.L.C.	Indiana
Warren Manufacturing LLC	Delaware
Wrenford Insurance Company Limited	Bermuda

\* Subsidiaries not shown by name in the above list, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-181101, 333-219611 and 333-258303) of Dana Incorporated of our report dated February 20, 2024 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Toledo, Ohio

February 20, 2024

**POWER OF ATTORNEY**

Each of the undersigned directors and/or officers of Dana Incorporated, a corporation organized under the laws of the State of Delaware (the "Corporation"), hereby constitutes and appoints Douglas H. Liedberg and Joseph H. Heckendorn, his or her true and lawful attorney-in-fact and agent with full power for and on their behalf to do any and all acts and things and execute any and all instruments which the attorney-in-fact and agent may deem necessary or advisable in order to enable Dana Incorporated to comply with the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission, in connection with the Annual Report of Dana Incorporated on Form 10-K for the year ended December 31, 2023 and any and all amendments thereto, and to file the same with the Securities and Exchange Commission on behalf of Dana Incorporated under the Securities Exchange Act of 1934, as amended. Each of the undersigned ratifies and confirms all that any of the attorneys-in-fact and agents shall do or cause to be done by virtue hereof. Any one of the attorneys-in-fact and agents shall have, and may exercise, all the powers conferred by this instrument.

This Power of Attorney shall be effective as of February 20, 2024, and shall end automatically as to each undersigned upon the termination of their service as a director and/or officer of Dana Incorporated.

/s/ Ernesto M. Hernández  
Ernesto M. Hernández

/s/ Steven D. Miller  
Steven D. Miller

/s/ Gary Hu  
Gary Hu

/s/ Diarmuid B. O'Connell  
Diarmuid B. O'Connell

/s/ Virginia A. Kamsky  
Virginia A. Kamsky

/s/ Keith E. Wandell  
Keith E. Wandell

/s/ Bridget E. Karlin  
Bridget E. Karlin

/s/ James K. Kamsickas  
James K. Kamsickas

/s/ Michael J. Mack, Jr.  
Michael J. Mack, Jr.

/s/ Timothy R. Kraus  
Timothy R. Kraus

/s/ R. Bruce McDonald  
R. Bruce McDonald

/s/ James D. Kellett  
James D. Kellett



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James K. Kamsickas, certify that:

1. I have reviewed this Annual Report on Form 10-K of Dana Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ James K. Kamsickas

James K. Kamsickas

*Chairman, President and Chief Executive Officer*

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Timothy R. Kraus, certify that:

1. I have reviewed this Annual Report on Form 10-K of Dana Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ Timothy R. Kraus

Timothy R. Kraus

*Senior Vice President and Chief Financial Officer*

## CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report of Dana Incorporated (Dana) on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), each of the undersigned officers of Dana certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Dana as of the dates and for the periods expressed in the Report.

Date: February 20, 2024

/s/ James K. Kamsickas

James K. Kamsickas

*Chairman, President and Chief Executive Officer*

/s/ Timothy R. Kraus

Timothy R. Kraus

*Senior Vice President and Chief Financial Officer*